

1959

PAPER 1
SECTION A

ORGANISATION & MANAGEMENT FUNDAMENTALS

1. The first logical step in the organization is

- A. identification of the work
- B. Delegation of authority
- C. division of work
- D. assignment of duties

2. In which of the following types of organization structure, there is an unbroken vertical line through which authority flows from the top to the bottom of the organization

- A. Project organization
- B. Line and Staff organization
- C. Line Organization
- D. Matrix Organization

3. The process of grouping activities into units for the purpose of administration is known as

- A. Centralization of authority
- B. Departmentation
- C. Delegation of authority
- D. Decentralisation of authority

4. The process of granting of authority to subordinates to operate in their prescribed limits is referred to as

- A. Decentralisation of authority
- B. Centralisation of authority
- C. Departmentation
- D. Delegation of authority

5. Which of the following "Organisation Theory" has introduced behavioural sciences in the study of organisational functioning

- A. Neo-classical theory
- B. Classical Organisation theory
- C. Contingency theory
- D. System Organisation theory

6. A pre-disposition to respond into a positive or negative way to someone or something in the environment is known as:

- A. belief
- B. Value
- C. behaviour
- D. Attitude

7. A process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment is called:

- A. perception
- B. attitude
- C. behaviour
- D. learning

8. Which of the following theory of learning is based on the premise that learning is achieved by thinking about the perceived relationship between events and individual goals and expectations

- A. Classical conditioning
- B. Operant conditioning
- C. Cognitive learning
- D. Social Learning

9. Organisations with fully developed formal objectives both external and internal are called:

- A. Institutions
- B. Corporations
- C. Marginal Organizations
- D. Appendix Organisations

10. Expansion of CSF is

- A. Customer Sendee Factor
- B. Critical Success Factor
- C. Consumer-SendeeFunctions
- D. Conflict Setting Factors

11. In which of the following situations “ Conflict “ will not arise?

- A. Unacceptability of the most preferred alternatives
- B. Uncertainty of consequences of alternatives
- C. Incomparability of consequences of alternatives
- D. Comparability of alternatives

12. A system of shared meaning held by members that distinguishes the organisatikon from other organisations is referred to as :

- A. Organisational Goal
- B. Goal setting
- C. Organisation culture
- D. Conflict Management

13. “The process of developing, applying and evaluating the policies procedures methods and programs relating to the personnel in the organisation” is referred to as:

- A. Human Resources Management
- B. Internal Sources of Recruitment
- C. External Sources of recruitment

D. Sources of manpower to match job requirements and specifications;

14. Which is of the following is NOT a major internal source of making recruitment?

- A. promotion
- B. Transfer
- C. Professional bodies
- D. Apprentices

15. The first step in the “dismissal procedure” is

- A. Receipt of explanation
- B. to frame and issue a written charge sheet
- C. Holding of enquiry
- D. to issue notice of enquiry

16. Of the following who is NOT liable to claim compensation during “lay-off”

- A. Workman who has not completed not less than one year of continuous service
- B. Whose name appears on the muster rolls
- C. A Casual or badli worker
- D. None of the above

17. One of the basic principles of scientific management propounded by Taylor is:

- A. Emphasis on “Individualism”
- B. Development of managers rather than workers
- C. Optimum output (limited production)
- D. Replacement of Rule of Thumb with science

18. While giving the management principles, which one of the following is not emphasised much?

- A. Scalar chain
- B. Division of work
- C. Unity of command
- D. Integration of planning and doing

19. There should be a “match” or “fit” between the Institutional variables and management variables. This is the basic theme of one of the following approaches relating to human relation school. Which of the following is that approach?

- A. Contingency approach
- B. System approach
- C. Behavioural approach
- D. Scientific and management approach

20. Which one of the following is NOT a recognised method of “Training”

- A. Vestibule Training
- B. Formal Education Program
- C. Internship Training
- D. Apprenticeship Training

21. "A process of selecting and relating the facts in visualisation and formation of proposed activities believed necessary to achieve the desired results" is referred to as:

- A. Planning
- B. Controlling
- C. Directing
- D. Decision making

22. Which of the following is NOT a technique of planning?

- A. Budgeting
- B. Management by objectives
- C. PERT and CPM
- D. Financial Statements

23. Which one of the following is an essential element of "Forecasting"

- A. Development of ground work
- B. Forecasting the future course of business
- C. Comparing actual with estimated results
- D. All of these

24. CPM stands for

- A. Controlling, Planning and Management
- B. Critical Path Method
- C. Critical Planning Methods
- D. Creative Program Measurement

25. "Establishing the effective authority relationships among selected works, persons and work places in order for the group to work together effectively" is known as:

- A. Coordinating
- B. Decision-making
- C. Organizing
- D. Budgeting

26. Which of the following is NOT a technique of "control"

- A. Budgetary control
- B. Break even analysis
- C. MIS (Management Information System)
- D. Effective communication

27. Maslow's model is

- A. One of the theories of motivation
- B. Typical model used in the process of communication
- C. A pattern of management
- D. A device of planning

28. Under which "Leadership" the leader avoids power and relinquishes the leadership position?

- A. Authoritarian Leadership
- B. Laissez-fair leadership
- C. Participative leadership
- D. None of the above

29. Deliberate alternation in the existing organisational system to achieve some desired results is a type of

- A. Planned change
- B. Evolutionary change
- C. Revolutionary Change
- D. None of the above

30. A "change" initiated by the Organization is called as

- A. Reactive change
- B. proactive change
- C. Both of the above i.e (A) & (B)
- D. None of these i.e Neither A or B

31. Which of the following "Pressures for Change" originates within the organization (Internal Force)?

- A. Market situation
- B. Technology
- C. Deficiency in the existing system- Line staff conflict
- D. Political and legal system

32. Which is of the following is the main reason for "resistance to change"

- A. Fear of economic loss.
- B. Obsolescence of skills
- C. peer pressure
- D. All of these

33. Which of the following strategy can be adopted by the managers to overcome "resistance" to change "through groups"?

- A. Group contact
- B. Group dynamics training
- C. Both of these i.e (A) & (B)
- D. None of these (Neither A nor B)

34. Which of the following principle is needed for "Management in the future?"

- A. Principles of Management by perception
- B. Principle of Effective organisation development
- C. Principle of Effective Management Information System utilisation
- D. All of these

35. Appointment of first Directors (According to Section 254 of the Companies Act, 1956) is made by:

- A. Promoters of the company
- B. The central Government
- C. The High Court
- D. The Board of Directors

36. Which of the following is not a “statutory Power” vested with a Director of Company (As per Sections 291 & 292)

- A. To issue debentures
- B. To invest the funds of the Company
- C. To appoint executives and other personnel
- D. To make calls in respect of money unpaid on shares

37. Total remuneration payable to all the Directors of a Company should not exceed:

- A. 5% of the Net Profit
- B. 11 % of the Net Profit.
- C. 10 % of the Net Profit
- D. 3 % of the Net Profit

38. A Managing Director is appointed by

- A. virtue of an agreement with the company. passing a resolution at the General Meeting of the Company
- C. Virtue of Memorandum or Article of Association
- D. Any of these

39. “ An undertaking that is owned by a National, State or Local Government, supplies services or goods at a price and is operated on a more or less self supporting basis” is known as

- A. Public enterprise
- B. Private Limited Company
- C. Public Limited Company
- D. Trust

40. The main objective of “Disinvestment of Equity of PSU is to

- A. Strengthen PSUs
- B. Broad-based ownership
- C. Augment receipts for the Government
- D. All of these

SECTION B ACCOUNTING

41. “An art of recording business transaction in a set of books” is called

- A. Accounting

- B. Book-keeping
- C. Cost Accounting
- D. Management Accounting

42. The financial information provided via Financial Statements are prepared on the basis of:

- A. Generally accepted accounting principles (GAPP)
- B. Procedures developed by the Institute of Chartered Accountants of India
- C. Procedures developed by the Institute of Cost Accountants of India
- D. Principles evolved by Financial Accounting Standard Board

43. Which of the following is an "Intangible Asset"

- A. Computer
- B. Land
- C. Patents
- D. Stock of Goods

44. " Amount Receivable" is generally classified as:

- A. Current Liability
- B. Capital Expenditure
- C. Revenue Expenditure
- D. Current Asset

45. " Every transaction has two effects to be recorded in the books of accounts"- which of the following accounting concept is followed in this statement

- A. Dual aspect concept
- B. The matching concept
- C. Business entity concept
- D. The accrual concept

46. Liabilities of a business are- Rs. 19780. Owner's equity is Rs.35000. The assets of the business will be

- A. Rs.15220
- B. Rs.54780
- C. Rs.35000
- D. Rs.19780

47. Which of the following is a " Nominal Account"

- A. Cash A/c
- B. Bank A/c
- C. Software Expenses A/c
- D. Salary payable A/c

48. The Rule: " Debit what comes into business ; credit what goes out of business" is applicable to which of the following type of Account?

- A. Real A/c
- B. Nominal A/c
- C. Personal A/c
- D. Representative personal A/c

49. Balances of nominal accounts are:

- A. Taken to the Income Statement of that period straight away
- B. Taken to P&L Appropriation A/c of that period straight away
- C. Carried down to the next period of P&L A/c
- D. Shown in the Balance sheet straight away

50. Interest received of Rs.150 is entered as

Interest	A/c	Dr	150	
	To Cash A/c			150

What kind of "Error" is this?

- A. Compensating error
- B. Error of omission
- C. Error of duplication
- D. Error of principle

51. While preparing the Final Accounts, how "Accrued Incomes" are treated?

- A. Shown as income in P&L A/c
- B. shown as an Asset in the balance sheet
- C. Both (A) and (B)
- D. shown as an asset in the balance sheet only

52. Which of the following is correct, relating to "opening entry"?

- A. Debit liabilities and credit assets and capital
- B. Debit capital and liabilities and credit assets
- C. Debit assets and liabilities and credit capital
- D. Debit assets and credit liabilities and capital

53. Which of the following items does not appear in Cash Book?

- A. Cheque issued by business entity not debited by the bank.
- B. Cheques deposited but not credited by the Bank
- C. Direct Deposit in Bank Account
- D. Standing Instructions for regular payment.

54. A debit balance in cash book means

- A. An asset
- B. A Bank overdraft
- C. Both A and B'
- D. None of the above

55. Which of the following should not be taken into account while preparing Bank Reconciliation Statement?

- A. Cash withdrawn from bank Rs.20000
- B. Cheque issued for Rs.5000 for personal use
- C. Bank charges of Rs.75 debited by bank In one month were recorded in cash book in next month on receipt of bank statement
- D. Credit Sales of Rs.75000/-

56. For “ manufacturing business” the component of Profit and Loss will be:

- A. Manufacturing A/c
- B. Trading A/c
- C. P&L A/c
- D. All of these

57. Distribution of profits means

- A. Appropriation
- B. Expenses
- C. Income
- D. None of these

58. All debit balances in personal and real accounts are called:

- A. Liabilities
- B. Assets
- C. Profit
- D. Loss

59. A bill of exchange is drawn by the

- A. Buyer
- B. Payee
- C. Seller
- D. Endorsee

60. In consignment trade, when consignee accepts bill of exchange, accounting entry in the books of consignor will be

- A. Bills Receivable A/c Dr
 To Consignee's Personal A/c
- B. Consignee's Personal A/c Dr
 To Bills Receivable A/c
- C. Consignee's Personal A/c Dr
 To Bills payable A/c
- D. Bills payable A/c Dr
 To Consignor's A/c

61. A and B entered into Joint venture form of business to construct a building for XYZ Limited. The contract price is Rs.10,00,000 of which Rs.8,00,000 payable in cash and Rs.2,00,000 in shares of XYZ Ltd. Journal entries when separate books are maintained will be :

A. Joint Venture A/c Dr 10,00,000
 To Joint Bank A/c 8,00,000
 To Share (XYZ Ltd) A/c 2,00,000

B. Joint Bank A/c Dr 800000
 Shares (XYZ Ltd) A/c Dr 200000
 To Joint Venture A/c 1000000

C. Joint Bank A/c Dr 10,00,000
 To Joint Venture A/c 8,00,000
 To Share (XYZ Ltd) A/c 2,00,000

D. Joint Venture A/c Dr 800000
 Shares (XYZ Ltd)A/c Dr. 200000
 To Joint Bank A/c 10,00,000

62. A statement consisting items of assets and liabilities to determine capital of Traders is called

- A. Statement of Affairs
- B. Trial Balance
- C. Balance sheet
- D. Summary of cash book

63. Under the net worth method, profit/loss is ascertained by the difference between:

- A. Assets and liabilities on two dates
- B. Gross assets on two dates
- C. Liabilities on two dates
- D. Capital on two dates.

64. While preparing Financial Statements from incomplete records "Accrued interest on Investments" a missing figure can be ascertained by preparing:

- A. Cash book
- B. Tota Debtors A/c
- C. Revenue Income A/c
- D. Total Creditors A/c

65. The following particulars are taken from the accounting records that are not maintained strictly on the basis of Double Entry System:

Capital at the end	Rs.48000
Profit made during the year	Rs.14400
Drawing	Rs.7200
Additional capital introduced during the year	Rs.12000

What will be capital in the beginning:

- A. Rs. 21600
- B Rs. 36000
- C. Rs.40800
- D. Rs.28800

66. A second hand computer with system was purchased for Rs.7500. It was given for service and the amount charged for service was Rs.500. Installation charges Rs.250 was paid to the technician.

Capitalised value to be recorded will be:

- A. Rs.8250
- B. Rs.7500
- C. Rs. 8000
- D. Rs.7750

67. Rent paid in the accounting year Rs.12000. Rent paid in advance at the end of the year Rs.1000. Rent outstanding but not yet paid for the year Rs.2000. The amount to be debited to Income and Expenditure A/c is

- A. Rs.11000
- B. Rs.13000
- C. Rs. 12000
- D. Rs. 14000

68. If income is Rs.35700 and deficit debited to Capital Fund is Rs.8300, expenditure will be

- A. Rs.27400
- B. Rs.35700
- C. Rs. 44000
- D. Rs. 8300

69. Value of Books at beginning of an accounting year is Rs.100000. Books purchased during that accounting year is Rs.30000. If its value is depreciated @10%, depreciation amount to be charged will be

- A. Rs.13000
- B. Rs.11500
- C. Rs.10500
- D. Rs.10000

70. Salaries paid by a Non=Profit organisation during 2011 amounted to Rs.24000. With the following further information, ascertain the amount to be shown under "Salaries" in Income and Expenditure A/c

Rs.	December, 31, 2010	December, 31, 2011
	Rs.	
Pre-paid salary	2000	3500
Un paid salary	5000	2000

- A. Rs..19500
- B. Rs.29500
- C. Rs.30000
- D. Rs.22500

71. Process costing is suitable for:

- A. Civil Engineering Construction
- B. Brick making
- C. Oil refining (Refineries)
- D. Printing

72. Classify the following according to element-wise classification:

“Royalty payable on number of products produced”

- A. Direct Expense
- B. Direct Material
- C. Direct Labour
- D. Indirect income

73. Calculate the Economic Order Quantity:

Annual Consumption	600 units
Order cost	Rs 12 per order.
Cost price per unit	Rs.20
Selling & carrying cost	20%

- A. 50 units
- B. 60 units
- C. 30 units
- D. 120 units

74. Determine the re-order level:

Maximum usage 300 units
Minimum usage 200 units
Re-order period 8 to 10 days

- A. 2000 units
- B. 1600 units
- C. 3000 units
- D. 2400 units

75. Calculate labour-turnover rate by applying Flux method from the following data:

No of employees at the beginning of the year	200
No of employees at the end of the year	240
No of employees resigned	20
No of employees discharged	5
No of employees replaced	18

- A. 11.36%
- B. 8.18%
- C. 18%

D. 19.55%

76. Wages of a worker under Halsey-Weir system from the following information will be:

Time allowed 48 hours
Time take 40 hours
Rate per hour Rs.3

- A. Rs.127.20
- B. Rs.98
- C. Rs.130.80
- D. Rs.107.20

77. Re-distribution of service department costs over the production is known as

- A. Secondary distribution of production overhead
- B. Primary distribution of production overhead
- C. Codification of overheads
- D. None of these

78. The work overheads of a department	Rs.100000
Direct materials used	Rs.500000
Direct Labour spent	Rs.400000

The prime cost will be:

- A. Rs.1000000
- B. Rs.600000
- C. Rs.900000
- D. Rs.500000

79. Direct Wages	Rs.400000
Direct materials	Rs.600000
Works overheads	Rs.200000

The prime cost percentage of works cost will be:

- A. 20%
- B. 50%
- C. 33 1/3 %
- D. 25%

80. Ascertain the amount of Production overhead from the following particulars:

	Rs.
Office stationery	6000
Factory Lighting	10000
Works Manager's salary	30000
Indirect materials	6000
Audit fees	5000
Foreman's salary	12500

- A. Rs.69500
- B. Rs.63500

- C. Rs.64500
- D. Rs.58500

81. A transport company maintains a fleet of trucks for carrying goods from Delhi to Jaipur 300 km (approximately)off. Each truck which operates 20 days on an average in a month, starts everyday from Delhi with a load of 10 Tonnes and returns from Jaipur with a load of 8 Tonnes. The total commercial tonne-km will be:

- A. 216000
- B. 108000
- C. 54000
- D. 162000

82. A truck starts with a load of 12 Tonnes of goods from station X. It unloads 4 Tonnes at Station Y and rest of the goods at Station Z. It reaches back directly to Station X after getting reloaded with 10 tonnes of goods at Station Z. The distance from X to Y, y to Z is 50km and 100 km respectively. The Absolute tonne-km will be

- A. 1800
- B. 3300
- C. 2900
- D. 1900

83. The cost unit for Boiler-House is:

- A. Per kilo litres
- B. per kilo watt hour
- C.per computer time provided
- D. per kg of steam supplied

84. Stocks are always valued at

- A. Cost price
- B. Market price
- C. Cost price or market price whichever is less
- D. Cost price or market price whichever is high.

85. Work in Process (WIP) is normally valued at

- A. Factory Cost
- B. Prime Cost
- C. Cost of Goods manufactured
- D. Cost of Goods sold

86. Stock of raw materials at the beginning of the year Rs.15000
Stock of raw materials at the end of the year Rs.20000
Raw materials purchased during the year Rs.85000
Raw materials consumed during the year will be:

- A. Rs.80000
- B. Rs.70000

- C. Rs.100000
- D. Rs.90000

87. Cost unit is generally a composite unit in

- A. Job costing
- B. Contract costing
- C. Service Costing
- D. Marginal costing

88. Total cost for printing a job is Rs.100000. Profit to be made is 25% on cost. Price to be quoted will be

- A. Rs.75000
- B. Rs.125000
- C. Rs.120000
- D. Rs.80000

89. Variable cost per unit is Rs.30. Fixed Cost for a month is Rs.75000. Present volume of activity is Rs.500 units

If it is decided to produce 1 unit more, what will be the amount of change in total cost?

- A. Rs.30
- B. Rs.90000
- C. Rs. 90030
- D. Rs.75

90. Sales		Rs.100000
	Variable cost	Rs.30000
	Fixed Cost	Rs.50000
	Profit = ?	

- A. Rs.30000
- B. Rs.20000
- C. Rs.50000
- D. Rs.70000

91.	Sales	Rs.400000
	Variable Cost	Rs.300000
	Fixed Cost	Rs.40000
	What is the p/v ratio?	

- A. 20%
- B. 30%
- C. 25%
- D. 17.5%

92. Compute p/v ratio from the following data:

Year 2010 : Sales Rs.600000 Profit Rs.100000

Year 2011: Sales Rs.1000000 Profit Rs.180000

- A. 25%
- B. 30%
- C. 10%
- D. 20%

93. Ascertain Profit from the following data:

Fixed Cost	Rs.500000
Variable cost per unit	Rs.10
Selling price per unit	Rs.15
Output level	Rs.150000 units

- A. Rs.250000
- B. Rs.400000
- C. Rs.350000
- D. Rs.150000

94. Profit : Rs.225000
p/v ratio : 40%
Margin of safety : ?

- A. Rs.500000
- B. Rs.325000
- C. Rs.562500
- D. Rs.362500

95. Fixed Cost : Rs.500000
p/v ratio: 40%
Break even point (in Rs) = ?

- A. Rs.1250000
- B. Rs.2000000
- C. Rs. 125000
- D. Rs.1200000

96. Fixed Expenses Rs.150000
Variable Cost per unit Rs.10
Selling Price per unit Rs.15
Break-even point (in units) = ?

- A. 15000 units
- B. 30000 units
- C. 20000 units
- D. 25000 units

97. Sales Rs.100000
Profit Rs.10000
Variable Cost 70%

What will be the sale to earn a profit of Rs.40000?

- A. Rs.70000
- B. Rs.400000
- C. Rs.300000
- D. Rs.200000

98.	Sales	Rs.600000
	Variable Cost	Rs. 375000
	Fixed Cost	Rs.180000

What will be the sales to earn a profit of Rs.120000?

- A. Rs.800000
- B. Rs.1135000
- C. Rs. 1200000
- D. Rs.900000

99.	B E P Sales	:Rs.160000
	Sales for the year 2011	: Rs.200000
	Profit for the year 2011	: Rs.12000

What will be the profit on sales value of Rs.300000?

- A. Rs.40000
- B. Rs.28000
- C. Rs.42000
- D. Rs.32000

100.	Total Sales	Rs.300000
	Selling price per unit	Rs.100
	Variable cost per unit	Rs.50
	Fixed Cost	Rs.100000

If selling price is reduced by 10%, by how much is the Margin of Safety reduced?

- A. Rs.51000
- B. Rs.41000
- C. Rs.60000
- D. Rs.61000