

Name of the Professor :	Class : Third Year Bachelor of Financial Management
Examination code :	Semester : VI
Subject : Financial Reporting	Paper Code :

Sr. No.	Question	Option A	Option B	Option C	Option D	Correct Answer
1.	A complete set of financial statements does include_____	Balance Sheet, Profit & Loss A/c, Cash Flow Statement	Balance Sheet, Profit & Loss A/c, Reconciliation Statement	Balance Sheet, Profit & Loss A/c, Cash book	Balance Sheet, Profit & Loss A/c, Pass book	Balance Sheet, Profit & Loss A/c, Cash Flow Statement
2.	_____ is not the qualitative characteristics of a good Financial Statement.	Understandability	Irrelevance	Reliability	Comparability	Irrelevance
3.	A _____is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.	Financial Statement	Financial Right	Financial Obligation	Financial Instrument	Financial Instrument
4.	An Equity Instrument is any contract that evidences a _____in the assets of an entity after deducting all of its liabilities.	Residual Interest	Final Interest	Complete Interest	Profit Interest	Residual Interest
5.	The term Cost of Capital means	Short term funds	Long term funds of a	Medium term fund of a	Loss fund of a company	Long term funds of a company.

	the cost of _____.	of a company	company.	company		
6.	A Put Option is a contract giving the owner the right, but not the obligation, to _____specified amount of an underlying security	Sell	Buy	Transact	Trade	Sell
7.	A Call Option is a contract giving the owner the right, but not the obligation, to _____specified amount of an underlying security	Sell	Buy	Transact	Trade	Buy
8.	FVTOCI stands for _____.	Fame Value through Other Comprehensive Income	Fair Value through Other Comprehensive Income	Factory Value through Other Comprehensive Income	Face Value through Other Comprehensive Income	Fair Value through Other Comprehensive Income
9.	Which of the following is not a Financial Asset.	Debtor	Plant and Machinery	Bills Receivable	Cash	Plant and Machinery
10.	Stock Market in India is government by _____	Stock Agencies	SEBI	Market Intermediaries	Brokers	SEBI
11.	A _____ is aTrust that pools the savings of a number of investors who share a common	Mutual Fund	Stock Market	SEBI	RBI	Mutual Fund

	financial goal.					
12.	Loss Asset requires _____ Provisioning as NPA	10%	20%	50%	100%	100%
13.	Merchant Bankers are the _____ which manages the capital issues.	Brokers	Specialized agency	Government Department	Fraud agency	Specialized agency
14.	What will be the Closing value of Net Assets if Opening Balance of net assets is Rs, 1,00,000, Net Income for the year (Audited) Rs. 15,000, Unit issued Rs. 10,000 and units redeemed Rs. 8,000	Rs. 1,33,000	Rs. 1,17,000	Rs. 1,13,000	Rs. 97,000	Rs. 1,17,000
15.	What will be Closing NAV if Closing Net Asset is Rs. 65,000/- and Number of units issued were 5,000.	Rs. 13	Rs. 10	Rs. 11	Rs. 12	Rs. 13
16.	During the year, the fund sold certain securities of cost Rs. 25 lakhs for Rs. 29 lakhs, The dividend earned was Rs. 6 lakhs.	Rs. 4	Rs. 3.2	Rs. 4.8	Rs.8	Rs.8

	80% of the realized earnings were distributed. What will be the amount of Distributed earning?					
17.	What will be the number of Units purchased if Rs. 4,00,000 is invested in a Mutual Fund on 25 th June, 2019 when NAV of the Investment was Rs. 25 per unit.	16000 units	17000 units	18000 units	19000 units	16000 units
18.	Mr. A Invested Rs. 50,000 in Mutual fund on 1 st March, 2020 and Total NAV on 31 st March, 2020 was Rs. 55,000, If Dividend received on mutual fund is Rs. 2,000. What will be the total yield on the Mutual Fund?	Rs. 5,000	Rs. 2,000	Rs. 7,000	Rs. 3,000	Rs. 7,000
19.	Mr. Kush earned Total yield of Rs. 10,000 on Mutual Fund, total amount of investment on Mutual fund on 1 st March, 2020 was Rs. 5,00,000. What will be yield in percentage?	1%	2%	3%	4%	2%

20.	Mr. B invested in a Mutual Fund for Rs. 1,00,000/- on 1-02-2019. Total Yied on the Investment was Rs. 8,000/-. What will be effective yield per annum? Assume 365 days in a year.	8%	19.51% (Appx)	33.34% (Appx)	49.49% (Appx)	49.49% (Appx)
21.	Banks should classify an account as NPA only if the interest due and charged during any quarter is not serviced fully within_____ from the end of the quarter.	90 days	95 days	100 days	105days	90 Days
22.	How much percentage of provisioning is required for Standard Assets?	0.10%	0.20%	0.40%	0.50%	0.40%
23.	How much percentage of provisioning is required for Sub-Standard Assets?	10%	20%	30%	40%	10%
24.	How much percentage of provisioning is required for Secured portion of Doubtful Assets for period up to one year?	10%	20%	30%	40%	20%

25.	How much percentage of provisioning is required for Secured portion of Doubtful Assets for period from one year to 3 years?	10%	20%	30%	40%	30%
26.	How much percentage of provisioning is required for Secured portion of Doubtful Assets for period more than 3 years	30%	40%	50%	100%	100%
27.	How much provision is made for Unsecured Portion of Doubtful Debts	30%	40%	50%	100%	100%
28.	What will be total value added if Sales for the year amounted to Rs. 20,00,000 Manufacturing expenses and Administration expenses amounted to Rs. 1,00,000/-, Interest on working capital amounted to Rs. 1,00,000 and Interest on Debenture amounted to Rs. 20,000/, Other Income Rs. 1,00,000/-	Rs. 20,00,000	Rs.18,80,000	Rs.19,00,000	Rs.19,80,000	Rs.19,00,000

29.	Payment of Wages and Salary is Application of Value Added towards _____.	Employee	Directors	Government	Supplier	Employee
30.	What will be Value Added by manufacturing and trading activities if Total value added is Rs. 20,50,000 Including other Income Rs. 50,000.	Rs. 20,50,000	Rs. 21,00,000	Rs. 20,00,000	Rs. Nil	Rs. 20,00,000
31.	Economic value added is equal to _____ minus Cost of Capital employed	Net Operating Profit after Tax	Net Operating Profit before tax	Gross profit	Net profit before tax but after depreciation	Net Operating Profit after Tax
32.	Cost of Capital Employed is equal to _____ multiplied by Average Capital Employed	Economic Cost	Weighted Average Cost of Capital	Marginal Cost	Standard Cost	Weighted Average Cost of Capital
33.	What will be cost of Equity if Risk Free Rate is 20%, Beta factor 1.10 and Equity Risk Premium is 10%.	31%	25.5%	19.5%	30%	31%
34.	What will be Economic Value Added if Net Operating Profit after Tax is Rs. 5,50,000 and	Rs. Nil	Rs. 50,000	Rs. 65,000	Rs. 75,000	Rs. 75,000

	Cost of Capital Employed is Rs. 4,75,000.					
35.	If cost of Equity is 10% and Cost of Debt is 8%, Equity is share capital is Rs. 75,000 and Debt Capital is Rs. 25,000. What will be Weighted Average cost of Capital.	9%	9.5%	10%	8%	9.5%
36.	What will be Cost of 20% Debenture, if the company is paying taxes @ 30%.	20%	16%	15%	14%	14%
37.	What will be cost of 15% Preference share, if the company is paying taxes @ 40%.	10%	9%	15%	11%	15%
38.	According to _____, Proper valuation of human resources is not possible unless the contributions of individuals as a group are taken into consideration.	Jaggi and Lau Model	Maggi and Lau Model	Human Resource Model	Jaggi and Maggi Model	Jaggi and Lau Model

39.	Average Annual Earning of the Employee is Rs. 65,000, Retirement age is 60 years, Averageage of the employee is 50 years. Discount rate applicable is 12%. Annuity factor @12% for 10 years is 5.6502.	Rs. 11,504.02	Rs. 4,57,277	Rs. 3,50,000	Rs. 3,67,263	Rs. 3,67,263
40.	The Capital Adequacy Ratio _____ by looking at their ability to pay liabilities, and respond to credit risks and operational risks.	Set Standards for Non-Financial Companies	Set Standards for Banks	Set Standards for Stock market	Set Standards for Employee	Set Standards for Banks
41.	What will be the amount of provision for Standard Asset of Rs. 2,00,000/-.	Rs. 400	Rs. 800	Rs. 20,000	Rs. 40,000	Rs. 800
42.	What will be the amount of provision for Sub-Standard Asset of Rs. 4,00,000/-.	Rs. 40,000	Rs. 50,000	Rs. 60,000	Rs. 80,000	Rs. 40,000
43.	What will be the amount of provision for Secured portion of Doubtful Asset which has remained doubtful up to 1 year,	Rs. 50,000	Rs. 1,00,000	Rs. 2,00,000	Rs. 5,00,000	Rs. 2,00,000

	Loan amount Rs. 10,00,000/-.					
44.	What will be the amount of provision for Secured portion of Doubtful Asset which has remained doubtful for more than 1 year but less than 3 years, Loan amount Rs. 20,00,000/-.	Rs. 4,00,000	Rs. 6,00,000	Rs. 8,00,000	Rs. 20,00,000	Rs. 6,00,000
45.	What will be the amount of provision for Unsecured portion of Doubtful Asset Loan amount Rs. 5,00,000/-.	Rs. 1,00,000	Rs. 2,00,000	Rs. 3,00,000	Rs. 5,00,000	Rs. 5,00,000
46.	Which one of the following is not an Application of Value Added to pay providers of Capital?	Interest on Debentures	Interest on Fixed Loan	Dividend	Interest on Working Capital	Interest on Working Capital
47.	_____ is the value of an employee in his alternative use.	Opportunity Cost	Additional Cost	Employee Cost	Marginal cost	Opportunity Cost
48.	Financial Assets are initially measured at _____ Value.	Fair	Standard	Required	Face	Fair
49.	NVA stands for _____.	National Value	Net Value	Net Asset	Notional Value	Net Value

		Added	Added	Value	Added	Added
50.	Cost of Debt is the percentage of Interest on Debt Instrument after deducting _____.	Tax	Depreciation	Interest	Other expenses	Tax

SR NO.	QUESTION	OPTION A	OPTION B	OPTION C	OPTION D	CORRECT
51	Capital Asset Pricing Model is widely used for _____	Cost of debt	Cost of capital	Cost of equity	Share price valuation	Cost of equity
52	Which of the following is not an employee cost _____	Wages	Salaries	Staff Welfare	Provision for Tax	Provision for
53	Close ended fund schemes are kept for subscription only during a _____ time of the launch of scheme.	Specified	Long	Short	All	Specified
54	Users must be able to compare the financial statements of an enterprise through time in order to identify _____ in its financial position and performance.	Mistakes	Trends	Events	Omissions	Trends
55	Merchant Bankers are also called _____	Managers of deposit	Debt Manager	Managers of Issue	Handlers	Managers of
56	NBFCs does not include any institution whose principal business is that of _____, _____ or _____.	Agriculture activity, industrial activity or sale/purchase/construction of immovable property	Finance, Lending or depository	Lending, advances or deposits	Lending, advancing or trading	Agriculture industrial activity sale/purchase of immovable
57	The sale and repurchase prices of units are based on _____	Newly Assessed Value	Net Asset Value	Daily Earnings	Average of Pool	Net Asset Value
58	Economic Value Added is _____	NOPAT – COCE	PAT – Income Tax	EBIT – Interest	PAT +	NOPAT – C

					Depreciation	
59	Human capital reporting provides scope for planning and _____ in relation to proper manpower planning	Decision making	Understanding	Calculating	Staffing	Decision ma
60	_____ are the specialized agency which manages the capital issues.	NBFCs	Merchant bankers	Brokers	Depositories	Merchant ba
61	A complete set of financial statements consists of _____, Profit & Loss A/c, a statement of changes in Equity and Cash Flow statement together with notes statements and other explanatory materials.	Balance sheet	Trial balance	Journal	Ledgers	Balance she
62	The money thus collected is invested by the fund manager in different types of _____ depending upon the objectives of the scheme.	Securities	Debtors	Liabilities	Instruments	Securities
63	Which of the following is not principal qualitative characteristics of financial statements	Understandability	Relevance	Reliability	Generalization	Generalizati
64	_____ is the degree of caution in the exercise of the judgements needed in making the estimates required under conditions of uncertainty.	Prudence	Reliability	Bias	Relevance	Prudence
65	_____ is the date the asset is delivered to or by an entity.	Trade date	Transfer date	Settlement date	Order date	Settlement c
66	A mutual fund is a trust that _____ the savings of number of	Pools	Segregates	Uses	Collects	Pools

	investors who share common financial goals.					
67	Other incomes doesn't include _____	Dividend	Interest income	Royalty	Sales	Sales
68	_____ is the difference between current market value of a firm and the capital contributed by investors.	Human Resource Value Added	Market Value Added	Shareholder's Value Added	Value Added	Market Value Added
69	Equity Risk Premium is _____	Cost of Equity - Tax rate	Cost of capital – risk free rate	Market Rate – Risk free rate	Risk free rate + cost of debt	Market Rate + risk free rate
70	Reporting on Value Added improves the attitudes of _____ towards their employing companies	Employees	Government	Public	People	Employees
71	Jaggi and Lau model approached valuation of human resources on the basis of _____ of employees	Grouping	Level	Position	Number	Grouping
72	Cost of Capital Employed is _____	Weighted average cost of capital x Capital employed	Cost of Capital x Tax rate	Profit after Tax x Number of years of business	Cost of equity x Dividend	Weighted average cost of capital x Capital employed
73	In India, mutual funds are regulated by _____	SEBI (Mutual Funds) Regulations, 1996	SEBI Regulations, 2006	SEBI Act	Mutual Funds Act, 1998	SEBI (Mutual Funds) Regulations, 1996
74	No NBFC is allowed to commence or carry on the business of non-banking finance institution without obtaining a certificate of registration issued by _____	The Companies Act, 1956	The Non-Banking Finance Company Act, 1998	SEBI	Reserve Bank of India	Reserve Bank of India
75	Stock brokers are eligible to act as _____ without obtaining a separate registration for it.	Bank	Underwriter	Guarantor	Lender	Underwriter

76	The income funds invest in _____	Fixed income debt instruments	Fixed income equity instruments	Corporate fixed deposits	Public instruments	Fixed income instruments
77	Non-Banking Finance Company is registered under _____	The Companies Act, 1956	The Non-Banking Finance Company Act, 1998	SEBI	Reserve Bank of India	The Companies Act, 1956
78	An _____ can cause information to be false or misleading and thus unreliable	Omission	Evidence	Disclosure	Accuracy	Omission
79	A financial instrument is any _____ that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity	Document	Deal	Contract	Paper	Contract
80	The term _____ means the cost of total funds of a company	Cost of equity	Cost of capital	Cost of debt	Cost of debtors	Cost of capital
81	In Human Resource, opportunity cost is the value of an employee in his _____	Current Use	Alternate Use	Maximum use	Minimum Use	Alternate Use
82	Stock brokers can deal in securities only after getting registration with _____	SEBI	RBI	CBDT	MCA	SEBI
83	Reliability means when information is _____	Presented differently for different users	Free from material errors and bias	Window dressed	Withheld	Free from material errors and bias
84	Forwards, futures, options etc. are _____ financial instruments	Primary	Short Term	Derivative	Non-tradable	Derivative
85	Cost of bought in goods and services includes _____	Wages	Interest on long term funds	Income tax	Dividend	Wages
86	Which of the following is not a maintenance and expansion cost _____	Depreciation	Retained Earnings	Staff Welfare	Building Reserve	Staff Welfare
87	Human Resource Accounting can _____	Documenting, processing,	Mining, storing,	Analyzing,	Identifying,	Identifying,

	be defined as the process of _____, _____ and _____ information about human resource in financial statement	presenting	releasing	assessing, charting	measuring, communicating	communicating
88	A _____ is a member of recognized stock exchange(s) and is engaged in buying, selling and dealing in securities	Merchant Banker	NBFC	Stock Broker	Bank	Stock Broker
89	Which of the following is not an objective of financial reporting?	Useful information to users	Assess prospective cash inflows	Finding Frauds	Financial Performance	Finding Frauds