

114/2025

Maximum : 100 marks

Time : 1 hour and 30 minutes

1. Statement :

"Depreciation is charged on fixed assets every year."

Assumptions :

1. Fixed assets lose value with time.
2. Depreciation ensures fair reporting of asset values.

Choose the correct assumption to the statement.

- (A) Only Assumption 1
(B) Only Assumption 2
(C) Both Assumptions are correct
(D) Neither is correct

2. Statement :

"Accrual basis is better than cash basis for large businesses".

Assumptions :

1. Accrual basis records income and expenses when they occur.
2. Large businesses do not have cash transactions.

Choose the matching assumption(s) :

- (A) Only 1 matches
(B) Only 2 matches
(C) Both matches
(D) Neither matches

3. In computerized accounting, the database where all accounting data is stored is called :

- (A) Ledger
(B) Journal
(C) Data File
(D) Report File

4. Which schedule of the Companies Act specifies the format for preparing company balance sheets?

- (A) Schedule I
(B) Schedule III
(C) Schedule IV
(D) Schedule V

5. Commission paid to consignee for sales above a certain price is called :

- (A) Ordinary Commission
(B) Overriding Commission
(C) Del Credere Commission
(D) Brokerage

6. On dissolution, the loan from a partner is :

- (A) Credited to Realisation Account
- (B) Debited to Realisation Account
- (C) Paid before outsider's liabilities
- (D) Paid after outsider's liabilities

7. The accounting standard related to "Cash Flow Statements" is :

- (A) AS 1
- (C) AS 5

- (B) AS 3
- (D) AS 10

8. The principle that revenue is recognized when it is earned, regardless of when cash is received, is called :

- (A) Matching Principle
- (B) Revenue Recognition Principle
- (C) Cost Principle
- (D) Consistency Principle

9. Statement :

"Insolvency of a partner requires revaluation of partnership assets and liabilities"

Assumptions :

1. Insolvency affects the financial position of a partnership firm
2. The insolvent partner's capital account will always have a credit balance.

Which of these assumptions are implicit in the statement?

- (A) Only assumption 1 is implicit
- (B) Only assumption 2 is implicit
- (C) Both 1 and 2 are implicit
- (D) Neither 1 nor 2 is implicit

10. Match the accounting concepts with their explanations :

Column A

1. Going Concern Concept
2. Money Measurement Concept
3. Entity Concept
4. Accrual Concept

- (A) 1-D, 2-B, 3-C, 4-A
- (C) 1-C, 2-B, 3-D, 4-A

Column B

- A. Business and owner are separate entities
- B. Business will continue for the foreseeable future
- C. Only transactions measurable in money are recorded
- D. Revenue and expenses are recorded when they are incurred, not when cash is paid/received

- (B) 1-B, 2-A, 3-C, 4-D
- (D) 1-B, 2-C, 3-A, 4-D

15. Consider the following statements regarding working capital requirements :
- (i) In highly competitive markets, firms need to maintain higher working capital due to larger inventories and receivables.
 - (ii) Prompt and adequate supply allows firms to maintain low inventory levels.
 - (iii) If raw materials are available only seasonally, firms may need to carry large inventories year-round.

Which of the above statements are correct?

- (A) Only (i) and (ii)
- (B) Only (i) and (iii)
- (C) Only (ii) and (iii)
- (D) All (i), (ii) and (iii)

16. Which of the following are valid methods of improving liquidity?

- (i) Increasing the stock turnover to release tied-up funds.
- (ii) Postponing capital expenditures that are not urgent.
- (iii) Maintaining a high inventory level to ensure smooth production.

- (A) Only (i) and (ii)
- (B) Only (i) and (iii)
- (C) Only (ii) and (iii)
- (D) All (i), (ii) and (iii)

17. Consider the following statements about financial conditions and dividend policy :

- (i) Liquidity constraints have no effect on dividend decisions if profits are available.
- (ii) A company with high financial leverage prefers to retain more earnings.
- (iii) Bonus shares can be issued to psychologically satisfy shareholders without actual cash outflow.

Which of the above statements are correct?

- (A) Only (i) and (ii)
- (B) Only (i) and (iii)
- (C) Only (ii) and (iii)
- (D) All (i), (ii) and (iii)

18. Consider the following statements about gross working capital and net working capital :
- (i) Gross working capital refers to the total investment in current assets.
 - (ii) Net working capital is the difference between current assets and current liabilities.
 - (iii) Net working capital always remains positive for all firms.

Which of the above statements are correct?

- (A) Only (i) and (ii)
- (B) Only (i) and (iii)
- (C) Only (ii) and (iii)
- (D) All (i), (ii) and (iii)

19. Consider the following statements about cost of equity capital :

- (i) Internal equity is raised through retained earnings.
- (ii) External equity refers to the issue of new shares.
- (iii) External equity is always cheaper than internal equity.

Which of the above statements are correct?

- (A) Only (i) and (ii)
- (C) Only (ii) and (iii)

- (B) Only (i) and (iii)
- (D) All (i), (ii) and (iii)

20. Consider the following statements regarding capital market conditions and capital structure :

- (i) Capital market conditions have little influence on the company's financing decisions.
- (ii) In boom periods, companies may raise equity easily due to high share prices and lower flotation costs.
- (iii) During depression or uncertain periods, companies may prefer debt over equity.

Which of the above statements are correct?

- (A) Only (i) and (ii)
- (C) Only (ii) and (iii)

- (B) Only (i) and (iii)
- (D) All (i), (ii) and (iii)

21. Calculate 'Economic Order Quantity' from the following :

(Amounts are in Rupees).

Consumption per month-5000 Units; Price per Unit-20; Carrying cost per year-10%; Cost of placing and receiving an order-150

- (A) 866
- (C) 2700

- (B) 3000
- (D) 2340

22. Consider the following statements on Time Keeping and Time Booking. Identify the statement that is **wrong** :

- (A) Time Keeping is a system of recording the arrival and departure time of the workers
- (B) Time Booking is a system of recording the time spend by the worker on each job
- (C) Time Keeping is for administrative purpose while Time Booking is for costing purpose
- (D) Attendance register is a method of Time Keeping while Time Recording Clock is a method of Time Booking

23. Consider the following statements on 'Supplementary Rate Method' of treating under/over absorption of overheads. Identify the statement that is **wrong** :
- (A) This method is used when the amount of under/over absorbed overheads are large
 - (B) It is used when the under/over absorption of overheads are due to abnormal reasons
 - (C) In the case of under absorption, supplementary rates are positive and for over absorption it is negative
 - (D) Supplementary rates are calculated by dividing the amount of under/over absorption by the 'actual base'
24. Calculate 'Profit/Volume Ratio' from the following.
Net Sales: 215000 (Year1) 245000 (Year2) ;
Total Cost: 180000 (Year1) 198000 (Year2)
- (A) 25%
 - (B) 43%
 - (C) 40%
 - (D) 35%
25. Following statements are on 'Standard Costing'. Identify the **wrong** statement :
- (A) It is a cost control system / technique
 - (B) The standards are established on the basis of scientific calculations
 - (C) It can be applied only after identifying 'cost centres' with defined areas of responsibility
 - (D) Standard costing can be used only by a firm with historical cost data
26. Consider the following situations. Identify in which situation 'Time Rate' system of wage payment is not considered as best :
- (A) The job requires collective effort of a group of individuals
 - (B) The job require high quality and skilled workmanship
 - (C) The job require skills that are repeatedly applied with the help of tools
 - (D) The job is such that it require close supervision
27. Consider the following statements on Cost Control and Cost Reduction. Identify the **wrong** one :
- (A) Cost control refers to executive actions of controlling cost to a previously fixed amount
 - (B) Cost reduction aim in reducing wastage and expenses and also increased production
 - (C) Cost control is preventive function while cost reduction is a corrective function
 - (D) Cost control is mainly applied on labour costs whereas cost reduction is applied mainly on material and overhead costs

28. Consider the following statements on 'Marginal Costing'. Identify the statement that is wrong :
- (A) Only variable costs are treated as production cost
 - (B) It is a method of costing like job costing or process costing.
 - (C) All fixed costs are written off from the profit for that period
 - (D) The value of the closing stock comprises only the variable cost components
29. _____ is a responsibility centre for which costs are ascertained and accumulated for the purpose of control.
- (A) Cost Centre
 - (B) Contribution Centre
 - (C) Control Centre
 - (D) Outlay Centre
30. Consider the following statements on Overheads in Costing. Identify the statement that is wrong :
- (A) Overheads are basically classified into two - direct and indirect.
 - (B) Overheads includes indirect expenses
 - (C) Overheads can be further divided into production, administration and selling and distribution
 - (D) Overheads are distributed among various cost centres in an organisation
31. Which principle of management is concerned with "right place for everything and for every man"?
- (A) Equity
 - (B) Order
 - (C) Discipline
 - (D) Scalar chain
32. What are the Big five personality traits as per five factor model theory?
- (A) Neuroticism, Extraversion, Openness, Advanced
 - (B) Neuroticism, Extravasation, Openness, Agreeableness
 - (C) Neuroticism, Extraversion, Openness, Agreeableness
 - (D) Neuroticism, Extraversion, Operations, Agreeableness
33. Who is the developer of Total Quality Management?
- (A) Armand V. Feigenbaum
 - (B) W. Edward Deming
 - (C) Walter A. Shewhart
 - (D) Dr. J.J. Irani

34. What is the Paternalistic leadership style?
(A) Ideographic model
(C) Fatherly benevolence
(B) Authoritarian style
(D) Complete freedom
35. Who is the father of administrative management theory?
(A) Henry Fayol
(C) Elton Mayo
(B) F.W. Taylor
(D) Robert Kaplan
36. _____ is the combining of several activities from a vertical cross section of the organisation into one job to provide the worker with more autonomy and responsibility, represents an increase in job depth.
(A) Job enlargement
(C) Job design
(B) Job enrichment
(D) Job empowerment
37. The informal transmission of information, gossip or rumour from person to person is called as :
(A) Grapevine communication
(C) Casual communication
(B) Informal communication
(D) Scalar chain communication
38. "The leader who holding positive expectations for followers and they believing that they can do their best, as a result they inspire, empower, stimulate followers to exceed their normal performance level". Identify the above leadership style.
(A) Transformational leader
(C) Transactional leader
(B) Laissez - faire leader
(D) Democratic leader
39. Who introduced Differential Piece rate wage system?
(A) Fredrick Winslow Taylor
(C) Fredrick Edward Taylor
(B) Fredrick Maslow Taylor
(D) Fredrick Henry Taylor
40. A short-term plan at lower levels of management based on past performance of the organisation and is less uncertain :
(A) Strategic plan
(C) Proactive plan
(B) Corporate plan
(D) Tactical plan

41. Find the TRUE statements from the following :

- (i) The concept of elasticity of demand was introduced by Alfred Marshal
 - (ii) Perfectly inelastic demand means that the elasticity is equal to zero
 - (iii) Relatively elastic demand refers to a situation where the elasticity is less than one.
- (A) Statements (i) and (iii) alone are true
(B) Statements (i) and (ii) alone are true
(C) Statements (ii) and (iii) alone are true
(D) All statements are true

42. Which of the following statements are WRONG with regard to the elasticity of demand?

- (i) Price elasticity of demand is calculated by dividing the proportionate change in the quantity demanded with the proportionate change in the price.
 - (ii) Negative Income Elasticity refers to a situation where the increase in income leads to a corresponding increase in the quantity demanded.
 - (iii) Advertisement elasticity of demand measures the degree of change in the quantity demanded for a given change in the advertisement cost.
- (A) Statement (i) alone is wrong
(B) Statement (ii) alone is wrong
(C) Statement (iii) alone is wrong
(D) All the statements are wrong

43. Identify the CORRECT statements from the following :

- (i) Change in the demand due to change in factors such as income, population, taste and preference (other than price) is called Extension or Contraction of demand.
 - (ii) Change in the demand due to a change in the price (other things remain constant) is called as Shift in demand
 - (iii) When the demand of commodity is related with the price of other commodity, it is called Cross demand.
- (A) Statement (i) alone is correct
(B) Statement (ii) alone is correct
(C) Statement (iii) alone is correct
(D) All statements are correct

44. Identify the FALSE statements with regard to demand forecasting :

- (i) Demand estimation means finding future values of demand where as demand forecasting involves finding the current demand
 - (ii) Consumer clinics method of demand forecasting involves giving some amount of money to selected group of consumers and observing their consumption behaviour
 - (iii) Delphi method of demand forecasting involves extensive consumer survey and subsequent empirical data analysis
- (A) Statements (i) and (ii) alone are false
(B) Statements (ii) and (iii) alone are false
(C) Statements (i) and (iii) alone are false
(D) All statements are false

45. Find out the TRUE statements from the following related to the production function :
- (i) Production function indicates the functional relationship between input and output (maximum quantity of output that can be produced from minimum quantities of inputs)
 - (ii) Cobb-Douglas production function indicates the constant returns to scale but are called as log linear function.
 - (iii) One of the managerial use of production function is that it helps to determine the minimum level of output by incurring high cost factor combination.
- (A) Statements (i) and (ii) alone are true
(B) Statements (ii) and (iii) alone are true
(C) Statements (i) and (iii) alone are true
(D) All statements are true

46. Find out the FALSE statement from the following :
- (i) Law of Diminishing Returns analyse production in the short run and Law of Returns to Scale analyse production in the long run ✓
 - (ii) Isoquants are upward rising curve from left to right. ✗
 - (iii) Iso-cost line indicates different combination of labour and capital for a given amount of money.
- (A) Statement (i) alone is false
(B) Statement (ii) alone is false
(C) Statement (iii) alone is false
(D) All statements are false

47. Identify the TRUE statements with regard to the pricing policies :
- (i) ✓ Barometric Pricing involves price leadership where one firm fix the price and other firms simply follows it
 - (ii) ✗ Price Skimming in the case of a new product means charging a low price during its introduction and slowly increasing it in future
 - (iii) ✗ Penetration Pricing for a new product involves charging a higher price during its introduction and slowly reduce it in future
- (A) Statement (i) alone is true
(B) Statement (ii) alone is true
(C) Statement (iii) alone is true
(D) All statements are true

48. Identify the WRONG statements from the following relating to Business Cycles:
- (i) The expansion phase of business cycle extends from trough to peak (depression to boom) while the contraction phase ranges from the peak to trough (boom to depression)
 - (ii) Full employment or Prosperity phase indicates the optimum level of economic activities
 - (iii) Recession means an upward movement of economic activities from the depression stage to the boom stage
- (A) Statement (i) alone is wrong
(B) Statement (ii) alone is wrong
(C) Statement (iii) alone is wrong
(D) None of the statements are wrong
49. Which of the following statements are FALSE with regard to the concept of Demand?
- (i) Demand for a commodity arises when there is a desire for such commodity backed by willingness to pay for it and ability to pay for it.
 - (ii) Derived demand means demand of inputs that arise from the demand of some final products or some related goods.
 - (iii) From the consumers point of view, market demand means the aggregate of all individual demands.
- (A) Statement (i) alone is false
(B) Statement (ii) alone is false
(C) Statement (iii) alone is false
(D) None of the statements are false
50. Which of the following is FALSE with regard to the law of demand?
- (i) Demand for the prestige goods are a classical example for working of the law of demand.
 - (ii) Demand curve is the graphical representation of demand schedule.
 - (iii) Law of diminishing marginal utility is a strong reason for the downward sloping nature of demand curve.
- (A) Statement (i) alone is false
(B) Statement (ii) alone is false
(C) Statement (iii) alone is false
(D) None of the statements are false
51. XYZ-Ltd is a listed company the total number of directors in the company is 12. Out of this 12 directors how much directors should be the independent directors :
- (A) At least one
(B) Two
(C) Three
(D) Four

52. A meeting of the board may be called at shorter notice to transact urgent business subject to the condition that _____, if any shall be present at the meeting.

- (A) At least one independent director
- (B) A women director
- (C) A nominee director
- (D) A whole-time director

53. Audit committee may make omnibus approval for :

- (A) Making of investment in other companies
- (B) Related party transactions proposed to be entered into by the company
- (C) Transferring of non-functional undertaking
- (D) All of the above

54. Where the winding up order has been made all the property and effects of the company shall be deemed to be in the custody of _____ from the date of the order for the winding up of the company :

- (A) The Tribunal
- (B) Company Liquidator
- (C) The Insolvency Professional
- (D) The Resolution Professional

55. State, which among the following grounds, is incorrect for removal of the provisional liquidator or company liquidator, as liquidator of the company :

- (A) Professional incompetence
- (B) Misconduct
- (C) Fraud or misfeasance
- (D) Independent working having no conflict of interest

56. Every director shall at the first meeting of the Board in which he participate as a director disclose :

- (A) His concern or interest in any company
- (B) His Director's Identification number
- (C) His permanent account number
- (D) His bank account details for credit of sitting fees

57. Which of the following statement is correct?
- (A) A company which was incorporated a year before can contribute any amount to any political party
 - (B) A Government company may contribute any amount to any political party
 - (C) A public company may contribute any amount to any political party
 - (D) A private company is not allowed to contribute any amount to any political party
58. In case of a company where minimum _____ percent members (in number) are relatives of promoters or are related parties, they are not precluded from voting on a resolution for approving any related party transaction.
- (A) 80
 - (B) 85
 - (C) 90
 - (D) 95
59. The minimum number of members and directors of a public company :
- (A) 7 members and 7 directors
 - (B) 7 members and 3 directors
 - (C) 3 members and 7 directors
 - (D) 3 members and 3 directors
60. A person cannot be appointed as alternative director for :
- (A) Women director
 - (B) Promoter director
 - (C) Whole-time director
 - (D) Independent director
61. The term bulls and bears are associated with :
- (A) Import and Export
 - (B) Banking
 - (C) Marketing
 - (D) Speculators
62. _____ is a type of investment vehicle consisting of a portfolio of stocks, bonds or other securities.
- (A) Government securities
 - (B) Mutual funds
 - (C) Derivatives
 - (D) Shares
63. Which of the following is not a regulatory institution in Indian Financial System?
- (A) RBI
 - (B) CIBIL
 - (C) SEBI
 - (D) IRDA

64. Which of the following is not an organized sector in India?
- (A) Nationalised Banks (B) Regional Rural Banks
(C) Co-operative Banks (D) Chits and Money lenders
65. Which of the following is related with money market?
- (A) Treasury bills (B) Commercial money
(C) Cheques (D) Shares
66. Which of the following are called gilt edged securities?
- (A) Shares of Public Limited Companies
(B) Stocks of Mutual Funds
(C) Government Securities
(D) Shares of Private Limited Companies
67. A _____ is authorized to buy, sell or deal in securities.
- (A) Depository (B) Credit Rating Agency
(C) Stock Broker (D) All of the above
68. Shares and securities which can be held in electronic format constitute the :
- (A) Fixed account (B) Demat account
(C) Savings account (D) Recurring account
69. How many companies are a part of Sensex?
- (A) 20 (B) 30
(C) 50 (D) 100
70. Which of the following Stock Exchanges has its index named as Sensex?
- (A) Indian Commodity Exchange Limited (B) Bombay Stock Exchange
(C) Calcutta Stock Exchange (D) National Stock Exchange

71. Match the following

- Column A
1. Section 80C
 2. Section 80D
 3. Section 80TTA
 4. Section 80G

- Column B
- A. Medical Insurance Premium
 - B. Interest on Savings Account
 - C. Life Insurance Premium
 - D. Donations

- (A) 1-A, 2-C, 3-B, 4-D
(B) 1-C, 2-A, 3-B, 4-D
(C) 1-C, 2-A, 3-D, 4-B
(D) 1-B, 2-A, 3-D, 4-C

72. Consider the following statements :

1. The income of a member of HUF from the family property is exempt.
2. Scholarship granted to meet education costs is exempt.
3. Commuted pension is always fully taxable.

Which of the statements are correct?

- (A) 1 and 2 only
(B) 1 and 3 only
(C) 2 and 3 only
(D) All of the above

73. Section 10(10D) provides exemption for :

- (A) Commuted pension
(B) Gratuity
(C) Maturity proceeds of life insurance policy
(D) Leave encashment

74. Mrs. A received Rs. 1,80,000 as HRA. Rent paid : Rs. 8,000/month. Basic salary : Rs. 25,000/month. She lives in Delhi. What is the exempt HRA?

- (A) Rs. 96,000
(B) Rs. 72,000
(C) Rs. 1,80,000
(D) Rs. 66,000

75. Which of the following statements are correct?

1. Income from house property is taxable only if there is rental income. ✓
2. Self-occupied property has nil annual value. ✓
3. Municipal taxes are deductible only if paid by the owner. ✓

- (A) Only 1
(B) 2 and 3 only
(C) 1 and 2 only
(D) All of the above

76. Assertion (A): Loss from speculative business can be set off against regular (non-speculative) business income.

Reason (R): All types of business incomes are taxed under the same head, so losses and gains can be adjusted freely.

- (A) Both (A) and (R) are true and (R) is the correct explanation
- (B) Both (A) and (R) are true, but (R) is not the correct explanation
- (C) (A) is false, but (R) is true
- (D) Both (A) and (R) are false

77. The current (Year: 2025 Month: August) threshold limit for mandatory GST registration for service providers in the state of Kerala is Rs. _____ lakh.

- (A) Rs. 10 lakh
- (B) Rs. 20 lakh
- (C) Rs. 40 lakh
- (D) Rs. 75 lakh

78. What does GSTN stand for?

- (A) Goods and Sales Tax Number
- (B) Goods and Services Transfer Network
- (C) Goods and Services Tax Network
- (D) General Sales Tax Network

79. Which of the following statements is/are true?

1. The Income Tax Act, 1961, extends to the whole of India, including Jammu and Kashmir.
2. The Finance Act is passed every year to give effect to income tax provisions.

- (A) Only 1
- (B) Only 2
- (C) Both 1 and 2
- (D) Neither 1 nor 2

80. Consider the following statements about 'Gross Total Income' (GTI):

1. GTI is the sum of income under five heads before deductions
2. GTI includes income that is exempt under Section 10.

Which of the statements is/are correct?

- (A) Only 1
- (B) Only 2
- (C) Both 1 and 2
- (D) Neither 1 nor 2

81. A company notices that sales of one of its long-standing products have been steadily falling despite multiple promotional efforts. Competitors have introduced newer technologies, and customers have shifted to alternative solutions. In response, the company decides to reduce its marketing spend, limit distribution to only the most profitable regions, and gradually phase out the product.

Which of the following strategies is the company most likely using during the decline stage of the product life cycle?

- (A) Market penetration strategy (B) Product development strategy
(C) Harvesting strategy (D) Diversification strategy

82. Hindustan Unilever Limited (HUL) offers a wide range of products under various categories. For example, it has multiple product lines such as personal care (e.g., Dove, Lifebuoy), home care (e.g., Surf Excel, Vim) and food and beverages (e.g., Bru, Knorr). Within the personal care line, HUL offers several brands and within the Dove brand, it offers shampoos, conditioners, body washes, soaps and lotions.

Based on this information, which of the following statements best describes **product mix** characteristics of HUL?

- (A) The number of product lines HUL offers represents the depth of its product mix
(B) The number of variants under the Dove brand represents the width of HUL's product mix
(C) The total number of products across all categories reflects the length of HUL's product mix
(D) Offering soaps, shampoos and lotions under Dove reflects the width of the Dove product line.

83. A retail company uses customer data to personalize email offers based on past purchases, sends birthday discounts and provides customer service via chat support. These actions are most closely associated with which type of CRM strategy?

- (A) Analytical CRM (B) Operational CRM
(C) Collaborative CRM (D) Strategic CRM

84. A sales representative from a real estate company schedules a one-on-one meeting with a prospective buyer to explain features and close the deal. This is an example of :

- (A) Public relations (B) Personal selling
(C) Advertising (D) Sales promotion

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A-3
HUL

85. A snack brand offers a "Buy 1 Get 1 Free" deal at supermarkets for a limited period to increase short-term sales. This is an example of :
- (A) Super Marketing (B) Advertising
(C) Bundle selling (D) Sales promotion
86. After a product recall, a car manufacturer holds a press conference and issues a public apology to maintain customer trust. This is an example of :
- (A) Personal selling (B) Direct marketing
(C) Public relations (D) Sales promotion
87. A skincare company launches a television campaign showcasing the benefits of its new anti-aging cream. The ad reaches millions of viewers in a short time. What is the primary advantage of this form of advertising?
- (A) Immediate sales closure (B) Personalized communication
(C) Wide audience reaches (D) Interactive communication
88. A shampoo brand launches a large-scale advertising campaign on social media and TV to create strong customer demand, encouraging them to request the product in stores. This is an example of which strategy?
- (A) Push strategy (B) Trade marketing strategy
(C) Pull strategy (D) Sales promotion strategy
89. Meera selects a shop because she knows that it offers a wide selection or the latest models or good after sales service, then she is influenced by :
- (A) Emotional Product motive
(B) Emotional patronage motive
(C) Rational product motive
(D) Rational patronage motive
90. Toyota's *HyRider* hybrid SUV has been on the market for several years. The vehicle's benefits – such as fuel efficiency and eco-friendliness – are now widely known, and it has become a common choice among car buyers. Mr. Sharma, who had long resisted hybrid cars due to skepticism about new technology, finally decided to purchase the *HyRider* after seeing most of his friends and neighbours using it. Mr. Sharma's adoption behaviour best represents which type of consumer?
- (A) Late Majority (B) Laggard
(C) Early Majority (D) Late Legend

91. Why it is important to maintain an audit notebook?
- (A) To provide evidence of the auditor's independence
 - (B) To support the auditor's opinion on the financial statements
 - (C) To comply with auditing standards and regulations
 - (D) All of the above
92. What are audit files?
- (A) Document that summarize the audit findings
 - (B) Document that include the financial statements of the auditor
 - (C) Documents that provide evidence of the audit work performed by the auditor
 - (D) None of the above
93. Which of the following statement is correct?
- (i) Audit planning is the specific guidelines and directions for efficient and effective completion of audit work on timely and daily basis so as to minimise audit risk.
 - (ii) Audit planning helps in identifying potential problems.
- (A) Both (i) and (ii) are correct
 - (B) Only (i) is correct
 - (C) Both (i) and (ii) are incorrect
 - (D) Only (ii) is correct
94. An audit programme should be :
- (i) Rigid and never modified
 - (ii) Prepared before the audit programme
 - (iii) Prepared after the audit programme
 - (iv) Flexible and modified as per requirements
- (A) Both (iii) and (iv) are correct
 - (B) Only (iv) is correct
 - (C) Both (ii) and (iv) are correct
 - (D) Only (ii) is correct
95. Statement 1: The scope of valuation is wider than verification
Statement 2: Valuation is done after vouching but before verification
- (A) Statement 1 is true but 2 is false
 - (B) Statement 2 is true but 1 is false
 - (C) Both the statements are true
 - (D) Both the statements are false

96. The case law of Sockockinsky Vs. Bright Graham and Co. is related to :
- (A) Ownership of Audit files
 - (B) Ownership of Audit Notebook
 - (C) Ownership of Audit working papers
 - (D) None of the above
97. Which of the following is not an objective of internal control?
- (A) Safeguarding assets
 - (B) Ensuring compliance with laws and regulations
 - (C) Providing assurance on the accuracy of financial statements
 - (D) Increasing profitability
98. While vouching cash purchase transaction, the auditor have to verify
- (i) Test the entries in the cash book with reference to cash memo
 - (ii) See that amount after trade discount has been shown in the books
 - (iii) See that the amount before trade discount is shown in the books
 - (iv) Approval of purchase order, goods received note and invoice
- (A) Both (i) and (iv) are correct
 - (B) Only (iv) is correct
 - (C) (i), (ii) and (iv) are correct
 - (D) (i), (iii) and (iv) are correct
99. Which of the following audit procedures is used to confirm the existence of assets?
- (A) Observation
 - (B) Analytical procedures
 - (C) Physical examination
 - (D) Vouching
100. _____ is a method of organising the accounting system of a business concern by which the duties of various clerks are arranged in such a way that the duty of one person is checked by another.
- (A) Internal audit
 - (B) Internal check
 - (C) Internal control
 - (D) All of the above