LOCAL AUDIT DEPARTMENT, CHANDIGARH
POST: JUNIOR AUDITOR
Question Booklet & Answer Key
11.06.2023 (Sunday)

Directions for (Q1 – Q2): Choose the correct <u>antonym</u> from the given options:-

1. Scurrilous

   A) Complimentary   B) Sophisticated   C) Insolent   D) Coarse

2. Bucolic

   A) Rustic   B) Dull   C) Fierce   D) Tranquil

Directions for (Q3 – Q4): Choose the correct preposition to be filled in the blanks:-

3. A good citizen always abides _____ the law of the land.

   A) of   B) at   C) on   D) by

4. Hari has come _____ with flying colours in the examination.

   A) at   B) off   C) about   D) into

Directions for (Q5 – Q6): Choose the correct meaning of the idioms from the given options.

5. *To be an Achilles' heel*

   A) To be a secret weapon to be used as a last resort
   B) To be a person who is blamed if anything goes wrong
   C) To be a fatal weakness in spite of overall strength
   D) To refer to a past deed which one is trying to hide

6. *To be a bolt from the blue.*

   A) to be a sudden calamity   B) to experience a narrow escape
   C) to take revenge   D) to hurt with grief

Directions for (Q7 – Q8): Identify the error in the sentences given below:-

7. A) If not properly deal with,
   B) termites can be a menace
   C) as these can reduce
   D) wooden furniture to dust

8. A) A probe has been   B) ordered to look in the
   C) accident that occurred at   D) the dockyard yesterday

Directions for (Q9 – Q10): Mark the correct word which is the best substitute of the phrase.

9. A roundabout way of speaking.

   A) Centipede   B) Coercion   C) Concentric   D) Circumlocution

10. One who is new to a profession.

    A) Nuance   B) Pun   C) Tyro   D) Vandal

11. The 5-year AMRUT II Scheme will last till the financial year:

    A) 2023-24   B) 2024-25   C) 2025-26   D) 2026-27

12. Which amongst the following are top three states to get support for start-ups under NIDHI-EIR program?

    A) Maharashtra, Karnataka and Tamil Nadu   B) Gujarat, Karnataka and Tamil Nadu
    C) Gujarat, Karnataka and Uttar Pradesh   D) Maharashtra, Karnataka and Uttar Pradesh

13. Which of the following programmes of GoI takes Innovation to Schools?

    A) MANAK   B) SERB   C) KIRAN   D) VIGYAN JYOTI

14. When was President's Rule last clamped on Punjab?

    A) 1984   B) 1987   C) 1992   D) 1997

15. Match List I (Person) with List II (Field of reckoning)

List I (Person)	List II (Field of reckoning)
i. S M Krishna	a. Architecture
ii. Dilip Mahalanabis	b. Public Affairs
iii. Balkrishna Doshi	c. ORS Pioneer

    A) i-a, ii-b, iii-c   B) i-b, ii-a, iii-c   C) i-c, ii-b, iii-a   D) i-b, ii-c, iii-a

16. Which of the following National Highway conveniently connects Chandigarh?

    A) NH 1   B) NH 3   C) NH 5   D) Both NH 3 and NH 5

17. Regarding qualifications for membership of Parliament, which of the following statements is true?
A) For Council of States not less than twenty-five years of age and for House of the People also not less than twenty-five years of age
B) For Council of States not less than thirty years of age and for House of the People, not less than twenty-five years of age
C) For Council of States not less than thirty-five years of age and, for House of the People not less than twenty-five years of age
D) For Council of States not less than thirty-five years of age and, for House of the People not less than thirty-five years of age

18. Which of the given set of launchers is not retired by ISRO?
A) ASLV and RSL   B) RLV and SLV3   C) SLV3 and SSLV   D) SSLV and RLV

19. Institute of Chartered Accountants of India was established by The Chartered Accountants Act,:
A) 1939   B) 1944   C) 1949   D) 1954

20. When did GoI constitute Fifteenth Finance Commission?
A) 2015   B) 2017   C) 2019   D) 2021

21. Find the next term of the series: 2,   2.25,   5.5,   17.75,   45,   ?
A) 93.25   B) 97.25   C) 91.50   D) 103.25

22. 450 candidates took part in an examination in Social Sciences, Mathematics and Science. The results are: 167 candidates passed in all the subjects; 60 candidates failed in all the subjects; 175 candidates failed in Social Sciences; 199 candidates failed in Mathematics; 191 candidates failed in Science; 62 candidates passed in Social Sciences only; 48 candidates passed in Mathematics only and 52 candidates passed in Science only. Find the ratio of the candidates who passed in atmost one subject to the candidates who passed in at least one subject.
A) 27:65   B) 13:15   C) 37:65   D) Data inadequate

23. One day, during sunrise, Sudhir walks 12 m in the direction of his shadow, then turns to his right and walks 8 m. Finally, he turns to his right and walks 18 m. Find how far and in which direction is he from his starting point?
A) 14 m S-E   B) 10 m N-E   C) 10 m S-W   D) 14 m N-W

24. In a certain code 'men and women have come forward to offer support' is coded as 'offer have forwarded men support women to and come', then the coded form 'enforced is to the legislation government need state going' represents which of the following?
A) State government is going to need the enforced legislation.
B) The enforced legislation is going to need state government.
C) The state government is going to need enforced legislation.
D) The state government going to need is enforced legislation.

25. A, B, C, D and E play a game of cards. A says to B, "If you give me 3 cards, you will have as many as I have at this moment while if D takes 5 cards from you, he will have as many as E has". A and C together have twice as many cards as E has; B and D together also have the same number of cards as A and C have taken together. If all together they have 150 cards, how many cards has C got?
A) 28   B) 29   C) 31   D) 35

26. Eleven students A, B, C, D, E, F, G, H, I, J and K are sitting in a row of the class facing the teacher. D, who is to the immediate left of F, is second to the right of C. A, is second to the right of E, who is at one of the ends. J is the immediate neighbour of A and B and third to the left of G. H is to the immediate left of D and third to the right of I.
If E and D, C and B, A and H and K and F interchange their positions, which of the following pair of students is sitting at the end?
A) D and E   B) E and F   C) K and F   D) D and K

27. From amongst five doctors A, B, C, D and E, four Engineers G, H, K and L and six Teachers M, N, O, P, Q and R, some teams are to be selected. Of these A, B, G, H, O, P and Q are females and the rest are males. The formation of teams is subject to the following conditions:
   i) Whenever there is a male Doctor, there will be no female teacher.
   ii) Whenever there is a male Engineer, there will be no female Doctor.
   iii) There shall not be more than two male Teachers in any team.
   If the team consists of two Doctors, two Engineers and two Teachers, all the following teams are possible except

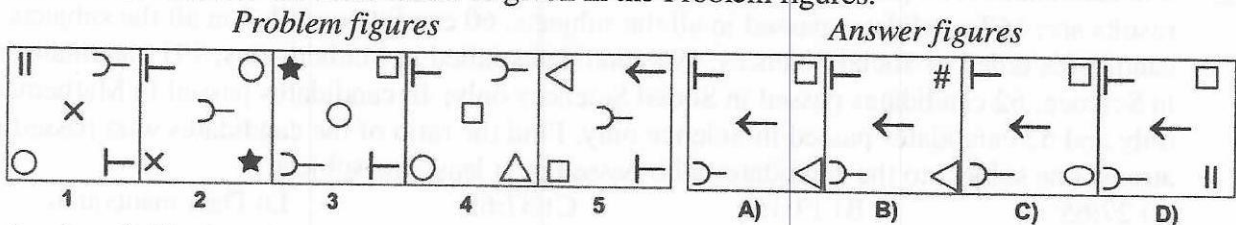   A) CEKLMN   B) ABGHMN   C) CDKLOP   D) ABGHOP

28. In this question, a few statements, followed by four conclusions I, II, III and IV are given. Consider every given statement to be true, even if it does not conform to the well known facts. Read the conclusions and decide which of the conclusions can be logically derived:
   Statements: 1. Some Cakes are Bikes.   2. Some Bikes are Hills.   3. All Laptops are Bikes.
   Conclusions: I. Some Laptops are Hills.   II. Some Laptops are Cakes.
                     III. Some Cakes are Hills.   IV. Some Laptops are not Cakes.
   A) Only I follows   B) Only either II or IV follow
   C) Only I or III follow   D) Only I and IV follow

29. There are two sets of figures namely the Problem figures containing five figures 1, 2, 3, 4, 5 and the Answer figures (A), (B), (C), (D). You have to select one figure from the Answer figures which will continue the same series as given in the Problem figures.

30. A cube of side 4 cm is painted red on the pair of one adjacent surface, green on the pair of other adjacent surfaces and two adjacent surfaces are left unpainted. Now the cube is divided into 64 smaller cubes of side 1 cm each. Find the number of smaller cubes with atleast two surfaces painted?
   A) 14   B) 16   C) 24   D) 32

31. Seven men, five women and eight children were given an assignment of distributing 2000 books to students in a school over a period of three days. All of them distributed books on the first day. On the second day two women and three children remained absent and on the third day three men and five children remained absent. If the ratio of the number of books distributed in a day by a man, a woman and a child was 5 : 4 : 2 respectively, a total of approximately how many books were distributed on the second day?
   A) 750   B) 670   C) 650   D) 870

32. One variety of sugar is sold for ₹3.20 a kg at a loss of 20% and another variety is sold for ₹6 per kg at a gain of 20%. If equal quantities of the two are mixed together and the mixture is sold at ₹5.40 per kg, the loss or gain percent is
   A) 20 % gain   B) 20 % loss   C) 10 % gain   D) 10 % loss

33. A and B are partners in a business. A contribute $\frac{1}{4}$ of the capital for 15 months and B received $\frac{2}{3}$ of the profit. For how long B's money was used?
   A) 6 months   B) 9 months   C) 10 months   D) 1 year

34. A sum of ₹25 was paid for a work which A can do in 32 days, B in 20 days, B and C in 12 days and D in 24 days. How much did C receive if all the four work together?
   A) ₹$\frac{14}{3}$ B) ₹$\frac{16}{3}$ C) ₹$\frac{15}{3}$ D) ₹$\frac{17}{3}$

35. When a producer allows 36% commission on the retail price of his product, he earns a profit of 8.8%. What would be his profit percent if the commission is reduced to 24%?
   A) 38.7%   B) 49.6%   C) 52.3%   D) 47.8%

36. A person left a will of ₹39020 for his two daughters and one son aged 21, 22 and 23 years respectively. They will get equal amount when they are 25 years, at the rate of 4%. The present share of his son is
    A) ₹14620   B) ₹12500   C) ₹13520   D) ₹13500

37. X owes Y ₹3146 payable $1\frac{1}{2}$ yr hence. Also, Y owes X, ₹2889 payable 6 months hence. If they want to settle the account forthwith, keeping 14% the rate of interest, who should pay and how much?
    A) Y should pay ₹100   B) Y should pay ₹50   C) X should pay ₹100   D) X should pay ₹50

38. A bill for ₹10200 is drawn on july14 at 5 months. It is discounted on 5th October at 10%. Find the banker's discount, true discount, bankers gain and the money that the holder of the bill receives.
    A) ₹136, ₹132, ₹138 and ₹3649 respectively   B) ₹100, ₹200, ₹2 and ₹4989 respectively
    C) ₹121, ₹172, ₹132 and ₹4046 respectively   D) ₹204, ₹200, ₹4 and ₹9996 respectively

39. At his usual rowing rate, Arun can travel 12 miles downstream in a certain river in six hours less than it takes him to travel the same distance upstream. But if he could double his usual rowing rate for this 24 miles round trip, the downstream 12 miles would then take only one hour less than the upstream 12 miles. What is the speed of the current in miles per hour?
    A) $\frac{8}{3}$ B) $\frac{7}{3}$ C) $\frac{5}{3}$ D) $\frac{4}{3}$

40. If the ages of P and R are added to twice the age of Q, the total becomes 59. If the ages of Q and R are added to thrice the age of P, the total becomes 68. And if the age of P is added to thrice the age of Q and thrice the age of R, the total becomes 108. What is the age of P?
    A) 15 years   B) 19 years   C) 17 years   D) 12 years

41. Which of the following is not one of the benefits of e-commerce to sellers?
    A) E-commerce is a powerful tool for customer relationship building
    B) E-commerce increases the net cost per contact
    C) E-commerce can help to reduce costs
    D) E-commerce offers greater flexibility in meeting customer needs

42. When Wal-Mart uses the Internet to purchase inventory items from a vendor company, it is using the _____ e-commerce model.
    A) C2C   B) B2B   C) B2E   D) B2C

43. Information about customers is the foundation of what e-business initiative?
    A) ERP   B) CRM   C) e-procurement   D) SCM

44. A company wants to provide its employees with an intranet where they can purchase supplies from authorized vendors, as well as make personalized choices from a menu of medical benefits. What e-business solution is most appropriate for this requirement?
    A) Portal   B) e-commerce   C) Collaboration   D) Application integration

45. When a customer chooses an item for purchase on a Web site, the item is placed in a virtual:
    A) basket   B) shopping bag   C) box   D) shopping cart

46. In Tally, _____ voucher is a pure inventory voucher.
    A) Payment   B) Cash Paid Creditor   C) Expenses   D) Delivery Note

47. In Tally, which voucher type is used to transfer amount from one bank to another?
    A) Contra   B) Payment   C) Receipt   D) Post-Dated

48. What is the function of Tally Vault?
    A) Ledger account   B) Cost category   C) Company Configuration   D) Security Mechanism

49. Which option is used to import data from Pen drive or CD to appropriate place in Tally?
    A) Backup   B) Import   C) Restore   D) Move

50. In Tally, Suspense Account Group is defined under
    A) Income   B) Expenditure   C) Liabilities   D) Assets

51. Management accounting is used as :
    A) Optional for private companies   B) Optional for all companies
    C) Compulsory for private companies   D) Compulsory for all companies

52. Given Sales in first and second year is ₹ 80,000 and ₹ 90,000 respectively. Also, profit is ₹ 10,000 and ₹ 14,000 respectively. What is the break-even point in rupees?
    A) ₹ 10,000   B) ₹ 24,000   C) ₹ 55,000   D) None of the above

53. Angle of incidence is the angle at which
    A) Total revenue curve intersects the total cost curve
    B) Total ordering cost curve intersects the holding cost curve
    C) Marginal cost curve intersects marginal revenue curve
    D) Fixed cost line intersects total revenue line

54. Which of the following statement is true
    A) Material usage variance is equal to the sum of material price variance and material mix variance.
    B) Material cost variance is equal to the sum of material usage variance and material price variance.
    C) Material usage variance is equal to the sum of material cost variance and material mix variance.
    D) Material cost variance is equal to the sum of material mix variance and material price variance.

55. While calculating cash flow from operating activities which will be deducted:
    A) Decrease in Prepaid Expenses   B) Increase in Outstanding Expenses
    C) Increase in Trade Receivables   D) Decrease in Trade Receivables

56. An Example of cash flow from financing activity is :
    A) Payment of dividend   B) Receipt of dividend on investment
    C) Cash received from customer   D) Purchase of fixed asset

57. Inventory turnover ratio is a relationship between _____.
    A) Net Sales and opening inventory
    B) Gross Sales and opening inventory
    C) Cost of goods sold and average inventory
    D) Cost of goods purchased and average inventory

58. Indirect cost is a cost that
    A) Attributed to purchase of material
    B) Attributed to labour expenses
    C) Attributed to several products rather than to be specific product
    D) Attributed to production of final product

59. Batch costing is applied in industries
    A) Engaged in construction industry   B) Engaged in service industry
    C) Where production takes place in different shifts   D) Where identical products are produced

60. A budget which is prepared in a manner so as to give the budgeted cost for any level of activity is known as:
    A) Master budget   B) Zero base budget   C) Functional budget   D) Flexible budget

61. In process costing, if an abnormal loss arises, the process account is generally
    A) Debited with the scrap value of the abnormal loss units
    B) Debited with the full production cost of the abnormal loss units
    C) Credited with the scrap value of the abnormal loss units
    D) Credited with the full production cost of the abnormal loss units

62. Calculate re-order level from the following: Safety stock: 1000 units, Consumption per week: 500 units. It takes 12 weeks to reach material from the date of ordering.
    A) 1500 units   B) 2400 units   C) 5000 units   D) 7000 units

63. Depreciation is calculated under diminishing balance method, based on
    A) Original value   B) Book value   C) Scrap value   D) Market value

64. Which among the following figures is not relevant while calculating the cost of the redeemable debentures?
    A) Risk Premium   B) Flotation cost
    C) Discount on issue of debenture   D) Redemption Period

65. Which of the following model makes use of Beta in the calculation of the cost of equity?
    A) Risk-Adjusted Discount Model   B) Capital Assets Pricing Model
    C) Modigliani Miller Model   D) Markowitz Model

66. Select which of the following statement is correct?
    (I) Capital budget decision largely depends on the cost of capital of each source.
    (II) Capital structure is the mix or proportion of the different kinds of short-term securities.
    (III) Cost of capital helps to evaluate the financial performance of the firm.
    (IV) As per MM approach, the cost of equity is equal to the capitalization rate of equity minus unsystematic risk.
    Select the correct answer from the options given below:
    A) (I) and (II)   B) (I), (III), and (IV)   C) (II) and (III)   D) (I) and (III)

67. When choosing among mutually exclusive projects, if there is a conflict between NPV and IRR
    A) Higher IRR is preferred   B) Higher NPV is preferred
    C) Lower IRR is preferred   D) Lower NPV is preferred

68. A project whose acceptance does not prevent or require the acceptance of one or more alternative projects is referred to as
    A) Mutually exclusive project   B) Independent project
    C) Dependent project   D) Contingent project

69. Which of the following indicate short-term liquidity of business
    A) Inventory Turnover Ratio   B) Acid Test Ratio
    C) Debt Equity Ratio   D) Proprietary Ratio

70. Based on which of the following concept, capital is treated as a liability
    A) Business Entity Concept   B) Money Measurement Concept
    C) Cost Concept   D) Going Concern Concept

71. Which of the following is a method of inflation accounting?
    A) The accrual basis method   B) The cash basis method
    C) The historical cost method   D) The matching principle method

72. Hekiaman and Jones competitive bidding model is also known as
    A) Opportunity Cost Method   B) Replacement Cost Method
    C) Historical Cost Method   D) Economic Value Method

73. An Income and Expenditure Account is based on _____.
    A) Accrual Basis of Accounting.   B) Mixed Basis of Accounting.
    C) Management Accounting.   D) Cash Basis of Accounting.

74. Floating assets are valued at –
    A) Cost   B) Market price
    C) Cost price or market price whichever is less   D) Cost less than depreciation

75. After re-issuing of forfeited shares, balance amount of forfeited A/c is transferred in –
    A) Capital Reserve Account   B) General Reserve
    C) Dividend Equalisation Fund   D) None of the above

76. A loss is termed as capital loss, if
    A) It is debited to capital A/c   B) Amount of loss is huge
    C) It is related to fixed assets   D) None of these

77. If average capital of business is ₹ 5,00,000; Average annual income ₹ 80,000 and normal rate of return 10% then amount of goodwill by capitalisation method will be –
    A) 3,00,000   B) 58,000   C) 42,000   D) 8,00,000

78. Appropriate method of depreciation for replacement of machinery is –
    A) Fixed instalment method   B) Written down value method
    C) Annuity method   D) Sinking fund method

79. A sale of ₹ 50000 to Mr. A was entered as a sale to Mr. B. This is an example of:
    A) Error of omission   B) Error of commission
    C) Compensating error   D) Error of principle

80. In the case of recurring audit, two types of files are maintained to avoid duplicity of documentation. These are
    A) Permanent audit file and audit note book   B) Current audit file and audit note book
    C) Permanent audit file and current audit file D) Audit note book and audit register

81. Which of the following types of analytical procedure uses the most variables?
    A) Reasonableness test   B) Trend analysis   C) Ratio analysis   D) Data mining

82. Section 52 of the Companies Act, 2013 states that Security Premium Account can be used
    A) To adjust loss on revaluation of Assets
    B) To pay dividend to equity shareholders
    C) To provide for the premium payable on redemption of Preference shares
    D) To use it as working capital for its business

83. Subsequent auditor in case of Government Company shall be appointed within _____ from the commencement of the financial year
    A) 30 days   B) 90 days   C) 120 days   D) 180 days

84. The Auditor appointed under section 139 of Companies Act, 2013 may be removed from his office before the expiry of his term by:
    A) Ordinary Resolution   B) Special Resolution   C) Board Resolution   D) None of the Above

85. The auditor who has resigned from the company shall file within a period of _____ from the date of resignation, a statement in the Form _____
    A) 30 days, ADT-1   B) 30 Days, ADT-3   C) 60 days, ADT-1   D) 60 days, ADT-3

86. Which of the following is qualified to be appointed as auditor of the company?
    A) A person whose relative is holding security of the company of face value exceeding ₹100,000
    B) A person whose relative is holding security of the company of market value exceeding ₹ 100,000
    C) A person whose relative is holding security of the company of face value not exceeding ₹ 100,000
    D) A person whose relative is holding security of the company of market value not exceeding ₹ 100,000

87. In which of the following companies, auditor is required to report on matters specified under CARO, 2020:
    A) Foreign company   B) Small Company   C) One Person company   D) None of the above

88. As per Section 34 of Limited Liability Partnership Act, 2008, every LLP shall, prepare a Statement of Account and Solvency in prescribed form -
    A) within a period of 3 months from the end of each financial year
    B) within a period of 6 months from the end of each financial year
    C) within a period of 30 days from the end of each financial year
    D) within a period of 60 days from the end of each financial year

89. The first auditor of Multi-State Co-operative Society shall be appointed by ___
   A) Board of Directors within one month of registration
   B) Registrar within one month of registration
   C) Managing Committee within 60 days of registration
   D) Members within 60 days of registration

90. Internal auditor is appointed by _____.
   A) the management.   B) the shareholders.   C) the government.   D) the statutory body.

91. 'Auditor is a watch dog and not a blood-hound' decision was given in the case of
   A) London and General Bank, 1895   B) Kingston Cotton Mills Company, 1896
   C) Irish Woollen Co. Ltd. vs. Tyson and Others, 1900   D) None of these

92. 'Auditing Practice Committee' is now renamed –
   A) Auditing and Assurance Standards Board   B) Auditing Board
   C) Auditing Practices Standard Board   D) None of these

93. Comptroller and Auditor General of India is appointed by –
   A) Central Government   B) Institute of Chartered Accountants of India
   C) President   D) Finance Minister

94. Government may order for special audit under –
   A) Section 247 A   B) Section 233 A   C) Section 233 B   D) Section 247 B

95. First auditor hold his office for –
   A) One Year   B) Any period until the appointment of new auditor
   C) Until the conclusion of the first annual general meeting   D) Five Years

96. Joint Audit implies –
   A) Audit of two concerns together   B) Audit of joint stock companies
   C) Audit by two firms of Chartered Accountant   D) Audit for two successive years

97. Cost Audit report is to be furnished –
   A) Within 90 days of the end of the relevant year
   B) Within 180 days of the end of the relevant financial year
   C) Within 30 days of the end of the relevant financial year
   D) At least 15 days before the date of annual general meeting of the company

98. Which of the following is not an element of performance audit?
   A) Efficiency audit   B) Effectiveness audit   C) Economy audit   D) Expenditure audit

99. Which of the following is not a management assertion in auditing?
   A) Accuracy   B) Completeness   C) Rights and Obligations   D) Profitability

100. The audit that analyse company's goals, planning processes, procedures, and operation results, is known as
   A) Operational audit   B) Compliance Audit
   C) Financial Audit   D) Information System Audit

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Local Audit Department, Chandigarh
POST: JUNIOR AUDITOR
Answer Key: (A Series) 11.06.2023 Sunday (Morning)

Q.No.	Ans	Q.No.	Ans	Q.No.	Ans	Q.No.	Ans
1	A	26	D	51	B	76	C
2	C	27	C	52	C	77	A
3	D	28	D	53	A	78	D
4	B	29	C	54	B	79	B
5	C	30	B	55	C	80	C
6	A	31	C	56	A	81	D
7	A	32	A	57	C	82	C
8	B	33	C	58	C	83	D
9	D	34	B	59	D	84	B
10	C	35	B	60	D	85	B
11	C	36	C	61	D	86	C
12	A	37	A	62	D	87	A
13	A	38	D	63	B	88	B
14	B	39	A	64	A	89	A
15	D	40	D	65	B	90	A
16	C	41	B	66	D	91	B
17	B	42	B	67	B	92	A
18	D	43	B	68	B	93	C
19	C	44	A	69	B	94	B
20	B	45	D	70	A	95	C
21	A	46	D	71	C	96	C
22	C	47	A	72	A	97	B
23	B	48	D	73	A	98	D
24	C	49	C	74	C	99	D
25	A	50	C	75	A	100	A