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P&M: Plant & Machinery, FAR: Fixed Asset Register

1 Which of following is not part of data collection during the visit of plant for the purpose of valuation?

- A Inspection of P&M (asset)
- B Making inventory/listing of P&M (asset)
- C Market survey of P&M**
- D Description/Technical Specification of P&M (asset)

2 Which document should be referred/studies before starting an inspection of P&M?

- A Fixed Asset Register (FAR)
- B History of company management**
- C List of machinery with technical specification
- D Process & plant layout

3 Which type of classification should be taken in account during the making of listing?

- A Production & general machinery
- B Laboratory, utility & material handling equipment
- C Piping, locomotive (vehicles), electrical installation and control system
- D All of above**

4 Which type of machinery should be getting first priority for inspection by valuer?

- A Production & utility
- B General machinery
- C Material handling equipment
- D Electrical installation and control system

5 Which type of classification should be taken in account during the making of listing?

- A Installed machinery
- B Surplus and non-operating machinery
- C Out of premises, not inspected and leased machinery
- D All of above**

6 Equipment used for quality control (QC) and quality assurance (QA) is called...

- A Material handling equipment
- B Electrical installation
- C Utility equipment
- D Laboratory equipment**

7 Crane, jibs, conveyor, elevator, trolley, pallet trucks, stacker, reclaimer, is example of...

- A Material handling equipment**
- B Electrical installation
- C Utility equipment
- D Laboratory equipment

8 Mobile equipment that not licensed for use on public road is called...

- A Vehicle
- B Plant vehicle**
- C Illegal equipment
- D Surplus equipment

9 Wiring, conduit, switch gear, distribution panels, circuit breakers, safety switches, bus duct, bus bar, junction boxes, transformer is example of...

- A Material handling equipment

B	Electrical installation
C	Utility equipment
D	Laboratory equipment
10	Boiler, thermic fluid heater, air compressor, DG set, cooling tower, air handling unit, uninterrupted power supply, is example of...
A	Material handling equipment
B	Electrical installation
C	Utility equipment
D	Laboratory equipment
11	Identification of P&M is broadly classified as...
A	Specific & Nonspecific identification
B	Macro & micro identification
C	Mini & More identification
D	All of above
12	The studies of entire manufacturing process by identifying major components contributing to the design capacity and product of the plant is called...
A	Macro identification
B	Identification of industry
C	Micro identification
D	Identification of process
13	The process of finding the individual characteristics of the machine or equipment is called...
A	Macro identification
B	Identification of industry
C	Micro identification
D	Identification of process
14	Notation of technical specification of machinery is...
A	Micro identification
B	Macro identification
C	Specific identification
D	Nonspecific identification
15	Which of the following technical specification should be collected for the machinery?
A	Name of machine & manufacturer
B	Serial, model & identification number
C	Size, capacity, type & MoC
D	All of above
16	Which of the following technical specification should be collected for the machinery?
A	Description of machine
B	Piping & electric connection
C	Motor, drive & controls
D	All of above
17	Which of the following data cannot be collected from the name or label plate of machine?
A	Name of manufacturer
B	Year of put in use
C	type or size or capacity
D	Year of manufacture
18	Which of the following is included in studies the macro identification?
A	Product & by product
B	Process & plant layout
C	Installed capacity & actual production
D	All of above

19	Which of the following is not included in studies the macro identification?
A	Size & capacity of machine
B	Availability of raw material & other utility
C	Quality of finished goods & market demand
D	Usage (nos. of shift), interdependency & maintenance
20	Which of the following is not included in studies the macro identification?
A	National & industrial growth rate
B	Model, type, serial no., name & year of mfg.
C	Fixed asset to turnover ratio & profitability ratio
D	Regulatory measure
21	Which of the following is included in studies the macro identification?
A	Plant efficiency and obsolescence
B	Status of safety and environmental standards
C	Schedule of maintenance
D	All of above
22	Value of P&M is largely depends on...
A	Location
B	Type of industry
C	Technical specification
D	Product
23	Price of two machines manufactured by same manufacturer & in same year is deferring because...
A	Location
B	Type of industry
C	Technical specification
D	Product
24	Value of tank having 1000 gallon capacity is more than value of tank having 1000 liter capacity because of...
A	Location
B	Type of industry
C	Technical specification
D	Product
25	During the inspection of tank, data collected valuer is type, capacity, type of stirrer, motor, and supporting structure. Which data is missing which can affect the value most...
A	Thickness of plate
B	Material of construction
C	(A) & (B)
D	None of above
26	A source of pricing and reference material for valuation of P&M is...
A	Specification manual & catalog of manufacturer
B	Price list of manufacture, vendor & supplier
C	Published price guideline like contract awards to public or private company
D	All of above
27	A source of pricing and reference material for valuation of P&M is...
A	Client' purchase and invoice copy
B	Trade show, exhibition and internet site
C	Personal contacts & other valuer
D	All of above
28	Which of the following should be considered as most reliable source of information for technical specification of machinery?

A	Technical manual provided with supply of machine
B	Purchased order
C	Information provided by operator
D	Information provided by company management
29	In normal course of business, valuer is assessing the machinery & equipment by...
A	Electrical test
B	Mechanical test
C	Visual inspection
D	Test of calibration
30	Which type of discrepancy may occur when listing of machinery on the site is compared with FAR of company?
A	Available on the site but not available in FAR
B	Available in FAR but not available on the site
C	Both (A) & (B)
D	None of above
31	Which cause may be that P&M is available on the site but not available in FAR?
A	Self made P&M by company using own material & labor
B	Large tank have been converted into small tanks
C	Asset is treated as revenue expenses in account
D	All of above
32	Which cause may be that P&M is available in FAR but not available on the site?
A	Outside factory premises for repairs
B	Given on the rent or lease
C	Items of a revenue nature capitalized
D	All of above
33	The asset with ability to generate profits and cash flow is called...
A	Non-productive asset
B	Productive asset
C	Surplus asset
D	Off-balance sheet asset
34	Turbine in a thermal power plant is...
A	Non-productive asset
B	Productive asset
C	Surplus asset
D	Off-balance sheet asset
35	The asset which is not necessary for ongoing operations of the business enterprise is called...
A	Non-productive asset
B	Productive asset
C	Surplus asset
D	Off-balance sheet asset
36	Crane is an example of...
A	Non-productive asset
B	Productive asset
C	Surplus asset
D	Off-balance sheet asset
37	The number of years elapsed since an item of property was originally built...
A	Economic life
B	Physical life
C	Effective age
D	Age

38	If a machine is manufactured (built) in the year of 2011, than what is age of machine in 2018...
A	7 year
B	8 year
C	6 year
D	10 year
39	If a machine is manufactured (built) in the year of 2011, purchased in the year of 2013 and put in use in the year of 2015 than how much year of machine' should be considered as an age?
A	7 year
B	5 year
C	3 year
D	Depends on the purpose of valuation
40	If a machine is manufactured (built) in the year of 2011, purchased in the year of 2012 and put in use in the year of 2013 than how much year of machine' should be considered as an age, if purpose of valuation is for Income Tax?
A	7 year
B	5 year
C	3 year
D	6 year
41	Mr. A has purchased a second machine in the year of 2015. From the name plate of machine, valuer has come to know that machine was original built in the year of 2011. How much year of machine should be considered as an age? (assume that machine has not rebuilt or renovated)
A	7 year
B	5 year
C	3 year
D	6 year
42	The apparent age of machinery in comparison with a new asset of like kind is called... (the age indicated by the actual condition of a machine)
A	Economic life
B	Physical life
C	Effective age
D	Age
43	The estimated period of time, usually stated in number of years, that a new property will physically endure before it deteriorates or fatigues to an unusable condition purely from physical causes, without considering the possibility of earlier retirement due to functional or economic obsolescence is called...
A	Economic life
B	Physical life
C	Effective age
D	Age
44	An estimated period during which a property of a certain effective age is expected to physically endure before it deteriorates or fatigues to an unusable condition purely from physical causes, without considering the possibility of earlier retirement due to functional or economic obsolescence
A	Remaining physical life
B	Physical life
C	Effective age
D	Age
45	The estimated number of years that a new machine may be profitably used for the purpose for which it was planned is called...
A	Economic life
B	Physical life

C	Effective age
D	Age
46	The estimated period during which a machine of a certain age is expected to continue to be profitably used for the purpose for which it was planned is called...
A	Economic life
B	Remaining physical life
C	Physical life
D	Remaining Economic life
47	For estimation of economic life of machinery which factor should taken into consideration...
A	Usage
B	Maintenance record
C	Operation/Environmental condition
D	All of above
48	If machine get rebuilt and renovation than effective age compare to age will be _____ and economic life will be _____.
A	Reduce, enhance
B	Enhance, reduce
C	Reduce, reduce
D	Enhance, enhance
49	Relationship of economic life & physical life is...
A	Economic Life = Physical life
B	Economic Life > Physical life
C	Economic Life < Physical life
D	Cannot say
50	If upkeep and maintenance have been high, then the effective age may be _____ than the actual age.
A	More
B	Less
C	Equal
D	None of above
51	The initial capitalized cost of machine at the time it was first put into service or use is called...
A	Book cost
B	Acquisition cost
C	Historical cost
D	None of above
52	The total cost that a company recognizes on its books for machinery or equipment after adjusting for discounts, incentives, other necessary expenditures and taxes is called... <i>(Cost of an asset after deducting discounts, and adding normal incidental costs except taxes)</i>
A	Book cost
B	Acquisition cost
C	Historical cost
D	None of above
53	A cost which don't involve any cash payments but a provision is made in the books of accounts in order to include them in the profit and loss account and take tax advantages is called...
A	Book cost
B	Acquisition cost
C	Historical cost
D	None of above
54	Value calculated as the original cost of an asset minus any accumulated depreciation, accumulated depletion, accumulated amortization, and accumulated impairment is called...
A	Net Book Value

B	Book cost
C	Written Down Value
D	All of above
55	Value of an asset computed by deducting the accumulated depreciation or amortization from the value shown in the account books is called...
A	Written Down Value
B	Acquisition cost
C	Historical cost
D	None of above
56	The provision for depreciation and unpaid interest on owner's fund or capital is an example of..
A	Book cost
B	Acquisition cost
C	Historical cost
D	None of above
57	Which of these lists includes items that all form part of the cost of equipment?
A	Freight, rentals, maintenance
B	Freight, installation, maintenance
C	Purchase price, installation, depreciation
D	Purchase price, freight, installation
58	In books of account, after deducting accumulated depreciation from historical cost using straight line method of depreciated derived value is called....
A	Net Book Value
B	Book cost
C	Written Down Value
D	All of above
59	In books of account, after deducting accumulated depreciation from historical cost using declining method of depreciated derived value is called...
A	Net Book Value
B	Book cost
C	Written Down Value
D	All of above
60	Life of machinery is affected by which of following?
A	Poor maintenance
B	Wear & tear
C	Unskilled operator
D	All of above
61	Schedule preventive maintenance will be _____ the economic life of machinery.
A	Enhance
B	Reduce
C	Shrink
D	Not affect
62	Which of the following is an economic factor related to an asset's service life?
A	Depreciation
B	Obsolescence
C	Cost of repair
D	All of above
63	In books of account, depreciation begins with...
A	Asset purchase
B	Asset put in use
C	Asset sold out

D	Asset built
64	The book value of a plant asset is...
A	The fair market value of the asset at a balance sheet date
B	Equal to the balance of the related accumulated depreciation account
C	The asset's acquisition cost less the total related depreciation recorded to date
D	The assessed value of the asset for property tax purposes
65	Which of the following is not a major characteristic of a plant asset?
A	Possesses physical substance
B	Acquired for resale
C	Acquired for use
D	Yields services over a number of years
66	Which of the following building structure will not treated as plant?
A	Chimney of boiler
B	Road
C	Fire brick in boiler
D	RCC tank for storage of raw material
67	Which of the following building structure will be treated as plant?
A	A building with insulated walls used as a freezing chamber in cold storage
B	Thermocol insulation in a cold storage
C	Coke oven
D	All of above

Machinery

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