



Take a test. State reason for every option chosen by you. Send us the answers by e-mail:- [e.newsletter@icmai.in](mailto:e.newsletter@icmai.in).

Syllabus 2008

### PAPER 1 – Organisation and Management Fundamentals

1. Organization Behavior is not a/an
  - a. A separate field of study
  - b. Applied science
  - c. Normative science
  - d. Pessimistic approach
  
2. -----is the degree to which an individual is willing to take chances and risky decisions
  - a. Authoritarianism
  - b. Dogmatism
  - c. Risk propensity
  - d. Tolerance for ambiguity
  
3. What term is used to describe voluntary and involuntary permanent withdrawal from an organization?
  - a. Absenteeism
  - b. Turnover
  - c. Downsizing
  - d. Truancy
  
4. Monitoring organizational progress towards goal attainment is called:
  - a. Planning
  - b. Organizing
  - c. Leading
  - d. Controlling
  
5. All of the following are the characteristics of an organization EXCEPT:
  - a. People
  - b. Product
  - c. Purpose
  - d. Structure
  
6. All of following are elements of planning function EXCEPT
  - a. Establishing strategies
  - b. Developing Plans
  - c. Monitoring Performance
  - d. Coordinate activities
  
7. Communication begins with
  - a. Encoding
  - b. Idea Origination
  - c. Decoding
  - d. Channel Selection

8. The concept of power refers to
  - a. Defined authority and responsibility
  - b. A relative hierarchical position in an organization
  - c. The ability to influence the behavior of others
  - d. The specialized knowledge possessed by an individual
  
9. Which of the following is a function of middle management?
  - a. Reviewing daily and weekly production or sales reports.
  - b. Selecting Board members.
  - c. Supervising day-to-day operations.
  - d. Evaluating the all-round performance of various departments.
  
10. Which of the following is not a way of overcoming resistance to change?
  - a. Incentives
  - b. Bullying and harassing people
  - c. Education and communication
  - d. Coercion

### PAPER 2 – ACCOUNTING

1. Capital increases if \_\_\_\_\_ increases
  - a. Expenses
  - b. Drawings
  - c. Interest on capital
  - d. Revenue
  
2. Which of the following accounts will be debited if the business's owner withdraws cash from business for his personal use?
  - a. Drawings
  - b. Cash
  - c. Business
  - d. Stock
  
3. The manufacturing account is prepared
  - a. To ascertain the profit or loss on the goods produced
  - b. To ascertain the cost of the manufactured goods
  - c. To show the sale proceeds from the goods produced during the year
  - d. Both (b) and (c)
  
4. A of Kolkata sends out goods costing ₹ 1,00,000 to B of Maharashtra. 3/5<sup>th</sup> of the goods were sold by consignee for ₹ 70,000. Commission 2% on sales plus 20% of gross sales are less all commission exceeds cost price. The amount of Commission will be :
  - a. ₹ 2,833
  - b. ₹ 2,900
  - c. ₹ 3,000
  - d. ₹ 2,800
  
5. In single entry system, it is not possible to prepare:
  - a. Receipts and Payments Account



- b. Trial Balance
  - c. Balance Sheet
  - d. Account Sales
6. Machine lubricant used on processing equipment in a manufacturing plant would be classified as a:
- a. Period cost (manufacturing overhead)
  - b. Period cost (Selling, General & Admin)
  - c. Product cost (manufacturing overhead)
  - d. Product cost (Selling, General & Admin)
7. Which of the following product cost is Included in prime cost and conversion cost?
- a. Direct labor
  - b. Manufacturing overhead
  - c. Direct material
  - d. Work in Process
8. Over applied FOH will always result when a predetermined FOH rate is applied and:
- a. Production is greater than defined capacity
  - b. Actual overhead costs are less than budgeted
  - c. Budgeted capacity is less than normal capacity
  - d. Actual overhead incurred is less than applied Overhead
9. Which of the following is correct?
- a. Units sold= Opening finished goods units + Units produced – Closing finished goods units
  - b. Units Sold = Units produced + Closing finished goods units - Opening finished goods units
  - c. Units sold = Sales + Average units of finished goods inventory
  - d. Units sold = Sales - Average units of finished goods inventory
10. Which of the following groups of workers would be classified as indirect labor?
- a. Machinists in an organization manufacturing clothes
  - b. Bricklayers in a house building company
  - c. Maintenance workers in a shoe factory
  - d. None of the given options
3. Which of the following best defines price discrimination?
- a. charging different prices on the basis of race
  - b. charging different prices for goods with different costs of production
  - c. charging different prices based on cost-of-service differences
  - d. selling a certain product of given quality and cost per unit at different prices to different buyers
4. The concept of choice is:
- a. A human right;
  - b. A democratic right;
  - c. A free good;
  - d. A problem that is due to the scarcity of resources
5. Capital formation has
- a. Qualitative aspect
  - b. Quantitative aspect
  - c. both a & b
  - d. None of the above
6. The primary function of banks and other financial institutions is:
- a. To generate investment.
  - b. Financial intermediation.
  - c. Expect market trends.
  - d. Promoting mergers.
7. Property of the company belongs to
- a. Company
  - b. Share holders
  - c. Members
  - d. Promoters
8. Minimum number of members in case of public company
- a. 1
  - b. 2
  - c. 5
  - d. 7
9. A private company has to provide in its articles:
- a. For restricting transfer of its shares.
  - b. For prohibiting transfer of its shares
  - c. For permitting free transfer of share
  - d. None of the above.
10. Debentures are also termed as:
- a. Certificate of credit
  - b. Bonds
  - c. Dividend
  - d. Bonus

### PAPER 3 – ECONOMICS AND BUSINESS FUNDAMENTALS

1. The fundamental economic problem faced by all societies is:
- a. Unemployment
  - b. Inequality
  - c. Poverty
  - d. Scarcity
2. Which of the following is a characteristic of pure monopoly?
- a. One seller of the product
  - b. Low barriers to entry
  - c. Close substitute products
  - d. Perfect information

### PAPER 4 – BUSINESS MATHEMATICS AND STATISTICS FUNDAMENTALS

1. The average of two numbers is M. If one number is N, then the other number is:
- (a)  $2N$  (b)  $2M$  (c)  $M - N$  (d)  $2M - N$



2. A mixture of 20kg of spirit and water contains 10% water.  
How much water must be added to this mixture to  
raise the percentage of water to 25%?  
(a) 4 kg (b) 5 kg (c) 8 kg (d) 30 kg

3. In a ratio which is equal to 3:4, if the antecedent is 12,  
then consequent is :  
(a) 9 (b) 16 (c) 20 (d) 24

4. A and B are two sets having 3 and 4 elements. If 2  
elements are common, find the number of elements in AXB  
set

(a) 14 (b) 5 (c) 10 (d) 12

5. The value of  $\log_{343} 7$  is:

(a)  $\frac{1}{3}$  (b) -3 (c)  $-\frac{1}{3}$  (d) 3

6. The area of the triangle with sides of length 3 cm,  
and 5 cm, (in sq. cm) is

(a) 12 (b) 6 (c) 24 (d) None of them

7.  $\int_0^1 \frac{dx}{\sqrt{x+1}\sqrt{x}}$  is evaluated as

(a)  $\frac{2\sqrt{2}}{3}$  (b)  $\frac{4\sqrt{2}}{3}$  (c)  $\frac{2}{3}(2\sqrt{2}+1)$  (d) None of

these

8. If  $Y = \frac{1+\sqrt{x}}{(1-\sqrt{x})}$ , then  $\frac{dy}{dx}$  is equal to.....

(a)  $\frac{x}{\sqrt{x}(\sqrt{x}-1)}$  (b)  $\frac{1}{\sqrt{x}(\sqrt{x}-1)^2}$  (c)

$\frac{-1}{\sqrt{x}(\sqrt{x}-1)^2}$  (d)  $\frac{1}{(\sqrt{x}-1)^2}$

9. Median is

(a) Average point (b) Midpoint (c) Most likely

point (d) Most remote point

10. If the coefficient of skewness, mean and variance  
of a set of values are -3, 40 and 4 respectively then media  
of the values is

(a) 46 (b) 42 (c) 41 (d) None of these

### SYLLABUS 2012

#### PAPER 1 – FUNDAMENTALS OF ECONOMICS AND MANAGEMENT

1. Which of the following is the best example of a  
moral hazard?

- a. Purchasing a used computer at a garage sale.
- b. Paying a cabbie in advance to meet you at  
"this spot" in two hours.
- c. Paying a guide a bonus at the end of your  
jungle trek.
- d. Self insuring your small pizza delivery business.

2. The intrinsic characteristics that create or  
detract from the satisfaction derived from consuming a  
good are known as:

- a. factors.
- b. attributes.
- c. utilities.
- d. anomalies.

3. Economics is the study of:

a. How societies best serve the wants and needs of  
individuals.

b. How individuals and societies best utilize scarce  
resources.

c. The three economics questions of what, how,  
and for whom.

d. How productive resources are used to produce  
specific goods and services.

4. Macroeconomics deals with:

a. The behavior of individual consumers.

b. The actions of government agencies.

c. The economy as a whole.

d. The managerial decision-making process.

5. In the long run, existing firms exit a perfectly  
competitive market when

a. economic profits are zero.

b. economic profits are greater than zero.

c. normal profits are greater than zero.

d. they incur an economic loss.

6. Which one of the following is not an assumption  
underlying direct control?

a. Personal responsibility exists.

b. Time expenditure is warranted.

c. Performance cannot be measured.

d. Mistakes can be discovered in time.

7. The concept of social assumption is based on  
..... belief that people are motivated by social  
needs.

a. Kurt Lewin's

b. Douglas McGregor's.

c. Elton Mayo's

d. Chris Argyris's



8. Which of the following is not a limitation of planning?
- Time-consuming process.
  - Expensive.
  - Flexible.
  - Lack of accurate information.
9. The decision made by managers usually fall into one of the following categories :
- Programmed and non-programmed.
  - Rational and irrational.
  - Strategic and non-strategic.
  - Strategic and tactical.
10. Which of the following is not a key leadership trait as proposed by the trait theory?
- Leadership motivation.
  - Honesty and integrity
  - Rigidity.
  - Self-confidence.
5. From the following details find out the amount to be debited to Profit and Loss A/c as fresh provision for doubtful debts during 2012-13  
Debtors ₹ 30,000 as on 31.03.2013; Bad debt during the year ₹ 1,500; Provision for bad debts as on 01.04.2012 ₹ 2,000; Provision for doubtful debts to be kept at 5% of total debtors
- ₹ 1,500
  - ₹ 1,000
  - ₹ 3,000
  - ₹ 2,000
6. Research and Development Cost A/c appearing in Balance Sheet is a —
- Real A/c
  - Intangible Asset A/c
  - Tangible Asset A/c
  - Personal A/c

### PAPER 2 – FUNDAMENTALS OF ACCOUNTING

1. Purchase of Raw material for Cash
- Increases total Assets.
  - Leaves total Assets unchanged.
  - Increases total Fixed Assets.
  - Increases total Current Assets.
2. Purchase of Fixed Assets on credit is originally recorded in
- Purchases Book.
  - Ledger.
  - Journal Proper
  - Both (b) and (c) above.
3. When bill discounted with the bank is dishonoured?
- Acceptor's account is debited in the books of drawer.
  - Bills Receivable account is credited in the books of drawer.
  - Bills Payable account is debited in the books of drawer.
  - None of the above.
4. Under estimation of useful life of a depreciable asset will lead to —
- Overstatement of profit
  - Excess charging of depreciation every year
  - Over valuation of assets in Balance Sheet
  - Short charging of depreciation every year
7. The total cost incurred in the operation of a business undertaking other than the cost of manufacturing and production is known as
- Direct cost
  - Variable cost
  - Commercial cost
  - Conversion cost
8. While constructing a Break even chart, the gap between sales line and variable cost line shows which of the following?
- Fixed cost
  - Break-even point
  - Contribution margin
  - Variable cost
9. Re-order quantity ..... 3600 units  
Maximum consumption ..... 900 units per week  
Minimum consumption .....300 units per week  
Re-order period .....5 weeks  
Based on this data Re-order level is:
- 4500 units
  - 3900 units
  - 1200 units
  - None of these
10. If the direct labor is Rs. 42,000 and FOH is 40% of conversion cost. What will be the amount of FOH?
- 63,000
  - 30,000
  - 28,000
  - 16,800



### PAPER 3 – FUNDAMENTALS OF LAWS AND ETHICS

1. Offer as defined under section 2(a) is-----
  - a. communication from one person to another
  - b. suggestion by one person to another
  - c. willingness to do or abstain from doing an act in order to obtain the assent of other thereto
  - d. none of the above.
2. If any worker employed in a factory contravene any provisions of the Factory Act or any rules or orders made there under he shall be punishable ---
  - a. with imprisonment of six month
  - b. with fine of five hundred rupees
  - c. both
  - d. either a or b
3. As per the Payment of wages Act,1936 wages can be paid ---
  - a. In current coins
  - b. In currency notes
  - c. Either a or b or both
  - d. Kind only
4. How many employment are contained in part 2 to Schedule 1 of the Minimum Wages Act,1948
  - a. 1
  - b. 5
  - c. 10
  - d. 18
5. A enter into a contract with B a celebrated painter who agree to paint a picture for A for an agreed sum on the canvas and material supplied by A. This is a contract---
  - a. sales
  - b. works and labor
  - c. exchange of services and goods
  - d. agreement of sales.
6. No child is required or permitted to work between---
  - a. 7 PM to 8 AM
  - b. 8AM to 7PM
  - c. 6PM to 10AM
  - d. 5PM to 8AM
7. The Primary liability of paying employee's and employer's contribution is of---
  - a. Immediate employer
  - b. The principal employer
  - c. Central Government
  - d. Appropriate Government
8. When a partnership firm is continued even after the expiry of fixed term it is called.....
  - a. Partnership at will
  - b. Contract partnership
  - c. Perpetual partnership
  - d. Fixed partnership

9. When a bill of exchange has been noted or protested for non-acceptance or for better security, and any person accepts it supra protest for honor of the drawer or of any one of the endorser, such person is called an---

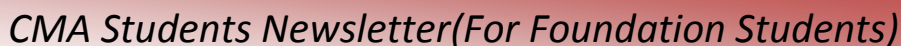
- a. Acceptor for request
- b. Acceptor for demand
- c. "Acceptor for honour"
- d. Acceptor in need

10. A Partnership at Will is created when---

- a. The duration of the partnership is not fixed
- b. There is no provision as to when and how the partnership will come to an end
- c. Both (a) and (b)
- d. Either (a) or (b)

### PAPER 4 – FUNDAMENTALS OF BUSINESS MATHEMATICS AND STATISTICS

1. The sub- duplicate ratio of 49 : 81 is :  
(a) 81 : 49 (b) 7 : 9  
(c) 9 : 7 (d)  $\sqrt{7} : 3$
2. If  $a^x = b^y = c^z$  and  $b^2 = ac$ , then  $xy + yz =$   
(a)  $xz$  (b)  $- Xz$   
(c)  $2xz$  (d) None of these
3. Out of 18 points in a plane, no three are in the same straight line except 5 points which are collinear. Then the number of straight lines obtained by joining them is  
(a) 140 (b) 142  
(c) 144 (d) 146
4. If  $x$  is a real number and  $f(x) = \frac{x}{\log(2+x)}$ , then the domain of  $f(x)$  is:  
(a)  $-\infty < x < 2$  (b)  $-\infty < x < -1$   
(c)  $-2 < x < \infty$  (d) None of these
5. A lent ₹ 1,200 to B for 3 years at a certain rate of simple interest and ₹ 1,000 to C for the same time at the same rate. If he gets ₹ 50 more from B than from C, then the rate percent is:  
(a)  $8\frac{1}{3}$  (b)  $6\frac{2}{3}$  (c)  $10\frac{1}{3}$  (d)  $9\frac{2}{3}$



Vol.7A: August 16,2013

Surface area of the sphere in sq. cm is

- (a)  $12\pi$  (b)  $8\pi$  (c)  $16\pi$  (d) None of them

(a)  $4^x$  (b)  $4^x \log_e 4$  (c)  $\log_e 4$  (d) None of them

8. If the two observations have harmonic mean and geometric mean 9 and 15 respectively, then arithmetic mean of the two observations

- (a) 12 (b) 25 (c)  $\sqrt{135}$  (d) none of these

9. A manufacturer produces two items X and Y. X requires 20kg of raw material and Y requires 25 kg. If raw material availability with him is 2 tons. This can be expressed in the form of which of the following linear equation.

- (a)  $(20x+25y \leq 2000)$  (b)  $(20x+25y=2000)$

- (c)  $(25x+20y>2000)$  (d)  $(20x+25y\geq 2000)$

10. To check the accuracy of index by shifting the base year, which test is used ?

- (a) Circular test (b) Time reversal test (c) Unit test  
(d) None

\*\*\*\*\*  
**Take a test. State reason for every option chosen by you.**  
**Send us the answers by e-mail:- [e.newsletter@icmai.in](mailto:e.newsletter@icmai.in)**  
 \*\*\*\*\*

## FUN CORNER

# TEXT TWIST

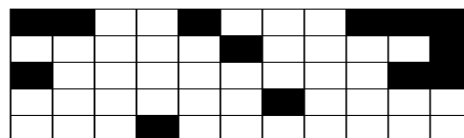
<i>S</i>	<i>U</i>	<i>C</i>	<i>S</i>	<i>A</i>	<i>E</i>	<i>C</i>
----------	----------	----------	----------	----------	----------	----------

From the set of jumbled letters above find

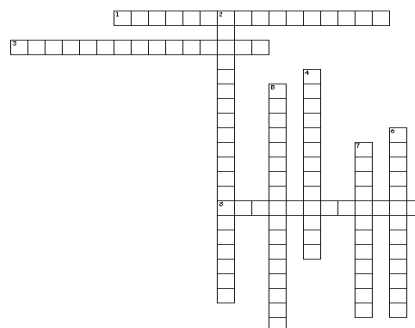
- 7 – 3 letter words
- 8 – 4 letter words
- 3 – 5 letter words
- 4 – 6 letter words and
- 1 – 7 letter word

## Fallen Phrase

Find the fallen phrase using the letters below. the letters are arranged in a column and row in a disorderly manner. For eg column 1 contains A,C and B . the correct cell is to be identified by you

[illegible]

# CRISS CROSS



## CLUES

Across

1. The total cost to buy an asset including all legal fees, closing costs, or other increases.
3. The amount by which the sale price of an asset exceeds its written-down value
8. It is the difference between what you paid for an investment and what you received when you sold that investment.

Down

2. It is the final period's depreciation prior to an asset's disposal or transfer;
4. Where liability to pay tax is with the Service receiver instead of service provider
5. It is the total consideration paid or contracted to be paid in return for the sale
6. It refers to the time between an asset's purchase and its sale
7. Where the tax paid on inputs, raw materials, capital goods and input services- utilized in manufacture of final products of a manufacturer and services provided are allowed to be deducted/ allowed as credit against the central excise/ service tax liability of a manufacturer/ service provided.