

B.com Sem-6 MANAGEMENT ACCOUNT-II

Q. No.	Question(Eng)	Ans . A	Ans. B	Ans. C	Ans. D	Ans.
1	Standard Quantities that do not allow for spoilage / waste that occurs at normal efficiency are called :	Ideal Standard	Normal Standard	Direct Standard	Attainable Standard	A
2	The expected costs per unit of input are called :	Standard costs	Standard Price	Standard Quantity	Standard cost allowed	B
3	The difference between the budget amount and the actual cost is called the	Price variance	Efficiency variance	Quantity variance	Budget variance	D
4	The efficiency variance is also known as :	Quantity variance	Spending variance	Rate variance	Budget variance	A
5	The purchase department manager is usually held accountable for the :	Direct material Price variance	Labour efficiency variance	Direct material usage variance	Fixed overheads budget variance	A
6	Material usage variance is - 10, Material cost variance is - 22, Standard material quantity is 10kgs. And actual material quantity is 12 kgs., what will be the price of actual material quantity per Kg. ?	Rs. 6	Rs. 5	Rs. 4	Rs. 3	A
7	Compound interest is calculated on-	Principal amount	Interest amount	Principal amount + Interest amount	Installment amount	C
8	As per the concept of "Time value of money", the value of money -	is higher in later years than in earlier years.	is higher in earlier years than in later years.	is equal in all the years.	none of the above.	B
9	Compound interest is calculated on -	Principle amount only	Interestb amount	Time value of money	None of thase	D

Q. No.	Question(Eng)	Ans . A	Ans. B	Ans. C	Ans. D	Ans.
10	While evaluating capital investment proposals, the time value of money is considered in case of -	Pay-back method	Discounted cash flow method	ARR method	None of these	B
11	Both the future and present value of a sum of money are based on -	Interest rate	time period	Both (A) and (B)	None of these	C
12	An annuity is -	A series of unequal but consecutive payments	A series of equal but consecutive payments	A series of equal but non-consecutive payments	More than one payment	B
13	Which of the following considers a project's profitability ?	Payback period;	Payback reciprocal;	Discounted cash flow	Average rate of return	D
14	Which of the following is not a percentage ?	Internal rate of return;	Pay back	Net present value;	Accounting rate of return	C
15	A 'Zero' net present value indicates that project :	is unacceptable;	has a profitability index less than one;	has a profitability index than one	has return equal to the minimum rate of return	D
16	In which method discounted factor is highly necessary ?	Pay back period	Average rate of return	Net present value	per share earning	C
17	A firm wants to buy a machine costing Rs. 2,00,000 which has a useful life of 5 years. Tax rate is 50%. the cash flow before depreciation and tax is as follows : Rs. 70,000. Rs. 80,000. Rs. 90,000 Rs. 1,20,000 Rs. 50,000 Rate of return on original investment will be -	21%	10%	10.5%	20%	C

Q. No.	Question(Eng)	Ans . A	Ans. B	Ans. C	Ans. D	Ans.
18	A 'zero' NPV indicates -	Rate of return on Original Investment	Rate of return on Average Investment	Internal Rate of Return	All of the above	C
19	Which one of the following is considered Non-monetary Item with reference to Inflation Accounting ?	Debtors	Closing stock	cash Balance	Bank Balance	B
20	In which of the following methods does each item show today's normal price level?	Historical Cost	Current Cost Accounting	Current Purchasing Power Accounting	Replacement Cost	C
21	Which items includes in Non monetary items from the following ?	creditors	loan	Share Capital	Debentures	C
22	For, A company Limited monetary assets and monetary Liabilities remained at Rs. 50,000 and Rs. 30,000 respectively during the whole year. During the same period prices rose by 10 % .Compute the general price level gain or loss	Monetary loss Rs. 3,000	Monetary Gain Rs. 2,000	Monetary Gain Rs. 1,000	Monetary loss Rs. 1,000	D
23	Which of the Following tyoes of Standards ?	Basic Standard	Historical Standard	Ideal Standard	All from above	D
24	Which of the following type of Investment ?	Investment for Development	Investment for Welfare	Investment for Strategic	All from above	D
25	Find in how many years, Rs. 300 will become Rs. 600 at 5% compound interest.	Rs. 400	Rs. 600	Rs. 200	Rs. 500	D

Q. No.	Question(Eng)	Ans . A	Ans. B	Ans. C	Ans. D	Ans.
26	What sum of money invested at 4% compound interest for 18 years will amount to Rs. 10,000 ?	Rs. 4,936	Rs 6,936	Rs. 2,936	Rs. 5,936	A
27	Find the amount that Rs. 100 will become after 20 years at compound interest at 5% calculated annually.	Rs. 565.30	Rs. 365.30	Rs. 265.30	Rs. 765.30	C
28	Determine the rate of interest for sum of money to become 2.25 times itself in 2 years, if the rate of interest is to be compounded annually.	50%	25%	75%	100%	A
29	Compute the future values of an amount of Rs. 100 invested at the end of each year for 5 years, rate of interest being 10% and compounding takes place at the end of year.	Rs. 410.50	Rs. 210.50	Rs. 510.50	Rs. 610.50	D
30	An investor deposit Rs. 100 every quarter in a bank account for 5 years at 24% per annum. Find the amount which he gets at the end of 5 years.	Rs. 3,678.50	Rs. 5,678.50	Rs. 2,678.50	Rs. 4,678.50	A
31	If Mr. X invests Rs. 100 each year from the end of 7th year to the end of 10th year, what is the amount received by him, if the rate of interest is 10% p.a	Rs. 422.10	Rs. 522.10	Rs. 822.10	Rs. 222.10	C
32	Determine the present value of Rs. 1,000 paid at the end of each of the next six years. Assume 8% rate of interest.	Rs. 2,623	Rs. 4,623	Rs. 5,623	Rs. 3,623	B

Q. No.	Question(Eng)	Ans . A	Ans. B	Ans. C	Ans. D	Ans.
33	Which of the following indicate the characteristic of capital budgeting ?	It involves long term investment of large funds.	Its main problem is how to secure working capital	Capital budgeting decisions are routine decisions of a business enterprise.	It does not involve any replacement of existing asset.	A
34	A firm wants to buy a machine costing Rs. 4,00,000 which has useful life of 5 years. Tax rate is 50%. The profit before depreciation and tax are as follows: Rs. 1,40,000, Rs. 1,60,000, Rs. 1,80,000, Rs. 2,40,000 and Rs. 1,00,000 Average rate of return will be us under :	15%	12%	20%	21%	D
35	Prashant Ltd. Wants to buy a machine costing Rs. 20,00,000, which has useful life of 10 years. Tax Rate is 50% annual Profit after tax is Rs. 3,00,000. The pay back period will be as under :	6.67 years	5 years	8 years	4 years	D
36	Sweta Ltd. Wants to install a machine costing Rs. 20,00,000. It will earn annual profit of Rs. 3,00,000 after charging 10% depreciation but before tax. Tax rate is 50%. Whats will be the pay back period ?	10 years	8 years	5 years	None of the above	D

Q. No.	Question(Eng)	Ans . A	Ans. B	Ans. C	Ans. D	Ans.
37	A company wants to implement a development project in factory, requiring an outlay pf Rs. 5,00,000. It will give annual profit of Rs. 50,000 after depreciation at 15% Assume taxation rate at 50% Pay back period will be -	10 years	5 years	6.67 years	None of the above	B
38	Which of the following statement is correct ?	Labour efficiency variance is the difference, between wages for actual hours at standard rate and wage at actual wage rate for standard hours.	Material price variance + Material usage variance = Material cost variance	Labour rate variance + Labour efficiency variance = Labour mix variance.	Mix variance can arise only in case of correct ?	B
39	Which of the following statement is not correct ?	Material cost variance is divided into Material price variance and Material usage variance	The most important use of standard cost is the analysis of variance and cost control	Favourable variances would increase the budgeted profit	An unfavourale varince always indicates operational inefficiency	D

Q. No.	Question(Eng)	Ans . A	Ans. B	Ans. C	Ans. D	Ans.
40	Which of the following statement is correct ?	Standard costing is a valuable aid to management in controlling costs;	Standard costing and process costing cannot be simultaneously used in the same company	The maximum benefit from standard costing system is obtained in job order costing	Main difference between standard cost and estimated cost is that standard cost aims at which the cost will be whereas estimated cost is what the cost should be	A
41	Last month 27,000 direct labour were worked at an actual cost of Rs. 2,36,385 and the standard direct labour hours of production were 29,880. The standard direct labour cost per hour was Rs. 8.50.	Rs. 17,595 (adverse)	Rs. 17,595 (favourable)	Rs. 24,480 (adverse)	Rs. 24,480 (favourable)	D
42	If the annual interest rate is 15% what will be the present value of Rs. 2,000 received at the end of the 3rd and the 5th years ?	Rs. 2,405	Rs. 2,507	Rs. 2,314	Rs. 2,309	D
43	For X Company Limited monetary assets and monetary liabilities remained at Rs. 2,00,000 and Rs. 1,20,000 respectively during the whole year. During the same period prices rose by 10%. Compute the general price level gain or loss.	Monetary Profit Rs. 12,000	Monetary Loss Rs. 12,000	Monetary Profit Rs. 10,000	Monetary Loss Rs. 10,000	A

Q. No.	Question(Eng)	Ans . A	Ans. B	Ans. C	Ans. D	Ans.
-----------	---------------	---------	--------	--------	--------	------