

SEBI GRADE A 2020

PHASE 1 MEMORY BASED PAPER

WITH VIDEO SOLUTIONS



SECTION: - QUANT

Directions (Q. 1 – 5): Find the wrong term in the following Series

Q1. 23 46 74 106 143 184 229

- A. 74
- B. 229
- C. 106
- D. 143
- E. 184

Q2. 7 9 21 67 274 1371

- A. 21
- B. 67
- C. 9
- D. 274
- E. 1371

Q3. 79 157 312 621 1235 2471 4936

- A. 4936
- B. 312
- C. 1235
- D. 157
- E. 621

Q4. 286 284 277 265 241 193 97

- A. 286
- B. 193
- C. 284
- D. 97
- E. 241

Q5. 161, 224, 294, 369, 448, 532

- A. 448
- B. 294
- C. 369
- D. 224
- E. 532

Q6. In a 180ml mixture of milk and water, water is 40% of the mixture then How much water should be added so that water becomes 60% of the mixture?

- A. 70 ml
- B. 65ml

- C. 80ml
- D. 90ml
- E. 100ml

Q7. By selling a certain article a shopkeeper allows a discount of 35% and still makes a profit of 30%. Then his MRP is what % of CP?

- A. 100%
- B. 130%
- C. 165%
- D. 200%
- E. 250%

Q8. A Van covers 40km in 2 hours and a car's speed is 25km more than Van. Then find the time taken by car to cover a distance of 585km?

- A. 11hrs
- B. 10hrs
- C. 13hrs
- D. 12.5hrs
- E. 11.5hrs

Q9. 12 men and 10 women together can finish a piece of work in 8 days while 8men and 9 women together finishes the same piece of work in 10 days. Then find the time taken by 16men and 8women together to finishes same piece of work?

- A. 60/9 days
- B. 50/9 days
- C. 70/9 days
- D. 30/7 days
- E. 40/9 days

Q10. Difference between speed of a boat in still water and rate of current is 12km/h. And the respective ratio between speed of boat in downstream and upstream is 9:4. Then the distance covered by Boat in downstream in 5hrs is?

- A. 120km
- B. 125km
- C. 130km
- D. 135km
- E. 140km

Q11. Sum of the ages of Ram and Kiran is 75 years while the difference between Hema's age and Kiran's age is 10 years. After 4 years Hema's age will be half that of Ramesh's age, then find the present age of Kiran?

- A. 17yrs

- B. 14yrs
- C. 16yrs
- D. 13yrs
- E. 20yrs

Q12. Average weight of A, B and C is 38kg while average weight of A and B is 25kg. Average weight of B and D is 28kg while ratio between D and C weight is 1:4, Then find the sum of weight of all four (A, B, C and D)

- A. 120kg
- B. 128kg
- C. 132kg
- D. 136kg
- E. 130kg

Q.13) A man bought 50 bananas and sells 30 of them at a profit of 10rs. Per banana and remaining in rs.1500 still makes a profit of 40% to the overall. Find the cost price of each banana?

- A. Rs. 45
- B. Rs. 55
- C. Rs. 42
- D. Rs. 35
- E. Rs. 25

Direction (14 – 19): Read the following information carefully and answer the questions based on it.

There are three types of buses Normal (A and B), Luxury (P and Q) and Volvo (M). Each bus has two classes – Sleeper and General class. The ratio of number of Seats in Sleeper class and general class of bus A is in 3:2 and the number of seats in a general class of bus B is 57(1/7)% more than the sleeper class of same Bus. Number of seats in the sleeper class of Bus P is 25 less than that of Bus B. Number of seats in the General class and the Sleeper class of Bus P is the same. Number of seats in the general class of bus Q is 50% of seats in the sleeper class of the same Bus. Ratio of the number of seats in the sleeper class of Bus B and that of Bus Q is in the ratio of 5:12 respectively. Ratio of the number of seats in the General class and Sleeper class of Bus M is in the ratio of 65:39 respectively. Total seats in Sleeper class and general class of bus Q and M together is 615 and 535 respectively. Total number of seats in the sleeper class of buses A and B together is 415.

Q14. If 45% of seats in Sleeper class and 60% of seats of the general class of bus Q is occupied by male passengers and the rest seats are occupied by female passengers, then find the total number of female passengers in Bus Q. (Only one person is allowed to sit on one seat).

- A. 325
- B. 295
- C. 315

- D. 335
- E. None of these

Q15. If 40% of seats in sleeper class of normal buses are occupied by male passengers and 33.33% of seats in general classes of normal buses are occupied by female passengers. If the price of one male passenger is Rs. 69 and of female passengers Rs. 24, then find the total revenue generated by normal buses if the buses are fully occupied?

- A. Rs. 40920
- B. Rs. 40720
- C. Rs. 40820
- D. Rs. 40520
- E. None of these

Q16. If there is another bus N, having seats 65% more than that of bus M, and the ratio of number of seats in sleeper class and in general class in bus N is 6:7 respectively. Find the number of seats in general class of bus N.

- A. 472
- B. 462
- C. 492
- D. 482
- E. None of these

Q17. Find the average number of seats in the general class of all buses together?

- A. 234
- B. 214
- C. 204
- D. 244
- E. None of these

Q18. Find the difference between the number of seats in the sleeper class of bus A and bus M?

- A. 55
- B. 65
- C. 85
- D. 45
- E. None of these

Q19. Find the total number of seats in bus B is how much % more or less than that of bus P?

- A. 50%
- B. 66.66%
- C. 75%
- D. 25%
- E. None of these

Q20. Two rectangular sheets of paper, each 30cm × 18cm are made into two right circular cylinders, one by rolling the paper along its length and the other along the breadth. The ratio of the volumes of the two cylinders, thus formed, is

- A. 2:1
- B. 3:2
- C. 4:3
- D. 5:3**
- E. None of these

SECTION: - REASONING

Directions (21-22): Study the following information carefully to answer the given questions.

Point B is 12 m South of Point A. Point C is 24 m East of Point B. Point D is 8 m South of Point C. Point D is 12 m East of Point E and Point F is 8 m North of Point E.

Q21. If a man has to travel to Point E from Point A (through these points by the shortest distance), which of the following points will be pass through first?

- A. Point C
- B. Point D
- C. Point F
- D. Point B**
- E. None of these

Q22. If a man is standing facing North at Point C, how far and in which direction is Point F?

- A. 12 m, West**
- B. 24 m, East
- C. 12 m, East
- D. 24 m, West
- E. None of these

Directions (23-24): Do as directed in each of the following questions.

Q23. Twenty percent of all energy consumed in the country is consumed by home appliances. If appliances that are twice as energy-efficient as those currently available are produced, this figure will eventually be reduced to about ten percent.

The argument above requires which of the following assumptions?

- A. Home-appliance usage would not increase along with the energy efficiency of the appliances.
- B. It would not be expensive to produce home appliances that are energy-efficient.
- C. Home-appliance manufacturers now have the technology to produce appliances that are twice as energy-efficient as those currently available.
- D. The cost of energy to the consumer would rise with increases in the energy efficiency of home appliances.
- E. None of these

Q24. Kapil has twelve years of typing experience behind him; therefore, if you are looking for an efficient typist to enter your data into the new system, you need look no further.

The speaker assumes that:

- A. Twelve years of practice ensures typing efficiency
- B. The type of typing required for the new system is identical to what Kapil has been doing
- C. Kapil's job profile is the best that the new employer is going to get
- D. Kapil is an outstandingly fast and accurate typist
- E. Kapil will fit well into the new office

Directions (25-29): Study the following information carefully and answer the questions given below:

There are six members V, U, T, A, B, C in a family, among them only two are married couple. All of them have liking different numbers i.e. 10, 11, 12, 16, 14, 21 (but not necessarily in the same order).

V, U and T are seated in a circle facing the centre. A, B and C are also seated in the same circle but two of them are not facing the centre (facing opposite direction of the centre). 11 number is liked by B. V who is son-in-law of C is second to the left of A's husband. B who has only one child and B's child is youngest in the family, sits second to the right of A. C, his daughter is B who sits third to the left of T who is immediate neighbour of C. T likes the number which is perfect square. A sits immediate left of V but not an immediate neighbour of C. V and T are siblings. A is grandmother of U. only 2 females in a family. The one who is youngest in the family likes 12. The number, A likes is less than 12. The number which is liked by V is 11 more than the number which is liked by A.

Q25. Which of the following are not facing the centre?

- A. BA
- B. CU
- C. TC
- D. Cannot be determined
- E. None of these

Q26. Which of the following is T's position with respect to B?

- A. Third to the right

- B. Second to the right
- C. Third to the left
- D. Third from either to the right or to the left
- E. None of these

Q27. Which of the following is the combination of female members in the family?

- A. The one who likes 11 and the one who likes 10
- B. The one who likes 12 and the one who likes 10
- C. The one who likes 11 and the one who likes 21
- D. The one who likes 14 and the one who likes 16
- E. Cannot be determined

Q28. Which of the following is true regarding the seating arrangement?

- A. A, B and U are seated adjacent
- B. V, U and T are seated adjacent
- C. There are two persons whose seating arrangement cannot be determined
- D. U is not facing the centre
- E. There are only two persons seated between V and T

Q29. Which of the following is A's position with respect to child of V?

- A. Second to the left
- B. Second to the right
- C. Third to the right
- D. Cannot be determined
- E. None of these

Directions (30-34): Study the following information carefully and answer the below questions

Seven persons i.e. M, N, O, P, Q, R and S are living in a seven storey building with seven different floors such that the ground floor is numbered as 1, the floor just above the ground floor is numbered as 2 and so on till the topmost floor is numbered as 7. They all go to different countries i.e. Italy, China, London, Sri Lanka, Austria, India and Japan. All the information is not necessarily in the same order. M neither goes to Sri Lanka nor lives just above O's floor. P lives below R. N goes to London and lives on floor number 3. Three persons live between the one who goes to India and the one who goes to China. S is from Italy and lives on a floor adjacent to Q's floor. The one who goes to India lives on an even numbered floor. Two persons live between the floors on which the person who goes to Japan and the person who goes to Sri Lanka live. Q neither goes to Japan nor goes to Sri Lanka. O is from Japan and lives above the one who goes to China. O doesn't live on the topmost floor. The person who goes to London lives on a floor below the person who goes to Sri Lanka and Japan. Q doesn't live adjacent to the one who belongs to Sri Lanka and Japan.

Q30. Which among the following statements is true?

- A. Three persons live between the one who goes to Austria and Q
- B. R lives on an even-numbered floor

C. S lives just below the one who lives just below N's floor

D. The one who goes to Japan lives above R

E. All are true

Q31. Four of the following five are alike in a certain way and thus form a group. Which among the following doesn't belong to the group?

A. P- Sri Lanka

B. O- India

C. N-Austria

D. Q-Japan

E. M- India

Q32. Who amongst the following lives on an odd numbered floor?

A. The one who goes to India

B. O

C. The one who goes to Italy.

D. Q

E. None of the above

Q33. Who among the following lives on the floor 5th?

A. The one who goes to Italy

B. R

C. The one who goes to Japan

D. The one who lives just above the one who goes to Japan

E. None of the above

Q34. Which among the following statement is not true?

A. The one who goes to India lives on the 5th floor

B. O lives on an even-numbered floor

C. The one who goes to London lives on an odd numbered floor

D. No one lives above R

E. The one who goes to Italy lives on the bottommost floor

Direction (35-38): In the question below are given some statements followed by some conclusions. You have to take the given statements to be true even if they seem to be in variance with commonly known facts. Read all the conclusions and then decide which of the given conclusions logically follows from the given statements disregarding commonly known facts.

Q35.

Statements: Only a few flower is fruit.

No fruit is food.

All food is vegetable.

Conclusions: I. All fruit being flower is a possibility.

II. No fruit are vegetable.

- A. Only conclusion I follows.
- B. Only conclusion II follows.
- C. Both conclusion I and II follow.
- D. Neither conclusion I nor conclusion II follows
- E. None of the above.

Q36.

Statements: Only a few Actor is Actress.

No Actress is Person.

Some Person is Villain.

Conclusions: I. All Villain Being Actress is a possibility.

II. Some Actress not being Actor is a possibility

- A. Only conclusion I follows.
- B. Only conclusion II follows.
- C. Both conclusion I and II follow.
- D. Neither conclusion I nor conclusion II follows
- E. None of the above.

Q37.

Statements: All leaf is root.

Only a few root is branch.

No branch is tree.

Conclusions: I. Some leaf is branch.

II. Some tree are not root.

- A. Only conclusion I follows.
- B. Only conclusion II follows.
- C. Both conclusion I and II follow.
- D. Neither conclusion I nor conclusion II follows
- E. None of the above.

Q38.

Statements: Only a few black is red.

Some red is yellow.

Some yellow is orange.

Conclusions: I. No orange is red.

II. Some red not being black is a possibility.

- A. Only conclusion I follows.
- B. Only conclusion II follows.
- C. Both conclusion I and II follow.
- D. Neither conclusion I nor conclusion II follows
- E. None of the above.

Q39. A number is given as 52847936 respectively if 2 is subtracted from each even digit and 3 is subtracted from each odd digit. Then what will be the sum of digits of new number?

- A. 22
- B. 20
- C. 24
- D. 30
- E. 18

Q40. How many such pairs of letters are there in the word 'INTEGRATE' each of which has as many letters between them in the word as in the English alphabet?

- A. One
- B. Three
- C. Four
- D. None
- E. Two

Section: - English Language

(Directions 41-44): Identify the words that are *similar in meaning* to the phrase in bold. If none of option conveys the correct meaning, mark (E) as your answer. The options do not necessarily need to be grammatically correct.

Q41. He spoke with the fervour of discovery, unaware that he was **reinventing the wheel**.

- A. Wasting time
- B. Construct a wheel
- C. Repeating thoughts
- D. Growing continuously
- E. None of these

Q42. They allowed him **to save face** by accepting his resignation.

- A. Enhance dignity
- B. Avoid humiliation
- C. Reverse the decision
- D. make it difficult
- E. None of the above

Q43. Agriculture stocks **gained ground** after the finance minister proposed to raise institutional credit for agriculture to Rs.11 lakh crore for 2018-19.

- A. Increase in quantity
- B. Become Popular**
- C. Lose momentum
- D. Market capitalization
- E. None of the above

Q44. When he heard the bad news, he kept a **stiff upper lip**.

- A. Stoic demeanour**
- B. Emotional outburst
- C. Physical injury
- D. Agitated state
- E. None of the above

(Directions 45-49): Rearrange the following six sentences A, B, C, D, E, and F in the proper sequence to form a meaningful paragraph and then answer the question given beside.

A. In dualistic thinking, students typically tend to depend on figures of authority as benchmarks on what is right or wrong rather than analyzing facts.

B. An understanding and realization of this model could enable students to develop intellectually beyond the level.

C. His concept of dualistic thinking in his model of intellectual development involving nine levels, published in 1970.

D. Perry's model today remains part of college teaching systems in many western contexts.

E. William G. Perry was a well-known educational psychologist who studied the cognitive development of students during their college years.

F. Dualism refers to the first level of intellectual capacity, to understand good and evil in black and white, sans intervening shades.

Q45. Which of the following would be the **FOURTH** sentence after rearrangement?

- A. E
- B. F
- C. D

D. B

E. A

Q46. Which of the following would be the **LAST** sentence after rearrangement?

A. E

B. D

C. F

D. C

E. A

Q47. Which of the following would be the **FIRST** sentence after rearrangement?

A. A

B. C

C. F

D. E

E. D

Q48. Which of the following would be the **SECOND** sentence after rearrangement?

A. B

B. F

C. C

D. D

E. E

Q49. Which of the following would be the **THIRD** sentence after rearrangement?

A. F

B. A

C. C

D. E

E. B

Direction (50): In the following questions, a sentence has been broken into parts. Identify the parts, which are correct in terms of grammar, spelling and logical consistency. Then choose the most appropriate answer.

Q50. A. The worse attack on this peacekeeping

B. mission is a tragic reminder

C. of how this conflict is

D. spiralling out of control.

A. A & B

B. A, B & D

C. A, B & C

D. B, C & D

E. All are correct

Direction (51-52): In the following questions, two related sentences I and II are given. There may be an error in the sentence(s). You have to find the error and then select the correct option from those given after the sentences.

Q51. I. Yellowstone National Park is the oldest national park in the US and likely the world.

II. Anyone can drive through the park and encounter an array of wildlife a few feet away.

A. If there is an error only in the first sentence.

B. If there is an error only in the second sentence.

C. If there are errors in both sentences

D. If there is an error in either of the sentences

E. If there is no error in either of the sentences

Q52. I. The Amazon River is the artery for the largest rainforest in the world.

II. It is the largest river in the world by discharge and one of the larger one by length.

A. If there is an error only in the first sentence.

B. If there is an error only in the second sentence.

C. If there are errors in both sentences

D. If there is an error in either of the sentences

E. If there is no error in either of the sentences

Direction (53-55): In the questions given below, a blank has been provided for each and needs to be filled with the appropriate word. Choose the best option among the given ones.

Q53. Even though India has become world's second largest mobile phone manufacturer in the world after china, it is also _____ for simply bringing in most of the components and assembling them, an activity also sarcastically termed as screwdriver technology.

- A. Denuded
- B. Derided**
- C. Lauded
- D. Simulated
- E. Exalted

Q54. Alcohol-induced liver damage is a growing epidemic, especially in Kerala where aberrant lifestyle changes are being _____ at a rapid rate as compared to rest of India.

- A. Exhume
- B. Entwined
- C. Tangible
- D. Imbided**
- E. Foresight

Q55. Delhi is the _____ example of a city that has neglected its environment and needs a fundamental policy change incorporating environmental preservation within the economic goals so as to shift the mindset of Indian society.

- A. Quintessential**
- B. Banal
- C. Flawed
- D. Primitive
- E. Spirit

Directions (56-60): Read the passage given below and answer the questions that follow.

Energy sector is dominated by traditional energy sources, comprising primarily of oil, gas and coal. These constitute about 85 per cent of India's total energy consumption, followed by renewable energy, which takes care of about 13 per cent of the pie. This trend is fast changing, as government is shifting its focus from traditional sources to cleaner and renewable sources of energy.

In a bid to reduce emissions, the Supreme Court had banned the sale and registration of non BS-IV compliant vehicles with effect from 1 April 2017. The government has been encouraging development of electric vehicles (EVS) for the Indian market. This paradigm shift towards

electric vehicles is going to be a game-changer for the Indian economy in general and our energy sector in particular, as it will curtail demand for oil and gas in the long run. India, being a net importer of crude oil at present, is expected to benefit immensely from the ongoing shift towards electric vehicles. Also, this shift is expected to strengthen India's fiscal position in the years to come.

While companies are waiting for more clarity on the policy front, many corporates have already started investing in the development of technologies and infrastructure for electric vehicles. Several auto companies have aggressively scheduled product launches of electric vehicles over the next five years. The government has plans to make India a 100 percent electric vehicle nation by 2030 and, transport authorities across states have shown their keen interest in rolling out electric bus services. India is the world's third largest producer of electricity, with a total installed capacity of 329 GW as of 31 August 2017. Thermal energy, comprising coal, gas and diesel power, constitutes about two thirds of the total installed capacity, followed by renewable energy and nuclear power, comprising about a 31 percent and 2 percent share in the pie respectively. During the last few years, the power sector in India has been witnessing major changes, with the government promoting cleaner energy, such as wind, solar and hydropower, among others, in a bid to provide rapid electrification to the entire country. There is a sharp increase in the capacity additions in the renewable energy space. On the other hand, the fossil energy space has been witnessing a sharp slowdown in capacity additions, as is seen in the statistics of April-August 2017. Only 3,790 MW of fresh capacity was added during the period, as against a targeted addition of 14,956 mw for 2017-18.

The outlook for new capacities in the thermal power space looks **bleak**, as there are no fresh long term power purchase agreements signed. Additionally, there is a sharp fall in the tariffs for renewable energy, competing aggressively with thermal power tariffs. To reduce its dependence on coal mining, India's largest coal mining company, Coal India, too has announced its intention to diversify into mining of other minerals such as bauxite, nickel, iron ore, etc.

Tariffs for wind and solar energy, which used to be **prohibitively** high a few years back, are now seen competing strongly with thermal power. Solar power tariffs were R2.65-3.36 per unit last month for 500 MW capacities, as compared to the all-time low tariffs of R2.44 per unit in May 2017. Wind power tariffs have fallen to a record low of Rs 2.64 per unit in the auction conducted by SECI for 1 GW capacities. The government aims to bring power tariffs to R3 per unit, irrespective of the source in the medium term.

The popularity of electric vehicles is all set to rise, with power tariffs becoming more affordable – driven by an increase in renewable power capacities. The development of improved technologies and supporting infrastructure facilities will further push demand for electric vehicles in the country. A clear shift from subsidized fuel towards low-priced clean energy is expected now, which ought to be beneficial for the country. The share of oil, gas and coal in India's energy sector is expected to fall, while the share of cleaner and renewable energy is expected to rise in the years to come.

Q56. Choose the word/group of words which is MOST SIMILAR in meaning to the word/group of words printed in bold as used in the passage.

Prohibitively

A. Incompletely

B. In extreme

- C. Blandly
- D. Uncomfortably
- E. Passionately

Q57. Choose the word/group of words which is MOST SIMILAR in meaning to the word/group of words printed in bold as used in the passage.

Bleak

- A. Cheerful
- B. Appealing
- C. Warm
- D. Austere**
- E. Vivacious

Q58. What recent changes have been observed in India's power sector?

I. In terms of capacity addition, increase in addition at a decreasing rate has been seen in renewable energy space.

II. Government has been actively promoting cleaner energy, such as wind, solar and hydropower.

III. Tariffs for wind and solar energy are still prohibitively high and would take some time before being able to compete with thermal power effectively.

- A. Only I
- B. Only II**
- C. Only I and II
- D. Only II and III
- E. None of the above

Q59. Which of the following, if true, could give a fillip to EVS in India?

I. Power tariffs decrease owing to increase in power generation capacity.

II. The government provides subsidies on clean energy and taxes conventional fuels.

III. Spreading awareness about the advantages EVS have over non-EVS.

- A. Only I
- B. Only II
- C. Only III

D. Only I and II

E. All of the above

Q60. Which of the following is/are true with reference to the passage?

I. Energy sector is dominated by traditional non renewable energy sources.

II. Shift towards Electric vehicles will lead to more consumption of oil and gas in the long run.

III. Reduction in the use of oil and gas will lessen India's imports and improve fiscal numbers.

A. Only I

B. Only II

C. Only I and III

D. Only II and III

E. All of the above

SECTION: - GENERAL AWARENESS

Q61. 63rd Foundation Day of DRD has been recently celebrated on which of the following days?

A. 1st Jan 2021

B. 10th Dec 2020

C. 7th Jan 2021

D. 5th Dec 2020

E. 25th Dec 2020

Q62. Chacha Chaudhari has been recently roped in as the brand ambassador of which of the following initiatives of the Govt of India, in month of Nov 2020?

A. SC and ST students

B. NRI students

C. Differently abled people

D. Women working in SHGs

E. All of the above

Q63. The Pension Fund Regulatory and Development Authority (PFRDA), has increased the minimum net worth criterion for pension fund managers to ₹ _____ from ₹25 crore, in the month of Feb 2020.

A. 35 crore

B. 45 crore

C. 60 crore

D. 50 crore

E. 100 crore

Q64. Which of the following International organizations has announced the launch of (in the month of December 2020) International Prize in the field of “creative economy” in the name of Bangabandhu Sheikh Mujibur Rahman?

A. UNDP

B. UNESCO

C. UNEP

D. World Bank

E. IMF

Q65. President Ram Nath Kovind has recently launched a book titled “Pioneer of Humanity: Maharshi Arvind”, in the month of Dec 2020. It is authored by which of the following Ministers of the Central Govt?

A. Rajnath Singh

B. Nirmala Sitharaman

C. Amit Shah

D. Ramesh Pokhriyal Nishank

E. Nitin Gadkari

Q66. SDGs are the global goals to be achieved by which of the following years?

A. 2040

B. 2030

C. 2025

D. 2050

E. 2022

Q67. Recently in the month of Nov 2020, Sonu Sood has been appointed the State Icon of which of the following states by the Election Commission of India (ECI)?

A. Punjab

B. Maharashtra

C. Haryana

D. Gujarat

E. Karnataka

Q68. Which of the following has become the first UT in country to operationalize Public Financial Management System (PFMS) at the district level, in the month of Oct 2020?

A. Chandigarh

B. Jammu & Kashmir

- C. New Delhi
- D. Puducherry
- E. Leh

Q69. Recently in the month of Oct 2020, which of the following companies has announced its target of 100% renewable electricity across all company owned and controlled operations by the year 2030?

- A. Parle Agro
- B. PepsiCo**
- C. Britannia
- D. Hindustan Unilever Ltd.
- E. None of these

Q70. Union Minister of Science and Technology Dr. Harsh Vardhan has inaugurated India's Highest Meteorological (Met) Centre at which of the following places, in the month of Dec 2020?

- A. Gangtok
- B. Srinagar
- C. Mandi
- D. Aizawl
- E. Leh**

Q71. Ladakh Buddhist Association has recently (in Dec 2020) celebrated _____ festival in Leh to mark the beginning of New Year of Buddhist Community?

- A. Losar**
- B. Pang Lhabsol
- C. Saga Dawa
- D. International Flower Festival
- E. Cherry Blossom festival

Q72. The Reserve Bank of India (RBI) has proposed to introduce LCR for Non-Banking Financial Companies (NBFCs) with an asset size of Rs 5,000 crore and above, in the year 2019. What does "C" stand for in the acronym LCR?

- A. Coverage**
- B. Convertible
- C. Capital
- D. Company
- E. Convergence

Q73. Name the Mission that has been recently launched by the Government, in the month of Dec 2020, to promote the quality of products being manufactured in the country?

- A. Make in India
- B. Brand India**
- C. Quality India
- D. Mission Brand
- E. Mission India

Q74. Who among the following has been appointed as the deputy election commissioner in the Election Commission of India, in the month of Jan 2021?

- A. Rajiv Gauba
- B. Ajay Bhushan Pandey
- C. Umesh Sinha**
- D. Piyush Goyal
- E. None of the above

Q75. Recently in Dec 2020, BSE has launched an electronic spot platform for agricultural commodities through its subsidiary BSE Investments. Name of the platform is?

- A. BSEX
- B. PILLAR
- C. AGRIDEX
- D. INVIDEX
- E. BEAMS**

Q76. The first lithium refinery of India will soon be set up in the state of _____ to boost the nation's efforts towards electrification of transport, announced in Dec 2020.

- A. Rajasthan
- B. Jharkhand
- C. Maharashtra
- D. Chhattisgarh
- E. Gujarat**

Q77. In India, the National Consumer Day is observed every year on which day to spread awareness to about consumer importance, their rights, and responsibilities?

- A. Jan 24th
- B. Oct 2nd
- C. Dec 24th**
- D. Nov 14th
- E. Nov 25th

Q78. Which of the following organizations has released Rule for dividend distribution in mutual funds, that will come into effect from Jan 2021?

- A. RBI
- B. NABARD
- C. SEBI**
- D. Ministry of Finance
- E. IRDAI

Q79. Fashion designer Pierre Cardin, who revolutionised fashion in the early 1950s, has recently passed away at the age of 98, in the month of Dec 2020. He belonged to which of the following countries?

- A. Germany
- B. USA
- C. France**
- D. Canada
- E. Australia

Q80. Which of the following is the aim of Nai Manzil scheme?

- A. to match the aptitude of individuals to the demand in the work environment and increase work efficiency of existing daily wage earners by providing them monetary rewards and quality training.
- B. To provide high quality teaching to the Postgraduate students and produce Postgraduates with research aptitude and knowledge in the subjects of Modern Science.
- C. to benefit the minority youths who do not have a formal school leaving certificate in order to provide them formal education and skills.**
- D. Both b & c
- E. All of the above

SEBI GRADE A 2020

PHASE 2 PAPER 2

Memory Based Paper and Analysis



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

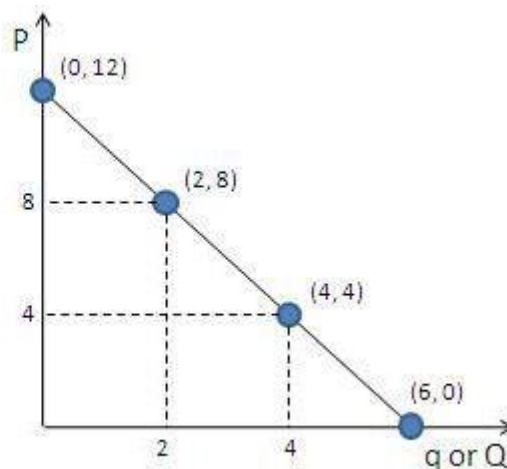
Answer: (b) Price

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:

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 – **Direct and Indirect Taxes and 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 = Currency with the public + Demand deposits with the banking system + 'Other' deposits with the RBI

M3 = M1+ Time deposits with the banking system

= Net bank credit to the Government + Bank credit to the commercial sector + Net foreign exchange assets of the banking sector + Government's currency liabilities to the public – 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 = $6600 \text{ units} + 600 \text{ units} = 7200 \text{ units}$

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
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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

$$\text{Margin Call Price} = 60 * 1 - 0.40 / 1 - 0.20$$

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

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.

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.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?

Static or Current – **STATIC**
Subject – **Company Law**
Difficulty Level – **Easy**
Topic – **Audit and Auditors**

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:

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

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

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

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

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

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

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

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

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

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

$$\text{Total Assets Turnover Ratio} = \text{Sales} / \text{Total Assets} = \text{Rs } 1,62,00,000 / \text{Rs } 90,00,000 = 1.8$$

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 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	COMPANY LAW	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	COMPANY LAW	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	GENERAL MANAGEMENT	MANAGEMENT	Easy	
43	Lean System and Innovation:	Costing	Easy	
44	COMMUNICATION	Management	MODERATE	

45	Motivation	Management	Easy	
46	MISCELLANEOUS	COMPANY LAW	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
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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
4. You cannot cover Costing just by covering theory. Numerical preparation is integral part of preparation of Costing
5. 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:

1. 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
6. 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
2. 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
3. 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
4. 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

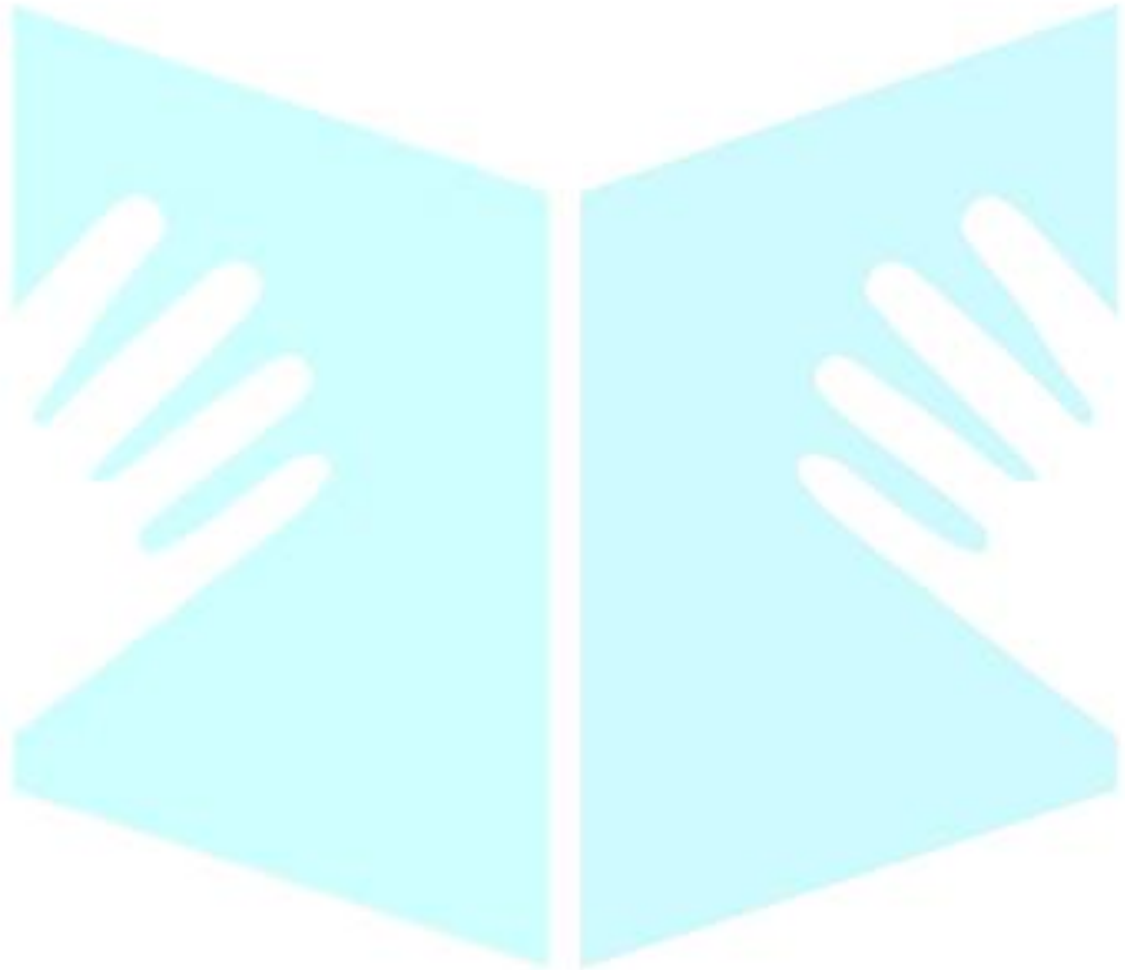
Takeaway:

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



EduTap

SEBI Grade A 2020

Phase 2

Paper 1

Memory Based Paper



Q.1 Write an Essay of about 200 words on any one of the following topics: -(30 Marks)

1.Importance of teamwork in an organization.

Teamwork is used across many different industries to increase performance, employee unity and company culture. Companies that must frequently develop new ideas or products using a project-based approach assemble teams in order to diffuse responsibility and to increase the number and diversity of ideas for the project. Team members use teamwork to bounce ideas off one another before deciding on a development path for a project. Teamwork is important due to the problem-solving synergy gained from multiple minds working on a solution. When one person works on a specific company problem, that person only has her personal experience and knowledge from which to pull for solutions. Using teamwork, team members pool their collective ideas together to generate unique ideas for dealing with problems. Problems in this case are not purely negative. The problem could be developing a product for a consumer to address a need that the consumer does not know that she has. Two or more people working together also build upon one another's ideas, weeding out the weak parts and making the ideas better. When a team is cohesive and works well together, it gives team members a feeling that they belong to something good. Everyone wants to be on a winning team, but you can't win all the time. Belonging to the team makes the setbacks more bearable because they're shared. Team members console one another and prop each other up, reminding everyone of their successes and that together, they will be victorious again. This promotes strong working relationships.

Teamwork is the backbone of effective communication within a company. When employees work as individuals or independently on projects, they may not readily share knowledge or new information. This lack of communication increases the time it takes to complete projects, tasks or the development of solutions. Teamwork promotes conversation between employees regarding the task at hand, possibly preventing employees from working in opposite directions. For example, if one employee does not communicate that one method of addressing a problem is a dead end, and another employee is still trying to use that method, productivity is lowered. Two working together may also feel more emboldened to ask a third person for advice or input, or to point out what doesn't make sense in the project, rather than spinning their wheels on something that isn't working. Cohesion is an important byproduct of teamwork within a company. This cohesion could be the result of increased chemistry, trust or both from working on projects as a team. Cohesive employees are less likely to be confrontational toward one another and more accepting of each other's decisions. Cohesion from teamwork can greatly increase the work-flow speed of a company. When employees work together as a team within a company, every employee learns from one another. This knowledge is not limited to the personal experiences of coworkers; employees from different departments

may learn information from each other regarding the limitations and possibilities of those departments. For example, if a marketing department consistently makes demands with unrealistic deadlines to another department, the marketing department may see through teamwork because its requests are unreasonable.

2. Pros and Cons of Mergers and acquisitions of companies.

When companies come together through the mergers and acquisitions process [M&A], there are numerous issues that must be analyzed to determine if the benefits of such a move outweigh the risks that are involved. There are always benefits to the M&A process and there are always disadvantages. Even long-term advantages may outweigh short-term difficulties. This is why evaluating the numerous pros and cons of mergers and acquisitions that are transaction specific is so important. The Pros of Mergers and Acquisitions

1. It adds more value to the combined entity than either individual company can produce on its own. At its heart, the M&A process is all about reducing duplication so that more efficiencies can be achieved. The end result is typically an enhance level of overall revenue because there aren't costly redundancies that occur through the product chain.
2. It opens up new markets for both companies. Once an organization has merged with another, it instantly gains a new market share that it may not have had before. Many people within an industry are brand loyal and the M&A process allows people to maintain that loyalty while potentially transitioning to new goods or services.
3. It is a cost-effective method to fuel expansion. If a business has to upgrade their internal processes or their existing technologies on their own, then this can create a massive charge on several budget lines that can be difficult, if not impossible, to absorb.
4. It can create multiple growth opportunities. Two businesses that may have been competing against each other now work together as one entity in the completion of the M&A process. This means they are more effective on a local level at providing economic benefits because there isn't a "race to the bottom" occurring.

The Cons of Mergers and Acquisitions

1. It creates distress within the employee base of each organization. The M&A process invariably consolidates positions within the companies that are duplicated. This often means that there is a chance layoff could occur, which would place people out of work for an indefinite period of time.
2. It may increase the amount of debt that is owed. If there are debts owed by either organization [or both], then the M&A process may increase the balance sheet debt of the combined company.

3. There can be differences in corporate culture that are not easy to consolidate.

4. It isn't a one-person decision most of the time.

The pros and cons of mergers and acquisitions show that this business transaction should not be something that is just rushed into without thought. An empowered decision is required. By evaluating all of the key points, it becomes more likely that the best possible decision can be made.

3. Role of technology in detecting and preventing financial frauds.

Along with precautionary, well-designed fraud prevention procedures, once fraud occurs, how companies can detect it promptly and efficiently is also of great importance. With financial statement fraud for example, when investigators dedicate themselves to probing for suspicious transactions or activities, they traditionally perform inspections on every voucher and invoice of every transaction. If the quantity of transactions is too large for them to tackle, they usually choose an alternative method: a selective check based on the filtered importance threshold. However, there is still a possibility that fraudulent transactions remain undiscovered since the checks are selective, not comprehensive. Thanks to the evolution of technology, investigators can now conduct a thorough and complete audit of entire populations of transactions in a relatively short period. So how can technology improve the efficiency of the fraud detection process? As previously illustrated, a full and detailed examination can now be achieved via data analysis. Additionally, technology could be integrated into the fraud investigation process. In our experience, once fraud is discovered, the first step was to build a basic background information understanding. In this aspect, it is necessary to comprehend a fraudster's relatives and close friends to establish his or her interpersonal relationships, then try to clarify the accomplice network. The prevalence of mobile phones and social networking apps such as Facebook, Twitter, WeChat, Instagram and WhatsApp provides investigators with a great opportunity to observe fraudsters' interests, lifestyle and characteristics. In addition, social networking analysis tools, like NodeXL, SVAT, Gephi, etc., could be deployed to achieve the same goal.

Evidence of specific or unprecedented accounting subjects, such as temporary payments or account receivables factoring, are also red flags. Those anomalies could be identified via several data analysis tools like SAP, CaseWare IDEA, etc. Another investigative phase is to appropriately and legitimately collect evidence. In a digital world, almost all data is stored on electronic devices, such as cellphones, computers, servers, cloud systems, etc. Thus, it is vital to gather digital evidence through proper devices to prevent them from being polluted, which might result in them being unable to be presented in court. In this regard, forensic tools such as Encase, FTK or Helix are certified and commonly employed by

investigators. Lastly, it is requisite to summarize all the information and make an interpretation –a task which is traditionally completed by investigators. With the development of computer technology, some programmes, such as Qlik or Tableau, could be applied to comprehensively display trends and variables, so that the whole story can be seen. Fraud can indeed cause great damage to companies –both financially and reputationally. However, with the assistance of sound and complete fraud prevention and management procedures, the possibility of fraud can be reduced to a certain extent. In addition, through efficient fraud detection methods, particularly the aforementioned technologies, not only can losses be reduced instantly, but a company can also demonstrate its fraud-resolving determination to society. Only when preventive measures and post-response actions complement each other can fraud risks be effectively deterred and controlled.

4. Fake news and how to identify them.

Fake news is false or misleading information presented as news. It often has the aim of damaging the reputation of a person or entity or making money through advertising revenue. However, the term does not have a fixed definition, and has been applied more broadly to include any type of false information, including unintentional and unconscious mechanisms, and also by high-profile individuals to apply to any news unfavorable to his/her personal perspectives. Once common in print, the prevalence of fake news has increased with the rise of social media, especially the Facebook News Feed. Political polarization, post-truth politics, confirmation bias, and social media algorithms have been implicated in the spread of fake news. It is sometimes generated and propagated by hostile foreign actors, particularly during elections. The use of anonymously hosted fake news websites has made it difficult to prosecute sources of fake news for libel. In some definitions, fake news includes satirical articles misinterpreted as genuine, and articles that employ sensationalist or clickbait headlines that are not supported in the text. Multiple strategies for fighting fake news are currently being actively researched and need to be tailored to individual types of fake news. Effective self-regulation and legally enforced regulation of social media and web search engines are needed. The information space needs to be flooded with accurate news to displace fake news. Individuals need to actively confront false narratives when spotted, as well as take care when sharing information via social media. However, reason, the scientific method and critical thinking skills alone are insufficient to counter the broad scope of bad ideas. Overlooked is the power of confirmation bias, motivated reasoning and other cognitive biases that can seriously distort the many facets of immune mental health. Inoculation theory shows promise in designing techniques to make individuals resistant to the lure of fake news, in the same way that a vaccine protects against infectious diseases.

- Consider the source (to understand its mission and purpose)
- Read beyond the headline (to understand the whole story)
- Check the authors (to see if they are real and credible)
- Assess the supporting sources (to ensure they support the claims)
- Check the date of publication (to see if the story is relevant and up to date)
- Ask if it is a joke (to determine if it is meant to be satire)
- Review your own biases (to see if they are affecting your judgment)
- Ask experts (to get confirmation from independent people with knowledge).

Considerable research is underway regarding strategies for confronting and suppressing fake news of all types, in particular disinformation, which is the deliberate spreading of false narratives for political purposes, or for destabilizing social cohesion in targeted communities. Multiple strategies need to be tailored to individual types of fake news, depending for example on whether the fake news is deliberately produced, or rather unintentionally or unconsciously produced.

Q.2 Read the given passage and draft a precis within 170 words: -(30 Marks)

For decades, psychologists and sociologists have pushed back against the theories of mainstream finance and economics, arguing that human beings are not rational utility-maximizing actors and that markets are not efficient in the real world. The field of behavioral economics arose in the late 1970s to address these issues, accumulating a wide swath of cases when people systematically behave "irrationally." The application of behavioral economics to the world of finance is known, unsurprisingly, as behavioral finance. From this perspective, it's not difficult to imagine the stock market as a person: It has mood swings (and price swings) that can turn on a dime from irritable to euphoric; it can overreact hastily one day and make amends the next. But can human behavior really help us understand financial matters? Does analyzing the mood of the market provide us with any hands-on strategies? Behavioral finance theorists suggest that it can. Behavioral finance is a subfield of behavioral economics, which argues that when making financial decisions like investing people are not nearly as rational as traditional finance theory predicts. For investors who are curious about how emotions and biases drive share prices, behavioral finance offers some interesting descriptions and explanations. The idea that psychology drives stock market movements flies in the face of established theories that advocate the notion that financial markets are efficient. Proponents of the efficient market hypothesis (EMH), for instance, claim that any new information relevant to a company's value is quickly priced by the market. As a result, future price moves are random because

all available (public and some non-public) information is already discounted in current values.

We can ask ourselves if these studies will help investors beat the market. After all, rational shortcomings should provide plenty of profitable opportunities for wise investors. In practice, however, few if any value investors are deploying behavioral principles to sort out which cheap stocks actually offer returns that are consistently above the norm. The impact of behavioral finance research still remains greater in academia than in practical money management. While theories point to numerous rational shortcomings, the field offers little in the way of solutions that make money from market manias. The behavioralists have yet to come up with a coherent model that actually predicts the future rather than merely explain, with the benefit of hindsight, what the market did in the past. The big lesson is that theory doesn't tell people how to beat the market. Instead, it tells us that psychology causes market prices and fundamental values to diverge for a long time. Behavioral finance offers no investment miracles to capitalize on this divergence, but perhaps it can help investors train themselves on how to be watchful of their behavior and, in turn, avoid mistakes that will decrease their personal wealth.

Solution:

Behavioral Finance: -a new study.

Behavioral finance asserts that rather than being rational and calculating, people often make financial decisions based on emotions and cognitive biases. For instance, investors often hold losing positions rather than feel the pain associated with taking a loss. The instinct to move with the herd explains why investors buy in bull markets and sell in bear markets. Behavioral finance is useful in analyzing market returns in hindsight but has not yet produced any insights that can help investors develop a strategy that will outperform in the future. However, for anyone who has been through the Internet bubble and the subsequent crash, the efficient market theory is pretty hard to swallow. Behaviorists explain that, rather than being anomalies, irrational behavior is commonplace. In fact, researchers have regularly reproduced examples of irrational behavior outside of finance using very simple experiments

Q.3 Read the given passage and answer the given questions: -(40 Marks)

Money, whether it's represented by a metal coin, a shell or a piece of paper, doesn't always have value. Its value depends on the importance that people place on it—as a medium of exchange, a unit of measurement, and a storehouse for wealth. Money allows people to trade goods and services indirectly, it helps communicate the price of goods (prices written in dollar and cents correspond to a numerical amount in your possession, i.e. in your

pocket, purse, or wallet), and it provides individuals with a way to store their wealth in the long-term. Money is valuable merely because everyone knows that it will be accepted as a form of payment. However, throughout history, both the usage and the form of money have evolved. While most of the time, the terms "money" and "currency" are used interchangeably, there are several theories that suggest that these terms are not identical. According to some theories, money is inherently an intangible concept, while currency is the physical (tangible) manifestation of the intangible concept of money. Being rich is simply having a lot of money or income. It comes down to how much cash you have in your bank account. But just because you're rich, doesn't mean you are wealthy. In fact, being rich can often mean that you are spending a lot of money. It can also mean that you have a lot of debt. It doesn't matter how much money you have if your expenses are higher than your income.

By extension, according to this theory, money cannot be touched or smelled. Currency is the coin, note, object, etc. that is presented in the form of money. The basic form of money is numbers; today, the basic form of currency is paper notes, coins, or plastic cards (e.g. credit or debit cards). While this distinction between money and currency is important in some contexts, for the purposes of this article, the terms are used interchangeably. Money—in some way, shape or form—has been part of human history for at least the last 3,000 years. Before that time, historians generally agree that a system of bartering was likely used. One of the greatest achievements of the introduction of money was increasing the speed at which business, whether mammoth-slaying or monument-building, could be done. The 21st century has given rise to two novel forms of currency: mobile payments and virtual currency. Mobile payments are money rendered for a product or service through a portable electronic device, such as a cell phone, smartphone, or a tablet device. Mobile payment technology can also be used to send money to friends or family members. Increasingly, services like Apple Pay and Google Pay are vying for retailers to accept their platforms for point-of-sale payments. Bitcoin, released in 2009 by the pseudonymous Satoshi Nakamoto, quickly became the standard for virtual currencies. Virtual currencies have no physical coinage. The appeal of virtual currency is it offers the promise of lower transaction fees than traditional online payment mechanisms, and virtual currencies are operated by a decentralized authority, unlike government-issued currencies. Despite many advances, money still has a very real and permanent effect on how we do business today.

Q.1 On the basis of the passage, describe why money is considered as an idea.

Ans. Money is considered an idea because everyone knows that it will be accepted as a form of payment. However, throughout history, both the usage and the form of money have evolved. Money, whether it's represented by a metal coin, a shell or a piece of paper,

doesn't always have value. Its value depends on the importance that people place on it—as a medium of exchange, a unit of measurement, and a storehouse for wealth.

Q.2 Discuss how money is intangible according to the passage.

Ans. While most of the time, the terms "money" and "currency" are used interchangeably, there are several theories that suggest that these terms are not identical. According to some theories, money is inherently an intangible concept, while currency is the physical (tangible) manifestation of the intangible concept of money. Money, whether it's represented by a metal coin, a shell or a piece of paper, doesn't always have value. Its value depends on the importance that people place on it—as a medium of exchange, a unit of measurement, and a storehouse for wealth.

Q.3 According to author, what is difference between having money and being rich.

Ans. As stated, being rich is simply having a lot of money or income. It comes down to how much cash you have in your bank account. But just because you're rich, doesn't mean you are wealthy. In fact, being rich can often mean that you are spending a lot of money. It can also mean that you have a lot of debt. It doesn't matter how much money you have if your expenses are higher than your income.

Q.4 Describe the evolution of money on the basis of the passage.

Ans. Money—in some way, shape or form—has been part of human history for at least the last 3,000 years. Before that time, historians generally agree that a system of bartering was likely used. Money allows people to trade goods and services indirectly, it helps communicate the price of goods (prices written in dollar and cents correspond to a numerical amount in your possession, i.e. in your pocket, purse, or wallet), and it provides individuals with a way to store their wealth in the long-term.

Q.5 Discuss why money is considered important as a commodity.

Ans. One of the greatest achievements of the introduction of money was increasing the speed at which business, whether mammoth-slaying or monument-building, could be done. The 21st century has given rise to two novel forms of currency: mobile payments and virtual currency. Mobile payments are money rendered for a product or service through a portable electronic device, such as a cell phone, smartphone, or a tablet device. Mobile payment technology can also be used to send money to friends or family members. Increasingly, services like Apple Pay and Google Pay are vying for retailers to accept their platforms for point-of-sale payments.

SEBI GRADE A 2020

PHASE 1 PAPER 2

Memory Based Paper and Analysis



Q.1) BSE is headquartered at _____

Static or Current – **STATIC**

Subject – **FINANCE**

Difficulty Level – **EASY**

Topic – **Primary and Secondary Markets – Equity Markets**

Options:

- (a) Nariman Point, Mumbai
- (b) Dalal Street, Mumbai
- (c) Colaba, Mumbai
- (d) Churchgate, Mumbai
- (e) Connaught Place, New Delhi

Answer: (b) Dalal Street, Mumbai

Explanation:

BSE Limited, also known as the Bombay Stock Exchange, is an Indian stock exchange located on Dalal Street in Mumbai. Established in 1875, it is Asia's oldest stock exchange.

Q.2 DT in DTAA stands for _____

Static or Current – **STATIC**

Subject – **FINANCE**

Difficulty Level – **Easy**

Topic – **Direct and Indirect Taxes and GST**

Options:

- (a) Double Taxation
- (b) Direct Tax
- (c) Discounted Tax
- (d) Designated Tax
- (e) None of the above

Answer: (a) Double Taxation

Explanation:

DTAA stands for Double Taxation Avoidance Agreement. The Double Tax Avoidance Agreement (DTAA) is a tax treaty signed between two or more countries to help taxpayers avoid paying double taxes on the same income. A DTAA becomes applicable in cases where an individual is a resident of one nation but earns income in another. India has comprehensive double taxation avoidance agreement with 88 countries, out of which 85 have entered into force. This means that there are agreed rates of tax and jurisdiction on specified types of income arising in a country to a tax resident of another country. Under the Income Tax Act 1961 of India, there are two provisions, Section 90, and Section 91, which provide specific relief to taxpayers to save them from double taxation. Section 90 (bilateral relief) is for taxpayers who have paid the tax to a country with which India has signed double taxation avoidance agreements, while Section 91 (unilateral relief) provides benefit to tax payers who have paid tax to a country with which India has not signed an agreement. Thus, India gives relief to both kinds of taxpayers. The rates differ from country to country.

Q.3) Tally Software is used for _____

Static or Current – **STATIC**

Subject – **Commerce and Accounts**

Difficulty Level – **Easy**

Topic – **Accounting as Financial Information System**

Options:

- (a) **Price Determination**
- (b) **Accounting**
- (c) **Customer Acquisition**
- (d) **Understanding Market Penetration**
- (e) **None of the above**

Answer: (b) Accounting

Explanation:

Tally is an ERP accounting software package that is used to record day to day business data of a company. The latest version of Tally is Tally ERP 9. Tally ERP 9 Software is one of the

most financial accounting systems used in India. For small and medium enterprises, it is complete enterprise software.

Q.4) NBFCs are regulated by _____

Static or Current – **STATIC**

Subject – **Finance**

Difficulty Level – **EASY**

Topic – **Financial Institutions - RBI,SEBI,NABARD, SIDBI etc.**

Options:

- (a) SEBI
- (b) RBI
- (c) Ministry of Finance
- (d) NABARD
- (e) NHB

Answer: (b) RBI

Explanation:

Non-Banking Financial Companies (NBFCs) are regulated and governed by Reserve bank of India (RBI). As per section 45-IA of the Reserve Bank of India Act, 1934, an NBFC cannot carry on non-banking financial activities unless it has certificate of registration and net owned fund of 2 crore.

Q.5) Which of the following campaigns is aimed to improve the efficiency of welfare services intended for girls in India?

Static or Current – **Schemes**

Subject – **ECONOMICS**

Difficulty Level – **Moderate**

Topic – **Miscellaneous (Out of Syllabus as it is from Schemes)**

Options:

- a) Sukanya Samridhi Yojana
- b) Integrated Child Development Services
- c) Beti Bachao Beti Padhao
- d) Both A and B
- e) None of the above

Answer: (c) Beti Bachao Beti Padhao

Explanation:

Beti Bachao, Beti Padhao is a campaign of the Government of India that aims to generate awareness and improve the efficiency of welfare services intended for girls in India.

Q.6) JIT is used in _____

Static or Current – **STATIC**
Subject – **COSTING**
Difficulty Level – **EASY**
Topic – **Lean System and Innovation**

Options:

- a) Scheduling
- b) Marketing
- c) Inventory Management
- d) Overheads Treatment
- e) None of the above

Answer: (c) Inventory Management

Explanation:

The just-in-time (JIT) inventory system is a management strategy that aligns raw-material orders from suppliers directly with production schedules. Companies employ this inventory strategy to increase efficiency and decrease waste by receiving goods only as they need them for the production process, which reduces inventory costs. This method requires producers to forecast demand accurately.

Q.7) During the registration of a company, the CRC issues _____

Static or Current – **STATIC**
Subject – **COMPANY LAW**
Difficulty Level – **MODERATE**
Topic – **Miscellaneous (From Chapter II - Incorporation of Company in company law which is out of syllabus)**

Options:

- (a) Direction Identification Number

- (b) Corporate Identification Number
- (c) Company Helpline Number
- (d) Tax Identification Number
- (e) None of the above

Answer: (b) Corporate Identification Number

Explanation:

During the incorporation of a company, the CRC issued Corporate Identification Number to a company.

Q.8) Which type of Tax is handled by the CBDT?

Static or Current – **STATIC**
Subject – **FINANCES**
Difficulty Level – **EASY**
Topic – **Direct and Indirect Taxes and GST**

Options:

- (a) Direct Tax
- (b) Indirect Tax
- (c) Both A and B
- (d) None of A and B
- (e) There is no such body/organisation as CBDT

Answer: (a) Direct Tax

Explanation:

The Direct Taxes are handled by the Central Board of Direct Taxes (CBDT). The Income Tax Department (also referred to as IT Department or ITD) is a government agency undertaking direct tax collection of the Government of India. It functions under the Department of Revenue of the Ministry of Finance. Income Tax Department is headed by the apex body Central Board of Direct Taxes (CBDT).

Q.9) GSTIN is allotted based on _____

Static or Current – **STATIC**
Subject – **FINANCE**
Difficulty Level – **Easy**

Topic – **Direct and Indirect Taxes and GST**

Options:

- (a) Passport
- (b) Aadhaar Card
- (c) Driving Licence
- (d) PAN
- (e) None of the above

Answer: (d) PAN

Explanation:

GSTIN, known as GST Identification Number, is assigned to every GST registered person. Each taxpayer is assigned a state-wise PAN-based 15-digit Goods and Services Taxpayer Identification Number (GSTIN).

- The first two digits represent the state code as per Indian Census 2011. Every state has a unique code. For instance,
 - State code of Karnataka is 29
 - State code of Delhi is 07
- The next ten digits will be the PAN number of the taxpayer
- The thirteenth digit will be assigned based on the number of registrations within a state
- The fourteenth digit will be “Z” by default
- The last digit will be for check code. It may be an alphabet or a number.

Q.10) As per the Constitution of India, when a bill is presented in the Parliament of India, who decides whether a Financial Bill is a money bill or ordinary bill?

Static or Current – **STATIC**

Subject – **Finance**

Difficulty Level – **DIFFICULT**

Topic – **MISCELLANEOUS (The definition of "Money Bill" is given in Article 110 of The Constitution of India which is out of Syllabus)**

Options:

- (a) Prime Minister of India
- (b) Finance Minister of India
- (c) Speaker of the Lok Sabha
- (d) Leader of the Opposition in Lok Sabha

(e) None of the above

Answer: (c) Speaker of the Lok Sabha

Explanation:

The definition of "Money Bill" is given in Article 110 of The Constitution of India. A financial bill is not a Money Bill unless it fulfills the requirements of Article 110.

The Speaker of the Lok Sabha certifies if a financial bill is a Money Bill or not.

Q.11) Bill of exchange drawn in parts is known as _____

Static or Current – **STATIC**

Subject – **Commerce and Accounts**

Difficulty Level – **MODERATE**

Topic – **Miscellaneous /Bills of Exchange** (Question from chapter on Bills of Exchange which is not part of Syllabus but this is basics of Commerce and Accounts and is covered in EduTap Course)

Options:

- (a) Bill in Sets
- (b) Bill in Quarters
- (c) Bill in Bricks
- (d) Bill in Parts
- (e) Bill in Cases

Answer: (a) Bill in Sets

Explanation:

Bills are sometimes drawn in several parts. All the parts so drawn are referred as bill 'drawn in sets'. The drawer of the 'bills in sets' must sign all the parts and deliver all the parts but the acceptance should be written only on one part.

Q.12) If partnership deed is not there, then how the profit is distributed among partners?

Static or Current – **STATIC**

Subject – **Commerce and Accounts**

Difficulty Level – **Moderate**

Topic – **Miscellaneous /Partnership** Accounts (Question from Partnership chapter, which is out of Syllabus, but this is very famous topic of Commerce and Accounts and is covered in EduTap Course)

Options:

- (a) As per the mutual understanding of the Partners
- (b) As per the profit-sharing ratio of the Partners
- (c) As per the seniority of the Partners
- (d) Equally Distributed among the Partners.
- (e) None of the above

Answer: (d) Equally Distributed among the Partners

Explanation:

In accordance with the provisions of the partnership deed, the profits and losses made by the firm are distributed among the partners. However, sharing of profit and losses is equal among the partners, if the partnership deed is silent.

Q.13) Agriculture comes under which list?

Static or Current – **STATIC**

Subject –**UNRELATED TO SYLLABUS**

Difficulty Level – **DIFFICULT**

Topic – **MISCELLANEOUS (This question is from general studies which is out of syllabus)**

Options:

- (a) Union List
- (b) State List
- (c) Concurrent List
- (d) None of the above
- (e) Restricted List

Answer: (b) State List

Explanation:

Under the State List, “agriculture” is mentioned in entry 14. So, states are entirely competent to enact laws on agriculture. Entry 18 mentions, inter-alia, “transfer and alienation of agricultural land”

Q.14) Which section of IT Act, 1961 act is known as charging section?

Static or Current – **STATIC**

Subject – **FINANCE**

Difficulty Level – **MODERATE**

Topic – **Miscellaneous (This question is from IT Act which is not part of Syllabus)**

Options:

- (a) Section 10
- (b) Section 2
- (c) Section 4
- (d) Section 139
- (e) Section 141

Answer: (c) Section 4

Explanation:

Section 4 of the Income Tax Act, 1961 (the Act), is the basic charging section under which income-tax is chargeable on the total income of every person.

Q.15) Which of the following is a non-negotiable instrument?

Static or Current – **STATIC**

Subject – **Finance**

Difficulty Level – **MODERATE**

Topic – **Banking and Financial System in India**

Options:

- (a) Hundi
- (b) Currency Note
- (c) Bills of Exchange
- (d) Promissory Note
- (e) Cheque

Answer: (b) Currency Note

Explanation:

Currency is a legal tender which gives the holder the right to receive the value of its denomination on exchange. So “holding” determines the entitlement. A holder of a negotiable instrument, if he is not the payee, is entitled to receive the payment only from

the transferor. So, if the title of the transferor is defective, then holder's title also become defective unless he is a holder in due course. In which case he has to prove that he has obtained the instrument for a valuable consideration and in good faith before maturity. A negotiable instrument is something in lieu of currency, which makes it a form of credit. Whereas currency is used for current payment.

Q.16) Performance approach through rewards and punishment is called _____

Static or Current – **STATIC**

Subject – **MANAGEMENT**

Difficulty Level – **EASY**

Topic – **MOTIVATION**

Options:

- (a) MBO
- (b) Carrots and Stick Approach
- (c) Transformational Approach
- (d) Eclectic Motivation

Answer: (b) Carrots and Stick Approach

Explanation:

Carrot and stick motivation is a motivational approach that involves offering a “carrot” (a reward—for good behavior) and a “stick” (a negative consequence for poor behavior). It motivates staff by creating actionable goals and desirable rewards for employees who can alter their behavior and performance.

Q.17) Market for Gold and silver is known as _____

Static or Current – **STATIC**

Subject – **FINANCE**

Difficulty Level – **MODERATE**

Topic – **Derivatives (Futures and Forwards)**

Options:

- (a) Gold and Silver Market
- (b) Bullion Market
- (c) Metal Market
- (d) Sona Market
- (e) Shine market

Answer: (b) Bullion

Explanation:

A bullion market is a market through which buyers and sellers trade gold and silver as well as associated derivatives. The bullion market is the primary source of gold and silver trading quotes throughout the day. Multiple bullion markets exist across the globe.

Q.18) Statistics of population is known as _____

Static or Current – **STATIC**

Subject – **Economics**

Difficulty Level – **Easy**

Topic – **Miscellaneous (From Demographic Trends which is out of syllabus)**

Options:

- (a) Demography
- (b) Sociology
- (c) Anthropology
- (d) Ecology
- (e) None of the above

Answer: (a) Demography

Explanation:

Demography is the statistical study of populations, especially human beings. Demographic analysis can cover whole societies or groups defined by criteria such as education, nationality, religion, and ethnicity.

Q.19) Rent Expenses were charged to the books of accounts for 11 months but it was not charged in the 12th month. Which type of error is this?

Static or Current – **STATIC**

Subject – **Commerce and Accounts**

Difficulty Level – **EASY**

Topic – **Miscellaneous/Trial Balance and Rectification of Errors**

Options:

- (a) Errors of Commission
- (b) Errors of Omission
- (c) Errors of Principle
- (d) There is no error

(e) None of the above

Answer: (b) Errors of Omission

Explanation:

The error of omission refers to the error in which a transaction is not at all recorded in the books, either completely or partially.

Q.20) Which animal is displayed in the Make in India logo?

Static or Current – **Static (Schemes)**

Subject – **ECONOMICS**

Difficulty Level – **EASY**

Topic – **Miscellaneous** (From Schemes which is out of syllabus)

Options:

- (a) Tiger
- (b) Giraffe
- (c) Lion
- (d) Deer
- (e) None of Above

Answer: (c) Lion

Explanation:

The Make in India logo is the silhouette of a lion on the prowl, made entirely of cogs, symbolizing manufacturing, strength, and national pride.

Q.21) While calculating income from house property, Municipal Taxes are treated on _____ basis

Static or Current – **STATIC**

Subject – **Commerce and Accounts**

Difficulty Level – **DIFFICULT**

Topic – **Miscellaneous (From INCOME TAX which is Out of Syllabus)**

Options:

- (a) Due
- (b) Not Deductible
- (c) Payment
- (d) Both A and C

(e) None of the above

Answer: (c) Payment

Explanation:

Municipal taxes paid: Any taxes paid to the Government during the financial year (for which the income is being computed) on the property owned, such as house tax, are allowed for deduction from the Gross Annual Value which is calculated on the basis of the total rent receivable/received/deemed rent for the property.

Q.22) O in SWOT Stands for _____

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

Options:

- (a) Organisation
- (b) Opportunity
- (c) Outstanding
- (d) Outright
- (e) None of the above

Answer: (b) Opportunity

Explanation:

SWOT = Strengths, Weaknesses, Opportunity, Threats

Q.23) Which of the following is also known as lender of last resort?

Static or Current – **STATIC**
Subject – **FINANCE**
Difficulty Level – **EASY**
Topic – **Functions of RBI**

Options:

- (a) SBI
- (b) HDFC Bank

- (c) RBI
- (d) NABARD
- (e) ICICI Bank

Answer: (c) RBI

Explanation:

A lender of last resort is whoever you turn to when you urgently need funds and you've exhausted all your other options. Banks typically turn to their lender of last resort (the Central Bank of the country) when they cannot get the funding they need for their daily business.

RBI is the official lender of the last resort in India. Lender of the last resort means Central bank coming to the rescue of other banks in times of financial crisis.

Q.24) Which of the following organisation is responsible for promotion and financing of MSMEs?

Static or Current – STATIC Subject – FINANCE Difficulty Level – EASY Topic – FINANCIAL INSTITUTIONS
--

Options:

- (a) SEBI
- (b) RBI
- (c) NHB
- (d) SIDBI
- (e) NABARD

Answer: (d) SIDBI

Explanation:

The SIDBI (Small Industries Development Bank of India) is a wholly-owned subsidiary of IDBI (Industrial Development Bank of India), established under the special Act of the Parliament 1988 which became operative from April 2, 1990.

SIDBI was made responsible for administering Small Industries Development Fund and National Equity Fund that were administered by IDBI before. SIDBI is the Primary Financial Institution for promoting, developing and financing MSME (Micro, Small and

Medium Enterprise) sector. Besides focussing on the development of the Micro, Small and Medium Enterprise sector, SIDBI also promotes cleaner production and energy efficiency.

SIDBI helps MSMEs in acquiring the funds they require to grow, market, develop and commercialize their technologies and innovative products. The bank provides several schemes and also offers financial services and products for meeting the individual's requirement of various businesses.

Q.25) GST is applicable to _____

Static or Current – **STATIC**
Subject – **FINANCE**
Difficulty Level – **Moderate**
Topic – **Direct and Indirect Taxes and GST**

Options:

- (a) Whole of India
- (b) Whole of India excluding the Union Territories of Jammu & Kashmir and Ladakh
- (c) Whole of India excluding the north-eastern states
- (d) Whole of India excluding the Union Territories of Jammu & Kashmir and Ladakh and the north-eastern states
- (e) None of above

Answer: (a) Whole of India

Explanation:

After the enactment of various GST laws, Goods and Services Tax was launched all over India with effect from 1 July 2017. The Jammu and Kashmir state legislature (then a full state) passed its GST act on 7 July 2017, thereby ensuring that the entire nation is brought under a unified indirect taxation system.

Q.26) If the total Assets are – Rs 36,000; Liabilities are – Rs 16,000; What is the amount of Equity?

Static or Current – **STATIC**
Subject – **Commerce and Accounts**
Difficulty Level – **EASY**

Topic – Income Statement and Balance Sheet

Options:

- (a) Rs 20,000
- (b) Rs 52,000
- (c) Rs 56,000
- (d) Rs 10,000
- (e) None of Above

Answer: (a) Rs 20,000

Explanation:

Fundamental Accounting Equation – Assets = Liabilities + Equity

=> Rs 36,000 = Rs 16,000 + Equity

=> Rs 36,000 – Rs 16,000 = Equity

Or; Rs 20,000 = Equity

Q.27) What is the full form of CPM?

Static or Current – **STATIC**

Subject – **MANAGEMENT**

Difficulty Level – **Easy**

Topic – **General Management (Fundamentals of Management)**

Options:

- (a) Consumer Price Movement
- (b) Critical Path Method
- (c) Customer Priority Mechanism
- (d) Cost Profit Measurement
- (e) None of the above

Answer: (b) Critical Path Method

Explanation:

Critical path method (CPM) is a resource-utilization algorithm for scheduling a set of project activities. The essential technique for using CPM is to construct a model of the project that includes the following: A list of all tasks required to complete the project. The dependencies between the tasks.

Q.28) If the Contribution is = Rs 40,000; Sales is = Rs 2,00,000. What is the P/V Ratio?

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

Options:

- (a) 5%
- (b) 20%
- (c) 80%
- (d) 500%
- (e) None of Above

Answer: (b) 20%

Explanation:

$P/V \text{ Ratio} = (\text{Contribution} / \text{Sales}) * 100 = (\text{Rs } 40,000 / \text{Rs } 2,00,000) * 100 = 20\%$

Q.29) What is the total number of schedules in the Companies Act,2013?

Static or Current – **STATIC**
Subject – **COMPANY LAW**
Difficulty Level – **Easy**
Topic – **Miscellaneous/Basics of Company Law** (From chapter I - Preliminary which is not in syllabus but this is very basic topic of Commerce and Accounts and is covered in EduTap Course)

Options:

- (a) 5
- (b) 6
- (c) 7
- (d) 2
- (e) 3

Answer: (c) 7

Explanation:

The Companies Act,2013 is divided into 29 chapters containing 470 sections as against 658 Sections in the Companies Act, 1956 and has 7 schedules.

Q.30) Which of the following would be given least priority at the time of liquidation of company?

Static or Current – **STATIC**

Subject – **FINANCE**

Difficulty Level – **EASY**

Topic – **Primary and Secondary Markets – Equity Markets**

Options:

- (a) Preference Shareholders
- (b) Debenture Holders
- (c) Both A and B
- (d) Equity Shareholders
- (e) Environment

Answer: (d) Equity Shareholders

Explanation:

At the time of liquidation of companies, The Creditors or Debenture Holders would be given the first priority for payment of their money, then the preference would be given to Preference Shareholders and the Equity Shareholders would be given the least priority.

Q.31) Which of the following is a computer related crime?

Static or Current – **STATIC**

Subject – **Computer**

Difficulty Level – **EASY**

Topic – **MISCELLANEOUS (From Computer which is out of syllabus)**

Options:

- (a) Arms Trafficking
- (b) Tax Evasion
- (c) Burglary
- (d) Cyber Crime
- (e) None of the above

Answer: (d) Cyber Crime

Explanation:

Cyber-crime - crimes done by computer. Examples of cyber-crime include:

Computer hacking (where a person breaks into a computer using another computer, and steals information)

Cyber stalking (following someone all the time, using a computer, to make them feel scared)

E-mail fraud (for example, emailing people asking to send money in scams)

Spam (where "spammers" get email addresses for thousands of people and send them all unwanted ads)

Q.32) ITNS 281 challan form is used for _____

Static or Current – **STATIC**

Subject – **FINANCE**

Difficulty Level – **Moderate**

Topic – **Direct and Indirect Taxes and GST**

Options:

- (a) E-filing of taxes of individual taxpayer
- (b) Depositing Advance Tax every quarter
- (c) Refund of taxes
- (d) Depositing TDS/TCS amount
- (e) None of the above

Answer: (d) Depositing TDS/TCS amount

Explanation:

Challan number /ITNS 281 is used to deposit Tax deducted at source (TDS) or Tax collected at source (TCS). TDS challan status can be filled by corporate or non- corporate entities. Any taxpayer can do the income tax challan 281 payment online on the TIN NSDL website.

Q.33) Labour Turnover = _____

Static or Current – **STATIC**

Subject - **COSTING**

Difficulty Level – **MODERATE**

Topic – **Miscellaneous/Labor Costs (From Labor Costs which is not part of syllabus directly but it is basic of Costing and is covered in EduTap’s Course)**

Options:

- (a) The number of people working in the current period
- (b) The number of people who left the organisation in the previous period
- (c) Rate of change of labour force
- (d) The rate of the change in the wages of the labour force
- (e) None of the above

Answer: (c) Rate of change of labour force

Explanation:

Labour turnover may be defined as the number of workers replaced during a given period relative to the average labour force during the period. It is the number of workers who left the job during a period relative to the average labour force during the period.

Q.34) The full form of BPO is _____

Static or Current – **STATIC**
Subject – **UNRELATED TO SYLLABUS**
Difficulty Level – **EASY**
Topic – **MISCELLANEOUS**

Options:

- (a) Business Productivity Optimisation
- (b) Business Process Outsourcing
- (c) Business Producing Operations
- (d) Batch Production Order
- (e) None of the above

Answer: (b) Business Process Outsourcing

Explanation:

Business process outsourcing (BPO) is a method of subcontracting various business-related operations to third-party vendors.

Q.35) The partner will open a current account when partner has _____

Static or Current – **STATIC**

Subject – **Commerce and Accounts**

Difficulty Level – **DIFFICULT**

Topic – **Miscellaneous/Partnership Accounts** (Question from Partnership chapter which is out of Syllabus but this is very famous topic of Commerce and Accounts and is covered in EduTap Course)

Options:

- (a) Fixed Capital
- (b) Fluctuating Capital
- (c) Leveraged Capital
- (d) All of the above
- (e) None of the above

Answer: (a) Fixed Capital

Explanation:

A current account is opened when the capital of partners is fixed. In such a case, all transactions relating to (except introduction and withdrawal of capital) interest on capital, interest on drawings, salary to partners, etc. are done from/through the current account.

Q.36) Which language is used for creating web page?

Static or Current – **STATIC**

Subject – **UNRELATED TO SYLLABUS**

Difficulty Level – **Easy**

Topic – **MISCELLANEOUS (From Computer which is out of syllabus)**

Options:

- (a) C++
- (b) SQL
- (c) Python
- (d) HTML

(e) None of the above

Answer: (d) HTML

Explanation:

HTML (Hypertext Markup Language) is the code that is used to structure a web page and its content. For example, content could be structured within a set of paragraphs, a list of bulleted points, or using images and data tables.

Q.37) Start or Re-start of computer is known as _____

Static or Current – **STATIC**

Subject – **UNRELATED TO SYLLABUS**

Difficulty Level – **EASY**

Topic – **MISCELLANEOUS (From Computer which is out of syllabus)**

Options:

- (a) Firewall
- (b) Adware
- (c) Booting
- (d) Formatting
- (e) None of the above

Answer: (c) Booting

Explanation:

Start or re-start of computer is known as Booting

Q.38) Debenture holders are paid _____

Static or Current – **STATIC**

Subject – **FINANCE**

Difficulty Level – **EASY**

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

Options:

- (a) Dividends

- (b) Interest
- (c) Tax
- (d) Both A and B
- (e) None of the above

Answer: (b) Interest

Explanation:

Debenture holders are paid interest on their lent money at a fixed / agreed rate.

Q.39) If there is no consideration, then the agreement is _____

Static or Current – **STATIC**

Subject – **UNRELATED TO SYLLABUS**

Difficulty Level – **DIFFICULT**

Topic – **MISCELLANEOUS (From Contract Act which is out of Syllabus)**

Options:

- (a) Void
- (b) Voidable
- (c) Legally Enforceable
- (d) Both A and B
- (e) None of the above

Answer: (a) Void

Explanation:

A contract is an agreement enforceable by law. A void agreement is one which cannot be enforced by law. Sometimes an agreement which is enforceable by law, i.e., a contract, can become void. Void agreements are different from voidable contracts, which are contracts that may be nullified. An agreement to carry out an illegal act is an example of a void agreement. For example, an agreement between drug dealers and buyers is a void agreement simply because the terms of the contract are illegal. In such a case, neither party can go to court to enforce the contract. A void agreement is void ab initio, i.e., from the beginning while a voidable contract can be voidable by one or all of the parties. A voidable contract is not void ab initio, rather, it becomes void later due to some changes

in condition. In sum, there is no scope of any discretion on the part of the contracting parties in a void agreement. The contracting parties do not have the power to make a void agreement enforceable.

Q.40) If there is charge against company properties, it is registered with _____

Static or Current – **STATIC**

Subject – **COMPANY LAW**

Difficulty Level – **EASY**

Topic – **MISCELLANEOUS (From chapter VI - Registrar of Companies of company law which is out of syllabus)**

Options:

- (a) SEBI
- (b) RBI
- (c) Registrar of Companies
- (d) Central Government
- (e) None of the above

Answer: (c) Registrar of Companies

Explanation:

Section 77 to 87 of the Companies Act 2013 provides the procedure for the registration of Charges.

Every company, creating or modifying a Charge on its property, assets or undertakings, whether it is tangible or intangible situated within or outside India, shall register the particular of Charge with the Registrar within 30 days of such creation by applying Form No. CHG-1 (for other than debentures) and Form No. CHG-9 (for debentures).

Along with the Form CHG-1 or CHG-9 as the case may be, the documents such as a certified true copy of every instrument evidencing creation or modification of the Charge, particular of other Charge holders in case of joint Charge and consortium finance, and in case of acquisition of property which is already subject to Charge instrument evidencing such acquisitions, are filed.

Q.41) Narayan Murthy is the founder of _____

Static or Current – **STATIC**
Subject – **UNRELATED TO SYLLABUS**
Difficulty Level – **EASY**
Topic – **MISCELLANEOUS**

Options:

- (a) Infosys
- (b) TCS
- (c) Tech Mahindra
- (d) WIPRO
- (e) None of the above

Answer: (a) Infosys

Explanation:

Infosys was founded in 1981 by seven engineers- N. R. Narayana Murthy, Nandan Nilekani, N. S. Raghavan, S. Gopalakrishnan, S. D. Shibulal, K. Dinesh, and Ashok Arora in Pune, India.

Q.42) Full form of NAV in terms of Mutual Fund is _____

Static or Current – **STATIC**
Subject - **FINANCE**
Difficulty Level – **MODERATE**
Topic – **Miscellaneous/MUTUAL FUNDS (Question from Mutual Funds chapter which is out of Syllabus, but this is very Basic topic of Finance and is covered in EduTap Course)**

Options:

- (a) Net Acquired Value
- (b) Non-Attractive Valuation
- (c) Net Appraised Value
- (d) Net Asset Value
- (e) None of the above

Answer: (d) Net Asset Value

Explanation:

Net Asset Value (NAV) is calculated as the current value of total assets minus the total value of all liabilities, divided by the total number of outstanding units. NAV allows an investor to track the performance of a fund.

Q.43) What is the meaning of C in LCR?

Static or Current – **STATIC**

Subject – **FINANCE**

Difficulty Level – **EASY**

Topic – **Miscellaneous/Risk Management (From Risk Management which is not part of syllabus but very basic topic of finance and is covered in EduTap's Course)**

Options:

- (a) Coverage
- (b) Conditional
- (c) Counter
- (d) Carriage
- (e) None of the above

Answer: (a) Coverage

Explanation:

LCR = Liquidity Coverage Ratio. The liquidity coverage ratio (LCR) refers to the proportion of highly liquid assets held by financial institutions, to ensure their ongoing ability to meet short-term obligations.

Q.44) Which of the following can be considered as FDI apart from investing in one's home currency?

Static or Current – **STATIC**

Subject – **Finance/Economics**

Difficulty Level – **MODERATE**

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

Options:

- (a) Investing in equity stocks

- (b) Remittance of money through bank account
- (c) Both A and B
- (d) Setting up a manufacturing unit
- (e) None of the above

Answer: (d) Setting up a manufacturing unit

Explanation:

Setting up a manufacturing unit can be considered as an FDI

Q.45) Provision of tax is under which sub-head in balance sheet _____

Static or Current – **STATIC**
Subject – **Commerce and Accounts**
Difficulty Level – **MODERATE**
Topic – **Preparation of FINAL Company ACCOUNTS**

Options:

- (a) Long-term provisions
- (b) Short-term assets
- (c) Long-term liabilities
- (d) Short-term provisions
- (e) None of the above

Answer: (d) Short-term liabilities

Explanation:

Provision of tax is under Short-term provisions in the balance sheet.

Q.46) Debit what comes in, credit what goes _____

Static or Current – **STATIC**
Subject – **Commerce and Accounts**
Difficulty Level – **EASY**

Topic – **Miscellaneous/ Recording Transactions (Question from Recording Transactions chapter which is out of Syllabus but this is very Basic topic of Commerce and Accounts and is covered in EduTap Course)**

Options:

- (a) Up
- (b) Down
- (c) Out
- (d) Diagonal
- (e) None of the above

Answer: (c) Out

Explanation:

The Golden Rules of Accounting

Debit The Receiver, Credit The Giver

This principle is used in the case of personal accounts. When a person gives something to the organization, it becomes an inflow and therefore the person must be credit in the books of accounts. The converse of this is also true, which is why the receiver needs to be debited.

Debit What Comes In, Credit What Goes Out

This principle is applied in case of real accounts. Real accounts involve machinery, land and building etc. They have a debit balance by default. Thus, when you debit what comes in, you are adding to the existing account balance. This is exactly what needs to be done. Similarly, when you credit what goes out, you are reducing the account balance when a tangible asset goes out of the organization.

Debit All Expenses and Losses, Credit All Incomes and Gains

This rule is applied when the account in question is a nominal account. The capital of the company is a liability. Therefore, it has a default credit balance. When you credit all incomes and gains, you increase the capital and by debiting expenses and losses, you decrease the capital. This is exactly what needs to be done for the system to stay in balance.

The golden rules of accounting allow anyone to be a bookkeeper. They only need to understand the types of accounts and then diligently apply the rules.

Q.47) Which of the following would be best for process improvement?

Static or Current – **STATIC**

Subject – **MANAGEMENT**

Difficulty Level – **MODERATE**

Topic – **GENERAL MANAGEMENT (Fundamentals of Management)**

Options:

- (a) Concurrent Control
- (b) Feedback Control
- (c) Feedforward Control
- (d) Both A and B
- (e) None of the above

Answer: (b) Feedback Control

Explanation:

Feedback control is a process that managers can use to evaluate how effectively their teams meet the stated goals at the end of a production process. Feedback control evaluates the team's progress by comparing the output the team was planning on producing to what was actually produced.

Q.48) What kind of ratio is a Current Ratio?

Static or Current – **STATIC**

Subject – **FINANCE**

Difficulty Level – **EASY**

Topic – **RATIO ANALYSIS**

Options:

- (a) Liquidity
- (b) Activity
- (c) Profitability
- (d) Solvency
- (e) None of the above

Answer: (a) Liquidity

Explanation:

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. It tells investors and analysts how a company can maximize the current assets on its balance sheet to satisfy its current debt and other payables.

Q.49) Current assets are assets expected to be realized within _____

Static or Current – **STATIC**
Subject – **ACCOUNTANCY/Finance**
Difficulty Level – **EASY**
Topic – **INCOME STATEMENT & BALANCE SHEET**

Options:

- (a) 90 days
- (b) 180 days
- (c) 1 year
- (d) 2 years
- (e) None of the above

Answer: (c) 1 year

Explanation:

Current assets are assets expected to be realized within 1 year

Q.50) The _____ states that other factors being constant, price and quantity demand of any good and service are inversely related to each other.

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

Options:

- (a) Law of Demand

- (b) Law of Supply
- (c) Law of Diminishing Marginal Utility
- (d) Law of Variable Proportion
- (e) None of the above

Answer: (a) Law of Demand

Explanation:

The law of demand states that other factors being constant (ceteris paribus), price and quantity demanded of any good and service are inversely related to each other. When the price of a product increases, the demand for the same product will fall.

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

Question No.	Topic	Subject	Level	Remarks
1	Primary and Secondary Markets – Equity Markets	FINANCE	Easy	
2	Direct and Indirect Taxes and GST	FINANCE	Easy	
3	Accounting as Financial Information System	Commerce and Accounts	Easy	
4	Financial Institutions - RBI, SEBI, NABARD, SIDBI etc.	FINANCE	Easy	
5	Miscellaneous	Schemes	Moderate	Out of Syllabus as it is from Scheme
6	Lean System and Innovation	COSTING	Easy	
7	Miscellaneous	COMPANY LAW	MODERATE	From Chapter II - Incorporation of Company in company law which is out of syllabus
8	Direct and Indirect Taxes and GST	FINANCE	Easy	
9	Direct and Indirect Taxes and GST	FINANCE	Easy	
10	Miscellaneous	General Studies	DIFFICULT	The definition of "Money Bill" is given in Article 110 of The Constitution of

				India which is out of Syllabus
11	Miscellaneous (Bills of Exchange)	Commerce and Accounts	Moderate	Question from chapter on Bills of Exchange which is not part of Syllabus, but this is basics of Commerce and Accounts and is covered in EduTap Course
12	Miscellaneous (Partnership Accounts)	Commerce and Accounts	Moderate	Question from Partnership chapter, which is out of Syllabus, but this is very famous topic of Commerce and Accounts and is covered in EduTap Course
13	Miscellaneous	General Studies	DIFFICULT	This question is from general studies which is out of syllabus
14	Miscellaneous	Finance	DIFFICULT	This question is from IT Act which is not part of Syllabus
15	Banking and Financial System in India	Finance	MODERATE	
16	MOTIVATION	Management	Easy	
17	Derivatives (Futures and Forwards)	FINANCE	MODERATE	
18	Miscellaneous	Economics	Easy	From Demographic Trends which is out of syllabus
19	Miscellaneous/Trial Balance and Rectification of Errors	Commerce and Accounts	Easy	Question from Trial Balance and Rectification of Errors which is out of Syllabus, but this is very basic topic of Commerce and Accounts and is covered in EduTap Course
20	Miscellaneous	Schemes	Easy	(From Schemes which is out of syllabus)
21	Miscellaneous	FINANCE	DIFFICULT	(From INCOME TAX which is Out of Syllabus)
22	General Management	Management	Easy	
23	Functions of RBI	FINANCE	Easy	
24	Financial Institutions - RBI,SEBI,NABARD, SIDBI etc.	FINANCE	Easy	
25	Direct and Indirect Taxes and GST	FINANCE	Moderate	
26	Income Statement and Balance Sheet	Commerce and Accounts	Easy	
27	General Management	MANAGEMENT	Easy	
28	MARGINAL COSTING	Costing	Easy	
29	Miscellaneous/Basics of Company Law	Company Law	Easy	From chapter I - Preliminary of company law which is not in syllabus, but this is very basic topic of Company law and is covered in EduTap Course
30	Primary and Secondary Markets – Equity Markets	Finance	Easy	

31	Miscellaneous	Computer	Easy	From Computer which is out of syllabus
32	Direct and Indirect Taxes and GST	Finance	Moderate	
33	Miscellaneous/Labour Costs	COSTING	Easy	From Labour Costs which is not part of syllabus directly, but it is basic of Costing and is covered in Edu Tap's Course
34	MISCELLANEOUS	MISCELLANEOUS	Easy	
35	Miscellaneous/Partnership Accounts	Commerce and Accounts	Difficult	Question from Partnership chapter, which is out of Syllabus, but this is very famous topic of Commerce and Accounts and is covered in EduTap Course
36	MISCELLANEOUS	Computer	Easy	From Computer which is out of syllabus
37	MISCELLANEOUS	Computer	Easy	From Computer which is out of syllabus
38	Primary and Secondary Markets (Debt Markets)	Finance	Easy	
39	MISCELLANEOUS	MISCELLANEOUS	DIFFICULT	From Contract Act which is out of Syllabus
40	MISCELLANEOUS	Company law	Easy	From chapter VI - Registrar of Companies of company law which is out of syllabus
41	MISCELLANEOUS	MISCELLANEOUS	Easy	
42	Miscellaneous/MUTUAL FUNDS	Finance	Easy	Question from Mutual Funds chapter, which is out of Syllabus, but this is very Basic topic of Finance and is covered in EduTap Course
43	Miscellaneous/Risk Management	Finance	Easy	Miscellaneous/Risk Management (From Risk Management which is not part of syllabus but very basic topic of finance and is covered in EduTap's Course)
44	Primary and Secondary Markets (Equity Markets)	Finance	Moderate	
45	Preparation of FINAL Company ACCOUNTS	Commerce and Accounts	Moderate	
46	Miscellaneous/ Recording Transactions	Commerce and Accounts	Easy	Question from Recording Transactions chapter, which is out of Syllabus, but this is very Basic topic of Commerce and Accounts and is covered in EduTap Course
47	GENERAL MANAGEMENT	Management	MODERATE	
48	RATIO ANALYSIS	Commerce and Accounts	Easy	

49	INCOME STATEMENT & BALANCE SHEET	Commerce and Accounts	Easy	
50	Demand and Supply	Economics	Easy	

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	2
Commerce and Accounts	10
Costing	3
Finance	18
Management	4
Company Law	3
Computer	3
Schemes	2
General Studies	2
Miscellaneous	3

1. 10 Questions were no way related to syllabus. The questions from computer, Schemes, General Studies, and Miscellaneous (which cannot be tagged to any subject) were completely out of the way. 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. But one cannot prepare for such questions as then the **preparation will become infinite**
2. Not a balanced paper as Economics, Management, Costing and Company Law were not given due importance
3. Overall, the exam was weird, but one required only qualifying marks which could be managed

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

Difficulty Level	Number of Questions
Easy	33
Moderate	11
Difficult	6

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

1.4. Weightage of Numerical Asked

Numerical	
Subject	Number of Numerical
Finance	0
Costing	1
Commerce and Accounts	0

Takeaway: 1 numerical was asked in the exam. But if we see Paper 2 of Phase 2 then around 10+ numerical were asked there. Next time even in Phase 1- Paper 2 they can ask more numerical. Moreover, there shall be integrated preparation for Phase 1 and Phase 2 to prepare for all scenarios

2. Subject wise Analysis

2.1. Economic Section Analysis

Economics				
Q. No.	Topic	Number of Questions	Difficulty Level	Remarks
18	Demand and Supply	1	Easy	
50	Miscellaneous	1	Easy	From Demographic Trends which is out of syllabus
	Total	2	Easy - 2	

Take Way

1. Very a smaller number of questions asked. Justice not done with syllabus
2. No factual questions but only conceptual questions
3. Even out of these 2 questions, 1 question is marked as Miscellaneous as this question was not related to syllabus of economics. This question was as given below

“Statistics of population is known as _____”

2.2. Commerce and Accounts Section Analysis

Q. No.	Topic	Number of Questions	Difficulty Level	Remarks
3	Accounting as Financial Information System	1	Easy	
11	Miscellaneous (Bills of Exchange)	1	Moderate	Question from chapter on Bills of Exchange which is not part of Syllabus but this is basics of Commerce and Accounts and is covered in EduTap Course
12	Miscellaneous (Partnership Accounts)	1	Moderate	Question from Partnership chapter which is out of Syllabus but this is very famous topic of Commerce and Accounts and is covered in EduTap Course

19	Miscellaneous/Trial Balance and Rectification of Errors	1	Easy	Question from Trial Balance and Rectification of Errors which is out of Syllabus, but this is very basic topic of Commerce and Accounts and is covered in EduTap Course
26	Income Statement and Balance Sheet	1	Easy	
35	Miscellaneous/Partnership Accounts	1	Difficult	Question from Partnership chapter which is out of Syllabus, but this is very famous topic of Commerce and Accounts and is covered in EduTap Course
45	Preparation of FINAL Company ACCOUNTS	1	Moderate	
46	Miscellaneous/ Recording Transactions	1	Easy	Question from Recording Transactions chapter, which is out of Syllabus, but this is very Basic topic of Commerce and Accounts and is covered in EduTap Course
48	RATIO ANALYSIS	1	Easy	
49	INCOME STATEMENT & BALANCE SHEET	1	Easy	
	Total	10	Easy - 6 Moderate - 3 Difficult - 1	

Take Way

1. Good Number of Questions Asked as most were easy
2. No question asked from accounting standards or accounting related to share capital, bonus shares, rights issue, Employees Stock Option and Buy-Back of Securities etc. though these were important topics
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 not factual
5. Many Questions marked as Miscellaneous above though could not be tagged to syllabus directly, but they were part of basics of account which we covered in EduTap Course. You could not afford to leave these chapters as even if questions would not have been asked from these, they were still important for understanding other chapters

2.3. Costing Section Analysis

Costing				
Q. No.	Topic	Number of Questions	Difficulty Level	Remarks
6	Lean System and Innovation	1	Easy	
28	MARGINAL COSTING	1	Easy	

33	Miscellaneous/Labor Costs	1	Easy	From Labor Costs which is not part of syllabus directly but it is basic of Costing and is covered in EduTap's Course
	Total	3	Easy - 3	

Take Way

1. Less Number of Questions Asked. Justice not done with syllabus
2. No Question asked from methods of costing such as Process costing, Job Costing, Unit Costing etc.
3. Just 1 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
5. One Questions is marked as Miscellaneous above as they could not be tagged to syllabus directly. But they were part of basics of Costing which we covered in EduTap Course. You could not afford to leave these chapters as even if questions would not have been asked from these, they were still important for understanding other chapters

2.4. Finance Section Analysis

Finance				
Q. No.	Topic	Number of Questions	Difficulty Level	Remarks
1	Primary and Secondary Markets – Equity Markets	1	Easy	
2	Direct and Indirect Taxes and GST	1	Easy	
4	Financial Institutions - RBI, SEBI, NABARD, SIDBI etc.	1	Easy	
8	Direct and Indirect Taxes and GST	1	Easy	
9	Direct and Indirect Taxes and GST	1	Easy	
14	Miscellaneous	1	DIFFICULT	This question is from IT Act which is not part of Syllabus
15	Banking and Financial System in India	1	MODERATE	
17	Derivatives (Futures and Forwards)	1	MODERATE	
21	Miscellaneous	1	DIFFICULT	(From INCOME TAX which is Out of Syllabus)
23	Functions of RBI	1	Easy	
24	Financial Institutions - RBI, SEBI, NABARD, SIDBI etc.	1	Easy	

25	Direct and Indirect Taxes and GST	1	Moderate	
30	Primary and Secondary Markets – Equity Markets	1	Easy	
32	Direct and Indirect Taxes and GST	1	Moderate	
38	Primary and Secondary Markets (Debt Markets)	1	Easy	
42	miscellaneous/MUTUAL FUNDS	1	Easy	Question from Mutual Funds chapter which is out of Syllabus, but this is very Basic topic of Finance and is covered in EduTap Course
43	Miscellaneous/Risk Management	1	Easy	From Risk Management which is not part of syllabus but very basic topic of finance and is covered in EduTap's Course)
44	Primary and Secondary Markets (Equity Markets)	1	Moderate	
	Total	18	Easy - 11 Moderate - 5 Difficult - 2	

Take Way

1. Huge Number of Questions Asked. Skewed more in favor of Finance but 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. Two Questions are marked as Miscellaneous from Mutual Funds and Risk Management above as they could not be tagged to syllabus directly. But they were part of basics of Finance which we covered in EduTap Course.
5. Two Questions marked as Miscellaneous were related to Income Tax related concepts which is out of scope of syllabus

2.5. Management Section Analysis

Management				
Q. No.	Topic	Number of Questions	Difficulty Level	Remarks
16	MOTIVATION	1	Easy	
22	General Management	1	Easy	
27	General Management	1	Easy	
47	GENERAL MANAGEMENT	1	MODERATE	
	Total	4	Easy - 3 Moderate - 1	

Take Way

1. Very less number of Questions asked, and they were on easier side
2. No Question asked from important topics such as leadership, HRD, Communication etc.
3. All conceptual questions

2.6. Company Law Section Analysis

Q. No.	Topic	Number of Questions	Difficulty Level	Remarks
7	Miscellaneous	1	MODERATE	From Chapter II - Incorporation of Company in company law which is out of syllabus
29	Miscellaneous/Basics of Company Law	1	Easy	From chapter I - Preliminary which is not in syllabus but this is very basic topic of Company Law and is covered in EduTap Course
40	MISCELLANEOUS	1	Easy	From chapter VI - Registrar of Companies of company law which is out of syllabus
	Total	4	Easy - 2 Moderate - 1	

Take Way

1. Less Number of Questions Asked.
2. No Section number asked. But they were asked in Phase 2 Paper 2, so we cannot leave section numbers altogether
3. One Questions are marked as Miscellaneous from Basics of Company law i.e., Chapter 1 in company law as they could not be tagged to syllabus directly. But basics of company law important part of Company Law which we covered in EduTap Course.
4. Two Questions marked as Miscellaneous were related to other chapters of company law which are not part of syllabus. One cannot prepare for such questions as like that they can ask anything

2.7. Other Sections such as Computer, Schemes, General Studies and Miscellaneous

Computer, Schemes, General Studies Etc.				
Q. No.	Topic	Number of Questions	Difficulty Level	Remarks
5	Miscellaneous	1	Moderate	Out of Syllabus as it is from Scheme
10	Miscellaneous	1	DIFFICULT	The definition of "Money Bill" is given in Article 110 of The Constitution of India which is out of Syllabus
13	Miscellaneous	1	DIFFICULT	This question is from general studies which is out of syllabus

20	Miscellaneous	1	Easy	(From Schemes which is out of syllabus)
31	Miscellaneous	1	Easy	From Computer which is out of syllabus
34	MISCELLANEOUS	1	Easy	
36	MISCELLANEOUS	1	Easy	From Computer which is out of syllabus
37	MISCELLANEOUS	1	Easy	From Computer which is out of syllabus
39	MISCELLANEOUS	1	DIFFICULT	From Contract Act which is out of Syllabus
41	MISCELLANEOUS	1	Easy	
	Total	10	Easy - 6 Moderate -1 Difficult - 3	

Take Way

1. It was unexpected to have questions from Computer, Schemes, and GS in the Exam
2. But these questions were easy and most of the candidates scored good here
3. Next time we might not see these questions as paper 2 of phase 2 had not any such weird questions

3. Closing Comments

1. Please do not base your preparation based on this paper. This was an exception may be
2. Next year the phase 1 paper 2 might be tougher than itself
3. One should not start preparing for schemes or computer or GS by looking at this paper because then preparation becomes infinite. We should focus on core syllabus given in the notification