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SEBI Grade A

2022

Phase 1 **Paper 2**

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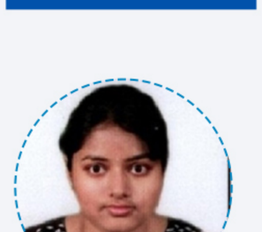
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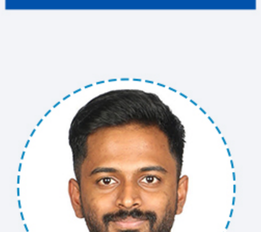
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SEBI Grade A 2022

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Vivek Sharma

Shweta Meena

Q.1) If the strike price is higher than the market price under call option, that one will be called as?

Static or Current – **STATIC**
Subject –**Finance**
Difficulty Level – **MODERATE**
Topic –**Miscellaneous (Basics of Derivatives -options)**

Options:

(a) At the money
(b) In the money
(c) Out of the money
(d) Advance money
(e) None of the above

Answer:(c) out of the money

Explanation:

In the Money Options (ITM): In the Money Option is one with strike price better than the spot price for the holder of option. A call option is said to be ITM, when spot price is higher than strike price. And a put option is said to be ITM when spot price is lower than strike price.

Out of the Money (OTM) - Out of the money option is one with strike price worse than the spot price for the holder of option. A call option is said to be OTM, when spot price is lower than strike price. And a put option is said to be OTM when spot price is higher than strike price

At the Money (ATM) - At the money is a situation where an option's strike price is identical to the price of the underlying security. Both call and put options are simultaneously at the money. For example, if XYZ stock is trading at 75, then the call option of XYZ to buy/sell at 75 is at the money and so is put option of XYZ to buy/sell at 75

Q.2. The value of derivative _____?

Static or Current – **STATIC**
Subject – **Finance**
Difficulty Level – **EASY**
Topic – **Basics of Derivative (Forward, Future and Swaps)**

Options:

(a) Increases

(b) Decreases
(c) Remains constant
(d) Fluctuates with the value of the underlying asset
(e) None of the above

Answer: (d)

Explanation:

Derivatives, as the name suggests, derive their value from an underlying asset. The price of the derivative depends on and fluctuates with the value of the underlying asset. For example, a derivative of gold will derive its value from the price of gold being traded in the market. If the prices of gold increases, then the value of the gold derivative will also increase.

Q.3) The RBI pays interest on the CRR balance to the banks at _____?

Static or Current – **STATIC**
Subject - **Finance**
Difficulty Level – **Easy**
Topic –**Functions of RBI**

Options:

(a) 2% above repo rate
(b) Repo rate
(c) 2% below bank rate
(d) Bank Rate
(e) No interest is paid on the CRR balance

Answer: (e) No interest is paid on the CRR balance

Explanation:

The Reserve Bank of India (Amendment) Act, 2006 was enacted in June 2006. Therein it was decided that RBI will not pay any interest on the eligible CRR balances maintained by scheduled banks with effect from the fortnight beginning June 24, 2006.

Q.4) Identify the open mutual fund scheme where there is a 3-year lock-in period

Static or Current – **Static**
Subject– **FINANCE**
Difficulty Level – **Easy**
Topic – **Miscellaneous (Mutual Funds)**

Options:

a) ELSS
b) Blue Chip Mutual funds
c) Large Cap Mutual Funds
d) Small Cap Mutual Funds
e) None of the above

Answer: (a) ELSS

Explanation:

Equity Linked Savings Scheme (ELSS) is a kind of mutual fund scheme that predominantly invests in equity and equity related instruments to generate high returns.

What makes ELSS different from other equity mutual fund schemes is that investment upto ₹1.5 lakh in ELSS is eligible for deduction from taxable income in a financial year. **The scheme comes with a statutory lock-in period of 3 years for each SIP.** It is the only mutual fund scheme that qualifies for tax deduction under Section 80(C) of the IT Act.

Q.5) Which of the following is not correctly matched?

Static or Current – **Static**
Subject– **Finance**
Difficulty Level – **Easy**
Topic – **Financial Institutions NABARD, SIDBI EXIM, NHB, IRDAI and SEBI**

Options:

a) RBI is the regulator of the monetary policy in India
b) Sebi is the regulator of the Capital markets in India
c) IRDA is the regulator of the insurance market in India
d) AMFI is the regulator of the Mutual funds in India
e) PFRDA is the regulator of the pension sector in India

Answer: (d) AMFI is the regulator of the mutual funds in India, this statement is incorrect

Mutual funds in India are regulated by the Securities and Exchange Board of India (SEBI) primarily.

The Association of Mutual Funds in India (AMFI) is dedicated to developing the Indian Mutual Fund Industry on professional, healthy and ethical lines and to enhance and maintain standards in all areas with a view to protecting and promoting the interests of mutual funds and their unit holders.

Q.6) Securities and Exchange Board of India (SEBI) has unveiled a framework for making operational gold exchange, which will facilitate trading of the yellow metal in the form of _____?

Static or Current – **Current Affairs**
Subject–**Finance**
Difficulty Level – **MODERATE**
Topic – **NA**

Options:

(a) Exchange Trade Gold Receipts
(b) Exchangeable gold receipts
(c) Equity Gold receipts
(d) Electronic Gold Receipts
(e) NONE OF THE ABOVE

Answer: (d) Electronic gold receipts

Explanation:

Market regulator SEBI, gave a go ahead to the BSE to launch trading in **electronic gold receipts (EGR), paving the way for the exchange to launch spot bullion exchange**.

The Finance Ministry has specified EGR as 'securities,' under the Securities Contracts (Regulation) Act 1956

Q.7) With respect to, Alternative Investment Fund (AIF), no scheme shall have more than _____ angel investors.

Static or Current – **Current Affairs**
Subject– **Finance**
Difficulty Level – **MODERATE**
Topic – **NA**

Options:

(a) 49
(b) 75
(c) 25
(d) 10
(e) None of the above

Answer: (a) 49

Explanation:

The limit has increased to 200 from 49 but 200 was not given in the question and therefor the best given option is 49.

SEBI amends angel fund regulations, permits 200 investors to be in one scheme

By Pranbihanga Borpuzari, ET Online • Last Updated: Nov 23, 2016, 04:47 PM IST

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Synopsis
The requirements of minimum investment amount by an Angel Fund in any venture capital undertaking is reduced from Rs. 50 lakh to Rs. 25 lakh.

Announcing amendments to SEBI (Alternative Investment Funds) Regulations, 2012 regarding Angel Funds, the market regulator on Wednesday said it is increasing the upper limit for number of angel investors in a scheme from 49 to 200 even as it harmonized the definition of a startup with that used by DIPP in the startup policy.

Q.8) Transactional Leadership is a style of leadership in which leader promote compliance by follower through both rewards and punishment. Transactional leadership is also known as?

Static or Current – **STATIC**
Subject– **Management**
Difficulty Level – **EASY**
Topic – **Leadership**

Options:

(a) Management Leadership
(b) Participative Leadership
(c) Autocratic Leadership
(d) Transformational leadership
(e) Situational Leadership

Answer: (a) Management leadership

Explanation:

In transactional leadership, rewards and punishments are contingent upon the performance of the followers. The leader views the relationship between managers and

subordinates as an exchange – you give me something for something in return. When subordinates perform well, they receive a reward. When they perform poorly, they will be punished in some way. Rules, procedures, and standards are essential in transactional leadership.

Transactional leadership, **also known as managerial or management leadership**, as it focuses on the role of supervision, organization, and group performance.

Q.9) Which of the following is a management theory wherein a leader is seen as genuine, open, transparent and they really care for the employees by nurturing the relationship

Static or Current – **STATIC**
Subject– **Management**
Difficulty Level – **Moderate**
Topic – **Leadership**

Options:

(a) LMX theory of leadership
(b) Servant theory of leadership
(c) Autocratic theory of leadership
(d) Participative theory of leadership
(e) Authentic theory of leadership

Answer: (e) Authentic theory of leadership

Explanation:

Authentic Leadership works on the principle that a leader can prove their legitimacy by **nurturing sincere relationships** with their subordinates and giving importance to their input.

An authentic leader encourages their subordinates to be more open; they appreciate their support in the success of the organization. **Their leadership style promotes both individual and team performance.**

Authentic Leadership focuses on the moral aspects of being a leader. Authentic leaders know who they are and what they believe in, and they act on those values and beliefs openly and candidly.

Q.10) Which of the following is an implication of the high morale in the Organization?

Static or Current – **STATIC**
Subject– **Management**
Difficulty Level –**Easy**
Topic – **Motivation**

Options:

(a) Creates inter group conflicts
(b) Reduces conflict and promote orderly resolution
(c) Not obeying the hierarchy of command
(d) Defy the orders from senior team members
(e) None of the above

Answer: (b) Reduces conflict and promote orderly resolution

Explanation:

Morale (also known as esprit de corps) is the capacity of a group's members to maintain belief in an institution or goal, particularly in the face of opposition or hardship. Morale is usually assessed at a collective, rather than an individual level.

High morale - High morale implies determination at work- an essential in achievement of management objectives. High morale results in:

- A keen teamwork on part of the employees.
- Organizational Commitment and a sense of belongingness in the employee's mind.
- Immediate conflict identification and resolution.
- Healthy and safe work environment.
- Effective communication in the organization.
- Increase in productivity.
- Greater motivation.

Q.11) Identify the component of directing that involves a manager meeting regularly, looking after employees, and interacting with the workers to review their work. Which of the following component is discussed above?

Static or Current – **Static**
Subject– **Management**
Difficulty Level – **Moderate**
Topic – **General Management**

Options:

(a) Leadership
(b) Motivation
(c) Supervision
(d) Communication
(e) Controlling

Answer:(c) Supervision

Explanation:

Directing is that part of the managerial function that allows the organization's methods to work efficiently to help achieve the organization's purposes. **It has four elements supervision, motivation, leadership, and communication.**

Supervision is all about immediate and direct guidance and control of subordinates while performing their work. It involves closely observing the subordinates at work and ensuring that they work according to the policies and plans of the organization.

Q.12) A person connects with people inside and outside the organization to develop relations with members in such a way that will help the organization and its members as well. In the same capacity, what role is played by the person?

Static or Current – **Static**
Subject– **Management**
Difficulty Level – **MODERATE**
Topic – Miscellaneous - **General Management**

Options:

(a) Communicator
(b) Networker
(c) Role Model
(d) Strategist
(e) None of the above

Answer: (b) Networker

Explanation:

Networker is a person who connects with people inside and outside the organization to develop relations with members in such a way that will help the organization and its members as well.

Communicator is a person who provide information to people inside and outside the organization to help the organization and its members to achieve the Goals and Objectives. In other words, a person who is able to convey or exchange information, news, or ideas, especially one who is eloquent or skilled.

Q.13) Creating a favorable Cooperative environment for Man, material, and machine so that employees can contribute their best towards the growth of an Organisation is described as _____ type of role.

Static or Current – **STATIC**
Subject– **Management**
Difficulty Level – **Difficult**
Topic – Miscellaneous - **General Management**

Options:

(a) Enabling role
(b) Synergizing role
(c) Balancing role
(d) Role model
(e) Linkage Building role

Answer: (a) Enabling role

Explanation:

In order to understand the answer, we need to understand individual Options.

A) Enabling Role:

The enabler role is also an extension of the leadership role with an outward focus on leadership external to the team. The leader as enabler carries the team's vision to the rest of the organization and serves as its chief advocate and ambassador. The enabler strives to build bridges of cooperation and goodwill with other teams and stakeholders, while removing barriers to success.

The enabler strives to build the stature and reputation of the team within the organization by creating cooperative and, ideally, synergistic relationships with the team's stakeholders and peer groups.

B) Synergizing Role:
Synergy is the concept that the value and performance of two companies' combined will be greater than the sum of the separate individual parts.

If two companies can merge to create greater efficiency or scale, the result is what is sometimes referred to as a synergy merge.
The expected synergy achieved through a merger can be attributed to various factors, such as increased revenues, combined talent and technology, and cost reduction.
In addition to merging with another company, a company can also create synergy by combining products or markets, such as when one company cross-sells another company's products to increase revenues.
Companies can also achieve synergy between different departments by setting up cross-disciplinary workgroups in which teams work cooperatively to increase productivity and innovation.

Option C) Balancing Role:
Like so much in life, successful management involves balance - juggling multiple priorities, usually with too much to do in too little time.

Option D) Role Model
A role model is a person whose behaviour, example, or success is or can be emulated by others, especially by younger people.

Option E) Linkage Building Role
linkages refer to connections among roles. The connections could be between roles within a group, between groups, between organizational units, or between people and machines.
Within a Linkage Building Role, a manager tries to trace why changes at the individual level do or do not appear at the organizational level. Moreover, He also try to establish linkages within the Internal environment and also, with the external environment.

If you analyze all the explanations given above, most appropriate is Option A which matches with the language of the question. Hence answer is Option A.

Q.14) Identify the stage in the communication model, wherein the communicator uses very less technical jargons so that there is a smooth flow of the communication?

Static or Current – **Static**
Subject–**Management**
Difficulty Level – **Difficult**
Topic – Miscellaneous - **Communication**

Options:

(a) Pretesting the message
(b) Identifying the target audience

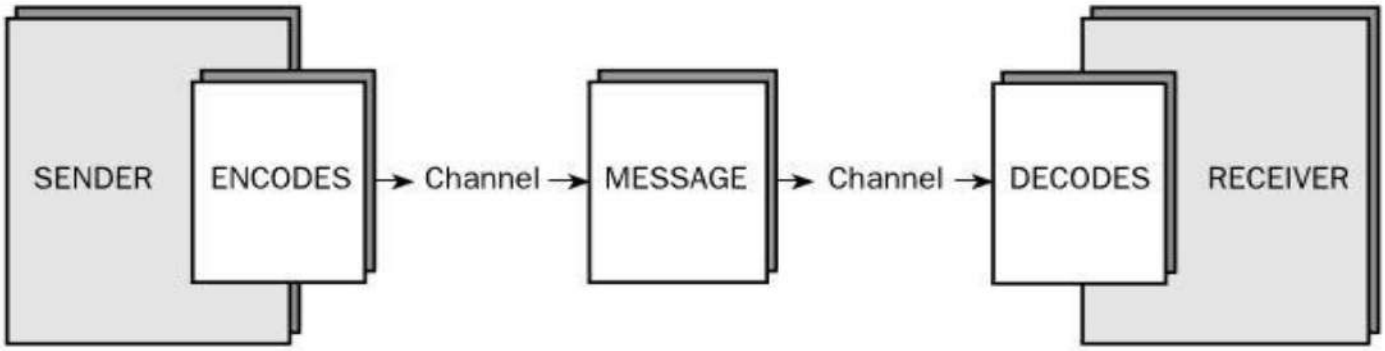
(c) Setting Communication Goals
(d) Channel Selection
(e) None of the above

Answer:(b) identify the target audience stage

Explanation:

Technical jargon affects the different types of audience differently. They also act as a barrier to the communication for the audience which doesn't understand their meaning. So, in order to provide information with less technical jargons and have a smooth flow of communication, one need to **identify the target audience stage**

Reason being: The role of Technical Jargon comes at Receivers end in a communication model.



The Communication Model

Receiver:
The receiver is the person who senses or perceives or receives the sender's message. There may be just one receiver or a large number of receivers. **The message must be prepared with the receiver's background in mind.** An engineer in a software organization should **avoid using technical terms** in communicating with his family members. It should be recognized that if the message does not reach a receiver, no communication takes place. Even, when the message reaches the receiver, if he cannot understand it, again there is no communication.

Hence Answer is Option (B) identifying the targeted Audience.

Q.15) Identify the function of HRD, wherein top executive of the Organization defines the limits of the authority and assignment of responsibilities that will help employees to work effectively in order to achieve objectives of the Organization.

Static or Current – **STATIC**
Subject–**Management**
Difficulty Level – **Easy**
Topic – **Human Resource Development (HRD)**

Options:

(a) Principle of Potential Maximization
(b) Principle of Delegation
(c) Principle of annual Evaluation
(d) Principle of Social Comparison
(e) None of the above

Answer: (b)

Explanation: Delegation is one of the core concepts of management leadership. The process involves managers deciding which work they should do themselves and which work should be delegated to others for completion.

The Generalised process of delegation involves some combination of the following:

1. Allocation of duties: the delegator communicates to their subordinate the task which is to be performed. Resources are provided and a time limit is informed.
2. **Delegation of authority**: In order for the subordinate to perform the task, authority is required. The required authority is granted to the employee when the task is delegated.
3. **Assignment of responsibilities**: When authority is delegated, the subordinate is assigned with the responsibility of this task. When someone is given the rights to complete a task, they are assigned with the corresponding obligation to perform. Responsibility itself cannot be entirely delegated; a manager must still operate under equal responsibility to the delegated authority.
4. Creation of accountability: At the completion of the delegation process, it is essential that the manager creates accountability, meaning that subordinates must be answerable for the tasks which they have been authorized to carry out

Q.16) As per section 174(1) of companies Act, 2013, The quorum for a meeting of the board of directors of a company shall be _____ of total strength or ___ directors, whichever is higher

Static or Current - Static
Subject – **COMPANY LAW**

Difficulty Level – Easy
Topic – Chapter XII - Meeting of Board of Directors (Section 172-183)

Options:

A. 2/3,1
B. 1/3,2
C. 1/2,2
D. 3/4, 1
E. None of the above

Answer: (B)

Explanation:

Section 174 of the Act provides the quorum for a board meeting.

Section 174 (1) of the Act

The quorum for a board meeting must be 1/3rd of the total number of directors or 2 directors whichever is the higher number. Therefore, in case, there are only three directors in a company, then at least two must be present even though 1/3rd would entail that only one director needs to be present. If the directors are not physically present but take part in the meeting via any audio/visual means, they too shall be considered part of the quorum.

Q.17) Auditor appointed at AGM shall hold the office from the conclusion of 1st AGM till the conclusion of _____?

Static or Current – Static
Subject–**Companies Law**
Difficulty Level – Easy
Topic – Chapter X Audit and Auditors

Options:
(a) Fifth
(b) Sixth
(c) Third
(d) Fourth
(e) None of Above

Answer: (B) Sixth

Explanation: Sec 139 of the **Companies Act 2013** provides that every company shall appoint an individual or firm as an auditor of the company at the first AGM. The person so

appointed shall hold the office from the conclusion of the AGM in which he was appointed till the conclusion of the **sixth AGM.**

Q.18) Which of the following is the minimum qualification for a person to be appointed President of NCLT?

Static or Current – Static
Subject – Companies Law
Difficulty Level – Easy
Topic – Chapter XXVII - NCLT and NCLAT

Options:

A. Judge of High Court for 5 Years
B. Judge of High Court for 10 years
C. Judge of a District Court for 5 years
D. Judge of a District Court for 10 years
E. None of the above

Answer: A, Judge of High Court for 5 Years

Explanation:

Section 409 talks about Qualification of President and Members of Tribunal

According to the Section:

(*1*) The President shall be a person who is or has been a Judge of a High Court for five years.

(*2*) A person shall not be qualified for appointment as a Judicial Member unless he—

(*a*) is, or has been, a judge of a High Court; or

(*b*) is, or has been, a District Judge for at least five years; or

(*c*) has, for at least ten years been an advocate of a court.

(*3*) A person shall not be qualified for appointment as a Technical Member unless he—

(*a*) has, for at least fifteen years been a member of the Indian Corporate Law Service or Indian Legal Service and has been holding the rank of Secretary or Additional Secretary to the Government of India; or

(*b*) is, or has been, in practice as a chartered accountant for at least fifteen years; or

(*c*) is, or has been, in practice as a cost accountant for at least fifteen years; or

(*d*) is, or has been, in practice as a company secretary for at least fifteen years; or

(e) is a person of proven ability, integrity and standing having special knowledge and professional experience of not less than fifteen years in industrial finance, industrial management, industrial reconstruction, investment and accountancy.

(*f*) is, or has been, for at least five years, a presiding officer of a Labor Court, Tribunal or National Tribunal constituted under the Industrial Disputes Act, 1947.

Q.19) A company shall not, at any time, vary the terms of a contract referred to in the prospectus or objects for which the prospectus was issued, except subject to the approval of, or except subject to an authority given by the company in _____

Static or Current –Static
Subject – Companies Law
Difficulty Level – Easy
Topic – Chapter III - Prospectus & Allotment of Securities

Options:

A. General Meeting by way of Special Resolution
B. General Meeting by way of Ordinary Resolution
C. Board Meeting by approval of Board of Directors
D. Annual General Meeting by approval of Board of Directors
E. None of the above

Answer: A, General Meeting by way of Special Resolution

Explanation:

Section 27: Variation in terms of contract or objects in prospectus.

*27. (1) A company shall not, at any time, vary the terms of a contract referred to in the prospectus or objects for which the prospectus was issued, except subject to the approval of, or except subject to an authority given by the company in **general meeting by way of special resolution**:

Provided that the details, as may be prescribed, of the notice in respect of such resolution to shareholders, shall also be published in the newspapers (one in English and one in vernacular language) in the city where the registered office of the company is situated indicating clearly the justification for such variation:

Provided further that such company shall not use any amount raised by it through prospectus for buying, trading or otherwise dealing in equity shares of any other listed company.

(2) The dissenting shareholders being those shareholders who have not agreed to the proposal to vary the terms of contracts or objects referred to in the prospectus, shall be given an exit offer by promoters or controlling shareholders at such exit price, and in such manner and conditions as may be specified by the Securities and Exchange Board by making regulations in this behalf.

Q.20) According to Section 47 of the Companies Act, 2013, every member of a company limited by shares and holding equity share capital therein, shall have a right to vote on every resolution placed before the company; and his voting right on a poll shall be in proportion to his share in the _____ share capital of the company

Static or Current –Static
Subject – Companies Law
Difficulty Level – Easy
Topic – Chapter IV Share Capital and Debenture

Options:

A. Called-up capital
B. Paid-up capital
C. Issued Capital
D. Authorized Capital
E. None of the above

Answer:(B) Paid up capital

Explanation:

Section 47: Voting rights.

*47. (1) Subject to the [1][provisions of section 43, sub-section (2) of section 50 and sub-section (1) of section 188], —

(a) every member of a company limited by shares and holding equity share capital therein, shall have a right to vote on every resolution placed before the company; and

(b) his voting right on a poll shall be in proportion to his share in the **paid-up equity** share capital of the company.

Q.21) If the company fails to distribute the declared dividends, then every director of the company shall, if he is knowingly a party to the default, be punishable with _____

Static or Current –**Static**
Subject – **Companies Law**
Difficulty Level – **Easy**
Topic – **Chapter VIII Declaration and payment of Dividend**

Options:

A. Imprisonment which may extend to three years and with fine which shall not be less than one thousand rupees for every day during which such default continues
B. Imprisonment which may extend to two years and with fine which shall not be less than two thousand rupees for every day during which such default continues
C. Imprisonment which may extend to two years and with fine which shall not be less than one thousand rupees for every day during which such default continues
D. Imprisonment which may extend to three years and with fine which shall not be less than two thousand rupees for every day during which such default continues
E. Imprisonment which may extend to five years and with fine which shall not be less than one thousand rupees for every day during which such default continues

Answer: C

Explanation:

Section 127.Punishment for failure to distribute dividends.

Where a dividend has been declared by a company but has not been paid or the warrant in respect thereof has not been posted within thirty days from the date of declaration to any shareholder entitled to the payment of the dividend, every director of the company shall, if he is knowingly a party to the default, be punishable with **imprisonment which may extend to two years and with fine which shall not be less than one thousand rupees** for every day during which such default continues and the company shall be liable to pay simple interest at the rate of eighteen per cent per annum during the period for which such default continues:

Q.22) According to the provisions of the Companies Act, a company which has been in existence for not less than _____ financial years, may contribute any amount directly or indirectly to any political party

Static or Current –Static
Subject – Companies Law

Difficulty Level – Easy
Topic – Chapter XII - Meeting of Board of Directors (Section 172-183)

Options:

A. One

B. Two

C. Three

D. Four

E. Five

Answer: (c) Three

Explanation:

Section 182 of the companies Act, 2013 contains the provisions regarding Prohibitions and Restrictions on Political Contributions by Companies. Section 182 of the Companies Act, 2013 prohibits certain companies to make political contribution as well as restricts some companies to make political contribution subject to the compliances of section 182. These are the Companies which are prohibited to make political contribution:

♦ A Government Company.

♦ A company which has been in existence for less than **three financial years.**

Q.23) A director who has stayed in India for atleast _____ days during a financial year is referred as Resident Director.

Static or Current –Static
Subject – Companies Law
Difficulty Level – Easy
Topic – Chapter XI Appointment of Auditors (section 149 to 160)

Options:

1. 148
2. 182
3. 364
4. 120
5. 300

Answer:(b) 182

Explanation:

Section 149(3) of the Companies Act, 2013 (Act) requires every company to have at least one director who has stayed in India for a total period of not less than 182 days in the previous calendar year.

Q.24) Imputed Cost is also known as _____

Static or Current – Static
Subject – Costing
Difficulty Level – Easy
Topic – Overview of Cost and Management Accounting

Options:

A. Sunk Cost

B. Historical Cost

C. Notional Cost

D. Process Cost

E. None of the above

Answer:(C)

Explanation:

An imputed cost is an invisible cost that is not incurred directly. Imputed Cost is also known as implicit cost, notional cost. For Example: A company owns its place and still shows rent in its books, that will be regarded as an imputed or notional cost, as this is an invisible cost.

Q.25) Which of the following is not a part of the 5S?

Static or Current – Static
Subject –Costing
Difficulty Level – Easy
Topic – Lean System and Innovation

Options:

1. Seiton

2. Seiri

3. Shitsuke

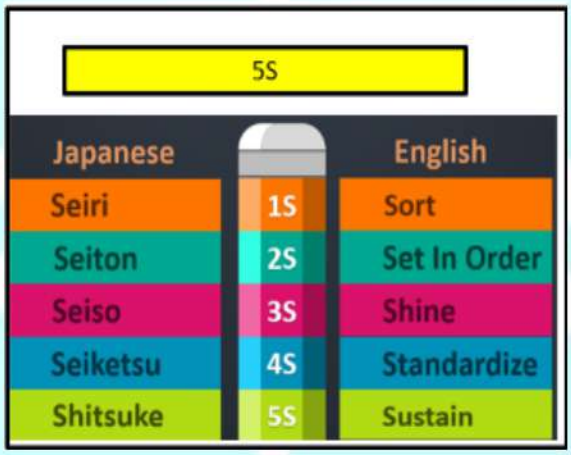
4. Seiso

5. Support

Answer: 5

Explanation:

5S is the name of a workplace organization method that uses a list of five Japanese words: seiri, seiton, seiso, seiketsu, and shitsuke. It explains how a workspace should be organized for efficiency and effectiveness by identifying and storing the items used, maintaining the area and items, and sustaining the new order.
The 5S's are as follows:



1. Seiri: Make work easier by eliminating obstacles and evaluate necessary items with regard to cost or other factors.
2. Seiton: Arrange all necessary items into their most efficient and accessible arrangements so that they can be easily selected for use and make workflow smooth and easy.
3. Seiso: Clean your workplace, keep workplace safe, easy to work.
4. Seiketsu: Standardize the best practices in the work area, every process has a standard.
5. Shitsuke: Sustain (i.e., training for continuous implementation). It makes the habit of keeping things in an orderly and neat way. This should be done by giving proper training and with every individual's commitment.

Q.26) Which of the following is an example of an Indirect Cost?

Static or Current – Static
Subject – Costing
Difficulty Level – Easy
Topic – Overview of Cost and Management Accounting

Options:

A. Store Services for Canteen
B. Starch Powder for Dressing Yarn
C. 2 Batteries for Radio Transistor
D. Packaging Material Like Carton
E. Jute for Bag

Answer: (A)

Explanation:

Indirect Costs are general costs and are incurred for the benefit of a number of cost units, processes or departments. These costs cannot be easily and conveniently identified with a unit of product. Indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs. In this question Store services for canteen is the indirect cost.

Q.27) Change for better and continuous improvement is termed as _____?

Static or Current – Static
Subject –Costing
Difficulty Level – Easy
Topic – Lean System of Innovation

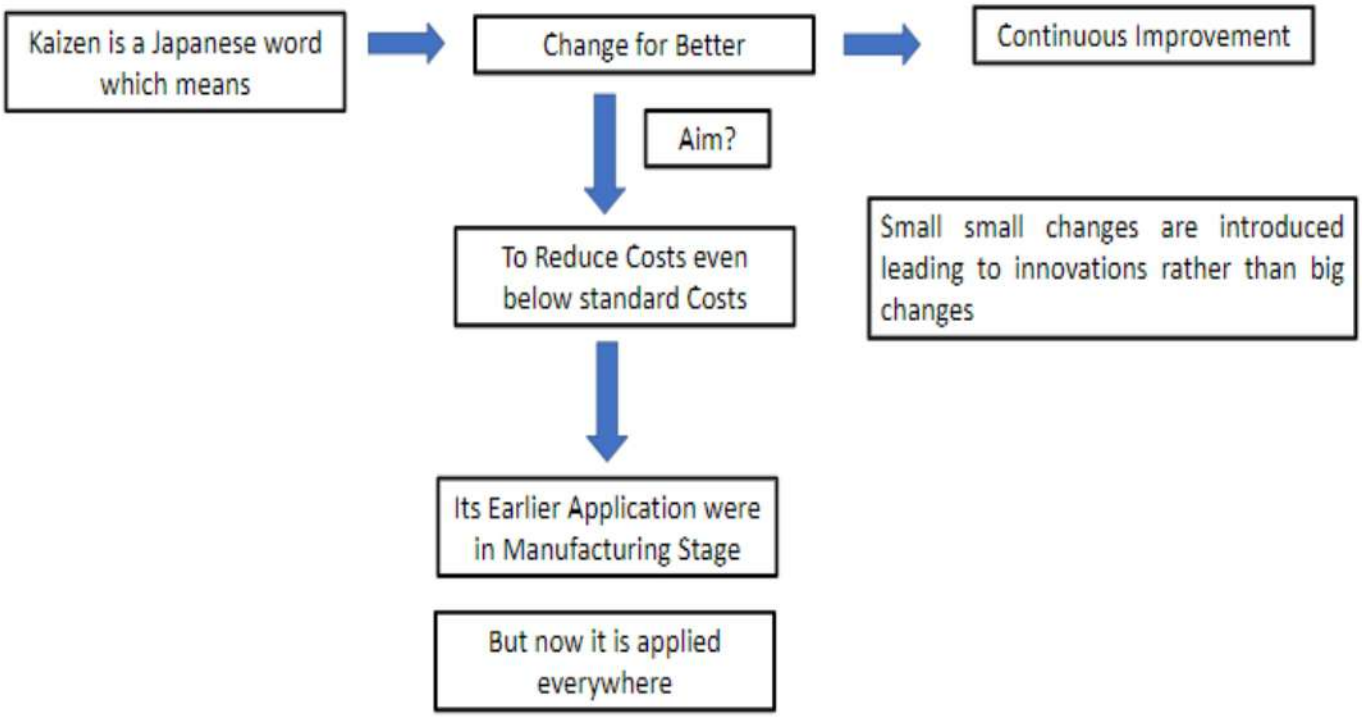
Options:

A. Kaizen
B. GenchiGembutsu
C. Poka Yoke
D. Muda
E. None of the above

Answer: (A) Kaizen

Explanation:

Kaizen is a Japanese term meaning "change for the better" or "continuous improvement." It is a Japanese business philosophy regarding the processes that continuously improve operations and involve all employees. Kaizen sees improvement in productivity as a gradual and methodical process.



Q.28) Which of the following is not part of Lean system?

Static or Current – Static
Subject – Costing
Difficulty Level – Easy
Topic –Lean System and Innovation

Options:

(a) Continuous improvement

(b) It is based on Push System

(c) Identify value

(d) Value stream Mapping

(e) None of the above

Answer: (B)

Explanation:

In this question, Principles of Lean Manufacturing have been discussed.

- **Identify Value:**
  1. A company needs to add value defined by its customers' needs.
  2. The value lies in the problem you are trying to solve for the customer for your customer is actively willing to pay
  3. Any other activity or process that doesn't bring value to the end product is considered waste.
- **Value Stream Mapping:**
  It must include all actions and people involved in the process of delivering the end product to the customer. By doing so, you will be able to identify what parts of the process bring no value.
- **Create Flow:**
  Developing a product/service will often include a cross-functional teamwork. Bottlenecks and interruptions may appear at any time.
  However, by breaking up work into smaller batches and visualizing the workflow, you will be able to easily detect and remove process roadblocks.
- **Create a Pull System:**
  In such a system the work is pulled only if there is a demand for it. This lets you optimize resources capacity and deliver products/services only if there is an actual need. Unnecessary Production when there is no demand on the market will lead to losses.
- **Continuous Improvement (Perfection):**
  Problems may occur at any of the previous steps. Therefore, you need to make sure that employees on every level are involved in continuously improving the process.

From the above, we can easily conclude that Lean is based on Pull System and not Push. Therefore, Answer is Option B.

Q.29) Which of the following is not the feature of budgetary control?

Static or Current – Static Subject – Costing Difficulty Level – Moderate Topic –Budgeting

Options:

A. Budgeting is a plan of action based on past performance and governed by rational judgment of factors that will influence the course of business in future.
B. For budgeting the organisational structure must be clearly defined and responsibility should be assigned to identifiable units within the organization
C. Budgeting does not facilitate in management by exception
D. Budgeting is quantifiable in monetary or quantity or both terms
E. All are correct

Answer: **C**

Explanation:

Budgeting: Budgeting is the process of designing, implementing and operating of budget. The main emphasis in budgeting process is the provision of resources to support plans which are being implemented. It is a means of coordinating the combined intelligence of an entire organisation into a plan of action based on past performance and governed by rational judgment of factors that will influence the course of business in the future.

The overall purpose of budgeting is to plan different phases of business operations, coordinate activities of different departments of the firm and to ensure effective control over it.

One of the major **advantages of Budgetary control** is to Economize management time by using the **management by exception principle.**

Management by exception is the practice of examining the financial and operational results of a business, and only bringing issues to the attention of management if results represent substantial differences from the budgeted or expected amount. For example, the company controller may be required to notify management of those expenses that are the greater of $10,000 or 20% higher than expected and therefore helps in **exercising budgetary control.**

Hence Answer is Option C.

Q.30) TPM does not include which of the following component?

Static or Current – Static
Subject – Costing
Difficulty Level – Moderate
Topic – Lean System and Innovation

Options

A. Preventive Maintenance
B. Breakdown Maintenance
C. Predictive Maintenance
D. Maintenance prevention
E. None of the above

Answer: B

Explanation:

Breakdown maintenance is maintenance performed on equipment that has broken down and is unusable.

TPM is a lean manufacturing philosophy that centres on achieving near-perfect production. The aims of TPM are high: no breakdowns, no small stops or slow running, no defects, and no accidents. It emphasizes **proactive and preventative maintenance** and **not the Breakdown maintenance** to maximize the lifespan and productivity of equipment.

As a result, answer is B.

Q.31) Which of the following statement is incorrect regarding KANBAN?

Static or Current – Static
Subject – **Costing**
Difficulty Level – Moderate
Topic – Lean System and Innovation

Options

A. Kanban card is a visual representation of a work item, tasks and its status
B. Kanban cards helps in tracking the progress from moment of 'to do' to 'done'
C. Number of Kanban cards in progress are increased over time
D. Kanban card Reduce the need for actual meetings
E. None of the above

Answer: C

Explanation:

A Kanban card is a visual representation of a work item. Translated from Japanese, it literally means a visual (kan) card (ban). It is a core element of the Kanban system as it represents work that has been requested or is already in progress.

One of Kanban's primary functions is to ensure a manageable number of active items are in progress at any one time. If there are no work-in-progress limits, you are not doing Kanban. Number of Kanban Cards in progress is limited as Kanban cards facilitate just-in-time delivery.

Q.32) Which of the following is not correct with respect to DMAIC

Static or Current – **STATIC**
Subject– **Costing**
Difficulty Level – **Easy**
Topic – **Lean System and Innovation**

Options:

(a) Measure
(b) Analyze
(c) Improve
(d) Correct
(e) Define

Answer: (d)

Explanation:

DMAIC refers to a data -driven quality strategy for improving processes and is an integral part of the company's Six Sigma Quality Initiative. **DMAIC is an acronym for five interconnected phases: Define, Measure, Analyze, Improve, and Control**.

Q.33) Which of the following is not a qualitative characteristic of accounting information?

Static or Current – Static
Subject – Commerce and Accounts
Difficulty Level – Easy
Topic – Introduction to Accounting

Options:

A. Accountability
B. Consistency
C. Verifiability
D. Relevance
E. Comparability

Answer: (a) Accountability

Explanation:

Qualitative characteristics of accounting information assist management, investors and accountants in making important decisions and predicting financial outcomes. Learning the different characteristics can help you understand how to produce accurate, reliable financial documents that can improve your company's financial well-being. Qualitative characteristics of accounting information are traits that allow financial professionals to more easily understand and make decisions on accounting reports.

There are various qualitative characteristic of Accounting Information:

1. Consistency: Consistency of method over a period of time is a valuable quality that makes accounting numbers more useful. Consistent use of accounting principles from one accounting period to another enhances the utility of financial statements to users by facilitating analysis and understanding of comparative accounting data.

2. Verifiability: To create accurate financial predictions, a company ensures that its financial information is verifiable. Verifiability involves authenticating financial information and calculations by using several independent sources to develop the same results.

3. Relevance: Relevance is closely and directly related to the concept of useful information Relevance implies that all those items of information should be reported that may aid the users in making decisions and/or predictions.

4. Comparability: Comparability is the degree to which accounting standards and policies are consistently applied from one period to another. Financial statements that are comparable, with consistent accounting standards and policies applied throughout each accounting period, enable users to draw insightful conclusions about the trends and performance of the company over time.

Accountability is the acceptance good or bad of your personal actions that contributed to attaining or failing to meet an intended goal. Hence, it doesn't help in accounting information, but it helps in management. **So, it is not a qualitative characteristic of accounting information.**

Q.34) Ind-AS 18 related to revenue recognition is dealing with _____

Static or Current – Static
Subject –Commerce and Accounts
Difficulty Level – Moderate
Topic – Accounting Standard for Revenue Recognition

Options:

A. Hire Purchase
B. Revenue arising from Leases
C. Contract
D. Revenue arising from Interest, Royalty, Dividend
E. None of the above

Answer: (D)

Explanation:

IND AS 18 Revenue Recognition sets the guidelines as to when to recognize the revenue arising from certain types of transactions and the accounting treatment of the same. Revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

Applicability of IND AS 18:

This Standard should be applied in accounting for revenue arising from the following transactions:

- Revenue arising from Sale of goods
- Revenue arising from Rendering of Services
- Revenue arising from Interest, Royalties or Dividends

Q.35) Which of the following is a Capital Expenditure?

Static or Current – Static
Subject –**Commerce and Accounts**
Difficulty Level – Easy
Topic –Accounting Standard for Property Plant and Equipment

Options:

1. Overhauling cost of Second-hand Machinery
2. Inauguration cost of new unit

3. Repainting of Van
4. Replacement cost of spare parts
5. Revenue from Insurance Business

Answer: (A)

Explanation:

Capital expenditure or capital expense is the money an organization or corporate entity spends to buy, maintain, or improve its fixed assets. If overhaul cost is incurred, it increases the useful life of the asset, so it is useful for many years. Hence, it is a capital expenditure.

Q.36) Which of the following is correct about buy back rules?

Static or Current – Static
Subject –Commerce and accounts
Difficulty Level – Moderate
Topic – Accounting for buy back of shares

Options:

A. No need to file declaration of solvency
B. No board approval required even if buy back up to10% of the total paid-up equity capital and free reserves of the company.
C. Can be done by issuing same kind of shares
D. No authorization in articles
E. The ratio of the aggregate of secured and unsecured debts owed by the company after buy-back shall not be more than twice the paid-up capital and its free reserves

Answer: E

Explanation:

A buyback of shares is buying back of own shares by a company that was issued earlier. It is a corporate action event wherein a company makes a public announcement for the buyback offer to acquire the shares from existing shareholders within a given timeframe. The company announces an offer price for the buyback that is generally higher than the current market price.
As per Section 68 of the Companies Act, 2013, The ratio of the aggregate of secured and unsecured debts owed by the company after buy-back shall not be more than twice the

paid-up capital and its free reserves. This ratio is also regarded as Debt-Equity Ratio.

Q.37) If the due date of a bill is after the date of closing the account, then we write the interest from the date of closing as _____ in the relevant side of the 'Account current

Static or Current – **Static**
Subject –**Commerce and Accounts**
Difficulty Level – **Moderate**
Topic – **Miscellaneous (Bills of Exchange)**

Options:

A. Red Ink Interest

B. Green Ink Interest

C. Black Ink Interest

D. Blue Ink Interest

E. Yellow Ink Interest

Answer: (A)

Explanation:

If the due date of a bill is after the date of closing the account, then we charge no interest for that. However, we write the interest from the date of closing to the due date in "Red-Ink" in the relevant side of the 'Account current'. This interest is known as Red-Ink interest. Red-ink interest is treated as negative interest.

Q.38) Which of the following is not a feature of debenture?

Static or Current – **Static**
Subject - **Commerce and Accounts**
Difficulty Level – **Moderate**
Topic – **Miscellaneous**

Options:

1. Can be issued at discount and redeemed at Premium
2. It is a part of Net Owned Capital
3. Interest on Debenture is charged to P&L Account

4. All of A, B and C

5. None of the above

Answer: (B)

Explanation:

Debenture is a part of borrowed capital. Debenture can be issued at discount, par and premium. When a company issues debenture, it is under an obligation to pay interest. Interest on Debenture is a charge against the profit of the company and must be paid whether the company has earned profit or not. So, it charged to Profit and Loss account. Debentures are not a part of net owned fund because Net owned Fund consists of paid-up equity capital, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of assets but not reserves created by revaluation of assets and do not include debentures.

Q.39) The rights are sold to somebody else at a price by the shareholder. What is this called?

Static or Current – Static
Subject – Commerce and Accounts
Difficulty Level – Easy
Topic – Accounting for Bonus Shares and Rights Issue

Options:

A. Repurchase of Rights

B. Restitution of Rights

C. Renunciation of Rights

D. Reversion of Rights

E. Resale of Rights

Answer: (C)

Explanation:

The **rights issue renunciation** is the transfer of the rights entitlements by a shareholder not willing to accept the rights offer and want to renounce the shares in favour of another person. This process of transfer or sale to another person is known as **the renunciation of**

rights. The person selling the rights entitlement is known as the renouncer and the person buying the rights entitlements is known as the renounce.

Q.40) Which of the following is not exceptional item in P&L Account?

Static or Current – **Static**
Subject –**Commerce and Accounts**
Difficulty Level – **Difficult**
Topic – **Miscellaneous (Introduction to Accounting)**

Options:

A. Profit or loss arises on disposal of fixed assets

B. Abnormal losses on long term contracts

C. Amount received in settlement of insurance claim

D. Write off of expenses capitalised on intangible assets other than amortization

E. Sales of an investment in subsidiary and associated companies

Answer: (E)

Explanation:

Exceptional items are costly events that have an impact on a company's bottom line but must not be misread as gains or losses in routine business operations. Exceptional items and extraordinary items are often confused, but they are recorded differently.

Para 14 of AS 5 gives certain examples of such exceptional items:

1. The write down of inventories to NRV
2. Disposal of items of fixed assets
3. Disposal of long-term investments
4. Legislative changes having retrospective application (e.g., increase in D.A. with retrospective effect after revision by Sixth Pay Central Commission)
5. Litigation Settlement.

   From the above, the following features of exceptional items can be deduced:

   A. Profit or loss arises on disposal of fixed asset.

   B. Abnormal losses on long term contract.

   C. Amount received in settlement of insurance claims

   D. Write off of expenditure capitalized on intangible assets other than amortization.

Hence, Sales of an investment in subsidiary and associated companies will not be considered as an Exceptional Item. As for this purpose separate financial statements are made.

Q.41) Which of the following is an intangible asset?

Static or Current – Static
Subject – Commerce and Accounts
Difficulty Level – Easy
Topic – Accounting Standard for Property Plant and Equipment

Options:

A. Railway Siding
B. Mining Rights
C. Leasehold Land
D. Cash
E. None of the above

Answer: (B)

Explanation:

Tangible assets are physical; they include cash, inventory, vehicles, equipment, buildings and investments. Intangible assets do not exist in physical form and include things like accounts receivable, pre-paid expenses, and patents and goodwill. Hence, Mining Rights is an intangible asset as they do not exist in physical form.

Q.42) Which of the following is an example of Commitment Item in the Balance Sheet?

Static or Current – Static
Subject –Commerce and Accounts
Difficulty Level – Difficult
Topic – Preparation and Presentation of Company Final Accounts

Options:

A. Arrears of dividend share
B. Guarantee
C. Undisclosed charges on Company
D. Dividend Declared after BSD and before AGM
E. Uncalled liability on shares and other investments partly paid

Answer: (D)

Explanation:

Commitment refers to the contractual obligations which are certain and independent in nature. If the commitments relate to the reporting period, they need to be disclosed in the balance sheet as liabilities and if commitments does not belong to the reporting period they needs to disclosed in notes to accounts.

Uncalled liability on shares and other investment partly paid. The uncalled amount on these shares is a commitment as it will have to be paid when called.

Q.43) Which of the following is correct regarding Cournot's Oligopoly Model?

Static or Current – Static
Subject – Economics
Difficulty Level – Difficult
Topic – Miscellaneous (Market Structure)

Options:

A. Cartel is non cooperative oligopoly
B. Game theory is applied to Cournot's Oligopoly model to determine the price output relationship
C. Firms decides its output based on the assumption that the rival firm comes up with constant output
D. Oligopoly is more competitive than perfect competition
E. Perfect competition allows only a few sellers.

Answer: (C)

Explanation:

The earliest duopoly model was developed in 1838 by the French economist Augustin Cournot. Cournot assumes that each duopolist believes that regardless of his actions and their effect upon market prices of the product, the rival firm will keep its output constant, that is it will go on producing the same amount of output which it is presently producing. In other words, for determining the output to be produced, he will not consider reactions of his rival in response to his variation in output and thus decides its level of output independently.

Q.44) Which of one of the following statement w.r.t LM curve is not correct?

Static or Current – Static
Subject – Economics
Difficulty Level – Moderate
Topic –IS-LM

Options:

A. LM Curve shift to left when money demand is increased

B. LM Curve shift to right when money supply is increased

C. High interest rate elasticity leads to steep LM curve

D. LM curve shifts in accordance with Liquidity Preference

E. None of the above

Answer: (C)

Explanation:

High interest rate elasticity leads to steep LM curve is incorrect statement.

The slope of LM curve depends upon the income elasticity for Demand for money and interest elasticity for Demand for money.

Conditions for Steeper LM Curve -More elastic Demand for money for income (larger income-elasticity) and Less elastic Demand for money for interest (lower interest-elasticity)

Conditions for Flatter LM Curve - Less responsive Demand for money for income (smaller income-elasticity) and More elastic Demand for money for interest (higher interest-elasticity)

Q.45) D= 12 – P; S= -3 + 4P, what is the equilibrium Point?

Static or Current – Static
Subject –Economics
Difficulty Level – Easy
Topic –Demand and Supply

Options:

a) Price = 3, Quantity = 9

b) Price = 3, Quantity = 6

c) Price = 3, Quantity = 12

d) Price = 4, Quantity = 12

e) Price = 2, Quantity = 4

Answer: (A)

Explanation:

Equilibrium in the market will be reached at the point where Demand = Supply

12-P=-3+4P

12+3 = 4P+P

15 = 5P

P = 3

D = 12 – P

D = 12 – 3 = 9

S = -3+4P

S= -3+ 4*3 = 9

Q.46) If the producers bear the tax, What is the elasticity of Demand and Supply?

Static or Current – STATIC Subject – Economics Difficulty Level – Difficult Topic – Demand and Supply

Options:

A. Taxation has no impact on the elasticity of the curve

B. Elastic Demand and Supply

C. Inelastic Supply and Elastic Demand

D. Inelastic supply and demand

E. None of the above

Answer: (c)

Explanation:

The tax incidence depends on the relative price elasticity of supply and demand. when demand is more elastic than supply, producers bear most of the cost of the tax.

If the producers bear the tax, Demand is elastic, and supply is inelastic that is why the producer cannot shift the impact of tax on the consumer.

Q.47) In 1991, if the GDP of America is = $5766 and the given GNP is $5796, then what are the possible reason

Static or Current – STATIC
Subject – Economics
Difficulty Level – Easy
Topic – National Income

Options:

A. Positive net factor income from abroad is added to GDP to get GNP
B. Negative net factor income from abroad is added to GDP to get GNP
C. Net factor income from abroad is added to GNP to get GDP
D. Positive net factor income from abroad is added to GNP to get GDP
E. None of the above

Answer: (A)

Explanation:

Gross Domestic Product does not include Net Factor Income from Abroad while Gross National Product include Net Factor Income from Abroad.

So, if Net Factor Income from Abroad is positive then only GNP can be greater than the GDP.

Q.48) "If Balance of payment is always balanced". What it means?

Static or Current – Static
Subject – Economics
Difficulty Level – Easy
Topic – Balance of Payments

Options:

A. Current account Surplus or Deficit is balanced by the Deficit or Surplus of the capital account in the accounting terms.

B. Current account Surplus or Deficit is more than the Deficit or Surplus of the capital account in the accounting terms

C. Imports and Exports are balance

D. Export of Services matches with the import

E. None of the above

Answer: (A)

Explanation:

From a balance of international payments point of view, a surplus on the current account would allow a deficit to be run on the capital account and vice versa. Current account Surplus or Deficit is balanced by the Deficit or Surplus of the capital account in the accounting terms.

For example, surplus foreign currency can be used to fund investment in assets located overseas. Also, if a country has a current account deficit (trade deficit), it will borrow from abroad.

Q.49) NBFCs can accept public deposits upto how many months?

Static or Current – **STATIC**
Subject –**Economics**
Difficulty Level **– EASY**
Topic – **Non-Banking Financial Companies**

Options:

(a) 12

(b) 24

(c) 36

(d) 48

(e) 60

Answer: (e) 60 days

Explanation:

- The NBFCs are allowed to accept/renew public deposits for a minimum period of 12 months and maximum period of 60 months. **They cannot accept deposits repayable on demand.**
- NBFCs cannot offer interest rates higher than the ceiling rate prescribed by RBI from time to time. The present ceiling is 12.5 per cent per annum. The interest may be paid or compounded at rests not shorter than monthly rests.
- NBFCs cannot offer gifts/incentives or any other additional benefit to the depositors.
- NBFCs should have minimum investment grade credit rating.
- The deposits with NBFCs are not insured.
- The repayment of deposits by NBFCs is not guaranteed by RBI.

Q.50) Which of the following is not the characteristic of NBFCs?

Static or Current – **STATIC**
Subject –**Economics**
Difficulty Level **– EASY**
Topic – **Non-Banking Financial Companies**

Options:

(a) NBFCs cannot accept Demand deposit from the NRIs
(b) They need not maintain the CRR and SLR as prescribed by RBI
(c) The deposits taken by NBFCs are secured by DICGC
(d) NBFCs do not form part of the payment and settlement system of the country
(e) They cannot issue cheques drawn on itself

Answer: (c) The deposits taken by NBFCs are secured by DICGC, this statement is incorrect

Explanation:

Deposit insurance is insurance for deposits held by customers in a bank. It is provided by the Deposit Insurance and Credit Guarantee Corporation (DICGC). It includes commercial public banks and small finance banks. Company deposits are not included in the deposit insurance. Non-banking financial companies (NBFCs) do not come under its umbrella. **All your deposits in a bank are covered for up to Rs. 5 lakhs.**

Question Paper Analysis

1. Overall Analysis

The question number marked in below table refers to the same question number in the upper part of this document where we have listed down questions in detail. So, in case you want to refer to the original question please refer it using the question number in the table

Question No.	Subject	Topic	Level	Remarks
1	Finance	**Miscellaneous - Basics of Derivatives (Options)**	Moderate	
2	Finance	Basics of Derivatives (Forward, Future and Swaps)	Moderate	
3	Finance	Functions of RBI	Easy	
4	Finance	Miscellaneous - Mutual Funds	Easy	
5	Finance	Financial Institutions NABARD, SIDBI, EXIM, NHB, IRDAI and SEBI	Easy	
6	Finance	NA	Easy	Part of Current Affairs
7	Finance	NA	Moderate	Part of Current Affairs
8	Management	Leadership	Easy	
9	Management	Leadership	Moderate	
10	Management	Motivation	Easy	
11	Management	General Management	Moderate	
12	Management	General Management	Moderate	
13	Management	General Management	Difficult	
14	Management	Communication	Difficult	
15	Management	HRD	Easy	
16	Companies Act	Chapter XII-Meeting of Board of Directors (Section 172-183)	Easy	
17	Companies Act	Chapter X – Audit and Auditors	Easy	
18	Companies Act	Chapter XXVII – NCLT and NCLAT	Easy	
19	Companies Act	Chapter III – Prospectus & Allotment of Securities	Easy	
20	Companies Act	Chapter IV Share Capital and Debentures	Easy	
21	Companies Act	Chapter VIII Declaration and Payment of Dividend	Easy	

22	Companies Act	Chapter XII -Meeting of Boards of Directors (Section 172-183)	Easy	
23	Companies Act	Chapter XI Appointment of Auditors (Section 149 to 160)	Easy	
24	Costing	Overview of Cost and Management Accounting	Easy	
25	Costing	Lean System and Innovation	Easy	
26	Costing	Overview of Cost and Management accounting	Easy	
27	Costing	Lean System and Innovation	Easy	
28	Costing	Lean System and Innovation	Easy	
29	Costing	Budgeting	Moderate	
30	Costing	Lean System and Innovation	Moderate	
31	Costing	Lean System and Innovation	Moderate	
32	Costing	Lean System and Innovation	Easy	
33	Commerce and Accountancy	Introduction to Accounting	Easy	
34	Commerce and Accountancy	Accounting Standard for Revenue Recognition	Moderate	
35	Commerce and Accountancy	Accounting Standard for Property Plant and Equipment	Easy	
36	Commerce and Accountancy	Accounting for Buyback of shares	Moderate	
37	Commerce and Accountancy	**Miscellaneous (Bill of Exchange)**	Moderate	
38	Commerce and Accountancy	**Miscellaneous**	Moderate	
39	Commerce and Accountancy	Accounting for Bonus Shares and Right Issue	Easy	
40	Commerce and Accountancy	**Miscellaneous (Introduction to Accounting)**	Difficult	
41	Commerce and Accountancy	Accounting Standard for Property Plant and Equipment	Moderate	
42	Commerce and Accountancy	Preparation and Presentation of Company Final Account	Difficult	
43	Economics	Market Structure	Difficult	
44	Economics	IS-LM Curve	Moderate	
45	Economics	Demand and supply	Easy	
46	Economics	Demand and supply	Difficult	
47	Economics	National Income	Easy	
48	Economics	Balance of Payment	Easy	
49	Economics	Non-Banking Financial Companies	Easy	
50	Economics	Non-Banking Financial Companies	Easy	

1. Miscellaneous Questions

There are some questions (**marked as Miscellaneous in above table**).

1. One which could not be mapped directly to syllabus, but they were either from the basic topics or topics indirectly linked to syllabus. All these topics were covered in EduTap course
2. Second which were out of syllabus and could not be even remotely linked to Syllabus. One cannot prepare for such questions as otherwise there is no end to topics

There were 4 Miscellaneous Question (Q.1, 37, 38 & 40). Out of these, Q.1, 37 and 40 are type 1 and Q.38 is type 2.

2. Number of Questions Asked from Each Subject

Subject	Number of Questions
Economics	8
Commerce and Accounts	10
Costing	9
Finance	7
Management	8
Company Law	8

1. 4 Questions were no way related to syllabus. Point to note is that these questions were easy and many who did not prepare for the exam at all could also score in these questions as they form part of Basics of the core subject except Q.38. But one cannot prepare for such questions as then the **preparation will become infinite.**
2. Overall, a balanced paper as all the sections were given due importance
3. Overall, the exam was of moderate to difficult level as the type of questions asked with confusing options makes the paper weird, but one is required only qualifying marks which could be easily managed

3. Number of Questions Segregated into Easy, Moderate and Difficult

Difficulty Level	Number of Questions
Easy	29
Moderate	15
Difficult	6

Takeaway: Though paper was weird as unexpected questions were asked, but still it was on easier side. Once could easily get qualifying marks

4. Weightage of Numerical Asked

Numerical	
Subject	**Number of Numerical**
Finance	0
Costing	0
Commerce and Accounts	0

Takeaway: 0 numerical was asked in the exam. But if we see Paper 2 of Phase 2, then numerical are asked there. Next time even in Phase 1- Paper 2 they can ask numerical. Moreover, there shall be integrated preparation for Phase 1 and Phase 2 to prepare for all scenarios

5. Subject wise Analysis

A. Economic Section Analysis

Economics				
Q. No.	**Subject**	**Number of Questions**	**Difficulty Level**	**Remarks**
43	Economics	Market Structure	Difficult	
44	Economics	IS-LM Curve	Moderate	
45	Economics	Demand and supply	Easy	
46	Economics	Demand and supply	Difficult	
47	Economics	National Income	Easy	
48	Economics	Balance of Payment	Easy	
49	Economics	Non-Banking Financial Companies	Easy	
50	Economics	Non-Banking Financial Companies	Easy	

Take Way

1. Overall, 8 questions were asked, and a majority (5) of them were easy. But majority of question were also application based and required a strong conceptual understanding. In the previous year, Economics was not given a due weightage in the exam but this year, the level of the question were really good and over all a justice was done with the subject.
2. Students need to take the subject seriously and need to have a strong conceptual understanding for Phase 2 Paper.

B. Commerce and Accounts Section Analysis

Q. No.	**Topic**	**Number of Questions**	**Difficulty Level**	**Remarks**
33	Commerce and Accountancy	Introduction to Accounting	Easy	
34	Commerce and Accountancy	Accounting Standard for Revenue Recognition	Moderate	
35	Commerce and Accountancy	Accounting Standard for Property Plant and Equipment	Easy	
36	Commerce and Accountancy	Accounting for Buyback of shares	Moderate	
37	Commerce and Accountancy	**Miscellaneous (Bill of Exchange)**	Moderate	
38	Commerce and Accountancy	**Miscellaneous**	Moderate	
39	Commerce and Accountancy	Accounting for Bonus Shares and Right Issue	Easy	
40	Commerce and Accountancy	**Miscellaneous (Introduction to Accounting)**	Difficult	
41	Commerce and Accountancy	Accounting Standard for Property Plant and Equipment	Moderate	
42	Commerce and Accountancy	Preparation and Presentation of Company Final Account	Difficult	

Take Way

1. Good Number of Questions Asked and were Moderate to difficult level
2. No numerical asked but then we cannot leave numerical as lot of them were asked in paper 2 phase 2. They can be asked in Phase 1 paper 2 next time
3. Questions asked were conceptual and not factual. One requires good understanding of Concepts
4. Many Questions marked as Miscellaneous above could not be tagged to syllabus directly.

C. Costing Section Analysis

Costing				
Q. No.	**Topic**	**Number of Questions**	**Difficulty Level**	**Remarks**
24	Costing	Overview of Cost and Management Accounting	Easy	
25	Costing	Lean System and Innovation	Easy	
26	Costing	Overview of Cost and Management accounting	Easy	
27	Costing	Lean System and Innovation	Easy	
28	Costing	Lean System and Innovation	Easy	
29	Costing	Budgeting	Moderate	
30	Costing	Lean System and Innovation	Moderate	
31	Costing	Lean System and Innovation	Moderate	
32	Costing	Lean System and Innovation	Easy	

Take Way

1. 9 Questions Asked. Justice not done with syllabus as 6 questions were only from 1 topic.
2. No Question asked from methods of costing such as Process costing, Job Costing, Unit Costing etc.
3. No numerical asked but then we cannot leave numerical as lot of them were asked in paper 2 phase 2. They can be asked in Phase 1 paper 2 next time
4. Questions asked were conceptual and on easier side and not factual

D. Finance Section Analysis

Finance				
Q. No.	**Topic**	**Number of Questions**	**Difficulty Level**	**Remarks**
1	Finance	**Miscellaneous - Basics of Derivatives (Options)**	Moderate	
2	Finance	Basics of Derivatives (Forward, Future and Swaps)	Moderate	
3	Finance	Functions of RBI	Easy	
4	Finance	Miscellaneous - Mutual Funds	Easy	
5	Finance	Financial Institutions NABARD, SIDBI, EXIM, NHB, IRDAI and SEBI	Easy	
6	Finance	NA	Easy	Part of Current Affairs
7	Finance	NA	Moderate	Part of Current Affairs

Take Way

1. Questions **were generic and easy**
2. No Numerical asked but then we cannot leave numerical as lot of them were asked in paper 2 phase 2. They can be asked in Phase 1 paper 2 next time
3. No hard-core factual Question
4. Emphasis on SEBI Circular was given as one question (Q.6) was directly from the recent circular and Other (Q.7) - though covers the static part of AIF but its origin can be traced to a recent SEBI Circular.

E. Management Section Analysis

Management				
Q. No.	**Topic**	**Number of Questions**	**Difficulty Level**	**Remarks**
8	Management	Leadership	Easy	
9	Management	Leadership	Moderate	
10	Management	Motivation	Easy	
11	Management	General Management	Moderate	
12	Management	General Management	Moderate	
13	Management	General Management	Difficult	
14	Management	Communication	Difficult	
15	Management	HRD	Easy	

Take Way

1. All conceptual questions with application-based option. One needs to have a complete conceptual clarity. Questions were not generic as it used to be.

2. 3 questions are marked as Miscellaneous which are not part of any standard source and require a lot of research in order to cover them. As a result, two of them were not covered and one require strong analytical skill and understanding of the concept.
3. Overall, section requires strong understanding with knowledge of keywords/characteristics related to the topic.

F. Company Law Section Analysis

Q. No.	Topic	Number of Questions	Difficulty Level	Remarks
16	Companies Act	Chapter XII-Meeting of Board of Directors (Section 172-183)	Easy	
17	Companies Act	Chapter X – Audit and Auditors	Easy	
18	Companies Act	Chapter XXVII – NCLT and NCLAT	Easy	
19	Companies Act	Chapter III – Prospectus & Allotment of Securities	Easy	
20	Companies Act	Chapter IV Share Capital and Debentures	Easy	
21	Companies Act	Chapter VIII Declaration and Payment of Dividend	Easy	
22	Companies Act	Chapter XII -Meeting of Boards of Directors (Section 172-183)	Easy	
23	Companies Act	Chapter XI Appointment of Auditors (Section 149 to 160)	Easy	

Take Way

1. No Section number asked. But they can be asked in Phase 2 Paper 2, so we cannot leave section numbers altogether
2. All the Questions were basic and easy. You just need simple factual knowledge.
3. Complete justification of Syllabus as entire width of the syllabus was covered.

6. Closing Comments

1. Overall, the level of paper was moderate.
2. One needs to have strong understanding of the concepts as a lot of questions were application based.
3. Based on the analysis of SEBI previous year papers and this exam, it can be concluded that SEBI always add 2-3 question which seems out of syllabus. One should not judge the entire paper based on just these 2-3 questions.
4. Also, this year, SEBI asked a few questions which maps to the syllabus part but requires a lot of research. But in the end Phase 1 is qualifying and one can easily manage by skipping these questions.