TYBAF SEM VI

PRACTICE QUESTIONS

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

- If the mean return and the standard deviation of a Mutual fund A is 24 and 22 % respectively. Beta is 1.8. Risk free rate of return was 7 %. Calculate the Treynor and Sharpe measure.
 - a. Treynor = 77.27 and Sharpe = 9.44
 - b. Treynor = 9.44 and Sharpe = 77.27
 - c. Sharpe = 62.5 and Treynor = 8.33
 - d. Sharpe = 8.33 and Treynor =62.5

<mark>Answer- (b)</mark>

2. Calculate the Stock with the help of given information:

Quick ratio is 1.5 : 1.

Working Capital = Rs.60,000.

Current Ratio = 2.5 :1

- a. 100000
- b. 40000
- c. 60000
- d. 20000

<mark>Answer – (b)</mark>

- 3. There are two types of patterns Reversal and
 - a. Continuation
 - b. Repeat
 - c. Wave
 - d. Moving

<mark>Answer – (a)</mark>

- 4. An investor has Rs.50000 to invest in the stock of RIL. The beta of RIL is 2 and risk-free rate of return is 6%. Expected rate on the market is 11% and that on the stock is 14%. Calculate the expected return on stock using CAPM.
 - a. 16%
 - b. 22%
 - c. 14%
 - d. 17%

<mark>Answer – (a)</mark>

- Calculate the beta of a security when the following information is given-Returns on security for year 1 and 2 are 10% and 12% respectively.
 Returns on market portfolio for year 1 and 2 are 12% and 14% respectively.
 - a. 0
 - b. 1

- c. 2
- d. 4

<mark>Answer – (b)</mark>

- Ms. Avika purchased 50 shares at Rs.200 each on 1st Jan 2020. She sold all the holdings on 31st March, 2020 for Rs. 350 per share. Calculate her holding period return.
 - a. 50%
 - b. 75%
 - c. 42.85%
 - d. 35%

<mark>Answer – (b)</mark>

- Equity Share capital = Rs. 2,32,570 ; 8% Preference Shares = Rs.1,00,000 ; General Reserve = Rs. 61,560 ; Profit & Loss= Rs, 62,280 ; 8% Debentures = Rs. 92,500 ; EBIT = Rs. 1,34,400 ; Tax= 50%. Calculate Return on Capital Employed.
- a) 10.11%
- b) 37.71%
- c) 24.48%
- d) 11.57%

<mark>Answer - C</mark>

- 8. Mr. Ankit purchased 400 shares of L Ltd. @ Rs. 60 each on 1 Jan, 2019. Dividends received for the year 2019 were Rs. 1200. He sold all his holdings for Rs. 35,000 on 1 Jan, 2020. Calculate Annualized Returns.
- a) 45.83%
- b) 40.13%
- c) 50.83%
- d) 46.33%

<mark>Answer - C</mark>

- 9. Technical analysis reflects the idea that stock prices moves.....
- a) upward over time
- b) inversely over time
- c) in trends
- d) randomly

<mark>Answer - C</mark>

- 10. Theprovides a simplified method of representing the covariance relationship among the securities.
- a) multi index model
- b) single index model
- c) Index model
- d) Random Walk Theory

<mark>Answer - B</mark>

11. The selection of the portfolio depends on the investor's risk aversion, or conversely on his risk tolerance.

- a) Reinvestment
- b) Risky
- c) Optimal
- d) Credit

<mark>Answer - C</mark>

- 12. Returns on security are 10%, 12% and 14% and Returns on Market Portfolio are 11%, 8% and 14% respectively for 3 years. Calculate the Covariance of the security with the market.
- a) 2.5
- b) 3.5
- c) 5
- d) 6

<mark>Answer - D</mark>

Financial Management - III

- 1. Capital employed at the end of the year is Rs. 5,30,000. Profit earned during the year is Rs. 40,000. Average capital employed will be Rs.
 - a. 4,40,000
 - b. 4,90,000
 - c. 5,10,000
 - d. 5,90,000
- 2. Calculate MVA from the following information: Market value of shares is Rs. 60,00,000 Capital Employed is Rs. 45,00,000.
 - a. 1,05,00,000
 - b. 45,00,000
 - c. 60,00,000
 - d. 25,00,000
- 3. If a company's EPS is Rs. 15 and its share price is Rs. 150, what will be the P/E ratio?
 - a. 15
 - b. 10
 - c. 30
 - d. 45
- 4. An Acquisition is a same thing as
 - a. Spin off
 - b. Take over
 - c. Merger
 - d. Amalgamation
- 5. Merger of two companies under BIFR Supervision is known as
 - a. Reverse merger
 - b. Negotiated merger
 - c. Offer for sale
 - d. Arranged merger
- 6. In lease system, interest is calculated on
 - a. Cash down payment

- b. Cash price outstanding
- c. Hire purchase price
- d. Total lease amount
- 7. Lease system is governed by
 - a. AS-19
 - b. AS-21
 - c. AS-3
 - d. AS-14
- 8. Current asset amounts to Rs. 60,000 and current liabilities amounts to Rs. 40,000. What will be current ratio?
 - a. 4:6
 - b. 2:3
 - c. 3:2
 - d. 1
- 9. Commercial papers is a type of
 - a. Fixed coupon bond
 - b. Unsecured short-term debt
 - c. Equity share capital
 - d. Government bonds
- 10. If fair value of share is Rs. 20 and Intrinsic Value of share is 20. Then what will be its Yield
 - Value?
 - a. 20
 - b. 40
 - c. 60
 - d. 80

Answers:

1	С
2	d
3	b
4	b
5	d
6	b
7	а
8	С
9	b
10	а

Cost Accounting III

Sr.No.	Question	Option A	Option B	Option C	Option D	Correct Answer
1.	Budgeted sales 5,000 units @ 20 per unit. VC is Rs.8 per unit and Fixed Cost Rs.24,000. Profit on sale will be:	Rs.24,000	Rs.30,000	Rs.36,000	Rs.60,000	Rs.36,000
2.	Standard costing is one of the tool of	Planning	Organizing	Directing	Controllin g	Controlling
3.	Where key factor is present, from alternative best project must be selected on the basis of:	PV Ratio	Contribution per Unit	BEP	Contributi on per key factor	Contributio n per key factor
4.	Sales price per unit Rs.10, Variable cost Rs.8 per unit and fixed cost is Rs.20,000, then BEP in units is	10,000	12,000	8,000	12,500	10,000
5.	Budgeted sales is Rs.3,00,000 and Actual Sales is Rs.4,20,000. Sales Value Variance is	1,20,000 (F)	1,20,000(A)	7,20,000(F)	1,50,000(A)	1,20,000 (F)
6.	Which of the following is the limitation of marginal costing?	Separation of costs into Fixed and Variable is difficult	Marginal costing does not help in profit planning	Marginal costing does not help in taking Managerial Decisions	Marginal costing does not help in productio n planning	Separation of costs into Fixed and Variable is difficult
7.	Contribution to sales ratio of a company is 40%, therefore variable cost is how much percentage of sales	40%	60%	100%	Cannot be determine d	60%
8.	Contribution per unit of Product A, B, C and D is Rs. 20, 15, 30 and 25 respectively. Raw material in kgs required per unit	Product A	Product B	Product C	Product D	Product A

of A, B, C and D is:			
2 kg, 5 kg, 10 kg and			
5 kg respectively.			
Which product is			
more profitable if			
raw material			
availability is the			
limiting factor?			

Financial Accounting – Paper VII

- 1. The aim of co-operative societies is
- a) Service
- b) Profit
- c) Social Welfare
- d) Charity

2. XYZ buys 200 debentures of nominal value of Rs. 100 each of LMC Ltd at Rs. 98 (ex-interest) on 1^{st} March, 2012 from ABC. Interest @ 12 % p.a is to be paid half-yearly on 30^{th} June and 31^{st} December. Total Payment made by XYZ is

- a) Rs. 19600
- b) Rs. 20200
- c) Rs. 20000
- d) Rs. 19800
- 3. All mutual funds are registered with _____
- a) RBI
- b) Registrar
- c) Indian Companies Act 1956
- d) SEBI
- 4. ______ is the amount contributed from members to be utilized for replacement of the asset or reconstructing the building after its useful life is over.
- a) Repairs Fund
- b) Sinking Fund
- c) Reserve Fund
- d) Other Reserves
- ABC sells 100 Debentures of nominal value of Rs. 100 each of ICICI Ltd at Rs. 101 (Cum Interest) on 1/3/2012 to XYZ. Interest at 12 % p.a is to be paid half-yearly on 30th June and 31st December. Total amount received is
- a) Rs. 10000
- b) Rs. 10100
- c) Rs. 9800
- d) Rs. 9900

- 6. Income from Non-occupancy charges, parking charges, outsiders occupancy charges are credited to ______ A/c
- a) Repairs and Maintenance Fund A/c
- b) Sinking Fund A/c
- c) Reserve Fund A/c
- d) General Fund A/c
- 7. Mains under Electricity Company Final Account will be written under the head ______.
- a) Current Assets
- b) Reserves
- c) Fixed Assets
- d) Non-Current Liabilities
- A person can earn 12% by investing in Equity shares on his own. Now he is considering a recently announced equity based mutual fund scheme in which initial expenses 5% and annual recurring expenses are 1.5%. How much should the Mutual Fund earn to provide him a return of 10%
 - a. 11.04%
 - b. 12.02%
 - c. 12.63%
 - d. 12.98%
- 9. XYZ Mutual fund had a net asset value of Rs. 10 at the beginning of a month, Made income and Capital Gain distribution of Rs. 0.05 and 0.02 respectively per unit during the month. The fund ended the month with a net asset value of Rs. 10.08. The monthly rate of return of XYZ mutual fund is
 - a. 1.5%
 - b. 1.9%
 - c. 2.0%
 - d. 2.2%
- 10. Exploration and evaluation assets
 - a. IFRS 5
 - b. IFRS 6
 - c. IFRS 7
 - d. IFRS 8

Economics III (Indian Economy)

- 1. The term density of population refers to the average number of persons living per _____
 - a. Cubic Meter
 - **b.** Square foot
 - c. Square Kilometre
 - d. Kilometre

- - a. Hasty
 - b. quick
 - c. stressful
 - d. distress

3. _____ is one of the bases of classification of pattern of industrialisation.

- a. Ownership
- **b.** population
- c. community
- d. technology
- 4. _____ is not the objective of disinvestment policy.
 - a. Raising productive efficiency
 - b. Reduce public interference
- c. Raising resources
- **d.** To increase the role of Government
- 5. Service sector covers _____ as one of the activities
 - a. Automobile
 - **b.** FMCG
 - c. Healthcare
 - d. Commodities
- 6. Full Form of GIC is _____
 - **a.** Generic Insurance Corporation
 - **b.** Government Investment Corporation
 - c. Growth Insurance Corporation
 - d. General Insurance Corporation
- 7. ASEAN currently has _____ member countries
 - **a.** 10
 - **b.** 15
 - **c.** 5
 - **d.** 20
- 8. The objective of SAARC is to promote co-operation and growth in the field of ______
 - a. Religion
 - **b.** Economics
 - c. Politics
 - d. Culture
- 9. _____ is one of the components of money market
 - a. Instruments
 - b. shares
 - c. Gilt edge securities
 - d. commodities

- 10. Full form of SLR is _____
 - a. State Lending Ratio
 - **b.** Slow lending Rate
 - c. Statutory Liquidity Ratio
 - **d.** Selling Lending Ratio

Answers:

Question No.	Answers
1	C
2	d
3	a
4	d
5	C
6	d
7	a
8	b
9	а
10	C

Indirect Taxes

- Assessable value of the goods imported is Rs. 70,000. Basic customs duty and SWS applicable total to Rs. 9,200. IGST @ 12% applicable. IGST payable shall be Rs. ______
 - a. 8,400
 - b. 9,200
 - c. 9206
 - d. 9504
- 2. An E-commerce operator has made gross taxable supplies of Rs.30,000. And sales returns were of Rs. 5,000. TCS applicable shall be Rs. _____
 - a. 250
 - b. 500
 - c. NIL
 - d. 1000
- 3. Goods imported at CIF price of Rs.90,000 and transportation cost Rs. 22,000 and insurance cost Rs. 5,000. FOB price shall be Rs. _____
 - a. 63000
 - b. 85000
 - c. 90000
 - d. 117000
- 4. IGST is applicable on_____
 - a. Intra-state supply
 - b. Inter-state supply
 - c. Supply within same Union territory having own Act
 - d. Supply within same Union territory not having own Act

- 5. GST payable Rs. 12,000 for the month November 2019 was paid on 13th December 2019. Interest payable on this delayed payment is Rs. _____
 - a. Nil
 - b. 18
 - c. 20
 - d. 25

6. Goods under Customs Act does not include_____--

- a. Vessels
- b. Aircraft
- c. Vehicles
- d. Immovable property
- 7. Safeguard duty is calculated on_____
 - a. Assessable Value
 - b. Assessable Value + Basic customs
 - c. Assessable Value + IGST + Basic
 - d. Basic Customs Duty
- 8. Social Welfare Surcharge is calculated@ ___%
 - a. 2
 - b. 3
 - c. 5
 - d. 10
- 9. Anti Dumping Duty is levied in case of _____
 - a. Imports at a price less than nominal value
 - b. Increased quantity of imports causing serious injury to domestic industry
 - c. The foreign country providing subsidy in relation to such product
 - d. Illegal imports
- 10. TDS is applicable in case the supply amount is exceeding Rs. _____
 - a. 2 lakhs
 - b. 2.5 lakhs
 - c. 5 lakhs