

Financial Accounting I

Sample Questions

1. If proprietor takes goods for own use he should _____
 - A. Debit Drawings Account, Credit Purchases Account
 - B. Debit Drawings Account: Credit Stock Account
 - C. Debit Sales Account: Credit Stock Account
 - D. Debit Purchases Account: Credit Drawings Account
2. When a Liability is decreased or reduced, it is registered on the
 - A. Debit side or left side of the account
 - B. Credit side or right side of the account
 - C. Debit side or right side of the account
 - D. Credit side or left side of the account
3. What kinds of expenses are paid from Gross Profit?
 - A. Selling Expenses
 - B. Financial Expenses
 - C. General Expenses
 - D. All of the above
4. Which of the options is not an intangible asset?
 - A. Land
 - B. Patents
 - C. Goodwill
 - D. Franchise rights
5. Which of the following is not an asset?
 - A. Buildings
 - B. Cash
 - C. Debtors
 - D. Loan from K Harris
6. As per the accounting double-entry system, an account that receives the benefit is _____
 - A. Not to be shown as an accounting record
 - B. Income
 - C. Debit
 - D. Credit
7. Net profit is calculated in the
 - A. Trading account
 - B. Profit and loss account
 - C. Trial balance
 - D. Balance sheet
8. Rent and rates are 6,000 and Insurance 1,500. If 500 rent is outstanding and 250 insurance prepaid what balances need to be shown in the profit and loss account.
 - A. Rent 6,500, Insurance 1,750
 - B. Rent 5,500, Insurance 1,750
 - C. Rent 6,500, Insurance 1,250
 - D. Rent 5,500, Insurance 1,250

9. Depreciation is
 - A. The amount spent on buying fixed assets
 - B. How much a fixed asset can be sold for
 - C. The part of the cost of the fixed assets that is used up over its period of use
 - D. The money spent replacing assets
10. Long term assets having no physical existence but, possessing a value are called
 - A. Intangible assets
 - B. Fixed assets
 - C. Current assets
 - D. Investments
11. Work out capital from the following: Premises 20,000, Closing stock 8,500, Cash 100, Creditors 3,000 Loan 4,000.
 - A. 21,100
 - B. 21,600
 - C. 32,400
 - D. 21,400
12. Purchase of tools for servicing.
 - A. Capital Expenditure
 - B. Revenue Expenditure
 - C. Deferred Revenue Expenditure
13. Expenses incurred for obtaining a licence to start the factory 10,000
 - A. Capital Expenditure
 - B. Revenue Expenditure
 - C. Deferred Revenue Expenditure
14. Cost of removal of stock from one place to another place.
 - A. Revenue Expenditure
 - B. Capital Expenditure
 - C. Deferred Revenue Expenditure
15. Paid underwriting commission on issue of shares 20,000 is _____
 - A. Revenue Expenditure
 - B. Capital Expenditure
 - C. Deferred Revenue Expenditure
16. Legal expenses incurred in raising debenture loans
 - A. Capital Expenditure
 - B. Revenue Expenditure
 - C. Deferred Revenue Expenditure
17. In order to find out the value of the closing stock during the end of the financial year we,
 - A. Do this by stocktaking
 - B. Deduct the cost of goods sold from sales
 - C. Deduct opening stock from the cost of goods sold
 - D. Look in the stock account
18. If sales are 8,200, opening stock 1,300, closing stock 900, purchases 6,400, carriage inwards 200, the Gross Profit is
 - A. 6,800

- B. 6,200
 - C. 17,000
 - D. 1200
19. When a petty cash book is kept there will be
- A. No entries made at all in the general ledger for items paid by petty cash
 - B. The same number of entries in the general ledger
 - C. Fewer entries made in the general ledger
 - D. More entries made in the general ledger
20. Cash book shows normally a _____ balance or at the most _____ balance.
- A. Credit, Nil
 - B. Debit, Minus
 - C. Credit, Negative
 - D. Debit, Nil
21. Cash purchases will be recorded in _____ book
- A. Cash Book,
 - B. Sales Book
 - C. Purchase Book
 - D. Petty Cash Book
22. Journal proper is maintained for recording _____
- A. Cash Transaction
 - B. Adjustments
 - C. Vouchers
 - D. Petty Cash
23. Sales Books is prepared on the basis of
- A. Cash Memo
 - B. Credit Voucher
 - C. Debit Note
 - D. Sales Invoice
24. The entry, which appears on both sides of the cash book, is called
- A. Single entry
 - B. double entry
 - C. Contra entry
 - D. Triple entry
25. Which concept stipulates that accounts must be honestly prepared and they must reveal all material information?
- A. Matching
 - B. Entity concept
 - C. Disclosure concept
 - D. Consistency
26. _____ term is used for the statement indicating the causes of disagreement between the balance as per cash book and pass book.
- A. Bank statement
 - B. Bank Reconciliation statement
 - C. Bank Advice

- D. Bank Book
27. Paid salary to Mr. Akash, a clerk: State the accounts effected in the given transactions.
- A. Cash, Akash
 - B. Cash, Salary
 - C. Salary, Akash
 - D. Salary, capital
28. Select the correct journal entry for following transaction: Received Commission from Kapil Rs.50000
- A. Cash A/c. _____ Dr., To Capital A/c.
 - B. Cash A/c. _____ Dr., To Kapil A/c.
 - C. Cash A/c. _____ Dr., To Commission A/c.
 - D. Commission A/c. _____ Dr., To Kapil A/c.
29. Cash book balance Rs.10000. Cheque deposited Rs.1000 was recorded in pass book but was not recorded in cash book. Cheque withdrawn Rs.2000 was recorded in cash book but was not presented in bank. Calculate balance as per pass book.
- A. 13000
 - B. 9000
 - C. 11000
 - D. 7000
30. Calculate Total of sales book from the following information. Sales of assets.100000 Sales of goods for cash Rs.200000 Sales of goods for credit Rs.400000
- A. 300000
 - B. 400000
 - C. 500000
 - D. 700000
31. Where goods are returned to a supplier a note is issued.
- A. Debit Note
 - B. Credit Note
 - C. Challan
 - D. P/N
32. Trade discount is normally from the sales Invoices.
- A. Added
 - B. Deducted
 - C. Excluded
 - D. Eliminated
33. Which concept implies that amount paid or payable for acquisition of asset should be recorded at cost?
- A. Entity
 - B. Cost concept
 - C. Materiality
 - D. Conservatism
34. Which concept does not recognise the realisable value, the replacement value or the real worth of an asset?

- A. Cost Concept
 - B. Money measurement
 - C. Materiality
 - D. Conservatism
35. The immediate recognition of loss is supported by the underlying principle of :
- A. Matching
 - B. Consistency
 - C. Conservatism
 - D. Money measurement
36. In which system of book-keeping every business transaction is given two effects?
- A. Double Entry System
 - B. Single Entry System
 - C. Cash System
 - D. Credit System
37. The amount withdrawn by a trader for his personal use is debited to Account.
- A. Personal
 - B. Capital
 - C. Drawings
 - D. Liability
38. Cash purchase of goods from Smita should be debited to _____ Account.
- A. Smita's
 - B. Goods
 - C. Cash
 - D. Loan
39. A credit sale of goods to Dina should be credited to Account.
- A. Goods
 - B. Dina's
 - C. Sales,
 - D. Cash
40. _____ is the book of daily record?
- A. Journal
 - B. Ledger
 - C. Balance Sheet
 - D. Profit and loss Account
41. What 'term' is used for the process of entering business transaction in summarised form of debit and credit?
- A. Ledger posting
 - B. Journalisation
 - C. Tallying
 - D. Casting
42. _____ is an explanation of an entry written below the accounting entry.
- A. Narration
 - B. Folio
 - C. Summary
 - D. Description

43. Which transactions are recorded in books of accounts?
- A. Personal
 - B. Business
 - C. Both (a) and (b)
 - D. Neither (a) nor (b)
44. Rs.100000 brought in business by proprietor should be credited to _____ account
- A. Proprietor
 - B. Cash
 - C. Capital
 - D. Investment
45. Depreciation should be calculated on _____
- A. Current assets
 - B. Current assets
 - C. Intangible assets
 - D. Outward charges
46. Another name for the straight line method is
- A. The Equal Instalment Method.
 - B. The Diminishing Balance Method
 - C. The Reducing Balance Method.
 - D. The Revaluation Method.
47. Depreciation is _____
- A. an expense
 - B. Unrecorded revenue.
 - C. A liability.
 - D. Income.
48. Economic life of an asset is _____
- A. the accounting years in the life of business.
 - B. the accounting period for which the asset is likely to give service
 - C. the period after which the asset becomes useless
 - D. specific period
49. Under reducing balance method, the amount of depreciation
- A. remains constant
 - B. goes on reducing year after year.
 - C. Fluctuating
 - D. increases
50. Depreciation accounting is as per accounting standard _____
- A. 1
 - B. 3
 - C. 5
 - D. 6

FYBFM – Sem I

Business Mathematics

Sample Questions

1. The relation between two quantities (a & b) of the same kind or the same type, which expresses one quantity (a) as a multiple or part of the other (b), is called a _____
 - a. Ratio
 - b. BODMAS
 - c. Matrix
 - d. Determinant
2. If the angles of a triangle are in the ratio 3:8:9 then find their respective degree measures are _____
 - a. 27, 72, 81
 - b. 20, 30, 60
 - c. 30, 60, 90
 - d. 45, 55, 80
3. If the angles of a triangle are in the ratio 1:2:3 then find their respective degree measures are _____
 - a. 27, 72, 81
 - b. 20, 30, 60
 - c. 30, 60, 90
 - d. 45, 55, 80
4. If the angles of a triangle are in the ratio 1:1:2 then find their respective degree measures are _____
 - a. 27, 72, 81
 - b. 20, 30, 60
 - c. 30, 60, 90
 - d. 45, 45, 90
5. If $a:b = 2:3$ and $b:c = 2:3$ then $a:b:c$ is _____
 - a. 2:4:3
 - b. 4:6:9
 - c. 2:6:9
 - d. 3:7:9
6. If $a:b = 3:4$ & $b:c = 8:9$ then $a:b:c$ is _____
 - a. 6:8:9
 - b. 1:2:3
 - c. 5:7:9
 - d. 1:3:5

7. If $x:y = 2:3$ & $y:z = 4:3$, then $x:y:z$ is _____
- 7:11:10
 - 8:12:9
 - 10:12:11
 - 5:7:9
8. If $a=b$, then the ratio $a:b$ is called as the _____
- Ratio of Equality
 - Ratio of Greater Inequality
 - Ratio of Lesser Inequality
 - Ratio of neutrality
9. If $a>b$, then the ratio $a:b$ is called as a _____
- Ratio of Equality
 - Ratio of Greater Inequality
 - Ratio of Lesser Inequality
 - Ratio of neutrality
10. If $a<b$, then the ratio $a:b$ is called as a _____
- Ratio of Equality
 - Ratio of Greater Inequality
 - Ratio of Lesser Inequality
 - Ratio of neutrality
11. The duplicate ratio of 3:2 is _____
- 9:4
 - 6:5
 - 7:3
 - 3:2
12. The duplicate ratio of 5:7 is _____
- 25:49
 - 7:5
 - 10:14
 - 2:3
13. The duplicate ratio of 3:4 is _____
- 9:16

- b. 7:5
- c. 6:8
- d. 4:3

14. If Selling price is greater than the cost price, then a _____ is earned

- a. Profit
- b. Loss
- c. No Profit No Loss
- d. Discount

15. If Selling price is less than the cost price, then a _____ is incurred

- a. Profit
- b. Loss
- c. No Profit No Loss
- d. Discount

16. When Selling price is equal to the cost price, neither profit nor loss is made. This is called a _____

- a. Break Even Point
- b. Premium
- c. Discount
- d. Extremes

17. Formula for Profit Percentage is _____

- a. $[(SP - CP)/CP] \times 100$
- b. $[(SP - CP)/SP] \times 100$
- c. $[(CP - SP)/CP] \times 100$
- d. $[(CP - SP)/SP] \times 100$

18. Formula for Loss Percentage is _____

- a. $[(SP - CP)/CP] \times 100$
- b. $[(SP - CP)/SP] \times 100$
- c. $[(CP - SP)/CP] \times 100$
- d. $[(CP - SP)/SP] \times 100$

19. A trader buys an article for Rs 5000 and sells the same for Rs 6000. Find his percentage profit or loss

- a. 20 % Profit

- b. 30 % Profit
- c. 40 % Profit
- d. 50 % Profit

20. Mr Roshan bought a car for Rs 4,00,000 and sold it for Rs 3,50,000. Find the percentage gain or loss

- a. 12.5 % Loss
- b. 22.5 % Loss
- c. 30 % Loss
- d. 45 % Loss

21. Ms Shirali bought a property for Rs 12,00,000 and sold it for Rs 12,72,000. Find her percentage profit or loss.

- a. 6 % Profit
- b. 10 % Profit
- c. 15 % Profit
- d. 20 % Profit

22. Mr Muralidharan bought a sofa set for Rs 3,50,000 and sold it for Rs. 3,36,000. Find his percentage profit or Loss

- a. 4 % Loss
- b. 14 % Loss
- c. 24 % Loss
- d. 34 % Loss

23. A trader bought 3 tables for Rs 800 each and sold them to 3 different customers for Rs 950, Rs 1000 and Rs 750 respectively. Find his profit/Loss percentage

- a. 12.5 % Profit
- b. 13 % Loss
- c. 18 % Profit
- d. 20 % Loss

24. When a ratio $a:b$ is compounded with itself, the resulting ratio $a^2:b^2$ is called the _____ ratio of $a:b$

- a. Duplicate
- b. Triplicate
- c. Sub-Duplicate
- d. Sub-triplicate

32. The accumulated value of an immediate annuity of Rs. 100/- per year at the end of 2 years at 10% compound interest is
- (A) 200 (B) 205 (C) 210 (D) 300
33. A loan of Rs. 100/- is to be returned in 2 equal monthly instalments at 12% compound interest per annum. The EMI using the flat interest method is
- (A) 102 (B) 50 (C) 112 (D) 51
34. The accumulated value of an immediate annuity of Rs. 5000/- per year at the end of 3 years at 8% compound interest is
- (A) 15000 (B) 16232 (C) 6298.56 (D) None of these
35. If a fan with the list price of Rs 3,000 was sold at a 10 % discount on the list price, find the net selling price
- a. Rs 2,700
b. Rs 2,000
c. Rs 1,500
d. Rs 1,000
36. What number must be added to each of the numbers 1,7 and 22 so that the resulting numbers are in continued proportion
- a. 3
b. 4
c. 5
d. 6
37. Find the fourth proportional to 21, 30 and 35.
- a. 50
b. 60
c. 70
d. 80
38. An article was bought for Rs 5000 and sold at 2 % loss. Find its selling price
- a. Rs 4900

- b. Rs 5000
- c. Rs 5100
- d. Rs 5200

39. A computer printer was sold at Rs 7980 at a 5 % loss. Find its cost price

- a. Rs 8,400
- b. Rs 9,600
- c. Rs 8,800
- d. Rs 9,200

40. Vimal Industries has issued 60,000 shares of par value Rs. 10 each. The company declared a total dividend of Rs 72,000. Find the rate of dividend paid by the company

- a. 12 %
- b. 15 %
- c. 18 %
- d. 20 %

41. A company's capital is made up of 80,000 preference shares with 10 % dividend and 60,000 ordinary shares. The par value of each share of either type is Rs 100. In the year 2007-08, the company had a total profit of Rs 18,80,000 out of which Rs 3,00,000 were kept in reserve fund and the remaining was distributed to the shareholders. What was the rate of dividend distributed to ordinary shareholders?

- a. 13 %
- b. 16 %
- c. 18 %
- d. 22 %

42. A company declared an annual dividend of 8%. Find the annual dividend of Mr. Venu Menon who owns 230 shares of the company of face value Rs. 100 each

- a. Rs 1,840
- b. Rs 2,840
- c. Rs 1,500
- d. Rs 2,500

43. The face value of a company's share is Rs 10. The company declares 20 % dividend. If Mr Desai holds 300 shares of the company, how much dividend does he receive?

- a. Rs 600
- b. Rs 700
- c. Rs 800
- d. Rs 900

44. Ms. Sonia Rajput had 600 preference shares and 400 ordinary shares of Badbury Co. of Rs 10 each. The company declared a 10 % annual dividend on the preference shares and 12 % annual dividend on the ordinary shares. What was the total annual dividend received by Ms. Rajput.
- Rs. 1080
 - Rs 2080
 - Rs 1500
 - Rs 2500
45. Mr Bharucha invested Rs 90360 in purchasing of Rs. 10 shares of KATA Co. at Rs 250. The brokerage was 0.4 %. Find the number of shares purchased
- 360
 - 420
 - 550
 - 680
46. Ron got 260 shares of face value of Rs 10 each. He had to pay total amount of Rs 99,590.40 to complete the transaction with 0.8 % brokerage. Find the market price of each share
- Rs 380
 - Rs 270
 - Rs 330
 - Rs 440
47. A person sold 50,000 Rs 10 shares at a price of Rs 23 and paid 0.35 % brokerage. What was the amount received by him
- Rs. 11,45,975
 - Rs 1,00,000
 - Rs 2,00,000
 - Rs 3,00,000
48. Ms. Sonia Rajput had 600 preference shares and 400 ordinary shares of Badbury Co. of Rs 10 each. The company declared a 10 % annual dividend on the preference shares and 12 % annual dividend on the ordinary shares. What was the total annual dividend received by Ms. Rajput.
- Rs 1080
 - Rs 1100
 - Rs 1200
 - Rs 1300

49. Mr Arvind Desai purchased 230 Rs 100 Shares quoted at 10 % discount and sold them six months later at a 5 % premium. The brokerage in each of the transactions was 0.20 %. Find his rate of return on investment
- 16.20 %
 - 22 %
 - 24 %
 - 26 %
50. Kiran invested Rs 25,000 in a mutual fund on 1st May 2009 when the NAV was Rs 1073.2568. He redeemed the units on 8th July 2009 with the NAV of Rs 1349.6395. There was no entry or exit load. Find the number of units purchased, the gain and rate of return
- 25.75 %
 - 30 %
 - 31.5 %
 - 42 %

Business Communication – I
Semester I
2020-21
Sample MCQs

1.	Good communication implies _____.			
	a.	Agreement	b.	Friendliness
	c.	Understanding	d.	Telepathy
2.	To motivate means _____.			
	a.	to force	b.	to surrender
	c.	to cause to act	d.	to imitate
3.	_____ in a software that enables you to browse through and view website.			
	a.	E-mail	b.	Hacking
	c.	Web browser	d.	Spamming
4.	Manipulation of news may be referred as _____ Practice.			
	a.	Unethical	b.	Right
	c.	Ethical	d.	Social
5.	Which of the following would most effectively act as the primary objective of a business organisation?			
	a.	To make a profit	b.	To procure resources
	c.	To communicate with shareholders	d.	To mediate between the organisation and the environment.
6.	Which of the following alone can ensure effective ethics programme in a business enterprise?			
	a.	Publication of a code	b.	Establishment of compliance mechanisms
	c.	Involvement of employees	d.	Business success
7.	_____ is an optional part of a letter.			
	a.	Date	b.	Enclosure
	c.	Inside Address	d.	Complimentary Close
8.	Curriculum vitae is a _____ word.			
	a.	American	b.	Indian
	c.	Spanish	d.	Latin
9.	Which of the following type of paragraph tells a story where there is a sequence of action or there is a clear beginning, middle, and end to the paragraph?			
	a.	Descriptive	b.	Expository
	c.	Narrative	d.	Lead

10.	Read the following paragraph and identify the type:	
	Oceans and lakes have much in common, but they are also quite different. Both are bodies of water, but oceans are very large bodies of salt water, while lakes are much smaller bodies of fresh water. Lakes are usually surrounded by land, while oceans are what surround continents. Both have plants and animals living in them. The ocean is home to the largest animals on the planet, whereas lakes support much smaller forms of life. When it is time for a vacation, both will make a great place to visit and enjoy.	
	a. Compare and Contrast	b. Narrative
	c. Conclusion	d. Story
11.	The reply from the receiver to the sender is known as _____.	
	a. Encoding	b. Decoding and Encoding
	c. Decoding	d. Neither encoding nor decoding
12.	_____ means to caution, to guard to tell a person about the unpleasant consequences.	
	a. Advice	b. Warning
	c. Counselling	d. Suggestion
13.	“Ten Commandments of Computer Ethics” have been put forward by ‘Computer Ethics Institute, Washington DC, USA in the year _____.	
	a. 1990	b. 1992
	c. 1991	d. 1993
14.	The word ‘Infectious waste’ is associated with _____.	
	a. Electronics waste	b. General waste
	c. Medical waste	d. General west
15.	The inside address consists of the _____ name, address, contact no. etc.	
	a. Receiver	b. Sender
	c. Speaker	d. Listener
16.	Good business letters are characterized by the following personal quality of the writer.	
	a. Seriousness	b. Humour
	c. Sincerity	d. Formality
17.	Resume is a _____ word.	
	a. French	b. Spanish
	c. Latin	d. American
18.	An enquiry made by an old buyer in usual course of business is _____ enquiry.	
	a. Solicited	b. Unsolicited
	c. Routine	d. Favour
19.	Words or sentences that have no use or value to the statement are referred to as _____.	
	a. essential	b. redundant

	c.	key	d.	hypothetical
20.	Read the following paragraph and identify the type: The school fair is right around the corner, and tickets have just gone on sale. We are selling a limited number of tickets at a discount, so move fast and get yours while they are still available. This is going to be an event you will not want to miss! The school fair is a great value when compared with other forms of entertainment.			
	a.	Expository	b.	Persuasive
	c.	Conclusion	d.	Compare and Contrast
21.	Communication has emerged as a key concept in the _____ World.			
	a.	Indian	b.	Global
	c.	Corporate	d.	Country
22.	Communication is available 24/7 is the outcome of impact of _____.			
	a.	Technology	b.	Growing Industries
	c.	Growing population	d.	Growing Traffic
23.	The Horizontal Communication refers to same hierarchical positions _____ the Organization.			
	a.	Within	b.	Outskirts
	c.	Outside	d.	Without
24.	Organizations use _____ channels of communication.			
	a.	One	b.	Multiple
	c.	Two	d.	Three
25.	Order is an example of _____ communication.			
	a.	Downward	b.	Horizontal
	c.	Upward	d.	Diagonal
26.	“Internal communication runs through the length and breadth of an organization just like the nervous system in the body.”			
	a.	Definition by Keith Davis	b.	Definition by Tony Dawson
	c.	Definition by Peter and Little	d.	Definition by William Scott
27.	Over communication is one of the disadvantages associated with _____ communication.			
	a.	Upward	b.	Consensus
	c.	Downward	d.	Diagonal
28.	Which one of the following is a characteristic of high morale in an Organization?			
	a.	Lack of confidence	b.	Absenteeism
	c.	Indiscipline	d.	Keeping an eye on the grapevine
29.	“The art of getting people to do something that they wouldn’t ordinarily do if you didn’t ask “is a definition of _____ .			

	a.	Motivation	b.	Warning
	c.	Persuasion	d.	Order
30.	The older generation of a reputed organization denied working with new technology is an example of _____ barrier.			
	a.	Physical	b.	Organizational
	c.	Semantic	d.	Psychological
31.	Selective Listening is one of the _____ to listening.			
	a.	Qualification	b.	Carrier
	c.	Barrier	d.	Channel
32.	To strive to meet commitments and deadlines is an example of _____.			
	a.	Integrity at workplace	b.	Integrity with oneself
	c.	Integrity with co- workers	d.	Integrity with others
33.	Media persons should abide the law of _____.			
	a.	Love	b.	Leisure
	c.	Land	d.	Leftist
34.	Protest against surrogate advertisement first began in _____.			
	a.	U.S.A.	b.	U.K.
	c.	India	d.	Russia
35.	Discrimination based on caste or gender is closely linked to _____.			
	a.	Intellectual Rights	b.	Freedom of expression
	c.	Human Rights violation	d.	Creative License
36.	Agbogloshie in _____ is known as E- Grave yard in the world.			
	a.	India	b.	Ghana
	c.	China	d.	Guiyu
37.	Developed countries often dump their _____ in developing countries.			
	a.	Human resource	b.	Raw materials
	c.	Minerals	d.	E-waste
38.	Which of the following alone can ensure effective ethics programme in a business enterprise?			
	a.	Publication of a code	b.	Establishment of compliance mechanisms
	c.	Involvement of employees	d.	Business success
39.	Corporate social responsibility that extends beyond legal mandates can help meet societal expectations in the absence of _____.			
	a.	Statutory devices	b.	Cost tool and Techniques
	c.	Social tool	d.	Science tool
40.	The salutation and _____ correspond with each other.			

	a.	Head Address	b.	Complimentary Close
	c.	Inside Address	d.	Date
41.	_____ refers to polite way of ending the letter.			
	a.	Complimentary Close	b.	Salutation
	c.	Dateline	d.	Head Address
42.	The formal greeting with which a business letter begins is called _____.			
	a.	Reference	b.	Subject
	c.	Salutation	d.	Body copy
43.	_____ comes first in the British style of writing the dateline.			
	a.	Month	b.	Date
	c.	Year	d.	Time
44.	Which of the following is NOT a resume format?			
	a.	Chronological	b.	Functional
	c.	Combinational	d.	Portfolio
45.	Which of these is not mentioned in a job description CV?			
	a.	Date	b.	Name
	c.	Nationality	d.	Education
46.	Which of the following type of paragraph tries to get the reader to accept a particular point of view or understand the writer's position?			
	a.	Narrative	b.	Expository
	c.	Persuasive	d.	Lead
47.	Complete the following sentence with the correct preposition:			
	It is 5 o'clock _____ my watch			
	a.	over	b.	by
	c.	on	d.	with
48.	A _____ is said to be in the active voice when the subject/noun is doing the action.			
	a.	Noun	b.	Pronoun
	c.	Verb	d.	Clause
49.	Read the following paragraph and identify the type:			
	Kingdom Animalia constitutes all animals. Amongst the five kingdoms, the largest kingdom is the animal kingdom. Animals are multicellular eukaryotes. However, like plants, they do not possess chlorophyll or a cell wall. Therefore, members of the animal kingdom exhibit a heterotrophic mode of nutrition. Kingdom Animalia has been classified into ten different subphyla based on their body design or differentiation.			
	a.	Expository	b.	Persuasive
	c.	Conclusion	d.	Critical

50.	Complete the sentence with the correct conjunction:			
	Is the Taj Mahal in Delhi _____ Agra?			
	a.	or	b.	but
	c.	and	d.	so

Foundation Course – I

Semester I

2020-21

Sample MCQs

1. _____ refers to the shared patterns of behaviours and interactions, cognitive constructs and understanding that are learned by socialization
 - a. philosophy
 - b. knowledge
 - c. culture
 - d. enlightenment

2. The appreciation, acceptance, or promotion of multiple cultures, applied to the demographic make-up of a specific place is called
 - a. culture
 - b. multiculturalism
 - c. cultura animi
 - d. apartheid

3. Populations can change through three processes. They are
 - a. femininity, mortality, and migration
 - b. fertility, mortality, and demography
 - c. fertility, immortality, and migration
 - d. fertility, mortality, and migration

4. The latest census was conducted on
 - a. 2001
 - b. 2010
 - c. 2011
 - d. 2000

5. Female foeticide is the selective _____ of the female child, done deliberately by the mother, after the detection of the child's gender through medical tests.
 - a. adoption
 - b. abortion
 - c. identification
 - d. discrimination

6. IPC stands for _____.
 - a. Indian Penal Code
 - b. Indian Protection Code
 - c. International Public Code
 - d. International Penal Code

7. When was pre-conception and pre-natal diagnostic technique passed to prohibit sex determination?
- a. 1991
 - b. 2003
 - c. 1994
 - d. 1990
8. The violence which takes place within the household or by a known perpetrator is _____ violence.
- a. criminal
 - b. social
 - c. political
 - d. domestic
9. Which system guaranteed equal access in several spheres such as legal process, education, and public employment?
- a. Directive Principles
 - b. Fundamental Rights
 - c. Preamble
 - d. Election
10. The guidelines which are provided to the state & central governments for policy making & for achieving social economic and political justice known as
- a. Directive Principles
 - b. Fundamental Rights
 - c. Preamble
 - d. Election
11. What leads to violence & lawlessness in society
- a. Co-operation
 - b. Conflicts
 - c. Co-ordination
 - d. Festivals
12. Which border dispute is a dispute involving the Indian state of Karnataka and Maharashtra?
- a. Sangali
 - b. Pune
 - c. Belgaum
 - d. Kerala
13. Which type of citizenship is provided by constitution of India?
- a. Multi
 - b. Single
 - c. Dual
 - d. Triple

14. How many type/ types of emergencies are listed in Indian constitution?
 - a. 4
 - b. 3
 - c. 2
 - d. 1

15. By which amendment the term 'secular' was added in the Indian Constitution
 - a. 42nd
 - b. 40th
 - c. 20th
 - d. 47th

16. The _____ to the constitution is called Preamble
 - a. Introductory Note
 - b. End note
 - c. Foot note
 - d. Reference

17. The Party System in India is a base of _____.
 - a. Democracy
 - b. Aristocracy
 - c. Autocracy
 - d. Dictatorship

18. The Members of Lok Sabha and State Assembly are elected through _____ elections by the _____ of India.
 - a. Industrialists
 - b. Adult citizens
 - c. Students
 - d. Working people

19. Which one of the following does not belong to the 'Three Tier local bodies for Urban Areas'?
 - a. Municipal Corporation
 - b. Municipal Council
 - c. Nagar Panchayat
 - d. Gram Panchayat

20. The current structure of Municipal Administration is largely based on _____'s reforms on Local Self-government introduced in 1882.
 - a. Lord Mountbatten
 - b. Lord Ripon
 - c. Lord Dalhousie
 - d. Lord

21. The statistical study of the characteristics of a human population is called
 - a. psychology
 - b. anthropology

- c. demography
d. philosophy
22. Multiculturalism is also known as
a. ethnic pluralism
b. indigenous
c. homogeneity
d. sons of the soil ideology
23. _____ refers to the movement of persons from a locality of origin to a destination place across some predefined, political boundary.
a. mortality
b. migration
c. culture
d. literacy
24. Which of the following is NOT derived from the Indo-Aryan language family?
a. Gujarati
b. Malayalam
c. Punjabi
d. Hindi
25. Identify the positive role of women portrayed in media.
a. Beauty pageants and western standards
b. Sex Symbol
c. Awareness and Sensitization
d. Stereotypical Images
26. An individual whose IQ is between 50-69 is called _____.
a. Moderate mental retarded
b. Mild mental retardation
c. Severe mental retardation
d. Profound mental retarded.
27. Hallucination is a type of _____ disorder.
a. Down's syndrome
b. Psychosis and neurosis
c. Autism
d. Learning disability
28. Gender is a _____ concept.
a. sociological
b. economic
c. biological
d. psychological
29. The caste Factor is more prominent among the _____ than any other community.
a. Muslim
b. Christians
c. Hindus
d. Buddhist

30. A _____ state is an idea pertaining to secularity, whereby a state is or purports to be officially neutral in matters of religion, supporting neither religion nor irreligion.
- a. Communal
 - b. Regional
 - c. Secular
 - d. Casteist
31. Which river caused a water dispute between states of Maharashtra, Karnataka and Andhra Pradesh?
- a. Krishna
 - b. Kaveri
 - c. Koyana
 - d. Ganga
32. Religious fundamentalism leads to
- a. Communalism
 - b. Casteism
 - c. Regionalism
 - d. Linguism
33. The word _____ refers to equal respect to all religions.
- a. Republic
 - b. Sovereign
 - c. Secular
 - d. Socialist
34. The representative and responsible government system is accepted under the term
- a. Democratic
 - b. Autocratic
 - c. Liberty
 - d. Politics
35. Which justice assures the universal adult franchise, equal opportunity to all citizens and protection to minority in preamble?
- a. Social
 - b. Economic
 - c. Political
 - d. Liberal
36. Which word refers to individual freedom of thought, belief, expression, faith & worship?
- a. Dignity
 - b. Equality
 - c. Freedom
 - d. Liberty
37. The concept of coalition Party system in India began from_____.

- a. 1980s
- b. 1990s
- c. 1970s
- d. 2000s

38. One of the reasons for the decline in the strength of national parties is the emergence of numerous _____ parties.

- a. National
- b. Regional
- c. Ad-Hoc
- d. Communal

39. Every Political Party is based on some _____.

- a. Principles
- b. Ideology
- c. Principals
- d. Ideas

40. The Rural Self-Government in India is also known as _____

- a. Bharat Raj
- b. Panchayat Raj
- c. Prosperous Raj
- d. Janata Raj

41. _____ is seen more as a way of life rather than a religion.

- a. Christianity
- b. Islam
- c. Hinduism
- d. Zoroastrianism

42. _____ is the belief that the universe (or nature as the totality of everything) is identical with divinity, or that everything composes an all-encompassing, immanent God.

- a. Monotheism
- b. Polytheism
- c. Pantheism
- d. Atheism

43. _____ is one of the causes of female foeticide.

- a. Dowry System
- b. Gender Equality
- c. Literacy
- d. Strict Law

44. According to the National Crime Records Bureau's facts _____ out of 10 women in India face violence in their homes.

- a. 6
- b. 5

- c. 4
- d. 3
45. Kashmir debate is one of the issues under
- a. Communal conflict
- b. Regional conflict
- c. Caste conflict
- d. Linguistic conflict
46. When was the 1st Official Language Commission was appointed by Government of India?
- a. 7th June 1955
- b. 10th June 1990
- c. 10th Jan 1955
- d. 7th August 1955
47. Under which Article the Parliament has power to amend the constitution and the procedure of it?
- a. Article 344
- b. Article 368
- c. Article 246
- d. Article 392
48. Article 51 of the constitution of India listed down _____ Fundamental Duties of the citizens of India.
- a. 12
- b. 11
- c. 6
- d. 9
49. Communist Party believes in _____
- a. Leninism
- b. Marxism
- c. Marxism –Leninism
- d. Democracy
50. A Party to be recognized as a National Party, should win _____ per cent seats in the Lok Sabha
- a. 4
- b. 6
- c. 5
- d. 2

BUSINESS ENVIRONMENT – SAMPLE QUESTIONS

1. Survival is a _____ objective.
 - a. Human
 - b. Organic
 - c. Social
 - d. Economic

2. Profit is _____ objective.
 - a. Human
 - b. Organic
 - c. Social
 - d. Economic

3. Satisfaction to customer is _____ objective.
 - a. Human
 - b. Organic
 - c. Social
 - d. Economic

4. Social Justice is _____ objective.
 - a. Human
 - b. Organic
 - c. Social
 - d. National

5. Set of conditions is known as _____.
 - a. Business Objectives
 - b. Business Environment
 - c. Business profit
 - d. Business Goal

6. _____ is a Human Objective.

- a. Earning profit
- b. Proper working conditions
- c. Satisfaction of customers
- d. Prestige

7. _____ is an internal factor.

- a. Customer
- b. Product
- c. Financial capability
- d. Political factor

8. _____ is a Micro External Factor.

- a. Competitor
- b. Human Resource
- c. Operations
- d. Marketing

9. _____ is an external Macro factor.

- a. Customer
- b. Product
- c. Legal Factors
- d. Marketing capability

10. Rate of growth is a _____.

- a. Internal factor
- b. Micro factor
- c. Macro factor
- d. Social factor

11. Infrastructure is _____ factor.

- a. Technological
- b. Social
- c. Economic
- d. Political

12. _____ helps in understanding the currents & potential changes.

- a. Business goals
- b. Business environment
- c. Environmental Analysis
- d. Business Objectives

13. _____ analysis was a technique proposed by Albert Humphrey.

- a. SWOT
- b. PESTLE
- c. PORTERS
- d. BARS

14. Corruption level is a _____ factor.

- a. Social
- b. Political
- c. Economic
- d. Legal

15. Purchasing capacity comes under _____.

- a. Competitive rivalry
- b. Supplier power
- c. Buyer power
- d. Threat of substitutes

16. Ethics is derived from _____ word.

- a. Latin
- b. French
- c. Greek
- d. Spanish

17. _____ approach is derived from experience or logic of Business men.

- a. Rational
- b. Empirical
- c. Revelation
- d. Imaginary

18. _____ approach is derived from religious teachings.

- a. Rational
- b. Empirical
- c. Revelation
- d. Imaginary

19. The MSMED Act has been passed in _____.

- a. 2006
- b. 2016
- c. 2000
- d. 2012

20. Registration under MSMED Act is compulsory for _____ enterprise.

- a. Micro
- b. Medium scale
- c. Small scale
- d. Large scale

21. Consumer Protection Act is passed in _____.

- a. 1996

- b. 2006
- c. 1986
- d. 1996

22. The jurisdiction of the District Forum is _____.

- a. Upto 20 lakhs
- b. More than 20 lakhs but less than 1 crore
- c. More than 1 crore
- d. More than 5 crores

23. The President of the State Forum is qualified to be the Judge of _____ Court.

- a. District
- b. High
- c. Supreme
- d. Sessions

24. A consumer complaint to be filed within _____ years from cause of action.

- a. 1 year
- b. 3 years
- c. 5 years
- d. 2 years

25. An appeal against the order of the National Commission to be filed in _____ Court.

- a. Sessions
- b. Supreme
- c. High
- d. District

26. There are _____ members in the State Forum.

- a. 2
- b. 3
- c. 4
- d. 5

27. The Government Laboratory to give report within _____ days.

- a. 30
- b. 45
- c. 60
- d. 90

28. An appeal from District Forum to State Forum to be filed within _____ days.

- a. 30
- b. 60
- c. 90
- d. 120

29. The Appointment of the President of the National Commission is for 5 years for upto the age of _____ years.

- a. 56
- b. 67
- c. 70
- d. 45

30. A consumer complaint can be filed in _____.

- a. District Forum
- b. High Court
- c. Supreme Court
- d. Sessions Court

31 . To avoid misleading advertisement and sales promotion measures is one of the responsibilities towards _____

- a. Government
- b. Consumers
- c. Employees
- d. Soldiers

32 _____ is responsible for creating ecological balance.

Government

Business organisation

Defence

Education

33 The major cause of ecological degradation is _____ without proper planning.

- a. Industrialization
- b. Privatisation
- c. Urbanization
- d. Socialisation

34 The success of an organization to a great extent depends on the morale of employees.

- a. Supplier
- b. Consumer
- c. Employee
- d. Government

35. Companies have started _____ to avoid scams and financial irregularities.

- a. Corporate Scheme
- b. Corporate Governance
- c. Corporate Employees
- d. Corporate Deals

36. _____ Audit is a report of economics performance.

- a. Social
- b. Commercial
- c. Human resource

d. None of these

d. Regional

37. _____ Audit helps in evaluating business activities in terms of social benefits.

a. Social

b. Commercial

c. Human resource

d. Regional

38. _____ is one of the benefit of social audit.

a. To meet Legal requirement

b To Socialise people

c.To Build Infrastructure

d.None of these

39. _____ is one of the feature of Social Audit.

Perishability

Stability

Voluntary

Retainability

40 _____ is compulsory audit.

Social

Commercial

Technical

None of these

41 WTO stands for

a. World Traditional Organisation

b World Time Organisation

cWorld Trade Organisation

dWorld Touism Organisation

42 The WTO was formed in year

1993

1994

1995

1996

43 Globalisation refers to

- a. Lower income worldwide
- b. Less Foreign Trade & Investment
- c. Global warming & their effects
- d. A more registered and interdependent world

44___ company produces markets invests & operates across the world.

- a. International
- b. Multinational
- c. Global
- d. Transnational

45 ____ is only a legal agreement & it is not an institution but_____ is a permanent institution.

- a. GATT, WTO
- b. WTO, GATT
- c. WTO,IMF
- d. IMF,WTO

46. FDI stands for

- a. Foreign Direct Investigation
- b. Foreign Direct Investment
- c. Foreign Dealing Investigation
- d. Foreign Double Investment

47. _____ was initiated during 11th five year plan.

- a. Niryat Bandhu Scheme
- b Niryat Bandhu Service
- c Niryat Bandhu Segmentation
- d.Niryat Bandhu Society

48 _____ are goods and services produced in one country but marketed in another country.

- a. Export
- b. Import
- c. Deport
- d. None of these

49 _____ refers to only the difference between the value of imports and exports.

- a. Balance of Payment
- b. Balance of Trade
- c. Balance of Export
- d. Balance of Policy

50 _____ was replaced by WTO

- a. SATT
- b. GATT
- c. GETT
- d. CETT

Introduction to Financial System

Sample MCQs

- | S. No | MCQs |
|-------|---|
| 1 | A Financial Market is a market where Financial Instrument are _____ . <ul style="list-style-type: none">• exchanged• bought• sold• transferred |
| 2 | Money Market is _____ Market. <ul style="list-style-type: none">• primary market• short term market• long term market• secondary market |
| 3 | The development of an Economy is largely influenced by -----. <ul style="list-style-type: none">• cash market• foreign market• stock market• Financial Markets |
| 4 | Primary Market is a market for _____ . <ul style="list-style-type: none">• derivative market• commodity market• new issue market• old issue market |
| 5 | Public Issue is also known as _____ . <ul style="list-style-type: none">• right issue• Initial Public Offer• bonus issue• sweat issue |
| 6 | Who controls the money market _____? <ul style="list-style-type: none">• SBI• DFHI• IDBI• RBI |
| 7 | The _____ deals in new financial claim, therefore it is called new issue market <ul style="list-style-type: none">• Money Market• Primary Market• Secondary Market• Capital Market |

- 8 The BSE Sensex consist of a basket of _____ Stocks.
- 50
 - 20
 - 30
 - 100
- 9 The Reserve Bank of India was established on _____.
- a) April 1, 1935
 - b) July 12, 1982
 - c) May 26, 2006
 - d) September 30, 2005
- 10 Which of the following is true about the functions performed by RBI -
- (i) It is the Bank of Issue
 - (ii) It acts as banker to the Government
 - (iii) It is the banker of other banks
 - (iv) It regulates the flow of credit
- (a) Both (i) and (ii)
 - (b) Both (iii) and (iv)
 - (c) All the Above
 - (d) None of the above
- 11 Which of these facilities is given by RBI to the banks for inter-bank transactions?
- RTGS
 - SWIFT
 - M-PESA
 - NEFT
- 12 ----- is one of the main function of NABARD.
- a. Controller of credit
 - b. Industrial Finance
 - c. Supervisory
 - d. Monetary stability
- 13 ---- is the regulatory authority of pension market in India.
- a. RBI
 - b. SEBI
 - c. IRDA
 - d. PFRDA
- 14 Regulatory Agencies are relatively ---- of government.
- a. Collectively
 - b. Independent
 - c. Jointly
 - d. Under regulation

- 15 The basic goal of regulatory institution is to ensure -----.
- Liquidity,
 - Finance,
 - Facility,
 - Safety
- 16 The main function of regulatory body is to monitor-----.
- Policies,
 - Benefits,
 - Liquidity,
 - Facility
- 17 The main objective of regulatory body is to ensure---- protection.
- Investor's
 - Industry's
 - Government's
 - Regulators'
- 18 Commercial paper is----- market instrument.
- Capital Market
 - Money Market
 - Debt market
 - Secondary Market
- 19 CAPM was developed by-----.
- William Sharpe
 - Charles Sharp
 - Harry Sharpe
 - Harry Markowitz
- 20 The Monetary System prevailed prior to First World War was-----.
- Gold Standard
 - Bretton Woods
 - BIS
 - GATT
- 21 The structure of Indian Financial System during Post 1991 was-----.
- Dualistic Economy
 - LPG Economy
 - Nationalization
 - Nationalised Economy
- 22 The major objectives of SEBI is -----.
- Investor Protection
 - Poverty eradication
 - Welfare
 - Capital Formation
- 23 Gilt Edged Securities are issued by-----.

- Corporate
 - Government
 - Private Company
- 24 Banks
- 24 Carbon Emission Index is an innovative-----instrument.
- Derivative Market
 - Capital Market
 - Commodity Market
- 25 Money Market
- 25 Systematic risk refers to risk factor concern with -----.
- Economic Changes
 - Labour Strikes
 - Political Changes
 - Social
- 26 Debt market is the financial market for -----.
- Long Term claims
 - Fixed claims
 - Short term claims
 - Medium Term
- 27 The IMF was conceived in July-----.
- 1946
 - 1944
 - 1947
 - 1950
- 28 Non-Banking Financial Companies consist of-----.
- Commercial Banks
 - Nidhis
 - Insurance Companies
 - ICICI
- 29 Hedgers participate in --- market.
- Equity markets
 - Debt markets
 - Commodity markets
 - Derivative
- 30 Yield to Maturity is the used to evaluate----- Instruments.
- Equity
 - Bonds
 - Derivatives
 - Commodity
- 31 World Bank is also called as-----
- IBRD
 - GATT

- IRDA
 - BIS
- 32 A ----- is a financial contract that derives its value from an underlying asset.
- Derivate
 - Commodity
 - Foreign Exchange
 - Fixes income security
- 33 Traders, who wish to protect themselves from the risk involved in price movement, participate in the derivatives market. They are called -----.
- Brokers
 - Hedgers
 - Agents
 - Creditors
- 34 Interest rate swaps provide a way for businesses to hedge their exposure to changes in -----.
- Interest rates
 - Exchange rate
 - Bank rate
 - Repo rate
- 36 Convertible bonds are to be converted into specified number of -----.
- Equity shares
 - Debentures
 - Preference shares
 - Right share
- 37 Government securities are issued by the ----- on behalf of the Government of India.
- RBI
 - Govt. of India
 - SEBI
 - SBI
- 38 _____ act as intermediaries in purchase and sale of securities in the primary and secondary markets
- Underwriters
 - Merchant Banker
 - Broker
 - Factoring
- 39 _____ is the oldest stock exchange in India.
- NSE
 - MCX
 - CSE
 - BSE

- 39 The main objective of IRDA is to protect interest of _____.
- investor
 - policyholder
 - shareholder
 - public
- 40 Which one won't register with SEBI to establish its business?
- Stock Broker
 - Stock Exchange
 - Merchant Banker
 - Company
- 41 _____ issue one rupee coin in India?
- RBI
 - SBI
 - Government
 - President
- 43 full form of RTGS.
- Rear Time Gross Settlement
 - Real Time Gross Service
 - Real Title Gross Settlement
 - Real Time Gross Settlement
- 44 Which one is non-financial intermediaries?
- IFCI
 - SEBI
 - RBI
 - SBI
- 45 Which one is unorganised market?
- Indigenours Bankers
 - BSE
 - ICICI bank
 - SBI
- 46 Funds are mobilised either as _____ or _____.
- Debt, borrowed
 - Equity and Debt
 - Equity and Own
 - Own capital
- 48 IPO is a part of _____
- Primary market
 - secondary market
 - money market
 - debt market

49 The New Industrial Policy in India was declared in_____.

- 1990
- 1988
- 1991
- 2001

50 The Indian Economy during the Post-Independence was the era of -----.

- Liberalisation
- Traditional Economy
- Nationalism
- Privatization

SAMPLE QUESTIONS- BUSINESS ECONOMICS I

FYBAF / FYBBI / FYBMS / FYBFM

Regular Exam 2020

1. Which would be an implicit cost for a firm? The cost:
 - A. of worker wages and salaries for the firm.
 - B. paid for leasing a building for the firm.
 - C. paid for production supplies for the firm.
 - D. of wages foregone by the owner of the firm.

2. If a firm's revenues just cover all its opportunity costs, then:
 - A. normal profit is zero.
 - B. economic profit is zero.
 - C. total revenues equal its explicit costs.
 - D. total revenues equal its implicit costs.

3. Suppose a firm sells its product at a price lower than the opportunity cost of the inputs used to produce it. Which is true?
 - a. The firm will earn accounting and economic profits.
 - b. The firm will face accounting and economic losses.
 - c. The firm will face an accounting loss, but earn economic profits.
 - d. The firm may earn accounting profits, but will face economic losses.

4. The law of diminishing returns only applies in cases where:
 - A. there is increasing scarcity of factors of production.
 - B. the price of extra units of a factor is increasing.
 - C. there is at least one fixed factor of production.
 - D. capital is a variable input.

5. The marginal product of labor curve shows the change in total product resulting from a:
 - A. one-unit increase in the quantity of a particular resource used, letting

other resources vary.

- B. one-unit increase in the quantity of a particular resource used, holding constant other resources.
 - C. change in the cost of a variable resource.
 - D. change in the cost of a fixed resource.
6. The reason the marginal cost curve eventually increases as output increases for the typical firm is because:
- A. of diseconomies of scale.
 - B. of minimum efficient scale.
 - C. of the law of diminishing returns.
 - D. normal profit exceeds economic profit.
7. If the short-run average variable costs of production for a firm are rising, then this indicates that:
- a. average total costs are at a maximum.
 - b. average fixed costs are constant.
 - c. marginal costs are above average variable costs.
 - d. average variable costs are below average fixed costs.
8. If a more efficient technology was discovered by a firm, there would be:
- A. an upward shift in the AVC curve.
 - B. an upward shift in the AFC curve.
 - C. a downward shift in the AFC curve.
 - D. a downward shift in the MC curve.
9. If you know that with 8 units of output, average fixed cost is \$12.50 and average variable cost is \$81.25, then total cost at this output level is:
- a. \$93.75.
 - b. \$97.78.
 - c. \$750.
 - d. \$880.

10. Which of the following are assumptions for break-even analysis?

- A) Elements of cost cannot be divided in different groups.
- B) Fixed cost remains certain from zero production to full capacity.
- C) Behavior of different costs is linear
- D) Selling per price unit remains constant.

- a) A, B, C
- b) B, C, D
- c) A, C, D
- d) A, B, D

11. Different brand of toothpastes and shampoo is belonging to which of market structure?

- A. Perfect Competition
- B. Monopoly Competition
- C. Monopolistic Competition
- D. Oligopoly Competition

12. Given selling price is Rs 10 per unit, variable cost is Rs 6 per unit and fixed cost is Rs 5,000. What is break-even point?

- A. 500 units
- B. 1,000 units
- C. 1,250 units
- D. 600 units

13. Which of the following combination makes Monopolistic Competition?

- A. Monopoly and Perfect
- B. Monopoly and Oligopoly
- C. Oligopoly and Perfect
- D. Monopoly and Duopoly

14. The relationship between AR and MR is equal in _____ competition.

- A. Perfect
- B. Monopoly
- C. Monopolistic
- D. Oligopoly

15. If demand is unitary elastic, a 25% increase in price will result in

- A. 25% change in total revenue
- B. No change in quantity demanded
- C. 1% decrease in quantity demanded
- D. 25% decrease in quantity demanded

16. How many buyers present in oligopoly competition?

- A. Large
- B. Small
- C. Few
- D. Single

17. How many sellers present in oligopoly competition?

- A. Large
- B. Small
- C. Few
- D. Single

18. Which of the following demand forecasting is based on previous year sales?

- A. Active Demand Forecasting
- B. Passive Demand Forecasting
- C. Industry Level Demand Forecasting
- D. National Level Demand Forecasting

19. Which of the following is true case of perfect competition?

- A. Free Entry and Exit
- B. Differentiated product
- C. Unique product
- D. Homogenous product

20. Which of the following market structure offers homogeneous product?

- A. Perfect Competition
- B. Monopoly Competition
- C. Monopolistic Competition
- D. Oligopoly Competition

21. Which of the profit is possible in short run in perfect competition?

- i. Super Normal Profit
- ii. Normal Profit
- iii. Sub normal Profit
- iv. losses

- A. i, ii and iii
- B. i and ii
- C. i and iv
- D. i, ii, iii and iv

22. Who decides price in monopoly competition?

- A. Market Demand and Market Supply
- B. Buyers
- C. Sellers
- D. Government

23. Which of the following is true in case monopoly competition?

- A. Firm and Industry are same
- B. Free entry and exit
- C. Price taker
- D. $AR=MR$

24. What will be cross elasticity of demand in pure monopoly?

- A. Zero
- B. One

C. Negative

D. Positive

25. Who decides price in monopolistic competition?

A. Market Demand and Market Supply

B. Partially by buyers

C. Partially by sellers

D. Government

26. Which of the following is example of Oligopoly competition?

A. Automobile Market

B. Retail Market

C. Indian Railway

D. FMCG Market

27. Which of following demand forecasting is done for more than 5 years?

A. Short Term Demand Forecasting

B. Long Term Demand Forecasting

C. Medium term Demand Forecasting

D. Industry Level Demand Forecasting

28. Which of following demand forecasting is done for less than 1 years?

A. Short Term Demand Forecasting

B. Long Term Demand Forecasting

C. Medium term Demand Forecasting

D. Industry Level Demand Forecasting

29. Which of the following factors affects elasticity of demand?

i. Nature of Commodity

ii. Availability of Substitute

- iii. Level of Income
 - iv. Price of a commodity
- A. Only i
 - B. Only ii & iii
 - C. Only I, ii and iii
 - D. All i, ii, iii and iv

30. What will be cross elasticity of demand for complementary goods?

- A. Negative
- B. Positive
- C. Zero
- D. Diminishing

31. What will be cross elasticity of demand for substitute goods?

- A. Negative
- B. Positive
- C. Zero
- D. Diminishing

32. What is the formula for calculating TR ?

- A. $P \times Q$
- B. TR/Q
- C. $TC_n - TC_{n-1}$
- D. $TFC + TVC$

33. What is the formula for calculating AR ?

- A. $P \times Q$
- B. TR/Q
- c. $TC_n - TC_{n-1}$
- D. $TFC + TVC$

34. Price discrimination refers to _____

- a) charging different prices for different commodities
- b) charging different prices for same buyers at different times
- c) charging different prices for same commodity to different buyers
- d) charging different prices for different product

35. First degree price discrimination refers to _____

- (a) each customer is charged different price for the same commodity
- (b) each market segment is charged different price
- (c) different prices are charged for same commodity in different market
- (d) different prices are charged for different commodity in different market

36. Dumping takes place when a monopolist _____

- (a) has monopoly in the world as well as home market
- (b) has monopoly in the world market
- (c) has monopoly in the home market and competitive world market
- (d) has perfect competitive market in the world market

37. When dumping is of a temporary nature it is called

- (a) persistent dumping
- (b) predatory dumping
- (c) sporadic dumping
- (d) ad hoc dumping

38. which statement is false in the following

- (a) In dumping a monopolist is price taker in the world market
- (b) In first degree price discrimination each customer is charge different price for same good and service.
- (c) For price discrimination product must differ in quality.
- (d) dumping involved home and world market

39. which of the following is true statement

- (a) Companies use transfer pricing to avoid tax
- (b) In case of marginal cost pricing an enterprise will never incur loss.
- (c) Marginal cost pricing does not apply to a private monopoly.
- (d) transfer pricing is never equal to the market price of the product

40. Which of the following features define human needs:

- A. are not concurrent;
- B. do not disappear momentarily if they are satisfied;
- C. are unlimited in capacity;
- D. are unlimited in number.

41. Suppose the supply for product A is perfectly elastic. If the demand for this product increases:

- A. the equilibrium price and quantity will increase;
- B. the equilibrium price and quantity will decrease;
- C. the equilibrium quantity will increase but the price will not change;
- D. the equilibrium price will increase but the quantity will not change.

42. If the coefficient of income elasticity of demand is higher than 1 and the revenue increases, the share of expenditures for commodity X in total expenditure:

- A. will increase;
- B. will decrease;
- C. will remain constant;
- D. can not be determined.

43. If the demand for agricultural products is inelastic:

- A. as the prices decrease, the revenues earned by producers increase;
- B. as the prices decrease, the revenues earned by producers decrease;
- C. rising prices do not lead to differentiation in producers' incomes;
- D. the percentage decrease in prices is lower than the percentage increase in demand.

44. For a rational consumer who has to choose between two goods in the context of budget constraints, the price change of one of the goods, *caeteris paribus*, will determine:

- A. a parallel shift of the budget line to the left;
- B. a change in the slope of the budget line;
- C. no change in the budget line;
- D. a parallel shift of budget line to the right.

45. The price of the product A was reduced from 100 to 90 and, as a result, the quantity demanded has increased from 70 to 75 units. The demand is:

- A. inelastic;
- B. elastic;
- C. unit elastic;
- D. can not be determined from the given information.

46. Choose the false statement:

- A. in general, the demand for necessity goods is less elastic than demand for luxury goods;
- B. if the price and the producers' income are directly proportional, the demand is elastic;
- C. after a long period of time since the change in the price of the good A, supply becomes more elastic;
- D. for a company whose production process involves making two goods, one main and the other secondary, if the price of the main good increases, - *caeteris paribus* - the supply on the secondary good's market will increase (and vice versa).

47. If the demand curve for product A moves to the right, and the price of product B decreases, it can be concluded that:

- A. A and B are substitute goods;
- B. A and B are complementary goods;
- C. A is an inferior good, and B is a superior good;
- D. Both goods A and B are inferior.

48. The indifference curve means:

- A. equal consumption of two goods;
- B. equal utility from the consumption of two combinations of goods;
- C. equal consumer income;
- D. equal prices of the goods consumed.

49. The points located at the intersection of the budget line with the coordinate axes mean:

- A. the consumer does not spend all his income;
- B. the consumer spends all his income for only one good;
- C. the consumer spends absolutely nothing;
- D. these are points impossible to reach by the consumer.

50. If demand is price elastic,

- A. a 1 percent decrease in the price leads to an increase in the quantity demanded that exceeds 1 percent.
- B. a 1 percent increase in the price leads to an increase in the quantity demanded that exceeds 1 percent.
- C. the price is very sensitive to any shift of the supply curve.
- D. a 1 percent decrease in the price leads to a decrease in the quantity demanded that is less than 1 percent.