EduTap

SEBI Grade A Commerce & Accounts

Previous Year Paper

Phase 2

2020-2025

#beexamready

Preface

Dear Students,

We are pleased to present this recollected question paper with answer keys for the **SEBI Grade A Commerce & Accounts** subject, covering the past six years **from 2020 to 2025(Exam held 4 times).** This document has been meticulously prepared to serve as a valuable resource for candidates preparing for the SEBI Grade A Phase 2 Exam.

By practising questions that have been actually asked in the examination, aspirants can gain clarity on the **exam pattern, difficulty level, and types of questions** likely to appear in the upcoming exam.

We wish you all the best in your exam preparation journey and hope that this document serves as a valuable asset in strengthening your performance and confidence.

Disclaimer: While every effort has been made to ensure the accuracy and relevance of the questions and answer keys, minor variations in question wording or options may exist due to the memory-based nature of this compilation. Candidates are advised to use this document as a reference tool to enhance their comprehensive understanding of the syllabus and overall exam readiness for the SEBI Grade A examination.

Table of contents

SEBI Grade A 2020 Phase 1 - Commerce & Accounts Recollected Questions

Commerce & Accounts

Q.1) 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
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

Q.2) Net Profit = Rs 30,000. Collection from debtors = Rs 2500. Paid to creditors = Rs 7500. What is the net cash flow from operations?
Options:
A. Rs 32,500
B. Rs 25,000
C. Rs 27,500
D. Rs 35,000
E. None of above

Q.3) Net Profit Ratio is 5%. Total Assets = Rs 90,00,000. Return on Assets = 9%. Find the total assets turnover ratio.
Options:
A. 1.7
B. 1.8
C. 2.3
D. 3.6
E. None of the above

Q.4) Profit on Forfeiture shares after reissue is transferred to ______________
Options:
A. General Reserve
B. Debenture Redemption Reserve
C. Securities Premium Reserve
D. Capital Reserve
E. None of the above

Q.5) 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
Options:

A. Rs 40,000
B. Rs 50,000
C. Rs 90,000
D. Rs 10,000
E. None of the above

Q.6) Long term borrowings maturing in the current year are shown in the balance sheet under which head?
Options:

A. Current Assets
B. Fixed Assets
C. Long-term liabilities
D. Current liabilities
E. None of the above

Q.7) Which of the following is not a component of cash flow from operations?
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

Q.8) 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

SEBI Grade A 2020 Phase 1 - Commerce & Accounts Recollected Questions Answer Key

Answer Key

Question	Answer	Question	Answer	Question	Answer
1	C	2	B	3	B
4	D	5	C	6	D
7	A	8	NA	9	

SEBI Grade A 2022 Phase 1 - Commerce & Accounts Recollected Questions

Commerce & Accounts

Q.1) Which of the following statement is incorrect regarding provisions?

Options:

A. They appear on the company's balance sheet under the current liabilities.
B. A provision should be recognized as an expense
C. Provisions represent funds put aside by a company to cover anticipated losses in the future.
D. Provisions are contingent upon happing or non-happening of an event in the future
E. None of the above

Q.2) Calculate Net Profit from below cash basis of accounting for 31/03/2021

Particulars	Amount
Sales Credit	90,000
Cash paid in salary	25,000
Advance received for 2022-2023	40,000
Ticket of airline purchase in March 2021 for travel in October 2022	6,500

Options:

A. 10,000
B. 9,000
C. 8,500
D. 7,700
E. None of the above

Q.3) Using the information given below, calculate the Interest Coverage Ratio.

Net Profit After Tax	**Rs. 60,000**
Tax Rate	**40%**
15% Long Term Debt	**Rs. 10,00,000**

Options:

A. 1.35
B. 1.5
C. 1.67
D. 1.98
E. 1

Q.4) Calculate the Book value per share of ABC limited using the information given below:

Profit After Tax	**Rs 1,75,000**
Issued Share Capital	**70,000 shares @10 each**
Market Value of share	**Rs 13**

Options:

A. 11

B. 12.5

C. 9.5

D. 14

E. None of the above

Q.5) Calculate the Gross profit Ratio from the given information.

Particulars	**Amount**
Sales	Rs 1,00,000
Purchase	Rs 75,000
Carriage Inward	Rs 2000
Wages	Rs 5000
Salary	Rs 15,000
Decrease in Inventory	Rs 10,000
Purchase Return	Rs 2000

Options:

A. 5%

B. 10%

C. 15%

D. 20%

E. None of the above

Q.6) A company purchased inventory 1000 units@1200 per unit from outside vendors. Vendor allowed a trade discount of 5%. Vendors offered a cash discount of 3% if payment is made in 45 days. Company decided to avail that. Custom duty is 50 per unit and delivery charges is 6000 as a whole. Find the value of inventory as per AS 2.

Options:

A. 12,00,000

B. 11,96,000

C. 10,90,000

D. 12,25,000

E. None of the above

Q.7) Value of Machine is Rs 12,00,000 for 10 years and its residual value is nil. After 5 years, the remaining machine life is increased by 3 years and the value increased by Rs 1,20,000. Find the Depreciation for the 6th year on SLM basis.

Options:

A. 90,000

B. 1,00,000

C. 1,20,000

D. 50,000

E. None of the above

Q.8) Company ABC limited took a loan of $10 million dollars for 3 months on 1st January 2021.

Options:

A. Profit of Rs 2.5 Crores

B. Loss of Rs 2.5 Crores

C. Loss of Rs 5 Crores

D. Profit of Rs 3 Crores

E. None of the above

Q.9) Which of the following statements is incorrect w.r.t Cash and Cash equivalents?

Options

A. Cash equivalents include bank accounts and marketable securities, which are debt securities with maturities of less than 90 days.

B. Any items falling within this category are classified within the current assets category in the balance sheet.

C. Cash and Cash equivalents include bank deposits with more than twelve months of maturity shall not be disclosed separately.

D. Cash and cash equivalents shall be classified as Balances with banks; Cheques, drafts on hand; Cash on hand; etc.

E. None of the above

SEBI Grade A 2022 Phase 1 - Commerce & Accounts Recollected Questions Answer Key

Answer Key

Question	Answer	Question	Answer	Question	Answer
1	D	2	C	3	B
4	B	5	B	6	B
7	A	8	B	9	C

SEBI Grade A 2024 Phase 1 - Commerce & Accounts Recollected Questions

Commerce & Accounts

Q1. Which of the following is not a qualitative characteristic of accounting information?

A. Reliability
B. Conformity
C. Relevance
D. Understandability
E. Consistency

Q2. Which of the following statements defines the "Going Concern" concept correctly?

A. The organization has no significant liabilities at the end of the accounting period.
B. The organization will continue to operate its business for the foreseeable future.
C. The organization will cease its operations immediately after the balance sheet date.
D. The organization's assets must be recorded at their liquidation value.
E. The organization prepares its financial statements with an assumption of no future business activities.

Q3. If an organization is being conservative while preparing its Profit and Loss account, which accounting concept is being followed?

A. Prudence Concept
B. Matching Concept
C. Accrual Concept
D. Consistency Concept
E. Going Concern Concept

Q4. The face value of a share is Rs 10. If 1,00,000 shares are issued at a premium of 10%, what amount will be transferred to the Securities Premium Reserve?

A. Rs 1,00,000
B. Rs 10,00,000
C. Rs 1,10,000
D. Rs 11,00,000
E. Rs 90,000

Q5. If 2,00,000 right shares of face value Rs 10 are being issued at a 20% premium, what will be the correct journal entry for this transaction?

A.	Bank A/c Dr.	24,00,000	
	To Share Capital A/c		20,00,000
	To Securities Premium Reserve A/c		4,00,000
B.	Bank A/c Dr.	20,00,000	
	To Share Capital A/c		20,00,000
C.	Bank A/c Dr.	24,00,000	
	To Share Capital A/c		24,00,000
D.	Bank A/c Dr.	20,00,000	
	To Share Capital A/c		16,00,000
	To Securities Premium Reserve A/c		4,00,000

E. Bank A/c Dr. 22,00,000
   To Share Capital A/c 18,00,000
   To Securities Premium Reserve A/c 4,00,000

Q6. Which of the following is an application of funds as per the Fund Flow Statement?

A. Decrease in working capital
B. Increase in working capital
C. Issue of shares
D. Sales of fixed assets
E. Long Term Borrowings

Q7. The aggregate cash flows arising from obtaining or losing control of subsidiaries or other businesses shall be presented separately and classified as?

A. Operating Activity
B. Financing Activity
C. Investing Activity
D. Operating and Financing Activity
E. Investing and Operating Activity

Q8. As per Ind AS 21, non-monetary items measured in terms of historical cost in a foreign currency shall be translated using the exchange rate:

A. At the end of the reporting period
B. At the date of settlement
C. At the date of transaction
D. At the average exchange rate for the period
E. At the exchange rate on the balance sheet date

Q9. Ind AS 105 relates to?

A. Revenue Recognition
B. Consolidated Financial Statements
C. Non-Current Assets held for sale and Discontinued Operation
D. Leases
E. Fair Value Measurement

Q10. Which Ind AS delas with the cash flow statement?

A. Ind AS 1
B. Ind AS 107
C. Ind AS 2
D. Ind AS 7
E. Ind AS 21

Q11. What will be the impact of a Bonus Issue on shareholders and on the entity?

A. No impact on Shareholder and Entity
B. Increase in Shareholders' equity and no change in the entity’s cash flow
C. Decrease in Shareholders' equity and an increase in the entity’s cash flow
D. Increase in Shareholders' equity and a decrease in the entity’s cash flow
E. Decrease in Shareholders' equity and no change in the entity’s cash flow

Q12. If the net working capital is Rs 20 lakhs and sales are Rs 120 lakhs, calculate the Working Capital Turnover Ratio.

A. 4 times
B. 5 times
C. 6 times
D. 7 times
E. 8 times

Q13. An increase in the Debt Service Coverage Ratio (DSCR) indicates:

A. Entity has lower profitability
B. Entity has higher profitability
C. Entity can cover its debt repayment
D. Entity is experiencing higher operational costs
E. Entity is facing liquidity issues

Q14. What does "cum-right" shares represent?

A. Shareholders have no option to subscribe to the right shares.
B. Shareholders will receive dividends along with the right shares.
C. The shareholder has an option to subscribe to the right shares.
D. The shareholders must sell the right shares immediately.
E. Shareholder's shares are forfeited if rights are not exercised.

Q15. A low Cash Conversion Cycle (CCC) implies:

A. The company has high levels of inventory
B. The company is experiencing cash flow problems
C. The company can convert invested capital into cash quickly
D. The company has a high level of accounts receivable
E. The company is heavily relying on short-term financing

Q16. Which of the following terms is used when the data is unavailable in the financial reports?

A. Data discrepancy
B. Information ambiguity
C. Valuation inconsistency
D. Financial indeterminacy
E. Measurement uncertainty

Q17. A higher dividend yield ratio means that the company is ______

A. Providing a relatively large return to its shareholders
B. Struggling to generate profits
C. Reducing its overall dividend payments
D. Facing declining stock prices without paying dividends
E. Limiting shareholder returns through lower dividends

SEBI Grade A 2024 Phase 1 - Commerce & Accounts Recollected Questions Answer Key

Answer key

Question	Answer	Question	Answer	Question	Answer
1	B	2	B	3	A
4	A	5	A	6	B
7	C	8	C	9	C
10	D	11	A	12	C
13	C	14	C	15	C
16	E	17	A		

SEBI Grade A 2025 Phase 1 - Commerce & Accounts Recollected Questions

Commerce & Accounts

Q1. As per Accounting Standard 2 Valuation of Inventories, inventories can be defined as which of the following?
1. Inventories held for sale in the ordinary course of business also known as finished goods
2. Inventories held in the process of production for such sale also known as work in progress
3. Inventories held for consumption in the production of goods or services for sale also known as raw material including supplies and consumables
4. Work in progress arising under construction contract

A. 1, 2 and 3 only
B. 1, 2 and 4 only
C. 2, 3 and 4 only
D. 1 and 3 only
E. 1, 2, 3 and 4

Q2. Which of the following costs is not included in the cost of Property, Plant and Equipment as per AS-10?

A. Installation and assembly costs
B. Cost of site preparation
C. Professional fees for installation
D. Cost of advertising and promotional activities for launching a new product
E. Initial delivery and handling costs

Q3. As per Accounting Standard 10 Property, Plant and Equipment, what is included in AS 10?
1. Normal plants and machinery
2. Bearer plants
3. Mining rights
4. Produce of bearer plant

A. 2 only
B. 1 and 2 only
C. 2 and 3 only
D. 1, 2 and 3
E. 3 only

Q4. Which of the following sections deals with buyback?

A. Section 62
B. Section 66
C. Section 68
D. Section 73
E. Section 80

Q5. Insurance companies should present their cash flow via which method?

A. Direct Method
B. Indirect Method
C. Both Direct and Indirect Methods
D. Fund Flow Method
E. Accrual Method

Q6. Match the following Functions of Accounting with their correct meaning:
List I (Functions of Accounting)
List II (Meaning)
1. Identification A. Presenting the key results briefly
2. Analysis B. Recognizing and selecting relevant information or data
3. Interpreting C. Breaking information into parts to understand patterns and relationships
4. Summary D. Explaining meaning and drawing inferences from analysed information
Choose the correct match:

A. 1 B, 2 C, 3 D, 4 A
B. 1 C, 2 B, 3 A, 4 D
C. 1 B, 2 D, 3 C, 4 A
D. 1 D, 2 C, 3 B, 4 A
E. 1 A, 2 B, 3 C, 4 D

Q7. A company has goods in work in progress valued at Rs 15000 at the end of the current financial year. To complete and convert them into finished goods in the next financial year, an additional Rs 10000 will be required. The expected selling price of the finished goods is Rs 25000, and brokerage is 4 percent on the selling price. If the goods are not completed, the net realizable value will be zero. At what amount will the inventories be recorded?

A. Rs 15000
B. Rs 14000
C. Rs 25000
D. Rs 10000
E. Rs 24000

Q8. Due to which of the following the financial statements will not remain reliable?

A. Personal Bias
B. Historical Cost Principle
C. Consistency Principle
D. Accrual Concept
E. Prudence Concept

Q9. As per Accounting Standard 9, interest is recognized as __________.
A. On receipt basis
B. On cash basis
C. Recognized proportionately on time basis
D. Only at the end of the accounting year
E. When approved by management

Q10. Revaluation of the Property, Plant and Equipment happens __________.
A. For an individual asset only
B. For selected high value assets
C. For the entire class of the Property, Plant and Equipment
D. Only when the asset is fully depreciated
E. Only at the time of disposal

Q11. A company declares a bonus issue in the ratio of 2 to 5. A shareholder holds 5000 shares. What will be the total number of shares after the bonus issue?
A. 6000
B. 6500
C. 7000
D. 7500
E. 8000

Q12. Revaluation surplus arising on revaluation of fixed assets in a banking company is generally credited to which of the following?
A. Profit and Loss Account
B. Capital Reserve
C. Revaluation Reserve
D. Statutory Reserve
E. General Reserve

SEBI Grade A 2025 Phase 1 - Commerce & Accounts Recollected Questions Answer Key

Answer Key

Question	Answer	Question	Answer	Question	Answer
1	A	2	D	3	B
4	C	5	A	6	A
7	B	8	A	9	C
10	C	11	C	12	C

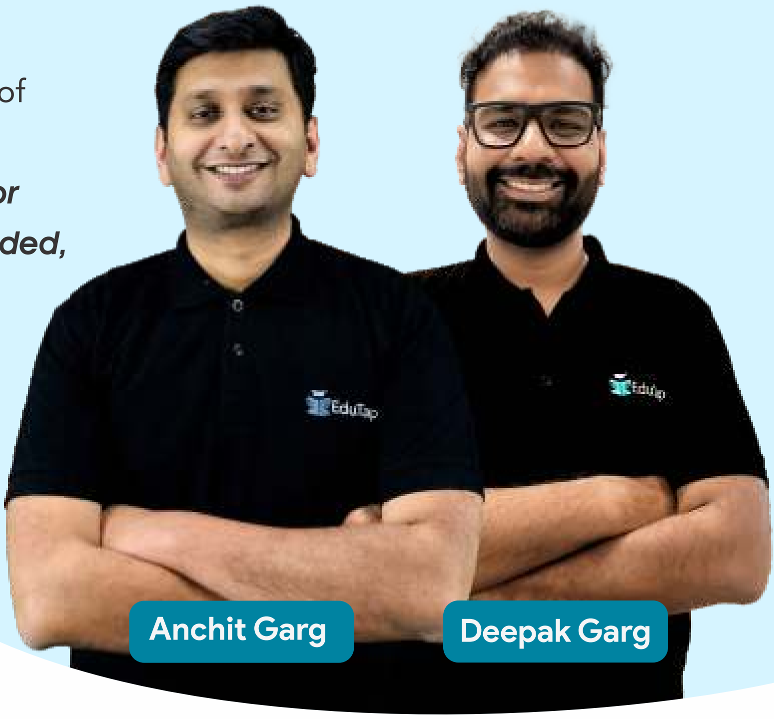
What Next?

1. **Identify Right Source:** Follow the best study resources (books, online courses, videos, etc.) for each topic on the list. Do not follow multiple sources for the same topic but rather follow good sources multiple times.
2. **Topic Prioritization:** Review the document to identify key topics that require special attention. Prioritize your study schedule based on the significance of each topic in the syllabus. Ensure a balanced approach, allocating more time to critical subjects.
3. **Width of Syllabus:** Merely going through the syllabus is not enough; Regularly revisit the document to reassess what topics actually need to be covered.
4. **Depth of Understanding:** Recognize the varying depths at which topics should be covered. While some concepts demand a broad understanding, others require a more in-depth analysis. Tailor your study approach, accordingly, allocating more time to complex topics that demand deeper comprehension.

EduTap

About Us

We are a passionate team of experienced professionals who understand the challenges of aspirants preparing for government jobs. Our vision is to "***create a nurturing ecosystem for the aspirants so that they can feel safe, guided, and mentored***."

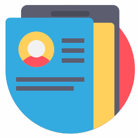


Our Mission

At EduTap, our mission is to empower students to reach their full potential by providing comprehensive guidance, expert mentorship, and a supportive community. Since our start in 2016, we've grown into a trusted platform for aspirants, delivering exceptional results in government recruitment exams and certifications year after year.

Why Choose Us

Our **mentors walk with you every step of the way,** providing personalized guidance and insightful advice.



Our courses offer a **comprehensive curriculum** that covers all aspects of the exam, from theoretical knowledge to practical application.

We have a **track record of helping students (even if they are not our paid subscribers)** achieve their dreams, with consistently high results in leading government exams.

We help you connect with a **community of like-minded individuals** who share your goals and support your journey.

+91 8146207241 **hello@edutap.co.in** **edutap.in**