

Chp No : 1	Name : INTRODUCTION TO MANAGEMENT ACCOUNTING	
11) Management accounting reports are prepared	A) To meet the needs of decision makers within the firm. B) whenever shareholders request them.	C) according to guidelines prepared by the shares and Fina D) according to financial accounting standards.
Chp No : 1	Name : INTRODUCTION TO MANAGEMENT ACCOUNTING	
12) Management accounting & Financial Accounting differs in that Management Accounting information is prepared.....	A) Following Prescribed Rule B) Using Whatever Methods the company fields Benificial	C) For shareholder D) to Summerised the whole company with little detail
Chp No : 1	Name : INTRODUCTION TO MANAGEMENT ACCOUNTING	
13) Which of the following characteristics does NOT pertain to management accounting?	A) provides information and estimates about future activity B) generates specific-purpose financial statements and rep	C) provides financial and operating data multidisciplinary in D) has externally imposed standards
Chp No : 1	Name : INTRODUCTION TO MANAGEMENT ACCOUNTING	
14) Which of the following does NOT describe management accounting?	A) evaluation of segments or products within the firm B) emphasis on the future	C) externally focused D) detailed information
Chp No : 1	Name : INTRODUCTION TO MANAGEMENT ACCOUNTING	
15)	A) B)	C) D)
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT	
16) The term financial statement refers to...	A) Income statement ,Balance sheet ,Cash flow and Fund FI B) Only Income Statement	C) only Balance sheet D) only Trading Account
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT	
17) Which of the following is not the objective of a financial statement?	A) To know the solvency B) To know the debt capacity	C) To know the earning capacity D) To know Credit Score
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT	
18) The balance sheet shows ...	A) The source of working capital B) The change in working capital	C) Changes in current Liability D) Financial Position of Business
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT	
19) Following is not a Quick Assetss.....	A) Losse Tools B) Advance Tax	C) Bills Recivable D) Interest accrued
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT	
20) Capital Employed is Equal to.....	A) Fixed assets+ Investment+current assests B) Fixed assets+ Investment+Working Capital	C) Fixed assets+ Investment+current Liabilities D) Fixed assets+ Investment _Current Liabilities

Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
21) Own Funds + Loan Fund =	
A) Total Fund Available	C) Net Worth
B) Capital Employed	D) Net Assets
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
22) Oowners Fund =	
A) Capital Employed	C) Share Capital + Reserves
B) Share Capital + Reserves & Surpluse-Fictitious Assetes	D) Share Capital-reserves
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
23) Short Term Investment are shown in vertical Financial statement under.....	
A) Fixed Asseets	C) Investment
B) Current Assets	D) Working Capital
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
24) Debentures Repayable within one year are shown in the vertical Financial statement as....	
A) Current Asseets	C) Loan Fund
B) Current Liabilities	D) Fixed Asseets
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
25) Commen Size Statement is used.....	
A) Only For Horizontal Analysis	C) For both Vertical & Horzontal Analysis
B) Only or Vetical Analysis	D) Not For Both Vertical & Horzontal Analysis
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
26) In commen Size Balance sheet analysis,theTaken as 100%.	
A) Fixed Asseets	C) Total Own Fund
B) Current Asseets	D) Capital Employed
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
27) An example of horizontal analysis would be:	
A) Comparing the income of TCS Ltd. to that of Infosys Ltd.	C) Comparing the income of TCS Ltd. for 2012 to the incom
B) Comparing the income of companies in the Computer So	D) Comparing the net income of TCS Ltd. for 2012 to the ass
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
28) Comparative Statement analysis is	
A) Dynamic analysis	C) Horizontal analysis
B) Vertical analysis	D) External analysis
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
29) Another term for Short Term Investments is	
A) Inventories	C) Contributed Capital
B) Accounts Receivable	D) Marketable Securities
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
30) Comparison of financial statements does not highlights the trend of the _____ of the business.	
A) Financial position	C) Profitability
B) Performance	D) Managerial account

Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
31) Which of the following are not techniques, tools or methods of analysis and interpretation of financial statements?	
A) Ratio Analysis B) Average Analysis	C) Trend Analysis D) Cash Flow statement
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
32) Which type of analysis is a comparison of a company's financial condition and performance across time?	
A) Horizontal analysis B) Upward analysis	C) Vertical analysis D) Downward analysis
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
33) A change in an account balance from 100 in year one to 250 in year five can be expressed in which way?	
A) 150% B) 2.5:1	C) 25 TIMES D) 25%
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
34) The comparison of the business performance of a company over a period of time is known as	
A) Trend analysis B) Cost-benefit analysis	C) Cross-industrial analysis D) Common size analysis
Chp No : 2	Name : ANALYSIS & INTERPRETATION OF FINANCIAL STATEMENT
35) X Ltd., furnished the following information Particulars Fixed assets- 3000000,Current assets-1200000,Investments-1600000,Current liabilities-800000,Secured Loan – 400000.The total of 'Sources of funds' of X Ltd., is	
A) 5000000 B) 5800000	C) 4200000 D) 5600000
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION
36) Proprietary Ratio	
A) (a) Balance Sheet Ratio B) (c) Composite Ratio	C) (b) Revenue Statement Ratio D) Income statement ratio
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION
37) Capital Gearing Ratio	
A) Balance Sheet Ratio B) Composite Ratio	C) Revenue statement Ratio D) Income statement ratio
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION
38) Operating Ratio	
A) Balance Sheet Ratio B) Composite Ratio	C) Revenue statement Ratio D) Liquidity ratio
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION
39) Debt-Equity Ratio	
A) Balance Sheet Ratio B) Composite Ratio	C) Revenue statement Ratio D) Income statement ratio
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION
40) Net Operating Profit Ratio	
A) Revenue statement Ratio B) Liquidity ratio	C) Balance Sheet Ratio D) Composite Ratio

Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION	
41) Stock-Working Capital Ratio	A) Revenue statement Ratio B) Income statement ratio	C) Balance Sheet Ratio D) Composite Ratio
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION	
42) Stock Turnover Ratio	A) Revenue statement Ratio B) Balance Sheet Ratio	C) Composite Ratio D) Liquidity ratio
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION	
43) Expenses Ratio	A) Balance Sheet Ratio B) Composite Ratio	C) Liquidity ratio D) Income statement ratio
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION	
44) Net Profit Ratio	A) Balance Sheet Ratio B) Composite Ratio	C) Liquidity ratio D) Income statement ratio
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION	
45) Profitability ratios	A) Capital gearing ratio, Debt-Equity ratio and Proprietary r B) Liquid ratio and Current ratio	C) Stock turnover ratio; Debtors turnover ratio D) Return on investments, Return on equity capital
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION	
46) Following Profitability Ratios are useful for Shareholders	A) Liquid Ratio and Stock-working Capital B) Return on Proprietors Funds, Return on Equity Capital	C) Operating Ratio, Expense Ratios D) Operating Ratio
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION	
47) Following Ratios are useful for Short Term Creditors	A) Current Ratio, Liquid Ratio and Stock-working Capital B) Return on Proprietors Funds, Return on Equity Capital	C) Operating Ratio, Expense Ratios D) Return on equity capital
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION	
48) Following Ratio is useful for Long Term Creditors	A) Current Ratio B) Expense Ratios	C) Return on Equity Capital D) Debt - Equity Ratio
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION	
49) Composite Ratios shows	A) Relationship between the assets and the liabilities of the B) Relationship between the profits and the funds employe	C) Relationship between the profitability and the sales of th D) Relationship between the sales and the investments of t
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION	
50) Debt Service Ratio	A) Balance Sheet Ratio B) Composite Ratio	C) Revenue Statement Ratio D) Income statement ratio

Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION	
51) Liquidity ratios	A) Capital gearing ratio, Debt-Equity ratio and Proprietary r B) Liquid ratio and Current ratio	C) Stock turnover ratio; Debtors turnover ratio D) Return on investments, Return on equity capital
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION	
52) Leverage ratios	A) Capital gearing ratio, Debt-Equity ratio and Proprietary r B) Liquid ratio and Current ratio	C) Stock turnover ratio; Debtors turnover ratio D) Return on investments, Return on equity capital
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION	
53) Activity ratios	A) Capital gearing ratio, Debt-Equity ratio and Proprietary r B) Liquid ratio and Current ratio	C) Stock turnover ratio; Debtors turnover ratio D) Return on investments, Return on equity capital
Chp No : 3	Name : RATIO ANALYSIS & INTERPRETATION	
54) Coverage ratios	A) Capital gearing ratio, Debt-Equity ratio and Proprietary r B) Liquid ratio and Current ratio	C) Dividend Payout, Debt Service D) Return on investments, Return on equity capital
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT	
55) The total Current Assets without deducting the Current Liabilities.	A) Gross Working Capital B) Permanent Working Capital	C) Net Working Capital D) Temporary Working Capital
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT	
56) Current Assets - Current Liabilities	A) Gross Working Capital B) Permanent Working Capital	C) Net Working Capital D) Temporary Working Capital
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT	
57) When Cash is received against overdraft from bank	A) There is an increase in Net Working Capital B) There is an increase in Gross Working Capital	C) There is an increase in both the Gross and the Net Worki D) There is no effect on both the Gross and the Net Workin
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT	
58) The minimum amount of Working Capital required to enable the concern to opeFate at the lowest level of activity	A) Gross Working Capital B) Permanent Working Capital	C) Net Working Capital D) Temporary Working Capital
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT	
59) Permanent Working Capital is also known as	A) Net Working Capital B) Gross Working Capital	C) Fixed Capital D) Core Working Capital
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT	
60) When activity is at higher level, the concern needs more working capital, which is known as	A) Gross Working Capital B) Permanent Working Capital	C) Net Working Capital D) Temporary Working Capital

Chp No : 4	Name : WORKING CAPITAL MANAGEMENT
61) Cash Working Capital includes	
A) Fixed assets less depreciation	C) Creditors at purchase cost less profit margin
B) Debtors at sales less profit margin	D) Creditors at purchase cost
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT
62) The amount of funds invested in current assets is called	
A) net working capital	C) surplus capital
B) gross working capital	D) Total current assets
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT
63) Under the gross working capital concept the working capital is equal to	
A) Total current liabilities	C) Surplus current assets
B) Total current assets	D) gross working capital
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT
64) The term net working capital refers to	
A) The excess of the current assets over current liabilities	C) The total current assets less provisions
B) The liquid assets	D) Surplus current assets
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT
65)will ensure high return on investment.	
A) Surplus working capital	C) Shortage of working capital
B) Adequate working capital	D) The liquid assets
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT
66) Gross working capital means	
A) Total assets	C) Current assets minus current liabilities
B) Total current liabilities	D) Total current assets
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT
67)refers to idle funds which earns no return.	
A) Excess working capital	C) Variable working capital
B) Fixed working capital	D) Shortage of working capital
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT
68) Shortage of working capital may result in	
A) Poor Credit standing	C) More Trade Discount
B) More Cash Discount	D) Vaible working Capital
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT
69) Which of the following is not a factor that affects the composition of the working capital ?	
A) Nature of business	C) Nature of raw materials used
B) Tax structure of the company	D) Process technology used
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT
70) If the net working capital is negative then it indicates that	
A) Long-term funds have been used for financing short-ter	C) Short-term funds have been used for financing long-ter
B) Long-term funds have been used for financing long-term	D) Short-term funds have been used for financing short-ter

Chp No : 4	Name : WORKING CAPITAL MANAGEMENT
71) Net operating cycle period is	
A) The period from raw material procurement to sale of finished goods	C) The time taken to convert raw materials into finished goods
B) The length of time taken for a rupee invested in current assets	D) The time between payment of raw material purchases and receipt of cash
Chp No : 4	Name : WORKING CAPITAL MANAGEMENT
72) The duration of the net operating cycle can be reduced by	
A) Increasing the time available for payments to creditors	C) Decreasing the work-in-progress period
B) Decreasing the raw material storage period	D) Increasing the work-in-progress period
Chp No : 5	Name : CAPITAL BUDGETING
73) The payback period is the period	
A) A project takes to pay back the loan taken to purchase the asset	C) A project takes to recover its initial cash outflow.
B) Equal to the useful life of the machines	D) Over which the project will be getting operating cash inflows
Chp No : 5	Name : CAPITAL BUDGETING
74) Capital budgeting is the process of making investment decisions for	
A) Capital expenditure	C) Deferred revenue expenditure
B) Revenue expenditure	D) Revenue Income
Chp No : 5	Name : CAPITAL BUDGETING
75) Under if the present value of future cash flow is higher than the initial cash outlay, the project is selected otherwise rejected.	
A) Net present value method	C) Payback period method
B) Accounting rate of return method	D) Discounted payback
Chp No : 5	Name : CAPITAL BUDGETING
76) An engineering project involves an initial investment of 2,00,000 and will give an annual cash inflow of 40,000 for 8 years. Find out payback period.	
A) 5 years	C) 8 years
B) 6 years	D) 4 years
Chp No : 5	Name : CAPITAL BUDGETING
77) The number of years taken by a project to recover the initial investment is called	
A) Payback period	C) Profit period
B) Investment period	D) Payback Profitability
Chp No : 5	Name : CAPITAL BUDGETING
78) In payback period method, the annual cash inflow means	
A) Net income after tax	C) Net income before depreciation but after tax
B) Net income before tax	D) Net income after tax and depreciation
Chp No : 5	Name : CAPITAL BUDGETING
79) If the annual cash inflows are not constant, the payback period is calculated by taking	
A) Average cash flows	C) Cumulative cash inflows
B) Total cash flows	D) Payback Profitability
Chp No : 5	Name : CAPITAL BUDGETING
80) In payback period method, the project which.....is recommended for investment.	
A) Takes short payback period	C) Yields highest rate of return
B) Takes very long payback period	D) is having longer life

Chp No : 5	Name : CAPITAL BUDGETING
81) The expenditures incurred on fixed assets are expected to give return over	
A) One year B) Two years	C) Number of years D) Five years
Chp No : 5	Name : CAPITAL BUDGETING
82) According to capital budgeting means "a long-term planning for making and financing proposed capital outlays."	
A) C.T.Horngren B) John J.Hampton	C) Eric Helfert D) A.S john
Chp No : 5	Name : CAPITAL BUDGETING
83) A sound capital expenditure decision will of a company.	
A) Decrease the profit B) Increase sales	C) Increase overall growth D) Increase in Profit
Chp No : 5	Name : CAPITAL BUDGETING
84) Which of the following methods can not be used for evaluating capital budget decisions?	
A) Payback period method B) Average rate of return method	C) NPV method D) Wighted Average Method
Chp No : 5	Name : CAPITAL BUDGETING
85) Which factor is given utmost importance under payback period method?	
A) Liquidity B) Flexibility	C) Time value of money D) Profitability
Chp No : 5	Name : CAPITAL BUDGETING
86) The term average annual profit refers to	
A) Average profit before depreciation and tax B) Average profit after depreciation but before tax	C) Average profit after depreciation and tax till payback per D) Average profit after depreciation and tax over the life of
Chp No : 5	Name : CAPITAL BUDGETING
87) In case of a project having equal annual inflows, the payback period can be calculated as	
A) Cost of investment+Total Cash inflows B) Cost of investment+No.of years of useful life of machine	C) Cost of investment÷Annual Cash inflows D) Total Cash Inflows less Cost of Investment
Chp No : 5	Name : CAPITAL BUDGETING
88) Pay-Back Profitability	
A) Total Cash Inflows+Cost of Investment B) Cost of investment+Annual Cash inflows	C) Cost of investment less Annual Cash inflows D) Total Cash Inflows less Cost of Investment
Chp No : 5	Name : CAPITAL BUDGETING
89) The average profits for computing the average rate of returns from a new machine	
A) Cumulative Cash Inflows+No.of years of useful life of ma B) Cumulative Net profit after tax+Cost of investment	C) Cumulative Net profit after tax+No.of years of useful life D) Cumulative Net profit after tax+pay-back period
Chp No : 5	Name : CAPITAL BUDGETING
90) The average capital for computing the average rate of returns from a new machine	
A) Net cost of machine+Salvage value of machine+Initial wo B) (Net cost of machine+2)+Salvage value of machine+Initia	C) (Net cost of machine+2)-Salvage value of machine+Initial D) (Net cost of machine+2)+Salvage value of machine-Initial

Chp No : 5 Name : CAPITAL BUDGETING

91) Net Present Value of a machine

- A) PV of Cash Inflows Less Cost of Investment
- B) PV of Cash Inflows+Cost of Investment

- C) PV of Net profit after tax Less Cost of Investment
- D) PV of Cash Inflows Less Average Cost of Investment

Chp No : 5 Name : CAPITAL BUDGETING

92) Profitability Index

- A) PV of Cash Inflows Less Cost of Investment
- B) PV of Cash Inflows+PV of Cash Outflows

- C) (Net cost of machine+2)+Salvage value of machine+Initial
- D) Total Cash Inflows less Cost of Investment