EduTap

SEBI Grade A

Phase 2

Previous Year Papers

2020-2025

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Preface

Dear Students,

We are pleased to present this recollected question paper with answer keys for the **SEBI Grade A Phase 2 papers,** 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.**

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SEBI Grade A 2020 Phase 2 Paper 1 Recollected Questions

Descriptive English

Essay Writing

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.
2. Pros and Cons of Mergers and acquisitions of companies.
3. Role of technology in detecting and preventing financial frauds.
4. Fake news and how to identify them.

Precis Writing

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.

Reading Comprehension

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.
Q.2 Discuss how money is intangible according to the passage.
Q.3 According to author, what is difference between having money and being rich.
Q.4 Describe the evolution of money on the basis of the passage.
Q.5 Discuss why money is considered important as a commodity.

SEBI Grade A 2020 Phase 2 Paper 2 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

Management

Q.1) 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

Q.2) If a manager informs employees of policies and related stuff, then the role played by him is that of a ___________
Options:
A. Leader
B. Liaison
C. Resource Allocator
D. Disseminator
E. Spokesperson

Q.3) The role played by a HR manager in the career planning, training and development of a worker is __________
Options:
A. Strategist
B. Welfare
C. Counsellor
D. Spokesperson
E. Developmental

Q.4) In trait approach theory, intelligence, emotion, knowledge form which trait of the leader?
Options:
A. Intellectual
B. Personality
C. Communication
D. Conscientious
E. None of the above

Q.5) Which of the following are qualities of an effective leader?
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

Q.6) What is considered as the life spark of management and includes motivating, guiding, etc. to the employees?
Options:
A. Controlling
B. Directing
C. Planning
D. Organising
E. None of the above

Q.7) Which of the following is a psychological barrier? Options:
A. Highly Attentive
B. High Retention
C. Premature Evaluation
D. Good Emotions
E. None of the above

Q.8) What is the difference between morale and 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

Q.9) Which of the following is true about Oral 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

Finance

Q.1) 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.
Options:
A. Rs 22500
B. Rs 22275
C. Rs 22050
D. Rs 22000
E. None of Above

Q.2) If a hotel provides complimentary breakfast to its guests, then what kind of supply is this in the context of GST?
Options:
A. Composite Supply
B. Mixed Supply
C. Exempt Supply
D. No Supply
E. None of the above

Q.3) Open Interest indicates ___________
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

Q.4) Roles and Responsibilities of Forward Market Commission duties are transferred to ____________
Options:
A. SEBI
B. RBI
C. SBI
D. NPCI
E. None of the above

Q.5) Stock Price is Rs 60. The Initial Margin is 40% and Maintenance Margin is 20%. At what price the Margin Call would be made?

Options:

A. Rs 24
B. Rs 36
C. Rs 48
D. Rs 45
E. None of Above

Q.6) When the company dissolves, which of the following the debenture holders have the right to receive?

Options:

A. Principal and Interest
B. Principal
C. Interest
D. Dividend
E. None of Above

Q.7) Which instrument is used by foreign entities not registered with SEBI to invest in India markets via registered brokers?

Options:

A. Participatory Notes
B. IDR
C. GDR
D. Both B and C
E. None of the above

Q.8) Which of the following is not a part of the Money Market?

Options:

A. Commercial Papers
B. T-bills
C. Derivatives
D. Certificate of Deposits
E. None of the above

Q.9) Which of the following is the most volatile investment?

Options:

A. FDI
B. FPI
C. ECB
D. All of the above
E. None of the above

Q.10) Financial goods and services is provided to economically weaker sections at affordable price by financial institutions then it is called? Options:

A. Financial Inclusion
B. Fiscal Deficit
C. Tax Exemption
D. Subsidies
E. None of the above

Economics

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

Options:

A. Market
B. Price
C. People
D. Both A and B
E. None of the above

Q.2 The Phillips Curve is a relationship between ___________

Options:

A. Inflation and unemployment
B. Inflation and quantity demand
C. Quantity demand and price
D. Demand and Supply
E. None of the above

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

Options:

A. Expansion, Recession, Trough, Recovery
B. Recession, Trough, Recovery, Expansion
C. Trough, Recession, Expansion, Recovery
D. Recovery, Expansion, Recession, Trough
E. Recession, Expansion, Trough, Recovery

Q.4) What is difference between M1 and M3 in money supply in India?

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

Q.5) Income and employment as per Keynes theory is determined by _____________

Options:

A. Price
B. Aggregate Supply
C. Aggregate Demand
D. Effective Demand
E. NONE OF THE ABOVE

Q.6) Which of the following constitutes fiscal deficit?

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

Q.7) What is the difference between GVA at Basic Price and GDP?

Options:

A. Investments
B. Taxes and Subsidies
C. Taxes
D. Subsidies
E. None of Above

Q.8) Which of the following will not affect Current Account Deficit?

Options:

A. Capital Inflow
B. Consumer Spending
C. Forex Outflow
D. Savings rate
E. Natural Resources

Costing

Q.1) Which of the following does not appear in Cash Budget?

Options:

A. Collection from Debtors
B. Depreciation
C. Cash Sales
D. Cash Disbursement
E. None of the above

Q.2) 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.

Options:

A. 6200 units
B. 7600 units
C. 7200 units
D. 6800 units
E. 6300 units

Q.3) 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.

Options:

A. 2.27
B. 1.74
C. 2.43
D. 1.20
E. 1.42

Q.4) 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.

Options:

A. 3750 units
B. 3250 units
C. 3500 units
D. 3675 units
E. 3720 units

Q.5) MRP II is a type of ___________

Options:

A. Production Design Technique
B. Selling and Distribution Development Technique
C. Price Reduction Technique
D. Efficient Marketing Technique
E. None of the above

Q.6) Which of the following is a technique of Inventory Management?

Options:

A. ABC Analysis
B. Standard Costing
C. Marginal Costing
D. Process Costing
E. None of the above

Q.7) Over and Under Absorption of Overheads due to Normal Factors are ____________

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

Q.8) Which of the following is aimed at eliminating waste and increasing efficiency?

Options:

A. Six Sigma
B. Kaizen
C. Business Process Re-engineering
D. Both B and C
E. None of the above

Companies Act

Q.1) Who among the following appoints the special auditor?
Options:
A. Board of Directors
B. CAG
C. Central Government
D. SEBI
E. None of the above

Q.2) The Auditor can be removed before expiry of his term by which of the following?
Options:
A. Board of Directors
B. Shareholders
C. Central Government
D. SEBI
E. NONE OF THE ABOVE

Q.3) Which section of the Companies Act gives power to SEBI to issue of capital and transfer of shares? Options:
A. Section 24
B. Section 47
C. Section 144
D. Section 182
E. Section 8

Q.4) Reduction of share capital can be done with the approval of __________
Options:
A. SEBI
B. Board of Directors
C. Central Government
D. Special Resolution
E. None of the above

Q.5) As per law what is this company called when 1 partner has 999 shares and another has 1 share? Options:
A. Illegal company
B. Monopoly
C. Partnership
D. Private Company
E. None of the above

Q.6) Which section of the Companies Act 2013 deals with the removal of the name of the company from the register of the companies?

Options:

A. Section 248(2)
B. Section 141(3)
C. Section 257(1)
D. Section 182(2)
E. None of the above

SEBI Grade A 2020 Phase 2 Paper 2 Recollected Questions Answer Key

Commerce & Accounts

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

Management

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

Finance

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

Economics

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

Costing

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

Companies Act

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

SEBI Grade A 2022 Phase 2 Paper 1 Recollected Questions

Descriptive English

Essay Writing

Q.1 Write an Essay of about 200 words on any one of the following topics: -(30 Marks)
1. Mental Health and its impacts should be spoken about.
2. Role of Banks in Financial Literacy.
3. Techno-stress; its impacts on students and teachers in education sector.
4. Asset Reconstruction Companies

Precis Writing

Q.2 Read the given passage and draft a precis within 150 words: -(30 Marks)

Certainly, with the advent of globalization, the market has become more competitive, because it has opened the opportunity for new competitors. This does not necessarily mean risk for the survival of local businesses, but a challenge that they must consider. This challenge relates to the need to create greater consumer loyalty to products and services, greater suitability of the product to the consumer's needs and greater concern about the social impact of the company. Moreover, this global scenario represents some opportunities for the companies to act in the new markets. It is clear that this action will depend mainly on the quality of their own products and services offered.

However, first, the concept of product quality is not so immediate and obvious. Although not universally accepted, the definition for quality with greater consensus is that "suitability for the consumer usage." This definition is comprehensive because it includes two aspects: characteristics that lead to satisfaction with the product and the absence of failures. In fact, the main component consists of the quality characteristics of the product features that meet the consumers' needs and thus it provides satisfaction for the same. These needs are related not only to the intrinsic characteristics of the product, such as the sensory characteristics of a food product, but also to its availability in the market with a compatible price and in a suitable packaging. The other part is the absence of faults, which is related to the characteristics of the product according to their specifications, making the consumer inspired by the reliability of the product, i.e., the consumer is sure that he will acquire a safe product, without health risks, and with the properties claimed on the label.

For these objectives to be achieved it is required an efficient management of quality, which implies continuous improvement activities at each operational level and in every functional area of the organization. The quality management combines commitment, discipline and a growing effort by everyone involved in the production process and fundamental techniques of management and administration, with the goal of continuously improving all processes. For that, the industries need to be structured organizationally, establish policies and quality programs, measure customers' satisfaction and even use more quality tools and methodologies. Specifically for the food industry, also involves the knowledge and application of techniques and programs for product safety.

Reading Comprehension

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

Role of Weather Forecasting in Agriculture Sector.

Agriculture and farming are mainly dependent on seasons and weather. The temperature matters a lot in that case when it comes to the farming of different kinds of fruits, vegetables, and pulses. Previously we did not have a better understanding of weather forecasting and farmers were still doing their job based on predictions. Though sometimes they occur loss due to false predictions of weather. Now that the technology is developed and special weather forecasting mechanisms are available, the farmers can get all the updates are on a smartphone. Education towards that is, of course, an important thing but most of the farmer population at this stage knows the basics which make it easy for them to use the features.

Occurrences of erratic weather are beyond human control. It is possible, however, to adapt to or mitigate the effects of adverse weather if a forecast of the expected weather can be obtained in time. Forecasts should ideally be used for small areas. Some aspects of weather forecasts for agriculture are quite distinct from synoptic weather forecasts. While clear weather is required for sowing operations, it must be preceded by seed zone soil moisture storage. Crop weather factors mean that crops and cropping practices vary across areas within the same season. In the case of well-organized weather systems, the desired areal delineation of forecasts can be realized. The area to which the weather forecasts will be applied must be unambiguously stated.

Weather forecasting is a prediction on conditions of atmosphere depending on location and time. Every area will have their different predictions related to the condition of weather which makes pretty easy for the farmers to know how and what to do when. The relationship between weather and agriculture has, therefore, necessitated the need for accurate prediction of the weather; to enable farmers to make an informed decision that will not bring losses to them. Temperature, sunlight, and rainfall have major effects on the crops. For livestock, temperatures and adequate water and food are essential.

The forecast of the weather event helps for suitable planning of farming operations. It helps to decide whether to undertake or withhold the sowing operation. To irrigate the crop or not, when to apply fertilizer and whether to start complete harvesting or to withhold it are the major components for which forecasting is a must.

Irrigation is an artificial application of water to land for agricultural production and farming. The requirements for irrigation and crop growth are affected by weather variability. The amount of timing and evapotranspiration are two main weather-related requirements. Climate variability is something that all farmers need to react upon. Extended periods of dry conditions, commonly known as drought is one of the major impacts in the irrigation system. So if their proper forecast is done chances of losses are way lower than expected. Drought can increase daily crop water use due to lower humidity and accompanied by higher temperatures. Managing under the extreme conditions, irrigators need to understand daily and seasonal crop water use patterns, as well as adopt practices and technology which result in good production of crops.

Timing of fertilizer has a significant effect on crop yields. Proper timing of the fertilizer application increases yields, reduces nutrient losses and prevents damage to the environment. Wrong timing and not predicting the weather may result to waste of fertilizer and even damage the crop. Knowledge of how the application of the fertilizer is done is required. Weather forecast can help the farmers to decide the timing on when to apply them and in which condition. Both the resources and money could be wasted if the application of fertilizer is done wrong and hence a proper knowledge and prediction is a must. According to research, fertilizing plants in winter is not good as the crops do not actively grow. Actual temperatures may shift above and below averages from year to year.

The consequences of unseasonal changes in temperature and their potential negative effects on host plants and pests are very well known. Unseasonably high temperatures may lead to lower plant productivity and more pests on the farm. Applying pest and disease control is important to protect the farm and crops from the insects. Weather forecast helps the farmers to know when to apply the pests and chemicals to avoid the crop wastage. By some estimates, up to 40 percent of the world's food supply is already lost due to pests. Reduction in pests and applied chemicals is important to ensure global food security, reduced application of inputs and decreased greenhouse emissions. Climate-smart pest management is a cross-sectoral approach that aims to highly reduce pest induced crop losses. And the method along with the forecast should be applied everywhere to ignore the wastage.

The method of getting experts to do tailor-made weather forecast is a little bit expensive compared with the use of the cheap weather forecast information available in the media but it is beneficial to the farmers in the long run. In the future, therefore, farmers will come to rely on the satellite forecasting due to numerous advantages.

Q.1 Discuss the co-relation between Agriculture and Weather forecasting.

Q.2 How does Weather forecasting helps the farmers?

Q.3 How important is weather forecasting with respect to Irrigation?

Q.4 Discuss the role of fertilizers in a crop cycle?

Q.5 Discuss the impact of seasonal changes of temperature on the crops.

SEBI Grade A 2022 Phase 2 Paper 2 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

Management

Q.1) Which of the following is true for organizational Morale but not for motivation?
Options:
A. Morale deals with the work environment and is primary factor driving the organization
B. Morale acquires primary concern in every organization
C. Morale is an internal-psychological drive of an individual which urges him to behave in a specific manner
D. High Morale leads to high motivation of employees
E. None of the above

Q.2) Identify the HRD Subsystem where in employee performance is increased with increase in his ability and Knowledge?
Options:
A. Training and Development
B. Career Planning
C. Performance Appraisal
D. Organizational Development
E. NONE OF THE ABOVE

Q.3) Identify the leadership style where a leader has inspirational and Charismatic Approach?
Options:
A. Transactional leadership
B. Transformational leadership
C. Authoritarian Leadership
D. Delegative Leadership
E. None of the above

Q.4) Identify the Role of Manager where manager solves the problem, provides feedback, duly recognizes his employees, provides training and development and monitors the work?
Options:
A. Performance Management
B. Developmental
C. Providing perspective
D. Change Agent
E. None of the above

Q.5) Which of the following is an incentive and not a reward? Options:
A. Given to stimulate greater production
B. Recognition for past performance
C. Forward Looking
D. Providing cash for something done in past
E. None of the above

Finance

Q.1) Which of the following is not a method of quantitative control by RBI?

Options:

A. CRR
B. SLR
C. Marginal Standing Facility
D. Repo and Reverse Repo
E. Credit Rationing

Q.2) Recently, SEBI has launched the mobile app ______ with a view to empower investors with knowledge about the securities market.

Options:

A. Saarthi
B. UMANG
C. PARTH
D. Aayakar Setu
E. None of the above

Q.3) Where any trade receivables are financed through a Trade Receivables Discounting System (TReDS); the concerned TReDS on behalf of the Factor shall, within a period of ___ days, from the date of such assignment or satisfaction thereof, as the case may be, file with the Central Registry the relevant details

Options:

A. 10
B. 15
C. 20
D. 25
E. None of the above

Q.4) Which of the following is applicable on Dynamic QR code on B2C invoices under GST applicable from 1st July 2021?

Options:

A. All taxpayers with an annual turnover of more than Rs.500 crore in any preceding financial year (starting from 2017-18) to compulsorily generate a Dynamic QR code on their B2C invoices
B. an insurer or a banking company or a financial institution, including a non-banking financial company
C. a goods transport agency supplying services in relation to transportation of goods by road in a goods carriage

D. supplying passenger transportation service
E. supplying services by way of admission to exhibition of cinematograph in films in multiplex screens

Q.5) As per the recommendations of the 15th Finance Commission, which of the following is not one of the four themes mentioned in devolution of Performance Based Incentives and Grants to States?

Options:

A. Social Sector
B. Rural Economy
C. Power Sector Reform
D. Government and Administrative Reforms
E. Manufacturing Reform

Q.6) Which of the following statement regarding the Interest rate parity is true?

Options:

A. the same goods must sell for the same price across countries.
B. interest rates across countries will eventually be the same
C. there is an offsetting relationship between interest rate differentials and differentials in the forward & spot exchange market.
D. there is an offsetting relationship provided by costs and revenues in similar market environments.
E. None of the above

Economics

Q.1) Identify the Incorrect statement regarding NBFC.
Options:
A. NBFCs do not form part of the payment and settlement system
B. NBFC cannot issue cheques drawn on itself
C. Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs
D. NBFC is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government
E. NBFC can accept demand deposits

Q.2) Non-Plan Expenditure constitutes the biggest proportion of the government's total expenditure. Which of the following is not a non-planned expenditure? Options:
A. Defense Expenditure
B. Debt servicing
C. Expenditure on Electricity generation
D. Interest Payments
E. Subsidies

Q.3) Which of the following defines the monetary base?
Options:
A. The sum of currency in circulation and Bankers' deposits with the RBI.
B. The sum of currency in circulation and the currency held by commercial banks.
C. The sum of gold and foreign exchange held by the central bank
D. The sum of real assets of the banking sector plus its net worth
E. None of the above

Answer: (A) The sum of currency in circulation and Bankers' deposits with the RBI.
Q.3) Calculate National Income or NNP at Factor Cost (FC):

Particulars	Rs in Crores
GNP at Market Price	5069
Indirect Taxes	495
Subsidies	69
Consumption of Fixed Capital	626

Options:
A. 4017
B. 3025
C. 4527
D. 5500
E. 4897

Q.4) Which of the following statements is incorrect regarding Phillips Curve?
Options:
A. The Phillips Curve states that inflation and unemployment have an inverse relationship.
B. The downward sloping curve of Philips Curve is generally held to be valid only in the short run.
C. In the long run, Philips Curve is usually thought to be horizontal at the Non-Accelerating Inflation Rate of Unemployment (NAIRU).
D. High inflation and High unemployment are because of recession
E. None of the above

Q.5) Which of the following statements is incorrect regarding Monopolistic Competition?
Options:
A. Monopolistic competition exists when there are large number of buyers and sellers.
B. In the monopolistic competition, there is no barrier to entry and exit for the firms.
C. Monopolistic competition has product differentiation and firms bear selling costs.
D. Monopolistic Competition has less elastic demand than the perfect competition
E. There is no excess capacity in the long run with normal profits

Q.7) Which of the following statements is correct if the demand function is D = 18 – 3P?
Options:
A. Demand function shows the functional relationship between Quantity supplied for a commodity and its various Determinants.
B. The quantity demanded is directly related to price of the product
C. For the given Demand function, Maximum price is 6 and Demand curve is linear with slope -3
D. The above equation shows a curvilinear demand function.
E. None of the above

Q.8) Find the incorrect option regarding the elasticity of commodities?
Options:
A. Salt has perfectly elastic demand.
B. Luxury goods have elastic demand
C. Lifesaving drugs have perfectly inelastic demand
D. A commodity with many substitutes has elastic demand
E. None of the above

Q.9) Economic theory and good practice suggest that a government should run deficits during recessions — when tax revenues are low and government spending is high and deficits should be balanced by surpluses during booms and when spending needs are low. The theory which explains the process when the government try to align its expenditure with revenue is termed as ______.
Options:
A. Fiscal Prudence
B. Fiscal Deficit
C. Fiscal Analysis
D. Primary Deficit
E. None of the above

Q.10) Which of the following is not the reason for demand pull inflation?
Options:
A. Increase in Population
B. Deficit financing
C. Increase in Administered Price
D. Over expansion of the Money Supply
E. None of the above

Q.11) Which of the following is not correct w.r.t to monopoly?
Options:
A. A bilateral monopoly exists when a market has only one supplier and one buyer.
B. Monopoly can lead to higher equilibrium price and lower equilibrium quantity, generating a larger welfare for monopolists than under perfect competition
C. Monopolies have a downward sloping Demand Curve
D. There is restriction of entry of new firms in the monopoly market
E. Monopoly promotes perfect knowledge of prices and technology.

Costing

Q.1) Which of the following is a modern management accounting technique?

Options:

A. Human Resource Accounting
B. Statical Reports
C. Responsibility Accounting
D. Break Even Analysis
E. None of the above

Q.2) Which of the following does not classify semi variable costs into fixed and variable costs?

Options:

A. Graphical Method
B. Simultaneous Equations
C. High and Low Method
D. Least Square Method
E. Straight Piece Method

Q.3) Calculate the Prime Cost using the information given below:

Direct Material Cost– Rs 1,00,000

Direct Labour Cost– Rs 68,000

Fixed Overheads – Rs 1,50,000

Variable Overheads – Rs 24,000

Options:

A. Rs 1,58,000
B. Rs 1,68,000
C. Rs 1,78,000
D. Rs 1,88,000
E. Rs 1,98,000

Q.4) Calculate the Breakeven point (BEP) from the following information.

Sale - ₹30 per unit

Trade Discount – 10%

Direct Material - ₹12 per unit

Direct Labour - ₹6 per unit

Variable Expenses – 50% of Direct Labour

Fixed Cost - ₹60,000

Options:

A. 1000

B. 10,000
C. 1,00,000
D. 6000
E. None of the above

Q.5) Which of the following is incorrect with reference to Marginal Costing?
Options:
A. It is a method of Costing like Job Costing and Service Costing
B. Marginal Costing, Marginal cost is the change in the total cost when the quantity produced is incremented by one
C. It considers expenses incurred at each production stage, except for overhead pricing
D. Contribution margin is computed as the selling price per unit, minus the variable cost per unit.
E. None of the above

Q.6) Which of the following is not a feature of cellular manufacturing system?
A. Cellular manufacturing brings scattered processes together to form short, focused paths in concentrated physical space.
B. Cellular manufacturing facilitates both production and quality control.
C. Cellular manufacturing increases waste
D. Cellular manufacturing involves the use of multiple "cells" in an assembly line fashion.
E. None of the above

Q.7) A company produced 60,000 units in the accounting period. It sold 50,000 units with 10,000 still in inventory. It sold each unit for Rs. 100. Each unit costs Rs.25 in direct materials and Rs.20 in direct labor. Manufacturing overhead was Rs.10 plus Rs. 5 in variable administrative costs. Fixed manufacturing overhead was Rs.300,000. Fixed administrative costs were Rs.200,000. If the valuation of inventory is done by absorption costing method, find the value of the inventory.
Options:
A. Rs 6,00,000
B. Rs 5,00,000
C. Rs 7,00,000
D. Rs 4,50,000
E. None of the above

Q.8) Which of the following is a Notional Cost?

Options:

A. Absorption Costing
B. Historical Costing
C. Standard Costing
D. Lean Costing
E. None of the above

Q.9) Calculate the value of closing stock using Simple price moving average method.

1st December - purchased 100 units @ Rs. 20

2nd December - purchased 200 units @ Rs 22

5th December - Issued 250 units to department X

Options:

A. 1050
B. 1100
C. 900
D. 500
E. None of the above

Companies Act

Q.1) The president of NCLT, chairperson of NCLAT and Judicial members are appointed by the government in consultation with ________.
Options:
A. President of India
B. Law Minister
C. Minister of Corporate affairs
D. Chief Justice of India
E. SEBI Chairman

Q.2) The tenure of independent directors is for ________consecutive years and if he is to be appointed for second term, special resolution needs to be passed.
Options:
A. 5
B. 3
C. 10
D. 6
E. None of the above

Q.3) Under Section 124 of the Companies' act, if the money is not paid to the shareholders and lying idle for ____ years, it is transferred to investor education and protection find.
Options:
A. 5
B. 7
C. 10
D. 15
E. 12

Q.4) According to Section 141 of Companies Act, who is eligible to be appointed as an auditor of the company?
Options:
A. Chartered Accountant
B. Company Secretary
C. Certified Management Accountant
D. Chief Financial Officer
E. None of the above

Q.5) A company shall not register a transfer of partly paid shares, unless the company has given a notice to the transferee and the transferee has given no objection to the transfer within ________ weeks from the date of receipt of notice.
Options:
A. 2
B. 4
C. 6
D. 8

E. None of the above

Q.6) Every listed company, may upon notice of not less than one thousand small shareholders or one-tenth of the total number of such shareholders, whichever is lower, can have ______ number of small shareholders' directors elected by the small shareholders.

Options:

A. 1
B. 2
C. 3
D. 4
E. 5

Q.7) As per provisions of the Companies Act, 2013, the board shall be called by giving not less than _______ days' notice in writing to every director at his address registered with the company.

Options:

A. 7
B. 15
C. 30
D. 60
E. 90

Q.8) Recently SEBI has directed the mutual fund (MF) industry to set up an audit committee at the asset management company (AMC) level. As per the provision of companies Act, what is the minimum number directors needed for Audit Committee?

Options:

A. 1
B. 3
C. 5
D. 7
E. None of the above

Q.9) Application money is the money received by the company when it issues shares to the public, once the application money is received then allotment is made to the shareholders. The minimum share application money is ________% of the nominal value of shares.

Option

A. 5%
B. 2.5%
C. 7%
D. 10%
E. None of the above

SEBI Grade A 2022 Phase 2 Paper 2 Recollected Questions Answer Key

Commerce & Accounts

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

Management

Question	Answer	Question	Answer	Question	Answer
1	A	2	A	3	E
4	A	5	C		

Finance

Question	Answer	Question	Answer	Question	Answer
1	E	2	A	3	A
4	A	5	E	6	C

Economics

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

Costing

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

Companies Act

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

SEBI Grade A 2024 Phase 2 Paper 1 Recollected Questions

Descriptive English

Essay Writing

Write an Essay of about 250 -270 words on any one of the following topics: (30 Marks)

1. How Environment, Social and Governance (ESG) norms help in Global business prospects. Comment.
2. Discuss how Organizations and Management can nurture organizational culture
3. What role can Banks play in pushing Social Healthcare expenditure.
4. “1 machine can replace 5 average human beings, but 5 machines cannot replace 1 smart human.’ Elaborate.

Precis Writing

Q2. Make a Précis of the following passage in 140 - 160 words and give it a suitable title. (30 Marks)

The gaming industry has undergone a profound transformation since the 2000s, evolving from a niche hobby into a multi-billion-dollar global powerhouse. This rapid evolution has been fueled by technological advancements, the rise of the internet, and shifts in consumer preferences. What was once considered a pastime for children and teenagers has now become a central part of modern culture and, for many, a lucrative career. This shift has allowed gaming not only to shape lifestyles but also to create new avenues for revenue generation for players, developers, and streamers alike.

In the early 2000s, gaming was predominantly driven by consoles like the PlayStation, Xbox, and Nintendo’s offerings, with games sold primarily through physical media such as CDs or cartridges. As technology advanced, games became more visually sophisticated and immersive, allowing for more complex storytelling and multiplayer experiences. The introduction of broadband internet in the mid-2000s revolutionized the gaming landscape, enabling online multiplayer gaming to flourish. By 2010, gaming had grown into a $50 billion industry, with both console and PC gaming thriving.

One of the most transformative developments was the shift from physical to digital distribution. Platforms like Steam allowed players to download games directly to their devices, making gaming more accessible and convenient. This move also democratized game development, allowing independent developers to reach global audiences without needing large publishing deals.

The explosion of mobile gaming in the 2010s further transformed the industry. With smartphones becoming ubiquitous, mobile games attracted millions of new players. By 2019, mobile gaming accounted for nearly half of the global gaming market’s $150 billion in revenue. This growth was driven by the free-to-play model, which allowed players to download games for free and make optional in-game purchases through microtransactions.

This business model became a major source of revenue for both mobile and traditional game developers.
As gaming became more mainstream, it also began to influence lifestyle and culture. Platforms like YouTube and Twitch, launched in the late 2000s, enabled players to broadcast their gameplay to global audiences, creating the phenomenon of "game streaming." Professional streamers could build massive followings and generate revenue through donations, subscriptions, and advertising. As of 2023, Twitch had over 2.5 million active streamers per month, and the global live-streaming industry was valued at over $3 billion.

Esports, or competitive gaming, also emerged as a significant part of the gaming ecosystem. What started as small tournaments in the early 2000s has grown into a global industry, with professional leagues, massive prize pools, and millions of viewers. In 2022, the global esports market was valued at over $1.3 billion, with top players earning millions through sponsorships, tournament winnings, and brand deals.

The rise of gaming as a lifestyle has opened numerous pathways for individuals to earn money. Professional gamers can pursue careers in esports, where tournaments offer life-changing prize pools. Streamers and content creators can monetize their platforms through advertising revenue, viewer subscriptions, and brand partnerships. Game developers, both indie and mainstream, now have access to global audiences through digital distribution, reducing the barriers to entry and enabling creative minds to earn a living through their passion.
In addition, the growth of gaming-related content on social media platforms has led to new forms of influencer marketing, where top gamers promote products or services to their audiences. In 2021, gaming content creators generated an estimated $9.3 billion in global revenue, demonstrating the enormous financial potential of gaming as a profession.

Since the 2000s, the gaming industry has evolved from a niche entertainment sector into a global cultural and economic force. With the rise of digital distribution, mobile gaming, streaming, and esports, gaming has not only become a popular lifestyle choice but also a viable career for millions. As technology continues to evolve, the gaming industry is poised to grow further, creating even more opportunities for players, developers, and entrepreneurs.

Reading Comprehension

Read the passage given below and answer the questions based on the passage in your own words. (40 Marks)

The rise of social media in the early 21st century sparked a profound shift in how people connect, communicate, and consume content. Platforms like Facebook, Instagram, YouTube, and later TikTok have transformed from simple social networking sites to powerful marketing engines. At the core of this transformation is the emergence of social media influencers—individuals with large, dedicated online followings who hold the power to shape trends, drive consumer behavior, and create new cultural movements. Today, the influencer marketing industry is a multi-billion-dollar ecosystem, and its rapid growth is underpinned by compelling data and clear shifts in media consumption.

The influencer landscape traces its roots back to the early 2000s with the rise of personal blogs. Bloggers, particularly in the fashion, lifestyle, and beauty niches, gained loyal readerships by sharing personal stories, product reviews, and tips. As social media platforms like Facebook (2004), YouTube (2005), and Instagram (2010) gained popularity, these content creators shifted their focus to visual and video-based content. Social media allowed influencers to reach broader audiences and engage directly with followers in real-time, further deepening their impact.

In the early 2010s, brands started to recognize the value of these influencers in driving word-of-mouth marketing. Unlike traditional celebrities, influencers were seen as more relatable, accessible, and authentic. Studies have shown that 49% of consumers rely on influencer recommendations before making a purchase, underscoring the power of these digital personalities in shaping consumer behavior.

The rise of influencer marketing has been meteoric. In 2016, the global influencer marketing industry was valued at $1.7 billion. By 2022, that figure skyrocketed to $16.4 billion, with projections indicating further growth to $21.1 billion by 2023. This rapid expansion is driven by a variety of factors, including the shift to digital media consumption, the rise of e-commerce, and the increasing preference for personalized, authentic advertising experiences.

A survey by Influencer Marketing Hub in 2022 revealed that 93% of marketers had used influencer marketing in their strategies, demonstrating its ubiquity across industries. From beauty and fashion to fitness, tech, and gaming, influencers now play a central role in brand campaigns, often replacing traditional advertising methods.

Different platforms cater to different types of influencers and audiences. YouTube, with over 2.5 billion monthly users as of 2023, has become a hub for long-form video content, particularly for gaming, lifestyle, and education influencers. Instagram, with its 2.35 billion active users, remains the dominant platform for fashion, beauty, and travel influencers, leveraging its visually driven format and Stories feature. Meanwhile, TikTok, which surpassed 1.1 billion users in 2023, has revolutionized the short-form video landscape, giving rise to viral trends and making it a hotspot for younger, Gen Z influencers.

Micro-influencers, defined as those with 10,000 to 100,000 followers, have seen significant growth in popularity. A 2021 study revealed that micro-influencers generate 60% more engagement than larger influencers, despite having smaller followings. Brands increasingly prefer these influencers for their niche appeal, perceived authenticity, and deeper connections with their audiences.

For influencers, the monetization potential has grown exponentially alongside their audiences. Influencers can earn money through various channels, including sponsored posts, affiliate marketing, ad revenue, product collaborations, and even launching their own brands. In 2022, top influencers with millions of followers earned between $100,000 and $500,000 per post on Instagram, while micro-influencers could command anywhere from $1,000 to $10,000 per sponsored post, depending on the engagement and niche.

The influencer market is so profitable that 84% of influencers surveyed by Mediakix in 2022 stated they earn more from influencer activities than from their previous full-time jobs. This has made influencing a lucrative full-time career for many, while also creating an entire economy around influencer agencies, talent managers, and social media strategists.

As the industry matures, new trends are emerging, particularly around artificial intelligence (AI) and virtual influencers. AI-driven influencers, such as Lil Miquela, have millions of followers despite being computer-generated personas. These virtual influencers can seamlessly create content, interact with followers, and promote products—blurring the line between reality and the digital world. As AI technology advances, the influence of these digital avatars is expected to grow, with some analysts projecting that AI influencers could become a $50 billion market by 2030.

The rise of social media influencers represents a profound shift in the marketing and media landscape. With the global influencer marketing industry set to surpass $21 billion in 2023, it is clear that influencers are no longer just trendsetters but central figures in modern advertising and digital culture. As consumers increasingly seek authentic and personalized content, influencers will continue to shape purchasing decisions and cultural trends, making this industry an integral part of the digital economy for years to come.

Q1. What factors contributed to the exponential growth of the influencer marketing industry?

Q2. How have social media platforms like YouTube, Instagram, and TikTok impacted the reach and specialization of influencers?

Q3. What are the key differences between macro-influencers and micro-influencers in terms of engagement and monetization potential?

Q4. How has the rise of influencer marketing impacted traditional advertising methods, and why do brands prefer influencers over conventional ads?

Q5. What roles do artificial intelligence (AI) and virtual influencers play in the future of influencer marketing, and how could they reshape the industry?

SEBI Grade A 2024 Phase 2 Paper 2 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

Management

Q1. Who propounded Theory Z in management?
A. Peter Drucker
B. Abraham Maslow
C. William Ouchi
D. Elton Mayo
E. Henry Fayol

Q2. What is the formula for motivational force according to Victor Vroom's Expectancy Theory?
A. MF = V + E + I
B. MF = V × I
C. MF = E × I
D. MF = V × E × I
E. MF = V ÷ E ÷ I

Q3. What is the key impact of higher morale in a company?
A. Increased Employee Turnover
B. Reduced Costs
C. Increased Productivity
D. Increased Absenteeism
E. Decreased Efficiency

Q4. What is the communication network called where no subordinates talk to each other and all communication is directed through a leader (superior)?
A. Increased Productivity
B. Grapevine Network
C. Wheel Network
D. Chain Network
E. Star Network

Q5. When communication is effective in an organization, it will lead to______?
A. Improved Decision Making
B. Decreased Employee Engagement
C. Increase in Coordination
D. Lower Team Morale
E. Increase in Productivity

Q6. Leadership should be based on behaviour, work, and task, and no single leadership style is universally effective. Which theory explains this?
A. Behavioral Theory of Leadership
B. Contingency Theory of Leadership
C. Transformational Leadership Theory
D. Trait Theory of Leadership
E. Great Man Theory

Q7. What is the concept called that refers to doing the right things a manager must focus on?

A. Efficiency
B. Effectiveness
C. Goal setting
D. Planning
E. Organizing

Q8. What type of plan links tactical and strategic plans and focuses on day-to-day operations?

A. Contingency Planning
B. Operational Planning
C. Strategic Planning
D. Tactical Planning
E. Project Planning

Q9. Which of the following features matches the concept of strategic planning?

A. Focused on short-term goals
B. Concerned with day-to-day operations
C. Forward-looking in nature
D. Reactive to unexpected changes
E. Geared toward immediate needs

Q10. What is the type of policy that is understood and followed in an organization but is not formally documented or written down?

A. Explicit Policy
B. Formal Policy
C. Implied Policy
D. Written Policy
E. Corporate Policy

Q11. Which principle states that the amount of work increases, but the effort remains the same?

A. Unity of Command
B. Authority and Responsibility
C. Division of Work
D. Discipline
E. Centralization

Q12. Identify the type of decision where the decision is Difficult to make, and the outcome certainty is low.

A. Judgmental Decisions
B. Mechanistic Decisions
C. Adaptive Decisions
D. Analytical Decisions
E. Heuristic Decisions

Q13. When wastage in the management process decreases, it leads to ___________.

A. Increased Costs
B. Lower Productivity
C. Increased Profitability
D. Decreased Employee Morale
E. Higher Turnover

Q14. What is the term used when the combined efforts of a team produce a result that is greater than the sum of their individual efforts?

A. Coordination
B. Collaboration
C. Integration
D. Synergy
E. Cooperation

Q15. What is the role of a leader who sets a goal and inspires others to achieve it?

A. Figurehead
B. Leader
C. Liaison
D. Motivator
E. Coordinator

Q16. Which sub-system of Human Resource Development (HRD) addresses career path, future growth plans, and development for an employee?

A. Training and Development
B. Performance Appraisal
C. Career Path Management
D. Compensation and Benefits
E. Employee Relations

Q17. What can be the effects when a company improves its Customer Relationship Management (CRM)?

A. Decreased Customer Engagement
B. Lower Sales Conversion Rates
C. Improved Customer Relationships
D. Reduced Customer Data Visibility
E. Increased Customer Complaints

Q18. What does higher employee turnover ratio indicates?

A. Company is experiencing a greater rate of employees leaving relative to its overall workforce
B. The company is successfully retaining all its employees.
C. Employee satisfaction and engagement are at an all-time high.
D. The company is experiencing a significant decrease in its workforce size.
E. Employee productivity and efficiency are improving.

Finance

Q1. The Rule of 72 is a financial principle used to estimate the time it takes for an investment to achieve a certain growth target. Which of the following growth targets does the Rule of 72 help to estimate?

A. Triple the investment value.
B. Halve the investment value.
C. Double the investment value
D. Achieve a 72% return on investment.
E. Reach a specific monetary goal based on a fixed interest rate.

Q2. When an investor takes advantage of price differences in separate markets by simultaneously buying and selling an asset, which financial strategy is being employed?

A. Speculation
B. Hedging
C. Arbitrage
D. Short Selling
E. Market Timing

Q3. Under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, what is the maximum amount that an individual retail investor can apply for in an initial public offering (IPO)?

A. ₹1 Lakh
B. ₹1.5 Lakh
C. ₹2.5 Lakh
D. ₹2 Lakh
E. ₹3 Lakh

Q4. Under the Depositories Act of 1996, what process must shares undergo to be held in an electronic format?

A. Securitization
B. Monetization
C. Virtualization
D. Digitalization
E. Dematerialization

Q5. The Bank for International Settlements (BIS) primarily serves which of the following entities?

A. Commercial banks
B. Central banks
C. Investment banks
D. International financial institutions
E. Insurance companies

Q6. The Finance Commission of India assigned a 12.5% weightage to which of the following criteria for determining the devolution of funds to states?

A. Population
B. Income distance
C. Area
D. Demographic performance
E. Forest cover

Q7. According to the FRBM Act, what is the targeted limit for central government borrowing as a percentage of GDP by the year 2025?

A. 35%
B. 20%
C. 60%
D. 40%
E. 45%

Q8. In the latest Union Budget, what is the amount of the standard deduction allowed for salaried individuals?

A. ₹75,000
B. ₹60,000
C. ₹50,000
D. ₹80,000
E. ₹1,00,000

Q9. Which tax, often criticized by startups for hindering their growth, was removed in the recent Union Budget?

A. Securities Transaction Tax
B. Capital Gains Tax
C. Dividend Distribution Tax
D. Angel Tax
E. Goods and Services Tax on startups

Q10. Which of the following investment vehicles is considered a passive investment strategy?

A. Actively managed mutual funds
B. Index funds
C. Hedge funds
D. Private equity funds
E. Venture capital funds

Q11. Which of the following financial instruments is not transferable?

A. Government Bonds
B. Bank Fixed Deposit (FD)
C. Mutual Funds
D. Shares of a listed company
E. Debentures

Q12. As per RBI guidelines, how many working days should the Key Fact Statement (KFS) specify as the minimum validity period for loans with a tenor of 7 days or more?

A. 1 Working Day
B. 2 Working Days
C. 7 Working Days
D. 3 Working Days
E. 5 Working Days

Q13. Under the RBI's incentive scheme for Business Correspondents (BCs) operating in hilly areas, what is the additional monthly incentive provided to the top two performing BCs per village?

A. ₹1000
B. ₹750
C. ₹500
D. ₹1,500
E. ₹2,000

Q14. Upon receiving credit advice or a statement of a Nostro account, in compliance with FEMA guidelines, within how many working days must bank transfer funds to credit an exporter's account?
Options:

A. One
B. Two
C. Three
D. Four
E. Five

Q15. Who manages the Fund of Funds for Startups (FFS), established under the AIF framework regulated by SEBI to support startups in India?

A. RBI
B. SIDBI
C. NABARD
D. HDFC
E. AXIS BANK

Q16. What is the term used for an investment made by an Indian company, which is owned or controlled by foreign investors, into another Indian company?

A. Upstream Investment
B. Side stream Investment
C. Downstream Investment
D. External Commercial Borrowings
E. Middle stream Investment

Q17. What is the minimum face value prescribed by SEBI for Non-Convertible Redeemable Preference Shares (NCRPS) and Non-Convertible Debentures (NCDs) issued by Indian companies?

Options:

A. ₹1,000
B. ₹5,000
C. ₹10,000
D. ₹50,000
E. ₹1,00,000

Q18. A rise in the underlying asset's price accompanied by an increase in open interest (OI) for the corresponding derivative generally indicates which of the following?

A. Short build-up
B. Decrease in volatility
C. Long build-up
D. Increase in short positions
E. Decrease in trading activity

Economics

Q1. Which of the following accurately describes the Say's Law of Market?
A. Demand creates its own supply.
B. Production of Goods(supply) creates its own demand
C. Demand and supply both are determinants to growth
D. Supply is created for the short run only
E. Demand creates the supply to reduce the prices

Q2. Which of the following best describes the definition of National Income?
A. The total Income earned by resident of a country.
B. The total value of all goods produced within a country's borders during a specific time
C. The Sum of all taxes collected by the government in a specific time
D. The total value of imports and exports in a country's economy
E. The sum of consumption and investment done by the resident of a country

Q3. What is the effect of a negative supply shock on the Philips curve?
A. It causes Philips curve to shift to the right, indicating lower inflation and higher unemployment
B. It causes Philips curve to shift to the left, indicating higher inflation and higher unemployment
C. It causes Philips curve to become steeper indicating a higher tradeoff between inflation and unemployment
D. It causes Philips curve to shift to the right, indicating higher inflation and higher unemployment
E. It causes Philips curve to become flatter, indicating higher inflation and lower unemployment

Q4. Which of the following is the major determinant of Keynes' Consumption Function?
A. Disposable income
B. Interest rates
C. Government spending
D. Prices
E. Investment

Q5. Which of the following statements best defines the trade deficit?
A. Exports exceeded imports.
B. When Government wants more receipts than the expenditure
C. Imports are equal to the exports
D. When the trade of goods is more than the trade of services
E. Imports exceeding Exports

Q6. Which of the following clearly defines the fiscal deficit?

A. Difference between the Government total expenditure and Government total revenue excluding borrowings
B. Difference between the Government total expenditure and Government total revenue including borrowings
C. Amount of money government borrows from international sources
D. Difference between the Government income including the interest payments
E. Difference between the government borrowings and expenditure excluding the interest payments

Q7. Which of the following is the main function of Monetary Policy?

A. Interest stability
B. Providing employment
C. Taxation
D. Government spending
E. Price stability

Q8. Which of the following is considered as automatic stabilizer in the fiscal policy?

A. Defense spending
B. Infrastructure investment
C. Corporate tax incentives
D. Unemployment benefits
E. Discretionary stimulus packages

Q9. Which of the following is an economic indicator of growth?

A. Economic Development
B. Increase in standard of living
C. Real GDP
D. Nominal GDP
E. Human Development Index

Q10.Which of the following institution provides financial assistance to Government of member countries?

A. World Bank
B. International monetary fund
C. United nations
D. International financial cooperation
E. International Development Association

Q11. In Monopolistic competition, product differentiation is done with the aim of _________

A. Consumer surplus
B. Brand loyalty
C. Cost reduction
D. Market sharing equality
E. Barriers to entry

Q12. Which of the following causes the demand-pull inflation?
A. Increase in Government Expenditure
B. Decrease in the Cost of Raw Materials
C. Increase in Interest Rates
D. Reduction in Consumer Spending
E. Decline in Government Spending

Q13. Which of the following models considers economic growth depends on the availability of resources?
A. Neo-Malthusian model
B. Harrod- Domar model
C. Ricardian equivalence model
D. Absolute advantage model
E. Big push model

Q14. According to the Economic Survey 2023-24, which of the following areas saw a sharp rise?
A. Exports of agricultural products
B. Food Inflation
C. Durable Goods
D. Unemployment rate
E. Out-of-Pocket Health Expenditure

Q15. Scarce factor is also known as ______
A. Key factor
B. Labor factor
C. Capital factor
D. Institutional factor
E. Structural factor

Q16. When inflation rises, it implies that ____
A. The value of money decreases
B. The value of money increases
C. The value of the money increases first and then decreases
D. The value of money is very fluctuating.
E. None of the above

Costing

Q1. Calculate the Cost of Production with the following information:

- **Material Cost: Rs 600**
- **Labour Cost: Rs 150**
- **Set Up Cost: Rs 200**
- **Manufacturing Overheads: 20% of Direct Labour Cost**
- **Selling Overheads: 10% of Direct Labour Cost**

A. 860
B. 900
C. 950
D. 980
E. 995

Q2. Calculate the differential cost if the cost at 70% activity level is Rs 30,000 and at 85% activity level is Rs 39,000.

A. Rs 7,500
B. Rs 8,000
C. Rs 9,000
D. Rs 10,000
E. Rs 9,500

Q3. Canteen expense for factory workers is classified as:

A. Administrative Overheads
B. Selling and Distribution Overheads
C. Direct Costs
D. Production Overheads
E. Financial Overheads

Q4. If the input units are 300, with a normal loss of 30%, and units produced are 190, the abnormal gain or loss will be:

A. Abnormal gain of 20 units
B. Abnormal loss of 20 units
C. No abnormal gain or loss
D. Abnormal gain of 30 units
E. Abnormal loss of 30 units

Q5. If the Break-Even Point (BEP) is Rs 20 lakhs and Fixed Cost is Rs 5 lakhs, calculate the Profit/Volume (P/V) Ratio.

A. 15%
B. 20%
C. 25%
D. 30%
E. 35%

Q6. Given a P/V Ratio of 30%, Fixed Cost of Rs 90,000, and a Selling Price of Rs 100 per unit, find the Break-Even Point (BEP) in units.

A. 2500 units
B. 3000 units
C. 3500 units
D. 4000 units
E. 4500 units

Q7. If the desired profit is Rs 20,000, Fixed Costs are Rs 150,000, and the P/V Ratio is 50%, what will be the required Sales?

A. Rs 3,00,000
B. Rs 3,20,000
C. Rs 3,40,000
D. Rs 3,60,000
E. Rs 3,80,000

Q8. In a cycle manufacturing business, which method of costing is most appropriate?

A. Job Costing
B. Process Costing
C. Batch Costing
D. Multiple Costing
E. Contract Costing

Q9. Calculate the Labour Rate Variance using the following data:

- **Standard Rate = Rs 2.5**
- **Actual Rate = Rs 2.2**
- **Actual Hours = 500**
- **Standard Hours = 600**

A. 120 Favorable
B. 130 Favorable
C. 120 Adverse
D. 150 Favorable
E. 150 Adverse

Q10. Who is responsible if raw material purchases are more expensive than expected?

A. Production Manager
B. Finance Manager
C. Purchase Manager
D. Marketing Manager
E. Operations Manager

Q11. What term describes the implementation of a new or significantly improved production or delivery method, including significant changes in techniques, equipment, and/or software?

A. Product Innovation
B. Process Innovation
C. Business Model Innovation
D. Service Innovation
E. Organizational Innovation

Q12. How is the effectiveness of Total Productive Maintenance (TPM) measured?

A. Return on Investment (ROI)
B. Gross Profit Margin
C. Overall Equipment Effectiveness (OEE)
D. Net Present Value (NPV)
E. Customer Satisfaction Index

Companies Act

Q1. Which of the following is/are not eligible to be an independent director?
A. Managing Director (MD)
B. Whole-Time Director
C. Nominee Director
D. All of the above
E. None of the above

Q2. NCLT (National Company Law Tribunal) is constituted by:
A. State Government
B. High Court
C. Supreme Court
D. Central Government
E. Ministry of Corporate Affairs

Q3. Which of the following methods is a public company not allowed to use to issue shares?
A. Rights Issue
B. Bonus Issue
C. Employee Stock Option
D. Tender Issue
E. All of the above

Q4. What is the maximum time limit for preference shares as per the Companies Act, 2013?
A. 10 years
B. 15 years
C. 20 years
D. 25 years
E. 30 years

Q5. Every company shall inform the Registrar within ___ many days of the receipt of the Director Identification Number (DIN).
A. 7 days
B. 10 days
C. 15 days
D. 30 days
E. 45 days

Q6. What is the age limit for directors of a company as per the Companies Act, 2013?
A. 18-65 years
B. 21-70 years
C. 25-75 years
D. 30-70 years
E. 21-65 years

Q7. If a company or director wants to create a mechanism for the resolution of matters involving 1,000 stakeholders or more, what is this mechanism called?

A. Resolution Committee
B. Advisory Board
C. Stakeholder Committee
D. Governance Committee
E. Dispute Resolution Panel

Q8. As per Section 125 of the Companies Act, which fund is constituted?

A. Corporate Social Responsibility Fund
B. National Company Law Tribunal Fund
C. Investor Education and Protection Fund
D. Employees' Provident Fund
E. Environmental Protection Fund

Q9. An appeal to the Supreme Court from the National Company Law Appellate Tribunal (NCLAT) can be made within how many days?

A. 30 days
B. 45 days
C. 60 days
D. 90 days
E. 120 days

Q10. Transfer of Securities related to equity, debt and other securities must be delivered within ___ maximum days of execution of the company.

A. 30 days
B. 45 days
C. 60 days
D. 90 days
E. 120 days

Q11. In a special case, an auditor of a company can be removed by an order from which authority?

A. Tribunal
B. Central Government
C. District Court
D. Shareholders
E. None of the above

Q12. A firm shall be eligible for appointment as an auditor of a company provided that a firm whereof ________ practicing in India are qualified for appointment as aforesaid may be appointed by its firm name to be auditor of a company.

A. All Partners
B. Majority of Partners
C. Any One Partner
D. Half of the Partners
E. None of the above

Q13. Dividend should be transferred to a separate bank account from how many days after the declaration of the dividend?

A. 3 days
B. 5 days
C. 7 days
D. 10 days
E. 15 days

Q14. As per Section 71 of the Companies Act, if a company wants to issue debentures to more than 500 members, it must appoint a _______________ before issuing a prospectus or making an offer to the public.

A. Financial Advisor
B. Debenture Trustee
C. Company Secretary
D. Auditor
E. Registrar

Q15. Which of the following services are auditors permitted to render?

A. Auditing the financial books
B. Management Services
C. Internal Audits
D. Accounting
E. All of the above

Q16. No company shall directly or indirectly — give any loan to any person or other body corporate; or give any guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding _____. of its paid-up share capital, free reserves and securities premium account or ______ of its free reserves and securities premium account, whichever is more.

A. 70% and 80%
B. 60% and 100%
C. 40% and 90%
D. 100% and 60%
E. 50% and 75%

Q17. Public offers of securities must be in _______________.

A. Physical Form
B. Demat Form
C. Paper Form
D. Certificate Form
E. Electronic Form

Q18. An Alternate Director can be appointed for a director during his absence from India for a period not less than _____.

A. 1 month
B. 2 months
C. 3 months
D. 6 months
E. 12 months

Q19. The Tribunal may, at any time within ____ from the date of the order, with a view to rectifying any mistake apparent from the record, amend any order passed by it, and shall make such amendment if the mistake is brought to its notice by the parties.

A. 1 year
B. 2 years
C. 3 years
D. 6 months
E. 5 years

SEBI Grade A 2024 Phase 2 Paper 2 Recollected Questions Answer Key

Commerce & Accounts

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		

Management

Question	Answer	Question	Answer	Question	Answer
1	C	2	D	3	C
4	C	5	C	6	B
7	B	8	B	9	C
10	C	11	C	12	C
13	C	14	D	15	B
16	C	16	C	18	A

Finance

Question	Answer	Question	Answer	Question	Answer
1	C	2	C	3	D
4	E	5	B	6	D
7	D	8	A	9	D
10	B	11	B	12	D
13	A	14	B	15	B
16	C	17	C	18	C

Economics

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

Costing

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

Companies Act

Question	Answer	Question	Answer	Question	Answer
1	D	2	D	3	D
4	C	5	C	6	B
7	C	8	C	9	C
10	C	11	A	12	B
13	B	14	B	15	A
16	B	17	B	18	C
19	B				

SEBI Grade A 2025 Phase 2 Paper 1 Recollected Questions

Descriptive English

Essay Writing

Q1. Write an Essay of about 250 -270 words on any one of the following topics: (30 Marks)
1. How Social media platforms impact political agenda, politics and shape public opinions during elections?
2. Discuss how flaming quick commerce is undergoing transformation to become sustainable.
3. How can fast Railways transportation beat Airway transportation?
4. Several global posts are held by Indian influential people. What does this mean for the country?

Precis Writing

Q2. Make a Précis of the following passage in 140 - 160 words and give it a suitable title. (30 Marks)

The announcement of a temporary trade agreement between the United States and China — the world's two largest economies — has offered a moment of cautious relief in an otherwise turbulent global trade environment. Under the deal, the U.S. has agreed to reduce its sweeping tariffs on Chinese goods from a punishing 145% to 30% for a period of 90 days, while China has reciprocated by lowering its tariffs on American imports from 125% to 10%. The response from global financial markets was immediate and enthusiastic, with indices across the world surging between 2% and 3.8% as investors welcomed the de-escalation.

This thaw, however, does not emerge from a vacuum. It is the product of months of steadily rising economic hostility. The cycle of tariff escalation began in earnest when U.S. President Donald Trump announced, on February 1, varying tariffs on imports from China, Mexico, and Canada. The tension deepened further when, in early April, Mr. Trump announced a 90-day pause on so-called "reciprocal" tariffs for most countries — yet pointedly excluded China from that reprieve. The message was unmistakable: China was being singled out for maximum economic pressure.

The latest agreement can be read through two very different lenses. One interpretation is that Mr. Trump has blinked — that the sheer unsustainability of 145% tariffs, which effectively severed normal trade flows between the two nations, forced Washington to step back. The joint statement released by both sides, which opens by acknowledging "the importance of their bilateral economic and trade relationship," lends credence to this view. It suggests a tacit recognition that the two economies are too deeply intertwined to be decoupled by brute-force tariffs.

The opposing view, however, holds that Mr. Trump's hardball tactics worked. China, facing economic headwinds of its own, was brought to the negotiating table precisely because the tariff pressure was so severe. Tariffs of 145% were never meant to be permanent; they were a negotiating weapon, and they appear to have served that purpose. Yet the core grievance that sparked the trade war — America's vast and growing trade deficit with China — remains entirely unresolved. Both sides have agreed to continue talks, and the outcome of those negotiations will determine whether this fragile truce holds or whether hostilities resume

once the 90-day window expires.
For India, the implications are layered with both uncertainty and clarity. On the uncertain side, a successful U.S.-China rapprochement could redirect global investment flows back toward China, whose manufacturing advantages in terms of scale and cost remain formidable. The China+1 diversification strategy, which India has struggled to capitalize upon adequately, could lose momentum. Simultaneously, India's own trade negotiations with the U.S. remain fraught; New Delhi has notified the World Trade Organisation of potential retaliatory measures against American duties on steel and aluminium, signaling that bilateral tensions are far from resolved.
The certainties, however, are stark. India's trade deficit with China continues to widen, and no external agreement will change that. The uncomfortable truth is that "Make in India" remains structurally dependent on Chinese imports for components and raw materials. Until the Centre and States together push through meaningful labour and land reforms that enable cost-competitive, large-scale domestic manufacturing, India will remain a spectator in the global trade realignment rather than a true beneficiary of it.

Reading Comprehension

Q3. Read the passage given below and answer the questions based on the passage in your own words. (40
Marks)
In an era defined by the relentless expansion of the digital economy, data centers have emerged as the invisible backbone of modern civilisation. They power cloud computing, artificial intelligence, social media platforms, streaming services, and financial systems. Yet hidden behind the seamless convenience of these technologies lies an alarming and often overlooked reality: data centers are voracious consumers of one of Earth's most precious and finite resources — fresh water. The scale of this consumption is staggering, and its implications for water security, environmental health, and sustainable development are only beginning to receive the urgent attention they deserve.
Data centers generate enormous quantities of heat as thousands of servers process and store information around the clock. To prevent this equipment from overheating — which would cause catastrophic hardware failures and data loss — facilities rely on sophisticated cooling systems. The most widely used method is evaporative cooling, in which large volumes of water are circulated through cooling towers, where they absorb heat and evaporate into the atmosphere. This process is highly effective but extraordinarily water-intensive. A single large-scale data center can consume between 1 million and 5 million gallons of water every single day — an amount comparable to the daily water usage of a mid-sized town

The global proliferation of data centers has amplified this problem enormously. According to industry estimates, data centers worldwide consumed approximately 660 billion litres of water in 2021 alone, a figure that is projected to grow exponentially as artificial intelligence workloads intensify demand. Training a single large AI language model, for instance, can consume hundreds of thousands of litres of water — a fact that has drawn growing scrutiny from environmentalists and policymakers. Tech giants including Google, Microsoft, and Meta operate vast campus-scale data centers across the United States, Europe, and Asia, each placing enormous pressure on regional freshwater supplies.
The geographical placement of data centers often exacerbates water stress in regions already grappling with scarcity. Many facilities are strategically located in rural or semi-arid areas

where land is cheap and temperatures are relatively cool, reducing cooling costs. However, these are precisely the regions where water tables are already strained by agriculture, growing populations, and the effects of climate change. In the American Southwest, for example, data centers compete directly with farming communities for access to dwindling groundwater reserves. In regions like Rajasthan in India or parts of South Africa, the construction of data facilities risks deepening existing water inequalities, where local communities face restrictions while corporations draw freely from the same sources.

The energy dimension further complicates the picture. Thermoelectric power plants, which generate the electricity that data centers consume, also require vast quantities of water for cooling. This creates a compounding effect: data centers demand electricity, which demands water, while simultaneously demanding water directly for their own cooling operations. This dual water dependency positions the digital sector as one of the most water-intensive industries in the world — a fact that sits in sharp tension with the tech industry's carefully cultivated green image.

Efforts to address this crisis are underway but remain insufficient in scale. Some companies are experimenting with air-based cooling systems, recycled grey water, or locating facilities near cold ocean or river water sources to reduce freshwater dependence. Microsoft has famously explored underwater data centers as part of its Project Natick. A number of data center operators have committed to achieving 'water positive' status by 2030, meaning they aim to replenish more water than they consume. Regulatory frameworks in the European Union and parts of the United States are beginning to mandate water usage disclosures, creating pressure for greater transparency and accountability.

Nevertheless, the fundamental tension between digital growth and water sustainability remains unresolved. As the world's appetite for data, AI services, and cloud computing grows without any clear ceiling, the freshwater footprint of the digital economy will continue to expand. Without bold policy intervention, technological innovation, and corporate accountability, the hidden thirst of the digital age threatens to become one of the defining environmental crises of the twenty-first century — one that pits the demands of the virtual world directly against the survival needs of the natural one.

1. Why do data centers require such large quantities of water, and what role does evaporative cooling play in their operations?
2. How has the rise of artificial intelligence intensified the water consumption crisis associated with data centers?
3. In what ways does the geographical placement of data centers worsen water stress in vulnerable regions?
4. Explain the dual water dependency of data centers in relation to energy consumption.
5. What measures are being taken by governments and technology companies to reduce the water footprint of data centers, and are they sufficient?

SEBI Grade A 2025 Phase 2 Paper 2 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

Management

Q1. A team works under two different managers. Manager 1 only gives instructions, does not invite input, and ignores feedback from team members. Manager 2 actively seeks feedback from team members, considers their suggestions, and then takes the final decision.
Which of the following correctly identifies the leadership styles of Manager 1 and Manager
2 respectively?
A. Democratic and Autocratic
B. Autocratic and Democratic
C. Laissez-faire and Bureaucratic
D. Bureaucratic and Laissez-faire
E. Transformational and Transactional

Q2. A bank offers the following facilities to its customers:
1. Basic Savings Bank Deposit Account (BSBDA)
2. Exclusive premium credit card benefits
3. Life and general insurance protection
4. Dedicated personal relationship manager
Which of the following correctly matches these facilities with Maslow's needs (in the same
order)?
A. Physiological Needs, Esteem Needs, Safety Needs, Social Needs
B. Safety Needs, Esteem Needs, Physiological Needs, Social Needs
C. Physiological Needs, Social Needs, Safety Needs, Esteem Needs
D. Esteem Needs, Physiological Needs, Social Needs, Safety Needs
E. Social Needs, Safety Needs, Esteem Needs, Physiological Needs

Q3. Highly structured work and organization setup Autocratic, as per Path–Goal Theory, this statement indicates which leadership style?
A. Supportive leadership
B. Participative leadership
C. Achievement-oriented leadership
D. Directive leadership
E. Laissez-faire leadership

Q4. As per NADLER, which of the following is not the function of HRD?
A. Performance Appraisal
B. Training
C. Career development
D. Education
E. Development

Q5. A manager lists the following steps involved in the planning process:
1. Developing Premises
2. Evaluating Alternative Courses
3. Setting Objectives
4. Selecting the Best Alternative
5. Identifying Alternative Courses of Action
6. Implementing the Plan
7. Follow-up and Review
8. Formulating Derivative Plans

Arrange the above steps in the correct sequence of the 8-step planning process.
A. 3 – 1 – 5 – 2 – 4 – 8 – 6 – 7
B. 1 – 3 – 5 – 2 – 4 – 8 – 6 – 7
C. 3 – 5 – 1 – 2 – 4 – 6 – 8 – 7
D. 3 – 1 – 2 – 5 – 4 – 8 – 6 – 7
E. 3 – 1 – 5 – 4 – 2 – 8 – 6 – 7

Q6. As per Herzberg's Two-Factor Theory, which of the following factors creates satisfaction but does not reduce dissatisfaction?
A. Salary
B. Company Policy
C. Recognition
D. Working Conditions
E. Job Security

Q7. "You view things as you want to see them." This statement best represents which of the following concepts?
A. Halo Effect
B. Stereotyping
C. Selective Perception
D. Fundamental Attribution Error
E. Projection

Q8. Which of the following is not a feature of formal organization?
A. It is deliberately created by management to achieve specific goals.
B. It clearly defines authority, responsibility, and accountability.
C. It follows a systematic structure with proper rules and procedures.
D. It is based on personal and social relationships among members.
E. It establishes a clear chain of command and communication.

Q9. Identify whether the following statements relate to Administration or Management (in the same order):
1. It focuses on setting long-term vision and policies of the organization.
2. It is concerned with day-to-day execution of plans.
3. It frames overall objectives and major decisions.
4. It supervises and controls routine operations.
Choose the correct sequence:

A. Administration, Management, Administration, Management
B. Management, Administration, Management, Administration
C. Administration, Administration, Management, Management
D. Management, Management, Administration, Administration
E. Administration, Management, Management, Administration

Q10. As per Fiedler's Contingency Theory, where will a task-oriented leader perform better
as compared to a relationship-oriented leader?
A. In moderately favourable situations
B. In highly favourable and highly unfavourable situations
C. Only in moderately unfavourable situations
D. Only when leader-member relations are good
E. Only when position power is weak

Q11. As per Tuckman's stages of group development, the following stages are given with short descriptive phrases. Two stages have interchanged (swapped) phrases. Identify the pair that is swapped.
Stages Phrases
Forming "We trust each other." "Let's set team rules."
Storming "Why are we arguing?" "I disagree."
Norming "Will I fit in?" "What is expected of me?"
Adjourning "Project is ending." "What next?"
Which pair of stages has swapped phrases?
A. Forming and Storming
B. Forming and Norming
C. Storming and Norming
D. Norming and Adjourning
E. Forming and Adjourning

Q12. How is management both a science and an art?
A. It is based only on personal experience without any principles.
B. It follows established principles and also requires creative application by the manager.
C. It depends entirely on intuition and not on systematic knowledge.
D. It is purely theoretical and does not involve practical skills.
E. It is concerned only with rules and procedures without flexibility.

Q13. Read the following statements about leadership and identify the correct statement(s):
1. Leadership is a personal skill.
2. Leadership is fixed across multiple situations.
3. Leadership changes as per situation.
4. Leadership is used for personal objectives.
A. 1 only
B. 2 and 3 only
C. 1 and 3 only
D. 1 and 3 only

E. 1, 2, 3 and 4

Q14. What is the full form of SMART in goal setting?
A. Simple, Manageable, Attainable, Realistic, Timely
B. Specific, Measurable, Achievable, Relevant, Time bound
C. Strategic, Measured, Actionable, Result-oriented, Targeted
D. Systematic, Motivational, Accurate, Reliable, Timed
E. Structured, Meaningful, Adaptive, Responsible, Tactical

Q15. According to Burns, what is the key difference between transactional and transformational leadership?
A. Transactional leadership focuses on rewards and exchanges, whereas transformational leadership works on morale and values.
B. Transactional leadership inspires vision and change, whereas transformational leadership is based on routine supervision.
C. Transactional leadership emphasizes moral development, whereas transformational leadership is based on penalties and rewards.
D. Transactional leadership avoids formal authority, whereas transformational leadership depends only on positional power.
E. Transactional leadership is concerned only with long-term vision, whereas transformational leadership focuses on short-term tasks

Q16. What is the meaning of Esprit De Corps?
A. Individual achievement
B. Strict discipline
C. Teamwork
D. Personal authority
E. Centralized control

Q17. According to Peter F. Drucker, management should focus primarily on what?
A. Strict supervision of employees
B. Increasing profits at any cost
C. Managing by objectives and results
D. Centralizing decision-making power
E. Maintaining rigid rules and procedures

Q18. The linking function of a manager is best described by which of the following statements?
A. It refers to maintaining strict control over subordinates.
B. It refers to connecting and coordinating persons from different departments.
C. It refers to delegating authority without responsibility.
D. It refers to eliminating hierarchy in the organization.
E. It refers to focusing only on financial performance.

Q19. Which of the following is not considered a desirable trait of an effective leader or manager?

A. Integrity and honesty in decision-making
B. Ability to communicate clearly and confidently
C. Willingness to take responsibility for outcomes
D. Resistance to feedback and rigid thinking
E. Capacity to motivate and inspire team members

Q20. Which of the following options correctly lists all the primary functions of management?

A. Planning, Organising, Staffing, Directing, Controlling
B. Planning, Organising, Coordinating, Directing, Controlling
C. Planning, Staffing, Motivating, Directing, Controlling
D. Planning, Organising, Staffing, Supervising, Controlling
E. Planning, Organising, Staffing, Directing, Evaluating

Finance

Q1. In the context of digital financial inclusion, DPI stands for ______, which refers to foundational digital systems that enable efficient and inclusive delivery of public and financial services, and in India, the interoperable digital framework that includes Aadhaar, e-KYC, e-Sign, and Unified Payments Interface (UPI) is known as ______.
Which of the following correctly fills the blanks?

A. Digital Payment Identity; BharatNet
B. Digital Public Infrastructure; IndiaStack
C. Distributed Public Integration; Aadhaar
D. Data Processing Interface; National Payments Corporation of India
E. Digital Protection Initiative; Unified Payments Interface

Q2. Under the provisions of the Central Goods and Services Tax (CGST) Act, 2017, a registered recipient is required to pay the supplier the value of supply along with the tax payable thereon within ______ days from the date of issue of the invoice, failing which the
input tax credit availed shall be added to the output tax liability along with interest.
Which of the following correctly fills the blank?

A. 90
B. 120
C. 150
D. 180
E. 365

Q3. As per the provisions of the SEBI (Alternative Investment Funds) Regulations, the maximum investment that an Angel Fund may make in an investee company shall not exceed ₹______.

A. ₹10 crore
B. ₹15 crore
C. ₹20 crore
D. ₹25 crore
E. ₹50 crorE

Q4. Consider the following statements:
1. A forward contract is a customized agreement between two parties to buy or sell an asset at a specified future date at a price agreed upon today, and such contracts are generally traded over the counter.
2. A futures contract is a standardized derivative contract traded on an exchange, where the contract is subject to margin requirements and gains or losses are settled on a daily mark-to-market basis.
3. The difference between the spot price and the forward or futures price is known as the basis, and it is positive in contango.
Which of the above statements is/are correct?

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

Q5. A proposed digital platform in India aims to create a unified online marketplace for insurance products, enabling customers to compare, purchase, and service policies across insurers through a single portal. The above initiative is known as:
A. India Stack
B. Bima Vahak
C. Bima Sugam
D. Account Aggregator
E. Insurance Repository

Q6. An instrument issued by the Government with short-term maturity is sold at a discount
to its face value and redeemed at par on maturity. The return to the investor is the difference between the purchase price and the face value.
The above instrument is known as:
A. Commercial Paper
B. Certificate of Deposit
C. Treasury Bill
D. Call Money
E. Zero Coupon Bond

Q7. Which of the following instruments is classified as a money market instrument?
A. Equity Shares
B. Corporate Debentures
C. Certificate of Deposit
D. Government Bonds with maturity of 10 years
E. Preference Shares

Q8. Under the provisions of the Central Goods and Services Tax (CGST) Act, 2017, every electronic commerce operator required to collect Tax Collected at Source (TCS) on taxable supplies made through its platform is required to furnish a monthly statement of such collections.
The above statement relates to which of the following GST returns?
A. GSTR-1
B. GSTR-3B
C. GSTR-7
D. GSTR-8
E. GSTR-9

Q9. What is the full form of BOT in infrastructure projects?

A. Build, Operate, Transfer
B. Buy, Operate, Trade
C. Build, Own, Trade
D. Borrow, Operate, Transfer
E. Build, Organize, Transport

Q10. An investor earns a nominal rate of interest of 10% per annum on an investment. If the inflation rate during the same period is 6% per annum, what is the real rate of interest approximately?

A. 2%
B. 3%
C. 4%
D. 5%
E. 6%

Q11. In banking terminology, short-term credit facilities such as cash credit, overdraft and discount bills are generally classified as bank advances. Such advances are typically granted
for a period of up to ______.

A. 6 months
B. 1 year
C. 3 years
D. 5 years
E. 7 year

Q12. As per the recent SEBI regulations on mutual funds, the maximum Basic Expense Ratio (TER) that can be charged by Exchange Traded Funds (ETFs) shall not exceed ______ of the daily net assets of the scheme.

A. 0.50%
B. 0.75%
C. 0.90%
D. 1.50%
E. 2.00%

Q13. Recently, a Japanese credit rating agency upgraded India's long-term sovereign credit
rating. The agency upgraded India's rating to ______ .

A. BBB
B. BBB+
C. A-
D. BBB-
E. A

Q14.The use of innovative technology to improve, automate, and expand the delivery of financial services and to create a digital ecosystem for payments, lending, investment, and insurance is commonly referred to as:

A. RegTech
B. FinTech
C. InsurTech
D. SupTech
E. Digital Banking

Q15. An Assessing Officer passes an order under the Income-tax Act, 1961. Subsequently, he notices a mistake apparent from the record and seeks to amend or correct the order. Under which of the following sections of the Income-tax Act, 1961, can the Assessing Officer rectify such a mistake?

A. Section 147
B. Section 148
C. Section 154
D. Section 263
E. Section 245

Q16. Under the provisions of the Income-tax Act, 1961, a person fails to comply with the requirement relating to the quoting or authentication of the Permanent Account Number (PAN) in prescribed transactions.
Under which of the following sections is the penalty for such failure imposed?

A. Section 270A
B. Section 272
C. Section 271AA
D. Section 282C
E. Section 270P

Q17. In statistics, what do we call the difference between the maximum value and the minimum value in a data set?

A. Mean
B. Median
C. Mode
D. Range
E. Variance

Q18. In a BOT (Build–Operate–Transfer) project, identify who bears the risks related to design, construction, finance, and ownership (in the same order).

A. Public, Public, Public, Public
B. Private, Private, Private, Public
C. Private, Private, Private, Private
D. Public, Private, Private, Public
E. Private, Public, Private, Public

Q19. RBI performs different functions under various laws and regulations. Which of the following pairs is not correctly matched?

A. Regulation of NBFCs – NBFC Act, 2002
B. Monetary Policy – Section 45ZB of RBI Act, 1934
C. Regulation of Banking Companies – Banking Regulation Act, 1949
D. Issue of Public Debt – Government Securities Act, 2006
E. Management of Foreign Exchange – FEMA, 1999

Q20. Financial Benchmarks India Pvt. Ltd. (FBIL) is responsible for publishing various financial benchmark rates in India. Consider the following statements:
1. FBIL publishes benchmark reference rates for Treasury Bills and Government Securities based on market data.
2. FBIL releases daily reference rates for USD/INR and other major foreign exchange pairs.
3. FBIL independently formulates and announces the monetary policy rates of the country.
4. FBIL publishes benchmark interest rates such as MIBOR used in financial contracts.
Which of the above statements is/are correct?

A. 1 and 2 only
B. 1, 2 and 4 only
C. 2 and 3 only
D. 1, 3 and 4 only
E. All of the above

Q21. What is the minimum investment amount required for subscribing to Non-Convertible
Preference Shares (NCPs)?

A. ₹10,000
B. ₹15,000
C. ₹25,000
D. ₹50,000
E. ₹1,00,000

Q22. An investor buys a financial contract under which he pays a periodic premium to another party, and in return receives compensation if a specified borrower defaults on its debt. The investor does not need to own the underlying bond to enter this contract.
The above arrangement best describes which of the following?

A. Interest Rate Swap
B. Credit Default Swap
C. Forward Rate Agreement
D. Currency Futures
E. Repurchase Agreement

**Q23. When goods or services are supplied by an Indian supplier to a foreign recipient, which
type of GST is applicable?**

A. CGST
B. SGST
C. IGST
D. UTGST
E. No GST applicable

Q24. Which of the following statements best describes callable securities?

A. Securities in which both principal and interest are paid only at maturity, without any early redemption option.
B. Securities that give the issuer the right to repay the principal along with accrued interest before maturity at a predetermined price.
C. Securities that allow investors to convert principal into equity while continuing to receive fixed interest.
D. Securities in which interest is variable, but principal cannot be repaid before maturity.
E. Securities where only interest can be stopped before maturity, but principal remains locked in.

Q25. Under the Coinage rules in India, 50 paise coin is legal tender up to what maximum amount?

A. ₹1
B. ₹5
C. ₹10
D. ₹25
E. ₹100

**Q26. Which of the following statements correctly distinguishes between fixed securities and
floating securities?**

A. Fixed securities provide a predetermined rate of interest on principal throughout the tenure, whereas floating securities carry an interest rate that varies periodically based on a benchmark or market-linked rate.
B. Fixed securities allow interest to fluctuate with inflation trends, whereas floating securities provide a constant and predetermined return until maturity.
C. Fixed securities are repayable only before maturity at the issuer's option, whereas floating securities cannot be redeemed prior to maturity under any circumstances.
D. Fixed securities do not involve repayment of principal, whereas floating securities ensure principal protection along with variable interest.
E. Fixed securities are issued only by governments, whereas floating securities are issued exclusively by private corporations.

Q27. Under the Income Tax provisions relating to political contributions, what is the maximum amount that can be donated in cash to a political party?

A. ₹500
B. ₹1,000
C. ₹2,000
D. ₹10,000
E. No limit on cash donation

Q28. With reference to the RBI Master Direction – Foreign Investment in India issued under FEMA, consider the following statements regarding foreign investment by NRIs and OCIs:
1. Under the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 and the RBI Master Direction on Foreign Investment in India, an investment made by a NonResident Indian (NRI) on a non-repatriation basis in the capital instruments of an Indian company is treated as domestic investment. Such investment is therefore not counted towards sectoral caps on foreign investment and is treated at par with resident investments.
2. As per the RBI Master Direction on Foreign Investment in India, an Overseas Citizen of India (OCI) can invest in Indian companies under the same terms as an NRI. When such investment is made on a non-repatriation basis, it is treated as domestic investment and therefore does not count towards the sectoral cap, subject to compliance with applicable entry routes and sectoral conditions.
3. According to FEMA provisions and the RBI Master Direction on Foreign Investment in India, investments made by NRIs on a repatriation basis through NRE, FCNR(B), or inward remittance are treated as foreign investment. Such investments are counted toward the applicable sectoral caps and must comply with the entry route (automatic or government approval) prescribed for the sector.
4. The RBI Master Direction on Foreign Investment in India provides that all investments by NRIs and OCIs, irrespective of whether they are made on a repatriation or nonrepatriation basis, are treated as domestic investments and therefore excluded from the calculation of sectoral caps on foreign investment in Indian companies.
Which of the statements given above are correct?

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

Q29. A forward contract on a financial asset is priced at ₹432 for delivery after 6 months. The annual bank borrowing rate is 9% per annum (simple interest). Assuming no dividends or carrying costs, calculate the current spot price of the asset.

A. ₹410
B. ₹412
C. ₹414
D. ₹420
E. ₹425

Q30. Two companies, Umbrella Ltd. and Raincoat Ltd., have issued Certificates of Deposit (CDs). Their practices are as follows:
Provision / Practice Umbrella Ltd. Raincoat Ltd.
Minimum denomination Umbrella Ltd. issues Certificates of Deposit in denominations that are multiples of ₹1 lakh.Raincoat Ltd. issues Certificates of Deposit in denominations that are multiples of ₹5 lakh.
Minimum maturity Umbrella Ltd. issues Certificates of Deposit with a minimum maturity period of 5 days.
Raincoat Ltd. issues Certificates of Deposit with a minimum maturity period of 6 months.
Loan against CD Umbrella Ltd. allows loans to be granted against Certificates of Deposit issued by it.Raincoat Ltd. does not allow loans to be granted against Certificates of Deposit Deposit issued by it.
Transferability Certificates of Deposit issued by Umbrella Ltd. are freely transferable.
Certificates of Deposit issued by Raincoat Ltd. are freely transferable.
As per RBI guidelines on Certificates of Deposit, which provision is violated?

A. Umbrella Ltd. violates denomination, maturity, and loan-against-CD norms
B. Raincoat Ltd. violates denomination norm only
C. Umbrella Ltd. violates only transferability norm
D. Raincoat Ltd. violates maturity norm
E. Both companies comply with all provision

Q31. With reference to Credit Default Swaps (CDS), consider the following statements:
1. A Credit Default Swap is a derivative contract in which the protection buyer pays a periodic premium to the protection seller against the risk of default of a reference entity.
2. In a CDS contract, the protection seller compensates the buyer if a specified credit event such as default or restructuring occurs.
3. A CDS can be entered into only by investors who hold the underlying bond or debt instrument.
4. CDS contracts are used as a tool for credit risk transfer and risk management in financial markets.

Which of the above statements is/are correct?

A. 1 and 2 only
B. 1, 2 and 4 only
C. 2 and 3 only
D. 1 and 3 only
E. All of the above

Economics

Q1. Which of the following statements is or are correct regarding Monopolistic Competition?
1. There is only one seller and significant barriers to entry.
2. Firms are price takers due to homogeneous products and perfect information.
3. A few firms are interdependent and strategic decision-making leads to outcomes such as price rigidity.
4. Large number of firms which sell differentiated products.
A. 1 and 2 only
B. 2 and 3 only
C. 3 only
D. 4 only
E. 1 and 4 only

Q2. Calculate the Money Multiplier with the given data:
1. Cash Reserve Ratio 12 percent
2. Demand Deposits Rs 1100 billion
3. Currency in Circulation Rs 500 billion
4. Excess Reserves Rs 2 billion
A. 1.95
B. 2.20
C. 2.54
D. 3.10
E. 4.00

Q3. Which of the statements given below are correct?
1. The demand curve for a normal good is generally downward sloping from left to right, indicating an inverse relationship between price and quantity demanded.
2. Under cross elasticity of demand, the demand curve for complementary goods slopes downward from left to right, whereas for substitute goods it slopes upward from left to right.
3. In the case of inferior goods, with respect to changes in income, the income demand curve slopes upward from left to right.
4. In the case of normal and luxury goods, with respect to changes in income, the income demand curve slopes upward from left to right.
A. 1 and 2 only
B. 2, 3 and 4 only
C. 1, 2 and 4 only
D. 1, 3 and 4 only
E. 1, 2, 3 and 4

Q4. Currency in hand has an opportunity cost of:
A. The rate of inflation prevailing in the economy
B. The transaction cost of converting cash into bank deposits
C. The interest income foregone by not holding interest bearing assets

D. The depreciation of currency due to wear and tear
E. The tax liability imposed on cash holdings

Q5. Consider the following situations and identify the correct match:
1. The Reserve Bank of India increases the Repo Rate.
2. The Government decreases taxes and simultaneously increases money supply.
3. The Government increases autonomous spending and simultaneously increases money supply.
4. The Government decreases discretionary spending.
A. Expansionary, Expansionary, Contractionary, Expansionary
B. Expansionary, Expansionary, Contractionary, Expansionary
C. Contractionary, Expansionary, Contractionary, Expansionary
D. Expansionary, Expansionary, Contractionary, Expansionary
E. Contractionary, Expansionary, Expansionary, Contractionary

Q6. Calculate National Income and Personal Income from the following data:
1. NNP at Market Price Rs 1000
2. Subsidy Rs 50
3. Direct Tax Rs 80
4. Corporate Tax Rs 70
5. Indirect Tax Rs 120
6. Miscellaneous Government Receipts Rs 40
7. Undistributed Profits Rs 60
8. Corporate Tax Rs 80
A. National Income Rs 920; Personal Income Rs 740
B. National Income Rs 930; Personal Income Rs 790
C. National Income Rs 950; Personal Income Rs 720
D. National Income Rs 970; Personal Income Rs 780
E. National Income Rs 880; Personal Income Rs 750

Q7. Which of the statements given below is or are correct in regard to economic indicators?
1. Leading indicators are variables that tend to change before the overall economy changes, thereby signaling future economic activity.
2. Lagging indicators are variables that change simultaneously with overall economic activity and reflect the current state of the economy.
3. Coincident indicators are variables that move in tandem with the economy and indicate the current state of economic activity.
A. 1 and 3 only
B. 1, 2 and 3 only
C. 1 and 2 only
D. 2 and 3 only
E. 2 only

Q8. Government borrowings can be considered __________ and surplus or deficit can be considered as __________.

A. Transaction and Event
B. Event and Attribute
C. Attribute and Event
D. Attribute and Transaction
E. Transaction and Attribute

Q9. Consider the following Monetary Policy tools and identify the correct match as Direct or Indirect instruments:
1. OMO
2. CRR
3. SLR
4. Repo Rate
5. MSF

A. Direct, Direct, Direct, Direct, Indirect
B. Indirect, Direct, Direct, Direct, Direct
C. Direct, Indirect, Indirect, Direct, Direct
D. Indirect, Direct, Direct, Indirect, Indirect
E. Direct, Direct, Indirect, Indirect, Indirect

Q10. As per consumer theory, consider the following statements:
1. Bandwagon Effect refers to a situation where the demand for a good increases because others are purchasing it, reflecting a desire to conform to social trends.
2. Snob Effect refers to a situation where the demand for a good decreases as more people
purchase it, due to the consumer's desire for exclusivity.
3. Veblen Effect refers to a situation where the demand for a good decreases as its price rises because the good is perceived as a status symbol.

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

Costing

Q1. Calculate Labour Rate Variance.
1. Standard Hours equal to 500 hours
2. Actual Hours equal to 475 hours
3. Actual Rate equal to Rs 2 per hour
4. Standard Rate equal to Rs 2.2 per hour

A. 90
B. 95
C. 40
D. 30
E. None of the above

Q2. Cost of conversion means:

A. Cost of Production minus Direct Material
B. Cost of Production minus Direct Labour minus Direct Material
C. Cost of Production minus Production Overheads minus Direct Labour minus Direct Material
D. Cost of Production minus Direct Material minus Direct Expenses
E. None of the above

Q3. Spoilage which occurs due to inefficient process and can be controlled during the ordinary course of business is called:

A. Ordinary Spoilage
B. Operational Spoilage
C. Normal Spoilage
D. Abnormal Spoilage
E. Normal Defects

Q4. Contribution means:

A. Sales minus Variable Cost
B. Fixed Cost minus Profit
C. Sales minus Fixed Cost
D. Variable Cost minus Fixed Cost
E. None of the above

Q5. Lean manufacturing identifies how many types of waste?

A. 3
B. 6
C. 7
D. 9
E. 8

Q6. Lean system originally had 5S. Later, an additional S was added. What is the sixth S?
A. Safety
B. Standardization
C. Support
D. Supervision
E. Sustainability

Q7. Which of the following statements is incorrect about Kaizen Costing?
A. It is only for short term
B. It focuses on waste reduction
C. It involves all employees
D. It promotes continuous improvement
E. It aims at cost reduction during production stage

Q8. BPR uses which cycle or framework to identify inefficient processes?
A. Porters Value Chain
B. Porters Process Chain
C. Deming Cycle
D. Kaizen Cycle
E. Value Engineering Framework

Q9. What is the defect level at Six Sigma quality?
A. 8.2 defects per million
B. 7.2 defects per million
C. 233 defects per million
D. 3.4 defects per million
E. 6 defects per million

Q10. Batch costing is an extension of:
A. Job Costing
B. Process Costing
C. Contract Costing
D. Operation Costing
E. Service Costing

Q11. What is a Budget?
A. A quantitative plan prepared for a fixed period of time
B. A record of past financial transactions
C. A statement showing actual profit or loss
D. A report prepared after completion of the accounting year
E. A statement of financial position on a specific date

Q12. How has the role of a Management Accountant changed in modern organizations?
A. Strategic role
B. Variable analysis
C. Historical reporting
D. Cost recording
E. Routine bookkeeping

Q13. __________ is a performance benchmark set under perfect conditions, assuming no wastage, no idle time, and maximum efficiency.

A. Basic Standard
B. Current Standard
C. Ideal Standard
D. Normal Standard
E. Attainable Standard

Q14. Cost control mainly includes which of the following?

A. Estimating future profits and dividends
B. Comparison of actual cost with set standards
C. Preparing only final accounts at year end
D. Increasing expenditure to improve quality
E. Recording transactions without analysis

Q15. TPM is the system of maintaining and improving the __________ of the production and quality system.

A. Efficiency
B. Availablity
C. Integrity
D. Productivity
E. Flexibility

Q16. Just in Time JIT is an inventory management technique aimed at minimizing inventory levels by receiving materials only when required for production. Which of the following is not a prerequisite for effective implementation of JIT?

A. Reliable suppliers and timely delivery
B. High quality production with minimal defects
C. Stable production schedules and demand
D. Large safety stock of raw materials
E. Strong coordination between production and supplier

Companies Act

Q1. Under Section 125 of the Companies Act, 2013, the amounts credited to the Investor Education and Protection Fund shall be utilized for which of the following purposes?
1. Refund in respect of unclaimed dividends, matured deposits, debentures and the interest accrued thereon to investors
2. Promotion of investors education, awareness and protection
3. Distribution of any disgorged amount among eligible and identifiable applicants for shares or debentures, or depositors who have suffered losses
4. Reimbursement of legal expenses incurred in pursuing class action suits under the Companies Act, 2013
A. 1 and 2 only
B. 2 and 3 only
C. 1, 2 and 3 only
D. 2, 3 and 4 only
E. 1, 2, 3 and 4

Q2. As per Section 144 of the Companies Act, 2013, an auditor appointed under the Act shall not directly or indirectly render any of the following services to the company or its holding company or subsidiary company:
1. Accounting and book keeping services
2. Internal audit
3. Investment advisory services
4. Management service
A. 1 and 2 only
B. 1, 2 and 3 only
C. 2, 3 and 4 only
D. 1, 3 and 4 only
E. 1, 2, 3 and 4

Q3. As per the provisions of the Companies Act, 2013, if the dividend declared by a company has not been paid or claimed within (i) ______ days from the date of declaration,
the company shall, within (ii) ______ days from the date of expiry of the said period, transfer the total amount of unpaid or unclaimed dividend to the (iii) ______.
A. (i) 15, (ii) 7, (iii) Investor Education and Protection Fund
B. (i) 30, (ii) 10, (iii) Dividend Reserve Account
C. (i) 30, (ii) 7, (iii) Unpaid Dividend Account
D. (i) 60, (ii) 7, (iii) Investor Education and Protection Fund
E. (i) 30, (ii) 7, (iii) Dividend Equalisation Reserve

Q4. As per Companies Act, 2013, the securities premium account of a company may be applied for which of the following purposes?
A. Distribution of dividend to equity shareholders
B. Issue of bonus shares to members of the company
C. Meeting routine operational expenses of the company
D. Providing loans and advances to directors
E. Writing off general administrative losses

Q5. Under which section of the Companies Act, 2013 are the provisions relating to the Securities Premium Account and its permitted applications specified?
A. Section 6
B. Section 52
C. Section 66
D. Section 123
E. Section 180

Q6. A company proposes to raise Rs 150 crore through an Initial Public Offer in accordance with the SEBI Issue of Capital and Disclosure Requirements Regulations, 2018. As per the applicable provisions, what shall be the minimum subscription amount that must be received and the minimum application money payable along with the application as a percentage of the issue price?
A. Rs 135 crore; 5 percent
B. Rs 120 crore; 10 percent
C. Rs 150 crore; 5 percent
D. Rs 135 crore; 25 percent
E. Rs 120 crore; 25 percent

Q7. A company fraudulently issued duplicate share certificates having an aggregate face value of Rs 1 crore. As per Section 46 of the Companies Act, 2013, the company shall be punishable with a fine which shall not be less than (i) Rs ______ but which may extend to (ii) Rs ______ or (iii) ______ times the amount involved, whichever is higher.
A. (i) 3 crore; (ii) 5 crore; (iii) 5
B. (i) 5 crore; (ii) 10 crore; (iii) 10
C. (i) 2 crore; (ii) 5 crore; (iii) 10
D. (i) 5 crore; (ii) 20 crore; (iii) 10
E. (i) 10 crore; (ii) 10 crore; (iii)

Q8. A general meeting of a company is scheduled to be held at Faridabad on 19 September 2026. However, the required quorum is not present within half an hour from the scheduled time of the meeting. The Articles of the company are silent in this regard. As per the provisions of the Companies Act, 2013, on which date shall the adjourned meeting be held?
A. 20 September 2026
B. 24 September 2026
C. 26 September 2026
D. 19 October 2026
E. 3 October 2026

Q9. As per the provisions of the Companies Act, 2013, the appointment of directors and Key Managerial Personnel is to be recommended by the (i) ______. However, where such a committee is not required to be constituted or has not been constituted, the responsibility shall be discharged by the (ii) ______.

A. (i) Audit Committee; (ii) Shareholders
B. (i) Nomination and Remuneration Committee; (ii) Board of Directors
C. (i) Risk Management Committee; (ii) Managing Director
D. (i) Board of Directors; (ii) Audit Committee
E. (i) Stakeholders Relationship Committee; (ii) Company Secretary

Q10. Under a Share Purchase Agreement, what can be issued by a company?

A. New shares by way of fresh issue
B. Transfer of existing shares from one shareholder to another
C. Debentures to the public
D. Bonus shares to existing shareholders
E. Sweat equity shares

Q11. Under the Companies Act, 2013, who appoints a Registered Valuer to determine the valuation of assets, shares, or liabilities of a company?

A. Board of Directors or Audit Committee
B. Central Government
C. Shareholders in general meeting only
D. Registrar of Companies
E. Company Secretary

SEBI Grade A 2025 Phase 2 Paper 2 Recollected Questions Answer Key

Commerce & Accounts

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

Management

Question	Answer	Question	Answer	Question	Answer
1	B	2	A	3	C
4	A	5	A	6	C
7	C	8	D	9	A
10	B	11	B	12	B
13	C	14	B	15	A
16	C	17	C	18	B
19	D	20	A		

Finance

Question	Answer	Question	Answer	Question	Answer
1	B	2	D	3	D
4	D	5	C	6	C
7	C	8	D	9	A
10	C	11	B	12	C
13	B	14	B	15	C
16	B	17	D	18	B
19	A	20	B	21	E
22	B	23	C	24	B
25	C	26	A	27	C
28	A	29	C	30	A
31	B				

Economics

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

Costing

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

Companies Act

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

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.

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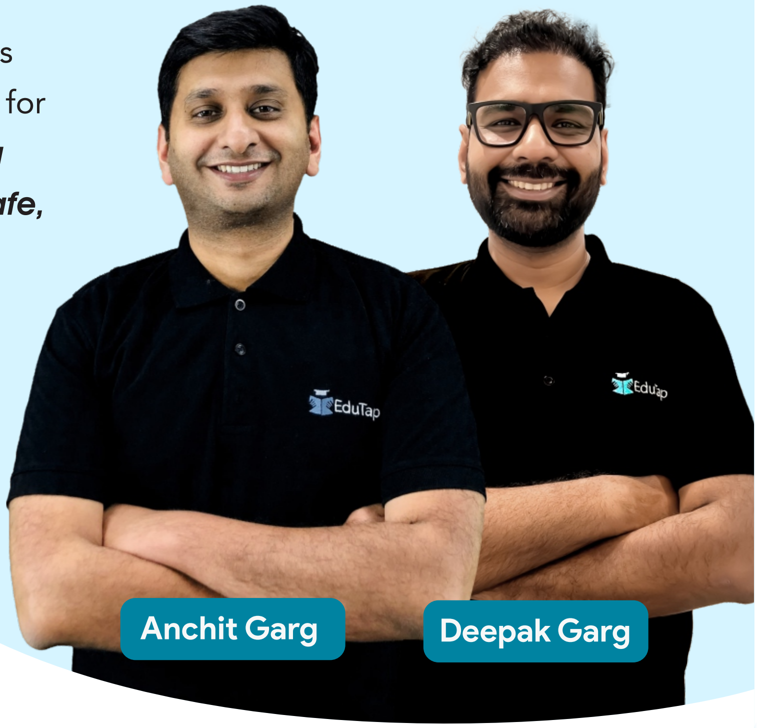

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