

DR.RAFIQ ZAKARIA CAMPUS-I
MAULANA AZAD COLLEGE OF ARTS, SCIENCE & COMMERCE
DEPARTMENT OF COMMERCE & MANAGEMENT SCIENCE
CLASS: B-COM VI SEM SUBJECT: I.T APPLICATION IN BUS-VI
(Multiple Choice type Questions)

1. Mnemonic a memory trick is used in which of the following language?
 - a) Machine language
 - b) Assembly language
 - c) High level language
 - d) None of above

2. The translator program used in assembly language is called
 - a) Compiler
 - b) Interpreter
 - c) Assembler
 - d) Translator

3. Easily relocatable language is
 - a) Machine language
 - b) Assembly language
 - c) High level language
 - d) Medium level language

4. Which of the following is called low level languages?
 - a) Machine language
 - b) Assembly language
 - c) Both of the above
 - d) None of above

5. which of the following is problem oriented language?
 - a) High level language
 - b) Machine language
 - c) Assembly language
 - d) Low level language

6. A compiler is a translating program which
 - a) Translates instruction of a high level language into machine language
 - b) Translates entire source program into machine language program
 - c) It is not involved in program's execution
 - d) All of above

7. Which of the following is machine independence program?
 - a) High level language
 - b) Low level language
 - c) Assembly language
 - d) Machine language

8. Which statement is valid about interpreter?
- a) It translates one instruction at a time
 - b) Object code is saved for future use
 - c) Repeated interpretation is not necessary
 - d) All of above
9. Which is the limitation of high level language?
- a) Lower efficiency
 - b) Machine dependence
 - c) machine level coding
 - d) None of above
10. High level language is also called
- a) Problem oriented language
 - b) Business oriented language
 - c) Mathematically oriented language
 - d) All of the above
11. The C language has been developed by_____.
- a) Patrick Naughton.
 - b) Dennis Ritchie.
 - c) Ken Thompson.
 - d) Martin Richards.
12. The C is a_____.
- a) high level language.
 - b) low-level language.
 - c) middle level language.
 - d) assembly language.
13. The C language was developed in the year _____.
- a) 1972.
 - b) 1960.
 - c) 1975.
 - d) 1971.
14. The C language was developed at _____.
- a) AT and T Bell labs, USA
 - b) IBM, USA
 - c) Borland International, USA
 - d) Sun Microsystems
15. The extension for C program files by default is_____.
- a) .cpp
 - b) .d
 - c) .c
 - d) .obj

16. The C language is closely associated with _____.
- a) MS-DOS.
 - b) Linux.
 - c) UNIX.
 - d) MS-Windows.
17. C programs are highly portable. It means that the _____.
- a) same programs executes on different computers.
 - b) program executes only on the same computers.
 - c) program needs a lot of modification to run.
 - d) Same programs executes on same computers.
18. Every C program requires a _____ function.
- a) scanf().
 - b) printf().
 - c) void().
 - d) main().
19. What is meant by type casting?
- a) Conversion of data item.
 - b) Conversion of variables.
 - c) Fix the value of the data item.
 - d) None of the above.
20. C variable cannot start with _____.
- a) an underscore
 - b) a character.
 - c) an alphabet.
 - d) a number.
21. What is internet?
- a) a single network
 - b) a vast collection of different networks
 - c) interconnection of local area networks
 - d) none of the mentioned
22. To join the internet, the computer has to be connected to a
- a) internet architecture board
 - b) internet society
 - c) internet service provider
 - d) none of the mentioned
23. Which one of the following protocol is not used in internet?
- a) HTTP
 - b) DHCP
 - c) DNS
 - d) none of the mentioned

24. In what decade was ARPANET developed?
- a) 1950s
 - b) 1960s
 - c) 1970
 - d) 1980s
25. Hundred of universities, government entities, and research lab have formed?
- a) Internet
 - b) WWW
 - c) Internet2
 - d) TCP/IP
26. A cheque dated subsequent to the date of its issue is _____.
- a) post dated cheque
 - b) blank cheque
 - c) crossed cheque
 - d) account payee cheque
27. Who controls credit in India?
- a) Government of India.
 - b) RBI.
 - c) SBI.
 - d) Indian bank
28. RBI refers to _____.
- a) Reserve Bank of India.
 - b) Revenue Bank of India.
 - c) Rupee Bank of India
 - d) Regional Bank of India
29. Which of the following network is used to a number of computers to each other by cables in a single location?
- a) LAN
 - b) WAN
 - c) MAN
 - d) None of these
30. a _____ protocol is based on end-to-end delivery.
- a) SCTP
 - b) CT
 - c) TCP
 - d) SMTP
31. Which of the following is part of the Enterprise?
- a) People
 - b) Common Goal
 - c) Recourses
 - d) All of the above

32. What are the different components of a business functional areas?
- a) Business functions
 - b) Business activities
 - c) Business rules
 - d) All of the above
33. What are the elements of an information system?
- a) People, procedure and data
 - b) Data information and knowledge
 - c) Hardware software and information processing
 - d) None of the above
34. What are the characteristic of information?
- a) Accuracy
 - b) Relevancy
 - c) Timeliness
 - d) All of the above
35. Which of the following people involved in the implementation of the ERP system?
- a) Management
 - b) Employee
 - c) Vendors and consultants
 - d) All of the above
36. Which of the following is the expansion of ERP?
- a) Enterprise resource planning
 - b) Emergency resource planning
 - c) Executive response procedure
 - d) None of the above
37. Which of the following is the predecessor of ERP?
- a) MRP
 - b) Closed loop ERP
 - c) MRPII
 - d) All of the above
38. Which of the following is an advantage of ERP?
- a) Business integration
 - b) Better analysis and planning capabilities
 - c) Use of latest technology and flexibility
 - d) All of the above
39. Which of the following things should be done by an organization to become competitive?
- a) Deliver high quality products on time
 - b) Deliver high quality products as quickly as possible
 - c) Deliver high quality products at the best possible price
 - d) All of the above

40. Which of the following is not true in the case of an ERP system?
- a) It forces the competition to change their strategies and processes
 - b) It influences business partners to become more competitive
 - c) It improves the profit of the consulting organizations
 - d) All of the above
41. Which of the following describes e-commerce?
- a) Doing business electronically
 - b) Doing business
 - c) Sale of goods
 - d) All of the above
42. Which of the following is part of the four main types for e-commerce?
- a) B2B
 - b) B2C
 - c) C2B
 - d) All of the above
43. Which segment do eBay, Amazon.com belong?
- a) B2Bs
 - b) B2Cs
 - c) C2Bs
 - d) C2Cs
44. Which type of e-commerce focuses on consumers dealing with each other?
- a) B2B
 - b) B2C
 - c) C2B
 - d) C2C
45. In which website Global Easy Buy is facilitated?
- a) Ebay.com
 - b) Amazon.com
 - c) Yepme.com
 - d) None of these
46. The best products to sell in B2C e-commerce are:
- a) Small products
 - b) Digital products
 - c) Specialty products
 - d) Fresh products
47. The solution for all business needs is
- a) EDI
 - b) ERP
 - c) SCM
 - d) None of the above

48. Which is a function of E-commerce
- a) marketing
 - b) advertising
 - c) warehousing
 - d) all of the above
49. Which of the following is not related to security mechanism
- a) encryption
 - b) decryption
 - c) e-cash
 - d) all the above
50. Amazon.com is well-known for which e-commerce marketing technique?
- a) Banner ads
 - b) Pop-up ads
 - c) Affiliate programs
 - d) Viral marketing
51. An electronic check is one form of what?
- a) e-commerce
 - b) online banking
 - c) e-cash
 - d) check
52. Secure Sockets Layers does which of the following?
- a) creates a secure, private connection to a web server
 - b) encrypts information
 - c) sends information over the internet
 - d) all of the above
53. ERP stands for
- a) Enterprise resolution planning
 - b) Enterprise reverse planning
 - c) Enterprise resource planning
 - d) None of the above
54. Which item can a password be used to protect?
- a) Network
 - b) File
 - c) Folder
 - d) All of the above
55. What is an electronic representation of cash?
- a) Digital cash
 - b) Electronic cash
 - c) E-cash
 - d) All of the above

56. The E-payment mechanism widely used in B2B is
- a. Credit card
 - b. Debit card
 - c. Master cardd. E-cheque
 - d. E-cheque
57. E-cheques are
- a) a.Prepaid
 - b) b.Postpaid
 - c) c. Both prepaid and postpaid
 - d) d.none of these
58. Digital signature is a
- a) Digital id,send as an attachment to a web page/e-mail/message
 - b) Is used for verifying the attachments send using web
 - c) Both a and b
 - d) None of these
59. The smart card which use antenna for reading and writing data
- a) Contact smart card
 - b) Contactless smart card
 - c) Proximity smart card
 - d) Both B and C
60. ----- card is read only.
- a) Contact smart card
 - b) Contactless smart card
 - c) Proximity smart card
 - d) Both B and C

DR.RAFIQ ZAKARIA CAMPUS-I
MAULANA AZAD COLLEGE OF ARTS, SCIENCE & COMMERCE
DEPARTMENT OF COMMERCE & MANAGEMENT SCIENCE
CLASS: B.COM-VI SEM. SUBJECT: MANAGEMENT ACCOUNTING-II
(Multiple Choice type Questions)

1. Fixed assets are those which are of a nature
 - a. Fixed
 - b. Current
 - c. Acid
 - d. Liquid
2. The simplest capital budgeting technique is
 - a. Net present value method
 - b. Pay-back period method
 - c. Internal rate of return method
 - d. Average rate of return method
3. is the rate which equates the present value of expected future cash flows with of the investment
 - a. Average rate of return
 - b. Discounted rate of return
 - c. Internal rate of return
 - d. Time adjusted rate of return
4. is the relationship that exists between the present value of net cash inflow and the present values of cash outflows
 - a. Profitability index
 - b. Distribution of capital
 - c. Discounted benefit-cost ratio
 - d. Cut-off point
5. While evaluating capital investment proposals, the value of money is considered in the case of
 - a. Pay-back method
 - b. Discount cash flow method
 - c. Accounting rate of return method
 - d. Net present value method
6. The return after the pay-off period is not considered in case of
 - a. Internal rate of return method
 - b. Net present value method
 - c. Pay-back period method
 - d. Accounting rate of return method
7. Depreciation is included in cost in case of
 - a. Average rate of return method
 - b. Accounting rate of return of return method
 - c. Pay-back period method
 - d. Present value index method

8. The cash flows on account of operations are presumed to have been reinvested at the cut-off rate in case of
 - a. Net present value method
 - b. Pay-back period method
 - c. Internal rate of return method
 - d. Discounted cash flow method
9. The technique of long-term planning for proposed capital investment project is termed as
 - a. Capital budgeting
 - b. Cash budgeting
 - c. Sales budgeting
 - d. Revenue budgeting
10. The minimum rate of return expected of a capital investment project is termed as
 - a. Single point rate
 - b. Cut-off rate
 - c. Normal rate \
 - d. Both a and b
11. is the annual average yield on a project
 - a. Internal rate of return
 - b. Cut-off rate
 - c. Accounting rate of return
 - d. None of the above
12. Capital budgeting is also known as
 - a. Investment decision making
 - b. Planning capital expenditure
 - c. Capital budgeting decision
 - d. All the above
13. Capital investment decisions are generally
 - a. Irreversible
 - b. Reversible
 - c. Recurring
 - d. Constant
14. Profitability index is also termed as
 - a. Benefit cost ratio
 - b. Liquidity ratio
 - c. Turnover ratio
 - d. Solvency
15. Internal rate of return and Are the same
 - a. Time adjusted rate of return
 - b. Average rate of return
 - c. Accounting rate of return
 - d. Profitability index
16. A major element in budgetary control is
 - a. the preparation of long-term plans.
 - b. the comparison of actual results with planned objectives.
 - c. the valuation of inventories.

- d. approval of the budget by the stockholders.
17. Budget reports should be prepared
- a. daily.
 - b. monthly.
 - c. weekly.
 - d. as frequently as needed.
18. On the basis of the budget reports,
- a. management analyzes differences between actual and planned results.
 - b. management may take corrective action.
 - c. management may modify the future plans.
 - d. all of these.
19. The purpose of the departmental overhead cost report is to
- a. control indirect labor costs.
 - b. control selling expense.
 - c. determine the efficient use of materials.
 - d. control overhead costs.
20. The purpose of the sales budget report is to
- a. control selling expenses.
 - b. determine whether income objectives are being met.
 - c. determine whether sales goals are being met.
 - d. control sales commissions.
21. The comparison of differences between actual and planned results
- a. is done by the external auditors.
 - b. appears on the company's external financial statements.
 - c. is usually done orally in departmental meetings.
 - d. appears on periodic budget reports.
22. When budgeted and actual results are not the same amount, there is a budget
- a. error.
 - b. difference.
 - c. anomaly.
 - d. by-product.
23. Top management's reaction to a difference between budgeted and actual sales often depends on
- a. whether the difference is favorable or unfavorable.
 - b. whether management anticipated the difference.
 - c. the materiality of the difference.
 - d. the personality of the top managers.

24. If costs are not responsive to changes in activity level, then these costs can be best described as
- mixed.
 - flexible.
 - variable.
 - fixed.
25. A flexible budget
- is prepared when management can't agree on objectives for the company.
 - projects budget data for various levels of activity.
 - is only useful in controlling fixed costs.
 - cannot be used for evaluation purposes because budgeted data are adjusted to reflect actual results.
26. A cost center
- only incurs costs and does not directly generate revenues.
 - incurs costs and generates revenues.
 - is a responsibility center of a company which incurs losses.
 - is a responsibility center which generates profits and evaluates the investment cost of earning the profit.
27. A manager of a cost center is evaluated mainly on
- the profit that the center generates.
 - his or her ability to control costs.
 - the amount of investment it takes to support the cost center.
 - the amount of revenue that can be generated.
28. Performance reports for cost centers compare actual
- total costs with static budget data.
 - total costs with flexible budget data.
 - controllable costs with static budget data.
 - controllable costs with flexible budget data.
29. In the performance report for cost centers,
- controllable and noncontrollable costs are reported.
 - fixed costs are not reported.
 - no distinction is made between fixed and variable costs.
 - only material and controllable costs are reported.
30. The best measure of the performance of the manager of a profit center is the
- rate of return on investment.
 - success in meeting budgeted goals for controllable costs.
 - amount of controllable margin generated by the profit center.
 - amount of contribution margin generated by the profit center.
31. Controllable margin is defined as
- sales minus variable costs.

- b. sales minus contribution margin.
 - c. contribution margin less controllable fixed costs.
 - d. contribution margin less noncontrollable fixed costs.
32. Controllable margin is most useful for
- a. external financial reporting.
 - b. preparing the master budget.
 - c. performance evaluation of profit centers.
 - d. break-even analysis.
33. A responsibility report for a profit center will
- a. not show controllable fixed costs.
 - b. not show indirect fixed costs.
 - c. show noncontrollable fixed costs.
 - d. not show cumulative year-to-date results.
34. A distinguishing characteristic of an investment center is that
- a. revenues are generated by selling and buying stocks and bonds.
 - b. interest revenue is the major source of revenues.
 - c. the profitability of the center is related to the funds invested in the center.
 - d. it is a responsibility center which only generates revenues.
34. A measure frequently used to evaluate the performance of the manager of an investment center is
- a. the amount of profit generated.
 - b. the rate of return on funds invested in the center.
 - c. the percentage increase in profit over the previous year.
 - d. departmental gross profit.
35. Return on investment is calculated by dividing
- a. contribution margin by sales.
 - b. controllable margin by sales.
 - c. contribution margin by average operating assets.
 - d. controllable margin by average operating assets.
36. Which one of the following will not increase return on investment?
- a. Variable costs are increased
 - b. An increase in sales
 - c. Average operating assets are decreased
 - d. Variable costs are decreased
37. The manager of an investment center can improve ROI by increasing
- a. average operating assets.
 - b. controllable fixed costs.
 - c. controllable margin.
 - d. variable costs.

DR.RAFIQ ZAKARIA CAMPUS-I
MAULANA AZAD COLLEGE OF ARTS, SCIENCE & COMMERCE
DEPARTMENT OF COMMERCE & MANAGEMENT SCIENCE
CLASS: B.COM-VI SEM. SUBJECT: COST ACCOUNTING-II
(Multiple Choice type Questions)

1. Contract costing is a basic method of
 - a. Historical costing
 - b. Specific order costing
 - c. Process costing
 - d. Standard costing

2. Contract costing usually applicable in
 - a. Constructional works
 - b. Textile mills
 - c. Cement Industries
 - d. Chemical Industries

3. In contract costing, determination of work in process include
 - a. Work Certified
 - b. Work Uncertified
 - c. Retention Money
 - d. Both a and b

4. Work certified is valued at
 - a. Cost price
 - b. Market price
 - c. Cost or market price whichever is less
 - d. Estimate price

5. The degree of completion of work is determined by comparing the work certified with
 - a. Contract price
 - b. Work in progress
 - c. Cash received on contract
 - d. Retention money

6. In contract costing credit is taken only for a part of the profit on
 - a. Completed contract
 - b. In complete contract
 - c. Cost-plus contract
 - d. Work certified

7. Escalation clause in a contract to protect the interest of
 - a. Contractor
 - b. Contractee
 - c. Surveyor
 - d. Contractee's architect

8. In contract costing payment of cash to the contractor is made on the basis of
 - a. Uncertified work
 - b. Certified work
 - c. Work in progress
 - d. Estimated value

9. Materials returned under material return note credited to
 - a. Contract account
 - b. Work in progress account
 - c. Plant and machinery account
 - d. Profit and loss account

10. Cash received on contract is credited to
 - a. Contract account
 - b. Plant account
 - c. Work in progress account
 - d. Contractee's account

11. Which of the following is not a feature of a process production system?
 - a. Repetitive production
 - b. High production volume
 - c. Low product flexibility
 - d. Heterogeneous products

12. Which of the following is most likely to use a process cost accounting system?
 - a. Construction company
 - b. Print shop
 - c. Ship builder
 - d. Sugar refiner

13. Which of the following is not true regarding job order cost accounting and process cost accounting systems?
 - a. Both assign costs by process
 - b. Both classify materials as direct and/or indirect
 - c. Both classify labour as direct and/or indirect
 - d. Direct materials under one system might be indirect in the other

14. Which of the following shows the raw materials issued to a department during a period and substitutes for materials requisitions?
 - a. Cost of production report
 - b. Equivalent units processing cost report
 - c. Process cost summary
 - d. Materials consumption report

15. On May 1, the production department had 6,000 units 50% complete as to labour and overhead; materials are added at the beginning of the process. During May, 30,000 units were started into process. At the end of May, the ending goods in process of 8,000 units were 80% complete as to labour and overhead. The number of units transferred to the next department were:
 - a. 33,400

- b. 28,000
 - c. 26,600
 - d. 31,000
16. The beginning goods in process were 3,000 units, which were 40% complete as to labour and overhead. During the accounting period, 15,000 units were completed and transferred to finished goods. Five hundred units remain in process and are 60% completed. The number of units started during the accounting period were:
- a. 15,500
 - b. 18,500
 - c. 12,000
 - d. 12,500
17. In the process cost accounting system presented in the chapter, the flow of goods in process inventories is assumed to be:
- a. first-in, first-out (FIFO)
 - b. last-In, first-out (LIFO)
 - c. weighted average
 - d. specific invoice price
18. The total costs to process the beginning 5,000 units in process was Rs.20,000. Thirty thousand units were started and completed. There were no ending units in process. Costs added during the period were: materials, Rs.63,000, and labour and overhead, Rs.28,500 each. The net change in the per unit cost of the units started and completed and the beginning units completed is:
- a. Rs..00 no change
 - b. Rs..10 increase
 - c. Rs..05 decrease
 - d. Rs..15 decrease
19. Direct materials cost Rs.8 per unit, direct labour is Rs.6 per unit, and overhead is applied at 150% of direct labour cost. The 5,000 units of beginning goods in process were 100% complete as to materials, and 30% complete as to labour and overhead. The total cost to process the beginning units:
- a. cannot be determined from the information provided
 - b. is Rs.100,000
 - c. is Rs. 92,500
 - d. is Rs.115,000
20. Direct materials cost Rs.8 per unit, direct labour is Rs.6 per unit, and overhead is applied at 150% of direct labour cost. The 5,000 units of beginning goods in process were 100% complete as to materials, and 30% complete as to labour and overhead. The total production costs of the current time period assigned to the beginning units:
- a. cannot be determined from the information provided
 - b. is Rs.52,500
 - c. is Rs.92,500
 - d. is Rs.31,500
21. Beginning inventory of goods in process was 3,000 units that were 40% complete as to labour and overhead. Fifteen thousand units were added to production. Five hundred units

remained in process, each 60% complete. The equivalent units for labour and overhead were:

- a. 16,600
 - b. 17,100
 - c. 16,500
 - d. 18,900
22. On a process cost summary, the total costs to be accounted for and the total costs accounted for are
- a. different in amount by the amount of underapplied overhead
 - b. different in amount by the amount of overapplied overhead
 - c. seldom the same, because of spoiled units
 - d. should be the same
23. The section of the process cost summary in which the details for the calculation of the unit processing costs for materials, labour, and overhead are shown is the:
- a. Costs charged to the department
 - b. Assignment of costs to the output of the department
 - c. Equivalent unit processing costs
 - d. Total costs to be accounted for
24. Premium on issue of shares is
- | | |
|--|-----------------------|
| i) Shown in costing profit and loss A/c | iii) Ignored |
| ii) Shown in financial profit and loss A/c | iv) None of the above |
25. Notional rent is taken in
- | | | | |
|-------------|-------------------|--------------------|-------------|
| i) Cost A/c | ii) Financial A/c | iii) Balance sheet | iv) Ignored |
|-------------|-------------------|--------------------|-------------|
26. Excess of overheads in costing as compared to profit and loss A/c is
- | | |
|-----------------------------------|-----------------------|
| i) Over absorption of overheads | iii) Both (i) & (ii) |
| ii) Under absorption of overheads | iv) None of the above |
27. Interest on investment increases
- | | | | |
|---------------------|--------------------|-------------|-----------------------|
| i) Financial profit | ii) Costing profit | iii) Assets | iv) None of the above |
|---------------------|--------------------|-------------|-----------------------|
28. Loss on sale of capital asset is
- | | |
|------------------------------|---|
| i) Added to financial profit | ii) Added to costing profit |
| iii) Ignored from cost A/c | iv) None of the above to get costing profit |
29. Over valuation of closing stock in Cost Accounts:
- | | |
|--------------------------------|--------------------------------|
| i) Increases costing profit | iii) Decreases costing profit |
| ii) Increases financial profit | iv) Decreases financial profit |
30. Interest on Bank Deposits is
- | | |
|-------------------------------------|------------------------------------|
| i) Credited in costing P & L A/c | iii) Debited in costing P & L A/c |
| ii) Credited in financial P & L A/c | iv) Debited in Financial P & L A/c |
31. Dividend paid on share capital is
- | | |
|------------------------------------|-------------------------------------|
| i) Debited to costing P & L A/c | iii) Credited to costing P & L A/c |
| ii) Debited to financial P & L A/c | iv) Credited to financial P & L A/c |

32. Over absorption of overheads in costing

- i) Decreases costing profit
- ii) Increases financial profit
- iii) Increases costing profit
- iv) Both (i) & (ii)

33. Under valuation of opening stock in costing

- i) Increases costing profit
- ii) Decreases financial profit
- iii) Decreases costing profit
- iv) Both (i) & (ii)

34. Donations paid is

- i) Debited to costing P & L A/c
- ii) Debited to financial P & L A/c
- iii) Ignored in costing
- iv) (ii) & (iii)

DR.RAFIQ ZAKARIA CAMPUS-I
MAULANA AZAD COLLEGE OF ARTS, SCIENCE & COMMERCE
DEPARTMENT OF COMMERCE & MANAGEMENT SCIENCE
CLASS: B.COM-VI SEM. SUBJECT: INDIRECT TAXES & DIRECT TAXES-II

(Multiple Choice type Questions)

1. Income tax is levied on-
 - (A) Monthly basis
 - (B) Quarterly basis
 - (C) Half-yearly basis
 - (D) Yearly basis

2. Income tax is payable on-
 - (A) Earned income
 - (B) Salary
 - (C) Taxable income
 - (D) Every income

3. Assessee includes-
 - (A) Individual
 - (B) HUF
 - (C) Company
 - (D) All of the above

4. Exempted income does not includes-
 - (A) Agricultural income in India
 - (B) Post office saving bank interest
 - (C) Indian company dividend
 - (D) T.V prices

5. Income tax is-
 - (A) Direct tax
 - (B) Indirect tax
 - (C) Corporate tax
 - (D) A and C both

6. The authority on whose recommendation the amt. collected as income tax is distributed to state govt.-
 - (A) CBDT
 - (B) Planning Commission
 - (C) Finance Commission
 - (D) Chief Minister

7. Income tax was first time levied in the year-
 - (A) 1960
 - (B) 1950
 - (C) 1860
 - (D) 1881

8. In case of delay payment of income tax penalty shall be charged as-
- (A) 2% per annum
 - (B) 1% per month
 - (C) 3% per month
 - (D) 1.5% per annum
9. Number of digits in a PAN card are-
- (A) 9
 - (B) 8
 - (C) 10
 - (D) 12
10. Income tax department works under-
- (A) State govt.
 - (B) President
 - (C) Income tax commission
 - (D) CBDT
11. Section related to computation of income from salary is-
- (A) Sec 15 to 17
 - (B) Sec 5 to 8
 - (C) Sec 11 to 15
 - (D) Sec 17 to 20
12. Non-Monetary salary includes-
- (A) Allowances
 - (B) Bonus
 - (C) Commission
 - (D) Perquisites
13. Transfer of old movable assets will be tax-free if it is used for-
- (A) 1 year
 - (B) 5 years
 - (C) 10 years
 - (D) 20 years
14. In HRA, Salary includes-
- (A) Basic salary
 - (B) Commission
 - (C) A and B both
 - (D) Allowances
15. Entertainment allowance will be deducted from gross salary in case of-
- (A) Govt. employee
 - (B) Non-govt. employee
 - (C) A and C both
 - (D) None of the above

16. Deduction from salary is allowed under-
- (A) Sec 14
 - (B) Sec 15
 - (C) Sec 16
 - (D) Sec 17
17. Interest credited to RPF is taxable if it is more than-
- (A) Bank interest rate
 - (B) 10%
 - (C) 9.5%
 - (D) Whole amount
18. Education allowance is exempted for children-
- (A) 1
 - (B) 4
 - (C) 2
 - (D) No limit
19. Medical bills reimbursed regarding private hospital are exempt-
- (A) Up to Rs. 10000
 - (B) Up to Rs. 15000
 - (C) Up to Rs. 20000
 - (D) Whole amount
20. House property includes-
- (A) Farm house income
 - (B) Sub-tenant income
 - (C) House for self-business
 - (D) none of the above
21. Property income is exempt for-
- (A) Local authority
 - (B) Political party
 - (C) Trade union
 - (D) All of the above
22. Annual value is determined under which section of Income Tax Act-
- (A) Sec 21
 - (B) Sec 23
 - (C) Sec25
 - (D) Sec 27
23. In case of rental house property only such municipal tax is deducted which is-
- (A) Paid by tenant
 - (B) Actual payable amount
 - (C) Paid by owner
 - (D) All of the above

24. Deduction from annual value is allowed under section-
- (A) Sec 24
 - (B) Sec 25
 - (C) Sec27
 - (D) Sec 28
24. Standard deduction from annual value is allowed as-
- (A) 20% of AV
 - (B) 15% of AV
 - (C) 25% of AV
 - (D) 30% of AV
25. Interest on loan for self-occupied house taken before 1st April, 1999 will be allowed up to-
- (A) Rs 50000
 - (B) Rs 100000
 - (C) Rs 30000
 - (D) Rs 150000
26. Deduction allowed from annual value-
- (A) Statutory deduction
 - (B) Interest on loan for constitution
 - (C) Interest on loan for repair
 - (D) All of above
27. Income from house for self-business is-
- (A) Net profit
 - (B) Fair rent
 - (C) Municipal value
 - (D) Nil
28. The rate of depreciation allowed on machinery is-
- (A) 10%
 - (B) 5%
 - (C) 15%
 - (D) 20%
29. What part of preliminary expense is disallowed if whole amount is debited to P&L a/c-
- (A) 1/5
 - (B) 1/2
 - (C) 1/4
 - (D) 4/5
30. Cash payment over 20000 in a single day is-
- (A) Fully allowed
 - (B) Partly allowed
 - (C) Fully disallowed
 - (D) Allowed for special persons

31. Disallowed expenses includes –
(A) Interest on own capital
(B) Owner's life insurance premium
(C) Provision
(D) All of the above
32. Cost inflation index for the year 2013-14 is
(A) 492
(B) 785
(C) 632
(D) 711
33. Sec.45 is related to-
(A) Capital gain
(B) Capital assets
(C) Assets
(D) Capital expenses
34. Capital assets includes-
(A) Stock in trade
(B) Personal effects
(C) Gold deposit bonds
(D) Shares
35. Types of capital gains are-
(A) 1
(B) 2
(C) 3
(D) 4
36. Indexation will be done on-
(A) Debentures
(B) Other Securities
(C) Shares
(D) All of the above
37. Index no. before 31st march, 1981 is-
(A) 0
(B) 20
(C) 100
(D) 150
38. Exemption is not allowed in which section?
(A) 54
(B) 54B
(C) 54E
(D) 54EC
39. The maximum amount of deduction on family pension is-

- (A) 15000
- (B) 20000
- (C) 25000
- (D) 10000

40. T.D.S is not deducted on lottery income up to-

- (A) Rs.5000
- (B) Rs.10000
- (C) Rs.15000
- (D) Rs.20000

41. Income from other sources includes-

- (A) Indian company dividend
- (B) Dividend from units
- (C) Foreign company dividend
- (D) All of the above

42. Interest from tax-free govt. securities is made-

- (A) Gross-up
- (B) Net up
- (C) Not included
- (D) Included as it is

43. Income of Indian cricketers for playing test match is taxable under the head-

- (A) Professional income
- (B) Income from salary
- (C) Income from other sources
- (D) None

44. Maximum deduction allowed for donation to P.M Drought relief fund

- (A) 100%
- (B) 40%
- (C) 50%
- (D) 75%

45. Deduction u/s 80 'C' is allowed in connection with-

- (A) LIP
- (B) Contribution to PPF
- (C) Tuition fees
- (D) All of the above

46. Maximum deduction allowed u/s 80'C' -

- (A) RS.50000
- (B) RS.100000
- (C) RS.20000
- (D) Whole amount

47. Deduction in respect of medical insurance premium is allowed under which section-

- (A) 80C
- (B) 80D
- (C) 80DD
- (D) 80U

48. Maximum deduction allowed for senior citizen under sec. 80D is-

- (A) 5000
- (B) 15000
- (C) 25000
- (D) 20000

49. Person with disability is allowed a fixed deduction of-

- (A) 20000
- (B) 50000
- (C) 100000
- (D) 150000

50. Expenditure on severe disease u/s 80DDB is allowed up to-

- (A) 20000
- (B) 15000
- (C) 40000
- (D) 50000

51. Mr. Varun Roy contributed to a political party, he can avail deduction-

- (A) 80G
- (B) 80GGB
- (C) 80GGC
- (D) 80GGD

52. The provision regarding TDS is given under which sec. of income tax-

- (A) Sec.192-206
- (B) Sec.90-120
- (C) Sec.126-150
- (D) Sec.185-204

53. The rate of TDS on securities other than govt. securities is-

- (A) 5%
- (B) 10%
- (C) 15%
- (D) 20%

54. TDS rate for lottery is only available if the winning amount is more than-

- (A) Rs.1000
- (B) Rs.5000
- (C) Rs.10000
- (D) Rs.50000

55. Form no. applicable for TDS in respect of salary is-

- (A) 15
- (B) 16

- (C) 17
- (D) 18

56. The interest rate charged as penalty for not deducting TDS is-

- (A) 1% per month
- (B) 1.5% per month
- (C) 2% per month
- (D) 5% per month

57. Due date for filing returns are-

- (A) 15 Sept.
- (B) 15 Dec.
- (C) 15 mar.
- (D) All of above

58. Advance tax will not be paid if tax payable after TDS is more than or equal to –

- (A) Rs.5000
- (B) Rs.10000
- (C) Rs.15000
- (D) Rs.20000

59. Liability of advance tax arises when-

- (A) Total income is more than exemption limit
- (B) Probable tax liability in the current year is 10000 or more
- (C) The Assessee leaves India
- (D) All of above

60. The individual assessee is liable to pay advance tax in _____ installments-

- (A) 2
- (B) 3
- (C) 4
- (D) lump sum

DR.RAFIQ ZAKARIA CAMPUS-I
MAULANA AZAD COLLEGE OF ARTS, SCIENCE & COMMERCE
DEPARTMENT OF COMMERCE & MANAGEMENT SCIENCE
CLASS: B.COM-VI SEM. SUBJECT: NEW AUDITING TRENDS

(Multiple Choice type Questions)

1. _____ is a systematic examination of the books and records or a business.
 - A. Auditing.
 - B. Vouching.
 - C. Verification.
 - D. Checking.

2. Which of the following are not objectives of auditing?
 - A. Ascertain the profit and preparation of P/L Account, Balance sheet.
 - B. Detection and prevention of frauds and errors.
 - C. Give a true and fair view of financial amount.
 - D. To submits the accounts to Government of India.

3. Which of the following is not a kind of audit?
 - A. Statutory and private audit.
 - B. Government and continuous audit.
 - C. Continuous, final, Interim, Cash, Cost and Management audit.
 - D. None of these.

4. An audit which is compulsory by the law _____.
 - A. Government audit.
 - B. Internal audit.
 - C. Cost audit.
 - D. Statutory audit.

5. Instruction of audit issued by controller and auditor general of India _____ .
 - A. statutory audit.
 - B. final audit.
 - C. management audit.
 - D. government audit

6. Audit done by the employees of the business undertaking is called _____.
 - A. final audit.
 - B. management audit.
 - C. government audit.
 - D. government audit.

7. This kind of audit is conducted generally between two annual audit _____.
 - A. internal audit.
 - B. interim audit.
 - C. final audit.
 - D. continuous audit.

8. Management audit otherwise called as _____ .
- A. final audit.
 - B. efficiency audit.
 - C. cost audit.
 - D. cash audit.
9. Before the work of audit is commenced, the auditor plans out the whole of audit work is called .
- A. Audit plan.
 - B. Audit note.
 - C. Audit programme.
 - D. Audit programme.
10. A number of checks and controls exercised in a business to ensure its efficient working is known as _____ .
- A. Internal check.
 - B. Internal control.
 - C. Internal audit.
 - D. Interim check
11. A Voucher is a _____ .
- A. document is support of an entry made in books of accounts.
 - B. invoice received from suppliers.
 - C. receipt issued to a customer for cash.
 - D. despatch receipt.
12. Voucher relates to _____ .
- A. cash receipt.
 - B. cash payment.
 - C. credit transactions.
 - D. all the above.
13. Internal check is meant for _____ .
- A. prevention of frauds.
 - B. detection of frauds.
 - C. helping audit is depth.
 - D. detection of errors.
14. Internal auditor is appointed by _____ .
- A. the management.
 - B. the shareholders
 - C. the government.
 - D. he statutory body.

15. Auditing begins where _____ ends.
- A. Selling.
 - B. inventory valuation.
 - C. Accounting.
 - D. Purchases.
16. A kind of audit conducted for a part of the accounting year is called _____.
- A. Periodical audit.
 - B. Partial audit.
 - C. Cost audit.
 - D. Interim audit.
17. For which of the following, Audit is optional?
- A. Trusts.
 - B. Joint stock companies.
 - C. Proprietorship concern.
 - D. None of the above.
18. Providing more or less depreciation on assets is an example of _____.
- A. Misappropriation of cash.
 - B. Misappropriation of goods.
 - C. Misappropriation of accounts.
 - D. None of the above.
19. The audit that is made compulsory under statute is called _____.
- A. Statutory audit.
 - B. Partial audit.
 - C. Complete audit.
 - D. Continuous audit
20. The receipt of goods must be entered in _____.
- A. goods inward book.
 - B. goods outward book
 - C. receipt of Stores.
 - D. receipt issue and balance of stores
21. Who among the following can be appointed as auditor of a company?
- A. A partner or a director of the company.
 - B. A person of unsound mind.
 - C. Mr. Y who owes Rs. 500 to the company.
 - D. Mr. Z the holder of C.A certificate
22. Auditing standards differ from auditing procedures in that procedures relate to _____.
- A. Measure of performance.
 - B. Audit principles.
 - C. Acts to be performed.
 - D. Audit judgments.

23. Confirmation of the court is necessary for _____ .
- A. increasing the share capital.
 - B. reduction of share capital.
 - C. conversion of shares into stock.
 - D. issue of new shares.
24. Profit prior to incorporation may be utilized to _____ .
- A. write of goodwill
 - B. pay interest on purchase consideration
 - C. writing off fixed assets.
 - D. all the above.
25. Which of the following is not true about opinion on financial statements?
- A. The auditor should express an opinion on financial statements.
 - B. His opinion is no guarantee to future viability of business.
 - C. He is responsible for detection and prevention of frauds and errors in financial statements.
 - D. He should examine whether recognized accounting principles have been consistently.
26. Audit means _____ .
- A. recording business transactions.
 - B. preparing the final accounts.
 - C. examination of books, accounts, vouchers etc.
 - D. preparing final accounts.
27. Audit programme is prepared _____ .
- A. to help the auditor and his staff about the work to be done while auditing.
 - B. to help the accountant to prepare the balance sheet.
 - C. to help the company to submit its accounts.
 - D. to help the shareholders to file the returns.
28. Audit is_____.
- A. a member of the company.
 - B. the agent of the members of the company
 - C. the agent of the central government.
 - D. an assistant to accountant.
29. Auditor shall report on the accounts examined by him _____ .
- A. to the shareholders.
 - B. to the court.
 - C. to the bank.
 - D. to the general public.
30. Purchase of machinery is a _____ .
- A. revenue receipt.
 - B. capital receipt.
 - C. capital expenditure.
 - D. revenue expenditure.

31. Sale of land is a _____ .
A. revenue receipt.
B. capital receipt.
C. capital expenditure.
D. revenue expenditure.
32. Shares are forfeited on the non-payment of _____ .
A. share calls amount.
B. calls in advance.
C. minimum share capital.
D. debenture amount.
33. Prospectus is a document _____ .
A. containing the rules and regulations of the company.
B. containing details about the manufacturing process of the company.
C. containing details about the share capital of the company.
D. containing the information of the sales.
34. Secret reserve can be created by _____ .
A. public limited company only.
B. banking and financial companies only.
C. private limited company only.
D. co-operative societies
35. General reserve is _____ .
A. an appropriation from the profit.
B. a must item in the debit side of the P&L account.
C. an appropriation from the share capital.
D. important item in the balance sheet.
36. When a transaction has not been recorded in the books of account either wholly or partially such errors are called as _____ .
A. Error of commission.
B. Error of omission.
C. Compensating error.
D. Error of principle.
37. Verification of the value of assets, liabilities, the balance of reserves, provision and the amount of profit earned or loss suffered a firm is called _____ .
A. Continuous audit.
B. Balance sheet audit.
C. Interim audit.
D. Partial audit.

38. Alterations and heavy repairs to plant etc., is _____ .
- A. Deferred revenue expenditure.
 - B. Capital expenditure.
 - C. Revenue expenditure.
 - D. Petty expenses.
39. A sale of Rs. 50000 to Mr. A was entered as a sale to Mr. B. This is an example of:
- A. Error of omission.
 - B. Error of commission.
 - C. Compensating error.
 - D. Error of principle
40. Recording a transaction twice in the books of original entry is an error of _____ .
- A. Principle.
 - B. Commission.
 - C. Duplication.
 - D. Omission.
41. Depreciation is _____ .
- A. the decrease in the value of an asset.
 - B. the increase in the value of an asset.
 - C. an appreciation to the company.
 - D. a credit to shareholders.
42. The main objects of investigation is _____ .
- A. to discover errors and frauds.
 - B. to prevent errors and frauds.
 - C. to verify statements.
 - D. all the above.
43. Internal controls and internal check are _____ .
- A. one and the same.
 - B. different.
 - C. internal control includes internal check.
 - D. None of the above.
44. Share may be issued _____ .
- A. at par.
 - B. at premium.
 - C. at discount.
 - D. all the above.
45. The liabilities of an auditor can be _____ .
- A. Civil.
 - B. Criminal.
 - C. Civil and Criminal.
 - D. Official.

46. An auditor is like a _____ .
- A. Watchman.
 - B. foolish dog.
 - C. mad dog.
 - D. watch dog.
47. Special audit is necessary for _____ .
- A. inefficient concern.
 - B. processing concern.
 - C. trading concern.
 - D. manufacturing concern.
48. The first auditors appointed hold office _____ .
- A. for a period of one year.
 - B. for a period of two years.
 - C. for a period of three years.
 - D. till the conclusion of the first annual general meeting.
49. Audit of company account is _____ .
- A. compulsory.
 - B. unnecessary.
 - C. avoidable.
 - D. depends upon directors.
50. The companys auditor is expected to give _____ .
- A. his expert opinion about the accounts.
 - B. a factual position about the accounts.
 - C. a critical review of the accounts.
 - D. financial assistance.