## TYBAF SEM VI

## PRACTICE QUESTIONS

## SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

1. 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. $\quad$ Treynor $=77.27$ and Sharpe $=9.44$
b. $\quad$ Treynor $=9.44$ and Sharpe $=77.27$
c. $\quad$ Sharpe $=62.5$ and Treynor $=8.33$
d. $\quad$ Sharpe $=8.33$ and Treynor $=62.5$

## Answer- (b)

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

Answer - (b)
3. There are two types of patterns - Reversal and $\qquad$
a. Continuation
b. Repeat
c. Wave
d. Moving

Answer - (a)
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. $17 \%$

Answer - (a)
5. 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

## Answer - (b)

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

Answer - (b)
7. 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) $11.57 \%$

Answer - C
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) $46.33 \%$

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

## Answer- C

10. The $\qquad$ .provides 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

Answer - B
11. The selection of the $\qquad$ portfolio depends on the investor's risk aversion, or conversely on his risk tolerance.
a) Reinvestment
b) Risky
c) Optimal
d) Credit

Answer - C
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

Answer - D

## 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 $\mathrm{P} / \mathrm{E}$ ratio?
a. 15
b. 10
c. 30
d. 45
4. An Acquisition is a same thing as $\qquad$
a. Spin off
b. Take over
c. Merger
d. Amalgamation
5. Merger of two companies under BIFR Supervision is known as $\qquad$
a. Reverse merger
b. Negotiated merger
c. Offer for sale
d. Arranged merger
6. In lease system, interest is calculated on $\qquad$
a. Cash down payment
b. Cash price outstanding
c. Hire purchase price
d. Total lease amount
7. Lease system is governed by $\qquad$
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 $\qquad$
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 | c |
| :--- | :--- |
| 2 | d |
| 3 | b |
| 4 | b |
| 5 | d |
| 6 | b |
| 7 | a |
| 8 | c |
| 9 | b |
| 10 | a |

## Cost Accounting III

| Sr.No. | Question | Option A | Option B | Option C | Option D | Correct <br> 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 <br> 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 | $\begin{aligned} & \hline 1,20,000 \\ & \text { (F) } \end{aligned}$ | 1,20,000(A) | 7,20,000(F) | $1,50,000($ <br> A) | $\begin{aligned} & 1,20,000 \\ & \text { (F) } \end{aligned}$ |
| 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 |



## 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 $1^{\text {st }}$ March, 2012 from ABC. Interest @ $12 \%$ p.a is to be paid half-yearly on $30^{\text {th }}$ June and $31^{\text {st }}$ 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 $\qquad$
a) RBI
b) Registrar
c) Indian Companies Act 1956
d) SEBI
4. $\qquad$ 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
5. $A B C$ 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 $30^{\text {th }}$ June and $31^{\text {st }}$ 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 $\qquad$ 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 $\qquad$ .
a) Current Assets
b) Reserves
c) Fixed Assets
d) Non-Current Liabilities
8. 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 $\qquad$
a. Cubic Meter
b. Square foot
c. Square Kilometre
d. Kilometre
2. When farmers sell their land in haste due to various reasons, such sale is termed as $\qquad$ sale
a. Hasty
b. quick
c. stressful
d. distress
3. $\qquad$ is one of the bases of classification of pattern of industrialisation.
a. Ownership
b. population
c. community
d. technology
4. $\qquad$ 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 $\qquad$ as one of the activities
a. Automobile
b. FMCG
c. Healthcare
d. Commodities
6. Full Form of GIC is $\qquad$
a. Generic Insurance Corporation
b. Government Investment Corporation
c. Growth Insurance Corporation
d. General Insurance Corporation
7. ASEAN currently has $\qquad$ 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 $\qquad$
a. Religion
b. Economics
c. Politics
d. Culture
9. $\qquad$ is one of the components of money market
a. Instruments
b. shares
c. Gilt edge securities
d. commodities
10. Full form of SLR is $\qquad$
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 | a |
| 10 | c |

## Indirect Taxes

1. 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. $\qquad$
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. $\qquad$
a. 63000
b. 85000
c. 90000
d. 117000
4. IGST is applicable on $\qquad$
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 $13^{\text {th }}$ December 2019. Interest payable on this delayed payment is Rs. $\qquad$
a. Nil
b. 18
c. 20
d. 25
6. Goods under Customs Act does not include $\qquad$ --
a. Vessels
b. Aircraft
c. Vehicles
d. Immovable property
7. Safeguard duty is calculated on $\qquad$
a. Assessable Value
b. Assessable Value + Basic customs
c. Assessable Value + IGST + Basic
d. Basic Customs Duty
8. Social Welfare Surcharge is calculated@ $\qquad$ \%
a. 2
b. 3
c. 5
d. 10
9. Anti Dumping Duty is levied in case of $\qquad$
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. $\qquad$
a. 2 lakhs
b. 2.5 lakhs
c. 5 lakhs
d. No limit is applicable
