



# The Institute of Cost Accountants of India

(Statutory Body under an Act of Parliament)

## National Youth Commerce Olympiad (NYCO), 2025-26

### Category – C

#### Subject 1: Business Management

1. The decision-making process is
  - a) Identify problem → Evaluate alternatives → Select solution
  - b) Select solution → Identify problem → Implement
  - c) Identify problem → Generate alternatives → Select solution
  - d) Implement → Identify problem → Evaluate
2. Controlling requires
  - a) Standards
  - b) Measurement
  - c) Feedback
  - d) Motivation
3. Delegation elements
  - a) Authority
  - b) Responsibility
  - c) Accountability
  - d) Power removal
4. Most critical factor for span of control
  - a) Number of employees
  - b) Nature of work
  - c) Cost involved
  - d) Age of organisation
5. Which principle ensures no overlapping authority?
  - a) Unity of direction
  - b) Unity of command
  - c) Equity
  - d) Discipline
6. Best indicator of effective communication
  - a) Message sent
  - b) Feedback received
  - c) Channel used
  - d) Authority level
7. Which motivation theory focuses on job content?
  - a) Maslow
  - b) Herzberg
  - c) McGregor
  - d) Taylor



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8. A firm sets monthly targets for each department.

This relates to:

- a) Strategic planning
- b) Tactical planning
- c) Operational planning
- d) Contingency planning

9. Given below are the two statements

Statement (i) Management is goal-oriented.

Statement (II) Management directs efforts towards the achievement of objectives.

Choose the correct option.

- a) Statement I and Statement II are true, and Statement I explains Statement II
- b) Statement I and Statement II are true, but Statement I does not explain Statement II
- c) Statement I is true, Statement II is false
- d) Statement I is false, Statement II is true

10. Given below are the two statements

**Statement (i):** Coordination is the first function of management.

**Statement (II):** It synchronises the efforts of different departments

Choose the correct option.

- a) Statement I and Statement II are true, and Statement I explains Statement II
- b) Statement I and Statement II are true, but Statement I does not explain Statement II
- c) Statement I is true, Statement II is false
- d) Statement I is false, Statement II is true

11. Match List I with List II

**List I**

- A. Planning
- B. Organising
- C. Directing
- D. Controlling

**List II**

- 1. Motivation
- 2. Future course of action
- 3. Authority-Responsibility
- 4. Performance comparison

- a) A-2, B-3, C-1, D-4
- b) A-3, B-2, C-4, D-1
- c) A-1, B-4, C-3, D-2
- d) A-4, B-1, C-2, D-3

12. Match List I with List II

**List I**

- A. Planning
- B. Organising
- C. Directing
- D. Controlling

**List II**

- 1. Motivation
- 2. Future course of action
- 3. Authority-Responsibility
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- a) A-2, B-3, C-1, D-4
- b) A-2, B-1, C-3, D-4
- c) A-1, B-4, C-3, D-2
- d) A-4, B-1, C-2, D-3

**13.** Given below are the two statements

**Statement (I):** Leadership and management are identical concepts.

**Statement (II):** Leadership is about influence, while management is about direction and control.

Choose the correct option:

- a) Both statements are true, and Statement II is the correct explanation
- b) Both statements are true, but statement II is NOT the correct explanation
- c) Statement I is true, but Statement II is false
- d) Statement I is false, but Statement II is true

**14.** A company hires a consultant to identify gaps between expected and actual performance.

This is part of which function?

- a) Planning
- b) Organising
- c) Staffing
- d) Controlling

**15.** An employee is promoted from Sales Executive to Sales Manager based on consistent high performance. This is an example of:

- a) Recruitment
- b) Incentive
- c) Recognition and reward
- d) Placement

**16.** In MBO (Management by Objectives), the MOST crucial step is:

- a) Setting top-level goals
- b) Measuring performance
- c) Participative goal setting
- d) Rewarding achievement

**17.** A firm sets monthly targets for each department.

This relates to:

- a) Strategic planning
- b) Tactical planning
- c) Operational planning
- d) Contingency planning

**18.** A company prepares alternative plans for emergencies.

This is:

- a) Strategic plan
- b) Operational plan
- c) Contingency plan
- d) Standing plan



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**19.** Production Manager finds that cost is rising despite meeting output levels.

Which control technique is appropriate?

- a) MBO
- b) CPM
- c) Budgetary control
- d) Job enrichment

**20.** An employee is unable to complete work because instructions came from multiple managers.

The issue relates to:

- a) Decentralisation
- b) Discipline
- c) Unity of command
- d) Esprit de corps

**Answer:** -

<b>1. A</b>	<b>2. A</b>	<b>3. B</b>	<b>4. B</b>	<b>5. B</b>
<b>6. B</b>	<b>7. B</b>	<b>8. C</b>	<b>9. A</b>	<b>10. D</b>
<b>11. A</b>	<b>12. B</b>	<b>13. D</b>	<b>14. D</b>	<b>15. C</b>
<b>16. C</b>	<b>17. C</b>	<b>18. C</b>	<b>19. C</b>	<b>20. C</b>



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### Category – C

#### Subject 2: Cost & Management Accounting

1. Given below are the two statements  
Statement (I): Fixed costs remain constant per unit.  
Statement (II): Fixed costs change in total with changes in output.  
Choose the correct option.
  - a. Statement I and Statement II are true, and Statement I explains Statement II
  - b. Statement I and Statement II are true, but Statement I does not explain Statement II
  - c. Statement I is true, Statement II is false
  - d. Statement I is false, Statement II is true
  
2. A company produces customised machinery for each customer order.  
Which costing system applies?
  - a. Process costing
  - b. Activity-based costing
  - c. Job costing
  - d. Operating costing
  
3. A company has a high setup time cost, and overheads are poorly absorbed.  
Which method should be used?
  - a. Activity-Based Costing
  - b. Absorption costing
  - c. Marginal costing
  - d. Uniform costing
  
4. A firm is considering eliminating a product that has a positive contribution but shows a net loss.  
What should it do?
  - a. Discontinue product immediately
  - b. Continue, if the product contributes to fixed cost recovery
  - c. Increase selling price only
  - d. Reduce labour only
  
5. When will the shutdown decision be recommended?
  - a. When contribution is positive
  - b. When shutdown cost < loss from operating
  - c. When fixed cost reduces
  - d. When variable cost reduces
  
6. Standard hours = 5 hrs/unit  
Standard rate = ₹40/hr  
Actual hours = 1,200 hrs for 220 units  
Actual rate = ₹42/hr  
What is Labour Efficiency Variance?
  - a. ₹8,000 Adverse
  - b. ₹8,000 Favourable
  - c. ₹4,000 Adverse
  - d. ₹4,000 Favourable



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7. Permanent reduction in unit cost without affecting quality is called:

- a. Cost control
- b. Cost reduction
- c. Budgeting
- d. Standard costing

8. Contract price ₹10,00,000

Work certified ₹6,00,000

Cost incurred ₹5,00,000

Notional profit is:

- a) ₹50,000
- b) ₹1,00,000
- c) ₹5,00,000
- d) ₹6,00,000

9. Match List I with List II and choose the correct option:

**List I**

- A. Opportunity Cost
- B. Sunk Cost
- C. Rent of Own Building
- D. Salary of Supervisor

**List II**

- 1. Fixed Cost
- 2. Imputed Cost
- 3. Past Cost
- 4. Alternative Sacrifice

Options:

- a) A-4, B-3, C-2, D-1
- b) A-2, B-4, C-3, D-1
- c) A-4, B-1, C-2, D-3
- d) A-1, B-3, C-4, D-2

10. Match the following:

- A. Cost Centre → 1. Unit of Product
- B. Cost Unit → 2. Location
- C. Cost Control → 3. Comparison
- D. Cost Reduction → 4. Permanent Reduction

Options:

- a) A-2, B-1, C-3, D-4
- b) A-1, B-2, C-4, D-3
- c) A-3, B-4, C-1, D-2
- d) A-2, B-4, C-1, D-3

11. Correct order of Budgetary Control:

- a) Forecast → Budget → Control → Comparison
- b) Budget → Forecast → Comparison → Control
- c) Forecast → Budget → Comparison → Control
- d) Control → Budget → Forecast → Comparison



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**12.** Which cost is never included in cost accounts but considered in decisions?

- a) Sunk cost
- b) Historical cost
- c) Opportunity cost
- d) Absorbed cost

**13.** Match the following:

- A. Relevant Cost – 1. Future Cost
- B. Irrelevant Cost – 2. Past Cost
- C. Differential Cost – 3. Difference between Alternatives
- D. Sunk Cost – 4. Already Incurred

Options:

- a) A-1, B-2, C-3, D-4
- b) A-1, B-2, C-4, D-3
- c) A-3, B-4, C-1, D-2
- d) A-2, B-4, C-1, D-3

**14.** If the marginal cost is ₹2,400 and the P/V Ratio is 20%. The amount of sale is

- a) ₹2,400
- b) ₹3,000
- c) ₹12,000
- d) ₹13,000

**15.** Given below are the two statements

Statement (I): In process costing, equivalent production is used.

Statement (II): Equivalent production helps in valuing abnormal loss.

Choose the correct option.

- a) Statement I and Statement II are true, and Statement I explains Statement II
- b) Statement I and Statement II are true, but Statement I does not explain Statement II
- c) Statement I is true, Statement II is false
- d) Statement I is false, Statement II is true

**16.** : The following figures are available from the records of Rani Enterprises as at 31st March:

	2024 ₹ lakhs	2025 ₹ lakhs
Sales	150	200
Profit	30	50

The Profit Volume Ratio is

- a) 20%
- b) 25%
- c) 40%
- d) 50%

**17.** If the

Volume of production (in units):	1,20,000	1,50,000
Maintenance cost	₹ 84,000	₹ 1,02,000



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How much Fixed cost element in maintenance cost

- a) ₹72,000
- b) ₹84,000
- c) ₹1,02,000
- d) ₹1,06,000

**18.** In a manufacturing unit, overhead was recovered at a predetermined rate of Rs. 25 per man-day. The total factory overhead expenses incurred and the man-days actually worked were Rs. 41.50 lakhs and 1.50 lakhs days respectively.

- a. ₹ 4,00,000 is an over-absorption of overhead
- b. ₹ 4,00,000 is under-absorption of overhead
- c. ₹ 41.50 lakhs is an over-absorption of overhead
- d. ₹ 41.50 lakhs is under-absorption of overhead

**19.** Management wants to identify non-value-added activities.

Which tool is best?

- a) Standard costing
- b) Kaizen costing
- c) Value chain analysis
- d) Marginal costing

**20.** Limiting factor decisions should be based on:

- a) Highest sales
- b) Highest contribution per unit
- c) Highest contribution per limiting factor
- d) Lowest variable cost

**Answer:-**

<b>1. D</b>	<b>2. C</b>	<b>3. A</b>	<b>4. B</b>	<b>5. B</b>
<b>6. A</b>	<b>7. B</b>	<b>8. B</b>	<b>9. A</b>	<b>10. A</b>
<b>11. C</b>	<b>12. C</b>	<b>13. A</b>	<b>14. A</b>	<b>15. B</b>
<b>16. C</b>	<b>17. A</b>	<b>18. B</b>	<b>19. C</b>	<b>20. C</b>



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### Category – C

#### Subject 3: Business Laws & Ethics

1. Which one of the following is not the content of the Memorandum of Association?
  - a) Name Clause
  - b) Registered Office Clause
  - c) Objects Clause
  - d) Board of Directors Clause
2. Which is not true conversion?
  - a) Conversion from firm into LLP
  - b) Conversion from private company into LLP
  - c) Conversion from unlisted company into LLP
  - d) Conversion from Co-operative society into LLP
3. Section 108 of companies Act 2013
  - a) Voting through electronic means
  - b) Prospectus
  - c) Right issue
  - d) Appointment of Directors
4. An instrument of the Proxy shall be deposited with the registered office of the company before conduct of the meeting within
  - a) 48 hours
  - b) 24 hours
  - c) 36 hours
  - d) 1 hour
5. IBC, 2016 is divided into \_\_\_\_\_ Parts and it has \_\_\_\_\_ Schedules.
  - a) 4, 11
  - b) 4, 12
  - c) 5, 11
  - d) 5, 12
6. A guarantee company is similar to
  - a) Unlimited Company
  - b) LLP
  - c) Partnership
  - d) Sole Proprietorship
7. A good friend of Mr. A, Mr. D is a property dealer in Delhi and works for many renowned registered real estate developers. As Mr. D is doing very well in his work, Mr. A also wanted to work as a property dealer or property agent. Mr. X, a real estate developer of Delhi, appointed Mr. D as his agent for selling flats in his upcoming project, and asked him to name some other person to work for him, for his another project. At this time he introduced Mr. A to Mr. X, saying that he is also in the same field for last 10 years, although Mr. A did not have any experience in this field. Going by his words, Mr. X instructed to appoint Mr. A also for his other ventures. From the following, Mr. A will be treated as –
  - a) Agent of Mr. X
  - b) Sub-agent of Mr. D



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- c) Substituted agent of Mr. X
- d) Sub- agent of Mr. X

8. Offences committed under the Negotiable Instruments Act can be—

- a) Compoundable
- b) Non compoundable
- c) Non compoundable and nonbailable
- d) Bailable

9. The term 'legal representative' in section 29 of the Negotiable Instruments Act, 1881

- a) Includes legal heirs
- b) Includes Authorised agents
- c) Includes executors
- d) All of them

10. The dishonour of Cheque is punishable for a maximum term up to \_\_\_\_\_ years.

- a) 1 year
- b) 5 years
- c) 2 years
- d) 4 years

11. Self-awareness is the components of

- a) Moderate
- b) Emotional Intelligence
- c) Business ethics Moral
- d) None of above

12. When Karta is died HUF will

- a) Continue
- b) Dissolved
- c) optional
- d) None of above

13. What is the Short title of the Code on Social Security, 2020?

- a) Employee Welfare law, 2020
- b) Worker's security Code, 2020
- c) The Code on Social Security, 2020
- d) Social Security Act, 2020

14. What is the purpose of the Code on Social Security, 2020?

- a) To provide tax benefits to corporations
- b) To establish new industrial regulations
- c) To extend social security to all employees and workers in different sectors.
- d) To regulate the banking and insurance sectors

15. No child shall be employed or permitted to work in any factory

- a) for more than eight and half hours in any day
- b) for more than four and a half hours in any day
- c) for more than four hours in any day
- d) for more than six hours in any day



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16. Under the Factories Act, 1948 the working hours of 8 per day and 48 per week

- a) include spread over
- b) are minimum working hours
- c) include rest interval period
- d) do not include rest interval period

17. According to Payment of Bonus Act, 1965, 'bonus' should be paid to employees within-

- a) One month from the close of the accounting year
- b) Three month from the close of the accounting year
- c) Six month from the close of the accounting year
- d) Eight month from the close of the accounting year

18. Section 2 (1) of The Payment of Bonus Act, 1965 defines

- a) Accounting year
- b) Allocable Surplus
- c) Appropriate Government
- d) Available Surplus

19. Under the Payment of Gratuity Act, 1972 the employer shall arrange to pay the amount of gratuity within ..... days from the date it becomes payable.

- a) 30
- b) 15
- c) 60
- d) 75

20. When the first Limited Liability Partnership (LLP) in India was established

- a) 5th April, 2009
- b) 31st March, 2009
- c) 1st April, 2009
- d) 2nd April, 2009

**Answer: -**

<b>1. D</b>	<b>2. D</b>	<b>3. A</b>	<b>4. A</b>	<b>5. C</b>
<b>6. A</b>	<b>7. A</b>	<b>8. A</b>	<b>9. C</b>	<b>10. C</b>
<b>11. A</b>	<b>12. A</b>	<b>13. C</b>	<b>14. C</b>	<b>15. B</b>
<b>16. D</b>	<b>17. D</b>	<b>18. A</b>	<b>19. A</b>	<b>20. A</b>



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### Category – C

#### Subject 4: Financial Management

- 1. Cost of capital**
  1. Used as discount rate
  2. Measures risk
  3. Helps capital budgeting
  4. Is historical cost
    - a) 1,2,3
    - b) 1,3
    - c) 2,4
    - d) All
- 2. Optimal capital structure aims to:**
  - a) Maximise EPS
  - b) Minimise cost of capital
  - c) Increase debt only
  - d) Maintain cash flows
- 3. Which of the following best defines the primary objective of Financial Management?**
  - a) Maximisation of sales
  - b) Maximisation of shareholder wealth
  - c) Minimisation of operating cost
  - d) Maximisation of market share
- 4. The concept of “time value of money” is based on the assumption that:**
  - a) Money today is worth the same as money in the future
  - b) Money loses value due to inflation
  - c) Money today is worth more than the same amount in the future
  - d) Money in hand has no opportunity cost
- 5. Which of the following is NOT a characteristic of an ideal capital budgeting method?**
  - a) Considers time value of money
  - b) Considers risk
  - c) Based on accounting profits
  - d) Considers cash flows
- 6. According to Modigliani–Miller (with no taxes), the value of the firm:**
  - a) Depends on capital structure
  - b) Increases when debt increases
  - c) Is independent of capital structure
  - d) Decreases when equity increases
- 7. In dividend policy, the “bird-in-hand theory” suggests that:**
  - a) Dividend is irrelevant
  - b) Investors prefer uncertain capital gains
  - c) Investors prefer certain dividends over uncertain future gains
  - d) Retaining profits increases firm value



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**8.** A company's risk that cannot be diversified away is called:

- a) Unsystematic risk
- b) Diversifiable risk
- c) Systematic risk
- d) Unique risk

**9.** Match List I with List II

List I	List II
A. Explicit cost	– 1. Cash outflow
B. Implicit cost	– 2. Opportunity cost
C. Marginal cost of capital	– 3. Cost of additional funds
D. Specific cost	– 4. Individual source

- a) A-1, B-2, C-3, D-4
- b) A-2, B-1, C-4, D-3
- c) A-3, B-4, C-2, D-1
- d) A-4, B-3, C-1, D-2

**10.** Match List I with List II

List I	List II
A. Liberal dividend policy	– 1. Constant dividend
B. Conservative policy	– 2. Investment priority
C. Stable policy	– 3. Low payout
D. Residual policy	– 4. High payout

- a) A-1, B-2, C-3, D-4
- b) A-2, B-1, C-4, D-3
- c) A-3, B-4, C-2, D-1
- d) A-4, B-3, C-1, D-2

**11.** If  $IRR > WACC$ , project is

- a) Rejected
- b) Accepted
- c) Deferred
- d) Risky

**12.** Capital rationing means:

- a) Unlimited funds
- b) Limited funds
- c) High dividend
- d) Low cost

**13.** Dividend just paid ₹4

Growth rate 5%

Market price ₹50

Cost of equity is:

- a) 11.0%
- b) 12.4%
- c) 13.4%
- d) 14.0%



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**14.** Initial investment ₹5,00,000

Annual cash inflow ₹1,50,000 for 4 years

Discount rate 10%

PV factor (4 yrs) = 3.17

NPV is:

- a) ₹25,500
- b) ₹5,000
- c) -₹25,500
- d) ₹50,500

**15.** Inventory period 60 days

Receivable period 40 days

Payable period 30 days

Cash conversion cycle is:

- a) 70 days
- b) 90 days
- c) 100 days
- d) 130 days

**16.** Preference dividend ₹12

Market price ₹100

Flotation cost 5%

Cost of preference capital is:

- a) 11.4%
- b) 12.0%
- c) 12.6%
- d) 13.2%

**17.** A company has EBIT ₹8,00,000, interest ₹2,00,000, and tax rate 30%. What is the financial leverage?

- a) 1.14
- b) 1.25
- c) 1.50
- d) 2.00

**18.** Cost of equity using Dividend Growth Model:

$D_1 = ₹8, P_0 = ₹80, g = 6\%**$

- a) 11%
- b) 14%
- c) 16%
- d) 18%

**19.** Given below are the two statements

Statement (I): The NPV method ignores the time value of money.

Statement (II): It discounts cash flows at the cost of capital.

Choose the correct option:



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- a) Both statements are true, and Statement II is the correct explanation
- b) Both statements are true, but statement II is NOT the correct explanation
- c) Statement I is true, but Statement II is false
- d) Statement I is false, but Statement II is true

**20.** Optimal capital structure is one that

- a) Minimises EPS
- b) Minimises WACC
- c) Maximises debt
- d) Eliminates risk

**Answer:** -

<b>1. A</b>	<b>2. B</b>	<b>3. B</b>	<b>4. C</b>	<b>5. C</b>
<b>6. C</b>	<b>7. C</b>	<b>8. C</b>	<b>9. A</b>	<b>10. C</b>
<b>11. B</b>	<b>12. B</b>	<b>13. C</b>	<b>14. A</b>	<b>15. A</b>
<b>16. C</b>	<b>17. C</b>	<b>18. B</b>	<b>19. D</b>	<b>20. B</b>