



**THE INSTITUTE OF
Company Secretaries of India**
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

EXECUTIVE PROGRAMME

(New Syllabus)

Practice test papers for

- **COMPANY LAW (Module 1, paper 1)**
- **COST AND MANAGEMENT ACCOUNTING (Module 1, paper 2)**
- **ECONOMIC AND COMMERCIAL LAWS (Module 1, paper 3)**
- **TAX LAWS AND PRACTICE (Module 1, paper 4)**
- **COMPANY ACCOUNTS AND AUDITING PRACTICE (Module 2, paper 5)**
- **CAPITAL MARKETS AND SECURITIES LAWS (Module 2, paper 6)**
- **INDUSTRIAL, LABOUR AND GENERAL LAWS (Module 2, paper 7)**

EXECUTIVE PROGRAMME

COMPANY LAW

MODULE 1- PAPER 1

EXECUTIVE PROGRAMME
COMPANY LAW

TEST PAPER 1

Time Allowed: 3 hours

Maximum Marks: 100

NOTE: Answer All Questions.

Total Number of Questions: 6

All references to the sections relate to Companies Act 2013 , Unless stated otherwise

1. (a) "According to section 71 a company may issue debentures either with an option to convert such debentures into shares wholly or partly at the time of redemption."
 - (b) The articles of a company shall contain the regulations for management of the company
 - (c) "The remuneration of the auditor of a company shall be fixed in its general meeting"
 - (d) The registrar has power to call for information, inspection of books and conduct enquiries"
- (5 marks each)*

Attempt ALL parts of either Q.No. 2 or Q. No. 2A

2. Distinguish between the Following:
 - (a) 'Statement of repatriation of profits' and 'statement of transfer of funds'
 - (b) 'Annual general meeting' and 'Extra ordinary general meeting'
 - (c) 'Creation of charges' and 'modification of charges'.
 - (d) 'ESOS' and 'ESOP'
- (4 marks each)*

OR

- 2A. (i) "In case of criminal liability of any audit firm , the liability other than fine shall devote only on the concerned partner or partners, who acted in a fraudulent ,manner or abetted or as the case may be colluded in a fraud" discuss. *(4 marks)*
- (ii) There are certain restrictions on making application under section 248 in certain situations. Discuss. *(4 marks)*
- (iii) Discuss the provisions related to appointment of director elected by small shareholders. *(4marks)*
- (iv) Write a note on committees of Board. *(4 marks)*

3. Attempt all parts of either Q. No. 3 or Q. No. 3A

- (i) Discuss the powers of board provided by the Companies Act 2013.
- (ii) List the disclosures to be made with the board's report under the rules prescribed under companies act 2013.
- (iii) What are the duties of a company secretary prescribed by the Rules made under the companies act 2013

- (iv) What do you mean by quorum? What is the requirement of quorum while conducting meetings?
(4 marks each)

OR (Alternate question to Q.No. 3)

- 3A. (i) List the circumstances when the resolutions require special notice.
(ii) Write down the matters to be stated in prospectus.
(iii) What are the penal provisions for non-compliance of provisions regarding disclosure of interest of director?
(iv) What is the effect of non-transfer of the dividend amount to the unpaid dividend amount?
(4 marks each)
4. (i) RED Ltd desires to shift its registered office from Delhi to Kanpur, U.P. the Company has filed an application in Form no. INC 23 along with fee. List all the documents that shall be accompanied with the form.
(ii) Describe the procedure of Audit of Government Company. (8 marks each)
5. (i) Explain the procedure for Buy-back of securities.
(ii) The XYZ Ltd. Wants to appoint an Internal Auditor. Advise the Company assuming yourself as a Company secretary regarding such appointment.
(iii) "Discuss Corporate Social Responsibilities Activities according to the Rules made under the companies act 2013.
(iv) What do you mean by Branch Audit? What are the duties of the company's auditor with reference to the audit of branch and the branch auditor?
(4 marks each)
6. Write notes on the following:
(i) Books of account
(ii) Advertisement of prospectus
(iii) Resident director
(iv) Secretarial Audit (4 marks each)
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TEST PAPER 2

Time allowed: 3 hours

Total marks: 100 Marks

NOTE: 1. Answer ALL Questions.

2. All references to sections relate to the Companies Act, 2013 unless stated otherwise.

1. Comment on the following:-

- (a) Certain class or classes of companies is required to have at least one women director.
- (b) A private company which is OPC shall mention the words "OPC" in bracket below its name.
- (c) The Board of directors of a company may declare interim dividend in case the company has incurred any losses during the current financial year.
- (d) Every auditor shall comply with the auditing standards as may prescribed by the Central Government. (5 marks each)

Attempt all parts of either Q No. 2 or Q No. 2A

2. Distinguish between the following:-

- (a) 'Annual return' and 'Annual report'
- (b) 'Voting by show of hands' and 'Voting through Electronic means'
- (c) 'Shelf Prospectus' and 'Red Herring Prospectus'
- (d) 'Nomination and Remuneration Committee' and 'Stakeholders Relationship Committee' (4 marks each)

OR (Alternate question to Q. No. 2)

- 2A. (i) State the disclosures in Board's Report under listing agreement. (4 marks)
- (ii) Write the definition of the 'Independent Director' given under Companies Act, 2013. (4 marks)
- (iii) What are the types of transactions that are covered under Related Party Transaction. (4 marks)
- (iv) Discuss the powers of inspectors to conduct investigation in to the affairs of related companies under Companies Act, 2013. (4 marks)

Attempt all parts either Q. No. 3 or Q. No. 3A

- 3. (i) Discuss the provisions given under Companies Act 2013 on removal of Directors.
- (ii) "An individual shall not be Chair person and Managing Director or Chief Executive officer at the same time". Discuss in the light of Section 203 of the Act.
- (iii) What are the various rules prescribed under Companies Act 2013 regarding issue of sweat equity share issued by an unlisted company?
- (iv) Discuss penal provisions of contravention of any provisions of Chapter VI Registration of Charges. (4 marks each)

OR (Alternate Question to Q. No. 3)

- 3A. (i) What is 'Floating charge' and how it crystallised.

- (ii) Write the brief procedure to obtain Director Identification Number (DIN).
 - (iii) List the grounds where a Registrar can remove the name of a company from the register of companies.
 - (iv) Write the exemptions given under Section 185 relating to loan to Directors. *(4 marks each)*
4. (i) Write the circumstances where a Tribunal can call a meeting of members and call the annual general meeting.
- (ii) 'The Central Government to establish a fund to be called the Investor Education and Protection Fund, to which amounts specified under section 125 are to be credited.' Discuss in detail. *(8 marks each)*
5. (a) Write down the framework for constitution of National Financial Reporting Authority (NFRA) under Companies Act, 2013.
- (b) Write the Procedure for reduction of share capital.
- (c) Write the duties of a Director given under Companies Act, 2013.
- (d) Write the remedies available with the shareholder when a company refuse to register the transfer/ transmission of shares. *(4 marks each)*
6. Write short notes on the following:-
- (a) Pass resolution by Postal ballot
 - (b) Corporate Social Responsibility Committee
 - (c) Appointment of Key Managerial personnel
 - (d) Removal and replacement of provisional liquidator. *(4 marks each)*
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EXECUTIVE PROGRAMME

COST AND MANAGEMENT ACCOUNTING

MODULE 1- PAPER 2

EXECUTIVE PROGRAMME
COST AND MANAGEMENT ACCOUNTING

PRACTICE TEST PAPER

(This test paper is for practice and self study only and not to be sent to the institute)

Time allowed: 3 hours

Maximum marks : 100

[Attempt all questions. Each question carries 1 mark. There is no negative mark for incorrect answers.]

Q.1. Which of these is not an objective of Cost Accounting?

- (a) Ascertainment of Cost
- (b) Determination of Selling Price
- (c) Cost Control and Cost reduction
- (d) Assisting Shareholders in decision making

Q.2. A profit centre is a centre

- (a) Where the manager has the responsibility of generating and maximising profits
- (b) Which is concerned with earning an adequate Return on Investment
- (c) Both of the above
- (d) Which manages cost

Q.3. Responsibility Centre can be categorised into:

- (a) Cost Centres only
- (b) Profit Centres only
- (c) Investment Centres only
- (d) Cost Centres, Profit Centres and Investment Centres

Q.4. Cost Unit is defined as:

- (a) Unit of quantity of product, service or time in relation to which costs may be ascertained or expressed
- (b) A location, person or an item of equipment or a group of these for which costs are ascertained and used for cost control.
- (c) Centres having the responsibility of generating and maximising profits
- (d) Centres concerned with earning an adequate return on investment

Q.5. Fixed cost is a cost:

- (a) Which changes in total in proportion to changes in output
- (b) which is partly fixed and partly variable in relation to output
- (c) Which do not change in total during a given period despite changes in output

(d) which remains same for each unit of output

Q.6. Uncontrollable costs are the costs which be influenced by the action of a specified member of an undertaking.

- (a) can not
- (b) can
- (c) may or may not
- (d) must

Q.7. Element/s of Cost of a product are:

- (a) Material only
- (b) Labour only
- (c) Expenses only
- (d) Material, Labour and expenses

Q.8. Abnormal cost is the cost:

- (a) Cost normally incurred at a given level of output
- (b) Cost not normally incurred at a given level of output
- (c) Cost which is charged to customer
- (d) Cost which is included in the cost of the product

Q.9. Conversion cost includes cost of converting.....into.....

- (a) Raw material, WIP
- (b) Raw material, Finished goods
- (c) WIP, Finished goods
- (d) Finished goods, Saleable goods

Q.10. Sunk costs are:

- (a) relevant for decision making
- (b) Not relevant for decision making
- (c) cost to be incurred in future
- (d) future costs

Q.11. Describe the method of costing to be applied in case of Nursing Home:

- (a) Operating Costing
- (b) Process Costing
- (c) Contract Costing
- (d) Job Costing

Q.12. Describe the cost unit applicable to the Bicycle industry:

- (a) per part of bicycle
- (b) per bicycle
- (c) per tonne
- (d) per day

Q.13. Calculate the prime cost from the following information:

Direct material purchased: Rs. 1,00,000

Direct material consumed: Rs. 90,000

Direct labour: Rs. 60,000

Direct expenses: Rs. 20,000

Manufacturing overheads: Rs. 30,000

- (a) Rs. 1,80,000
- (b) Rs. 2,00,000
- (c) Rs. 1,70,000
- (d) Rs. 2,10,000

Q. 14. Total cost of a product: Rs. 10,000

Profit: 25% on Selling Price

Profit is:

- (a) Rs. 2,500
- (b) Rs. 3,000
- (c) Rs. 3,333
- (d) Rs. 2,000

Q.15. Calculate cost of sales from the following:

Net Works cost: Rs. 2,00,000

Office & Administration Overheads: Rs. 1,00,000

Opening stock of WIP: Rs. 10,000

Closing Stock of WIP: Rs. 20,000

Closing stock of finished goods: Rs. 30,000

There was no opening stock of finished goods.

Selling overheads: Rs. 10,000

- (a) Rs. 2,70,000
- (b) Rs. 2,80,000
- (c) Rs. 3,00,000
- (d) Rs. 3,20,000

Q.16. Calculate value of closing stock from the following:

Opening stock of finished goods (500 units) : Rs. 2,000

Cost of production (10000 units) : Rs. 50,000

Closing stock (1000 units):?

- (a) Rs. 4,000
- (b) Rs. 4,500
- (c) Rs. 5,000
- (d) Rs. 6,000

Q. 17. Which of these is not a Material control technique:

- (a) ABC Analysis
- (b) Fixation of raw material levels
- (c) Maintaining stores ledger
- (d) Control over slow moving and non moving items

Q.18. Out of the following, what is not the work of purchase department:

- (a) Receiving purchase requisition
- (b) Exploring the sources of material supply
- (c) Preparation and execution of purchase orders
- (d) Accounting for material received

Q.19. Bin Card is a

- (a) Quantitative as well as value wise records of material received, issued and balance;
- (b) Quantitative record of material received, issued and balance
- (c) Value wise records of material received, issued and balance
- (d) a record of labour attendance

Q.20. Stores Ledger is a:

- (a) Quantitative as well as value wise records of material received, issued and balance;
- (b) Quantitative record of material received, issued and balance
- (c) Value wise records of material received, issued and balance
- (d) a record of labour attendance

Q.21. Re-order level is calculated as:

- (a) Maximum consumption x Maximum re-order period
- (b) Minimum consumption x Minimum re-order period
- (c) $\frac{1}{2}$ of (Minimum + Maximum consumption)
- (d) Maximum level - Minimum level

Q.22. Economic order quantity is that quantity at which cost of holding and carrying inventory is:

- (a) Maximum and equal

- (b) Minimum and equal
- (c) It can be maximum or minimum depending upon case to case.
- (d) Minimum and unequal

Q.23. ABC analysis is an inventory control technique in which:

- (a) Inventory levels are maintained
- (b) Inventory is classified into A, B and C category with A being the highest quantity, lowest value.
- (c) Inventory is classified into A, B and C Category with A being the lowest quantity, highest value
- (d) Either b or c.

Q.24. Which one out of the following is not an inventory valuation method?

- (a) FIFO
- (b) LIFO
- (c) Weighted Average
- (d) EOQ

Q.25. In case of rising prices (inflation), FIFO method will:

- (a) provide lowest value of closing stock and profit
- (b) provide highest value of closing stock and profit
- (c) provide highest value of closing stock but lowest value of profit
- (d) provide highest value of profit but lowest value of closing stock

Q.26. In case of rising prices (inflation), LIFO will:

- (a) provide lowest value of closing stock and profit
- (b) provide highest value of closing stock and profit
- (c) provide highest value of closing stock but lowest value of profit
- (d) provide highest value of profit but lowest value of closing stock

Q.27. Calculate Re-order level from the following:

Consumption per week: 100-200 units

Delivery period: 14-28 days

- (a) 5600 units
- (b) 800 units
- (c) 1400 units
- (d) 200 units

Q.28. Calculate EOQ (approx.) from the following details:

Annual Consumption: 24000 units

Ordering cost: Rs. 10 per order

Purchase price: Rs. 100 per unit

Carrying cost: 5%

- (a) 310
- (b) 400
- (c) 290
- (d) 300

Q.29. Calculate the value of closing stock from the following according to FIFO method:

1st January, 2014: Opening balance: 50 units @ Rs. 4

Receipts:

5th January, 2014: 100 units @ Rs. 5

12th January, 2014: 200 units @ Rs. 4.50

Issues:

2nd January, 2014: 30 units

18th January, 2014: 150 units

- (a) Rs. 765
- (b) Rs. 805
- (c) Rs. 786
- (d) Rs. 700

Q.30. Calculate the value of closing stock from the following according to LIFO method:

1st January, 2014: Opening balance: 50 units @ Rs. 4

Receipts:

5th January, 2014: 100 units @ Rs. 5

12th January, 2014: 200 units @ Rs. 4.50

Issues:

2nd January, 2014: 30 units

18th January, 2014: 150 units

- (a) Rs. 765
- (b) Rs. 805
- (c) Rs. 786
- (d) Rs. 700

Q.31. Calculate the value of closing stock from the following according to Weighted Average method:

1st January, 2014: Opening balance: 50 units @ Rs. 4

Receipts:

5th January, 2014: 100 units @ Rs. 5

12th January, 2014: 200 units @ Rs. 4.50

Issues:

2nd January, 2014: 30 units
18th January, 2014: 150 units

- (a) Rs. 765
- (b) Rs. 805
- (c) Rs. 786
- (d) Rs. 700

Q.32. Cost of abnormal wastage is:

- (a) Charged to the product cost
- (b) Charged to the profit & loss account
- (c) charged partly to the product and partly profit & loss account
- (d) not charged at all.

Q.33. Calculate re-order level from the following:

Safety stock: 1000 units
Consumption per week: 500 units
It takes 12 weeks to reach material from the date of ordering.

- (a) 1000 units
- (b) 6000 units
- (c) 3000 units
- (d) 7000 units

Q.34. From the following information, calculate the extra cost of material by following EOQ:

Annual consumption: = 45000 units
Ordering cost per order: = Rs. 10
Carrying cost per unit per annum: = Rs. 10
Purchase price per unit = Rs. 50
Re-order quantity at present = 45000 units
There is discount of 10% per unit in case of purchase of 45000 units in bulk.

- (a) No saving
- (b) Rs. 2,00,000
- (c) Rs. 2,22,010
- (d) Rs. 2,990

Q.35. Which of the following is an abnormal cause of Idle time:

- (a) Time taken by workers to travel the distance between the main gate of factory and place of their work
- (b) Time lost between the finish of one job and starting of next job
- (c) Time spent to meet their personal needs like taking lunch, tea etc.

(d) Machine break downs

Q.36. If overtime is resorted to at the desire of the customer, then the overtime premium:

- (a) should be charged to costing profit and loss account;
- (b) should not be charged at all
- (c) should be charged to the job directly
- (d) should be charged to the highest profit making department

Q.37. Labour turnover means:

- (a) Turnover generated by labour
- (b) Rate of change in composition of labour force during a specified period
- (c) Either of the above
- (d) Both of the above

Q.38. Which of the following is not an avoidable cause of labour turnover:

- (a) Dissatisfaction with Job
- (b) Lack of training facilities
- (c) Low wages and allowances
- (d) Disability, making a worker unfit for work

Q.39. Costs associated with the labour turnover can be categorised into:

- (a) Preventive Costs only
- (b) Replacement costs only
- (c) Both of the above
- (d) Machine costs

Q.40. Calculate workers left and discharged from the following:

Labour turnover rates are 20%, 10% and 6% respectively under Flux method, Replacement method and Separation method. No. of workers replaced during the quarter is 80.

- (a) 112
- (b) 80
- (c) 48
- (d) 64

Q.41. Calculate workers recruited and joined from the following:

Labour turnover rates are 20%, 10% and 6% respectively under Flux method, Replacement method and Separation method. No. of workers replaced during the quarter is 80.

- (a) 112
- (b) 80

- (c) 48
- (d) 64

Q.42. Calculate the labour turnover rate according to replacement method from the following:

No. of workers on the payroll:

- At the beginning of the month: 500
- At the end of the month: 600

During the month, 5 workers left, 20 workers were discharged and 75 workers were recruited. Of these, 10 workers were recruited in the vacancies of those leaving and while the rest were engaged for an expansion scheme.

- (a) 4.55%
- (b) 1.82%
- (c) 6%
- (d) 3%

Q.43. Calculate the labour turnover rate according to Separation method from the following:

No. of workers on the payroll:

- At the beginning of the month: 500
- At the end of the month: 600

During the month, 5 workers left, 20 workers were discharged and 75 workers were recruited. Of these, 10 workers were recruited in the vacancies of those leaving and while the rest were engaged for an expansion scheme.

- (a) 4.55%
- (b) 1.82%
- (c) 6%
- (d) 3%

Q.44. A worker is allowed 60 hours to complete the job on a guaranteed wage of Rs. 10 per hour. Under the Rowan Plan, he gets an hourly wage of Rs. 12 per hour. For the same saving in time, how much he will get under the Halsey Plan?

- (a) Rs. 720
- (b) Rs. 540
- (c) Rs. 600
- (d) Rs. 900

Q.45. Overhead refers to:

- (a) Direct or Prime Cost
- (b) All Indirect costs
- (c) only Factory indirect costs

- (d) Only indirect expenses

Q.46. Allotment of whole item of cost to a cost centre or cost unit is known as:

- (a) Cost Apportionment
- (b) Cost Allocation
- (c) Cost Absorption
- (d) Machine hour rate

Q. 47. Which of the following is not a method of cost absorption?

- (a) Percentage of direct material cost
- (b) Machine hour rate
- (c) Labour hour rate
- (d) Repeated distribution method

Q.48. Service departments costs should be allocated to:

- (a) Only Service departments
- (b) Only Production departments
- (c) Both Production and service departments
- (d) None of the production and service departments

Q.49. Most suitable basis for apportioning insurance of machine would be:

- (a) Floor Area
- (b) Value of Machines
- (c) No. of Workers
- (d) No. of Machines

Q. 50. Blanket overhead rate is:

- (a) One single overhead absorption rate for the whole factory
- (b) Rate which is blank or nil rate
- (c) rate in which multiple overhead rates are calculated for each production department, service department etc.
- (d) Always a machine hour rate

Q.51. AT Co makes a single product and is preparing its material usage budget for next year. Each unit of product requires 2kg of material, and 5,000 units of product are to be produced next year.

Opening inventory of material is budgeted to be 800 kg and AT co budgets to increase material inventory at the end of next year by 20%

The material usage budget for next year is

- (a) 8,000 Kg

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- ((b) 9,840 kg
- ((c) 10,000 Kg
- (d) 10,160 Kg

Q.52. During a period 17, 500 labour hours were worked at a standard cost of Rs 6.50 per hour. The labour efficiency variance was Rs 7,800 favourable. How many standard hours were produced?

- (a) 1,200
- (b) 16,300
- (c) 17,500
- (d) 18,700

Q.53. Which of the following is not a reason for an idle time variance?

- (a) Wage rate increase
- (b) Machine breakdown
- (c) Illness or injury to worker
- (d) Non- availability of material

Q.54. During September, 300 labour hours were worked for a total cost of Rs 4800. The variable overhead expenditure variance was Rs 600 (A). Overheads are assumed to be related to direct labour hours of active working.

What was the standard cost per labour hour?

- (a) Rs 14
- (b) Rs 16.50
- (c) Rs 17.50
- (d) Rs 18

Q.55. Which of the following would explain an adverse variable production overhead efficiency variance?

1. Employees were of a lower skill level than specified in the standard
 2. Unexpected idle time resulted from a series of machine breakdown
 3. Poor Quality material was difficult to process
- (a) (1), (2) and (3)
 - (b) (1) and (2)
 - (c) (2) and (3)
 - (d) (1) and (3)

Q.56. Budgeted sales of X for March are 18000 units. At the end of the production process for X, 10% of production units are scrapped as defective. Opening inventories of X for March are budgeted to be 15000 units and closing inventories will be 11,400 units. All inventories of finished goods must have successfully passed the quality control check. The production budget for X for March, in units is:

- (a) 12,960
- (b) 14,400
- (c) 15,840
- (d) 16,000

Q.57. CG Co manufactures a single product T. Budgeted production output of product T during June is 200 units. Each unit of product T requires 6 labour hours for completion and CG Co anticipates 20 per cent idle time. Labour is paid at a rate of Rs7 per hour. The direct labour cost budget for March is

- (a) Rs 6,720
- (b) 8,400
- (c) 10,080
- (d) 10,500

Q.58. A Local Authority is preparing cash Budget for its refuse disposal department. Which of the following items would not be included in the cash budget?

- (a) Capital cost of a new collection vehicle
- (b) Depreciation of the machinery
- (c) Operatives wages
- (d) Fuel for the collection Vehicles

Q.59. BDL Ltd. is currently preparing its cash budget for the year to 31 March 2014. An extract from its sales budget for the same year shows the following sales values.

| | Rs |
|-------|--------|
| March | 60,000 |
| April | 70,000 |
| May | 55,000 |
| June | 65,000 |

40% of its sales are expected to be for cash. Of its credit sales, 70% are expected to pay in month after sale and take a 2% discount. 27% are expected to pay in the second month after the sale, and the remaining 3% are expected to be bad debts. The value of sales budget to be shown in the cash budget for May 2013 is

- (a) Rs 60,532
- (b) Rs 61,120
- (c) Rs 66,532
- (d) Rs 86,620

Q.60. The actual output of 162,500 units and actual fixed costs of Rs. 87000 were exactly as budgeted. However, the actual expenditure of Rs 300,000 was Rs. 18,000 over budget. What was the budget variable cost per unit?

- (a) Rs 1.20

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- (b) Rs 1.31
- (c) Rs1.42
- (d) Rs 1.50

Q.61. CA Co manufactures a single product and has drawn up the following flexed budget for the year.

| | 60% | 70% | 80% |
|----------------------|----------------|----------------|----------------|
| | Rs | Rs | Rs |
| Direct materials | 120,000 | 140,000 | 160,000 |
| Direct labour | 90,000 | 105,000 | 120,000 |
| Production overheads | 54,000 | 58,000 | 62,000 |
| Other overheads | 40,000 | 40,000 | 40,000 |
| Total Cost | <u>304,000</u> | <u>343,000</u> | <u>382,000</u> |

What would be the total cost in a budget that is prepared at the 77% level of activity?

- (a) Rs 330,300
- (b) Rs 370,300
- (c) Rs 373,300
- (d) Rs 377,300

Q.62. A Ltd is a manufacturing company that has no production resource limitations for the foreseeable future. The Managing Director has asked the company managers to coordinate the preparation of their budgets for the next financial year. In what order should the following budgets be prepared?

- (1) Sales budget
 - (2) Cash budget
 - (3) Production budget
 - (4) Purchase budget
 - (5) Finished goods inventory budget
- (a) (2), (3), (4), (5), (1)
 - (b) (1), (5), (3), (4), (2)
 - (c) (1), (4), (5), (3), (2)
 - (d) (4), (5), (3), (1), (2)

Q.63. S produces and sells one product, P, for which the data are as follows:

| | |
|---------------|-------|
| Selling price | Rs 28 |
| Variable cost | Rs 16 |
| Fixed cost | Rs 4 |

The fixed costs are based on a budgeted production and sales level of 25,000 units for the next period.

Due to market changes both the selling price and the variable cost are expected to increase above the budgeted level in the next period.

If the selling price and variable cost per unit increase by 10% and 8% respectively, by how much must sales volume change, compared with the original budgeted level, in order to achieve the original budgeted profit for the period?

- (a) 10.1% decrease
- (b) 11.2% decrease
- (c) 13.3% decrease
- (d) 16.0% decrease

Q.64. In process costing, a joint product is

- (a) a product which is later divided into many parts
- (b) a product which is produced simultaneously with other products and is of similar value to at least one of the other products.
- (c) A product which is produced simultaneously with other products but which is of a greater value than any of the other products.
- (d) a product produced jointly with another organization

Q.65. Process B had no opening inventory. 13,500 units of raw material were transferred in at Rs 4.50 per unit. Additional material at Rs1.25per unit was added in process. Labour and overheads were Rs 6.25 per completed unit and Rs 2.50 per unit incomplete.

If 11,750completed units were transferred out, what was the closing inventory in Process B?

- (a) Rs. 6562.50
- (b) Rs. 12,250.00
- (c) Rs. 14,437.50
- (d) Rs. 25,375.00

Q.66. A process costing system for J Co used an input of 3,500Kg of materials at Rs20 per Kg and labour hours of 2,750 at Rs25 per hour. Normal loss is 20% and losses can be sold at a scrap value of Rs5per Kg. Output was 2,950 Kg. What is the value of the output?

- (a) Rs 142,485
- (b) Rs 146,183
- (c) Rs 149,746
- (d) Rs 152,986

Q.67. In process costing, if an abnormal loss arises, the process account is generally

- (a) Debited with the scrap value of the abnormal loss units
- (b) Debited with the full production cost of the abnormal loss units
- (c) Credited with the scrap value of the abnormal loss units
- (d) Credited with the full production cost of the abnormal loss units

Q.68. Which of the following statements is/are correct?

1. A materials requisition note is used to record the issue of direct material to a specific job.
 2. A typical job cost will contain actual costs for material, labour and production overheads, and non – production overheads are often added as a percentage of total production cost
 3. The job costing method can be applied in costing batches
- (a) (1) only
(b) (1) and (2) only
(c) (1) and (3) only
(d) (2) and (3) only

Q.69. A job is budgeted to require 3,300 productive hours after incurring 25% idle time. If the total labour cost budgeted for the job is Rs36,300. What is the labour cost per hour(to the nearest cent)?

- (a) Rs 8.25
(b) Rs 8.80
(c) Rs 11.00
(d) Rs 14.67

Q.70. A company calculates the prices of jobs by adding overheads to the prime cost and adding 30% to total costs as a profit margin. Job number Y256 was sold for Rs1690 and incurred overheads of Rs 694. What was the prime cost of the job?

- (a) Rs 489
(b) Rs 606
(c) Rs 996
(d) Rs 1300

Q.71. State which of the following are the characteristics of service costing.

1. High levels of indirect costs as a proportion of total costs
 2. Use of composite cost units
 3. Use of equivalent units
- (a) (1) only
(b) (1) and (2) only
(c) (2) only
(d) (2) and (3) only

Q.72. Which of the following organisations should *not* be advised to use service costing?

- (a) Distribution service
(b) Hospital
(c) Maintenance division of a manufacturing company

(d) A light engineering company

Q.73. Calculate the most appropriate unit cost for a distribution division of a multinational company using the following information.

| | |
|-------------------------|---------|
| Miles travelled | 636,500 |
| Tonnes carried | 2,479 |
| Number of drivers | 20 |
| Hours worked by drivers | 35,520 |
| Tonnes miles carried | 375,200 |
| Cost incurred | 562,800 |

- (a) Rs .88
- (b) Rs 1.50
- (c) Rs 15.84
- (d) Rs28, 140

Q.74. The following information is available for the W hotel for the latest thirty day period.

| | |
|-------------------------------------|----------|
| Number of rooms available per night | 40 |
| Percentage occupancy achieved | 65% |
| Room servicing cost incurred | Rs. 3900 |

The room servicing cost per occupied room-night last period, to the nearest Rs, was:

- (a) Rs 3.25
- (b) Rs 5.00
- (c) Rs 97.50
- (d) Rs 150.00

Q.75. A company makes a single product and incurs fixed costs of Rs. 30,000 per annum. Variable cost per unit is Rs. 5 and each unit sells for Rs. 15. Annual sales demand is 7,000 units. The breakeven point is:

- (a) 2,000 units
- (b) 3,000 units
- (c) 4,000 units
- (d) 6,000 units

Q.76. A company manufactures a single product for which cost and selling price data are as follows:

| | |
|-------------------------------|--------------|
| Selling price per unit - Rs. | 12 |
| Variable cost per unit - Rs. | 8 |
| Fixed cost for a period - Rs. | 98,000 |
| Budgeted sales for a period - | 30,000 units |

The margin of safety, expressed as a percentage of budgeted sales, is:

- (a) 20%

- b) 25%
- (c) 73%
- (d) 125%

Information for Q.77 to Q.79:

Information concerning A Ltd.'s single product is as follows:

Selling price - Rs. 6 per unit

Variable production cost - RS. 1.20 per unit

Variable selling cost - Rs. 0.40 per unit

Fixed production cost - Rs. 4 per unit

Fixed selling cost - Rs. 0.80 per unit.

Budgeted production and sales for the year are 10,000 units.

Q.77. What is the company's breakeven point:

- (a) 8,000 units
- b) 8,333 units
- (c) 10,000 units
- (d) 10,909 units

Q.78. How many units must be sold if company wants to achieve a profit of Rs. 11,000 for the year?

- (a) 2,500 units
- (b) 9,833 units
- (c) 10,625 units
- (d) 13,409 units

Q.79. It is now expected that the variable production cost per unit and the selling price per unit will each increase by 10%, and fixed production cost will rise by 25%. What will be the new break even point?

- (a) 8,788 units
- (b) 11,600 units
- (c) 11,885 units
- (d) 12,397 units

Q.80. A company's break even point is 6,000 units per annum. The selling price is Rs. 90 per unit and the variable cost is Rs. 40 per unit. What are the company's annual fixed costs?

- (a) Rs. 120
- (b) Rs. 2,40,000
- (c) Rs. 3,00,000
- (d) Rs. 5,40,000

Q.81. Capital gearing ratio is _____.

- (a) Market test ratio
- (b) Long-term solvency ratio
- (c) Liquid ratio
- (d) turnover ratio

Q.82. After inviting tenders for supply of raw materials, two quotations are received as follows—

Supplier P Rs. 2.20 per unit, Supplier Q Rs. 2.10 per unit plus Rs. 2,000 fixed charges irrespective of the units ordered. The order quantity for which the purchase price per unit will be the same—

- (a) 22,000 units
- (b) 20,000 units
- (c) 21,000 units
- (d) None of the above.

Q.83. In case of joint products, the main objective of accounting of the cost is to apportion the joint costs incurred up to the split off point. For cost apportionment one company has chosen Physical Quantity Method. Three joint products 'A', 'B' and 'C' are produced in the same process. Up to the point of split off the total production of A, B and C is 60,000 kg, out of which 'A' produces 30,000 kg and joint costs are Rs. 3,60,000. Joint costs allocated to product A is

- (a) Rs. 1,20,000
- (b) Rs. 60,000
- (c) Rs. 1,80,000
- (d) None of the these

Q.84. A transport company is running five buses between two towns, which are 50 kms apart. Seating capacity of each bus is 50 passengers. Actually passengers carried by each bus were 75% of seating capacity. All buses ran on all days of the month. Each bus made one round trip per day. Passenger kms are:

- (a) 2,81,250
- (b) 1,87,500
- (c) 5,62,500
- (d) None of the above

Q.85. The cost per unit of a product manufactured in a factory amounts to Rs. 160 (75% variable) when the production is 10,000 units. When production increases by 25%, the cost of production will be Rs. per unit.

- (a) Rs. 145
- (b) Rs. 150
- (c) Rs. 152
- (d) Rs. 140

Q.86. In 'make or buy' decision, it is profitable to buy from outside only when the supplier's price is below the firm's own _____.

- (a) Fixed Cost
- (b) Variable Cost
- (c) Total Cost
- (d) Prime Cost

Q.87. A budget which is prepared in a manner so as to give the budgeted cost for any level of activity is known as:

- (a) Master budget
- (b) Zero base budget
- ((c) Functional budget
- (d) Flexible budget

Q.88. _____ is also known as working capital ratio.

- (a) Current ratio
- (b) Quick ratio
- ((c) Liquid ratio
- (d) Debt-equity ratio

Q.89. _____ is a summary of all functional budgets in a capsule form.

- (a) Functional Budget
- (b) Master Budget
- (c) Long Period Budget
- (d) Flexible Budget

Q.90. _____ is a detailed budget of cash receipts and cash expenditure incorporating both revenue and capital items.

- (a) Cash Budget
- (b) Capital Expenditure Budget
- (c) Sales Budget
- (d) Overhead Budget

Q.91. Statutory cost audit are applicable only to:

- (a) Firm
- (b) Company
- (c) Individual
- (d) Society

Q.92. For the financial year ended as on March 31, 2013 the figures extracted from the balance sheet of Xerox Limited as under:

Opening Stock Rs. 29,000; Purchases Rs. 2,42,000; Sales Rs. 3,20,000; Gross Profit 25% of Sales. Stock Turnover Ratio will be :-

- (a) 8 times
- (b) 6 times
- (c) 9 times
- (d) 10 times

Q.93. If credit sales for the year is Rs. 5,40,000 and Debtors at the end of year is Rs. 90,000 the Average Collection Period will be

- (a) 30 days
- (b) 61 days
- (c) 90 days
- (d) 120 days

Q.94. The summarized balance sheet of Rakesh udyog Limited shows the balances of previous and current year of provision for taxation Rs. 50,000 and Rs. 65,000. If taxed paid during the current year amounted to Rs. 70,000 then amount charge from Profit and Loss Account will be:

- (a) Rs. 55,000
- (b) Rs. 85,000
- (c) Rs. 45,000
- (d) Rs. 1,85,000

Q.95. The summarized balance sheet of Autolight Limited shows the balances of previous and current year of retained earnings Rs. 25,000 and Rs. 35,000. If dividend paid during the current year amounted to Rs. 5,000 then profit earned during the year will be:

- (a) Rs. 5,000
- (b) Rs. 55,000
- (c) Rs. 15,000
- (d) Rs. 65,000

Q.96. Following information is available of XYZ Limited for quarter ended June, 2013

| | |
|---------------|-----------------|
| Fixed cost | Rs. 5,00,000 |
| Variable cost | Rs. 10 per unit |
| Selling price | Rs. 15 per unit |
| Output level | 1,50,000 units |

What will be amount of profit earned during the quarter using the marginal costing technique?

- (a) Rs. 2,50,000

- (b) Rs. 10,00,000
- (c) Rs. 5,00,000
- (d) Rs. 17,50,000

Q.97. The P/v ratio of a company is 50% and margin of safety is 40%. If present sales is Rs. 30,00,000 then Break Even Point in Rs. will be

- (a) Rs. 9,00,000
- (b) Rs. 18,00,000
- (c) Rs. 5,00,000
- (d) None of the above

Q.98. Following information is available of PQR for year ended March, 2013: 4,000 units in process, 3,800 units output, 10% of input is normal wastage, Rs. 2.50 per unit is scrap value and Rs. 46,000 incurred towards total process cost then amount on account of abnormal gain to be transferred to Costing P&L will be:-

- (a) Rs. 2,500
- (b) Rs. 2,000
- (c) Rs. 4,000
- (d) Rs. 3,500

Q.99. In element-wise classification of overheads, which one of the following is not included —

- (a) Fixed overheads
- (b) Indirect labour
- (c) Indirect materials
- (d) Indirect expenditure.

Q.100. When the sales increase from Rs. 40,000 to Rs. 60,000 and profit increases by Rs. 5,000, the P/V ratio is —

- (a) 20%
- (b) 30%
- (c) 25%
- (d) 40%.

ANSWERS

- | | | |
|-------|-------|--------|
| 1. d | 35. d | 69. a |
| 2. a | 36. c | 70. b |
| 3. d | 37. b | 71. b |
| 4. a | 38. d | 72. d |
| 5. c | 39. c | 73. b |
| 6. a | 40. c | 74. b |
| 7. d | 41. a | 75. b |
| 8. b | 42. b | 76. a |
| 9. b | 43. a | 77. d |
| 10. b | 44. b | 78. d |
| 11. a | 45. b | 79. c |
| 12. b | 46. b | 80. c |
| 13. c | 47. d | 81. b |
| 14. c | 48. c | 82. b |
| 15. b | 49. b | 83. c |
| 16. c | 50. a | 84. c |
| 17. c | 51. c | 85. c |
| 18. d | 52. d | 86. b |
| 19. b | 53. a | 87. d |
| 20. a | 54. a | 88. a |
| 21. a | 55. d | 89. b |
| 22. b | 56. d | 90. a |
| 23. c | 57. d | 91. b |
| 24. d | 58. b | 92. a |
| 25. b | 59. a | 93. b |
| 26. a | 60. a | 94. b |
| 27. b | 61. b | 95. c |
| 28. a | 62. b | 96. a |
| 29. a | 63. b | 97. b |
| 30. b | 64. b | 98. a |
| 31. c | 65. c | 99. a |
| 32. b | 66. a | 100. c |
| 33. d | 67. d | |
| 34. d | 68. c | |

SPECIMEN OMR ANSWER SHEET

It is for practice and self use only, Not to be sent to the Institute

Examination Session :

Question Paper Booklet No.

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Use Blue/Black Ball Point Pen only

How to mark answers

CORRECT METHOD A B C D

WRONG METHOD X ✓ ● D

A ✓ C D

X B C D

Question Booklet Code

A B C D

Answers

| | | | |
|----|-----------------|-----|-----------------|
| 1 | (A) (B) (C) (D) | 51 | (A) (B) (C) (D) |
| 2 | (A) (B) (C) (D) | 52 | (A) (B) (C) (D) |
| 3 | (A) (B) (C) (D) | 53 | (A) (B) (C) (D) |
| 4 | (A) (B) (C) (D) | 54 | (A) (B) (C) (D) |
| 5 | (A) (B) (C) (D) | 55 | (A) (B) (C) (D) |
| 6 | (A) (B) (C) (D) | 56 | (A) (B) (C) (D) |
| 7 | (A) (B) (C) (D) | 57 | (A) (B) (C) (D) |
| 8 | (A) (B) (C) (D) | 58 | (A) (B) (C) (D) |
| 9 | (A) (B) (C) (D) | 59 | (A) (B) (C) (D) |
| 10 | (A) (B) (C) (D) | 60 | (A) (B) (C) (D) |
| 11 | (A) (B) (C) (D) | 61 | (A) (B) (C) (D) |
| 12 | (A) (B) (C) (D) | 62 | (A) (B) (C) (D) |
| 13 | (A) (B) (C) (D) | 63 | (A) (B) (C) (D) |
| 14 | (A) (B) (C) (D) | 64 | (A) (B) (C) (D) |
| 15 | (A) (B) (C) (D) | 65 | (A) (B) (C) (D) |
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| 18 | (A) (B) (C) (D) | 68 | (A) (B) (C) (D) |
| 19 | (A) (B) (C) (D) | 69 | (A) (B) (C) (D) |
| 20 | (A) (B) (C) (D) | 70 | (A) (B) (C) (D) |
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| 32 | (A) (B) (C) (D) | 82 | (A) (B) (C) (D) |
| 33 | (A) (B) (C) (D) | 83 | (A) (B) (C) (D) |
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| 36 | (A) (B) (C) (D) | 86 | (A) (B) (C) (D) |
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Instructions for Candidate

1. There is no negative marking.
2. Use Only Blue/Black Ball Point Pen to Darken the appropriate Circle.
3. Write and darken correct Question Booklet Code Viz. A or B or C or D which will be taken as final for evaluation. In case any candidate fills in this information wrongly, Institute will not take any responsibility for rectifying the mistake.
4. Mark your answer only in the appropriate space against the number corresponding to the question.
5. Please darken the complete circle.
6. Please do NOT make any stray marks on the answer sheet.
7. Rough work must NOT be done on the answer sheet.
8. Do NOT fold or damage the edges of the sheet.
9. Use of white fluid is prohibited.

Signature of Candidate with Pen

Name (As registered with ICSI)

Signature of Invigilator with Pen

EXECUTIVE PROGRAMME

ECONOMIC AND COMMERCIAL LAWS

MODULE 1- PAPER 3

EXECUTIVE PROGRAMME
ECONOMIC AND COMMERCIAL LAWS

TEST PAPER 1

(This Test Paper is for recapitulate and practice for the students. Students need not to submit responses/answers to this test paper to the Institute.)

Time Allowed: 3 hours

Maximum Marks: 100

Total number of questions: 6

NOTE: Answer ALL Questions

PART A
(Economic Laws)

1. Write notes on the following:

- (a) Current Account Transactions
- (b) Foreign Source
- (c) Conditions conducive to cartelisation
- (d) Consumer under Consumer Protection Act, 1986
- (e) Doctrine of *Lis pendens*.

(5 marks each)

Attempt all parts of either Q.No.2 or Q.No.2A

2. (a) Explain the 'Assignment of a trade mark' and 'transmission of a trade mark' under the Trade Marks Act, 1999.
- (b) With reference to the relevant provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, advise Rajiv, a person resident in India, who wishes to acquire foreign securities as qualification shares issued by a company incorporated outside India for holding the position of a director in the company.
- (c) Discuss the powers of the Central Government to prohibit receipt of foreign contribution under the Foreign Contribution (Regulation) Act, 2010.

(5 marks each)

OR

(Alternate question to Q.No.2)

- 2A. (a) State "Doctrine of Election" under Transfer of Property Act, 1882.
- (b) State form and contents of an arbitral award.
- (c) What are the modes of cancellation of adhesive stamps?
- (d) Distinguish 'English mortgage' and 'mortgage by conditional sale'.
- (e) State 'quasi contract'.

(3 marks each)

3. (a) A school owned a swimming pool and offered swimming facilities to the public on payment of fees. The school conducted summer swimming training camps to train children in swimming and for this purpose had engaged a trainer/coach. Raghuraj had enrolled his son for learning how to swim. One day while swimming, the child died due to drowning. The school authorities maintained that the trainer/ coach was fully qualified for the job and challenged the complainant's claim for compensation in the consumer disputes redressal forum. Should the school authorities be held liable to pay compensation for 'deficiency in service'? Who is entitled to receive compensation? Give reasons.

- (b) A minor's contract is void ab initio, yet he enjoys special status under the Indian Contract Act, 1872. Explain.
- (c) State the salient features of the Special Economic Zones Act, 2005. (5 marks each)
4. (a) What are the factors that may be considered by Competition Commission of India for determining the 'Relevant Geographic Market' and 'Relevant Product Market'? Explain. (8 marks)
- (b) Certain acts do not constitute infringement of copyright under Copyright Act, 1957. Discuss. (7 marks)

PART B
(Commercial Laws)

5. (a) State the provisions regarding Pre-packaged commodity under Legal Metrology Act, 2009.
- (b) State the Hazardous substance under Public Liability Insurance Act, 1991.
- (c) State the places where documents relating to immovable property may be presented for registration under the Registration Act, 1908.
- (d) What do you mean by the "day of acceptance" under Micro, Small and Medium Enterprises Development Act, 2006?
- (e) State the status of a society registered under Societies Registration Act, 1860 (3 marks each)

Attempt all part of either Q. No. 6 or Q. No. 6A

6. (a) Mention the powers of the central government to protect and improve the quality of environment under the Environment (Protection) Act, 1986.
- (b) What are the heads under which compensation or relief for damages may be claimed under the National Green Tribunal Act, 2010?
- (c) Discuss the powers and duties of Registrar of Societies. (5 marks each)

OR

(Alternate question to Q. No. 6)

- 6A. (a) Discuss the Doctrine of Cypres.
- (b) State the seizure and confiscation of essential commodities under the Essential Commodities Act, 1955.
- (c) List out the industries specified in the First Schedule of the Industries (Development and Regulation) Act, 1951 (5 marks each)
-

TEST PAPER 2

(This Test Paper is for recapitulate and practice for the students. Students need not to submit responses/answers to this test paper to the Institute.)

Time Allowed: 3 hours

Maximum Marks: 100

*NOTE: Total number of questions: 6
Answer ALL Questions*

**PART A
(Economic Laws)**

1. Write short notes on the following:

- (a) Capital Account Transactions
- (b) Foreign contribution
- (c) Relevant Product Market
- (d) Moral Rights of Author
- (e) Flaws in Contract.

(5 marks each)

Attempt all parts of either Q.No.2 or Q.No.2A

2. (a) What do you mean by performer's right? Discuss exclusive right of performer under Copyright Act, 1957.
- (b) Discuss about Foreign Direct Investment in Multi Brand Retail Trading.
- (c) What is combination? Discuss thresholds for combinations under the Competition Act, 2002.

(5 marks each)

OR

(Alternate question to Q.No.2)

- 2A. (a) State the instruments which are chargeable with duty under the Indian Stamp Act, 1899.
- (b) State 'Actionable claim' under the Transfer of Property Act, 1882.
- (c) Mention the circumstances under which refund of stamp duty or penalty may be made by revenue authorities.
- (d) State 'Defect' in goods under the Consumer Protection Act, 1986.
- (e) State "Registered user" under the Trade Marks Act, 1999. *(3 marks each)*
3. (a) State the essential elements of a valid contract.
- (b) Distinguish between 'movable property' and 'immovable property'.
- (c) Mention the obligations of banking companies, financial institutions and intermediaries under the Prevention of Money Laundering Act, 2002. *(5 marks each)*
4. (a) What are the factors which the Competition Commission of India will take into consideration in determining whether an agreement has an appreciable adverse effect on competition? *(8 marks)*
- (b) Mention the cases that do not qualify to be called as inventions, within the meaning of the Patents Act, 1970? *(7 marks)*

**PART B
(Commercial Laws)**

5. (a) What do you mean by "substantial question relating to environment" under the National Green Tribunal Act, 2010.

- (b) Discuss briefly the takeover of the management of an industrial undertaking under Industries (Development and Regulation) Act, 1951.
- (c) Discuss briefly about Control of Noise Pollution under the Noise Pollution (Regulation and Control) Rules, 2000.
- (d) Describe the functions of the National Board for micro, small and medium enterprises under the Micro, Small and Medium Enterprises Development Act, 2006
- (e) Briefly explain Environmental Audit. (3 marks each)

Attempt all part of either Q. No. 6 or Q. No. 6A

6. (a) Mention the documents which are not required to be registered compulsorily under the Registration Act, 1908.
- (b) An enterprise which is engaged in hazardous or inherently dangerous activity and an industry which poses a potential threat to the health and safety of the persons and of those residing in the surrounding areas owes an absolute and non-delegatable duty to the community. Comment.
- (c) Discuss about the classification of Trusts. (5 marks each)

OR

(Alternate question to Q. No. 6)

- 6A. (a) Discuss briefly the memorandum of Micro, Small and Medium Enterprise.
- (b) Discuss the powers of Central Government to control production, supply and distribution etc, of essential commodities under the Essential Commodities Act, 1955.
- (c) What are the restrictions on the use of industrial plants under the Air(Prevention and Control of Pollution)Act, 1981? (5 marks each)
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EXECUTIVE PROGRAMME

TAX LAWS AND PRACTICE

MODULE 1- PAPER 4

**EXECUTIVE PROGRAMME
TAX LAWS AND PRACTICE
PRACTICE TEST PAPER**

(This test paper is for practice and self study only and not to be sent to the institute)

Time allowed: 3 hours

Maximum mark: 100

[Attempt all questions. Each question carries 1 mark. There is no negative mark for incorrect answers.]

PART A

1. A person includes:
 - a) Only Individual
 - b) Only Individual and HUF
 - c) Individuals, HUF, Firm, Company only
 - d) Individuals, HUF, Company, Firm, AOP or BOI, Local Authority, Every Artificial Juridical Person
2. Every assessee is a person, and
 - a) every person is also an assessee
 - b) every person need not be an assessee
 - c) an individual is always an assessee
 - d) A HUF is always an assessee
3. Describe the status of the following person (i.e. individual, HUF, Firm, Company etc.) X and Y are legal heirs of Z. Z died in 2014 and X and Y carry on his business without entering into a partnership.
 - a) Firm
 - b) Limited Liability Partnership
 - c) Company
 - d) Body of Individual
4. Assessment year can be a period of:
 - a) only more than 12 months
 - b) 12 months and less than 12 months
 - c) only 12 months
 - d) 12 months and more than 12 months
5. Year in which income is taxable is known as..... and year in which income is earned is known as.....
 - a) Previous year, Assessment year
 - b) Assessment year, Previous year
 - c) Assessment year, Assessment year
 - d) Previous year, Previous year

6. All assesseees are required to follow:
 - a) Uniform previous year which must be calendar year only
 - b) Uniform previous year which must be financial year only
 - c) Any period of 12 months
 - d) Period starting from 1st July to 30th June only
7. First previous year in case of a business/profession newly set up on 31.3.2014 would:
 - a) Start from 1st April, 2013 and end on 31st March, 2014
 - b) Start from 31st March, 2014 and will end on 31st March, 2014
 - c) Start from 1st January, 2014 and end on 31st December, 2014
 - d) Start from 1st January, 2014 and will end on 31st March, 2014
8. A person follows Calendar year for accounting. For taxation, he has to follow:
 - a) Calendar year only - 1st January to 31st December
 - b) Financial year only - 1st April to 31st March
 - c) Any of the Calendar or Financial year as per his choice
 - d) He will follow extended year from 1st January to next 31st March (a period of 15 months)
9. In which of the following cases, income of previous year is assessable in the previous year itself:
 - a) Assessment of persons leaving India
 - b) A person in employment in India
 - c) A person who is into illegal business
 - d) A person who is running a charitable institution
10. In which of the following cases, Assessing Officer has the discretion to assess the income of previous year in previous year itself or in the subsequent assessment year:
 - a) Shipping business of non-residents
 - b) Assessment of Association of Persons or Body of Individuals formed for a particular event or purpose
 - c) Assessment of persons likely to transfer property to avoid tax
 - d) Discontinued business
11. In case of a female individual, who is of 59 years of age, what is the maximum exemption limit for AY 2014-15:
 - a) Rs. 2,00,000
 - b) Rs. 2,50,000
 - c) Rs. 5,00,000
 - d) Nil
12. Calculate Income-tax payable by an Individual (aged 30 years) for AY 2014-15 if his total income is Rs. 1,01,20,000:
 - a) Rs. 30,38,500

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- b) Rs. 32,47,180
 - c) Rs. 29,14,900
 - d) Rs. 29,50,000
13. Calculate the amount of rebate under section 87A in case of a resident individual having total income of Rs. 3,00,000.
- a) Rs. 30,000
 - b) Rs. 10,000
 - c) Rs. 2,000
 - d) Rs. 5,000
14. Out of the following, which of the capital receipt is not taxable:
- a) Capital gains of Rs. 10,00,000
 - b) Amount of Rs. 5,00,000 won by way of lottery, games, puzzles
 - c) Amount of Rs. 2,00,000 received by way of gift from relatives
 - d) Amount of Rs. 1,00,000 received by way of gift from a friend on marriage anniversary
15. Total income is to be rounded off to nearest multiple of..... and tax is to be rounded off to nearest multiple of
- a) Ten, Rupee
 - b) Hundred, Ten
 - c) Ten, Ten
 - d) Rupee, Rupee
16. Income accrued outside India and received outside India is taxable in case of:
- a) Resident and ordinary resident (ROR) only
 - b) Resident but not ordinary resident (RNOR) only
 - c) Non resident only
 - d) ROR, RNOR and Non-Resident
17. An Indian company would:
- a) be resident in India if its control and management is wholly situated in India
 - b) be resident in India if its control and management is wholly or partly situated in India
 - c) be resident in India if its control and management is wholly situated outside India
 - d) be always resident in India irrespective of control and management
18. Determine the residential status of a HUF if HUF's control and management is wholly situated in India and Karta of HUF is a Non-resident in India for that previous year.
- a) Resident and Ordinary Resident (ROR)
 - b) Resident but not ordinary resident (RNOR)
 - c) Non-Resident (NR)
 - d) ROR or RNOR

19. Profits of Rs. 1,00,000 for the year 2012-13 of a business in Germany remitted to India during the previous year 2013-14 (not taxed earlier) would be:
- a) Taxable in India for ROR only
 - b) Not taxable in India for all (ROR, RNOR and NR)
 - c) Taxable in India for all (ROR, RNOR and NR)
 - d) Taxable only for RNOR and NR
20. Profits of Rs. 2,00,000 is earned from a business in USA which is controlled in India, half of the profits being received in India. How much amount is taxable in India for a Non-resident individual?
- a) Rs. 2,00,000
 - b) Nil
 - c) Rs. 1,00,000
 - d) Rs. 3,00,000
21. Dividend from British Co. of Rs. 2,00,000 received in London will be taxable in case of:
- a) Resident and ordinary resident (ROR) only
 - b) Not ordinary resident (NOR) only
 - c) Non resident (NR) only
 - d) ROR, NOR and NR all
22. Which out of the following income is exempt from tax?
- a) Sum received by a member from HUF
 - b) Dividend received from a foreign company
 - c) Agricultural income from Bangladesh
 - d) Salary Income from a Non Profitable Organisation
23. Which income out of the following is an exempt income for political party?
- a) Income from house property only
 - b) Income from other sources only
 - c) Income by way of voluntary contribution from any person only
 - d) Income from house property, income from other sources, income from capital gains and income by way of voluntary contribution
24. Dividend received by a shareholder from an Indian company is exempt. Interest or any other expenditure incurred for earning such dividend income shall:
- a) be allowed as deduction
 - b) not be allowed as deduction
 - c) be allowed as deduction subject to certain conditions
 - d) be allowed only if Assessing Officer is satisfied that it is only interest expenditure

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25. Gross Total Income is arrived after:
- only adding Income under five heads of Income;
 - adding Income under five heads of Income excluding losses;
 - adding Income under five heads of Income, after applying clubbing provisions and making adjustment of set off and carry forward of losses
 - adding Income under five heads of Income, after applying clubbing provisions and making adjustment of set off and carry forward of losses and after allowing deduction under section 80C to 80U
26. Salary of S (Rs. 40,000 per month) becomes due on the last day of the month but is paid on 7th of next month. Also, salary of April, 2014 and May, 2014 is received in advance in March, 2014. What will be his gross income for Assessment Year 2014-15?
- Rs. 5,60,000
 - Rs. 4,80,000
 - Rs. 4,40,000
 - Rs. 5,20,000
27. Calculate the exempt HRA from the following details:
- X is entitled to a basic salary of Rs. 50,000 p.m. and dearness allowance of Rs. 10,000 p.m., 40% of which forms part of retirement benefits. He is also entitled to HRA of Rs. 20,000 p.m. He actually lives with his parents in Mumbai and does not pay any rent. Market rent of that house is Rs. 20,000 p.m. in Mumbai.
- Nil
 - Rs. 1,75,200
 - Rs. 64,800
 - Rs. 2,40,000
28. Y received children education allowance of Rs. 500 p.m. for 10 of his children. Calculate taxable amount of children education allowance for the assessment year 2014-15 if entire Rs. 500 is spent by Y.
- Nil
 - Rs. 4,800
 - Rs. 6,000
 - Rs. 3,600
29. A Ltd. has advanced an interest free loan of Rs. 5,00,000 to B for purchase of car on 1.5.2013. B has been repaying the loan in instalments of Rs. 20,000 p.m. on the 1st of next month. Compute the value of perquisite on account of interest assuming the interest charged by SBI is 10% p.a.
- Rs. 34,833
 - Rs. 36,667
 - Rs. 40,000
 - Rs. 50,000
30. Employer provides a car (below 1.6 Ltr. capacity) alongwith a driver to X partly for official and partly for personal purpose. The expenses incurred by the company are:

running and maintenance expenses - Rs. 32,000

driver's salary - Rs. 36,000

Taxable value of perquisite is:

- a) Rs. 21,600
 - b) Rs. 10,800
 - c) Rs. 32,400
 - d) Rs. 39,600
31. X retired on 15.4.2013 from a company. He was entitled to a pension of Rs. 4,000 p.m. At the time of retirement, he got 75% of the pension commuted and received Rs. 1,20,000 as commuted pension. Compute the taxable portion of the commuted pension if he is entitled to gratuity.
- a) Rs. 66,667
 - b) Rs. 53,333
 - c) Rs. 1,20,000
 - d) Rs. 78,667
32. Mr. A (65 years) submits the following information for the Assessment year 2014-15:
- Gross salary - Rs. 8,80,000
- Income from other sources - Rs. 60,000
- Contribution to PPF- Rs. 70,000
- Compute the tax liability of A.
- a) Rs. 99,000
 - b) Rs. 97,000
 - c) Rs. 1,01,970
 - d) Rs. 99,970
33. Calculate the Gross Annual value from the following details:
- Municipal Value - Rs. 45,000
- Fair rental value - Rs. 50,000
- Standard rent - Rs. 48,000
- Actual Rent - Rs. 42,000
- a) Rs. 50,000
 - b) Rs. 48,000
 - c) Rs. 45,000
 - d) Rs. 42,000
34. M took a loan of Rs. 6,00,000 on 1.4.2011 from a bank for construction of a house. The loan carries an interest @ 10% p.a. The construction is completed on 15.6.2013. The entire loan is still outstanding. Compute the interest allowable for the assessment year 2014-15.

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- a) Rs. 60,000
 - b) Rs. 1,80,000
 - c) Rs. 84,000
 - d) Rs. 24,000
35. A had one self occupied house property in Mumbai for residence. Fair rent of that property is Rs. 56,000 per annum. Municipal valuation is Rs. 28,000. Municipal taxes paid are Rs. 5,000 including Rs. 1,000 for an earlier year. The house was constructed in December, 2005 with a loan of Rs. 12,00,000 from a bank taken in November, 2004. During the previous year 2013-14, the assessee refunded Rs. 2,30,000 which includes Rs. 1,68,000 as current year interest. Compute the income from house property for assessment year 2014-15?
- a) Loss of Rs. 30,000
 - b) Loss of Rs. 1,68,000
 - c) Nil
 - d) Loss of Rs. 1,50,000
36. Which out of the following is not a case of deemed ownership of house property?
- a) Transfer to a spouse for inadequate consideration
 - b) Transfer to a minor child for inadequate consideration
 - c) Holder of an impartible estate
 - d) Co-owner of a property
37. Which of the following income is not chargeable as income of business or profession?
- a) Profits and gains of business carried by an assessee during the previous year
 - b) Income derived by a trade, professional or similar association from specific services performed for its members
 - c) Income from the activity of owning and maintaining race horses
 - d) Salary received by a partner of a firm from the firm in which he is a partner
38. Income is chargeable as profits of the business, only if the business is carried on by the assessee at any time during the previous year. However, there are certain exceptions to the above rule. Which out of the following is not an exception:
- a) Recovery against bad debts
 - b) Sale of capital asset used for scientific research
 - c) Recovery against any loss, expenditure or trading liability earlier allowed as a deduction
 - d) Recovery against any loss, expenditure or trading liability earlier not allowed as a deduction
39. If a new machinery is purchased on 15.4.2013 and put to use for the purpose of the business on 28.12.2013, depreciation would be allowable at the rate of:
- a) 7.5%
 - b) 15%
 - c) 10%
 - d) 20%

40. Which of the following expenditure on scientific research is not allowed as deduction?
- a) Revenue expenses incurred during the previous year
 - b) Revenue expenses on payment of salary to employees engaged in scientific research and purchase of material used in scientific research incurred during three years immediately preceding the commencement of business
 - c) Capital expenditure incurred on scientific research during the year related to the business
 - d) Expenditure incurred on acquisition of land during the year for scientific research
41. Which out of the following is not a condition to be fulfilled for claiming expenditure under section 37(1)?
- a) Such expenditure should not be covered under the specific sections i.e. sections 30 to 36
 - b) Expenditure should be of capital nature
 - c) Expenditure should not be of a personal nature
 - d) Expenditure should have been incurred wholly or exclusively for the purpose of the business or profession.
42. Financial statement of A on 31.3.2014 reveals that the following expenses were due during year ended 31.3.2014 but have been paid after 31.3.2014:
- Employer's contribution to provident fund: Rs. 55,000 (Rs. 25,000 paid on 15.7.2014, Rs. 10,000 paid on 31.7.2014 and Rs. 20,000 paid on 15.1.2015)
- The due date of filing return is 31.7.2014. What would be the deduction for AY 2014-15?
- a) Rs. 55,000
 - b) Rs. 35,000
 - c) Rs. 10,000
 - d) Rs. 45,000
43. M owns the following commercial vehicles:
- (i) 2 light commercial vehicles: one for 9 months and two days and the other for 12 months
 - (ii) 2 heavy good vehicle - one for 6 months and 25 days and the other for 11 months and 12 days.
 - (iii) 2 medium goods vehicles - one for 6 months and the other for 8 months and 15 days
- Compute the income from business of M if he opts for the scheme under section 44AE.
- a) Rs. 99,000
 - b) Rs. 95,000
 - c) Rs. 67,500
 - d) Rs. 2,61,500
44. Cost of Acquisition in case of bonus shares allotted before 1.4.1981 will be:
- a) Nil
 - b) Fair Market Value as on 1.4.1981
 - c) Rs. 10,000
 - d) Cost of Original shares on the basis of which bonus shares are allotted.

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45. Indexation benefit on Cost of acquisition is available on the long term capital asset. However, in certain cases, indexation benefit is not available. In which of the following cases, indexation benefit is allowed?
- Debtentures issued by a company
 - Self generated goodwill of a business
 - Bonus shares allotted on 1.4.2000
 - Jewellery
46. A owns a house property which was purchased by him on 1.5.1979 for Rs. 3,00,000. The said property was destroyed by fire on 3.4.2013 and A received a sum of Rs. 38,00,000 from the insurance company during the year. The market value of the above property as on 1.4.1981 was Rs. 4,00,000.
- Compute the capital gain for the assessment year 2014-15. (Cost Inflation Index for 1981-82 = 100 and 2013-14 = 939)
- Rs. 44,000
 - Rs. 34,00,000
 - Rs. 35,00,000
 - Rs. 9,83,000
47. M owns two machineries eligible for depreciation at the rate of 15%. The WDV of these machines as on 1.4.2013 was Rs. 25,000 and Rs. 40,000 respectively. No other asset was acquired in this block during the year. One of these machines were sold during the previous year for Rs. 75,000. Compute the capital gain.
- Short term capital gain of Rs. 10,000
 - Short term capital loss of Rs. 10,000
 - Long term capital gain of Rs. 10,000
 - No capital gain as depreciation would be allowed on one of the machines left with M.
48. For availing exemption under section 54, which amount is eligible for availing exemption?
- Purchase/Construction of a residential house property upto due date of return of income only
 - Deposit in capital gain account scheme upto due date of return of income only
 - Purchase/Construction of a residential house property upto due date of return of income and deposit in capital gain account scheme upto due date of return of income
 - Purchase / construction after three years from the transfer date
49. Which of the following is not an income taxable as income from other sources?
- family pension
 - Casual income
 - director's sitting fee for attending board meetings
 - Rent received for house property including use of plant and machinery, where rent is separable between rent for house property and rent for use of plant and machinery.
50. ABC Private Limited gives a loan of Rs. 5,00,000 to X, who is not a shareholder. X gives the amount as loan to A who is shareholder in ABC Private Limited holding 15% shares. In this case, amount taxable as deemed dividends in the hands of X will be.....and that in hands of A will be.....

- a) Nil, Nil
 - b) Nil, Rs. 5,00,000
 - c) Rs. 5,00,000, Nil
 - d) Rs. 5,00,000, Rs. 5,00,000
51. M's property was compulsorily acquired. He received enhanced compensation on 15.11.2013 which includes Rs. 2,30,000 as interest on such enhanced compensation. Compute the taxable amount of interest.
- a) Rs. 2,30,000
 - b) Nil
 - c) Rs. 1,15,000
 - d) Rs. 2,00,000
52. Transfer of income without transfer of asset would be taxable in the hands of:
- a) Transferor only
 - b) Transferee only
 - c) Either transferor or transferee
 - d) Both transferor and transferee
53. Income from asset transferred to spouse will be taxable in the hands of transferor if:
- a) asset has been transferred in pursuance of an agreement to live apart;
 - b) asset was transferred for an adequate consideration;
 - c) asset was transferred before marriage;
 - d) asset was transferred for inadequate consideration
54. Long term capital loss can be set off from which of the following:
- a) Short term capital gain only
 - b) Long term capital gain only
 - c) Income from business or profession
 - d) Income from salary
55. Loss from house property can be carried forward and set off in the subsequent 8 Assessment years:
- a) Only if return of loss is filed within due date
 - b) Even if return of loss is filed after due date
 - c) It does not matter when return is filed
 - d) Carry forward of loss from house property is not allowed at all.
56. Business loss of an amalgamating company shall be:
- a) carried forward and set off in the hands of amalgamated company unconditionally
 - b) carried forward and set off in the hands of amalgamated company subject to certain conditions
 - c) not be carried forward

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d) allowed to be carried forward only by amalgamating company

57. Deduction under section 80C to 80U cannot exceed:

- a) Gross Total Income
- b) Total Income
- c) Income from business or profession
- d) Income from house property

58. Aggregate amount of deduction under section 80C, 80CCC and 80CCD cannot exceed:

- a) Rs. 1,10,000
- b) Rs. 2,00,000
- c) Rs. 1,00,000
- d) Nil

59. A pays (through any mode other than cash) during the previous year medical insurance premia as under:

- (i) Rs. 18,000 to keep in force an insurance policy on his health and on the health of his wife and dependent children;
- (ii) Rs. 18,000 to keep in force an insurance policy on the health of his parents where his father is a senior citizen.

Calculate deduction under section 80D.

- a) Rs. 36,000
- b) Rs. 33,000
- c) Rs. 30,000
- d) Rs. 15,000

60. Deduction in respect of contribution to political party will:

- a) be allowed in respect of sum paid by way of cash
- b) not be allowed if payment made in cash
- c) This type of deduction is not allowed whether payment is in cash or not.
- d) be allowed if payment made in cash, subject to certain conditions

61. Amount of deduction in case of a person with severe disability under section 80U will be:

- a) Rs. 50,000
- b) Rs. 75,000
- c) Rs. 1,00,000
- d) Rs. 1,50,000

62. Gross Total Income of A aged 31 years as computed under Income-tax Act for the AY 2014-15 is Rs. 2,50,000. He deposits Rs. 20,000 in a PPF account. Compute the tax payable by A assuming that he has agricultural income of Rs. 3,50,000.

- a) Rs. 4,120

- b) Rs. 3,090
 - c) Nil
 - d) Rs. 1,030
63. Due date of furnishing return of income for a working partner of a firm whose accounts are required to be audited is:
- a) 31st July of the assessment year
 - b) 30th September of the assessment year
 - c) 30th November of the assessment year
 - d) 31st March of the assessment year
64. Advance tax shall be payable during a financial year, only when the amount of such advance tax payable by the assessee during that year is:
- a) Rs. 10,000 or more
 - b) More than 0
 - c) Rs. 1,00,000 or more
 - d) Rs. 10,00,000 or more
65. An individual needs to pay Rs. 1,00,000 as advance tax. By 15th of December, how much amount must be paid by the individual:
- a) Rs. 30,000
 - b) Rs. 60,000
 - c) Rs. 1,00,000
 - d) Nil
66. As per Section 45, Wealth tax is not payable by certain persons. Which of the following is not mentioned under Section 45:
- a) Any company registered under section 25 of the Companies Act, 1956 (non profit making companies);
 - b) Any Political party
 - c) Reserve Bank of India
 - d) A public limited company
67. As per Section 2(ea), which of the following is an asset in case of an individual:
- a) Cash in hand upto Rs. 50,000
 - b) Shares
 - c) Debentures or Bonds
 - d) Motor car used for official purposes
68. In case marriage of minor's parents subsists, minor's wealth will be included in the wealth of the parent:
- a) Whose wealth excluding minor's wealth is greater;
 - b) Whose wealth excluding minor's wealth is lesser;

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- c) Assessing officer to decide the parent
 - d) Father only
69. Money and assets brought into India by citizen of India or persons of Indian origin is exempt for:
- a) only relevant assessment year
 - b) 5 successive assessment year
 - c) 6 successive assessment year
 - d) 7 successive assessment year
70. Net Wealth is to be rounded off to nearest multiple ofand wealth tax is to be rounded off to nearest multiple of.....
- a) Rs. 100, Rs. 100
 - b) Rs. 100, Rs. 10
 - c) Rs. 100, Rs. 1
 - d) Rs. 10, Rs. 10

PART B

71. Service tax was introduced in India in the year:
- a) 1994
 - b) 2000
 - c) 2010
 - d) 2014
72. Service is applicable to:
- a) Whole of India excluding Jammu & Kashmir, Union Territories of Dadra, Nagar Haveli, Daman and Diu
 - b) Whole of India excluding Jammu & Kashmir
 - c) Whole of India
 - d) Whole of World
73. The provisions relating to service tax are given in:
- a) Finance Act, 1994 - Chapter V and VA
 - b) Income-tax Act, 1961
 - c) The Central Excise Act
 - d) The Service Tax Act
74. On recommendation of which of the following committee, service tax was introduced in India:
- a) Naresh chandra committee
 - b) Kelkar committee
 - c) Dr. Raja J Chelliah Committee
 - d) Justice Verma Committee

75. Service tax is administered by:
- Excise Department
 - Income tax department
 - Custom department
 - Service tax department
76. Power to levy service tax is provided at present in the Constitution vide entry No.:
- 54 of the State List
 - 84 of the Union List
 - 92C of the Union List
 - 97 of the Union List
77. India follows which the approach for levying service tax at present:
- Selective approach
 - Comprehensive approach
 - Hybrid approach
 - As per the directions of Central Board of Excise & Customs (CBEC)
78. Service tax is not payable in the year of commencement of business if the aggregate value of invoices issued of taxable service does not exceed:
- Rs. 1,00,000
 - Rs. 4,00,000
 - Rs. 10,00,000
 - Rs. 9,00,000
79. Service tax (inclusive of cess) rate at present is:
- 12%
 - 12.36%
 - 12.24%
 - 10.3%
80. Service provider claiming exemption of Rs. 10,00,000 shall have to apply for registration where the aggregate value of service exceeds:
- Rs. 10,00,000
 - Rs. 9,00,000
 - Rs. 8,00,000
 - Rs. 12,00,000
81. Penalty for non-registration is higher of the following:
- Rs. 10,000 or Rs. 100 per day of default

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- b) Rs. 10,000 or Rs. 200 per day of default
 - c) Rs. 1,00,000 or Rs. 2,000 per day of default
 - d) Rs. 10,00,000 or Rs. 2,000 per day of default
82. Who can cancel the Registration Certificate?
- a) Assistant Commissioner of Income tax
 - b) Deputy Commissioner of Income tax
 - c) Superintendent of Central Excise
 - d) Commissioner of Central Excise
83. If the gross amount charged in the execution of a works contract is Rs. 2,00,000 and the value of the property in goods transferred in the execution of such works contract is Rs. 1,30,000. The value of taxable service in the execution of the works contract shall be:
- a) Rs. 2,00,000
 - b) Rs. 1,30,000
 - c) Rs. 70,000
 - d) Nil
84. A Ltd. receives taxable service from B Ltd. of USA on 28.8.2013 for Rs. 6,00,000. B Ltd. raises the invoice on 5.9.2013. A Ltd. makes the payment on 6.1.2014. Determine the point of taxation.
- a) 6.1.2014
 - b) 28.8.2013
 - c) 5.9.2013
 - d) 28.3.2014
85. Due date for payment of service tax in the case of individual assessee is _____ immediately following the quarter of the financial year except in case of last quarter.
- a) 5th of the month
 - b) 10th of the month
 - c) 15th of the month
 - d) 11th of the month
86. VAT is levied by:
- a) Central Government
 - b) State Government
 - c) Both Central or State Government
 - d) Any of the Central or State Government
87. If goods are purchased by Mumbai dealer from Delhi for Rs. 1,02,000 which includes CST of Rs. 2,000, Delhi dealer will get input tax credit of:
- a) Nil
 - b) Rs. 2,000

- c) Rs. 1,02,000
 - d) Rs. 4,000
88. Power to levy VAT is drawn from Constitution vide Entry No:
- a) 97 of the Union list
 - b) 92C of the Union list
 - c) 54 of the State list
 - d) 53 of the State list
89. VAT has replaced the:
- a) Central Sales tax
 - b) Local Sales tax
 - c) Goods & service tax
 - d) Excise duty
90. On the recommendation of which Committee, VAT was levied in India:
- a) Kelkar Committee
 - b) Chelliah Committee
 - c) Naresh Chandra Committee
 - d) Justice Verma Committee
91. In case of zero rated goods, input tax credit isand in case of exempted goods, input tax credit is.....
- a) Allowed, Allowed
 - b) Allowed, Not allowed
 - c) Not allowed, Not allowed
 - d) Not allowed, Allowed
92. Input credit on stock transfer to other states:
- a) will not be allowed
 - b) will be allowed only to the extent of tax paid in excess of 2%
 - c) will be allowed to the extent of full Input VAT on purchases
 - d) will be allowed only to the extent of tax paid in excess of 4%
93. Which of the following is not a method of computation of VAT:
- a) Addition method
 - b) Invoice method
 - c) Substraction method
 - d) Gross product variant
94. Which out of the following cannot be a role of Company Secretary under VAT:
- a) Record keeping
 - b) Tax planning

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- c) Negotiations with suppliers to reduce price
- d) Carrying out departmental audit / assessment

95. In which of the following cases, VAT authorities cannot cancel the registration:

- a) The dealer has discontinued the business
- b) The dealer has become insolvent
- c) There is a change in the constitution of the business
- d) Dealer has started selling one more product

96. Which of the following dealer is allowed to opt for composition scheme?

- a) Dealer selling goods within the State and not exceeding the specified limit of turnover
- b) Dealer who makes inter-state purchases or sales
- c) Dealer who wants to issue tax invoice
- d) Dealer who exports goods outside India

97. X a dealer at Mumbai purchased goods from dealer Y of Mumbai for Rs. 13,50,000 including VAT @ 12.5%. X earns a profit @ 25% on the cost and sold the same goods to a retailer Z. Compute the amount of VAT payable by X.

- a) Rs. 37,500
- b) Rs. 1,50,000
- c) Rs. 1,87,500
- d) Nil

98. VAT is a:

- a) First Stage tax
- b) Last Stage tax
- c) Multi stage tax
- d) Single stage tax as per the option of the assessee

99. Which of the following is not an advantage of VAT?

- a) Easy to administer and transparent
- b) Abolition of Statutory Forms
- c) Deterrent against tax avoidance
- d) No credit for tax paid on inter-state purchases

100. Which out of the following was first State to implement VAT in India:

- a) Delhi
- b) Haryana
- c) Uttar Pradesh
- d) Maharashtra

ANSWERS

PART A

1. d
2. b
3. d
4. c
5. b
6. b
7. b
8. b
9. a
10. d
11. a
12. a
13. c
14. c
15. c
16. a
17. d
18. d
19. b
20. c
21. a
22. a
23. d
24. b
25. c
26. a
27. a
28. b
29. b
30. c
31. a
32. c
33. b
34. c
35. d
36. d
37. c
38. d
39. a
40. d
41. b
42. b
43. d
44. b
45. d
46. a
47. a
48. c
49. d
50. b
51. c
52. a
53. d
54. b
55. b
56. b
57. a
58. c
59. b
60. b
61. c
62. a
63. b
64. a
65. b
66. d
67. d
68. a
69. d
70. c

PART B

71. a
72. b
73. a
74. c
75. a
76. c
77. b
78. c
79. b
80. b
81. b
82. c
83. c
84. a
85. a
86. b
87. a
88. c
89. b
90. a
91. b
92. b
93. d
94. d
95. d
96. a
97. a
98. c
99. d
100. b

SPECIMEN OMR ANSWER SHEET

It is for practice and self use only, Not to be sent to the Institute

Examination Session : DDMMVVVV

Question Paper Booklet No.

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Use Blue/Black Ball Point Pen only

How to mark answers

CORRECT METHOD: A ● C D

WRONG METHOD: X ✓ ● D

A ✓ C D

X B C D

Question Booklet Code

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A B C D

Answers

| | | | | | | | | | |
|----|---|---|---|---|-----|---|---|---|---|
| 1 | A | B | C | D | 51 | A | B | C | D |
| 2 | A | B | C | D | 52 | A | B | C | D |
| 3 | A | B | C | D | 53 | A | B | C | D |
| 4 | A | B | C | D | 54 | A | B | C | D |
| 5 | A | B | C | D | 55 | A | B | C | D |
| 6 | A | B | C | D | 56 | A | B | C | D |
| 7 | A | B | C | D | 57 | A | B | C | D |
| 8 | A | B | C | D | 58 | A | B | C | D |
| 9 | A | B | C | D | 59 | A | B | C | D |
| 10 | A | B | C | D | 60 | A | B | C | D |
| 11 | A | B | C | D | 61 | A | B | C | D |
| 12 | A | B | C | D | 62 | A | B | C | D |
| 13 | A | B | C | D | 63 | A | B | C | D |
| 14 | A | B | C | D | 64 | A | B | C | D |
| 15 | A | B | C | D | 65 | A | B | C | D |
| 16 | A | B | C | D | 66 | A | B | C | D |
| 17 | A | B | C | D | 67 | A | B | C | D |
| 18 | A | B | C | D | 68 | A | B | C | D |
| 19 | A | B | C | D | 69 | A | B | C | D |
| 20 | A | B | C | D | 70 | A | B | C | D |
| 21 | A | B | C | D | 71 | A | B | C | D |
| 22 | A | B | C | D | 72 | A | B | C | D |
| 23 | A | B | C | D | 73 | A | B | C | D |
| 24 | A | B | C | D | 74 | A | B | C | D |
| 25 | A | B | C | D | 75 | A | B | C | D |
| 26 | A | B | C | D | 76 | A | B | C | D |
| 27 | A | B | C | D | 77 | A | B | C | D |
| 28 | A | B | C | D | 78 | A | B | C | D |
| 29 | A | B | C | D | 79 | A | B | C | D |
| 30 | A | B | C | D | 80 | A | B | C | D |
| 31 | A | B | C | D | 81 | A | B | C | D |
| 32 | A | B | C | D | 82 | A | B | C | D |
| 33 | A | B | C | D | 83 | A | B | C | D |
| 34 | A | B | C | D | 84 | A | B | C | D |
| 35 | A | B | C | D | 85 | A | B | C | D |
| 36 | A | B | C | D | 86 | A | B | C | D |
| 37 | A | B | C | D | 87 | A | B | C | D |
| 38 | A | B | C | D | 88 | A | B | C | D |
| 39 | A | B | C | D | 89 | A | B | C | D |
| 40 | A | B | C | D | 90 | A | B | C | D |
| 41 | A | B | C | D | 91 | A | B | C | D |
| 42 | A | B | C | D | 92 | A | B | C | D |
| 43 | A | B | C | D | 93 | A | B | C | D |
| 44 | A | B | C | D | 94 | A | B | C | D |
| 45 | A | B | C | D | 95 | A | B | C | D |
| 46 | A | B | C | D | 96 | A | B | C | D |
| 47 | A | B | C | D | 97 | A | B | C | D |
| 48 | A | B | C | D | 98 | A | B | C | D |
| 49 | A | B | C | D | 99 | A | B | C | D |
| 50 | A | B | C | D | 100 | A | B | C | D |

Subject Code

Centre Code

Roll Number

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| ④ | ④ | ④ | ④ | ④ | ④ |
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| ⑥ | ⑥ | ⑥ | ⑥ | ⑥ | ⑥ |
| ⑦ | ⑦ | ⑦ | ⑦ | ⑦ | ⑦ |
| ⑧ | ⑧ | ⑧ | ⑧ | ⑧ | ⑧ |
| ⑨ | ⑨ | ⑨ | ⑨ | ⑨ | ⑨ |
| ⑩ | ⑩ | ⑩ | ⑩ | ⑩ | ⑩ |

Instructions for Candidate

1. There is no negative marking.
2. Use Only Blue/Black Ball Point Pen to Darken the appropriate Circle.
3. Write and darken correct Question Booklet Code Viz. A or B or C or D which will be taken as final for evaluation. In case any candidate fills in this information wrongly, Institute will not take any responsibility for rectifying the mistake.
4. Mark your answer only in the appropriate space against the number corresponding to the question.
5. Please darken the complete circle.
6. Please do NOT make any stray marks on the answer sheet.
7. Rough work must NOT be done on the answer sheet.
8. Do NOT fold or damage the edges of the sheet.
9. Use of white fluid is prohibited.

Signature of Candidate with Pen

Name (As registered with ICSI)

Signature of Invigilator with Pen

EXECUTIVE PROGRAMME

COMPANY ACCOUNTS AND AUDITING PRACTICES

MODULE 2- PAPER 5

EXECUTIVE PROGRAMME

COMPANY ACCOUNTS AND AUDITING PRACTICES

TEST PAPER 1

(This Test Paper is for recapitulate and practice for the students. Students need not to submit responses/answers to this test paper to the Institute.)

Time Allowed : 3 Hours

Maximum Marks : 100

PART A
(Company Accounts)

1. Answer **ALL** of the following questions.

- (a) Explain the types of leases in the financial statements of lessors as per Accounting Standard 19.
- (b) Calculate the maximum annual remuneration payable to a managing director from the information given below :

| | ₹ |
|--|-------------|
| Profit for the year (calculated as per the Companies Act, 2013. | 50,00,000 |
| Paid-up capital | 3,00,00,000 |
| Reserves and Surplus | 1,20,00,000 |
| Securities Premium Reserves | 20,00,000 |
| Long-term Loans | 1,00,00,000 |
| Investments | 60,00,000 |
| Preliminary Expenses not written off | 5,00,000 |
| Remuneration paid to the managing director during the year | 10,00,000 |
| Share Suspense Account representing application money received on shares the allotment of which is not yet due | 15,00,000 |

- (c) What is meant by 'B' list contributories? What is the liability of contributories included in this list?
- (d) What do you mean by Shareholder Value added? Discuss its benefits and drawbacks.
- (e) HCI Ltd. issued 1,000 shares on January 1, 2013, under ESPS at ₹ 20 when the market price was ₹ 50. Pass journal entry assuming that nominal value of a share is ₹ 10.

(5 marks each)

Answer all parts of Q. No.2 or 2A

2. (a) On March 2012 Mahesh Ltd., issued 4,000, 7% debentures of ₹500 each at ₹475 each. Debenture-holders had an option to convert their holding into 8% Preference Shares of ₹100 each at a premium of ₹25 per share. On 31st March 2013 one year's interest had accrued on these debentures and remained unpaid. A holder of 100 Debentures notified his intention to convert his holding into 8% preference shares. Journalise the above transactions. *(6 marks)*
- (b) Following is the Balance Sheet of NDLP Ltd. as on 31st March, 2013:

| Particulars | Amount (₹) |
|--|------------------|
| EQUITIES AND LIABILITIES | |
| Shareholder's Funds | |
| 8% Preference Share Capital :(20,000 x 50)= | 10,00,000 |
| Less :Calls Unpaid (2,000x10) = | <u>20,000</u> |
| Equity Share Capital : 1,00,000 Shares of ₹10 each ₹7.50 called up | 7,50,000 |
| Less : Calls unpaid | <u>2,500</u> |
| Securities Premium Reserve | 50,000 |
| General Reserves | 6,00,000 |
| Calls in Advance | <u>2,500</u> |
| Total | <u>23,80,000</u> |
| Assets | |
| Non Current Assets | |
| Fixed Assets | 12,25,000 |
| Investments | 2,00,000 |
| Current Assets | |
| Cash at bank | <u>9,55,000</u> |
| Total | <u>23,80,000</u> |

- (i) Fully paid preference shares are redeemed at a premium of 5%.
- (ii) 50,000 equity shares of ₹10 each are issued at par, whole amount due and received on applications.
- (iii) 1,000 equity shares on which call @₹2.50 per share is unpaid are forfeited.
- (iv) Final call of ₹2.50 per share is made and collected.
- (v) Forfeited shares are re-issued @ 9 per share credited as fully paid.

You are required to pass journal entries and prepare the revised balance sheet of the company.

(9 marks)

OR

2A. The following Balance Sheet of X Ltd. is given:

Balance Sheet
as on 31st March, 2013

| Particulars | Amount (₹) |
|---------------------------------------|------------|
| EQUITIES AND LIABILITIES | |
| Shareholder's Funds | |
| 5,000 shares of ₹ 100 each fully paid | 50,00,000 |
| Profit and Loss Appropriation A/c | 21,20,000 |

| | |
|------------------------------------|--------------------|
| Current Liabilities | |
| Bank overdraft | 18,60,000 |
| Trade Payables | 21,10,000 |
| Provision for taxation | <u>5,10,000</u> |
| Total | <u>1,16,00,000</u> |
| Assets | |
| Non Current Assets | 4,00,000 |
| Goodwill Land and building at cost | 32,00,000 |
| Plant and machinery at cost | 28,00,000 |
| Current Assets | |
| Trade Receivables | 20,00,000 |
| Stock | <u>32,00,000</u> |
| Total | <u>1,16,00,000</u> |

The Loss/Profit for each of the last 5 years was:

| | |
|-----------|---------------|
| 2008-2009 | ₹ (5,50,000); |
| 2009-2010 | ₹ 9,82,000; |
| 2010-2011 | ₹ 11,70,000; |
| 2011-2012 | ₹ 14,50,000; |
| 2012-2013 | ₹ 17,00,000; |

Although income-tax has so far been paid @ 40% and the above profits have been arrived at on the basis of such tax rate, it has been decided that with effect from the year 2012-2013 the Income-tax rate of 45% should be taken into consideration. 10% dividend in 2008-2009 and 2009-2010 and 15% dividend in 2010-2011 and 2011-2012 have been paid. Market price of shares of the company on 31st March, 2013 is ₹ 125. With effect from 1st April, 2013 Managing Director's remuneration has been approved by the Government to be ₹ 8,00,000 in place of ₹ 6,00,000. The company has been able to secure a contract for supply of materials at advantageous prices. The advantage has been valued at ₹ 4,00,000 per annum for the next five years.

On the basis of information given, ascertain goodwill at 3 year's purchase of super profit (for calculation of future maintainable profit weighted average is to be taken).

(15 marks)

3. The Balance Sheet of Munna Ltd. on 31st March, 2013 is as under:

| Particulars | Amount (₹) |
|---------------------------------|------------|
| EQUITIES AND LIABILITIES | |
| Shareholder's Funds | |
| Share capital | |
| Equity shares of ₹ 100 each | 20,00,000 |

| | |
|------------------------------------|------------------|
| 7% Preference shares of ₹ 100 each | 10,00,000 |
| Reserves and Surplus | |
| General Reserve | Nil |
| Less: P&L A/c Dr. Balance | (7,00,000) |
| <i>Non Current Liabilities</i> | |
| Current Liabilities | |
| Bank Overdraft | 3,00,000 |
| Trade Payables | <u>7,00,000</u> |
| Total | <u>33,00,000</u> |
| Assets | |
| Non Current Assets | |
| Plant and machinery | 18,00,000 |
| Goodwill | 2,00,000 |
| Current Assets | |
| Stock | 3,00,000 |
| Cash at bank | 1,50,000 |
| Trade Receivables | 7,50,000 |
| Preliminary Expenses | <u>1,00,000</u> |
| Total | <u>33,00,000</u> |

Two years' preference dividends are in arrears. The company had bad time during the last two years and hopes for better business in future, earning profit and paying dividend provided the capital base is reduced.

An internal reconstruction scheme as follows was agreed to by all concerned:

- (i) Creditors agreed to forego 50% of the claim.
- (ii) Preference shareholders withdrew arrear dividend claim. They also agreed to lower their capital claim by 20% by reducing nominal value in consideration of 9% dividend effective after reorganization in case equity shareholders' loss exceed 50% on the application of the scheme.
- (iii) Bank agreed to convert overdraft into term loan to the extent required for making current ratio equal to 2 : 1.
- (iv) Revalued figure for plant and machinery was accepted as ₹ 15,00,000.
- (v) Debtors to the extent of ₹ 4,00,000 were considered good.
- (vi) Equity shares shall be exchanged for the same number of equity shares at a revised denomination as required after the reorganisation.

Show:

- (a) Total loss to be borne by the equity and preference shareholders for the reorganization;
- (b) Share of loss to the individual classes of shareholders;
- (c) New structure of share capital after reorganization;
- (d) Working capital of the reorganized Company; and
- (e) A proforma balance sheet after reorganization.

(3 marks each)

4. The Balance Sheets of Rose Ltd. and its subsidiary Lotus Ltd. as on 31st March, 2013 are as under:

| Particulars | Rose Ltd. Amount (₹) | Lotus Ltd. Amount (₹) |
|------------------------------------|-------------------------|--------------------------|
| EQUITIES AND LIABILITIES | | |
| Shareholder's Funds | | |
| Share capital | | |
| Equity shares of ₹ 10 each | 48,00,000 | 20,00,000 |
| 10% Preference shares of ₹ 10 each | 7,00,000 | 3,80,000 |
| Reserves and Surplus | | |
| General Reserve | 5,50,000 | 4,20,000 |
| Profit & Loss A/c | 10,00,000 | 6,00,000 |
| Non Current Liabilities | | |
| Current Liabilities | | |
| Bank Overdraft | 1,20,000 | 70,000 |
| Trade Payables | 4,30,000 | 4,80,000 |
| Bills payables | NIL | 1,60,000 |
| Total | <u>76,00,000</u> | <u>41,10,000</u> |
| Assets | | |
| Non Current Assets | | |
| Plant and machinery | 12,00,000 | 5,00,000 |
| Motor vehicles | 9,50,000 | 7,50,000 |
| Furniture and Fittings | 6,50,000 | 4,00,000 |
| Goodwill | 4,50,000 | 3,00,000 |
| Investments | 26,00,000 | 4,50,000 |
| Current Assets | | |
| Stock | 4,50,000 | 7,20,000 |
| Cash at bank | 2,25,000 | 2,10,000 |
| Trade Receivables | 9,30,000 | 7,80,000 |
| Bills receivable | 1,45,000 | NIL |
| Total | <u>76,00,000</u> | <u>41,10,000</u> |

Details of acquisition of shares by Rose Ltd. are as under:

| Nature of shares | No. of shares acquired | Date of acquisition | Cost of acquisition |
|-------------------|---------------------------|------------------------|------------------------|
| Preference shares | 14,250 | 1.4.2010 | ₹ 3,10,000 |
| Equity shares | 80,000 | 1.4.2011 | ₹ 9,50,000 |
| Equity shares | 70,000 | 1.4.2012 | ₹ 8,00,000 |

Other information:

- (i) On 1.4.2012 profit and loss account and general reserve of Lotus Ltd. had credit balances of ₹ 3,00,000 and ₹ 2,00,000 respectively.
- (ii) Dividend @ 10% was paid by Lotus Ltd. for the year 2011-2012 out of its profit and loss account balance as on 1.4.2012. Rose Ltd. credited its share of dividend to its profit and loss account.
- (iii) Lotus Ltd. allotted bonus shares out of general reserve at the rate of 1 share for every 10 shares held. Accounting thereof has not yet been made.
- (iv) Bills receivable of Rose Ltd. were drawn upon Lotus Ltd.
- (v) During the year 2012-2013 Rose Ltd. purchased goods from Lotus Ltd. for ₹ 1,00,000 at a sale price of ₹ 1,20,000. 40% of these goods remained unsold at close of the year.
- (vi) On 1.4.2012 motor vehicles of Lotus Ltd. were overvalued by ₹ 1,00,000. Applicable depreciation rate is 20%.
- (vii) Dividends recommended for the year 2012-2013 in the holding and the subsidiary companies are 15% and 10% respectively.

Prepare consolidated Balance Sheet as on 31st March, 2013.

(15 marks)

PART B
(Auditing Practices)

5. (a) In "Joint Audit", each joint auditor is responsible only for the work allocated to him. Comment.
- (b) Distinguish between CAG audit and special audit.
- (c) Mr. Kishore, a practicing Chartered Accountant was appointed by the Central Government to carry out a special audit. He accepted the appointment and proceeded with the work without communicating to the statutory auditor of the company. Comment.

(5 marks each)

Answer all parts of either Q. NO.6 or Q. No.6A

6. Answer the following:

- (a) What are audit working papers? Explain the contents of permanent and current audit file.
- (b) Explain the internal control review points for reviewing the decision making process of management.
- (c) Explain the role of internal audit in corporate governance and risk management.

(5 marks each)

OR

- 6A. (a) Define internal control and explain different techniques of internal control system.
- (b) What do you mean by verification? State the difference between verification and vouching.
- (c) What do you mean by audit plan? State the reasons why audit plan are prepared?

(5 marks each)

TEST PAPER 2

(This Test Paper is for recapitulate and practice for the students. Students need not to submit responses/answers to this test paper to the Institute.)

Time allowed: 3 hours

Max Marks: 100

NOTE: All working notes should be part of the answer.

PART A
(Company Accounts)

1. Answer **ALL** of the following questions.

- (a) Santosh Ltd. was formed with a capital of ₹20,00,000 divided into 2,00,000 equity shares of ₹10 each. All shares were issued to public for subscription. The issue was underwritten as follows: Alok: 80,000 shares; Benny: 60,000 shares; and Chopra : 60,000 shares. Marked applications were received in favour of Alok for 32,000 shares; Benny for 58,000 shares and Chopra for 42,000 shares. Applications for 30,000 shares were not marked. Prepare a statement showing net liability of each underwriter.
- (b) Enumerate the grounds on which a company may be wound up by the court.
- (c) What are the desirable conditions for internal re-construction.
- (d) What do you mean by Economic Value added (EVA)? How is EVA related to valuation?
- (e) Discuss the concept of corporate financial reporting and its requirement in India.

(5 marks each)

2. Ashok Ltd., invited applications for the issue of 1,00,000 equity shares of ₹10 each payable ₹4 on application, ₹5 (including ₹3 as securities premium) on allotment and balance on first and final call. The prospectus provided that in case of partial allotment, money received in excess on application would be adjusted towards the amounts due on allotment and call. The company received applications for 2,50,000 shares out of which applications for 50,000 shares were rejected out rightly and other applicants were allotted shares on pro-rata basis. The company received all moneys due on allotment and call except from one shareholder (who applied for 2,000 shares) who failed to pay the allotment and the call moneys. The company forfeited his shares.

Out of the forfeited shares, the company reissued 600 shares at the rate of ₹8 per share, fully paid up.

You are required to journalise the above transactions show the relevant items in the balance sheet of the company. (15 marks)

OR

Snow View Ltd., was registered with an authorised capital of 1,00,000 Equity Shares of ₹10 each and it acquired the business of Mr. Bansal at an agreed price of ₹2,50,000.

The Balance Sheet of Mr. Bansal at the date of acquisition was as follows:

| Liabilities | ₹ | Assets | ₹ |
|------------------|----------|---------------------|----------|
| Capital | 2,00,000 | Freehold Premises | 1,00,000 |
| Reserve | 20,000 | Plant and Machinery | 80,000 |
| Sundry Creditors | 50,000 | Stock | 20,000 |
| Bills Payable | 30,000 | Debtors | 27,500 |

| | | | |
|--|----------|------------------|----------|
| | | Less: Provisions | 2,500 |
| | | Cash at Bank | 75,000 |
| | 3,00,000 | | 3,00,000 |

The consideration was to be discharged by the issue of 20,000 equity shares of ₹10 each as fully paid-up and the balance in cash.

You are asked to journalise the transactions in the books of Snow View Ltd. Also prepare the opening balance sheet of the company. (15 marks)

3. Answer the following questions:

(a) The following is the balance sheet of Soft Ltd. as on 31st March, 2012 :

| | |
|--|--------------------|
| <u>Liabilities:</u> | (₹) |
| Share Capital : | |
| 4,00,000 Equity of ₹10 each, fully paid-up | 40,00,000 |
| 4,00,000 Equity of ₹10 each, paid-up ₹7.50 per share | 30,00,000 |
| 4,00,000 Equity of ₹10 each, paid-up ₹5 per share | 20,00,000 |
| Reserves and surplus | 56,00,000 |
| Provision for bad debts | 1,20,000 |
| Sundry creditors | 20,40,000 |
| Dividend equalization fund | 6,40,000 |
| | <u>1,74,00,000</u> |
| <u>Assets:</u> | |
| Patent and Copyrights | 8,00,000 |
| Land and buildings | 48,00,000 |
| Plant and machinery | 48,00,000 |
| Stock | 24,00,000 |
| Investments at Cost | 6,00,000 |
| Debtors | 32,00,000 |
| Bank | 6,40,000 |
| Preliminary expenses | 60,000 |
| | <u>1,74,00,000</u> |

Additional information is as follows:

- (i) The normal average profit (after tax) for the company is estimated to be ₹21,60,000.
- (ii) The applicable capitalization rate is 12%.
- (iii) The revised values of –
 - Patent and copyrights are estimated @ 50% of its value; and

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- Land and buildings and plant and machinery are revalued at ₹60,00,000 and ₹52,00,000 respectively.
- (iv) Investments have a market value of ₹ 7,20,000.
- (v) Provision for bad and doubtful debts to be maintained @ 2%.
- (vi) The balance sheet as on 31st March, 2012 does not contain a provision for income-tax, which are estimated at ₹3,00,000.

You are required to calculate the value of fully and partly paid-up equity share (per share) by:

- the asset backing method (excluding goodwill) on the notional call method; and
- the earning capacity method.

(10 marks)

(b) Mention the basis of apportionment which you will adopt for each one of the following expenses, while calculating profit prior to incorporation and profit after incorporation. Also briefly state your reason in each case.

- (i) Salaries
- (ii) Bad debts
- (iii) Audit fee
- (iv) Interest to vendors
- (v) Preliminary expenses

(5 marks)

4. From the following balance sheets of Vipul Ltd. and its subsidiary Vedika Ltd. as on 31st March, 2013 and the additional information provided thereafter, prepare the consolidated balance sheet of the two companies as on that date:

| EQUITIES AND LIABILITIES | Vipul Ltd. | | Vedika Ltd. | |
|--|-------------------|------------------|--------------------|-----------------|
| | Amount (₹) | | Amount (₹) | |
| Shareholders' funds | | | | |
| Share Capital | | | | |
| Authorised, Issued subscribed and paid up capital | | | | |
| Equity shares of ₹ 10 each, fully called up and paid up | | 10,00,000 | | 2,00,000 |
| Reserve and surplus | | | | |
| General reserve | 3,10,000 | - | | |
| Profit and Loss A/c | 1,50,000 | 4,60,000 | 40,000 | 40,000 |
| Current Liabilities | | | | |
| Sundry Creditors | 2,30,000 | 2,30,000 | 69,000 | 69,000 |
| TOTAL | | 16,90,000 | | 3,09,000 |
| ASSETS | | | | |
| Non-current Assets | | | | |
| Fixed Assets | | | | |

| | | | |
|---------------------------------|---|------------------|-----------------|
| Fixed Assets | | 11,62,000 | 1,80,000 |
| Long term Investment | - | | |
| Shares in Vedika Ltd. (at cost) | | 1,42,000 | - |
| Current Assets | | | |
| Current Assets | | 3,86,000 | 1,24,000 |
| Discount on issue of shares | - | | 5,000 |
| TOTAL | | <u>16,90,000</u> | <u>3,09,000</u> |

On 31st December, 2012 Vipul Ltd. acquired the shares in Vedika Ltd. On 1st April, 2012, Vedika Ltd.'s profit and loss account showed a debit balance of ₹8,000. On 31st March, 2013, Vedika Ltd. decided to revalue its fixed assets at ₹ 2,00,000.

(15 marks)

PART B
(Auditing Practices)

5. (a) Define the term internal audit and differentiate it with statutory audit.
(b) Explain the basic principles governing an audit
(c) What is special audit? Under what circumstances special audit is done?

(5 marks each)

Attempt all parts of either Q.No. 6 or 6A

6. (a) Define internal control and explain different techniques of internal control system.
(b) Explain the internal control review points for reviewing the marketing function of an organization.
(c) S Ltd. issued Bonds to the tune of ₹ 100 lacs and provided security to the tune of ₹ 80 lacs for the same. It insists that it will disclose the Bonds as "Secured" in the Balance Sheet of the Company. Comment.

(5 marks each)

OR

- 6A. (a) As an internal auditor of ABC Ltd. you are required to prepare internal control questionnaire for review of purchase operations.
(b) What do you mean by verification? Differentiate verification and vouching.
(c) What do you mean by sampling? Explain the factors to be considered while selecting a sample.

(5 marks each)

EXECUTIVE PROGRAMME

CAPITAL MARKETS AND SECURITIES LAWS

MODULE 2- PAPER 6

EXECUTIVE PROGRAMME

CAPITAL MARKETS AND SECURITIES LAWS

TEST PAPER 1

(This Test Paper is for recapitulate and practice for the students. Students need not to submit responses/answers to this test paper to the Institute.)

Time Allowed : 3 Hours

Maximum Marks : 100

PART A (60 marks)

(Capital Markets)

1. (a) What do you mean by Investment Advisers? Discuss the role of an Investment Adviser. (5 marks)
- (b) Briefly explain the working mechanism of Foreign Currency Exchangeable Bonds (FCEBs) with the help of an example? (5 marks)
- (c) Enumerate the regulatory framework governing Indian Depository Receipts (IDRs) in India. (5 marks)

Attempt either Question No. 2 or 2A

2. Briefly explain the advertisement code prescribed for Mutual Funds under the SEBI (Mutual Fund) Regulations, 1996. (15 marks)

OR

- 2A. Discuss the provisions relating to winding up of an Alternative Investment Fund, prescribed under the SEBI (Alternative Investment Funds) Regulations, 2012. (15 marks)

3. Distinguish between the following:

- (a) FCEB and FCCB
- (b) Long position and short position
- (c) Listed cleared securities and permitted securities
- (d) Future and Option
- (e) French auction and Dutch auction (3 marks each)

4. (a) What do you understand by IOSCO? Briefly discuss the different membership categories of IOSCO. (5 marks)
- (b) Briefly discuss the conditions required to be fulfilled by an India Company for issuing Global Depository Receipts (GDR) under the Companies (Issue of Global Depository Receipts) Rules, 2014. (5 marks)
- (c) A co-operative bank wishes to buy 91 days Treasury Bill on October 12, 2013 which is maturing on December 6, 2013. The rate quoted by seller is ₹ 99.1489 per ₹ 100 face values bill. Calculate the yield to maturity. (5 marks)

PART B (40 marks)

(Securities Laws)

5. (a) State the grounds on which a stock exchange can delist the securities of a company under the Securities Contracts (Regulation) Rules, 1957. (5 marks)

- (b) Enumerate the various powers of Securities Appellate Tribunal (SAT). (5 marks)
- (c) What is an Institutional Placement Programme (IPP)? What are the conditions required to be fulfilled by a company for making an IPP under the SEBI (ICDR) Regulations, 2009. (5 marks)
- (d) State the provisions relating to whistle blower policy under Clause 49 of Listing Agreement. (5 marks)

Attempt all parts of either Question No. 6 or Question No. 6A

6. (a) The shares of XYZ Ltd. were listed in Delhi Stock Exchange. The stock exchange delists the shares of the company. The aggrieved company approaches you as the Company Secretary of XYZ Ltd. to know the remedy available to the company. Give your suggestion to the company keeping in view the provision of the Securities Contracts (Regulation) Act, 1956. (10 marks)
- (b) What are the obligations of intermediaries under Prevention of Money Laundering Act, 2002? Explain. (10 marks)

OR

- 6A. (a) What do you understand by SCORES (SEBI Complaints Redress System)? Briefly discuss the salient features of SCORES. (10 marks)
- (b) Briefly discuss the provisions relating to the migration of a listed company from Main Board to SME Exchange under SEBI (ICDR) Regulations, 2009. (10 marks)

TEST PAPER 2

(This Test Paper is for recapitulate and practice for the students. Students need not to submit responses/answers to this test paper to the Institute.)

Time Allowed : 3 Hours

Maximum Marks : 100

PART-A (60 marks)

(Capital Markets)

1. (a) Explain the salient features of Real Estate Mutual Funds (REMFs) under the SEBI (Mutual Fund) Regulations, 1996. *(5 marks)*
(b) With reference to the capital market, explain the term "Straight Through Processing" (STP)? *(5 marks)*
(c) Discuss the various categories of Alternative Investment Funds explained under the SEBI (Alternative Investment Funds) Regulations, 2012. *(5 marks)*

Attempt either Question No. 2 or 2A

2. What do you understand by External Commercial Borrowings (ECB)? Who are eligible borrowers under the Automatic Route for accessing ECB? *(15 marks)*

OR

- 2A. What do you understand by Algorithmic Trading? Discuss briefly the guidelines formulated by SEBI for stock exchanges and stock brokers relating to Algorithmic Trading. *(15 marks)*

3. Write short notes on the following:

- (a) Commodity pool
- (b) IPO Grading
- (c) No delivery period
- (d) Primary Dealers
- (e) Dematerialization *(3 marks each)*

4. (a) Briefly discuss the role of a Company Secretary as compliance officer in listing of Debt securities. *(5 marks)*
(b) What is an infrastructure debt fund scheme? Discuss the eligibility criteria need to be fulfilled by a mutual fund company for launching such scheme. *(5 marks)*
(c) What are the advantages of Indian Depository Receipts, both to the issuing company as well as to an investor? *(5 marks)*

PART B (40 marks)

(Securities Laws)

5. (a) Enumerate the provisions relating to continual disclosures required to be made by a person under SEBI (Prohibition of Insider Trading) Regulations, 1992. *(5 marks)*
(b) What are the timelines for submission of disclosures relating to each class of equity shares/ security issued by a company under Clause 35 of Listing Agreement? *(5 marks)*

(c) Briefly explain the In-Person Verification (IPV) carried out by intermediaries. (4 marks)

(d) What are the provisions relating to public announcement under the SEBI Takeover Regulations, 2011?

(6 marks)

Attempt all parts of either Question No. 6 or Question No. 6A

6. (a) Discuss briefly the functions and obligations of KYC Registration Agencies (KRAs) under SEBI {KYC (Know Your Client) Registration Agency (KRA)} Regulations, 2011. (10 marks)

(b) Enumerate briefly the disclosures required to be made by a company in the Directors' Report under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase scheme) Guidelines, 1999.

(10 marks)

OR

6A. (a) What is compulsory delisting? Explain with the help of a flow chart, the process of compulsory delisting.

(10 marks)

(b) Briefly explain the various defaults which cannot be considered for settlement of proceedings under the SEBI (Settlement of Administrative & Civil Proceedings) Regulations, 2014. (10 marks)

EXECUTIVE PROGRAMME

INDUSTRIAL, LABOUR AND GENERAL LAWS

MODULE 2- PAPER 7

EXECUTIVE PROGRAMME
INDUSTRIAL, LABOUR & GENERAL LAWS
PRACTICE TEST PAPER

(This test paper is for practice and self study only and not to be sent to the Institute)

Time allowed: 3 hours

Maximum marks : 100

[Attempt all questions. Each question carries 1 mark. There is no negative mark for incorrect answers.]

PART-A

1. The factors which caused variation of minimum wages in India are –
 - I. Prices of essential commodities
 - II. Paying capacity
 - III. Productivity
 - IV. Differences in exchange rates.Select the correct answer form the codes given bellow:
 - (A) I only
 - (B) IV only
 - (C) I, III and IV
 - (D) I, II, III and IV
2. In order to have a uniform wage structure and to reduce the disparity in minimum wages across the country, the concept of National Floor Level Minimum Wage (NFLMW) was mooted. On the basis of increase in the Consumer Price Index (Industrial Worker), the Central Government has revised the NFLMW from time to time. The present NFLMW –
 - (A) Rs.80/-
 - (B) Rs.100/-
 - (C) Rs.115/-
 - (D) Rs 225/-.
3. Which of the following area, where central government is exclusively competent to enact legislations—
 - (A) Trade unions; industrial and labour disputes.
 - (B) Social security and social insurance; employment and unemployment.
 - (C) Welfare of labour including conditions of work, provident funds, employers' lia-bility, workmen's compensation, invalidity and old age pensions and maternity benefits.
 - (D) Regulation of labour and safety in mines and oilfields
4. A premises including precincts thereof is a 'factory' within the meaning of the Factories Act, 1948 wherein a manufacturing process is being carried on without the aid of power and where the number of workers working is –
 - (A) 10 or more workers

- (B) 20 or more workers
(C) 15 or more workers
(D) 50 or more workers.
5. The present wage ceiling per month for the purpose of the Employees' State Insurance Act, 1948 is –
(A) Rs. 10,000/-
(B) Rs. 15,000/-
(C) Rs. 18,000/-
(D) Rs. 20,000/-
6. Which Schedule of the Factories Act, 1948 specifies Beryllium poisoning, Anthrax and Arsenic poisoning or its sequelae etc, as notifiable diseases?
(A) First Schedule
(B) Second Schedule
(C) Third Schedule
(D) Fifth Schedule
7. The present wage ceiling per month for the purpose of the Payment of Wages Act, 1936 is —
(A) Rs. 10,000/-
(B) Rs. 15,000/-
(C) Rs. 18,000/-
(D) Rs. 20,000/-
8. As per Payment of Wages Act, 1936, in railway factory or industrial or other establishment upon or in which less than one thousand persons are employed, wages shall be paid before the expiry of the —
(A) Seventh day of the month.
(B) Tenth Day of the months
(C) Third Day of the months
(D) None of the above
9. The Employees' State Insurance Act, 1948 protects the interest of workers in contingencies such as —
I. Sickness
II. Maternity,
III. Temporary or permanent physical disablement,
IV. Death due to employment injury resulting in loss of wages or earning capacity.

Select the correct answer form the codes given bellow:

- (A) I only
(B) II only
(C) I, III and IV
(D) I, II, III and IV

10. The verification of membership of unions operating in establishment in central sphere is conducted by Chief Labour Commissioner office under Code of Discipline for the purpose of granting recognition as and when directed by the –
- (A) Ministry of Labour and Employment.
 - (B) ESI Corporation
 - (C) Labour Tribunal
 - (D) Office Bearer of Trade Union
11. As per the provisions contained in Chapter VB of the Industrial Dispute Act, 1947 establishment employing _____ persons or more are required to seek prior permission of Appropriate Government before effecting lay-off, retrenchment and closure.
- (A) 50
 - (B) 100
 - (C) 250
 - (D) 500
12. _____ have been set up under the provisions of Industrial Dispute Act, 1947 for adjudication of industrial disputes in an organisation.
- (A) Lok-Adalat
 - (B) Industrial Tribunal
 - (C) Labour Court
 - (D) All of the above
13. Payment of Bonus Act, 1965 shall apply to every factory; and every other establishment in which _____ are employed on any day during an accounting year:
- (A) 20 or more persons
 - (B) 25 or more persons
 - (C) 30 or more persons
 - (D) 50 or more persons
14. As per Payment of Bonus Act, 1965, employees drawing salary or wages not exceeding _____ per month in any industry are eligible for bonus.
- (A) Rs. 10, 000/-
 - (B) Rs. 15, 000/-
 - (C) Rs. 18, 000/-
 - (D) Rs. 20,000/-
15. As per the Employees Pension Scheme, 1995, members on attaining the age of fifty-eight years and having rendered minimum of _____ years of contributory service qualify for superannuation fund.
- (A) 5
 - (B) 10

- (C) 15
(D) 20
16. The term 'same work or work of a similar nature' mentioned in the?
(A) Equal Remuneration Act, 1976
(B) Maternity Benefit Act, 1961
(C) Industrial Employment (Standing Orders) Act, 1946
(D) The Child Labour (Prohibition and Regulation) Act, 1986
(E) None of the above
17. Which of the following enactment stipulates for nursing break to a women employee?
(A) Equal Remuneration Act, 1976
(B) Maternity Benefit Act, 1961
(C) Apprentices Act, 1961
(D) The Child Labour (Prohibition and Regulation) Act, 1986
18. Award means an interim or a final determination of any industrial dispute are determined by:
(A) Labour Court
(B) Arbitrator
(C) Both (A) & (b)
(D) None of the above
19. Which of the following statement is true about the Constitutional Validity of section 10 of the Industrial Dispute Act, 1947?
(A) It is ultra-vires the Constitution
(B) It is intra-vires the Constitution
(C) Both (A) & (b)
(D) None of the above
20. The maximum amount of gratuity payable under the Payment of Gratuity Act, 1972 is –
(A) Rs. 5,00,000
(B) Rs. 7,50,000
(C) Rs. 10,50,000
(D) Rs. 10,00,000
21. Bonus must be paid to employees within a period of months from the close of the accounting year.;
(A) 8
(B) 9
(C) 12
(D) None of the above.

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22. The minimum number of members required for registration of a trade union is- .
- (A) 2
 - (B) 3
 - (C) 7
 - (D) 10
23. The employer is required to send a report to the Commissioner for workmen's compensation within days of the death or serious injury of the workman.
- (A) 7
 - (B) 8
 - (C) 9
 - (D) 10
24. As per Schedule to the Child Labour Prohibition and Regulation) Act, 1986, paper making is a.
- (A) Occupation
 - (B) Process
 - (C) Both (A) & (b)
 - (D) None of the above
25. As per the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988, an employer of any small establishment or very small establishment required to furnish a Core Return in:
- (A) Form A
 - (B) Form B
 - (C) Form C
 - (D) Form D.
26. Contract Labour (Regulation and Abolition) Act, 1970 applies to every establishment/ contractor in which _____ workmen are employed or were employed on any day of the preceding twelve months as contract labour.
- (A) Ten or more
 - (B) Fifteen
 - (C) Twenty or more
 - (D) Twenty-five or more
27. The text of the Certified Standing Orders shall be prominently posted by the employer in _____ and in the language understood by the majority of his workmen.
- (A) English
 - (B) Hindi
 - (C) Devanagiri Script
 - (D) Language specified in 8th Schedule of the Constitution

28. _____ means any trade or occupation or any subject field in engineering or technology or any vocational course which the Central Government, after consultation with the Central Apprenticeship Council, may, by notification in the Official Gazette, specify as a designated trade for the purposes of Apprentices Act, 1961.
- (A) Designated trade
 - (B) Apprenticeship training
 - (C) Both (A) & (B)
 - (D) None of the above.
29. As per Employees' Compensation Act, 1923, in case of permanent total disablement, the minimum amount of compensation payable to an employee is _____.
- (A) Rs. 90,000/-
 - (B) Rs. 1, 00,000/-
 - (C) Rs. 1, 20,000/-
 - (D) Rs. 1, 40,000/-
30. The Contract Labour (Regulation and Abolition) Act, 1970 shall not apply to establishments in which work is of _____
- (A) An intermittent or casual nature
 - (B) Permanent work
 - (C) Both (A) & (B)
 - (D) None of the above.
31. Violation of the Child Labour (Prohibition & Regulation) Act, 1986 shall be punishable with imprisonment for a term not be less than _____.
- (A) one month
 - (B) three months
 - (C) six months
 - (D) one year.
32. Under the Apprentices Act, 1961, Apprentice entitled for casual leave for the maximum period of _____ days in a year.
- (A) 12
 - (B) 10
 - (C) 15
 - (D) 45
33. The appropriate government shall revise the minimum rates of wages under the Minimum Wages Act, 1948 at least once in every _____
- (A) 2 years
 - (B) 3 years

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- (C) 4 years
 - (D) 5 years.
34. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 does not apply in relation to vacancies in any employment –
- (A) in domestic service;
 - (B) to do unskilled office work;
 - (C) connected with the staff of Parliament
 - (D) All of the above.
35. The rate of employers' contributions in the ESI Scheme is _____% .
- (A) 4.75,
 - (B) 1.65
 - (C) 1.75
 - (D) 5.75
36. The first Factories Act was enacted in
- (A) 1881
 - (B) 1895
 - (C) 1897
 - (D) 1885
37. Who is an adult as per Factories Act, 1948?
- (A) Who has completed 18 years of age
 - (B) Who is less than 18 years
 - (C) Who is more than 14 years
 - (D) Who is more than 15 years
38. A person who has ultimate control over the affairs of the factory under Factories Act, 1948 is called as _____
- (A) Occupier
 - (B) Manager
 - (C) Chairman
 - (D) Managing Director.
39. The space for every worker employed in the Factory after the commencement of Factories Act, 1948 should be _____ Cubic Meters.
- (A) 9.9
 - (B) 10.2
 - (C) 14.2
 - (D) 13.2

40. The provision for cooling water during hot weather should be made by the organization if it employees _____ or more employees.
- (A) 200
 - (B) 250
 - (C) 300
 - (D) 150
41. Who is an Adolescent as per Factories Act, 1948?
- (A) Who has completed 17 years of age?
 - (B) who is less than 18 years
 - (C) who has completed 15 years but less than 18 years.
 - (D) None of these
42. Which one of the following is not Welfare provision under Factories Act, 1948
- (A) Canteen
 - (B) Crèches
 - (C) Alcoholic Beverage
 - (D) Drinking Water.
43. First Aid Boxes is to be provided for _____ of persons
- (A) 125
 - (B) 135
 - (C) 150
 - (D) 160
44. Safety Officers are to be appointed if Organization is engaging _____ or more employees.
- (A) 1000
 - (B) 2000
 - (C) 500
 - (D) 750
45. Canteen is to be provided if engaging Employees more than _____ persons.
- (A) 250
 - (B) 230
 - (C) 300
 - (D) 275
46. Leave with wages is allowed for employees if they work for _____ days in a month.
- (A) 15
 - (B) 25

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(C) 20

(D) 28

47. Welfare Officers are to be appointed if Organization is engaging_____ or more employees.

(A) 500

(B) 250

(C) 600

(D) 750

48. The Ambulance Room is to be provided If engaging employees more than_____

(A) 400

(B) 350

(C) 500

(D) 450

49. Crèche is to be provided if_____ or More lady employees are engaged.

(A) 25

(B) 32

(C) 30

(D) 40

50. The term Sabbatical is connected with

(A) Paid leave for study

(B) Paternity leave

(C) Maternity leave

(D) Quarantine leave

51. Section 2 (K) of the Factories Act 1947 Says about

(A) Manufacturing Process

(B) Factory

(C) Worker

(D) None of these

52. If the factory employs more than 1000 Workers, they should appoint qualified _____ to carry out the prescribed duties

(A) Safety Officer

(B) Welfare officer

(C) Security officer

(D) None of these

53. For contravention of provisions of Factories Act or Rules, the occupier shall be liable for punishment up to
- (A) 2 years or fine up to Rs.1,00,000 or both
 - (B) 6 months or fine up to 10,000 or both
 - (C) 3 years or fine 10,000 or both
 - (D) None of these
54. If any employee found violating the section 20 of Factories Act 1947 shall be fined up to
- (A) Rs. 10
 - (B) Rs. 5
 - (C) Rs. 15
 - (D) Rs.20
55. Section 41-G of the Factories Act 1948 says about
- (A) Fencing of machineries
 - (B) Facing of machineries
 - (C) Work on near machinery in motion
 - (D) Workers participation in safety mgt.
56. Who is responsible for payment to a person employed by him in a Factory under the Payment of wages Act 1936
- (A) Accounts Manager
 - (B) HR manager
 - (C) Manager
 - (D) Owner
57. The occupier of a Factory has to submit the document on or before _____ of every year to renewal of a license for a factory.
- (A) 31st October of every year.
 - (B) 30th June of every year
 - (C) 31st March of every year
 - (D) 31st December of every year
58. The renewal application for a license submitted by a factory after December 31st of the every year shall pay the fine amount.
- (A) 10 % of the license fee
 - (B) 20% of the license fee
 - (C) 30 % of the license fee
 - (D) none of these.
59. Where _____ or more workers are employed in a factory, then there shall be a Safety Committee in the factory.
- (A) 100 or more workers

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- (B) 150 or more workers
 - (C) 200 or more workers
 - (D) 250 or more workers
60. A general manager of a factory can be appointed as an Inspector of factory under the Factories Act, 1948.
- (A) True
 - (B) False
 - (C) Depend on the Organizational Structure of the company
 - (D) None of the above
61. The Factories employing more than 1000 workers are required to submit their plan for approval to
- (A) Deputy Chief Inspector of Factories
 - (B) Joint Chief Inspector of Factories
 - (C) Chief Inspector of Factories
 - (D) Additional Chief Inspector of Factories.
62. A weekly holiday was introduced in the Factories for the first time in the year——.
- (A) 1948
 - (B) 1931
 - (C) 1926
 - (D) 1923
63. Under the Section 41A of the Factories Act, the Site Appraisal Committee shall be constituted once in——
—— year under the chairmanship of Chief Inspector of Factories.
- (A) Once in 5 Year
 - (B) Once in 2 Year
 - (C) Once in 3 Year
 - (D) Once in a Year.
64. To close down a factory, the occupier has to give—— days notice to the authorities.
- (A) 30 Days
 - (B) 60 Days
 - (C) 90 Days
 - (D) 14 Days
65. The annual return under the Factories Act shall be submitted to Inspector of Factories on or before
.....
- (A) 31st January
 - (B) 31st December
 - (C) 30th April
 - (D) 31st March

66. The number of elected workers in the canteen managing committee shall not be more than—— or less than——
- (A) more than 5 or less than 2
 - (B) more than 20 or less than 10
 - (C) more than 15 or less than 10
 - (D) more than 10 or less than 5
67. Designated trade defined under
- (A) Equal Remuneration Act, 1976
 - (B) Contract Labour (Regulation and Abolition) Act, 1970
 - (C) Apprentices Act, 1961
 - (D) Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
68. Loss of a hand and foot of an employee due to accident Employees' Compensation Act, 1923 treated as
- (A) Permanent Total Disablement
 - (B) Permanent Partial Disablement
 - (C) Neither Permanent Total Disablement nor Partial Disablement
 - (D) None of the above
69. The body, by whatever name called, to which the management of the affairs of a trade union is entrusted under Trade Union Act, 1926 means:
- (A) Executive
 - (B) Office Bearer
 - (C) Registered Office
 - (D) Trade Union
70. Every woman entitled to maternity benefit under the the Maternity Benefit Act, 1961 shall also be entitled to receive from her employer
- (A) Medical bonus
 - (B) Leave for miscarriage
 - (C) Leave with wages for tubectomy operation
 - (D) All of the above

PART-B

71. Which of the following language not included in the 8th Schedule of the Indian Constitution?
- (A) English
 - (B) Hindi
 - (C) Bengali
 - (D) Punjabi

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72. The Indian Constitution refers to minorities based on;

- (A) Religion or Language
- (B) Region or Culture
- (C) State or Region
- (D) Culture or Cast

73. Who among the following hold(s) office during pleasure of the president of India?

- 1. The Governor of the State
- 2. The Chief Election Commissioner
- 3. The Comptroller and Auditor General of India
- 4. The Attorney General of India

Select the correct answer form the codes given bellow:

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

74. Preamble of the Constitution of Indian is ;

- (A) Part of the Constitution
- (B) Prelogue of the Constitution
- (C) Not a part of the Constitution
- (D) None of the above

75. Summary trials will apply to such offences not punishable with imprisonment for a term exceeding :

- (i) Two years
- (ii) One year
- (iii) Two months
- (iv) Three months

76. Indian Law of Torts is based on:

- (A) USA Law of Torts
- (B) Australia Law of Torts
- (C) England Law of Torts
- (D) Latin Law of Torts

77. Which of the following conditions are required for the principle of res judicata to suits as applied by courts vide section 11 of the Code of Civil Procedure, 1908 —

- (A) The matter directly and substantially arise in former and later suits
- (B) The former suit has not been decided
- (C) The said suit has not been heard and decided
- (D) All the above are required for the application of res judicata.

78. Under law of torts, exception to the strict liability is —
- (A) Inevitable accident
 - (B) Inevitable mistake
 - (C) Consent of the plaintiff
 - (D) All of the above.
79. Jus scriptum means:
- (A) Written Law.
 - (B) Unwritten law
 - (C) Customary Law
 - (D) None of the above
80. What remedies are available to a defendant, if an ex-parte decree is passed against him?
- (A) He may file an appeal against the ex-parte decree under Section 96 of the C.P.C.
 - (B) He may file an application for review of the judgement.
 - (C) He may apply for setting aside the ex-parte decree
 - (D) All of the above
81. Principle of Estoppel is based on:
- (A) the maxim 'allegans contraria non est audiendus'
 - (B) Rule of evidence
 - (C) Both (A) & (B)
 - (D) None of the above
82. Under the Limitation Act, 1963, a suit for compensation for wrongful seizure of movable property under legal process required to be filed within _____ year from the date of the seizure.
- (A) One year
 - (B) Two years
 - (C) Three years
 - (D) Four years
83. Essential characteristic of an injunction are:
1. It is a judicial process
 2. It is to restrain or to prevent
 3. Wrongful act
 4. Final Order of the Court

Select the correct answer form the codes given bellow:

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

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84. "Interpretation or construction is the process by which the Courts seek to ascertain the meaning of the legislature through the medium of the authoritative forms in which it is expressed" was said by:
- (A) Salmond
 - (B) Maxwell
 - (C) Crawford
 - (D) Lone Fuller
85. Where life or liberty of a person is involved, the Public Information Officer (PIO) is bound to provide information under the Right to Information Act, 2005 within _____ :
- (A) 30 days
 - (B) 35 days
 - (C) 24 hours
 - (D) 48 hours
86. As per the Limitation Act, 1963, the period of limitation relating to suits of immovable property to redeem or recover the possession of property mortgaged is —
- (A) 3 years
 - (B) 12 years
 - (C) 20 years
 - (D) 30 years.
87. A person against whom a decree has been passed or an order capable of execution has been made is called
- (A) Lender
 - (B) Judgement debtor
 - (C) Legal representative of the debtor
 - (D) Any of the above.
88. As per the Indian Evidence Act, 1872, a witness cannot be compelled to give evidence relating to —
- (A) Official communications
 - (B) Affairs of the State
 - (C) Communications during marriage
 - (D) All the above.
89. is a written statement of the deponent on oath duly affirmed before any court or any Magistrate or any Oath Commissioner appointed by the Court or before the Notary Public.
- (A) An affidavit
 - (B) Summon
 - (C) Warrant
 - (D) None of the above
90. Under the Specific Relief Act, 1963, recovering possession of property is a —

- (A) Specific relief
 - (B) Preventive relief
 - (C) Either (a) or (b)
 - (D) None of the above.
91. Rule of ejusdem generis shall apply when –
- (A) The statute contains an enumeration by specific words
 - (B) The members of the enumeration constitute a class
 - (C) The class is not exhausted by the enumeration
 - (D) All the above.
92. An arbitral award –
- (A) must be in writing
 - (B) may be an oral decision
 - (C) either (A) or (B) depending upon the circumstances of the case
 - (D) must be in writing and made on a stamp paper of prescribed value.
93. Investigation and inquiry as per the Code of Criminal Procedure, 1973 are –
- (A) The same
 - (B) Different
 - (C) Depend upon the circumstances
 - (D) None of the above.
94. Place of arbitration is important for the determination of the rules applicable to substance of dispute, and recourse against the
- (A) Award
 - (B) Arbitration
 - (C) Conciliation
 - (D) Mediation
95. The term 'sufficient cause' has not been defined in the Limitation Act, 1963. It depends on the of each case.
- (A) Circumstances
 - (B) History
 - (C) Time
 - (D) None of the above
96. In the interpretation of statutes, an important role is played as an internal aid by :
- (A) Schedules
 - (B) Preamble
 - (C) Heading
 - (D) All the above.

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97. Under the law of limitation, suits can be filed within three years in cases relating to :
- (A) Seamen's wages
 - (B) Hire of animals
 - (C) Price of goods sold and delivered
 - (D) All the above.
98. The right of review has been conferred by the Code of Civil Procedure, 1908. It provides that any person considering himself aggrieved by a decree or order may apply for a review of judgement to the —
- (A) Appellate Court
 - (B) High Court
 - (C) District Court concerned
 - (D) Court which passed the decree or order.
99. The term 'cognizance' means —
- (A) A crime
 - (B) Custody without warrant
 - (C) Arousing judicial notice
 - (D) Custody with warrant.
100. Extension of time limit under the Limitation Act, 1963 on showing sufficient cause may be granted for —
- (A) Filing a suit
 - (B) Filing an application for execution of a decree
 - (C) An appeal in a labour court
 - (D) None of the above.

ANSWERS

PART-A

1. D
2. C
3. D
4. D
5. B
6. C
7. C
8. A
9. D
10. A
11. B
12. C
13. A
14. A
15. B
16. A
17. B
18. C
19. B
20. D
21. A
22. C
23. A
24. B
25. A
26. C
27. A
28. A
29. A
30. A
31. B
32. A
33. D
34. D

35. A
36. A
37. A
38. A
39. C
40. B
41. C
42. C
43. C
44. A
45. A
46. C
47. A
48. C
49. C
50. A
51. A
52. A
53. A
54. B
55. D
56. C
57. A
58. B
59. D
60. B
61. C
62. D
63. A
64. B
65. A
66. A
67. C
68. A
69. A
70. D

PART B

71. A
72. A
73. D
74. A
75. A
76. C
77. A
78. C
79. A
80. A
81. C
82. A
83. C
84. A
85. D
86. D
87. B
88. D
89. A
90. A
91. D
92. D
93. B
94. A
95. A
96. D
97. D
98. D
99. C
100. D

SPECIMEN OMR ANSWER SHEET

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Examination Session : DDMMVVVV

Question Paper Booklet No.

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Use Blue/Black Ball Point Pen only

How to mark answers

CORRECT METHOD: A ● C D

WRONG METHOD: X ✓ ● D

A ✓ C D

X B C D

Question Booklet Code

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Answers

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| 1 | A | B | C | D | | 51 | A | B | C | D |
| 2 | A | B | C | D | | 52 | A | B | C | D |
| 3 | A | B | C | D | | 53 | A | B | C | D |
| 4 | A | B | C | D | | 54 | A | B | C | D |
| 5 | A | B | C | D | | 55 | A | B | C | D |
| 6 | A | B | C | D | | 56 | A | B | C | D |
| 7 | A | B | C | D | | 57 | A | B | C | D |
| 8 | A | B | C | D | | 58 | A | B | C | D |
| 9 | A | B | C | D | | 59 | A | B | C | D |
| 10 | A | B | C | D | | 60 | A | B | C | D |
| 11 | A | B | C | D | | 61 | A | B | C | D |
| 12 | A | B | C | D | | 62 | A | B | C | D |
| 13 | A | B | C | D | | 63 | A | B | C | D |
| 14 | A | B | C | D | | 64 | A | B | C | D |
| 15 | A | B | C | D | | 65 | A | B | C | D |
| 16 | A | B | C | D | | 66 | A | B | C | D |
| 17 | A | B | C | D | | 67 | A | B | C | D |
| 18 | A | B | C | D | | 68 | A | B | C | D |
| 19 | A | B | C | D | | 69 | A | B | C | D |
| 20 | A | B | C | D | | 70 | A | B | C | D |
| 21 | A | B | C | D | | 71 | A | B | C | D |
| 22 | A | B | C | D | | 72 | A | B | C | D |
| 23 | A | B | C | D | | 73 | A | B | C | D |
| 24 | A | B | C | D | | 74 | A | B | C | D |
| 25 | A | B | C | D | | 75 | A | B | C | D |
| 26 | A | B | C | D | | 76 | A | B | C | D |
| 27 | A | B | C | D | | 77 | A | B | C | D |
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| 34 | A | B | C | D | | 84 | A | B | C | D |
| 35 | A | B | C | D | | 85 | A | B | C | D |
| 36 | A | B | C | D | | 86 | A | B | C | D |
| 37 | A | B | C | D | | 87 | A | B | C | D |
| 38 | A | B | C | D | | 88 | A | B | C | D |
| 39 | A | B | C | D | | 89 | A | B | C | D |
| 40 | A | B | C | D | | 90 | A | B | C | D |
| 41 | A | B | C | D | | 91 | A | B | C | D |
| 42 | A | B | C | D | | 92 | A | B | C | D |
| 43 | A | B | C | D | | 93 | A | B | C | D |
| 44 | A | B | C | D | | 94 | A | B | C | D |
| 45 | A | B | C | D | | 95 | A | B | C | D |
| 46 | A | B | C | D | | 96 | A | B | C | D |
| 47 | A | B | C | D | | 97 | A | B | C | D |
| 48 | A | B | C | D | | 98 | A | B | C | D |
| 49 | A | B | C | D | | 99 | A | B | C | D |
| 50 | A | B | C | D | | 100 | A | B | C | D |

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1. There is no negative marking.
2. Use Only Blue/Black Ball Point Pen to Darken the appropriate Circle.
3. Write and darken correct Question Booklet Code Viz. A or B or C or D which will be taken as final for evaluation. In case any candidate fills in this information wrongly, Institute will not take any responsibility for rectifying the mistake.
4. Mark your answer only in the appropriate space against the number corresponding to the question.
5. Please darken the complete circle.
6. Please do NOT make any stray marks on the answer sheet.
7. Rough work must NOT be done on the answer sheet.
8. Do NOT fold or damage the edges of the sheet.
9. Use of white fluid is prohibited.

Signature of Candidate with Pen

Name (As registered with ICSI)

Signature of Invigilator with Pen