

SEBI GRADE A 2020

PHASE 2 PAPER 2

Memory Based Paper and Analysis





EduTap Hall of Fame



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198 Selections Out of 257



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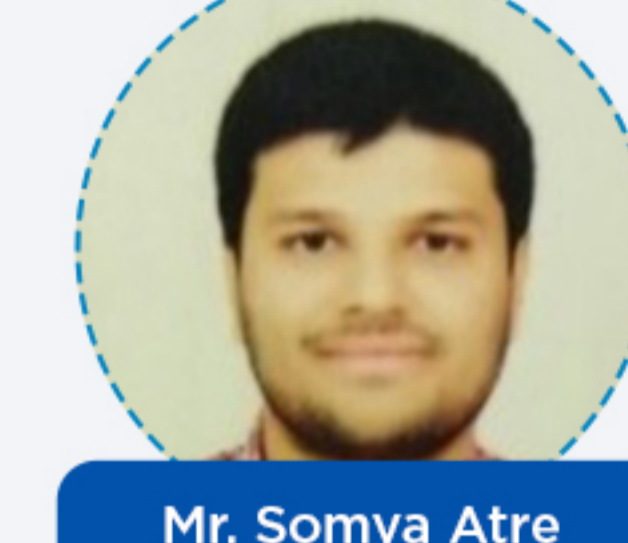
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SEBI Grade A 2022

58 Selections Out of 80



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Vivek Sharma



Shweta Meena

Q.1) If demand curve is negatively sloped, then Law of demand says that quantity demanded is related with _____

Static or Current – **STATIC**
Subject – **ECONOMICS**
Difficulty Level – **EASY**
Topic – **Demand and Supply**

Options:

- (a) Market
- (b) Price
- (c) People
- (d) Both A and B
- (e) None of the above

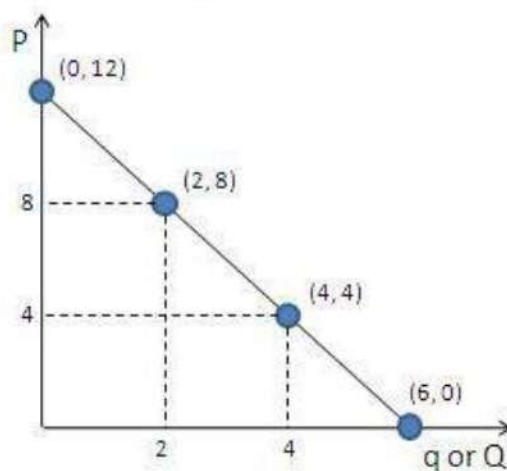
Answer: (b) Price

Explanation:

The demand curve is downward sloping, indicating the negative relationship between the price of a product and the quantity demanded.

The demand curve slopes downwards because as we lower the price of x , the demanded starts growing. At a lower price, purchasers have an extra income to spend on buying the same good, so they can buy greater of it. This ends in an inverse relationship between price and demand.

| Price | Quantity Demanded |
|-------|-------------------|
| \$12 | 0 |
| \$8 | 2 |
| \$4 | 4 |
| \$0 | 6 |



Q.2 The Phillips Curve is a relationship between _____

Static or Current – **STATIC**
Subject – **Economics**
Difficulty Level – **EASY**
Topic – **Inflation and Unemployment**

Options:

- (a) Inflation and unemployment
- (b) Inflation and quantity demand
- (c) Quantity demand and price
- (d) Demand and Supply
- (e) None of the above

Answer: (a) Inflation and unemployment

Explanation:

The inverse relationship between unemployment rate and inflation when graphically charted is called the Phillips curve. William Phillips pioneered the concept first in his paper "The Relation between Unemployment and the Rate of Change of Money Wage Rates in the United Kingdom, 1861-1957,' in 1958.

Q.3) From the following, select the correct phase of business cycle.

Static or Current – **STATIC**
Subject - **Economics**
Difficulty Level – **EASY**
Topic – **Business Cycle**

Options:

- (a) **Expansion, Recession, Trough, Recovery**
- (b) **Recession, Trough, Recovery, Expansion**
- (c) **Trough, Recession, Expansion, Recovery**
- (d) **Recovery, Expansion, Recession, Trough**
- (e) **Recession, Expansion, Trough, Recovery**

Answer: (a) Expansion, Recession, Trough, Recovery

Explanation:

The correct phase of a business cycle is Expansion, Recession, Trough, Recovery

Q.4) Calculate the amount of net profit from the following.

The Nifty Option Contract has 75 shares per lot. A person bought a call option on Nifty for 10 lots. The premium per share was Rs 50. He exited the option contract when the premium per share was Rs 80. In the whole transaction his total expenses were Rs 225.

Static or Current – **STATIC**

Subject - **Finance**

Difficulty Level – **Medium**

Topic – **Derivatives (Options) (Options not part of syllabus but covered in EduTap's Course)**

Options:

- (a) Rs 22500
- (b) Rs 22275
- (c) Rs 22050
- (d) Rs 22000
- (e) None of Above

Answer: (b) Rs 22275

Explanation:

Total amount spent while buying the option = $\text{Rs } 50 * 10 * 75 = \text{Rs } 37500$

Total amount realized when exiting the option = $\text{Rs } 80 * 10 * 75 = \text{Rs } 60000$

Gross Profit from the option contract = $\text{Rs } 60000 - \text{Rs } 37500 = \text{Rs } 22500$

Less: Other Expenses = Rs 225

Net Profit on the option contract = $\text{Rs } 22500 - \text{Rs } 225 = \text{Rs } 22275$

Q.5) If a hotel provides complimentary breakfast to its guests, then what kind of supply is this in the context of GST?

Static or Current – **Static and/or Current**

Subject – **FINANCE**

Difficulty Level – **DIFFICULT**

Topic – **GST**

Options:

- a) Composite Supply
- b) Mixed Supply
- c) Exempt Supply
- d) No Supply
- e) None of the above

Answer: (a) Composite Supply

Explanation:

It is a composite supply in the context of GST.

Composite supply consists of two or more goods/services, which is naturally supplied with each other in the ordinary course of business and one of them is a principal supply. The items cannot be supplied separately.

Note: Principal supply means the supply of goods or services, which constitute the predominant element of a composite supply and to which another supply is ancillary/secondary.

Following two conditions are necessary for composite supply:

- (a) Supply of two or more goods or services together, AND
- (b) It should be a natural bundle and they cannot be separated.

In this question, it is a composite supply as the package of accommodation facilities and breakfast is a natural combination in the ordinary course of business for a hotel. In this case, the hotel accommodation is the principal supply, and breakfast is ancillary to the hotel accommodation.

Q.6) Who among the following appoints the special auditor?

Static or Current – **Static and/or Current**

Subject – **COMPANY LAW**

Difficulty Level – **DIFFICULT**

Topic – **Miscellaneous** (Wrong Question from Old Company law of 1956)

Options:

- a) Board of Directors
- b) CAG

- c) Central Government
- d) SEBI
- e) None of the above

Answer: (c) Central Government

NOTE: This question has no relevance. This question is a part of Section 233A of the Companies Act, 1956. There is no mentioning of Special Audit or Special Auditor under the Companies Act, 2013.

Link for verification – Refer page no 122 of the following hyperlink

https://www.mca.gov.in/Ministry/pdf/Companies_Act_1956_13jun2011.pdf

Q.7) Which of the following does not appear in Cash Budget?

| |
|--|
| Static or Current – STATIC Subject – COSTING Difficulty Level – EASY Topic – BUDGET AND BUDGETARY CONTROL |
|--|

Options:

- (a) Collection from Debtors
- (b) Depreciation
- (c) Cash Sales
- (d) Cash Disbursement
- (e) None of the above

Answer: (b) Depreciation

Explanation:

A cash budget is a company's estimation of cash inflows and outflows over a specific period of time, which can be weekly, monthly, quarterly, or annually. A company will use a cash budget to determine whether it has sufficient cash to continue operating over the given time frame.

The cash budget represents a detailed plan of future cash flows and is composed of four elements: cash receipts, cash disbursements, net change in cash for the period, and new financing needed.

Depreciation is not a part of Cash Budget

Q.8) The Auditor can be removed before expiry of his term by which of the following?

Static or Current – **CURRENT and/or STATIC**

Subject – **COMPANY LAW**

Difficulty Level – **MODERATE**

Topic – **AUDIT AND AUDITORS**

Options:

- (a) Board of Directors
- (b) Shareholders
- (c) Central Government
- (d) SEBI
- (e) NONE OF THE ABOVE

Answer: (b) Shareholders

Explanation:

Section 140 of the Act permits removal of auditor before completion of his term and contains procedure for the same. As per sub-section (1) of section 140, the auditor appointed under section 139 may be removed from his office before the expiry of his term only by a special resolution of the company, after obtaining the previous approval of the Central Government in that behalf.

Q.9) What is difference between M1 and M3 in money supply in India?

Static or Current – **STATIC**

Subject – **ECONOMICS**

Difficulty Level – **MODERATE**

Topic – **Demand and Supply of Money**

Options:

- (a) Savings deposits with the Post Office savings bank
- (b) Currency with the public
- (c) Other deposits with RBI
- (d) Time Deposits with the banking system
- (e) None of the above

Answer: (d) Time Deposits with the banking system

Explanation:

$M1 = \text{Currency with the public} + \text{Demand deposits with the banking system} + \text{'Other' deposits with the RBI}$

$M3 = M1 + \text{Time deposits with the banking system}$

$= \text{Net bank credit to the Government} + \text{Bank credit to the commercial sector} + \text{Net foreign exchange assets of the banking sector} + \text{Government's currency liabilities to the public} - \text{Net non-monetary liabilities of the banking sector}$

Q.10) Income and employment as per Keynes theory is determined by _____

Static or Current – **STATIC**

Subject – **ECONOMICS**

Difficulty Level – **EASY**

Topic – **Classical and Keynesian Approach to Determination of Output and Employment**

Options:

- (a) Price
- (b) Aggregate Supply
- (c) Aggregate Demand
- (d) Effective Demand
- (e) NONE OF THE ABOVE

Answer: (d) Effective Demand

Explanation:

In the Keynesian theory, employment depends upon effective demand. Effective demand results in output. Output creates income. Income provides employment. Since Keynes assumes all these four quantities, viz., effective demand (ED), output (Q), income (Y) and employment (N) equal to each other, he regards employment as a function of income.

Effective demand is determined by two factors, the aggregate supply function, and the aggregate demand function. The aggregate supply function depends on physical or technical conditions of production which do not change in the short run.

Q.11) Which section of the Companies Act gives power to SEBI to issue of capital and transfer of shares?

Static or Current – **STATIC**

Subject – **COMPANY LAW**

Difficulty Level – **MODERATE**

Topic – **PROSPECTUS AND ALLOTMENT OF SECURITIES (CHAPTER III PART-I)**

Options:

- (a) Section 24
- (b) Section 47
- (c) Section 144
- (d) Section 182
- (e) Section 8

Answer: (a) Section 24

Explanation:

Section 24 of the Companies Act 2013 gives power to SEBI to issue of capital and transfer of shares

Q.12) Open Interest indicates _____

Static or Current – **STATIC**

Subject – **FINANCE**

Difficulty Level – **MODERATE**

Topic – **DERIVATIVES (FUTURES & Forwards)**

Options:

- (a) The number of long contracts
- (b) The number of short contracts
- (c) The number of contracts outstanding
- (d) The number of contracts settled
- (e) None of the above

Answer: (c) The number of contracts outstanding

Explanation:

Open interest is the total number of outstanding derivative contracts, such as options or futures that have not been settled for an asset. The total open interest does not count, and total every buy and sell contract. Instead, open interest provides a more accurate picture of the options trading activity, and whether money flows into the futures and options market are increasing or decreasing.

Q.13) 8000 units were introduced in the process. 5% is the normal loss. 6600 units were transferred to next process. WIP is 1000 units which is 60% complete. Find the Equivalent Units.

Static or Current – **STATIC**
Finance or Management – **COSTING**
Difficulty Level – **Moderate**
Topic – **PROCESS COSTING**

Options:

- (a) 6200 units
- (b) 7600 units
- (c) 7200 units
- (d) 6800 units
- (e) 6300 units

Answer: (c) 7200 units

Explanation:

Input – 8000 units

Normal Loss – $5\% * 8000 \text{ units} = 400 \text{ units}$

Balance Units = 7600 units

Transferred units = 6600 units

WIP = 1000 units

Completed WIP units = $60\% * 1000 = 600 \text{ units}$

Equivalent units = 6600 units + 600 units = 7200 units

Q.14) Calculate the total machine cost from the following

Machine Cost = Rs 15 lakh

Cartage = Rs 2000

Freight = Rs 25000

Installation = Rs 40000

Testing = Rs 18000

Static or Current – **STATIC**

Subject – **Commerce and Accounts**

Difficulty Level – **MODERATE**

Topic – **Accounting Standard on Property Plant and Equipment**

Options:

- (a) Rs 15.67 lakh
- (b) Rs 15.27 lakh
- (c) Rs 15.85 lakh
- (d) Rs 15.45 lakh
- (e) None of the above

Answer: (c) Rs 15.85 lakh

Explanation:

All the given costs form a component of the total cost of machine and would be included in the total cost incurred. Adding all the given costs, the total cost of a machine = Rs 15.85 lakh

Q.15) Sales unit is 162500. Total Actual Cost is Rs 3 lakhs. Actual Fixed Cost is Rs 87000 (in line with budgeted cost). Total Actual Cost is Rs 18000 more than the budgeted cost. Find the Budgeted Variable Cost per unit.

Static or Current – **STATIC**

Subject – **COSTING**

Difficulty Level – **MODERATE**

Topic – **BUDGET AND BUDGETARY CONTROL**

Options:

- (a) 2.27
- (b) 1.74
- (c) 2.43
- (d) 1.20
- (e) 1.42

Answer: (d) 1.20

Explanation:

Total Actual Cost = Rs 3,00,000

Difference between Total Actual Cost and Budgeted Actual Cost = Rs 18,000

Budgeted Actual Cost = Rs 3,00,000 – Rs 18,000 = Rs 2,82,000

Less: Budgeted Fixed Cost = Rs 87,000

Budgeted Variable Cost = Rs 1,95,000

Therefore, Budgeted Variable Cost per unit = Budgeted Variable Cost / Sales units = Rs 1,95,000 / 162500 units = Rs 1.2 / unit

Q.16) The Selling price per unit is Rs 40. The P/V Ratio is 40%. The amount of fixed costs = Rs 60,000. Find the BEP in units.

Static or Current – **STATIC**
Subject – **COSTING**
Difficulty Level – **EASY**
Topic – **MARGINAL COSTING**

Options:

- (a) 3750 units
- (b) 3250 units
- (c) 3500 units
- (d) 3675 units
- (e) 3720 units

Answer: (a) 3750 units

Explanation:

Selling price per unit = Rs 40

P/V Ratio = 40%

Therefore, Variable cost per unit = Rs 40 * 60% = Rs 24

Contribution per unit = Rs 40 – Rs 24 = Rs 16

Fixed Costs = Rs 60,000

Therefore, BEP in units = Fixed Costs / Contribution per unit = Rs 60,000 / Rs 16 = 3750 units

Q.17) MRP II is a type of _____

Static or Current – **STATIC**
Subject – **COSTING**
Difficulty Level – **Difficult**

Topic – Lean System and Innovation

Options:

- (a) Production Design Technique
- (b) Selling and Distribution Development Technique
- (c) Price Reduction Technique
- (d) Efficient Marketing Technique
- (e) None of the above

Answer: (a) Production Design Technique

Explanation:

Manufacturing Resource Planning (MRP II) is a computer-based system that can create detailed production schedules using real-time data to coordinate the arrival of component materials with machine and labor availability. MRP II is used widely by itself, but it's also used as a module of more extensive enterprise resource planning (ERP) systems.

MRP II is an extension of the original materials requirements planning (MRP I) system. Materials requirements planning (MRP) is one of the first software-based integrated information systems designed to improve productivity for businesses.

A materials requirement planning information system is a sales forecast-based system used to schedule raw material deliveries and quantities, given assumptions of machine and labor units required to fulfill a sales forecast.

Q.18) Roles and Responsibilities of Forward Market Commission duties are transferred to _____

Static or Current – **STATIC**

Subject – **FINANCE**

Difficulty Level – **Easy**

Topic – **DERIVATIVES (FUTURES & FORWARDS)**

Options:

- (a) SEBI
- (b) RBI
- (c) SBI
- (d) NPCI
- (e) None of the above

Answer: (a) SEBI

Explanation:

The Forward Markets Commission (FMC) was the chief regulator of commodity futures markets in India. As of July 2014, it regulated Rs 17 trillion worth of commodity trades in India. On 28 September 2015 the FMC was merged with the Securities and Exchange Board of India (SEBI) to make the regulation of commodity futures market strong.

Q.19) Reduction of share capital can be done with the approval of _____

Static or Current – **STATIC**
Subject – **COMPANY LAW**
Difficulty Level – **Easy**
Topic – **SHARE CAPITAL AND DEBENTURES**

Options:

- (a) SEBI
- (b) Board of Directors
- (c) Central Government
- (d) Special Resolution
- (e) None of the above

Answer: (d) Special Resolution

Explanation:

According to Section 66 of the Companies Act, 2013, Subject to confirmation by the Tribunal on an application by the company, a company limited by shares or limited by guarantee and having a share capital may, by a special resolution, reduce the share capital in any manner.

Q.20) Stock Price is Rs 60. The Initial Margin is 40% and Maintenance Margin is 20%. At what price the Margin Call would be made?

Static or Current – **STATIC**
Subject – **FINANCE**
Difficulty Level – **HARD**
Topic – **DERIVATIVES (FUTURES & FORWARD)**

Options:

- (a) Rs 24
- (b) Rs 36
- (c) Rs 48
- (d) Rs 45
- (e) None of Above

Answer: (D) Rs 45

Explanation:

Initial margin is the amount required by the exchange to initiate a futures position. While the exchange sets the margin amount, your broker may be required to collect additional funds for deposit. Maintenance margin is the minimum amount that must be maintained at any given time in your account.

A margin call is a demand from a brokerage firm to a customer to bring margin deposits up to the initial or original margin levels to maintain the existing position. A margin call typically occurs when an adverse move against the customer's position transpires.

We will be using the textbook method for solving this question,

Formula is for the same is

$$\text{Margin Call Price} = \text{Initial Purchase Price} \times \frac{1 - \text{Initial Margin}}{1 - \text{Maintenance Margin}}$$

If you put all the values in the formula, you will get

$$\text{Margin Call Price} = 60 \times \frac{1 - 0.40}{1 - 0.20}$$

$$\text{Which will be, } 60 \times \frac{0.60}{0.80} = \text{Rs. 45}$$

So, an investor will get the margin call at Rs. 45, therefore Option D is correct.

Q.21) What kind of a role the manager is performing when he is representing the company in all the industry meetings?

Options:

- (a) Monitor
- (b) Disseminator
- (c) Spokesperson
- (d) Figurehead

(e) None of the above

Answer: (c) Figurehead

Explanation:

The role here of a manager is that of a Figurehead. He is present in the meeting as a ceremonial figure. Some people might answer it as Spokesperson which is debatable but spokesperson is like a one who interacts with the media and acts as a mediator in case of conflict. If Anil Ambani goes to the meeting conducted by **ASSHOCAM** then he is acting as figurehead

Spokesperson – Managers represent and speak for their organization. In this role, you're responsible for transmitting information about your organization and its goals to the people outside it.

Monitor – In this role, you regularly seek out information related to your organization and industry, looking for relevant changes in the environment. You also monitor your team, in terms of both their productivity, and their well-being.

Disseminator – This is where you communicate potentially useful information to your colleagues and your team.

Figurehead – As a manager, you have social, ceremonial and legal responsibilities. You're expected to be a source of inspiration. People look up to you as a person with authority, and as a figurehead.

Mintzberg published his Ten Management Roles in his book, "Mintzberg on Management: Inside our Strange World of Organizations," in 1990.

The ten roles are:

1. Figurehead.
2. Leader.
3. Liaison.
4. Monitor.
5. Disseminator.
6. Spokesperson.
7. Entrepreneur.
8. Disturbance Handler.
9. Resource Allocator.
10. Negotiator.

Q.22) If a manager informs employees of policies and related stuff, then the role played by him is that of a _____

Static or Current – **STATIC**
Subject – **MANAGEMENT**
Difficulty Level – **EASY**
Topic – **GENERAL MANAGEMENT**

Options:

- (a) Leader
- (b) Liaison
- (c) Resource Allocator
- (d) Disseminator
- (e) Spokesperson

Answer: (d) Disseminator

Explanation:

The role here of a manager is that of a Disseminator

Disseminator – This is where you communicate potentially useful information to your colleagues and your team.

Leader – This is where you provide leadership for your team, your department or perhaps your entire organization; and it's where you manage the performance and responsibilities of everyone in the group.

Liaison – Managers must communicate with internal and external contacts. You need to be able to network effectively on behalf of your organization.

Resource Allocator – You'll also need to determine where organizational resources are best applied. This involves allocating funding, as well as assigning staff and other organizational resources.

Spokesperson – Managers represent and speak for their organization. In this role, you're responsible for transmitting information about your organization and its goals to the people outside it.

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The ten roles are:

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4. Monitor.
5. Disseminator.
6. Spokesperson.
7. Entrepreneur.
8. Disturbance Handler.
9. Resource Allocator.
10. Negotiator.

Q.23) The role played by a HR manager in the career planning, training and development of a worker is _____

Static or Current – **STATIC**
Subject – **MANAGEMENT**
Difficulty Level – **MODERATE**
Topic – **General MANAGEMENT**

Options:

- (a) Strategist
- (b) Welfare
- (c) Counsellor
- (d) Spokesperson
- (e) Developmental

Answer: (e) Developmental

Explanation:

The role here played by the HR manager is a Developmental Role

Developmental Role:

Development of workers for attaining company goals is made by the HR manager through improvement of knowledge, skill, abilities, aptitude, attitude, value, beliefs etc. A dynamic

organization needs dynamic employees and transformation of employee's mind-set to the process of dynamism is possible only when all the potential areas for growth and development are reinforced.

HR manager takes all possible measures for growth and development of employees through formulation of HR policies in the matter of training, career planning and development, counselling etc.

Strategist Role:

HR manager helps to accomplish business strategy of the organization through introducing and implementing HR strategies.

Welfare Role:

HR executive looks to the welfare aspect of the employee's viz., canteen, creche, rest-room, hospital, transportation, housing accommodation, school, etc. His one of the principal roles is to provide welfare facilities to the employees for their betterment and well-being.

Counsellor's Role:

Because of illiteracy and ignorance workers cannot take decision in their personal problems and they need advice to sort out such problems, viz. education of children, medical treatment, marital matter, family problems, etc. HR manager, as he comes close to the workers because of his nature of work, develops understanding between them and advises, guides the workers in right direction.

Spokesperson Role:

HR executive works as a spokesperson of the company especially, in the matter of depicting organization health, condition, strength etc. to the employees while negotiating for settlement of industrial disputes. He also acts as a representative of the workers when they are non-unionized/unorganized and cannot represent their case properly to the top management. Under such circumstances HR manager places their grievances, problems, demand to the top management for settlement/redressal.

Q.24) Which of the following is a technique of Inventory Management?

Static or Current – **STATIC**

Subject – **Costing**

Difficulty Level – **EASY**

Topic – **Miscellaneous/Materials Cost (From Material Costing Not in Syllabus Directly but it's a basic topic covered in EduTap's Course)**

Options:

- (a) ABC Analysis
- (b) Standard Costing
- (c) Marginal Costing
- (d) Process Costing
- (e) None of the above

Answer: (a) ABC Analysis

Explanation:

The correct answer is ABC Analysis.

This inventory categorization technique splits subjects into three categories to identify items that have a heavy impact on overall inventory cost.

- Category A serves as your most valuable products that contribute the most to overall profit.
- Category B is the products that fall somewhere in between the most and least valuable.
- Category C is for the small transactions that are vital for overall profit but don't matter much individually to the company altogether.

Q.25) Net Profit = Rs 30,000. Collection from debtors = Rs 2500. Paid to creditors = Rs 7500. What is the net cash flow from operations?

Static or Current – **STATIC**

Subject – **Commerce and Accounts**

Difficulty Level – **EASY**

Topic – **Cash Flow Statement**

Options:

- (a) Rs 32,500
- (b) Rs 25,000
- (c) Rs 27,500
- (d) Rs 35,000

(e) None of above

Answer: (b) Rs 25,000

Explanation:

Net Cash Flows from Operations = Rs 30,000 + Rs 2,500 – Rs 7,500 = Rs 25,000

Q.26) When the company dissolves, which of the following the debenture holders have the right to receive?

Static or Current – **STATIC**

Subject – **Finance**

Difficulty Level – **EASY**

Topic – **Primary and Secondary Markets (Debt Markets)**

Options:

- (a) Principal and Interest
- (b) Principal
- (c) Interest
- (d) Dividend
- (e) None of Above

Answer: (a) Principal and Interest

Explanation:

When the company dissolves, the debenture holders have the first right to claim the interest and the principal both. Hence option (a) is the correct answer.

Q.27) Which of the following constitutes fiscal deficit?

Static or Current – **STATIC**

Subject – **ECONOMICS**

Difficulty Level – **Moderate**

Topic – **UNION BUDGET and Fiscal Policy**

Options:

- (a) Total expenditure
- (b) Revenue received – total expenditure
- (c) Loan expenditure
- (d) Total revenue received + Recovered loan and other receipt – Total Expenditure

(e) Total Borrowings

Answer: (d) Total revenue received + Recovered loan and other receipt – Total Expenditure

Explanation:

Fiscal Deficit = Total revenue received + Recovered loan and other receipt – Total Expenditure

Q.28) What is the difference between GVA at Basic Price and GDP?

Static or Current – **STATIC**
Subject – **ECONOMICS**
Difficulty Level – **Easy**
Topic – **NATIONAL INCOME**

Options:

- (a) Investments
- (b) Taxes and Subsidies
- (c) Taxes
- (d) Subsidies
- (e) None of Above

Answer: (b) Taxes and Subsidies

Explanation:

GVA at basic prices will include production taxes and exclude production subsidies available on the commodity. GVA at factor cost includes no taxes and excludes no subsidies. GDP at market prices include both production and product taxes and excludes both production and product subsidies.

Q.29) As per law what is this company called when 1 partner has 999 shares and another has 1 share?

Options:

- (a) Illegal company
- (b) Monopoly
- (c) Partnership

- (d) Private Company
- (e) None of the above

Answer: (d) Private Company

Explanation:

As per the provisions of the Companies Act, 2013, the minimum number of members for a private company is 2 and there are no restrictions on the division of share capital among the members. Therefore, the answer is (d) Private Company

Q.30) Which of the following will not affect Current Account Deficit?

Static or Current – **STATIC**
Subject – **ECONOMICS**
Difficulty Level – **Difficult**
Topic – **BALANCE OF PAYMENT**

Options:

- (a) Capital Inflow
- (b) Consumer Spending
- (c) Forex Outflow
- (d) Savings rate
- (e) Natural Resources

Answer: (e) Natural Resources

Explanation:

The size of current account deficit/surplus is affected by several factors including:

- Forex outflow when we import goods can lead to current account deficit
- Level of consumer spending (economic growth) and hence import spending
- Capital flows such as remittances of money by NRIs would be considered in the current account
- Saving rates – influencing level of import spending
- Relative inflation/competitiveness

There is no direct Link of Natural Resources in Current Account Deficit

Q.31) Which instrument is used by foreign entities not registered with SEBI to invest in India markets via registered brokers?

Static or Current – **STATIC**

Subject – **FINANCE**

Difficulty Level – **Easy**

Topic – **Primary and secondary Markets (Equity Markets)**

Options:

- (a) Participatory Notes
- (b) IDR
- (c) GDR
- (d) Both B and C
- (e) None of the above

Answer: (a) Participatory Notes

Explanation:

A participatory note, commonly known as a P-note or PN, is an instrument issued by a registered foreign institutional investor (FII) to an overseas investor who wishes to invest in Indian stock markets without registering themselves with the market regulator, the Securities and Exchange Board of India (SEBI).

Q.32) Which of the following is not a part of the Money Market?

Static or Current – **STATIC**

Subject - **FINANCE**

Difficulty Level – **EASY**

Topic – **Primary and Secondary Markets (DEBT MARKETS)**

Options:

- (a) Commercial Papers
- (b) T-bills
- (c) Derivatives
- (d) Certificate of Deposits
- (e) None of the above

Answer: (c) Derivatives

Explanation:

The money market is a component of the economy which provides short-term funds. The money market deals in short-term loans, generally for a period of a year or less.

Derivatives are more of a risk management tool. Rest of the options are money market instruments

Q.33) Net Profit Ratio is 5%. Total Assets = Rs 90,00,000. Return on Assets = 9%. Find the total assets turnover ratio.

Static or Current – **STATIC**
Subject – **Commerce and Accounts**
Difficulty Level – **MODERATE**
Topic – **RATIO ANALYSIS**

Options:

- (a) 1.7
- (b) 1.8
- (c) 2.3
- (d) 3.6
- (e) None of the above

Answer: (b) 1.8

Explanation:

$$\text{ROTA} = \text{PAT} / \text{Total Assets}$$

$$\text{ROTA} = 9\% \text{ or } .09$$

$$\text{Total Assets} = 90,0000$$

$$\text{PAT} = \text{Rs } 90,00,000 * 0.09 = \text{Rs } 8,10,000$$

$$\text{Net profit margin} = \frac{\text{Profit after tax}}{\text{Sales}}$$

$$\text{Net Profit Margin} = 5\% \text{ Or } .05$$

$$\text{PAT} = 8,10,000$$

$$\Rightarrow .05 = \text{Rs } 8,10,000 / \text{Sales}$$

$$\Rightarrow \text{Sales} = \text{Rs } 1,62,00000$$

$$\text{Total assets turnover} = \frac{\text{Sales}}{\text{Total assets}}$$

Total Assets Turnover Ratio = Sales/Total Assets = Rs 1,62,00,000 / Rs 90,00,000 = 1.8

Q.34) Which of the following is the most volatile investment?

Static or Current – **STATIC**

Subject - **FINANCE**

Difficulty Level – **MODERATE**

Topic – **Primary and Secondary Markets (Equity MARKETS)**

Options:

- (a) FDI
- (b) FPI
- (c) ECB
- (d) All of the above
- (e) None of the above

Answer: (b) FPI

Explanation:

By buying and selling shares, bonds and debentures, FPIs are mainly made with the intention of making fast money. FPIs are created for shorter periods because companies are not owned by foreign investors and instead invest in the securities of existing companies. FPI's are highly volatile in nature.

Q.35) Financial goods and services is provided to economically weaker sections at affordable price by financial institutions then it is called?

Static or Current – **STATIC**

Subject - **FINANCE**

Difficulty Level – **EASY**

Topic – **FINANCIAL INCLUSION**

Options:

- (a) Financial Inclusion

- (b) Fiscal Deficit
- (c) Tax Exemption
- (d) Subsidies
- (e) None of the above

Answer: (a) Financial Inclusion

Explanation:

Financial inclusion is defined as the availability and equality of opportunities to access financial services. It refers to a process by which individuals and businesses can access appropriate, affordable, and timely financial products and services. These include banking, loan, equity, and insurance products.

Q.36) Profit on Forfeiture shares after reissue is transferred to _____

| |
|--|
| Static or Current – STATIC Subject - Commerce and Accounts Difficulty Level – Easy Topic – Accounting for Share Capital |
|--|

Options:

- (a) General Reserve
- (b) Debenture Redemption Reserve
- (c) Securities Premium Reserve
- (d) Capital Reserve
- (e) None of the above

Answer: (d) Capital Reserve

Explanation:

If the discount allowed on reissue of shares is less than the forfeited amount, there will be some balance left in the Forfeited Account, which should be transferred to capital reserve, because it is a profit of capital nature.

Q.37) In trait approach theory, intelligence, emotion, knowledge form which trait of the leader?

Static or Current – **STATIC**
Subject - **MANAGEMENT**
Difficulty Level – **MODERATE**
Topic – **LEADERSHIP**

Options:

- (a) Intellectual
- (b) Personality
- (c) Communication
- (d) Conscientious
- (e) None of the above

Answer: (a) Intellectual

Explanation:

Knowledge and Intelligence are intellectual traits of a person.

Q.38) Over and Under Absorption of Overheads due to Normal Factors are _____

Static or Current – **STATIC**
Subject - **COSTING**
Difficulty Level – **DIFFICULT**
Topic – **Miscellaneous/Overhead Cost (From Overhead topic which is not part of syllabus but is a basic topic of costing and covered in EduTap Course)**

Options:

- (a) Charged to Financial Profit and Loss Account
- (b) Charged to Costing Profit and Loss Account
- (c) Treated using Supplementary Rate
- (d) They are not rectified
- (e) None of the above

Answer: (c) Treated using Supplementary rate

Explanation:

Under Normal Factors, a supplementary rate can be used to adjust the amount of under- or over-absorption. The supplementary rate is determined by dividing the amount of under – or over-absorption by the actual absorption base. Under-absorption is adjusted by using a plus supplementary rate while a minus supplementary rate is used to correct over-absorption.

The amount of under-or over-absorption can be transferred to the costing profit and loss account to arrive at the accurate net profit for an accounting period. When over-or under absorption has been due to abnormal factors, the amount of under- or over-absorption is necessarily transferred to the costing profit and loss account.

Q.39) Calculate exchange profit & Loss for 2011-12 and 2012-13 as per AS11?

Goods worth Rs 1 Lakh purchased on 23/03/2012 at Rs 46.60 per dollar rate

Dollar rate on 31st March 2012 = Rs 47 per dollar

In May 2012 when payment was made, exchange price was Rs 47.5 per dollar

Static or Current – **STATIC**

Subject – **Commerce and Accounts**

Difficulty Level – **Moderate**

Topic – **ACCOUNTING STANDARD - FOREIGN EXCHANGE Transactions**

Options:

- (a) Rs 40,000
- (b) Rs 50,000
- (c) Rs 90,000
- (d) Rs 10,000
- (e) None of the above

Answer: (c) Rs 90,000

Explanation:

Profit/Loss for the year 2011-12 = Rs 47.00 – Rs 46.60 = Rs 0.4 per dollar loss, Total = Rs 0.4 * 1 lakh = Rs 40,000

Profit/loss for the year 2012-13 = Rs 47.50 – Rs 47.00 = Rs 0.5 per dollar loss, Total = Rs 0.5 * 1 lakh = Rs 50,000

Total loss for the years 2011-12 and 2012-13 = Rs 90,000

Q.40) Which of the following are qualities of an effective leader?

Static or Current – **STATIC**

Subject - **MANAGEMENT**

Difficulty Level – **Easy**

Topic – **LEADERSHIP**

Options:

- (a) Task Oriented
- (b) Task Oriented and Concern for the Team, make employee feel needed
- (c) Relationship Oriented but not task oriented
- (d) Self-centered
- (e) None of the above

Answer: (b) Task Oriented and Concern for the Team, make employee feel needed

Explanation:

The effective quality of a leader is that he should be task oriented but at the same time have the concern for his team and make the employees feel needed so that they will be motivated to do to the work efficiently and effectively.

Q.41) Long term borrowings maturing in the current year are shown in the balance sheet under which head?

Static or Current – **STATIC**

Subject – **Commerce and Accounts**

Difficulty Level – **EASY**

Topic – **Preparation and Presentation of Company Final Accounts**

Options:

- (a) Current Assets
- (b) Fixed Assets

- (c) Long-term liabilities
- (d) Current liabilities
- (e) None of the above

Answer: (d) Current liabilities

Explanation:

The current maturity of a company's long-term debt refers to the portion of liabilities that are due within the next 12 months. As this portion of outstanding debt comes due for payment within the year, it is removed from the long-term liabilities account and recognized as a current liability on a company's balance sheet. Any amount to be repaid after 12 months is kept as a long-term liability.

Q.42) What is considered as the life spark of management and includes motivating, guiding, etc. to the employees?

| |
|---|
| Static or Current – STATIC Subject - MANAGEMENT Difficulty Level – Easy Topic – GENERAL MANAGEMENT |
|---|

Options:

- (a) Controlling
- (b) Directing
- (c) Planning
- (d) Organising
- (e) None of the above

Answer: (b) Directing

Explanation:

Directing means giving instructions, guiding, counselling, motivating and leading the staff in an organisation to achieve Organisational goals.

Directing is a key managerial function to be performed by the manager along with planning, organising, staffing and controlling. From top executive to supervisor performs

the function of directing and it takes place accordingly wherever superior – subordinate relations exist.

It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes. It is considered life-spark of the enterprise which sets it in motion the action of people because planning, organizing and staffing are the mere preparations for doing the work. Direction is that inert-personnel aspect of management which deals directly with influencing, guiding, supervising, motivating sub-ordinate for the achievement of organizational goals.

Q.43) Which of the following is aimed at eliminating waste and increasing efficiency?

Static or Current – **STATIC**
Subject - **COSTING**
Difficulty Level – **Easy**
Topic – **LEAN System and Innovation**

Options:

- (a) Six Sigma
- (b) Kaizen
- (c) Business Process Re-engineering
- (d) Both B and C
- (e) None of the above

Answer: (b) Kaizen

Explanation:

Kaizen is aimed at decreasing waste by eliminating overproduction, improving quality, being more efficient, having less idle time, and reducing unnecessary activities. All these translate to money savings and turn potential losses into profits.

Q.44) Which of the following is a psychological barrier?

Static or Current – **STATIC**
Subject - **MANAGEMENT**
Difficulty Level – **MODERATE**
Topic – **COMMUNICATION**

Options:

- (a) Highly Attentive
- (b) High Retention
- (c) Premature Evaluation
- (d) Good Emotions
- (e) None of the above

Answer: (c) Premature Evaluation

Explanation:

Many people have a tendency to jump to the conclusions directly and form judgments without considering all the aspects of information. This is generally done by the people who are impatient and resort to a selective listening. This premature evaluation of the information acts as a barrier to the effective communication and lowers the morale of the sender.

Q.45) What is the difference between morale and motivation?

| |
|-----------------------------------|
| Static or Current – STATIC |
| Subject - MANAGEMENT |
| Difficulty Level – Easy |
| Topic – MOTIVATION |

Options:

- (a) Motivation motivates whereas Morale inspires
- (b) Motivation Inspires whereas Morale Motivates
- (c) Motivation is group concept whereas Morale is an Individual Concept
- (d) Motivation is an Individual concept whereas Morale is a group Concept
- (e) None of the above

Answer: (d) Motivation is group concept whereas Morale is an Individual Concept

Explanation:

Motivation is an individual concept while Morale is a group concept. Motivation takes into consideration the individual differences among the employees and morale of the

employees can be increased by taking those factors into consideration which influences group scenario or total work settings.

Q.46) Which section of the Companies Act 2013 deals with the removal of the name of the company from the register of the companies?

Static or Current – **STATIC AND/OR CURRENT**

Subject – **COMPANY LAW**

Difficulty Level – **DIFFICULT**

Topic – **MISCELLANEOUS (From REMOVAL OF NAMES OF COMPANIES FROM THE REGISTER OF COMPANIES (CHAPTER XVIII) of Company Law which is not in syllabus)**

Options:

(a) Section 248(2)

(b) Section 141(3)

(c) Section 257(1)

(d) Section 182(2)

(e) None of the above

Answer: (a) Section 248(2)

Explanation:

Section 248(2) of the Companies Act, 2013, deals with the removal of the name of the company from the register of the companies.

Q.47) Which of the following is not a component of cash flow from operations?

Static or Current – **STATIC**

Subject – **Commerce and Accounts**

Difficulty Level – **EASY**

Topic – **CASH FLOW**

Options:

(a) Settling off trade payables

(b) Collection from debtors

(c) Both A and B

(d) Payment to supplier of machinery

(e) None of the above

Answer: (a) Payment to supplier of machinery

Explanation:

Cash flow from operating activities (CFO) indicates the amount of money a company brings in from its ongoing, regular business activities, such as manufacturing and selling goods or providing a service to customers. It is the first section depicted on a company's cash flow statement.

Cash flow from operating activities does not include long-term capital expenditures or investment revenue and expense. CFO focuses only on the core business, and is also known as operating cash flow (OCF) or net cash from operating activities.

Payment to supplier of machinery is a long-term capital expenditure and will not appear in cash flow from operations.

Q.48) Which of the following is true about Oral Communication?

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

Options:

- a) It acts as a legal proof
- b) It is not suitable for addressing people
- c) Oral communication is more reliable than written communication
- d) Oral Communication is kind of informal communication

Answer: (d) Oral Communication is kind of informal Communication

Explanation:

Oral Communication is informal communication whereas written communication is formal communication. Whenever we want to do formal communication, we ask others to put it in written communication is a formal communication

Q.49) There was a Numerical on Debentures. It was asked by how much the Debenture Account will get credited by? We do not have exact Question

Static or Current – **STATIC**

Subject – **Commerce and Accounts**

Difficulty Level – **Moderate**

Topic – **Miscellaneous** (Accounting for Debentures is not in Syllabus)

Q.50) There was some numerical on Inventory. We do not have exact question with us

Static or Current – **STATIC**

Subject – **Costing**

Difficulty Level – **Moderate**

Topic – **Miscellaneous/Material Cost** (From Material Cost chapter which is not in syllabus but part of basics of costing and covered in EduTap Course)

Question Paper Analysis

1. Overall Analysis

The question number marked in above 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

| S. No | Topic | Subject | Level | Remarks |
|-------|------------------------------|------------|-----------|---|
| 1 | Demand and Supply | Economics | Easy | |
| 2 | Inflation and unemployment | Economics | Easy | |
| 3 | Business Cycle | Economics | Easy | |
| 4 | Derivatives (Options) | Finance | MODERATE | (Options not part of syllabus but covered in EduTap's Course because they are linked to Derivatives) |
| 5 | GST | Finance | DIFFICULT | |
| 6 | Miscellaneous | COMPANYLAW | DIFFICULT | Wrong Question This question has no relevance. This question is a part of Section 233A of the Companies Act, 1956. There is no mentioning of Special Audit or Special Auditor under the Companies Act, 2013. |
| 7 | BUDGET AND BUDGETARY CONTROL | Costing | EASY | |
| 8 | AUDIT AND AUDITORS | COMPANYLAW | MODERATE | |
| 9 | Demand and Supply of Money | ECONOMICS | MODERATE | |

| | | | | |
|----|--|-----------------------|-----------|--|
| 10 | Classical and Keynesian Approach to Determination of Output and Employment | ECONOMICS | Easy | |
| 11 | PROSPECTUS AND ALLOTMENT OF SECURITIES | COMPANY LAW | Moderate | |
| 12 | DERIVATIVES (FUTURES & Forwards) | FINANCE | Moderate | |
| 13 | PROCESS COSTING | Costing | Moderate | |
| 14 | Accounting Standard on Property Plant and Equipment | Commerce and Accounts | Moderate | |
| 15 | BUDGET AND BUDGETARY CONTROL | Costing | Moderate | |
| 16 | MARGINAL COSTING | Costing | EASY | |
| 17 | Lean System and Innovation | COSTING | Difficult | |
| 18 | DERIVATIVES (FUTURES & FORWARDS) | Finance | Easy | |
| 19 | SHARE CAPITAL AND DEBENTURES | Company Law | Easy | |
| 20 | DERIVATIVES (FUTURES & FORWARD) | FINANCE | Difficult | |
| 21 | GENERAL MANAGEMENT | Management | MODERATE | |
| 22 | GENERAL MANAGEMENT | Management | Easy | |
| 23 | GENERAL MANAGEMENT | Management | MODERATE | |
| 24 | Miscellaneous/Material Cost | Costing | Easy | From Material Costing Not in Syllabus Directly but it's a basic topic covered Costing in EduTap's Course |
| 25 | Cash Flow Statement | Commerce and Accounts | Easy | |
| 26 | Primary and Secondary Markets (Debt Markets) | Finance | Easy | |
| 27 | UNION BUDGET and Fiscal Policy | ECONOMICS | Moderate | |
| 28 | NATIONAL INCOME | ECONOMICS | Easy | |
| 29 | AUDIT AND AUDITORS | COMPANY LAW | DIFFICULT | |
| 30 | BALANCE OF PAYMENT | Economics | Difficult | |
| 31 | Primary and secondary Markets (Equity Markets) | Finance | Easy | |
| 32 | Primary and Secondary Markets (DEBT MARKETS) | Finance | Easy | |
| 33 | RATIO ANALYSIS | Commerce and Accounts | MODERATE | |
| 34 | Primary and Secondary Markets (Equity MARKETS) | FINANCE | MODERATE | |
| 35 | FINANCIAL INCLUSION | FINANCE | Easy | |
| 36 | Accounting for Share Capital | Commerce and Accounts | Easy | |
| 37 | LEADERSHIP | Management | MODERATE | |
| 38 | Miscellaneous /Overhead Cost | COSTING | DIFFICULT | From Overhead topic which is not part of syllabus but is a basic |

| | | | | |
|----|--|-----------------------|-----------|---|
| | | | | topic of costing and covered in EduTap Course |
| 39 | ACCOUNTING STANDARD - Foreign Exchange Transactions | Commerce and Accounts | Moderate | |
| 40 | LEADERSHIP | Management | Easy | |
| 41 | Preparation and Presentation of Company Final Accounts | Commerce and Accounts | Easy | |
| 42 | GENERALMANAGEMENT | MANAGEMENT | Easy | |
| 43 | Lean System and Innovation: | Costing | Easy | |
| 44 | COMMUNICATION | Management | MODERATE | |
| 45 | Motivation | Management | Easy | |
| 46 | MISCELLANEOUS | COMPANYLAW | DIFFICULT | From REMOVAL OF NAMES OF COMPANIES FROM THE REGISTER OF COMPANIES (CHAPTER XVIII) of Company Law which is not in syllabus |
| 47 | CASH FLOW | Commerce and Accounts | Easy | |
| 48 | Communication | Management | Easy | |
| 49 | MISCELLANEOUS | Commerce and Accounts | Moderate | |
| 50 | Miscellaneous/Material Cost | Costing | MODERATE | |

1.1. Miscellaneous Questions

There are some questions (**marked as Miscellaneous in above table**). These are of two types

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

1.2. Number of Questions Asked from Each Subject

| Subject | Number of Questions |
|-----------------------|---------------------|
| Economics | 8 |
| Commerce and Accounts | 8 |
| Costing | 9 |
| Finance | 10 |
| Management | 9 |
| Company Law | 6 |

Takeaway: Very Balanced Distribution. Justice to all the subjects. One needs to prepare all the subjects

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

| Difficulty Level | Number of Questions |
|------------------|---------------------|
| Easy | 24 |
| Moderate | 18 |
| Difficult | 8 |

Takeaway: One needs to attempt paper with 90% accuracy in Easy Questions and 75% accuracy in Moderate Questions. By doing this one can touch score of 65-70 which was a good score in UR category. Anything near 75 marks increased the probability further.

The questions with level as difficult should have attempted with care. Here rather than gaining marks, priority shall have been to not loose marks through negative marking by marking wrong questions

1.4. Weightage of Numerical Asked

| Numerical | |
|-----------------------|---------------------|
| Subject | Number of Numerical |
| Finance | 2 |
| Costing | 4 |
| Commerce and Accounts | 5 |

Takeaway: 11 Questions on Numerical were asked in the Exam. They were not difficult. Most of them were easy to Moderate. If you practiced numerical given in the course before the exam, then most of the moderate numerical would also have looked on easier side. Numerical shall be intrinsic part of your preparation and no need to do complex numerical, basic level is enough

1.5. Current/Static

All the questions in Phase 2 were purely static based. So, one should avoid doing current affairs or keep them at low priority in the preparation

1.6. Repeat Questions

Some questions in Management were repeated as it is from management questions asked In RBI Grade asked in previous years.

Takeaway: So, it is advisable to do all the PYQs of common subjects in other exams. For example, PYQs of FM shall be done from RBI Grade B previous year papers, PYQs of Economics shall be done from RBI Grade B and NABARD Gr A paper. All PYQs of RBI Grade B and NABARD Gr A are available for free on EduTap's website

It is also advisable that if you get PYQs of Costing, Company Law, Commerce and Accounts for NPS or PFRDA, you must do them. We are not having PYQs of NPS and PFRDA with us

2. Subject wise Analysis

2.1. Economic Section Analysis

Economics

| Q. No | Topic | Number of Questions | Difficulty Level |
|-------|--|---------------------|---|
| 1 | Demand and Supply | 1 | Easy |
| 2 | Inflation and unemployment | 1 | Easy |
| 3 | Business Cycle | 1 | Easy |
| 9 | Demand and Supply of Money | 1 | MODERATE |
| 10 | Classical and Keynesian Approach to Determination of Output and Employment | 1 | Easy |
| 27 | UNION BUDGET and Fiscal Policy | 1 | Moderate |
| 28 | NATIONAL INCOME | 1 | Easy |
| 30 | BALANCE OF PAYMENT | 1 | Difficult |
| | Total | 8 | Easy - 5 Moderate - 2 Difficult - 1 |

Takeaway:

1. Good Distribution of questions amongst the topics. No single topic was given preference by asking many questions from single topic
2. Questions were on easier side. They were basic concept-based questions and not factual. Though economic seems tough but even basic understanding could have been enough

2.2. Commerce and Accounts Section Analysis

| Commerce and Accounts | | | | |
|-----------------------|--|---------------------|---|-----------------------|
| Q. No | Topic | Number of Questions | Difficulty Level | Numerical |
| 14 | Accounting Standard on Property Plant and Equipment | 1 | Moderate | Yes |
| 25 and 47 | Cash Flow Statement | 2 | Easy | Yes (1 was Numerical) |
| 33 | RATIO ANALYSIS | 1 | MODERATE | Yes |
| 36 | Accounting for Share Capital | 1 | Easy | |
| 39 | ACCOUNTING STANDARD - Foreign Exchange Transactions | 1 | Moderate | Yes |
| 41 | Preparation and Presentation of Company Final Accounts | 1 | Easy | |
| 49 | MISCELLANEOUS | 1 | Difficult | Yes |
| | Total | 8 | Easy - 4 Moderate - 3 Difficult - 1 | 5 |

Takeaway:

1. Good Distribution of questions amongst the topics. No single topic was given preference by asking many questions from single topic. The only miss is that no question from accounting related to ESOPs, Buyback, Bonus or Rights shares was asked
2. The question tagged as Miscellaneous was a numerical on Accounting for Debenture which is not part of Syllabus
3. Total of 5 Numerical are asked. Though most of them are marked Moderate but in case you had practiced Numerical given in the course then it would have been easy
4. You cannot cover accounting just by covering theory. Numerical preparation is integral part of preparation of Commerce and Accounts
5. IND As were not asked in exam. You can leave them or take them low on priority
6. Overall, you would find this section easy if you would have practiced Numerical

2.3. Costing Section Analysis

| Costing | | | | |
|-----------|------------------------------|---------------------|---|-------------------|
| Q. no | Topic | Number of Questions | Difficulty Level | Numerical |
| 7 and 15 | BUDGET AND BUDGETARY CONTROL | 2 | 1 - EASY 1 - Moderate | Yes (1 Numerical) |
| 13 | PROCESS COSTING | 1 | Moderate | Yes |
| 16 | MARGINAL COSTING | 1 | EASY | yes |
| 17 and 43 | Lean System and Innovation | 2 | 1 - EASY 1 - Difficult | |
| 24 and 50 | Miscellaneous/Material Cost | 2 | 1 - EASY 1 - Moderate | Yes (1 Numerical) |
| 38 | Miscellaneous /Overhead Cost | 1 | DIFFICULT | |
| | Total | 9 | Easy - 4 Moderate - 3 Difficult - 2 | 4 |

Takeaway:

1. Good Distribution of questions amongst the topics. No single topic was given preference by asking many questions from single topic.
2. Questions were asked from Material Cost and Overhead Cost, which is **not directly given in syllabus**, but they were anyways part of basic of costing and covered in EduTap's course. Do not leave the basic chapters even if they are not directly given in the syllabus
3. Total of 4 Numerical are asked. Though most of them are marked Moderate but in case you had practiced Numerical given in the course then it would have been easy

- You cannot cover Costing just by covering theory. Numerical preparation is integral part of preparation of Costing
- Overall, you would find this section easy if you would have practiced Numerical

2.4. Finance Section Analysis

| Finance | | | | |
|-----------|--|---------------------|--|-------------------|
| Q. no | Topic | Number of Questions | Difficulty Level | Numerical |
| 4 | Derivatives (Options) | 1 | MODERATE | Yes |
| 5 | GST | 1 | DIFFICULT | |
| 12,18, 20 | DERIVATIVES (FUTURES & FORWARDS) | 3 | 1 - Easy 1 - Moderate 1 - Difficult | Yes (1 Numerical) |
| 26, 32 | Primary and Secondary Markets (Debt Markets) | 2 | Easy | |
| 31 and 24 | Primary and secondary Markets (Equity Markets) | 2 | 1 - EASY 1 - Moderate | |
| 35 | FINANCIAL INCLUSION | 1 | Easy | |
| | Total | 10 | Easy - 5 Moderate - 3 Difficult - 2 | 2 |

Takeaway:

- Not that good Distribution of questions amongst the topics. 4 questions from Derivatives were asked which is more than normal. The miss seems to be that no question related to Role and Functions of Regulatory bodies or FRBM/Finance Commission was asked
- Questions were asked from **Options**, which is **not directly given in syllabus**, but they were anyways part of basic of Derivatives and covered in EduTap's course. Do not leave the basic chapters even if they are not directly given in the syllabus
- Total of 2 Numerical are asked. Though these of them are marked Moderate/difficult but in case you had practiced Numerical given in the course then it would have been doable
- In Finance, you can leave numerical in first iteration because theory itself is vast. Derivatives and Bonds are the only topic from which numerical can be asked
- Overall, a scoring section

2.5. Management Section Analysis

| Management | | | |
|------------|--------------------|---------------------|--------------------------|
| Q. NO | Topic | Number of Questions | Difficulty Level |
| 21,22,23 | GENERAL MANAGEMENT | 3 | Easy - 2 MODERATE - 2 |
| 37,40 | LEADERSHIP | 2 | Easy - 1 MODERATE - 1 |

| | | | |
|--------|---------------|---|--------------------------|
| 44, 48 | COMMUNICATION | 2 | Easy - 1 MODERATE -1 |
| 45 | Motivation | 1 | Easy |
| | Total | 9 | 5 - Easy 4 - Moderate |

Takeaway:

1. Good Distribution of questions amongst the topics. No single topic was given preference by asking many questions from single topic. The only miss seems to be that no question related HRD was asked
2. Even moderate questions could have been done if one had good understanding of the topic
3. Overall, a scoring section

2.6. Company Law Section Analysis

| Company law | | | |
|-------------|--|---------------------|---|
| Q. No | Topic | Number of Questions | Difficulty Level |
| 6 | Miscellaneous | 1 | DIFFICULT |
| 8,29 | AUDIT AND AUDITORS | 2 | MODERATE - 1 Difficult - 1 |
| 11 | PROSPECTUS AND ALLOTMENT OF SECURITIES | 1 | Moderate |
| 19 | SHARE CAPITAL AND DEBENTURES | 1 | Easy |
| 46 | MISCELLANEOUS | 1 | DIFFICULT |
| | Total | 6 | Easy - 1 Moderate - 2 Difficult - 3 |

Takeaway:

1. Less Questions asked in Company law. Many topics in syllabus were not touched at all
2. 2 Questions marked as Miscellaneous
 - a. One question on 'who appoints special auditor' is not at all relevant from companies act, 2013. This question is a part of Section 233A of the Companies Act, 1956. There is no mentioning of Special Audit or Special Auditor under the Companies Act, 2013
 - b. Another question on "**Which section of the Companies Act 2013 deals with the removal of name of the company from the register of the companies**" is out of syllabus. It is from REMOVAL OF NAMES OF COMPANIES FROM THE REGISTER OF COMPANIES (CHAPTER XVIII) of Company Law which is not in syllabus

- c. We cannot prepare for such questions. That way preparation will become infinite
3. 3 questions related to power to appoint, approve, or remove something such as auditors, amendments etc.
4. 2 questions related to section numbers of company law were asked
5. Overall, a tough section in exam

2.7. Closing Comments

1. Accuracy is the key
2. Current Affairs to be taken low on priority
3. Do All PYQs for RBI Gr B and SEBI Gr A – Available for Free on EduTap Website
4. One needs to do balanced preparation by reading all the chapters. Do stick to syllabus religiously
5. Even chapters meant for basics though not in syllabus are to be done with sincerity
6. Do not even think of leaving Numerical
7. From future perspective -One must need SEBI Laws such as those related to ICDR Regulations, LODR Regulations, SRCA Act etc. These were not asked in this exam but can be asked in next exams though not in syllabus
8. Do as many MCQs as possible. It seems they ask standard questions. Increasing number of MCQs before the exam increases the probability of direct hit (same question) in the exam. This year around 20+ questions were directly from EduTap MCQ and regular course in Phase 2

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