

CBRT - 2019 Question Paper Grid

26 May 2019

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Commercial Tax Officer

Itemcode : CT1061

Q1: Which of the following statements is/are true regarding inventory turnover ratio?

I. If the inventory turnover ratio has decreased from past, it means that either inventory is decreasing or cost of goods sold is increasing.

II. If a firm has an inventory turnover that is slower than for its industry, then the inventory stocks may be low. III. Low inventory turnover has impact on the liquidity of the business.

(a) Only (I) above

(b) Only (II) above

(c) Only (III) above

(d) Both (I) and (III) above

Key: C

Itemcode : CT1062

Q2: The Current Ratio of a company is 2:1. Which of the following transactions would improve the ratio?

(a) Purchase of a fixed asset on credit

(b) Cash received from debtors

(c) Sale of office furniture for cash

(d) Purchase of stock-in-trade for cash

Key: C

Itemcode : CT1063

Q3: The current sales price of product of T Ltd. is Rs.180 per unit. Variable costs are expected to increase from Rs.140 to Rs.150 per unit. Fixed costs of Rs.6,00,000 will not change. Which of the following is the number of additional sales units required in order to maintain the existing operating income of Rs.7,20,000?

(a) 10,000 units

(b) 8,800 units

(c) 8,000 units

(d) 11,000 units

Key: **D**

Itemcode : CT1064

- **Q4**: According to which of the following Accounting Concepts Consolidated Financial Statements are prepared when a parent-subsidiary relationship exists?
- (a) Going concern
- (b) Business entity
- (c) Materiality
- (d) Cost

Key: B

Itemcode : CT1065

Q5: Which of the following inventory valuation methods shows higher profits during the period of rising prices?

- (a) First-In-First-Out Method
- (b) Last-In-First-Out Method
- (c) Weighted Average Cost Method
- (d) Simple Average Cost Method

Key: A

Itemcode : CT1066

- **Q6 :** The current market price per share of ABC Co. Ltd. Is Rs.80. The last dividend declared is Rs.6 per share and the expected growth rate in dividend is 8% per annum. If the cost of issuing external equity as a percentage of the existing market price is 4%, which of the following is the cost of external equity to the company, according to the dividend capitalization model, is approximately?
- (a) 13.4%
- (b) 14.4%

(c) 15.4%(d) 16.4%

(u) 10. Key: **D**

Itemcode : CT1067

- (a) Average consumption x Lead time to get urgent supplies
- (b) Normal consumption x Lead time to get urgent supplies
- (c) Maximum consumption x Lead time to get urgent supplies

(d) Minimum consumption x Lead time to get urgent supplies

Key: D

Itemcode : CT1068

- **Q8**: An employee of a public limited company received Rs.3,00,000 as encashment of leave salary at the time of retirement. He has 18 months' leave to his credit at the time of retirement and his average salary for last 10 months is Rs.24,000. Which of the following is taxable amount of leave encashment if the previous year is 2018-19?
- (a) Rs.2,40,000

(b) Rs.3,00,000

(c) Rs.60,000
(d) Rs.80,000

Key: A

Itemcode : CT1069

- **Q9 :** Goods worth Rs. 24,000 were returned by X. The accountant however credited the sales returns account by Rs. 42,000. In order to rectify this error, what should be done?
- (a) Debit the sale return by Rs.42,000
- (b) Credit the sales return account by Rs. 24,000
- (c) Debit the sales return account by Rs. 66,000
- (d) Debit the sales return account by Rs. 18,000

Key: C

Itemcode : CT1070

Q10 Total current assets of a company are Rs.960 lakh while the current liabilities (other than bank borrowings) are Rs.300
 lakh. If the company borrowed Rs.350 lakh, what will be the amounts of Maximum Permissible Bank Finance (MPBF) under the methods I of the Tandon Committee recommendations?

(a) Rs.495 lakhs

- (b) Rs.505 lakhs
- (c) Rs.500 lakhs
- (d) Rs.510 lakhs

Key: A

Itemcode : CT1071

- Q11 The sales turnover of Saili Subhash Company is Rs.120 lakh while the amount of credit sales is 80 percent of total
 sales. If the amount of receivables increases from Rs.8.50 lakh to Rs.11.50 lakh during the year, what is its average collection period from its debtors?
- (a) 22.5 days
- (b) 27.5 days
- (c) 32.5 days
- (d) 37.5 days

Key: D

Itemcode : CT1072

- **Q12** The break-even point is where
- •
- (a) Total Sales Equals Total Variable Costs
- (b) Contribution Margin Equals Total Fixed Costs
- (c) Total Variable Costs Equal Total Fixed Costs
- (d) Total Sales Equals Total Fixed Costs

Key: **B**

Itemcode : CT1073

Q13 Which of the following is not shown by a funds flow statement on cash basis?

- (a) The Sources Of Cash
- (b) The Uses Of Cash
- (c) Decrease in Cash
- (d) The Net Change in Working Capital

Key: D

<u>Itemcode</u> : CT1074

Q14 An accounting equation is the expression of equality between:

- :
- (a) Assets and liabilities
- (b) Assets and owner's equity
- (c) Assets and liabilities plus owner's equity(d) None of the above
- Key: **C**

Itemcode : CT1075

- **Q15** Margin of safety is the difference between :
- (a) Planned sales and planned profit

- (b) Actual sales and Break even sales
- (c) Planned sales and actual sales

(d) None of the above

Key: **B**

Itemcode : CT1076

- Q16 There are several capital budgeting decision models that do not use discounted cash flows. What is the name of the simple technique that calculates the total time it will take to recover, using cash inflows from operations, the amount of cash invested in a project?
- (a) Recovery period
- (b) Payback model
- (c) External rate of return
- (d) Accounting rate of return

Key: **B**

Itemcode : CT1077

Q17 Input tax credit on capital goods and Inputs can be availed in one installment or in multiple installments?

(a) In thirty-six instalments

- (b) In twelve instalments
- (c) In one instalment
- (d) In six instalments

Key: C

Itemcode : CT1078

Q18 Composition levy is applicable to the taxable persons whose aggregate turnover-

:

- (a) Did not exceed 50 lakh in the current year
- (b) Did not exceed 50 lakh in the preceding year
- (c) Did not exceed 60 lakh in the current year
- (d) Did not exceed 60 lakh in the preceding year

Key: B

Itemcode : CT1079

Q19 Loss prior top incorporation is to be shown in the assets side of the balance sheet under the heading------.

(a) Fixed Assets

- (b) Loans And Advances
- (c) Current Assets
- (d) Miscellaneous Expenses

Key: D

Itemcode : CT1080

 $\label{eq:Q20} \textbf{ The most suitable cost system where the products differ in type or materials and work performed is$

- :
- (a) Process costing(b) Job costing
- (c) Operating costing
- (d) None of these

Key: **B**

Itemcode : CT1081

Q21 What is Double Entry System?

:

- (a) Recording both the aspects of the transaction
- (b) Recording one aspects
- (c) Recording three aspects
- (d) Recording nothing.

Key: A

Itemcode : CT1082

Q22 Profit is equal to :

- (a) Sales minus Expenses
- (b) Sales minus Price
- (c) Sales minus Cost of Goods sold
- (d) None of the above.

Key: C

Itemcode : CT1083

- Q23 Income Tax is levied on
- :
- (a) Income from Salaries only
- (b) Business People only
- (c) All incomes received

(d) Losses Incurred. Key: **C**

Itemcode : CT1084

Q24 Working Capital is related to :

- (a) Liquidity(b) Policy
- (c) Direction

(d) None of the above. Key: **A**

Itemcode : CT1085

Q25 Sources of fund includes:(a) Equity Share Capital

(b) Debt
(c) Retained Earning
(d) All the above.
Key: **D**

Itemcode : CT1086

Q26 PAN number is issued by :

(a) RBI
(b) SEBI
(c) NSDL
(d) SBI
Key: C

<u>Itemcode</u> : CT1087

Q27 Which is Direct Tax? : (a) Excise

(b) VAT

(c) Sales Tax

(d) Income Tax.

Key: **D**

Itemcode : CT1088

Q28 Amount spent on an advertisement campaign, the benefit of which is likely to last for three years is a -----:

- (a) Capital Expenditure
- (b) Revenue Expenditure
- (c) Deferred revenue Expenditure
- (d) Contingent Expenditure.

Key: **C**

Itemcode : CT1089

Q29 What happens to a company, if a shareholder dies? :

(a) The company is dissolved

(b) The company is not dissolved

(c) The company operations will be suspended temporarily

(d) The company is dissolved subject to the court orders. Key: ${\ensuremath{\textbf{B}}}$

<u>Itemcode</u> : **CT1090**

Q30 Business Finance deals with _____

:

(a) The use and allocation of funds

(b) Financial controls

- (c) Acquisition of funds
- (d) All the above.

Key: D

$\underline{Itemcode}: \textbf{CT1091}$

Q31 Spot the error in the following sentence. The Alphabet of that Part (containing the error) is your answer. :

- (a) What to talk of charity
- (b) Rajan does not practise(c) even
- (d) ordinary humanity

Key: A

Q32 Spot the error in the following sentence. The Alphabet of that Part (containing the error) is your answer.

(a) No King in that period

(b) was so intensely involved

(c) in the welfare of his people

(d) as King Ashoka

Key: A

Itemcode : CT1093

Q33 Fill in the blank with the correct preposition.

I am not obsessed ____ such ideas as you are.

(a) in

- (b) on
- (c) for
- (d) with
- Kev: D

Itemcode : CT1094

Q34 Fill in the blank with the correct preposition. India is committed _____ a policy of peaceful existence. 2

(a) for

(b) with

(c) to

(d) of

Key: C

Itemcode : CT1095

Q35 Choose the correct Antonym from the following word given.

- ANTIPATHY 2
- (a) indifference
- (b) willingness
- (c) fondness
- (d) artificial

Key: C

Itemcode : CT1096

Q36 Choose the correct Antonym from the following word given.

MOROSE

(a) healthy

- (b) gloomy
- (c) haggard

(d) cheerful

Key: D

Passage:

Read the following passage and answer the following questions on the basis of information provided in the passage.

Our body is a wondrous mechanism and when subjected to unusual stress over a period of time, it adapts itself to deal more effectively with that stress. So when you exert your muscles against resistance, they are forced to adapt and deal with this extraordinary workload. This is the principle of weight training. Strands of muscle fibres become thicker and stronger in response to the demands placed on them.

One of the great merits of weight training is the strength of your heart. During weight training, your heart is forced to beat faster and stronger in order to pump sufficient blood to the muscles being worked. In time, your heart, like your body will adapt to this extra workload by becoming stronger and more efficient. Since your body needs a given amount of blood to perform its daily tasks your heart will now need fewer beats to pump the same quantity of blood. Sounds good? There's more. Your entire circulatory system is given a thorough workout every time you exercise, which increases its overall efficiency. Even the neural paths from your brain's command centres to each individual muscles become more effective, enabling easier recruitment of muscle fibres for carrying out physical tasks. In essence, your body becomes a well-oiled and finely-tuned piece of machinery, whirring along without any break-down. In today's stress filled world, you need all the help you can get.

Itemcode : CT1097

Q37 What is the principle training of weight lifting? 2

- (a) Adapting the body to muscle force
- (b) Adapting muscles to force implied on them
- (c) Disposing extra workload
- (d) Mechanised response to external conditions
- Key: B

Itemcode : CT1098

Q38 How does the heart become stronger owing to physical exercise?

- (a) Thorough acclimatisation
- (b) Naturalisation
- (c) Adapting to excessive workload (d) By accelerating the circulation of blood

Key: C

Itemcode : CT1099

Q39 What does the term 'well-oiled' in the passage do note?

- (a) Healthy
- (b) Efficient
- (c) Managed
- (d) None of these
- Key: A

Itemcode : CT1100

Q40 What affects the nature of muscle fibres?

- (a) Intensity of workload
- (b) Alimentary System
- (c) Nutrition

(d) Stress imposed on them

Key: D

Itemcode : CT1106

Q41 Let P, Q, S, R, T, U and V represent seven distinct digits from 0 to 6, not necessarily in that order. If PQ and RS are both two digit numbers adding up to the three digit number TUV, find the value of V.

(a) 3

(b) 6

(c) 5

(d) Cannot be determined

Key: C

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<u>Itemcode</u> : CT1107

- Q42 Each one of Mr. Ugle, his mother, his wife and his son is a different professional among lawyer, doctor, engineer and accountant. The accountant is not the son of the lawyer, who is a blood relative of the doctor. The engineer is the son of the accountant who is not a blood relative of the doctor. Who can never be the doctor?
- (a) Mr. Ugle
- (b) Mr. Ugle's wife
- (c) Mr. Ugle's son
- (d) Both a & c

Key: B

Itemcode : CT1108

- Q43 A and B start simultaneously from P and Q towards Q and P respectively. The speed of A and B are 25 kmph and 32
 kmph respectively. They meet at R and immediately return to their respective starting points after exchanging their speeds. If the distance between P and Q is 2000 km, then the difference in time taken by A and B to reach their starting position is
- (a) 15.5 hours
- (b) 20 hours
- (c) 16 hours
- (d) 17.5 hours Key: **D**

Key: D

Itemcode : CT1109

Q44 Find the number of two-digit numbers that are divisible by both 6 and 7

- (a) 4
- (b) 3
- (c) 2

(d) 1

Key: C

Itemcode : CT1110

Q45 The sentences given in the question, when properly sequenced, form a coherent paragraph. Each sentence is labelled with a letter. From among the four choices given below the question, choose the most logical order of sentences that constructs a coherent paragraph.

P. In their popular-philosophizing mode, physicists like to quote the poets Keats ("beauty is truth, truth beauty") or Blake on the subject of nature's "fearful symmetry".

Q. From Euclid and Pythagoras down to 20th century physicists, many who explore the underlying laws of natural world have been truth and beauty as inextricable intertwined.

R. Does science have a "beauty" problem?

S. "Beauty is a successful criterion of selecting the right theory," the Noble Prize-winning physicist Murray Gell-Mann said in a much quoted TED talk in 2007.

T. David Orrell, a mathematician and consultant argues that it does - or, at least, the some of its practitioners are enthrall to ideals involving "elegance", "symmetry", and "unity" that are beckoning them down false paths.

(a) SPQRT

(b) SQPRT

(c) RTQSP

(d) RSPQT

Key: C

Itemcode : CT1111

- Q46 There are two blanks in question. From the pairs of words given below sentence choose the pair that fills the blank : most appropriately.
 - A borrowed book is like a guest in the house; it must be treated with _____ ______, with a certain considerate
- (a) respect .. understanding
- (b) punctiliousness .. formality
- (c) propriety .. modesty
- (d) reverence .. decorum

Key: B

Itemcode : CT1112

- Q47 There are two blanks in question. From the pairs of words given below sentence choose the pair that fills the blank most appropriately. :
 - path since 2005, with substantial __ _ of The government health sector in India has been on a central government funds under the National Rural Health Mission (NRHM).
- (a) change .. mixture
- (b) modification .. combination
- (c) transformation .. blend
- (d) reform .. infusion

Key: D

Itemcode : CT1115

Q48 Clock is related to Time in the same ways as Vehicle is related to which of the following?

- :
- (a) Driver
- (b) Road
- (c) Journey (d) Fuel
- Key: C

Itemcode : CT1116

Q49 A student received an average score of N points on her first 3 tests. If her fourth test score exceeds the average score of previous 3 tests by 20 points, then what is the average score for the four tests? 5

- (a) N + 20
- (b) N + 10
- (c) N + 4
- (d) N + 5
- Key: **B**

Itemcode : CT1117

Q50 A thief running at 8 km/hr is chased by a policeman whose speed is 10 km/hr. If the thief is 100 m ahead of the policeman, then the time required for the policeman to catch the thief will be: 2

(a) 2 min

(b) 3 min

(c) 4 min

(d) 6 min

Key: B

Itemcode : CT1118

Q51 Which of the following situations below describes the best, as an example of 'Speculation'?

(a) Francine decides that it would be appropriate to wear jeans to her new office on Friday after reading about "Casual Fridays" in her employee handbook.

(b) Mary spends thirty minutes sitting in traffic and wishes that she took the train instead of driving.

(c) After consulting several guidebooks and her travel agent, Jennifer feels confident that the hotel she has chosen is firstrate.

(d) When Emily opens the door in tears, Theo guesses that she's had a death in her family.

Key: D

Itemcode : CT1119

Q52 Which situation below is the best example of 'Embellishing the Truth'?

(a) Isabel goes to the theater, and the next day, she tells her coworkers she thought the play was excellent.

(b) The realtor describes the house, which is eleven blocks away from the ocean, as prime waterfront property. (c) During the job interview, Fred, who has been teaching elementary school for ten years, describes himself as a very experienced teacher.

(d) The basketball coach says it is likely that only the most talented players will get a college scholarship.

Key: B

Itemcode : CT1120

Q53 Statements: Some businessmen are fools. Some fools are rich. :

- Conclusions:
 - I. Some businessmen are rich II. Some rich are businessmen.
 - Which of the following is correct?

(b) Only conclusion II follows

(c) Either I or II follows

(d) Neither I nor II follows

Key: D

Itemcode : CT1121

Q54 The price of a product is P. A shopkeeper raises its prices by X% and then offers a discount by Y% on the raised price.The discounted price again becomes P. if Y is the difference between X and Y, find Y.

- (a) 20
- (b) 25 (c) 50
- (d) 100

Key: C

Itemcode : CT1122

Q55 If instead of multiplying a number by 6 the number was divided by 6. What should be the percentage error?

(a) 100%
(b) 96.00%
(c) 94.00%
(d) 98.00%
Key: **B**

Itemcode : CT1123

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Q56 35% of 480 + 120% of 120 = ____ ?
:
(a) 312
(b) 222
(c) 322
(d) 212
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(d) 212

Key: A

Itemcode : CT1124

Q57 The film director wants an actress for the lead role of Lucy who perfectly fits the description that appears in the original screenplay. He is not willing to consider actresses who do not resemble the character as she is described in the screenplay, no matter how talented they are. The screenplay describes Lucy as an average-sized, forty something redhead, with deep brown eyes, very fair skin, and a brilliant smile. The casting agent has four actresses in mind.

Actress #1 is a stunning red-haired beauty who is 5'9" and in her mid-twenties. Her eyes are brown and she has an olive complexion.

Actress #2 has red hair, big brown eyes, and a fair complexion. She is in her mid-forties and is 5'5". Actress #3 is 5'4" and of medium build. She has red hair, brown eyes, and is in her early forties. Actress #4 is a blue-eyed redhead in her early thirties. She's of very slight build and stands at 5'.

Which two actresses should the casting agent send to meet the director?

(a) 1, 2

(b) 2,3

(c) 1,4

(d) 2, 4

Key: **B**

Itemcode : CT1125

Q58 Three of the following four are alike in a certain way and so form a group. Which is the one that does not belong to that group?

- (a) Orange
- (b) Pear
- (c) Radish
- (d) Mango

Key: **C**

Itemcode : CT1126

Q59 A mixture comprises of water and liquids A and B. The volume of water is 1/3rd of the total mixture and the volume of liquids A and B are in the ratio of 5 : 3. To remove the water, the mixture is passed through a porous medium which completes absorbs the water and partially absorbs liquid A. Altogether this porous medium absorbs 200 ml of the initial mixture. If the ratio of volume of liquids A and B in the residual concentrated mixture becomes 7 : 9, then find the volume of water absorbed by the porous medium.

(a) 60 ml

(b) 100 ml

(c) 80 ml

(d) 120 ml

Key: **D**

Passage:

Answer the questions on the basis of the information given below.

Mr De Souza, a car dealer, sold cars of only two brands, A and B, in the previous year. This year, he introduced a new brand, C. The number of cars of brand A and brand B sold in the previous year were in the ratio 3 : 2, and the ratio of the number of cars sold in the previous year to that sold in this year is 2 : 3 for brand A and 2 : 5 for brand B. Further, the number of cars of brand C sold this year forms 81% of the total number of cars sold this year.

Itemcode : CT1102

Q60 Find the number of cars of brand C sold this year, given that a total of 24 cars of brand A were sold in the previous year.

(a) 243 (b) 324 (c) 648 (d) 162

Key: **B**

Itemcode : CT1103

Q61 What is the percentage increase in the total number of cars sold this year when compared to the total number of cars sold in the previous year?

(a) 1000% (b) 600%

(c) 900%

(d) 400% Key: **C**

<u>Passage:</u>

Answer the questions on the basis of the information given below.

A sports club shortlisted five persons - Andrew, Bradman, John, Whitefield and Chang. Each of them is from a different country among Australia, India, Japan, Pakistan and Canada, not necessarily in that order. At present, each of them is coaching the team of a different country among Australia, Bangladesh, China, Wales and Bermuda, not necessarily in that order. The following details were also observed about their particulars:

(i) For any person, each of his three particulars - his name, the name of the country from which he is and the name of the country that he is coaching at present, starts with a different letter.

(ii) Whitefield is coaching Australia and John is from neither Australia nor Pakistan.

(iii) Bradman is not coaching China and the person who is coaching Bermuda is from Canada.

(iv) Anshuman is neither from Canada nor from Pakistan and also the person from Pakistan is coaching Bangladesh.

Itemcode : CT1104

Q62 Whitefield is from which country?

:

(a) India

(b) Japan

(c) Canada

(d) Cannot be determined

Key: D

Itemcode : CT1105

Q63 Who is the person from Australia? :

(a) Bradman

(b) John

(c) Whitefield

(d) Cannot be determined

Key: A

Passage:

Answer the question on the basis of information given below:

In a locality there are five buildings - A, B, C, D and E. All of them are of different heights. The tallest building has five floors, the next tallest has four floors, and so on, till the shortest has only one floor. Further it is known that:

(i) The sum of the number of floors of A and E is equal to the sum of the number of floors of C and D.

(ii) C is not the tallest building and A is not the shortest building

(iii) C is taller than A and D is taller than B

Itemcode : CT1113

Q64 Which building is the shortest?
:
(a) B
(b) A
(c) C
(d) Either B or A
Key: A

<u>Itemcode</u> : **CT1114 Q65** Building C has _____ floors. : (a) 2 (b) 3

(c) 4

(d) 5

Key: **B**

<u>Itemcode</u> : CT1127

Q66 Real Madrid won the 2018 UEFA Champions League. Who was the runner-up?

-

(a) Juventus(b) Atletico Madrid

(c) Liverpool

(d) Manchester United

Key: **C**

Itemcode : CT1128

Q67 In which year, Mamata Banerjee led Trinamool Congress came to power for the first time in West Bengal?

: (a) 2009 (b) 2010 (c) 2011 (d) 2015

Key: C

Itemcode : CT1129

Q68 As per Swachh Sarvekshan 2017, ______ was declared the cleanest City in India.

:

(a) Indore(b) Bhopal(c) Surat

(d) Mysore

Key: A

Itemcode : CT1130

Q69 Who was the last Mughal Emperor in India?

(a) Shah Alam II
(b) Muhammad Shah Bahadur
(c) Akbar Shah II
(d) Bahadur Shah II

Key: D

Itemcode : CT1131

Q70 Who among the following founded Google?

:

(a) Jack Dorsey(b) Jan Koum

(c) Larry Page

(d) Jeff Bezos

Key: **C**

Itemcode : CT1132

Q71 Mangalyan, the Mars Orbiting Mission by India was launched in _____ year. :

(a) 2013
(b) 2014
(c) 2015
(d) 2016

Key: **B**

Itemcode : CT1133

Q72 Gomant Vibhushan Award is the highest civilian honor by the Government of Goa. The last time this was given in 2016.Who received the award?

(a) Laxman Pai

(b) Lambert Mascarenhas

(c) RA Mashelkar

(d) Charles Correa

Key: A

Itemcode : CT1134

Q73 Who has become the World's First Female Cricketer to take 200 wickets in One Day Internationals? :

(a) Jhulan Goswami

(b) Veda Krishnamu rthy

(c) Smriti Mandhana

(d) Neetu David Key: **A**

Itemcode : CT1135 Q74 The famous 'Hornbill Festival' is held in which of the following states? :

(a) West Bengal
(b) Assam
(c) Nagaland
(d) Kerala
Key: **C**

Itemcode : CT1136 Q75 Who among the following is a founder of Wikipedia :

- (a) Ward Cunningham (d) Ward Comming
 (b) Larry Sanger
 (c) Rick Gates
 (d) Bill Gates
 Key: **B**

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