

10. If the amount of any known liability can be determined with substantial accuracy, then:
- A) A definite liability should be created
 - B) A provision should be created
 - C) A reserve should be created
 - D) Contingent liability will be shown
11. Subsequent expenditure that extend the useful life, improve quality of output or reduce operating cost of an existing asset beyond its originally estimated levels is:
- A) Capital expenditure
 - B) Revenue expenditure
 - C) Deferred revenue expenditure
 - D) None of these
12. Goodwill of a firm is valued at Rs. 30,000. It is appearing in the books at Rs.12, 000. C is admitted for $\frac{1}{4}$ share. What amount he is supposed to bring for goodwill?
- A) Rs. 3000
 - B) Rs. 4500
 - C) Rs. 7500
 - D) Rs. 10,500
13. Balance with the petty cashier is:
- A) An expense
 - B) An income
 - C) An asset
 - D) A liability
14. Which one of the following is not a contingent liability?
- A) Claim against the company pending litigation
 - B) Investment in partly paid shares
 - C) Sales tax arrears payable by the company
 - D) Arrear dividend on cumulative preference shares
15. Average clause is included in insurance contracts to avoid:
- A) Over –insurance
 - B) Under-insurance
 - C) Double Insurance
 - D) Risk
16. Pick the accounting standard dealing with Government Grants.
- A) AS 11
 - B) AS 12
 - C) AS 16
 - D) AS 19
17. Which one of the following is treated as a preferential creditor while preparing liquidator’s final statement of accounts at the time of winding up of a company?
- A) Salary and wages payable for a period not exceeding 4 months
 - B) Accrued holiday remuneration becoming payable on termination of service before winding up
 - C) Contribution payable by the company beyond a period of 12 months under ESI Act
 - D) Sums due to an employee from a provident fund or pension fund

29. Pick out the correct answer:
 Statement I: Standard assets are non-performing assets
 Statement II: Exchange banks specialize in financing foreign trade
 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
30. RBI's initiative of shortening the currency of bills eligible for rediscounting and thereby limiting the amount made available to banks so as to allocate funds among financially sound credit aspirants as per definite plan is known as:
 A) Open market operation B) Variable ratio
 C) Credit rationing D) Moral suasion
31. Which one of the following is not a foreign bank functioning in India?
 A) HSBC B) HDFC
 C) Citi Bank D) Grindlay's Bank
32. In price skimming strategy:
 A) Prices are kept at higher level throughout
 B) Initially a higher price is charged, which is progressively reduced
 C) Initially a lower price is fixed which is progressively raised
 D) Prices are kept at a lower level throughout
33. Under which branding, all of a firm's products are branded with the same name or at least part of the name?
 A) Individual B) Selective C) Extension D) Family
34. Which one of the following measures will be most suitable for marketing services?
 A) Personal selling B) Advertisement
 C) Sales promotion D) Publicity
35. The two types of data processing systems are:
 A) Serial and Parallel B) Centralised and Localised
 C) Distributed and Centralised D) Distributed and Localised
36. The different locations in a network are called:
 A) Points B) Nodes
 C) Modules D) Connections
37. Which one of the following is not a cybercrime?
 A) Hoarding B) Hacking C) Piracy D) Sabotage
38. State whether the following statements are true or false:
 I. Collaborative CRM focuses on the interaction with customers.
 II. A virus is a worm with a logic bomb or Trojan horse component.
 A) Both are false B) I is false and II is true
 C) I is true and II is false D) Both are true

39. Automated Teller Machines (ATMs) used in banks are examples of:
- Batch Processing Systems
 - Information Processing Systems
 - Transaction Processing Systems
 - Analytical Processing Systems
40. Choose the correct sequence of computer networks according to area served in ascending order.
- CAN—LAN—MAN—WAN
 - CAN—LAN—WAN—MAN
 - LAN—CAN—WAN—MAN
 - LAN—CAN—MAN—WAN
41. An expected value of a random variable is equal to its:
- Variance
 - Standard deviation
 - Mean
 - Covariance
42. The probability of a continuous random variable 'X' taking any particular value, k is always:
- Negative
 - Zero
 - One
 - None of them
43. Correlation coefficient between X and Y is 0.3 and correlation coefficient between P and Q is 0.6, then the strength of correlation between P and Q is higher than between X and Y by
- Two times
 - Three times
 - Four times
 - Five times
44. A measure of the strength of the linear relationship that exists between two variables is called:
- Slope
 - Intercept
 - Correlation coefficient
 - Regression equation
45. A regression line always passes through the point
- 0, 0
 - 0, \bar{Y}
 - \bar{X} , 0
 - \bar{X} , \bar{Y}
46. In a regression r^2 is the ratio between:
- Explained and total variation
 - Explained and unexplained variation
 - Unexplained and total variation
 - None of the above
47. Which of the following is a two tailed test?
- $H_0: = Rs\ 150, H_a: >Rs\ 150$
 - $H_0: = 1.2, H_a: \mu \neq 1.2$
 - $H_0: = 35, H_a: < 35$
 - None of the above

48. Which of the following distribution is symmetrical about zero but the shape of the distribution curve is determined by the number of degrees of freedom.
- A) Standard normal distribution B) t distribution
 C) F distribution D) χ^2 distribution
49. All linear programming problems have all of the following properties EXCEPT
- A) A linear objective function that is to be maximized or minimized.
 B) A set of linear constraints.
 C) Alternative optimal solutions.
 D) Variables that are all restricted to non-negative values.
50. The transportation method assumes that
- A) There are no economies of scale if large quantities are shipped from one source to one destination
 B) There is only one optimal solution for each problem
 C) The number of dummy sources equals the number of dummy destinations
 D) None of the above
51. Which of the following is not a constituent of cost of materials received?
- A) Cash discount B) Invoice price
 C) Freight D) Cost of non-returnable containers
52. If the supplier takes 2—3 weeks for effecting delivery and the factory uses 600— 800 units a week, what will be the re-order level?
- A) 1,200 units B) 1,600 units
 C) 1,800 units D) 2,400 units
53. By applying the cost flow assumption of LIFO, identify a valid statement from the following:
- A) LIFO results in overstatement of profit and closing stock
 B) LIFO results in understatement of profit and closing stock
 C) LIFO results in charging of stock to profit at current prices and understates closing stock
 D) LIFO results in charging of stock to profit at current prices and overstates closing stock
54. JIT purchasing results in:
- A) Purchasing of materials at EOQ
 B) Adequate quantity of materials so as to prevent stock out cost
 C) Delivery of materials immediately before consumption
 D) Maintaining safety stock
55. The duration for which a production centre is available for operations, but is not utilized due to shortage of tooling, materials, operations, etc. is denoted as:
- A) Idle time B) Down time
 C) Performance time D) Setting up time

56. If time allowed is 10 hours, time taken 8 hours and hourly rate is Rs. 2, what will be the earnings under Rowan Plan?
 A) Rs. 3.20 B) Rs. 19.20 C) Rs. 20 D) Rs. 16
57. Cost of labour turnover may be treated as:
 A) Prime cost B) Direct wages
 C) Overhead D) Fringe benefits
58. Which one of the following is not a semi variable overhead?
 A) Telephone charges B) Depreciation on machinery
 C) Insurance of building D) Repair and maintenance of plant
59. Which one of the following is not a service department?
 A) Time keeping B) Assembly
 C) Stores D) Maintenance
60. A manufacturing company produces a single product selling at Rs. 10 per unit. Fixed costs are Rs. 48,000 per month and the product has a contribution to sales ratio of 40 %. In a period when actual sales were Rs.1,40,000, its margin of safety will be:
 A) 2,000 units B) 5,000 units
 C) 6,000 units D) 8,000 units
61. Which among the following capital budgeting techniques consider the time value of money?
 A) Accounting Rate of Return B) Internal Rate of Return
 C) Net Present Value D) B & C but not A
62. When a flexible budget is prepared a decrease in production levels within a given range would result in:
 A) Decrease in variable cost per unit
 B) Increase in variable cost per unit
 C) Decrease in total cost
 D) Increase in total fixed cost
63. Which one of the following is generally used as discounting factor for evaluating investment projects?
 A) Cost of debt
 B) Cost of equity
 C) Weighted average cost of capital
 D) Prime Lending Rate
64. A standard which can be attained under the most favourable working conditions is called:
 A) Ideal standard B) Attainable standard
 C) Current standard D) Basic standard

65. State whether the following statements are true or false:
- I. Propriety and efficiency audits are considered as the two important aspects of cost audit.
 - II. Cost audit embraces important functions like verifying cost records and accounts in order to ensure that they are correctly maintained and complied and checking that cost accounting procedures are adhered to:
- 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
66. In computing weighted average cost of capital the weights assigned for computation can be:
- A) Market values B) Book values
 C) Both A and B D) None of these
67. Which one of the following is not a cash flow associated with financing activity of a manufacturing concern?
- A) Redemption of preference shares
 B) Dividend paid
 C) Issue of Debentures
 D) Dividend received
68. When the financial statements of an enterprise over a number of years is analysed, it is known as:
- A) Horizontal analysis B) Vertical analysis
 C) Common size analysis D) Parallel analysis
69. Time study serves the following purposes except:
- A) Standardising operations B) Ascertaining standard time
 C) Fixing factory overhead rate D) Fixing wage rates
70. The theory of motivation propounded by McGregor is:
- A) Theory Y B) ERG Theory
 C) Need Hierarchy Theory D) Two Factor Theory
71. Versatility among work groups can be ensured through:
- A) Specialisation B) Job rotation
 C) Merit rating D) Job evaluation
72. Acclimatizing a new employee with the job environment is known as:
- A) Recruitment B) Appointment
 C) Induction D) On the job training
73. Affinity towards companionship can be classified under:
- A) Social needs B) Safety needs
 C) Physiological needs D) Esteem needs

74. A balanced pay structure will result in the following except:
 A) Higher level labour turnover B) Higher level job satisfaction
 C) Higher level attendance rate D) Higher level performance
75. A hindrance accruing in the communication process due to language related problems is otherwise known as:
 A) Prejudice B) Pre-occupation
 C) Semantic barriers D) Ego state
76. State whether the given statements are true or false:
 I. A team is a mature group where leadership is shared, accountability is both individual and collective and where effectiveness is measured by collective outcome.
 II. Synergy effect means that the collective outcome of members in a team is less than the sum of the individual outcome of the members in a team.
 A) I and II are correct B) I and II are false
 C) I is correct and II is false D) I is false and II is correct
77. Which one of the following is not an example of downward communication?
 A) Circulars B) Office orders
 C) Progress reports D) Budgets
78. Ghost worker is also known as:
 A) Contract worker B) Permanent worker
 C) Dummy worker D) Out worker
79. Which one of the following is not an example of a fringe benefit?
 A) Free lunch B) Subsidised transport
 C) Overtime wages D) Holiday home facility
80. Which one of the following requires feedback control?
 A) Capital B) Profit
 C) Labour D) Raw material
81. Which of the following would not help a firm to improve its competitive position of the firm?
 A) Gaining sole rights for the extraction of critical raw material supplies
 B) Developing everlasting relationships with its suppliers
 C) Building a strong brand
 D) Reducing its scale of operation
82. The most accurate definition of scenario planning is:
 A) Creative vision of a desired future
 B) Testing financial projections using different assumptions about future sales growth
 C) Building up designs for possible future dynamic environment to challenge existing assumptions and to test alternative strategies
 D) Preparing detailed plans to meet all possible future eventualities

83. Government's strategy in respect of public expenditure and public revenue which have a significant impact on business:
 A) Monetary policy B) Fiscal policy
 C) Trade policy D) Foreign exchange policy
84. The methodology extensively used for transferring complex technology between countries is:
 A) Turnkey projects B) Licensing agreements
 C) Portfolio investment D) Training of experts
85. Which Act was replaced as a result of introduction of Competition Act?
 A) FERA B) MRTP C) FCRA D) FTRA
86. The rate at which the Central Bank of a country discounts or rediscounts eligible bills:
 A) Credit rate B) Bank rate
 C) Bill rate D) Deposit rate
87. Who is the President of National Development Council (NDC)?
 A) Finance Minister B) Prime Minister
 C) Industry Minister D) RBI Governor
88. WTO has replaced GATT in the year:
 A) 1995 B) 1991 C) 2000 D) 2001
89. An economy which is not planned, controlled or regulated by the Government:
 A) Mixed economy B) Free market economy
 C) Controlled economy D) Closed economy
90. An external environmental analysis will bring out:
 A) Opportunities and threats B) Strengths and opportunities
 C) Strength and weaknesses D) Weaknesses and opportunities
91. Which country is the global leader in attracting FDI?
 A) US B) Brazil
 C) China D) UK
92. An instrument used by IMF to deal with international liquidity is:
 A) Overdraft B) Sovereign debt
 C) SDR D) Monetary reserve
93. Which one of the following currency is not included in SDR?
 A) US \$ B) Japanese Yen
 C) Chinese Yuan D) Pound Sterling
94. In overseas markets higher returns are associated with:
 A) High risk and high attractiveness
 B) High risk and low attractiveness
 C) Low risk and high attractiveness
 D) Low risk and low attractiveness

95. Currency exchange rates decided solely by market forces is known by the name:
 A) Fixed exchange rate B) Pegged exchange rate
 C) Managed exchange rate D) Floating exchange rate
96. Global warming is caused by:
 A) Helium B) Hydrogen
 C) Nitrogen D) Methane
97. Cultural homogeneity refers to:
 A) Inter cultural movements B) Cross cultural movements
 C) Adaptation to local culture D) Cultural uniformity
98. Which of the following is not an ingredient of macro environmental structure?
 A) Economic environment B) Political environment
 C) Cultural environment D) Internal environment
99. How many strategies are proposed by Michel Porter at SBU level?
 A) 2 B) 3 C) 4 D) 5
100. Which one of the following explains strategic management in a better format?
 A) Analysis—Implementation—Review
 B) Analysis—Formulation—Review
 C) Analysis—Formulation—Implementation
 D) Formulation—Analysis—Implementation
101. Goals are derived from:
 A) Strategies B) Objectives
 C) Vision D) Mission
102. The BCG Matrix is used to determine:
 A) Size of portfolio of business
 B) Balanced portfolio of a business
 C) Scope of portfolio
 D) Potential for diversification of portfolio
103. Horizontal integration takes place when:
 A) A business takes over its supplier
 B) A business takes over a distributor
 C) A business takes over its competitor
 D) A business takes over producer
104. Conglomerate diversification is otherwise known as:
 A) Unrelated diversification B) Related diversification
 C) Portfolio diversification D) Horizontal integration

105. High cost involved in breaching the entry barrier can be associated with:
- Lower potential for differentiation
 - Lower switching cost
 - Higher potential for raising scale of production
 - Higher access to distribution Channel
106. Which one of the following is not a factor to be reckoned while making industry analysis?
- Threat posed by a new competitor
 - Bargaining power of supplier
 - Development of substitute products
 - Bargaining power of trade union
107. Pick out the one which is an advantage of mergers and acquisitions.
- Maximise utility of managerial personnel
 - Minimise economy of scale
 - Maximise capacity utilization
 - Minimise market exposure
108. Evolving vision, mission and conducting SWOT analysis are all parts of :
- Critical planning
 - Strategy formulation
 - Strategy implementation
 - Budgetary control
109. Name the capital budgeting technique which equates the initial investment with the present value of future cash inflows.
- ARR
 - IRR
 - Profitability index
 - Payback period
110. Which one of the following best defines coupon rate of a bond?
- Annual interest paid on the face value of a bond
 - Yield to maturity of a bond
 - Annual interest paid on the issue price of a bond
 - Annual interest paid on market price of a bond
111. What will be the value of equity share, if the expected dividend for the next year is Rs.12, cost of equity is 10 % and expected rate of dividend growth is 4 %?
- Rs. 120
 - Rs. 150
 - Rs. 200
 - Rs. 300
112. If MC Ltd. reports an inventory turnover of 40 days, a receivable turnover of 25 days and the payable period of 20 days, what will be the length of its cash cycle?
- 65 days
 - 60 days
 - 85 days
 - 45 days
113. The reduction of the number of outstanding shares by increasing per share value is known as:
- Share redemption
 - Reverse split
 - Scrip dividend
 - None of these
114. Which one of the following is not a party in a factoring contract?
- Client
 - Customer
 - Discounting house
 - Factor

