

9. State whether the following statements are true or false:
- I. Economic phenomenon, such as rate of unemployment and inflation are studied in micro-economics.
 - II. Fiscal policy deals with manipulation of levels of Government spending and Taxation.
- A) I and II are true B) I and II are false
 C) I is true and II is false D) I is false and II is true
10. FEMA was passed in the year:
- A) 1991 B) 1999 C) 2000 D) 2001
11. Withdrawal of State from an industry partially or fully is known as:
- A) Modernisation B) Liberalisation
 C) Globalisation D) Privatisation
12. Scanning the external environment of a business enables it to identify:
- A) Opportunities and Threats B) Opportunities and Strength
 C) Strength and Weaknesses D) Threats and Strength
13. The apex body of economic planning in India is:
- A) Ministry of Planning
 B) NITI Aayog
 C) Ministry of Economic Affairs
 D) Planning Commission
14. The Brettonwood twins comprises of World Bank and:
- A) ADB B) ABN-AMRO
 C) IMF D) Federal Reserve
15. ----- is defined as systematic assessment of the social impact of the activities of a business firm.
- A) Social audit B) Social responsibility
 C) Social interaction D) Social benefit
16. FDI stands for:
- A) Foreign Domestic Investment
 B) Foreign Direct Import
 C) Foreign Duty Inflows
 D) Foreign Direct Investment
17. Which Act was replaced with the introduction of Competition Act of 2002?
- A) FERA B) MRTP
 C) POTA D) SEBI
18. The environment created by application of knowledge which redefine the boundaries of global business is known as:
- A) Social environment B) Technological environment
 C) Cultural environment D) Economic environment

19. The analysis and designing of application systems can be efficiently handled by:
 A) Data entry operators B) Computer programmers
 C) System analysts D) Computer operators
20. What type of commerce occurs when a firm sells its products over internet to other firms?
 A) B2B B) B2C
 C) C2B D) Enterprise commerce
21. The term encryption is associated with:
 A) E Commerce B) Data entry
 C) Communication of data D) Data processing
22. Which one of the following is not a feature of critical information?
 A) Correctness B) Economy
 C) Timeliness D) Completeness
23. A system is called ----- when the inputs, process and the outputs are known with certainty.
 A) Probabilistic B) Deterministic C) Open D) Close
24. Accounting system is an example of:
 A) Probabilistic system B) Open system
 C) Deterministic system D) Closed system
25. Transfer of a negotiable instrument can be effected by:
 A) Endorsement B) Delivery of possession
 C) Endorsement and delivery D) Noting by notary public
26. The rate at which RBI discounts the bills of commercial banks is known as:
 A) PLR B) Bank rate
 C) Discount rate D) Reverse repo rate
27. Credit cards are also known as:
 A) Plastic money B) Soft money
 C) Hard money D) Electronic money
28. Capital goods market deals with:
 A) Non-durable goods B) Durable goods
 C) Consumer goods D) Necessities
29. Under which of the following stages of product life cycle sales growth tends to slow down?
 A) Declining stage B) Growth stage
 C) Maturity stage D) Introduction stage
30. Which one of the following is not a factor while deciding demographic market segments?
 A) Age B) Sex
 C) Family size D) Climatic conditions

42. Decentralisation of higher order results in:
- A) Small organization
 - B) Multiple decision levels
 - C) Vertical organization structures
 - D) Delay in decision making
43. Which one of the following is the last link in the communication process in an organization?
- A) Decoding
 - B) Encoding
 - C) Selection of channel
 - D) Feed back
44. According to Herzberg's two factor theory, which one of the following is treated as a hygiene factor?
- A) Recognition
 - B) Promotion
 - C) Interpersonal relations
 - D) Achievement
45. Pick from the following, one which is not an advantage of MBO:
- A) Flexibility
 - B) Clarity in tasks
 - C) Facilitating smooth change
 - D) Clarity in individual roles
46. The process of adding higher responsibility with an existing job position to make the job more challenging or demanding is:
- A) Job design
 - B) Job enlargement
 - C) Job enrichment
 - D) Job specification
47. Which one of the following is not an example of downward communication?
- A) Promotion orders
 - B) Transfer policy
 - C) Performance appraisal report
 - D) Break down summary
48. Which one of the following selection method is most suitable to assess the temperament possessed by a candidate?
- A) Intelligence test
 - B) Psychological test
 - C) Skill test
 - D) Knowledge test
49. An interpersonal conflict resolution approach guided by lower level assertiveness with higher order cooperativeness is:
- A) Forcing
 - B) Accommodating
 - C) Avoiding
 - D) Manipulating
50. The process involved in monitoring the subordinate level performance, comparing with set targets and suggesting rectification is popularly known as:
- A) Organising
 - B) Directing
 - C) Controlling
 - D) Co-ordinating
51. Zero Base Budget prepared every year falls under:
- A) Standing plan
 - B) Single use plan
 - C) Flexible plan
 - D) Contingency plan

52. The principle of Henry Fayol which insists that every subordinate should report to only one superior is:
 A) Unity of direction B) Espirit-de-corpse
 C) Unity of command D) Scalar chain
53. Composition of various sources of capital in the total capital of a firm is popularly known as:
 A) Capitalisation decision B) Capital structure decision
 C) Dividend decision D) Retention decision
54. Time required to recover the initial cash outlay of a project is:
 A) Gestation period B) Economic life
 C) Payback period D) Project life cycle
55. If net profit after tax is Rs. 3,00,000, retention ratio is 40 % and number of equity shares outstanding is 1,00,000, what is EPS?
 A) Rs. 3 B) Rs. 1.80
 C) Rs. 1.50 D) Rs. 1.20
56. While managing working capital, an important principle to be kept in mind is that liquidity varies inversely with;
 A) Risk B) Investment in current assets
 C) Profitability D) Cash in hand
57. Current ratio is 3, liquid ratio is 2 and current liabilities are Rs.12,000. What is the value of inventory?
 A) Rs.8,000 B) Rs.12,000 C) Rs.16,000 D) Rs.24,000
58. The proportion of equity in the capital structure is $\frac{1}{4}$ and that of debt is $\frac{3}{4}$. It's cost of equity is 12 % and after tax cost debt is 8 %, what is WACC?
 A) 6 % B) 7 % C) 8 % D) 9 %
59. Pick the one which is not an assumption of MM approach to capital structure:
 A) Market is imperfect
 B) There exists no corporate taxes
 C) Money can be borrowed at risk free rates
 D) No floatation costs exist
60. If the risk and return associated with an asset is borne by lessee during the entire economic life, it is the case of:
 A) Outright purchase B) Sale and lease back
 C) Operating lease D) Financial lease
61. Loss of bad debts reverts back to the client in the case of:
 A) Reverse factoring B) Recourse factoring
 C) Direct factoring D) Non-recourse factoring
62. A transaction where financial securities are issued against a pool of assets is called:
 A) Securitisation B) Credit Default Swaps
 C) Credit Linked Notes D) Total Return Swaps

63. A firm's earnings before interest is Rs. 2,40,000 and its interest burden is Rs. 80,000 p.a. What is the degree of financial leverage?
 A) 2 B) 1.5 C) 1 D) 0.5
64. Which one of the following sources of capital doesn't involve floatation cost?
 A) Retained earnings B) Equity capital
 C) Preference capital D) Debentures
65. Revenue is required to be recognized at the point of sale. Name the accounting principle followed above:
 A) Matching B) Revenue recognition
 C) Cost D) Going concern
66. Which International Accounting Standard deals with the preparation of cash flow statement?
 A) IAS 1 B) IAS 3 C) IAS 7 D) IAS 9
67. Closing entries are recorded in:
 A) Ledger B) Profit and loss a/c
 C) Balance sheet D) Journal proper
68. Sinu's capital as on 1.1.2014 was Rs. 50,000, interest on drawings Rs. 5,000, interest on capital Rs. 8,000, drawings Rs. 15,000 and profit for the year 2014 is Rs. 8,000. What is his capital balance as on 31.12.2014?
 A) Rs. 55,000 B) Rs. 46,000
 C) Rs. 64,000 D) Rs. 72,000
69. Copyrights are:
 A) Tangible assets B) Fictitious assets
 C) Intangible assets D) Floating assets
70. The balance of Income and Expenditure account is:
 A) Closing cash balance
 B) Profit or loss
 C) Closing capital balance
 D) Surplus or deficit
71. If original cost of an asset bought on 1.4.2013 is Rs. 3, 00,000 and is subject to depreciation @ 15 % on WDV basis, what will be the WDV of the asset as on 31.3.2015?
 A) Rs. 2,16,750 B) Rs. 2,85,000
 C) Rs. 2,55,000 D) Rs. 2,45,000
72. For a liability which can be determined with substantial accuracy:
 A) A reserve should be created
 B) A provision should be created
 C) An absolute liability should be created
 D) An appropriation of profit should be made

73. The market value of assets of a company is Rs. 22,00,000 and the amount required to settle outside liabilities amounted to Rs.4,00,000. If the number of equity shares outstanding is 2,00,000 what will be its intrinsic value?
 A) Rs. 11 B) Rs. 18 C) Rs. 9 D) Rs. 8
74. Excess of purchase consideration over net asset value of the vender company is recognized in the books of the purchasing company as:
 A) Goodwill B) Capital Reserve
 C) Profit on acquisition D) Loss on acquisition
75. State whether the following statements are true or false:
 I. Loss on realization is transferred to the capital account of the partners in the ratio of their capitals.
 II. The liability of the partners are joint and several
 A) I is true and II is false B) I is false and II is true
 C) Both I and II are true D) Both I and II are false
76. Opening bill receivable balance is Rs. 2,00,000. Bills received during the year amounted to Rs. 3,00,000 bill matured and duly met during the year amounted to Rs. 4,20,000, bill dishonoured and returned amounted to Rs. 30,000. What is the total value of outstanding bills as on the closing date?
 A) Rs. 80,000 B) Rs. 60,000
 C) Rs. 50,000 D) Rs. 40,000
77. Which one of the following accounts/statements is not prepared by Electricity Companies under Double Accounts System?
 A) Revenue A/c
 B) Receipts and Expenditure on Capital A/c
 C) General Balance Sheet
 D) Valuation Balance Sheet
78. Which of the following is not a source of fund?
 A) Issue of shares B) Issue of Debentures
 C) Increase in working capital D) Sale of asset
79. Which one of the following is not applicable to a hire purchase contract?
 A) It is an agreement for sale
 B) Hirer is a bailee and vendor is bailor
 C) Title to goods passes on last payment
 D) Seller may take repossession upon default of the hirer
80. Midhun purchased goods costing Rs. 4,00,000 for a joint venture business with Subin. Subin sold 75 % of the goods for Rs. 4,50,000. Balance goods were taken over by Midhun at cost less 10 %. What is the profit made by the joint venture?
 A) Rs. 1,50,000 B) Rs. 1,40,000
 C) Rs. 1,60,000 D) Rs. 50,000

81. What is the accounting treatment of cost of goods sent on consignment in the books of the consignor?
 A) Credited to trading A/c B) Debited to purchase A/c
 C) Credited to Purchase A/c D) Debited to trading A/c
82. In a statement of affairs prepared at the time of liquidation of a company preferential creditors are shown under:
 A) List B B) List C
 C) List D D) List F
83. Which one of the following is not a method of costing?
 A) Process costing B) Unit costing
 C) Marginal costing D) Contract costing
84. Stores ledger depicts:
 A) Quantity only B) Value only
 C) Both quantity and value D) Pending purchase orders
85. If sales is Rs. 6,00,000, variable cost Rs. 4,80,000 and fixed cost is Rs. 60,000, what will be the break-even point?
 A) Rs. 3,60,000 B) Rs. 3,00,000
 C) Rs. 2,40,000 D) Rs. 1,20,000
86. In the above question, what will be the margin of safety?
 A) Rs. 3,60,000 B) Rs. 3,00,000
 C) Rs. 2,40,000 D) Rs. 1,20,000
87. Quick ratio is another name of:
 A) Liquidity ratio B) Current ratio
 C) Working capital ratio D) Acid test ratio
88. A flow of fund results in:
 A) Change in cash only B) Change in working capital
 C) Change in capital invested D) Change in sales
89. Purchase budget is an example of:
 A) Master budget B) Cash budget
 C) Functional budget D) Production budget
90. Material mix variance added with material yield variance gives you:
 A) Material cost variance B) Material price variance
 C) Material rate variance D) Material usage variance
91. Value of land acquired for constructing factory building is an example of:
 A) Sunk cost B) Opportunity cost
 C) Discretionary cost D) Notional cost

92. Which one of the following is added with profit as per financial accounts in order to arrive at profit as per cost accounts?
 A) Over absorption of factory overhead
 B) Under absorption of selling overhead
 C) Over valuation of closing stock in financial books
 D) Under valuation of opening stock in financial books
93. Total liabilities of a business is Rs. 4,50,000 and fixed assets amounted to Rs. 3,60,000. If the current ratio is 3:1, what will be the current liabilities?
 A) Rs. 1,00,000
 B) Rs. 1,20,000
 C) Rs. 30,000
 D) Rs. 1,50,000
94. In the above question, if the value of inventories is Rs. 45,000 what will be the quick ratio?
 A) 2:1
 B) 2.5:1
 C) 3:1
 D) 1.5:1
95. When work completed and certified is 60 % of contract price, what portion of notional profit is transferred to WIP reserve?
 A) 1/3
 B) 2/3
 C) 1/2
 D) 3/4
96. Which one of the following is not an avoidable cause affecting labour turnover?
 A) Poor working conditions
 B) Unattractive compensation package
 C) Marriage of employee
 D) Shift timings
97. Which one of the following is not a method of overhead absorption?
 A) Overtime rate
 B) Percentage of prime cost
 C) Labour hour rate
 D) Machine hour rate
98. If the inventory turnover ratio is 12 times, what will be the average inventory holding period?
 A) 4 months
 B) 3 months
 C) 2 months
 D) 1 month
99. Portion of materials lost during manufacturing process, which has no realizable value is:
 A) Scrap
 B) Defective
 C) Waste
 D) Spoilage
100. The technique of costing which uses variance computed for cost control is:
 A) Budgetary control
 B) Standard costing
 C) Uniform costing
 D) Marginal costing
101. A company divides the population of its product users into three groups based on degree of use. If the researcher then draws a random sample from each user group independently, then the type of sample is:
 A) Random
 B) Stratified
 C) Judgment
 D) Quota

112. Attitudes are best measured using:
A) Closed questions B) Ranking questions
C) Likert's scale D) Open ended questions
113. When there is no column and no row without assignment. In such case, the current assignment is:
A) Maximum B) Optimal C) Minimum D) Zero
114. In a CPM/PERT network a dummy activity is necessary when:
A) Two activities have the same starting node
B) Two activities have the same ending node
C) A node does not actually connect to another node
D) When two activities share the same starting and ending node
115. Testing of hypothesis is:
A) Inferential statistics B) Descriptive statistics
C) Data preparation D) Data analysis
116. If the correlation coefficient between X and Y is 0.50, what percentage of total variation remains unexplained by the regression equation?
A) 25 B) 50 C) 75 D) 100
117. When testing the difference between two proportions, the null hypothesis is usually stated as:
A) Proportion 1 is greater than proportion 2
B) The population proportions are unequal
C) The population proportions are equal
D) The pooled proportion equals the pooled variance
118. In testing a given hypothesis, the maximum probability with which we would be willing to risk a Type I error is known as:
A) Type II error B) Confidence Interval
C) Standard Error D) Significance Level
119. In a company, the mean wage of employees is Rs.279.77 and that of median wage is Rs 279.06. What will be the mode?
A) 277.64 B) 279.77 C) 279.06 D) 277
120. Which of the following represent continuous data?
A) Number of shares sold each day in the stock market
B) Total value of shares sold each day in the stock market
C) Length of 500 bolts produced in a factory
D) Yearly incomes of college professors
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