

Question	Answer1	Answer2	Answer3	Answer4	Correct Answer	Topic
_____ are users of management accounting information.	Managers	Government	Bankers	Qualitative	Answer1	Unit 1
_____ describes the control functions of management	Setting short and long-term objectives	Comparing actual to budgeted results and taking corrective action	Taking actions to implement the plan	Arranging the necessary resources to carry out the plan	Answer2	Unit 1
In Order to be cost effective, information must be	Timely	Adaptable	Worth the cost of producing it	Comprehensive Financial Accounting , Cost Accounting & Budgetary control	Answer3	Unit 1
Management Accounting includes	Financial Accounting	Cost Accounting	Budgetary control	control	Answer4	Unit 1
Management accounting information is generally prepared for	Managers	Shareholders	Creditors	Governments	Answer1	Unit 1
Tactical information is required by _____ managers.	Line	Middle	Top	Qualitative	Answer2	Unit 1
Financial Accounting deals with _____ data.	Historical	Accounting	Costing	Future Oriented	Answer1	Unit 1
Management accounting is known as corporate accounting _____.	This statement is True	This statement is False	Can't say	Neither true Nor False	Answer2	Unit 1
The quality of information which does not hide any unpleasant information is known as	Complete	Trustworthy	Relevant	Incomplete	Answer2	Unit 1
The quality of information which is based on understanding user needs	Complete	Trustworthy	Relevant	Irrelevant	Answer3	Unit 1
Which of the following functions of management involves comparing actual results with budgeted result?	Planning	Organizing	Directing	Control	Answer4	Unit 1
Internal analysis is done by all except _____	Finance manager	Top management	Employees	Investors	Answer4	Unit 2
External Analysis is done by _____	Government	Top management	Employees	Middle level Management	Answer1	Unit 2

The techniques of converting figures into percentages to some common base is called _____	Common size Statement Analysis	Comparative Statement Analysis	Trend Percentage Analysis	Ratio Analysis	Answer1	Unit 2
If common size statement of five years shows increase in proportion of gross profit, it can be interpreted as following except _____	increase in turnover	Cut down in labour cost	Reduction in material cost	Cut down marketing cost	Answer4	Unit 2
If common size statement of five years shows increase in proportion of debt funds compared to owned funds, it can be interpreted as company not intends to _____	lower dependency on owned fund	increase EPS	reduce tax burden	increase fixed cost	Answer4	Unit 2
Sales Rs. 15,00,000, Cost of Goods sold Rs. 10,00,000. Calculate common size percentage for Gross Margin.	40%	35%	33.33%	46.70%	Answer3	Unit 2
S Ltd. has Fixed Assets Rs. 6,00,000; Current Assets Rs. 4,00,000; Current Liabilities Rs. 3,00,000. What is the Capital Employed of S Ltd?	Rs. 10,00,000	Rs. 6,00,000	Rs. 7,00,000	Rs. 13,00,000	Answer3	Unit 2
1:1 Ratio indicates _____	Standard Current ratio	Standard Liquid ratio	Standard Proprietary ratio	Standard Debt service coverage ratio	Answer2	Unit 3
Standard Debt-Equity Ratio is _____ .	2:1	1:1	5:1	1:3	Answer1	Unit 3
Current Ratio is a _____ .	Balance sheet ratio	Revenue statement ratio	Combined ratio	Horizontal ratio	Answer1	Unit 3
Quick assets is equal to _____ .	Current assets - Stock - Prepaid expenses	Current assets + Stock + Prepaid expenses	Current assets + stock - Prepaid expenses	Current assets - stock + Prepaid expenses	Answer1	Unit 3
Equity fund includes _____ .	Debentures	Preference share capital	Bank loan	Reserves and Surplus	Answer4	Unit 3
Net profit ratio is _____ .	Revenue statement ratio	Balance sheet ratio	Composite ratio	Horizontal ratio	Answer1	Unit 3
The Short term creditors are interested in _____ .	Liquidity ratios	Valuation ratios	Leverage ratios	Capital structure ratios	Answer1	Unit 3

What is indicated by high stock turnover ratio ? _____Ratio is useful for Long Term Creditors.	quick movement of stock Current ratio	high cost of goods sold Return on equity capital	slow movement of stock Expenses ratio	low cost of goods sold Debt - Equity ratio	Answer1 Answer4	Unit 3 Unit 3
Return on Investment (ROI) and Return on Equity (ROE) are exactly 0.25. This indicates that_____.	ROE has been calculated wrongly	ROI pertains to the previous year	The firm has no debt in their capital structure	Current liabilities are more Will effect revenue statement	Answer3 Answer1	Unit 3 Unit 3
Payment to creditors will _____ If debt service coverage ratio is 3 times then it shows _____.	improve current ratio low amount of profit available for dividend	decline current ratio weak debt servicing capacity	will not change current ratio strong capacity to pay interest	difficulty in fresh loans to pay employees good remuneration	Answer3 Answer1	Unit 3 Unit 3
Good debt service coverage ratio will help the company to _____ If company's current ration is 2:1 and liquid ration is 0.5:1, then it indicates _____	raise debt at lower interest rate Very high stock turnover ratio	attract equity shareholders Very low stock turnover ratio	to pay creditors on time efficient inventory management	remuneration Very low stock turnover ratio	Answer1 Answer4	Unit 3 Unit 3
The current ration and quick ratio of ABC Ltd. Are nearly the same. This suggests that the company has _____ Under capitalisation is indicated by _____ Over capitalization is indicated by _____.	large investment in inventory Low current ratio high debt equity ratio	low investment in inventory High Proprietary ratio low current ratio	high profitability Low return on proprietor's fund High Proprietary ratio	low quick assets low debt equity ratio High return on proprietors fund	Answer2 Answer1 Answer3	Unit 3 Unit 3 Unit 3
If Inventory is Rs.70,000,Working Capital is Rs.1,00,000 and Current liabilities is Rs.1,50,000 then what is Stock to Working capital ratio ? If the amount of Current assets is Rs.2,00,000 Working capital is Rs. 80,000 then, what is the amount of Current liabilities ?	70%	46.66%	66.66%	88.88%	Answer1	Unit 3
	Rs.120000	Rs. 80000	Rs. 150000	Rs. 200000	Answer1	Unit 3

As per Accounting Standard-3, Cash Flow is classified into_____	Operating activities and investing activities	Investing activities and financing activities	Operating activities and financing activities	Operating activities, financing activities and investing activities	Answer4	Unit 4
Cash Flow Statement is based upon_____.	Cash basis of accounting	Accrual basis of accounting	Credit basis of accounting	Cash equivalent	Answer1	Unit 4
Which statement shows the flow of cash and cash equivalents during the financial period?	Statement of changes in equity	Cash flow statement	Balance sheet	Income statement	Answer2	Unit 4
Cash received from the sales fixed assets are categorised under the head of _____	Other activities	Investing activities	Financing activities	Operating activities	Answer2	Unit 4
Which of the following is not source of cash?	Issue of shares	Purchase of Machinery	Cash sales	Dividend received	Answer2	Unit 4
Which of the following would be considered cash source from an investing activity?	Purchase of equipment	Sale of BBB's stock held as an investment	Issuance of corporate stock	Payment of rent on premises	Answer2	Unit 4
Tax refund will be _____	Deducted from financing activities	Added in financing activities	Deducted from operating activities	Added in operating activities	Answer4	Unit 4
Increase in debtors, creditors, bills payable is Rs. 50,000, Rs. 30,000 and Rs. 10,000 respectively. The operating profit before working capital changes is Rs. 2,50,000. Calculate cash from operating activities.	Rs. 2,60,000	Rs. 3,40,000	Rs. 2,40,000	Rs. 1,60,000	Answer3	Unit 4
Working capital means_____.	Amount required to run the day to activity	Long term loans	Borrowed funds	long term obligation	Answer1	Unit 4
_____ is not a current liability.	Debenture	Creditors	Bills payable	Provision for tax	Answer1	Unit 4
Gross working capital is firms investment in ___assets.	Fixed	Current	Zero	Liability	Answer2	Unit 4
_____cycle is one method of estimating working capital.	Operating	Invisible	Irregular	Flexible	Answer1	Unit 4