CHAPTERWISE HOMEWORK QUESTIONS

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**PART – 1 GENERAL QUESTIONS**

1. Tell me about yourself/ Self-intro.

Ans: I am M Aditya. I am a B.Tech MBA.

1. About family

Ans: My Father is an earth scientist.

1. Your Hobbies

Ans: Playing Lawn Tennis,Badminton,Table Tennis,Squash.

1. Questions on resume

Ans: I am from engineering background.

1. Knowledge about the role you are applying for.

Ans: I am applying for a position in Genpact.(Investment Banking)

1. Why do you choose Investment banking field?

Ans: Investment Banking is an application of Financial Management.

1. How can we trust you that you may leave this job?

Ans: I am a long term perspective.

1. 2mins about any topic

Ans: Financial Accounting,Management Accounting,Cost Accounting,Tax Accounting.

1. Strengths & weakness

Ans: Strengths: I am from Engineering Background. Weakness: I am slow in Business Mathematics.

1. What if we hire you will you be with us? I Said to give my commitment.

Ans: I am a Long-Term Perspective.

1. They explained the profile (And y does u think u can be an asset to the

Organisation, in which way can u brief)

Ans: I have experience in Investment Banking.

1. They asked y should we hire you.

Ans: I am a former Wipro Employee.

1. So, they will be working with US and UK client’s nights will be compulsory are

you ok with it.

Ans: I am ready to work in Night Shifts.

1. Tell about yourself.

Ans: I am a follower of Administration.

1. Talk about your Interest.

Ans: I am deeply interested in Investment Banking.

1. What is the greatest achievement in your life?

Ans: I am an Electrical Engineer.

1. What motivates you?

Ans: Success of Chartered Accountants motivates me.

1. Tell About your city.

Ans: I am from Hyderabad. Hyderabad is a Hi-Tech city.

1. What is your achievement?

Ans: I am an MBA in Marketing and Finance. I am best in Marketing Management.

1. Did you face a challenge? What kind of a challenge did you faced?

Ans: I am struggling in HR.

1. How did our country got affected by covid crisis?

Ans: Indian Economy is in recession due to Covid.

1. Achievement in life

Ans: I am an IEEE member. It is Institute of Electrical and Electronics Engineering.

1. Farm laws

Ans: I am following Land Accounting.

1. Academic project

Ans: MBA Thesis-Using SCM concepts to increase the profitability and sustainability of farmers.

1. BREXIT

Ans: BREXIT is good. It will increase the EPS of member countries.

1. Subprime crisis in U.S.A

Ans: Lehman Brothers is responsible for Subprime crisis in USA. Due to vaccum of funds.

1. About project

Ans: Pension funds of Andhra Bank.

1. Short-term and Long-term goals

Ans: Investment Banking, Chief Technology Officer.

1. What king of person you are?

Ans: I am an expert in Electronics.

1. About participations in colleges

Ans: I took part in Academics at VIT and IIPM.

1. Job description

Ans: Accounts Payable at TP Technologies,Bengaluru.

1. Are you ok with night shift?

Ans: Yes

1. Are you ok with relocation?

Ans: Yes

1. Previous company experience

Ans: I have 4.10 years of experience in Accounting.

1. Qualities of a Manager

Ans: Sincerity, Time Management.

1. Why do you want to join any specific company?

Ans: I am interested in Genpact. I am following it from my college days.

1. Why are you looking for a change?

Ans: Better prospect.

1. Explain your job profile?

Ans: Fixed Accounting Process

1. Short term Debt vs Long term debt reconcilliation
2. CIP reconciliation
3. SL Vs GL reconcilliation
4. Depreciation, Amortisation and Retained Earnings reconcilliation
5. What do you know about the company you are applying for?

Ans: I am following it on the internet and job portals.

1. If you have experience what is your role and tell about the areas

where you have worked.

Ans: I am experienced in Accounts Payable.

1. Are you comfortable as an individual and not as an team member.

Ans: I am a team member. I am expert in team work.

1. Your article-ship experience - bank audit, statutory audit and stock audits, filing

income tax returns and gst returns and compliance reports.

Ans: I am experienced in Tally ERP,SAP ECC 6.0,Oracle ERP

1. Past salary details?

Ans: Capgemini BPO (30000 per month)

1. Biggest achievement in previous job?

Ans: I excelled in Reconcilliations and Financial modeling.

1. Why should I hire you?

Ans: I have experience in Financial Accounting(Accounts Payable)

1. Why are leaving your previous job?

Ans: Covid 19

1. Do you have any questions?

Ans: No

1. Behavioral Questions:

* Describe a time when you disagreed with your team members
* Tell me about a time when you failed
* Give me an example of when you had to assume leadership for your team
* What is the most difficult/ challenging situation you’ve ever had to resolved in the workplace?

1. About salary expectations.

Ans: I am ready to work as per company policy.

1. How did you acquire this knowledge?

Ans: From Santosh Kumar Sahu. I am his subordinate.

1. How a good team player should be?

Ans: I am following commitment and sincerity.

1. Reason behind rise in fuel prices?

Ans: Inflation

1. Where do you want to see yourself after 5 years?

Ans: I see myself at a leadership position after 5 years.

1. How do rate your self on your knowledge?

Ans: 10/10

1. How do you overcome stress and how do you manage time while working on

strict timelines?

Ans: Meditation and Yoga.

1. If you face some trouble in virtual work (power cut or internet dysconnectivity,

etc), how will you overcome that.

Ans: I will troubleshoot the problem. I will restart the system.

1. After getting offer letter from our company, if you got chance in Bank of

America with more package, will you join that company?

Ans: No. I will follow my boss all my life.

**PART – 2 RATIO’S AND ACCOUNTING QUESTIONS**

1. Golden rules of accounting and explain them.

Ans: Real Account- Debit what comes in, Credit what goes out

Personal Law-Debit the receiver, Credit the giver

Nominal Law-Debit the loss expenditure, Credit the income gain.

1. Types of accounts

Ans: Savings Account,Current Account, Fixed deposit Account.

1. Difference between capital expenditure and revenue expenditure.

Ans: **Capital expenditures** (CapEx) are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment. CapEx is often used to undertake new projects or investments by a company.

**Revenue expenditures** are short-term expenses used in the current period or typically within one year. **Revenue expenditures** include the expenses required to meet the ongoing operational costs of running a business, and thus are essentially the same as operating expenses (OPEX).

1. Depreciation, inflation

Ans: Depreciation is wear and tear.

Inflation is the increase in prices of goods and services.

1. Current assets and current liabilities

Ans: Current Assets-Assets whose maturity period is less than one year.

Current Liabilities-Liabilities whose maturity period is less than one year.

1. Income statement, Balance sheet

Ans: An **income statement** is a financial **statement** that shows you the company's **income** and expenditures. It also shows whether a company is making **profit** or loss for a given period. The **income statement**, along with balance sheet and cash flow **statement**, helps you understand the financial health of your business.

A **balance sheet** is a **financial statement** that reports a company's assets, liabilities and shareholders' equity at a specific point in time, and provides a basis for computing rates of return and evaluating its capital structure.

1. Liquidity ratio

Ans: **Liquidity ratios** are a class of financial metrics used to determine a debtor's ability to pay off current debt obligations without raising external capital.

1. Depreciation and methods to calculate depreciation

Ans: Straight line method and Written Down Value method.

1. What is amortization

Ans: **Amortization** is an **accounting** technique used to periodically lower the book value of a loan or intangible asset over a set period of time. In relation to a loan, **amortization** focuses on spreading out loan payments over time. When applied to an asset, **amortization** is similar to depreciation.

1. Types of accounting

Ans: a) Financial Accounting

b) Management Accounting

c) Cost Accounting

d) Tax Accounting

1. Trail balance

Ans: A **trial balance** is a bookkeeping worksheet in which the **balance** of all ledgers are compiled into debit and credit account column totals that are equal. A company prepares a **trial balance** periodically, usually at the end of every reporting period.

1. Going concern concept

Ans: **Going concern** is an accounting term for a company that is financially stable enough to meet its obligations and continue its business for the foreseeable future. Certain expenses and assets may be deferred in financial reports if a company is assumed to be a **going concern**.

1. Demonetization

Ans: the withdrawal of a coin, note, or precious metal from use as legal tender.

"the demonetization of the local currency will be completed by June"

1. What is price to earning ratio?

Ans: The price-to-earnings ratio (**P/E ratio**) is the ratio for valuing a company that measures its current share price relative to its per-share earnings (EPS).

1. Net worth

Ans: The **net worth ratio** states the return that shareholders could receive on their investment in a company, if all of the profit earned were to be passed through directly to them. Thus, the **ratio** is developed from the perspective of the shareholder, not the company, and is used to analyze investor returns.

1. Profitability ratio

Ans: **Profitability ratios** assess a company's ability to earn profits from its sales or operations, balance sheet assets, or shareholders' equity. **Profitability ratios** indicate how efficiently a company generates profit and value for shareholders.

1. Interest coverage ratio

Ans: **Interest Coverage Ratio** (ICR) is a financial ratio that is used to determine the ability of a company to pay the interest on its outstanding debt.

1. Capital budgeting techniques

Ans: **Capital Budgeting Techniques**

* Payback period method. In this **technique**, the entity calculates the time period required to earn the initial investment of the project or investment. ...
* Net Present value. ...
* Accounting Rate of Return. ...
* Internal Rate of Return (IRR) ...
* Profitability Index.

1. Financial statements

Ans: Balance Sheet, Profit and Loss Account and Cash Flow Statement

1. Capital budgeting

Ans: [Capital budgeting](https://www.investopedia.com/terms/c/capitalbudgeting.asp) involves choosing projects that add value to a company. The capital budgeting process can involve almost anything including acquiring land or purchasing fixed assets like a new truck or machinery.

Corporations are typically required, or at least recommended, to undertake those projects that will increase profitability and thus enhance shareholders' wealth.

However, the rate of return deemed acceptable or unacceptable is influenced by other factors specific to the company as well as the project.

For example, a social or charitable project is often not approved based on the rate of return, but more on the desire of a business to foster goodwill and contribute back to its community.

1. Types of ratios

Ans: **Here are the most common types of ratios and the various formulas you can use within each category:**

* Liquidity **ratios**.
* Profitability **ratios**.
* Leverage **ratios**.
* Turnover **ratios**.
* Market value **ratios**.

1. Fictitious assets

Ans: Fictitious assets are the assets which has no tangible existence, **but are represented as actual cash expenditure**. The main purpose is to create this account for expenses which are not placed in any account headings.

1. Nonoperating expenses

Ans: A **non**-**operating expense** is an **expense** incurred from activities unrelated to core **operations**. **Non**-**operating expenses** are deducted from **operating** profits and accounted for at the bottom of a company's **income** statement. Examples of **non**-**operating expenses** include interest payments or costs from currency exchanges.

1. Fixed income

Ans: **Fixed income** is an investment approach focused on preservation of capital and **income**. It typically includes investments like government and corporate bonds, CDs and money market funds. **Fixed income** can offer a **steady** stream of **income** with less risk than stocks.

1. Depletion

Ans: **Depletion is** an accrual **accounting** technique used to allocate the cost of extracting natural resources such as timber, minerals, and oil from the earth. Like depreciation and amortization, **depletion is** a non-cash expense that lowers the cost value of an asset incrementally through scheduled charges to income.

1. Leverage

Ans: In **accounting** and finance, **leverage** refers to the use of a significant amount of debt and/or credit to purchase an asset, operate a company, acquire another company, etc. Generally the cost of borrowed money is much less than the cost of obtaining additional stockholders' equity.

1. Cash flow statement

Ans: A **cash flow statement** is a financial **statement** that summarizes the amount of **cash** and **cash** equivalents entering and leaving a company. The **cash flow statement** measures how well a company manages its **cash** position, meaning how well the company generates **cash** to pay its debt obligations and fund its operating expenses.

1. Contingent liability

Ans: A **contingent liability** is a **liability** or a potential loss that may occur in the future depending on the outcome of a specific event. Potential lawsuits, product warranties, and pending investigation are some **examples of contingent liability**.

1. Quick ratio

Ans:

The quick ratio is a calculation that measures a company’s ability to meet its short-term obligations with its most liquid assets.

1. Wasting assets

Ans: A wasting asset is an item that has a limited life span and irreversibly declines in value over time. Such depreciating fixed assets could be vehicles and machinery.

1. What is EPS

Ans: Earnings per share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability. It is common for a company to report EPS that is adjusted for extraordinary items and potential share dilution.

1. Diversification

Ans: Diversification is a risk management strategy that mixes a wide variety of investments within a portfolio. A diversified portfolio contains a mix of distinct asset types and investment vehicles in an attempt at limiting exposure to any single asset or risk. The rationale behind this technique is that a portfolio constructed of different kinds of assets will, on average, yield higher long-term returns and lower the risk of any individual holding or security.

1. Capital budgeting decisions

Ans: Capital budgeting involves choosing projects that add value to a company. The capital budgeting process can involve almost anything including acquiring land or purchasing fixed assets like a new truck or machinery.

Corporations are typically required, or at least recommended, to undertake those projects that will increase profitability and thus enhance shareholders' wealth.

However, the rate of return deemed acceptable or unacceptable is influenced by other factors specific to the company as well as the project.

For example, a social or charitable project is often not approved based on the rate of return, but more on the desire of a business to foster goodwill and contribute back to its community.

1. Accounting vs Finance

Ans: Historical cost accounting and mark-to-market, or fair value, accounting are two methods used to record the price or value of an asset. Historical cost measures the value of the original cost of an asset, whereas mark-to-market measures the current market value of the asset.

1. Acquisitions

Ans: Mergers and acquisitions (M&A) is a general term that describes the consolidation of companies or assets through various types of financial transactions, including mergers, acquisitions, consolidations, tender offers, purchase of assets, and management acquisitions.

The term M&A also refers to the desks at financial institutions that deal in such activity.

1. Dividend payout ratio

Ans: The **dividend payout ratio** is the **ratio** of the total amount of **dividends** paid out to shareholders relative to the net income of the company. It is the **percentage** of earnings paid to shareholders in **dividends**. ... It is sometimes simply referred to as the '**payout ratio**.

1. DPS (Dividend per share)

Ans: **Dividend per share** (DPS) is the sum of declared **dividends** issued by a company for every ordinary **share** outstanding. DPS is calculated by dividing the total **dividends** paid out by a business, including interim **dividends**, over a period of time, usually a year, by the number of outstanding ordinary **shares** issued.

1. Diluted earnings per share and how it is different from normal EPS

Ans: **Earnings per share** (**EPS**) take into account only common **shares**, while **diluted EPS** includes convertible securities. **Dilutive** effects occur when the number of **shares** increases—for example, through **a** new issue. Generally, if **a** company has convertible securities, then the **diluted EPS** is less than its **basic EPS**.

1. Differed revenue

Ans: Deferred revenue is **a liability on a company's balance sheet** that represents a prepayment by its customers for goods or services that have yet to be delivered. Deferred revenue is recognized as earned revenue on the income statement as the good or service is delivered to the customer.

1. Prepaid expenses

Ans: **Prepaid expenses** are future **expenses** that are paid in advance. On the balance sheet, **prepaid expenses** are first recorded as an asset. After the benefits of the assets are realized over time, the amount is then recorded as an **expense**.

1. Working capital

Ans: **Working Capital** is basically an indicator of the short-term financial position of an organization and is also a measure of its overall efficiency. **Working Capital** is obtained by subtracting the current liabilities from the current assets.

1. Capital Lease

Ans: **Capital lease accounting** relates to the treatment of assets taken on **lease** by a business under a **capital lease** agreement with a lessor. In a **capital lease**, the asset(s) taken on **lease** is recorded as an asset on the balance sheet. ... At the end of the **lease** term, the lessee has the option to buy the **leased** asset.

1. Difference b/w ledger and subsidiary ledger?

Ans: Recording of financial information is books of account as per standard accounting principle. Both ledgers are used to record a financial transaction. The general ledger is the principal set of accounts. It records all financial transactions. The general ledger contains all debit and credit entries of transaction and entry for the same is done in different account mainly, there are five types of accounts assets, liabilities, equity, income, and expense.

A subsidiary ledger is the subset of the general ledger in the accounting. It is not possible to record all transactions in the general ledger; hence transactions are recorded in sun ledger in a different account, and their total sum is reflected in the general ledger. Ledger helps in the understanding of the financial of business and helps in the analysis of transactions.

1. Accounting principles and assumptions?

* Ans: Economic entity assumption: The economic entity assumption is an accounting principle that separates the transactions carried out by the business from its owner.
* Monetary unit assumption: All financial transactions should be recorded in the same currency.
* Specific time period assumption: Financial reports should show results over a distinct period of time.
* Cost principle: The cost of an item doesn’t change in financial reporting.
* Full disclosure principle: All information that relates to the function of a business’s financial statements must be disclosed in notes accompanying the statements.
* Going concern principle: A business will continue to exist and function with no defined end date.
* Matching principle: Businesses should use the accrual basis of accounting and report all financial information using this method.
* Revenue recognition principle: Revenue is reported when it’s earned, regardless of when payment is actually received.
* Materiality principle: When an accountant finds a transactional error, they can use their professional judgment to determine if the error is immaterial to the business.
* Conservatism principle: When there is more than one acceptable way to record a transaction, expenses and liabilities should be recorded as soon as possible, and revenues and gains should only be recorded when they occur.

1. What is outstanding expense, Example and what is entry.?

Ans: The **outstanding expenses** are the certain **expenses** that are incurred but not paid. These **outstanding expenses** are related to a given accounting period that is not paid in the same accounting period. ... As the journal **entry** for the **outstanding expenses** is posted they are then placed appropriately in the final accounts.

1. About bank statement

Ans: A **bank statement** is a list of all transactions for a **bank** account over a set period, usually monthly. The **statement** includes deposits, charges, withdrawals, as well as the beginning and ending balance for the period.

1. Bank reconciliation? Importance of bank reconciliation?

Ans: A **bank reconciliation statement** is a summary of **banking** and business activity that reconciles an entity's **bank** account with its financial records. ... A **bank reconciliation statement** is a useful financial internal control tool used to thwart fraud.

1. What is purchase order? Entry for purchase order?

Ans: Only create a journal **entry** when you ship the products or when the buyer receives them (depending on the PO terms and conditions). After sending the **order**, debit your accounts receivable account. When you receive payment from the buyer, credit your accounts receivable account to reverse the original journal **entry**.

1. Diff between trial balance and balance sheet

Ans: The main **difference between** the **trial balance** and a **balance sheet** is that the **trial balance** lists the ending **balance** for every account, while the **balance sheet** may aggregate many ending account balances into each line item. The **balance sheet** is part of the core group of **financial statements**.

1. Schedule 6 in balance sheet

Ans: A **trial balance** includes a **list** of **all** general ledger **account** totals. ... The **main difference** from the general ledger is that the general ledger shows **all** of the transactions by **account**, whereas the **trial balance** only shows the **account** totals, not **each** separate transaction.

1. What is capital?

Ans: **Capital lease accounting** relates to the treatment of assets taken on **lease** by a business under a **capital lease** agreement with a lessor. In a **capital lease**, the asset(s) taken on **lease** is recorded as an asset on the balance sheet. ... At the end of the **lease** term, the lessee has the option to buy the **leased** asset.

1. Journal entry for capital invested.

Ans: The **entry** would be a $100,000 debit to Cash and a $100,000 credit to **Capital**. If this person put in $90,000 in cash and $10,000 in equipment, the **entry** would be to debit Cash for $90,000 and debit Equipment for $10,000, and credit **Capital** for $100,000.

1. What is a Provision? why we do provisions?

Ans: Provision is a known obligation.

1. What is meant by supplier’s master?

Ans: **Supplier Master** Data Management is a framework that a company uses to manage a comprehensive set of records about a company's **suppliers**.

1. What is 3-way matching in accounts payable system?

Ans: It is Third Party Transfer.

1. Tell the process from creation of PO to receiving of payments.

Ans: BRS

1. You are received with PO of $100 and invoice received with one

$140 how will you deal with this variance.

Ans: BRS

1. Test internal controls

Ans: Management Accounting

1. Balance sheet finalization

Ans: Financial Modelling

1. Inventory audit/ Stock audit

Ans: Chartered Accounting .

1. Stock taking and physical verification.

Ans: A **test** of **control** describes any auditing procedure used to evaluate a company's **internal controls**. The aim of **tests** of **control** in auditing is to determine whether these **internal controls** are sufficient to detect or prevent risks of material misstatements.

1. Maintaining petty cash book

Ans: **Petty Cash Book** is **maintained** to record small expenses such as postage, stationery, telegram. A separate column is allotted for each type of expenditure. The difference between the total of the debit items and that of the 'total column' on the credit represents the balance of the **petty cash** in hand.

1. P2P cycle

Ans: Also known as purchase-to-pay and **P2P**, **procure-to-pay** is the **process** of requisitioning, purchasing, receiving, paying for, and accounting for goods and services, covering the entire **process** from point of order right through to payment.

1. 2way matching

Ans: An invoice is received from a supplier (vendor) for payment of goods or services ordered through a purchase order. ... During the online invoice approval process, the invoice quantity and amount is **matched** to the purchase order to ensure that tolerances are met.

1. Different between po and non po

Ans: When a purchase requisition process is in place, the purchase will be triggered by a pre-approved purchase order (**PO**) that is sent to the supplier. In the case of purchases made outside the regulated purchase process, a **non**-**PO** invoice, also called expense invoice, will be sent from the supplier.

1. Goods reconciliation note

Ans: **Reconciliation** under **Goods** & Services Tax (GST) is about matching the data filed by the supplier with those of the recipients and recording all the transactions that have taken place during that period. The **reconciliation** process ensures that no sales or purchases are omitted or wrongly reported in the GST returns.

1. What are the critical fields to check on invoice?

Ans: Invoice number, Bill amount

1. GRN – Goods received notes.

Ans: **Goods Received Note** (GRN) is a record of **goods received** from suppliers, and the record is shown as a proof that ordered products had been **received**. The record is used by the buyer for comparing the number of **goods** ordered to the ones delivered.

1. Intercompany settlements

Ans: Intercompany settlements is a transaction. It is a law.

1. Trading account final result (gross profit or loss)

Ans: **Trading** means buying and selling. The **trading account** shows the **result** of buying and selling of goods. **End result** of **trading account** is gross profit or gross loss.

1. P&L account result (net profit or loss)

Ans: It is a nominal account.

1. P2P cycle, difference between consignee & consignor, what is remittance,

difference between GST & TDS

Ans: GST: Goods and Services Tax

TDS: Tax Deductible at Source

1. Difference between trading and P&L

Ans: The **difference between** a **Trading Account** and a **Profit and Loss Account** is that **Trading Account** depicts the gross profit earned or gross loss sustained due to the company activities conducted, while the **Profit and Loss Account** is a **statement** that indicates the net profit generated or net loss incurred from running the ...

1. Revised invoice

Ans: A **revised invoice** may be issued by a taxable person in relation to any **invoice** already issued by him. A supplementary tax **invoice** has to be issued by a taxable person in case where any deficiency is found in a tax **invoice** already issued by a taxable person.

1. Why do we keep invoice on hold?

Ans: Due to reconcilliation.

1. Vouching

Ans: It is a transaction.

1. Invoice and what are the things that we check on invoice?

Ans: Value, Invoice Number.

1. Working capital with formula

Ans: Working capital=Total Assets – Current Liabilities

1. Input tax and output tax

Ans: **Output tax** is the total amount of sales **tax** charged at current rate of sales **tax** on taxable sales made during the month i.e. total sales excluding exempt and zero-rated supplies. **Input tax** is the amount paid by the registered person on business purchases and imports.

1. What is ERP? Do you know any ERP software?

Ans: ERP-Enterprise Resource Planning. Tally 9 ERP,Oracle,SAP FICO.

1. Journal entries for purchases and sales

Ans: A **sales journal entry** records a cash or credit **sale** to a customer. It does more than record the total money a business receives from the transaction. **Sales journal entries** should also reflect changes to accounts such as Cost of Goods Sold, Inventory, and **Sales** Tax Payable accounts.

**Purchase** Credit **Journal Entry** is the **journal entry** passed by the company in the **purchase journal** of the date when the company **purchases** any inventory from the third party on the terms of credit, where the **purchases** account will be debited.

1. What is Credit memo

Ans: A **credit memo** is a commercial document issued by a supplier to the customer notifying the reduction of the amount that a customer owes to the seller. ... A **credit memo** is called **Credit Memorandum** and more popularly known as '**Credit** Note'.

1. Explain the contents of invoice.

Ans: Value,Invoice Number,TAX(GST)

1. In BRS if the bank charges are recording in passbook but not recorded in the

cash book what is the journal entry you will pass.

Ans: Assets to Liabilities

1. Entry for bank charges

Ans: The **journal entries** for the **bank** fees would debit **Bank** Service **Charges** and a credit to Cash. The **journal entry** for a customer's check that was returned due to insufficient funds will debit Accounts Receivable and will credit Cash.

1. What is the role of purchasing team in a company?

Ans: Accounts Payable

1. What is the role of vendor team in a company?

Ans: Vendor Reconcilliation

1. What Is credit purchases entry?

Ans:  **Purchase Credit** Journal **Entry** is the journal **entry** passed by the company in the **purchase** journal of the date when the company **purchases** any inventory from the third party on the terms of **credit**, where the **purchases** account will be debited.

1. Depreciation entry

Ans: It is a nominal account.

1. Invoices – types

Ans: **The following are six types of invoices in accounting that you might send to customers.**

* Pro forma **invoice**. A pro forma **invoice** is not a demand for payment. ...
* Interim **invoice**. An interim **invoice** breaks down the value of a large project into multiple payments. ...
* Final **invoice**. ...
* Past due **invoice**. ...
* Recurring **invoice**. ...
* Credit memo.

1. Accounts payable

Ans: It is a liability

1. Accumulated loss

Ans: It is a nominal accounting.

1. Pre-paid invoice

Ans: It is an accrual entry.

1. Bill to ship
2. Utility invoice
3. What type of tax is paid to a third party?
4. Do we need to create a PO for utility bill?
5. Accrual concept
6. Journal entry for salaries paid and outstanding salary.
7. How do you record if company incurred expenses to provide food to

employees during a fest in company

1. What is carriage inwards and how it is recorded?
2. Explain prepaid expenses and Reserves.
3. Difference between Reserves and provisions?
4. What is BRS and what are the causes of difference in BRS, Give 5 examples
5. Cost concept
6. Money measurement concept
7. Bad debts journal entry
8. Provision for bad debts entry
9. Brief about GST returns.
10. Direct tax concepts
11. How bad debts recovered?
12. Cash book and passbook difference?
13. In depth understanding of journal entries.
14. Accrual and cash-based accounting?
15. Cash flow statement and types?
16. Intangible assets
17. Importance of foot note in financial statements.
18. Types of ITR
19. How do you verify discrepancies in financial statements?
20. Which depreciation method will you prefer? & Why?
21. Indian or us gap us firm follows.
22. Types of audit reports
23. Cash flow statement vs fund flow statement
24. Cost of goods sold
25. Ledger scrutiny
26. How you arrive at net profit
27. Changes in balance sheet due to fund rising through equity (IPO/debt)
28. Components of financial statements
29. Types of activities in CFS
30. What is your point in case there is more cash inflow in financing activities and

investment activities rather than operating activities?

1. What is subordinate loan?
2. How you calculate goodwill
3. What is financial spreading? Have you worked on it?
4. There are more Related party loans in Financial statements, what do you

comment on it.

1. Unascertained tax liability
2. What is your point in case there is more cash inflow investment activities

rather than operating activities?

1. Did you work on any GAAP other than Indian GAAP?
2. What are non-cash expenses?
3. About Mortgage, Mortgage process & Types of mortgages.
4. What is a loan?
5. Difference between debit and credit
6. What are fraudulent transactions?
7. What is loan statement?
8. Reconciliation means?
9. Collateral means?
10. Mortgage life cycle
11. Accounting conventions?
12. Financial ratios?
13. What is insurance? Types of insurances?
14. What is bank?
15. Difference between home loan and mortgage loan.
16. Impact on cash flow statement - Prepaid expense
17. What entry needs to be booked for prepaid audit expenses for full year.
18. Logic behind journal entries
19. Difference between amortization and depreciation
20. Calculation of accrued interest
21. Explain the cash flow statement and what are items that comes under operating,

financing and investing activity and the different methods of preparing the statement of cash flows

1. What are the items that are shown at fair value in balance sheet?
2. Unrealised gains, Realised gains.
3. Types of accounts in Trial balance of a fund
4. Cash reconciliation
5. Entry for dividend receivable.

**PART – 3 CORPORATE ACTIONS**

1. What are corporate actions and types of corporate actions?

Ans: **Corporate actions** include stock splits, dividends, mergers and acquisitions, rights issues and spin-offs. All of these are major decisions that typically need to be approved by the company's board of directors and authorized by its shareholders.

1. Dividends b) Bonus c)Rights Issue Share d)Stock Split e) Reverse Stock Split f)M&A g)Buy Back h)Spin off
2. What is the demerger?

Ans: The separation of a large company into two or more smaller organizations, particularly as the dissolution of an earlier merger.

1. What is merger?

Ans: a combination of two things, especially companies, into one.

"a **merger between** two supermarket chains"

1. What is reverse stock split?
2. How stock split affects P/E ratio.
3. Corporate actions and how it's effects on market price?
4. What is stock split?
5. Mergers
6. What is right issue and why do companies go for it?
7. What EPS.
8. Why companies go for split off?
9. What is buy back?
10. Purpose of right issue
11. What is bonus issue and its purpose?
12. What is tender offer?
13. Why companies go for corporate actions?
14. Spin off and merger?
15. Difference between mandatory corporate action and voluntary corporate action
16. Dividend? Impact of Dividend on Share price?
17. Types of dividend.
18. Ex-date.
19. Record date.
20. Dividend entry?
21. Entry for Stock split, Bonus issue.
22. Mandatory corporate actions and Non-Mandatory corporate actions.

**PART – 4 PRIMARY & SECONDARY MARKETS**

1. Explain me about candlestick graph.
2. What do you mean my fundamental analysis and technical analysis and the most

used one?

1. What is Sensex and nifty
2. What is short sell and cover short?
3. What is primary market and secondary market?
4. Green shoe option
5. Sensex calculation.
6. Securitisation means.
7. Terms like Catchup, Committed capital
8. How do you analyse the stocks?
9. How you define present situation of stock markets.
10. How many stock exchanges are there in India?
11. SEBI listed companies.
12. How many companies are there in BSE and NSE?
13. Trade life cycle
14. Market life cycle
15. About capital markets
16. Why do you choose investment Field?
17. Secondary market with examples
18. IPO with examples
19. Pref share and equities.
20. What is a stock market?
21. Short selling
22. About Calcutta stock exchange & Bangalore stock exchange
23. Offer for sale.
24. Red herring prospectus
25. Final prospects
26. DRHP
27. Financial Market definition
28. Cumulative preference share
29. Market capitalisation.
30. Capital budgeting decisions.
31. Reverse purchase
32. Name some foreign stocks
33. What is meant by hostile takeover recent example of hostile takeover.
34. Share premium and its accounting entry
35. Underwriters
36. Underwriting of shares.
37. What is letter of credit?
38. Necessity of book building process
39. Diff between primary and secondary market
40. What are the roles of SEBI?
41. SEBI functions.

**PART – 5 MUTUAL FUNDS**

1. What is a mutual fund?
2. What is NAV? Formula for calculating NAV.
3. Brief ETF.
4. Brief ELSS.
5. Difference between Individual investors and Mutual funds.
6. Different types of Mutual funds.
7. Why people invest in Mutual funds.
8. Mutual funds Vs Hedge funds
9. NAV & P/E ratio
10. What is NAV and logical questions what impacts the NAV?
11. What is the difference between NAV & GAV?
12. What are the components of nav and how do you value them?
13. Nav life cycle
14. Open ended funds and closed ended funds.
15. Differences between equity and debt

**PART – 6 FOREX & DERIVATIVES**

1. In-depth explanation of derivatives.
2. Mark to market
3. Option holder cash flows
4. Types of derivatives.
5. What do you know about Options?
6. Forwards
7. Futures
8. What are the factors affecting option premium?
9. Difference between futures and forward
10. Difference between futures and options
11. Brief Call option and put option in detail.
12. ITM, ATM, OTM
13. Difference between call option and put option.
14. Foreign currency
15. Home currency
16. What is forex market and explain it.
17. Explain Forex management
18. What do you mean by swap and explain the various swaps like interest rate swaps?
19. What are the factors affecting option premium?
20. What is black-scholes model of pricing option premium?
21. What is initial margin and mark to market?
22. When will be cash inflow/outflow for option holder?
23. What do you know about Money markets?
24. OTC Market
25. What do you understand by the term standard deviation?

**PART – 7 BONDS & FIXED INCOME DERIVATIVES**

1. Brief bond markets.
2. Discuss Callable bonds
3. Wat is the diff between zero coupon and deep discount bond
4. What is security
5. Debentures
6. What is Yield? Discuss.
7. Difference between bonds and debentures
8. Difference between derivatives and fixed income instruments?
9. What is meant by a bond?
10. Time value of money
11. Brief Fixed income securities.
12. What is Coupon rate?
13. Discuss Puttable bonds
14. Zero coupon bonds
15. optional redemption It gives option to the issuer to redeem the bonds if interest rate increases.
16. Discuss Hybrid bonds
17. What is Yield to maturity?
18. What is optional debenture?
19. What is optional redemption?
20. Reverse purchase
21. Angel bonds
22. For callable bonds sometimes the issue will pay more than the face value called call price at the time of calling back the bond
23. Why you will invest in callable bond that the company will buy back those bonds when the interest rate falls he asked explanation to it
24. Callable bonds must be available at a price cheaper than normal bonds
25. Difference between coupon and YTM
26. Dutche Auction
27. Puttable bonds must be at higher price
28. What is the difference between equity and bonds
29. What we call interest in terms for equity shares and bonds
30. Step up bond is bond with a coupon that increases usually at regular intervals while bond is outstanding...These bonds are issued by government agencies
31. Floating Rate bond
32. What are Fixed income securities & why people buy them?
33. What do you mean by floating rate?
34. Few topics on fixed income instruments.
35. What is SLR and CRR and their importance.

**PART – 8 FUND ACCOUNTING, PRIVATE EQUITY & HEDGE FUNDS**

1. What do you know about Fund accounting?
2. Explain Fair value hierarchy.
3. Is IRR rate being simple interest rate or compound interest rate
4. Explain Terms like Catchup, Committed capital
5. What are the financial statements prepared for private equity?
6. Different methods of waterfall and which one is better?
7. What do you mean by waterfall provisions and explain in general how allocation is done?
8. Difference between the private equity and hedge fund
9. What is private equity and explain the life cycle of the fund
10. possession reconciliation
11. Different types of accounts seen in the trial balance of a fund
12. hedge fund accounting
13. Explain hedge funds
14. Management fees methods
15. how do you convince the investor to invest in private equity?
16. How cash flow is distributed in the private equity
17. what is private equity
18. Waterfall provisions (Very imp.)
19. Why you want to get into fund accounting?
20. Do you know anything about Geneva software?
21. Poison pills