

## 311 PU M.Com Accounting & Taxation

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182 PU\_2016\_311\_E

Inflation means:-

- Purchasing power increases in income
- Borrowing capacity increases
- Increases in the value of goods and services
- Decreases in the value of an asset

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210 PU\_2016\_311\_E

The primary objective of audit is to:-

- Verify and report on the state of affairs of the business
- Verify and value assets as per company's account
- Verify liabilities and report to registrar of companies
- Appoint auditors

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Power(s) which can be exercised only at board meeting are:-

- The power to make calls
- The power to borrow money otherwise than on debentures
- The power to issue debentures
- All the above

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204 PU\_2016\_311\_E

Stock turnover is a:-

- Liquidity ratio
- Activity ratio
- Solvency ratio
- Profitability ratio

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143 PU\_2016\_311\_E

Shares can be forfeited only:-

- For non-payment of call money
- For non-payment of call money and special powers in Articles Adhere to with legal procedure
- For illness of shareholder

- For unsoundness or on the death of share holders

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185 PU\_2016\_311\_E

Which of the following a relative measure of dispersion:-

- Standard deviation
- Mean
- Variance
- Co-efficient of variation

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Human resource management helps improve:-

- Productivity
- Production
- Power
- Profits

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A normal distribution completely define by the:-

- Mean and mean deviation
- Mean and standard deviation
- Mean range
- Mean and quartile deviation

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As individual legal entities, corporations assume liability for their own debts, so the shareholders hold:-

- shared liability
- only limited liability
- unlimited liability
- joint liability

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Which of the following books would be used to record an adjusting entry in depreciation?

- Sales book
- Cash book
- Journal

- Purchases book

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202 PU\_2016\_311\_E

Preparation of cash flow statement is:-

- Recommendatory
- Required under the income tax act
- Required under the company act
- Mandatory

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108 PU\_2016\_311\_E

VAT is:-

- Multi point tax
- Single point tax
- Service tax
- Revenue neutral tax

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184 PU\_2016\_311\_E

The functional relationship between price and quantity demand is known as:-

- Consumer demand
- Elasticity of demand
- Law of demand
- Shift in demand

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106 PU\_2016\_311\_E

In India Life insurance business was nationalized in the year:-

- 1980
- 1972
- 1955
- 1956

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161 PU\_2016\_311\_E

Which of the following errors are not disclosed by Trial Balance?

- Errors of Principle
- Compensatory Errors
- Errors of Omission

- All the three

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107 PU\_2016\_311\_E

FEMA was brought in to force with effect from:-

- 1.06.2000  
 1.06.1999  
 1.06.2001  
 1.06.1998

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124 PU\_2016\_311\_E

'Holding gains in relation to stocks should not be used for payment of dividend' which one of the following accounting principles is involved in this?

- Cost  
 Materiality  
 Consistency  
 Realisation

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189 PU\_2016\_311\_E

A business may be split into various division and located in various places are known as:-

- Branches  
 Department  
 Segment  
 None of the above

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This type of business organization is relatively easy to start, and they're subject to much lighter regulatory and paperwork burden than other business forms.

- Corporation  
 Hybrid organizations  
 Sole proprietorship  
 Partnership

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Student "t" test is applied:-

- When sample size is more than 100  
 When sample size is more than 50

- When sample size is more than 30
- When sample size is less than 30

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According to McClelland's Needs Theory, which of the following is not a motivating need?

- Need for Power
- Need for Security
- Need for Achievement
- Need for Affiliation

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128 PU\_2016\_311\_E

Providing regular market to the members is the objective of which cooperative society?

- Middlemen Cooperative
- Consumer's Cooperative
- Producer's Cooperative
- Cooperative Marketing

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142 PU\_2016\_311\_E

Transmission of shares do not include:-

- Transfer to legal heirs on death or insolvency
- Voluntary and deliberate act of the transferor
- Result of operation of law
- Transmission on voluntary liquidation

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130 PU\_2016\_311\_E

What is the primary capital of cooperatives?

- Savings
- Donations
- Member's share capital
- Deposits

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164 PU\_2016\_311\_E

When a company distributes its products through a channel structure that includes one or more resellers, this is known as \_\_\_\_\_.

- multi-level marketing

- integrated marketing
- direct marketing
- indirect marketing

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Deployment of which resource is difficult to master:-

- Capital
- Land
- Natural
- Human

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201 PU\_2016\_311\_E

The term fund as used in fund flow statement means:-

- Current assets
- Cash
- Current assets - current liabilities
- Current liabilities

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100 PU\_2016\_311\_E

Consumer protection act was passed in the year:-

- 1986
- 1987
- 1988
- 1985

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123 PU\_2016\_311\_E

Which one of the following branches of accounting primarily deals with processing and presenting of accounting data for internal use?

- Tax accounting
- Financial accounting
- Management accounting
- Inflation accounting

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105 PU\_2016\_311\_E

In a contract of insurance where loss is to be made good by the insurance company is:-

- Insurer
- Beneficiary
- Assured
- Indemnifier

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145 PU\_2016\_311\_E

Which of the following is the firm's highest-level financial manager?

- Chief executive officer
- Corporate governance
- Chief financial officer
- Board of directors

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101 PU\_2016\_311\_E

Which one of the taxes is not an indirect tax?

- Central excise
- Service tax
- Wealth tax
- Customs duty

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206 PU\_2016\_311\_E

Writing off the expired cost of intangible assets is called:-

- Capitalization
- Depletion
- Depreciation
- Amortization

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162 PU\_2016\_311\_E

Which one is not an international organization?

- ASEAN
- ASEM
- SAARC
- CBDT

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122 PU\_2016\_311\_E

Money measurement concept of Accounting Theory is based on the assumption that the value of money will:-

- Decrease
- Remain constant
- Fluctuate
- Go up

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The relative position of an organization's pay incentives compared to other companies in the same industry is known as:-

- Pay structure
- Pay level
- Pay appraisal
- Pay feedback

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208 PU\_2016\_311\_E

Sensex is based on:-

- 30 shares
- 50 shares
- 60 shares
- 40 shares

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104 PU\_2016\_311\_E

The nature of contract of personal accident is:-

- Wagering contract
- Contingent contract
- Contract of indemnity
- Contract of guarantee

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103 PU\_2016\_311\_E

Term IPR means:-

- Investment property right
- Intelligent property right
- Information property right
- Intellectual property right



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187 PU\_2016\_311\_E

The data classified on the basis of time is called:-

- a) Geographical classification
- b) Chronological classification
- c) Both (a) & (b)
- d) None of the above

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Owner's equity stands for:-

- Fixed assets minus fixed liabilities
- Total assets minus total liabilities
- Current assets minus fixed liabilities
- Fixed assets minus current liabilities

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209 PU\_2016\_311\_E

Audit of joint stock companies is conducted in order to:-

- Increase the profit
- Increase the goodwill
- Satisfy the shareholders
- Meet the statutory requirements

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207 PU\_2016\_311\_E

Which of the following is a spontaneous source of financing working capital?

- Trade credit
- Cash credit
- Overdraft
- Letter of credit

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110 PU\_2016\_311\_E

A special resolution is one which is passed by:-

- 75% majority
- 50% majority
- 95 % majority
- 65% majority

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125 PU\_2016\_311\_E

X started business with a capital of Rs. 20,000 and purchases goods worth Rs.2,000 on credit. These transactions may be expressed in the form of an accounting equation such as:-

- Rs.22,000 = Rs.20,000 + 2,000
- Rs.22,000 = 0 + Rs.22,000
- Rs.22,000 = Rs.22,000 + 0
- Rs.20,000 = Rs.22,000 2000

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109 PU\_2016\_311\_E

No. of parties in a bill of exchange are:-

- Three
- Five
- Four
- Two

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181 PU\_2016\_311\_E

Quasi contract:-

- Deemed to be contract
- No contract
- Voidable contract
- Valid contract

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168 PU\_2016\_311\_E

Analyzing processes of change in the business environment involves conceptualizing it as:-

- Complex
- Diverse
- Dynamic
- Static

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183 PU\_2016\_311\_E

The inflation free instrument is:-

- deep discount bond
- Option bond
- Index linked gilt bond
- Leasing

**50 of 100**

148 PU\_2016\_311\_E

The term 'funds' as used in 'funds flow statement' means:-

- Current assets
- Current asset minus current liabilities
- Current liabilities
- Cash

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141 PU\_2016\_311\_E

According to sec.13(a) of Negotiable Instrument Act 1881 Negotiable instrument does not include:-

- Bill of lading
- Promissory note
- Bill of exchange
- A cheque

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129 PU\_2016\_311\_E

Who usually creates the Producers cooperative societies?

- Consumers
- Farmers
- Producers
- Middlemen

**53 of 100**

203 PU\_2016\_311\_E

The interval between two annual general meeting should not be more than:-

- 15
- 19
- 12
- 20

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169 PU\_2016\_311\_E

Which of the following is an example of foreign exchange?

- Exchange of claims denominated in another currency
- Exchange of cash issued by a foreign central bank
- Exchange of bank deposits
- All of the above

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127 PU\_2016\_311\_E

The term depletion is used in relation to:-

- Wasting assets
- Current assets
- Intangible assets
- Fixed assets

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Break even analysis refers to ascertainment of level of operation where total revenue is equal to:-

- Marginal cost
- Total cost
- Variable cost
- Fixed cost

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205 PU\_2016\_311\_E

Which of the following is a accounting equation?

- Capital = asset + liability
- Capital = assets - liability
- Assets = liabilities - capital
- Liabilities = assets + capital

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102 PU\_2016\_311\_E

Which one of the taxes is not levied by central government?

- Central excise
- Land revenue
- Income tax
- Customs duties

**59 of 100**

150 PU\_2016\_311\_E

"Interest earned but not received" should be classified as:-

- Prepaid expense
- Unearned revenue
- Accrued liability
- Accrued asset

**60 of 100**

126 PU\_2016\_311\_E

Which one among the following shall result in 'capital loss' to a firm?

- loss due to delivery by port authorities
- confiscation of goods by custom authorities on account of false declaration
- Pilferage of certain items
- loss of goods in transit

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245 PU\_2016\_311\_A

FRANCO price cover:-

- Only charges for placing the goods near the ship
- All charges necessary for sending the goods to the buyers place of business
- Only cost of loading the goods on board the ship
- Only cost freight and insurance

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224 PU\_2016\_311\_A

What does the term 'third sector' refer to?

- The service sector
- The high technology industries
- The voluntary sector
- Small and Medium Sized Enterprises (SMEs)

**63 of 100**

230 PU\_2016\_311\_A

Operating lease is favored by the lessee; in respect of assets which depreciate in value on account of:-

- Wear and tear
- Obsolescence
- Exhaustion
- Efflux of time

**64 of 100**

220 PU\_2016\_311\_A

The trade theory of comparative advantage was developed by:-

- Adam Smith
- David Ricardo
- Alfred Marshall
- Haberler

**65 of 100**

241 PU\_2016\_311\_A

The costing method in which fixed factory overheads are added to inventory is:-

- incremental costing
- absorption costing
- marginal costing
- direct costing

**66 of 100**

248 PU\_2016\_311\_A

The typical method of retail operation used by supermarkets and catalog showrooms is called:-

- full-service retailing
- service-merchandiser
- self-service retailing
- limited-service retailing

**67 of 100**

244 PU\_2016\_311\_A

A cartel is a combination of firms:-

- Whose combined assets are worth more than 90% of the total assets of the industry
- Whose combined profit are enormous
- Which are functioning in a particular industry
- Which control the major chunk of the market

**68 of 100**

228 PU\_2016\_311\_A

Bread and milk are which kind of products?

- Shopping products
- Unsought products
- Specialty Products
- Convenience products

**69 of 100**

229 PU\_2016\_311\_A

Which of the following is categorized as an indirect payment portion of employee compensation?

- Salaries
- Commissions
- Employer-paid insurance
- Wages

**70 of 100**

227 PU\_2016\_311\_A

Which one refers to cash inflow under payback period method?

- Cash flow before depreciation and taxes
- Cash flow after depreciation but before taxes
- Cash flow after depreciation and taxes
- Cash flow before depreciation and after taxes

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226 PU\_2016\_311\_A

Combined leverage is calculated as:-

- Operating Leverage - Financial Leverage
- Operating Leverage x Financial Leverage
- Operating Leverage / Financial Leverage
- Operating Leverage + Financial Leverage

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249 PU\_2016\_311\_A

Marketing is both an "art" and a "science" there is constant tension between the formulated side of marketing and the \_\_\_\_\_ side.

- creative
- behavior
- selling
- management

**73 of 100**

223 PU\_2016\_311\_A

Which of the following is not an element of financial management?

- Financial planning
- Financial decision making
- Allocation of resources
- Financial control

**74 of 100**

242 PU\_2016\_311\_A

Which of the following is not included under optimum capital structure?

- minimum cost of capital
- minimum profit
- minimum risk

- maximum control

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246 PU\_2016\_311\_A

Coordination is:-

- the essence of management
- function of management
- an objective of management
- none of the above

### 76 of 100

225 PU\_2016\_311\_A

Which of the following is not an element of delegation?

- Authority
- Accountability
- Responsibility
- Informal organization

### 77 of 100

247 PU\_2016\_311\_A

In North, it takes 50 labor hours to produce cloth and 100 hours to produce grain. In South, it takes 200 labor hours to produce cloth and 200 hours to produce grain. Which of the following statements is true?

- North should produce grain
- North has a comparative advantage in the production of cloth
- South has an absolute advantage in the production of grain
- South has an absolute advantage in the production of both cloth and grain

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221 PU\_2016\_311\_A

These individuals examine the firm's accounting systems and comment on whether financial statements fairly represent the firm's financial position.

- Chief financial officers
- Board of directors
- Auditors
- Accounting departments

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243 PU\_2016\_311\_A

The portion of the share capital which cannot be called up except on the winding up is known as:-

- called up capital
- authorized capital



- reserve capital
- paid up capital

**80 of 100**

222 PU\_2016\_311\_A

P/V ratio is 30%, selling price per unit is Rs. 25, the marginal cost is:-

- Rs. 16
- Rs. 17.5
- Rs. 20
- Rs. 15

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266 PU\_2016\_311\_D

The practice generally known as double taxation is due to:-

- a. Shareholders' dividends being taxed at both the federal and state levels
- b. corporate income being taxed at both the federal and state levels
- c. both (a) and (b) above
- d. corporate incomes being taxed at the corporate level, then again at the shareholder level when corporate profits are paid out as dividends

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262 PU\_2016\_311\_D

In the long run, a firm in monopolistic competition:-

- May earn normal profits, super normal profits or incur losses
- Incurs losses
- Always earns super profits
- Earns normal profits only

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261 PU\_2016\_311\_D

The law of variable proportions comes into being when \_\_\_\_\_.

- All factors are variable
- Variable factors yield less
- There are only two variable factors
- There is a fixed factor and a variable factor

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260 PU\_2016\_311\_D

Key characteristics of market portfolio is that:-

- does not include any efficient etc

- has lowest risk of any efficient portfolio
- has highest return of any efficient portfolio
- has highest return per unit risk of any efficient portfolio

**85 of 100**

284 PU\_2016\_311\_D

The rate at which RBI is lending money to banking companies is known as:-

- Repo rate
- Reverse repo rate
- Bank rate
- Prime lending rate

**86 of 100**

285 PU\_2016\_311\_D

Which one of the following is not a money market security?

- Commercial paper
- Treasury bills
- Certificate of deposit
- National saving certificate

**87 of 100**

289 PU\_2016\_311\_D

North west corner rule applied for:-

- The linear programming
- Transportation problem
- Assignment problem
- Game theory

**88 of 100**

270 PU\_2016\_311\_D

Accounting for Intangible Assets are related to:-

- AS - 12
- AS - 24
- AS - 10
- AS - 26

**89 of 100**

269 PU\_2016\_311\_D

A company that functions to unite sellers and buyers of foreign currency-denominated bank deposits is called:-

- a broker
- a bank
- an investor
- a wholesaler

**90 of 100**

281 PU\_2016\_311\_D

Which of the following companies do not have the obligation to get its Articles of Association registered along with the Memorandum of Association?

- Public Company limited by shares
- Companies limited by guarantee
- Unlimited companies
- Private companies limited by shares

**91 of 100**

265 PU\_2016\_311\_D

Sec 233B of companies Act 1956 provides that an auditor who is going to conduct cost Audit must:-

- Person with special knowledge of costing irrespective of any formal qualification
- Cost Accountant
- Chartered accountant
- Cost or chartered accountant

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283 PU\_2016\_311\_D

The lower of CRR is aimed at:-

- Increasing the value of rupee in foreign exchange market
- Decreasing the lending capacity of the commercial bank
- Reducing the supply of money
- Increasing the supply of credit of commercial banks

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264 PU\_2016\_311\_D

Hundi payable on demand within a reasonable time after its receipt by holder is called:-

- DarshiniHundi
- Shahjoghundi
- Mudattihundi
- Jawabihundi

**94 of 100**

267 PU\_2016\_311\_D

A legal duty between two parties where one party must act in the interest of the other party.

- fiduciary
- investment banker
- agency theory
- angel investor

**95 of 100**

287 PU\_2016\_311\_D

Correlation is said to be linear when:-

- Change in one variable does not affect the other
- Change in one variable tend to be constant ratio of change in other
- Increase in one variable result a decrease in other
- Decrease in one variable result an increase in other

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288 PU\_2016\_311\_D

Network model have advantage interms of project:-

- a) Planning
- b) Scheduling
- c) Controlling
- d) (a) & (b)

**97 of 100**

263 PU\_2016\_311\_D

Arbitration excludes:-

- Formal documentation required rather than mere Writing
- Its quasi judicial process
- Related reference is in Arbitration Act 1940
- Less costly and prompt decisions

**98 of 100**

268 PU\_2016\_311\_D

An outsourcer:-

- provides recycling capabilities to the organization
- is always located in a foreign country
- generates its revenue by producing for another company
- only produces standardized parts

**99 of 100**

286 PU\_2016\_311\_D

Time an activity would take very unfavorable conditions is represented by the:-

- Pessimistic time
- Most likely time
- Deterministic time
- Optimistic time

**100 of 100**

290 PU\_2016\_311\_D

Sum payable based on output to the owner for use of right vested to him:-

- Interest
- Rent
- Profit
- Royalties