

Question Bank

Direct Tax (SYBBI)

SEM 3

1. The Income tax act, 1961 came into force w.e.f. _____
 - a. 1st April, 1962
 - b. 31st March, 1961
 - c. 1st April, 1961
 - d. None of above
2. Circulars and Notifications are binding on the _____
 - a. Central Board of Direct Taxes (CBDT)
 - b. Assessee
 - c. Income Tax Appellate Tribunal (ITAT)
 - d. Income Tax Authorities
3. Income Tax is charged in _____
 - a. Financial Year
 - b. Assessment Year
 - c. Previous Year
 - d. Accounting Year
4. A person includes _____
 - a. Only Individual
 - b. Only Individual and HUF
 - c. Individuals, HUF, Firm, Company only
 - d. Individuals, HUF, Company, Firm, AOP or BOI, Local Authority, Every Artificial Juridical Person
5. Assessment year can be a period of :
 - a. only more than 12 months
 - b. 12 months and less than 12 months
 - c. only 12 months
 - d. 12 months and more than 12 months
6. Municipality of Delhi falls under _____ category of person-
 - a. Artificial juridical person
 - b. Local authority
 - c. Individual
 - d. Association of Person
7. Income Tax is levied on the _____ of a person.
 - A. Total Income
 - B. Total Income-Debt
 - C. Gross Total Income

D. Net Income-Debt Perquisites

8. Income-tax in India is charged at the rates prescribed by -

- A. The Finance Act of the assessment year
- B. The Income-tax Act, 1961
- C. The Central Board of Direct Taxes
- D. The Finance Act of the previous year.

9. Income includes -

- A. Profits and gains
- B. Profit in lieu of Salary
- C. Income from other sources
- D. All of the above

10. Income is divided in _____ heads of Income.

- A. 4
- B. 5
- C. 6
- D. 3

11. Which amongst the following is not a head of Income?

- A. Salaries
- B. Income from house Property
- C. Capital gains
- D. Income from exports

12. Amongst the following which activity will be taxable?

- A. Profits & gains of any insurance business
- B. Income from specific services provided by carried on by a co-operative society. Trade, professional or similar association.
- C. The profits and gains of any banking business carried on by a co-operative society.
- D. All of the above.

13. Which of the following is not included in taxable income -

- A. Income from smuggling activity
- B. Casual income
- C. Gifts of personal nature subject to a maximum of Rs. 50,000 received in cash
- D. Income received in kind.

14. Which is the charging section of Income from house property?
- A. Section 15
 - B. Section 22
 - C. Section 24
 - D. Section 10(10D)
15. Income from vacant plot is taxable under the head _____
- A. Income from House Property
 - B. Income from Other Sources
 - C. Profits & Gains of Business or Profession
 - D. Capital Gains
16. The sum for which the property might reasonably be expected to let year to year is known as -
- A. Expected Rent
 - B. Standard Rent
 - C. Annual value
 - D. Municipal Valuation
17. In which of the following cases the annual value of the house is taken to be NIL.
- A. Self-occupied house.
 - B. Vacancy for the whole period.
 - C. If the assessee holds two house properties.
 - D. Both (a) & (b) but not (c)
18. DS is the owner of a house property covered under the Rent Control Act. Municipal value Rs. 30,000, actual rent Rs. 25,000, fair rent Rs. 36,000 and standard rent is Rs. 28,000. The gross annual value of the house property will be —
- A. Rs. 30,000
 - B. Rs. 25,000
 - C. Rs. 36,000
 - D. Rs. 28,000
19. Calculate the Gross Annual Value from the following details:
- Municipal Value 45,000
 - Fair rental value 50,000
 - Standard Rent 48,000
 - Actual Rent 42,000
- (a) ` 50,000 (b) ` 48,000
(c) ` 45,000 (d) ` 42,000

20. DS owns a house property in Delhi which he wants to give on rent. He seeks your help to determine the reasonable expected rent when monthly municipal value is Rs.` 20,000, fair rent Rs.` 25,000 and standard rent Rs.` 22,000. The reasonable expected rent will be computed with reference to following amount per month—
- A. Rs.` 22,000
 - B. Rs.` 20,000
 - C. Rs.` 25,000
 - D. None of the above.
21. Which of the following deduction are to be made from income house property?
- A. Standard deduction
 - B. Interest on borrowed loan
 - C. Both (a) and(b)
 - D. Option (a) but not(b)
22. Which of the following amount is not allowed for deduction from income from house property?
- A. Interest on loan borrowed for construction of house property.
 - B. Interest on fresh loan taken to repay original loan.
 - C. Interest on unpaid interest.
 - D. Interest on unpaid purchase price
23. The maximum limit of deduction under section 24(b) for interest on borrowed capital before 1-4-1999 for construction of house property used for self-occupation is:
- A. Rs. 30,000
 - B. Rs. 2,00,000
 - C. Rs. 50,000
 - D. Rs. 60,00
24. When a house property is let-out throughout the year for a monthly rent of Rs.`22,000 and municipal tax paid for current year is Rs. 24,000 and for the earlier year paid now is Rs.`16,000, the income from house property would be –
- a. Rs. 1,68,000
 - b. Rs. 1,56,800
 - c. Rs. 1,84,800
 - d. Rs. 2,24,000
25. The net annual value of house let-out is Rs.` 1,00,000 and actual amount spent by the assessee on repairs and insurance premium is Rs.` 20,000, the amount of deduction allowed under section 24(a) shall be _____
- A. Rs.20,000

- B. Rs. 30,000
- C. Rs. 25,000
- D. Rs. 22,000

26. In case of self-occupied property, statutory deduction under section 24(a) shall be :

- a. Nil
- b. B. Rs.30,000
- c. Rs.2,00,000
- d. Rs.90,000

27. Residential status is to be determined for:

- (a) Previous year
- (b) Assessment year
- (c) Accounting year
- (d) None of these

28. Income which accrue or arise outside India but are received directly into India is taxable in case of

- (a) Resident only
- (b) Both ordinarily resident and NOR
- (c) Non-resident
- (d) All the assessee

29. Income Tax Act extends to:

- a) Whole of India
- b) Whole of India except Jammu and Kashmir
- c) India and Bangladesh
- d) None of these
- e)

30. Shivaji University is assessable under the Income Tax Act as:

- (a) An individual
- (b) An artificial juridical person
- (c) A local authority
- (d) None of these

31. Total income of a person is determined on the basis of his _____

- a. Residential status in India
- b. Citizenship in India
- c. Birth in India
- d. None of these

32. Citizen of India, leaving India for Employment is resident if he _____

- a. Stay in India exceeds 60 days in previous year.
 b. Stay in India exceeds 182 days in previous year.
 c. Stay in India exceeds 90 days in previous year.
 d. None of these
33. Compensation received on voluntary retirement is exempt under Sec. 10 (10 C) to the maximum extent of _____
 (a) Rs. 2,40,000 (b) Rs. 3,00,000
 (c) Rs. 5,00,000 (d) None of these
34. Employer's contribution to recognized provident fund during the previous year in excess of _____ of basic salary is taxable.
 (a) 9.5% (b) 11%
 © 12% (d) 12.5%
35. Profit in lieu of Salary is taxable under the head _____
 (a) Profits from Business (b) Salaries
 © Other sources (d) Capital Gains
36. Allowances received by MPs and MLAs are exempted U/s _____
 (a) 10 (1) (b) 10(17A)
 © 10 (17) (d) 10(32)
37. Interest on recognized provident fund during the previous year in excess of _____ of is taxable.
 (a) 9.5% (b) 11%
 © 12% (d) 12.5%
38. The charging section of the income under the head capital gains is:
 A. Section 15
 B. Section 17
 C. Section 10
 D. Section 45
39. The following shall not be regarded as capital asset:
 A. Urban Land
 B. Securities held by a Foreign Institutional Investor as per SEBI Act, 1992
 C. Archaeological Collections
 D. Motor Car

40. Ms.Rani inherited a vacant site land consequent to the demise of her father on 10th June,2010. The land was acquired by her father on 10th April, 1996 for Rs.40,000. The fair market value of the land on 1st"April, 2001 was Rs.60,000 and on the date of inheritance, i.e., 10th June, 1990 was Rs.2,00,000. The cost of acquisition for Ms.Rani is _____
- A.Rs.10,000
 - B. Nil
 - C.Rs.60,000
 - D.Rs.2,00,000
41. Compute the capital gains for AY 2019-20 if Mr. Raj, a property dealer, sells a Commercial plot of land on 1-3-2019 for Rs.50,00,000 which was acquired by him on 1-8-2016 for Rs.25,00,000 for selling of offices constructed therein. He had incurred land development charges of Rs.10,00,000 on 1-10-2016. He incurred Rs.1,00,000 for selling the plot of land.
- A. Nil
 - B.Rs.15,00,000
 - C.Rs.14,00,000
 - D.Rs.25,00,000
42. Which of the following taxes are allowed as deduction while computing the business income _
- A. Wealth-tax
 - B. Income-tax
 - C. Sales tax
 - D. None of the above.
43. A income by way of rent of agricultural land is _____.
- (a) Business income
 - (b) Agricultural Income
 - (c) Income from Other Sources
 - (d) Casual Income
44. The depreciation is allowable expenditure subject to _____.
- (a) The asset must be tangible asset
 - (b) The asset is used for the business purposes
 - (c) The assesses is the owner of the assets
 - (d) All of these
45. In Income Tax Act, 1961, deduction under sections 80C to 80U cannot exceed

- _____.
- a. Gross total income
 - b. Total income
 - c. Income from business or profession
 - d. Income from house property
46. Deduction under Section 80C can be claimed for fixed deposit made in any scheduled bank, if the minimum period of deposit is _____.
- a. 10 Years (c) 5 Years
 - b. 12 Years (d) 8 Years
47. Clubbing of income means _____.
- a. Addition income of two partners
 - b. Inclusion of income of other person in assessee income
 - c. Total of income of various heads
 - d. Collection of income
48. Deduction in respect of medical insurance premium is allowed under _____.
- a. Section 80C (b) Section 80D
 - b. Section 80DD (d) Section 80U
49. Aggregate amount of deduction under 80C, 80CCC and 80CCD cannot exceed _____.
- a. 1,10,000 (b) 1,20,000
- _____.
- (a) Section 10 (b) Sec 10(13A)
 - (c) Section 11(13B) (d) Section 11
50. Profit on sale of import license is taxed under the head _____.
- (a) Profits from Business (b) Salaries
 - © Other sources (d) Capital Gains

SYBBI - Foundation Course III
End Semester - Sample Questions

1. Statement A: A Bank is same as NBFC
Statement B: NABARD is the only specialized bank in India
 - a) Both statements are true
 - b) Both statements are false
 - c) Statement A is true and B is false
 - d) Statement B is true and A is false
2. Co-operative banks have a _____ tier setup in India
 - a) One
 - b) Two
 - c) Three
 - d) Four
3. The Bank of Bengal, the Bank of Bombay and the Bank of Madras were amalgamated in 1921 to form the
 - a) Imperial Bank of India
 - b) Reserve Bank of India
 - c) State Bank of India
 - d) Bank of Hindostan
4. _____ ensures that banks have sufficient capital to run the banking operations
 - a) Principle of Liquidity
 - b) Principle of Profitability
 - c) Principle of Solvency
 - d) Principle of Secrecy
5. EXIM, SIDBI and NABARD are examples of _____
 - a) Specialized banks
 - b) Regional Rural Banks
 - c) Co-operative Banks
 - d) Nationalised Banks
6. Reserve Bank of India is the central bank of the country and was established in _____
 - a) April 1936

- b) April 1935
 - c) April 1934
 - d) April 1930
7. The fastest growing division in the banking sector is the _____.
- a) Wholesale sector
 - b) Retail sector
 - c) Corporate sector
 - d) Rural sector
8. Which of the following is NOT a type of advance given to customers by a bank?
- a) Cash Credit
 - b) Overdraft
 - c) Discounting of bills
 - d) Locker facility
9. SBI Act was passed to take over the _____
- a) Bank of Hindostan
 - b) Imperial Bank of India
 - c) The Bank of Bengal
 - d) Allahabad Bank
10. _____ ensures that banks should maintain confidentiality of the customer's account details
- a) Principle of Services
 - b) Principle of Secrecy
 - c) Principle of Efficiency
 - d) Principle of Solvency
11. _____ ensures that banks should give best services to its customers.
- a) Principle of Services
 - b) Principle of Secrecy
 - c) Principle of Efficiency
 - d) Principle of Solvency
12. Which of the following is NOT a statutory function of RBI?
- a) To regulate the issue of bank notes
 - b) To maintain reserves with a view to securing monetary stability
 - c) To operate the credit and currency system of the country to its advantage

- d) To handle minting of coins.
13. Vijaya Bank and Dena Bank were merged into _____ in 2018.
- a) Bank of India
 - b) State Bank of India
 - c) Allahabad Bank
 - d) Bank of Baroda
14. _____ are the banks where the majority of shares (more than 51%) are held by private individuals/entities.
- a) Co-operative banks
 - b) Private sector banks
 - c) Specialised banks
 - d) Public sector banks
15. _____ are the banks which are registered outside of India but have their branches in India. Example, Citibank.
- a) Commercial banks
 - b) Foreign banks
 - c) Private sector banks
 - d) Nationalised banks
16. Which of the following correctly defines a spread?
- a) The difference between repo rate and reverse repo rate
 - b) The difference between rate of interest paid to depositors and rate of interest charged from borrowers
 - c) The difference between CRR and SLR
 - d) The difference between bank rate and interest rate
17. Banker-Customer relationship starts when _____
- a) A customer opens an account
 - b) A customer becomes relative of a bank
 - c) The banker and customer become friends
 - d) None of them
18. The function of RBI is/are _____
- a) To give license to banks
 - b) To act as banker's bank
 - c) To act as banker to government
 - d) All of them

19. Which of the following is NOT a secondary function of a bank?
- a) Issuing travelers cheque
 - b) Providing locker facility
 - c) Discounting of bills of exchange
 - d) Providing reports on credit worthiness of customers
20. _____ is a discount rate at which the commercial banks and the financial institutions borrows loan from the central bank.
- a) Interest Rate
 - b) CRR
 - c) Repo Rate
 - d) Bank Rate
21. _____ is the rate at which the country's central bank lends money to the commercial banks generally against government securities.
- a) Bank Rate
 - b) Lending Rate
 - c) Repo Rate
 - d) Reverse Repo Rate
22. The first bank established in India was _____ in 1770 in Calcutta under the European Government.
- a) Bank of Hindustan
 - b) Imperial Bank of India
 - c) Allahabad Bank
 - d) Reserve Bank of India
23. Which was the first commercial bank in India which was managed by the Indian Board of directors with limited liability?
- a) State Bank of India
 - b) Oudh Commercial Bank
 - c) Oriental Bank of Commerce
 - d) Imperial Bank of India
24. Retail Bank serves the needs of _____
- a) Individual
 - b) Corporate
 - c) Private Sector
 - d) Government

25. Which of the following is NOT a feature of retail banking?
- a) Large volume-low value transaction
 - b) Attractive market segment
 - c) Diverse and competitive
 - d) Economies of scale
26. What is the other name for Retail banking?
- a) Consumer banking
 - b) Personal banking
 - c) Individual banking
 - d) All of them
27. Corporate Banking is also known as _____
- a) Business Banking
 - b) Retail Banking
 - c) Merchant Banking
 - d) Personal Banking
28. The _____ were established on the recommendations of Narsimham Committee on Rural Credit.
- a) NABARD
 - b) RRB
 - c) Co-operative Banks
 - d) SIDBI
29. Each RRB is sponsored by a _____
- a) Public sector bank
 - b) Co-operative bank
 - c) Central bank
 - d) Foreign bank
30. Which is the largest commercial bank in the world?
- a) Bank of America
 - b) JP Morgan Chase
 - c) Goldman Sachs
 - d) World Bank
31. The Banking Ombudsman Scheme was first introduced in India in _____
- a) 1995
 - b) 1998

- c) 2002
 - d) 2006
32. The term _____ in general refers to the combination of commercial banking and investment banking.
- a) Retail banking
 - b) Universal banking
 - c) Personal banking
 - d) Business banking
33. Banks have _____ restrictions as compared to any other Financial Institution in India.
- a) Same
 - b) Less
 - c) More
 - d) Minor
34. SEBI has divided the Merchant Bankers into _____ categories, based on their capital adequacy.
- a) 3
 - b) 4
 - c) 5
 - d) 6
35. Statement A: IDBI, ICICI, IFCI are examples of Development Finance Institutions.
Statement B: H.R.Khan, former Deputy Governor of RBI headed the H.R.Khan Committee.
- a) Both statements are True
 - b) Statement A is True and B is False
 - c) Statement B is True and A is False
 - d) Both statements are False
36. Statement A: The origin of Merchant banking is to be traced to Italy and France during the seventeenth and eighteenth centuries.
Statement B: Merchant banks provide regular banking services to the general public.
- a) Both statements are true
 - b) Both statements are false
 - c) Statement A is true and B is false
 - d) Statement B is true and A is false

37. NAV stands for _____
- a) Net Asset Value
 - b) Nominal Asset Value
 - c) Notional Asset Value
 - d) Normal Asset Value
38. Identify which of the following is not an advantage of Mutual funds
- a) Diversification
 - b) choice of scheme
 - c) professional management
 - d) fluctuating returns
39. _____ is/are the backbone of any economy.
- a) Banks
 - b) NBFC
 - c) IMF
 - d) World Bank
40. E-Banking is a generic term for delivery of banking services and products through electronic channels, such as _____.
- a) Internet
 - b) Telephone
 - c) Cellphone
 - d) All of them
41. Virtual banks have lower overhead costs than _____
- a) brick-and-mortar banks
 - b) online banking
 - c) telephone banking
 - d) sms banking
42. _____ ATM is sharing cost concept, where hardware is owned by service provider, but cash management and network connectivity are provided by sponsor bank.
- a) Brown Label
 - b) White Label
 - c) Grey Label
 - d) Self owned
43. AEPS stands for _____

- a) Aadhaar Enabled Payment System
 - b) Aadhaar Enhanced Payment Service
 - c) Aadhaar Electronic Payment System
 - d) Aadhaar Enabled Payment Service
44. Which bank/s provide Online Savings Account Opening process?
- a) SBI
 - b) HDFC
 - c) AXIS
 - d) All of them
45. _____ means selling insurance product through banks where banks and insurance company come up in a partnership and the bank sells the tied insurance company's insurance products to its clients.
- a) Leads
 - b) Bancassurance
 - c) Assurance
 - d) Universal banking
46. Which of the following is not an advantage of E-Banking?
- a) Convenient banking
 - b) Security concern
 - c) Low cost banking
 - d) Quality banking
47. NEFT was introduced in India in _____
- a) 2005
 - b) 2006
 - c) 2000
 - d) 2002
48. _____ is the provision of financial services to low-income clients or solidarity lending groups including consumers and the self-employed, who traditionally lack access to banking and related services.
- a) Rural Banking
 - b) Microfinance
 - c) Self Help Group
 - d) NGO
49. Which of the following is NOT true regarding Microfinance?

- a) Loans are available at affordable interest rates
- b) Lend to poor people in rural areas
- c) Collateral security to be taken against loan
- d) Loan range usually between Rs.10,000 to Rs.1,00,000

50. Statement A: Self Help Promotion Institution is also known as NGO

Statement B: All SHGs are eligible for Bank Loan

- a) Both statements are true
- b) Both statements are false
- c) Statement A is true and B is false
- d) Statement B is true and A is false

VIDYALANKAR SCHOOL OF INFORMATION TECHNOLOGY

SAMPLE QUESTIONS

CLASS: SYBBI; SEMESTER: III

SUBJECT: FINANCIAL MANAGEMENT - I

1. The basic objective of Financial Management is:
 - Maximization of profits.
 - Profit Planning of the organization
 - Maximization of shareholders' wealth
 - Ensuring financial discipline in the organization

2. Finance is vital for which of the following business activity (activities)?
 - Marketing Research
 - Product Pricing
 - Design of marketing & distribution channels
 - Marketing Research, Product Pricing and Design of marketing & distribution channels

3. Which of the following is a tax-deductible expenditure?
 - Interest on Debt
 - Preference Dividend
 - Equity Dividend
 - Capital appreciation

4. Decision involving purchase of fixed assets are also termed as
 - Capital Structure Decisions
 - Capital Budgeting
 - Capital Restructuring
 - Capital Mix Decisions

5. Time Value of Money is based on the principle of

A stitch in time; saves nine

A bird in hand; is worth two in a bush

As you sow; so, shall you reap

Hard Work pays in the long run

6. Present Value of a Rupee is always

Equal to its Future Value

Greater than its Future Value

Less than its Future value

Is not related to its Future Value

7. The payback period is the period _____

equal to estimated life of the project

Project takes to recover its initial Cash outflow

Project takes to earn maximum

Project takes to earn minimum profit

8. Capital Budgeting decisions involve risk due to _____

Time Factor

Money Factor

Human Factor

Calculation Factor

9. Returns on bonds are termed as _____

Interest

Dividend

Premium

Bonus

10. A type of preference shares which can be converted into Equity Shares _____

Participating Preference Shares.

Cumulative Preference Shares.

Secured Preference Shares.

Convertible Preference Shares

11. Dividend declared between two Annual General Meetings (AGM's) is termed as

Stock Dividend

Cash Dividend.

Interim Dividend.

Liquidation Dividend.

12. Capitalization of reserves is also termed as:

Bonus Issue.

Stock Dividend.

Cash Dividend

Liquidation Dividend.

13. Which of the following is an item of Current Assets?

Bank Overdraft.

Receivables.

Outstanding Expenses.

Short Term Loan taken

14. A Balance Sheet tallies; because

It is based on Double Entry System of Accounting.

It is based on Single Entry System of Accounting.

All accounts are Computerized.

Total of Assets equals to the total of Liabilities.

15. Inventories are also termed as _____

Stock

Fixed Assets

Current Assets

Shares

16. ____ is a regulatory authority over the entire Capital Markets in India.

RBI.

SEBI.

Stock Exchanges

IRDA

17. Which of the following is an item of current Liability?

Bank Balance.

Bank Overdraft

Cash Balance

Unsecured Loans

18. The abbreviation “NAV” in a mutual fund stands for Lo

New Asset Value.

Non-Achievable Value.

Net Asset Value.

Net Annual Value.

19. The abbreviation “IPO” stands for,

Indian Public offer.

Indian Post Office.

Initial Private Offer.

Initial Public Offering.

20. The abbreviation “SIP” in Mutual Funds stands for.

Simple Investment Plan.

Systematic Investment Plan.

Small Investment Plan.

Social Investment Programme.

21. Internal Funds is also termed as

Ploughing Back of Profits.

Self-financing.

Internal Financing

Ploughing Back of Profits, Self-financing and Internal Financing

22. Rights issue is also called as

Privileged Subscription.

Equity Shares.

Stock Dividend.

Bonus Shares.

23. _____ shares are issued free of cost.

Equity.

Rights

Preference.

Bonus.

24. _____ increases the number of shares without actually increasing the paid – up value of share capital

Consolidation of Shares

Stock Split-ups

Bonus Issue

Rights Issue.

25. The term “Cum - Dividend” states ____

Including Dividend.

Excluding Dividend

Less Dividend.

None of the above.

26. Dividend Payout ratio is ____

DPS divided by MPS.

DPS divided by EPS.

DPS divided by Face Value.

EPS divided by DPS.

27. The cost of _____ capital is the highest.

Equity.

Preference.

Debt.

International.

28. Interest rate is fixed on the principle of

Higher the risk, Higher the return

Higher the risk, Lower the return.

Lower the risk, Lower the return

Lower the risk, Lower the returns and Higher the risk, Higher the return

29. Original investment of XYZ ltd is Rs.9,00,000 and its average annual cash inflows of Rs.75,000. Therefore, it's payback period is_____

10.5 years

12 years

5.85 years

6.75 years

30. Annual Cash inflows for a project is Rs.32,500 and its initial investment is Rs. 2,00,000. Therefore, its ARR is _____

20.5%

16.25%

18.5%

22.57%

31. NPV of a project with Cash inflows of Rs.1,94,565 and a cash outlay of Rs.1,70,000 is _____

13260

24,565

34,565

14,565

32. Market price of TCS ltd is Rs.160 and its EPS is Rs.20. Therefore, its P/E Ratio is _____

15 times

8 times

10 times

12 times

33. _____ is said to be the lifeblood of the economy

Human Resource

Land

Finance

Premises

34. The word 'Deber' means _____

To own something

To owe something to someone

To take something

To give something

35. Secured Debentures are also called as _____

Redeemable debentures

Convertible debentures

Mortgage Debentures

Bearer debentures

36. Relationship between bond price and interest rate is _____

Direct

Inverse

Unrelated

Correlated

37. An investor requires compensation for assuming risk, which is called _____

Interest rate

Risk free rate

Risk premium

Market risk premium

38. The process of calculating future values of cashflows is _____

Discounting

Compounding

Factoring

Multiplying

39. _____ is an example of annuity.

Principal

Maturity value

Insurance premium

Intrinsic Value

40. _____ is used to determine profit per equity shares.

Earnings per share

Return on Capital employed

Return on net worth

Economic profit

41. _____ measures how much net profit operating profit exceeds the capital charge.

Economic Value Added

Market Value Added

Shareholder Value Added

Wealth maximization

42. _____ is required by an organization during the establishment, expansion, technological innovation, and research and development.

Short-term capital

Long-term capital

Medium term capital

Quick Capital

43. _____ are the type of preference shares in which the dividend gets accumulated and paid.

Participating preference shares

Cumulative preference shares

Convertible preference shares

Irredeemable preference shares

44. Type of bonds which can be converted into equity shares are known as _____

Callable bonds

Puttable bonds

Junk Bonds

Convertible bonds

45. Debentures which are not easily transferable are known as _____

Bearer debentures
Secured debentures
Registered Debentures
Non-convertible debentures

46. The rate of return which is positive even in the absence of any risk is called ____

Interest rate
Risk free rate
Risk premium
Market risk premium

47. _____ is a stream of constant cash flows occurring at regular intervals of time.

Annuity
Principal
Maturity value
Intrinsic Value

48. In calculation of _____ earnings are related to the total capital employed.

Earnings per share
Return on Capital employed
Return on net worth
Economic profit

49. _____ is a traditional profit-based measure.

Economic Value Added
Market Value Added
Shareholder Value Added
Net Operating Profit after tax

50. In weighted average cost of capital, the term “weight” refers to

Rate of interest

Proportion of total capital raised by the firm

Proportion of each source of capital raised

Income tax consideration

SYBBI – Financial Market

Sample Questions

1. The BSE Sensex consist of a basket of _____ Stocks
 - 50
 - 100
 - 30
 - 66

2. _____ act as intermediaries in purchase and sale of securities in the primary and secondary markets
 - Underwriters
 - Merchant Banker
 - Broker
 - Factoring

3. Certificates of Deposit are short-term instruments issued by _____
 - Development banks
 - Commercial Banks
 - Co-operative Banks
 - RRB's

4. The RBI was established on _____.
 - 1935
 - 1938
 - 1945
 - 1949

5. Banking Regulation Act ,1949 conferred wide powers upon _____ to supervise and control affairs of banking companies in India
 - Commercial Banks
 - RBI
 - Private Banks
 - Central Bank

6. Which of the following is not a money market instruments _____?
 - Commercial Paper
 - Treasury Bill
 - Debenture
 - Commercial Bill

7. T-Bills are issued by _____

- RBI
- SEBI
- SBI
- FMC

8. Who controls the money market _____?

- RBI
- SBI
- DFHI
- IDBI

9. SBTS stands for _____

- Screen Based Trading system
- Security based Trading System
- Selective based Trading System
- Sample Based Trading System

10. _____ is the oldest stock exchange in India

- BSE
- NSE
- Toronto
- Madrid Stock Exchange

11. SEBI was established in the year _____

- 1990
- 1988
- 1993
- 2000

12. _____ serve the rural areas and agricultural sectors with basic banking and adequate financial services

RRB

NABARD

SIDBI

SEBI

13 Who controls the money market _____?

RBI

SBI

DFHI

IDBI

14. The players in the stock market are called as _____.

Bulls

BSE Sensex

S & P

FMCG

15 _____ are dealers who purchase and sell securities on their own names

Jobbers

Brokers

Underwriters

Agent

16. Objectives of investing in Mutual Funds are _____

Capital Appreciation

Capital Preservation

Regular Income

Capital Depreciation

17. When did the National Bank of Agriculture and Rural Development establish?

July 1982

July 1969

June 1951

June 1961

18. Who works as RBI's agent at places where it has no office of its own?

State Bank of India

Ministry of Finance

Government of India

International Monetary Fund

19. Which of the following are to be followed by Commercial Banks for risk management?

Basel II norms

Basel III norms

Basel I norms

Solvency II norms

20. What is the full form of CRR?

Cash Reserve Rate

Cash Reserve Ratio

Cash Recession Ratio

Core Reserve Rate

21. Central Bank_____ Credit

Create

Controls

Restricts

Manage

22. The process of managing the sales ledger of a client by a financial service company is called _____.

forfeiting

factoring

leasing

securitization of debt

23. To regulate the securities market and to protect the investor's interest _____ has been created by the Government of India.

SEBI

RRB

RBI

SBI

24. A forward contract is a derivative of a _____.

Spot contract

Financial contract

Time contract

Contract

25. Zero interest bonds are sold at _____.

Face value

Par value

Discount value

Premium value

26. IPO stands for _____.

Initial Preference Offering

Initial Private Offering

Initial Price Organisation

Initial Public Offering

27.. NABARD provides medium term credit for a period ranging _____.

15 months to 6 years

18 months to 6 years

18 months to 7 years

10 months to 6 years

28. What is the full form of VCT?

Venture capital Trust

Venture capital trading

Value capital trading

Value capital trust

29. A rise in “Sensex” means

A rise in prices of shares of all companies registered with the Bombay Stock Exchange

An overall rise in prices of shares of all companies registered with the National Stock Exchange

An overall rise in prices of shares of group of companies registered with the Bombay Stock Exchange

A rise in prices of shares of all companies belonging to a group of companies registered with the Bombay Stock Exchange

30. In the parlance of economy/commerce, what is “gilt-edged” market?

Gold and silver market

Industrial securities market

Market for safe (such as government) securities

Market for software technology/ service products

31. In India, mergers and acquisition of firms are regulated by

National Manufacturing Competitiveness Council

Competition Commission of India

Security and Exchange Board of India

Department of Industrial Policy and Promotion

32. Where is the New York stock Exchange located?

Wall street

Broadway

Empire state Building

Times Square

33. When was NIFTY established

1996

1952

1965

1950

34. The FTSE 100 index is used to measure stock market performance in which country?

France

Germany

Finland

United Kingdom

35. How many companies are included in the SENSEX?

50

111

60

30

36. The estimated price of the stock market is at

50trilliondollars

51trilliondollars

52trilliondollars

53 trillion dollars

37. A bar chart is used to illustrate

High, low, and closing stock prices on a daily basis

Advances and declines of stock price

Reversal in the direction of stock prices without consideration of time

High, low, opening and closing prices daily.

38. ASBA stands for

Application Supported by Booked Account

Application Supported by Blocked Amount

Application System of Booked Amount

Application System by Blocked Amount

39. Debt market in India mainly contains of the two categories

G-Sec and Non G-Sec Market.....

Public and Private Market

G-Sec and Public Market

Non G-Sec and Private Market

40. Equity derivatives are derivative instruments with underlying assets based on _____.

Equity securities

Preference securities

Debentures

Bonus shares

41. _____ agree to take a specified number of shares or debentures offered to the public if the issue is not fully subscribed by the public.

Brokers

Merchant bankers

Registrar

Underwriters

42 _____ are intermediaries who undertake all activities connected with the new issue management.

Brokers

Bankers

Registrar

Underwriters

43. In Book building process the final offer price is also known as _____.

Cut-off price

Floor price

Cap price

Price band

44. The amount paid for an option is the

Strike price

Discount

Premium

Yield

45. Futures contracts are more successful than interest rate forward contracts because they:

are less liquid

have greater default risk

are more liquid

have an interest rate tied to the discount rate

46. The payoffs for financial derivatives linked to

Securities that will be issued in the future

The volatility of interest rates

previously issued securities

Bonds

48. Which of the following is not a problem with an interest rate forward contract?

Low interest rate

default risk

lack of liquidity

finding a counterparty

49 A long contract requires that the investor

Sell securities in the future

Buy securities in the future

Hedge in the future

Close out his position in the future

50. I. Investment bankers are also known as merchant bankers

II. Bankers are the registered members of stock exchange.

Both the statements are correct

Both the statements are incorrect

Only statement I is correct, and statement II is incorrect.

Only statement is correct and statement I is incorrect

- 1) E-Commerce stands for _____.
 - a) Electronic Commerce
 - b) Electric Commerce
 - c) Equipment Commerce
 - d) Essential Commerce
- 2) E-Commerce is found everywhere; this feature is known as _____.
 - a) Availability
 - b) Ubiquity
 - c) Connectivity
 - d) Richness
- 3) _____ convergence refers to the conversion of text, voice, data, image, graphics and full motion video in to digital content.
 - a) Multimedia
 - b) Cross-Media
 - c) Media
 - d) Entertainment
- 4) E-market is _____ representation of physical market.
 - a) Virtual
 - b) Actual
 - c) Duplicate
 - d) Dummy
- 5) Which of the following is a disadvantage of E-Commerce?
 - a) Lower cost
 - b) Less time
 - c) Lack of personal touch
 - d) Open 24*7
- 6) The dimension of E-Commerce that enables commerce across National boundaries is called _____.
 - a) Interactivity
 - b) Richness
 - c) Global reach
 - d) Completeness
- 7) ebay, amazon.com belongs to _____ type of E-Commerce.
 - a) B2B
 - b) C2B
 - c) B2C
 - d) C2C
- 8) Which of the following describes E-Commerce?
 - a) Doing business electronically
 - b) Doing business
 - c) Sales of goods
 - d) Generating revenue
- 9) _____ can decide which computer is the message intended for and send the message directly to the right computer.
 - a) Bridge
 - b) Hub
 - c) Switch

- d) Router
- 10) The E-Commerce Application follows _____ tier Client-Server Architecture.
- a) One
 - b) Two
 - c) Three
 - d) four
- 11) _____ is the concept of polling together all materials and resources at one place for easy distribution.
- a) Conversion
 - b) Composition
 - c) Convergence
 - d) communication
- 12) I-Way Stands for _____.
- a) Information Superhighway
 - b) Information highway
 - c) I-Superhighway
 - d) I-highway
- 13) NEFT stands for _____.
- a) Nation Electronic Fund Transfer
 - b) Nation Electric Fund Transfer
 - c) National Electronic Fund Transfer
 - d) National Electric Fund Transfer
- 14) IFSC has _____ character code.
- a) 10
 - b) 11
 - c) 12
 - d) 13
- 15) SWIFT is _____ character code.
- a) 11
 - b) 12
 - c) 13
 - d) 14
- 16) Contactless Smart Card uses _____ technology.
- a) Radio Frequency
 - b) Zigbee
 - c) Infrared
 - d) Bluetooth
- 17) _____ is also called as Bank Identifier Code (BIC).
- a) IFSC
 - b) SWIFT
 - c) MICR
 - d) PAN
- 18) Change of User ID, Passwords, User Profile are examples of _____ feature.
- a) Non-Transactional
 - b) Financial Institution Administration
 - c) Non-Financial Institution Administration
 - d) Transactional

- 19) A _____ code is an international bank code that identifies particular bank worldwide.
- a) SWIFT
 - b) IFSC
 - c) MICR
 - d) UAN
- 20) The Banking Regulation Act was introduced in the year _____.
- a) 1947
 - b) 1949
 - c) 1950
 - d) 1951
- 21) In Informational website of a Bank, access is given to everyone and _____ of user is not required.
- a) Password
 - b) Authentication
 - c) Digital Signature
 - d) Account Number
- 22) MICR is _____ character code.
- a) 7
 - b) 8
 - c) 9
 - d) 10
- 23) Account balance Enquiry are type of _____ message.
- a) Pull
 - b) Push
 - c) Forward
 - d) Backward
- 24) _____ messages are sent by the bank for alerting customers about new offers, alerts etc.
- a) Push
 - b) Pull
 - c) Backward
 - d) Forward
- 25) Identify which of the following is absolute cell reference.
- a) A1
 - b) \$A1
 - c) \$A\$1
 - d) A1\$
- 26) What is the output?
=MOD(18,4)
- a) 4
 - b) 2
 - c) 4.5
 - d) 5
- 27) Commands like page information, Word count and Page view option appears on the _____.
- a) Title Bar
 - b) Status Bar
 - c) Insert tab

- d) Reference Tab
- 28) Clients are devices that request Information from servers or interact which is known as _____.
- a) Message Pushing
 - b) Message Forwarding
 - c) Message Passing
 - d) Message Pulling
- 29) Print _____ is a feature that displays on the screen what a hard copy would look like when printed.
- a) Review
 - b) Preview
 - c) Check
 - d) Orientation
- 30) To insert current date and time whose value is updated if Excel Sheet is updated is _____.
- a) TODAY()
 - b) NOW()
 - c) Ctrl+;(Semi Colon)
 - d) Ctrl+Shift+;(Semi Colon)
- 31) _____ function is used to find highest number between given range of data.
- a) CEILING.MATH()
 - b) FLOOR.MATH
 - c) MIN
 - d) MAX
- 32) To fetch minutes from a given time in Excel, _____ function is used.
- a) MINUTE()
 - b) MINUTES()
 - c) MIN()
 - d) MINS()
- 33) CTRL + N is used to
- a) Save Document
 - b) Open Document
 - c) New Document
 - d) Close Document
- 34) The ability to combine name and addresses with a standard document is called _____.
- a) Document Formatting
 - b) Database Management
 - c) Mail Merge
 - d) Form Letters
- 35) _____ function in Excel helps to replace existing text with a new text in a particular String.
- a) Trim()
 - b) Substitute
 - c) Find()
 - d) Proper()

- 36) The _____ advantage of PDF displays the exact same content and layout no matter which operating system, device or software application it is viewed on.
- a) Multi-Dimensional
 - b) Graphic Integrity
 - c) Convenient
 - d) Compact
- 37) Short cut CTRL + R is used to _____.
- a) Re-Open the last closed document
 - b) Re-Print the last printed page
 - c) Re-Apply the last paragraph formatting
 - d) Right Align the selected paragraph
- 38) The _____ is a file that contains names and address of people to whom the letter is to be sent.
- a) Main Document
 - b) Data Source
 - c) Merged Document
 - d) Envelop Document
- 39) _____ is a weakness or a gap in a security program.
- a) Vulnerability
 - b) Attack
 - c) Risk
 - d) Threat
- 40) _____ hat hackers break into networks to destroy data or to make the network unusable for those who are authorised to use the network.
- a) White
 - b) Black
 - c) Grey
 - d) Red
- 41) _____ is a process that includes performing risk assessment and developing strategies in case of a tragedy.
- a) Disaster recovery
 - b) Network security
 - c) Application security
 - d) Operational security
- 42) Input parameter validation, User Authentication, Session Management are the techniques used for _____ security.
- a) Operational
 - b) Disaster Recovery
 - c) Network
 - d) Application
- 43) Information should not be accessible to an unauthorized person and is refer to as _____.
- a) Confidentiality
 - b) Integrity
 - c) Authenticity
 - d) Availability
- 44) White Hat hackers are also called as _____ hackers.
- a) Unethical

- b) Ethical
 - c) Illegal
 - d) Unlawful
- 45) _____ security protects from unauthorized access to avoid identity theft and to protect privacy.
- a) Application
 - b) Network
 - c) Information**
 - d) Operational
- 46) _____ key loggers are physical components built-in or connected to your device.
- a) Hardware
 - b) Software
 - c) Equipment
 - d) Application
- 47) Call forging is possible by a technique called _____.
- a) Voice over internet protocol
 - b) Voice under internet protocol
 - c) Voice over installation protocol
 - d) Voice under installation protocol
- 48) A _____ hat hacker may surf the internet and hack into a computer system for the sole purpose of notifying the administrator that their system has a security defect.
- a) White
 - b) Black
 - c) Red
 - d) Grey
- 49) Buffer Overflow Attack is a type of _____ attack.
- a) Flood Denial of Service
 - b) Crashing Denial of Service
 - c) Scamming Denial of Service
 - d) Skimming Denial of Service
- 50) Taking over someone's account is a type of _____ attack.
- a) Identity Theft
 - b) Phishing
 - c) Key logger
 - d) Call forging

Sample Questions

SYBBI-SEM III Management Accounting

1. Management accounting is also called _____
 - a. Managerial accounting
 - b. Internal accounting
 - c. Analytical Accounting
 - d. Corporate accounting

2. The primary user of Management accounting information are _____
 - a. Bankers
 - b. Government
 - c. Managers in organisations
 - d. Management accountants

3. As compared to Management accounting financial accounting is _____
 - a. Primarily concerned with internal financial reporting
 - b. Primarily concerned with external financial reporting
 - c. Concerned with non- quantitative information
 - d. Involved with planning and control functions

4. The basic function of management accounting is to _____
 - a. Record all business transactions
 - b. Interpret the financial data
 - c. Assist in cost determination
 - d. Prepare financial statements

5. The primary objective of Management accounting is _____
 - a. To provide shareholders with useful information for making decisions about investments
 - b. To provide banks with information useful in making decisions about loans
 - c. To provide Management with information useful for planning and control of operations
 - d. To provide the Tax department with information about taxable income

6. Inter firm and Inter period comparisons are made with the help of _____
 - a. Common size statement
 - b. Cash flow statements
 - c. Trend analysis
 - d. Comparative Statements

7. In common size analysis the items in the income statement are expressed as percentage of _____
- Total assets
 - Net sales
 - Total expenses
 - Gross sales
8. The technique of taking first year figures as base and comparing with subsequent year is called _____
- Trend analysis
 - Ratio analysis
 - Common size statement
 - Cash Flow statement
9. Comparative statement analysis is _____
- Dynamic analysis
 - Horizontal analysis
 - Vertical analysis
 - External analysis

10. X Ltd furnishes the following information

| • Particulars | Amount |
|-----------------------|-----------|
| • Fixed Assets | 30,00,000 |
| • Current Assets | 12,00,000 |
| • Investments | 16,00,000 |
| • Current Liabilities | 8,00,000 |
| • Secured Loans | 4,00,000 |

Calculate the total source of funds of X Ltd.

- 50,00,000
 - 58,00,000
 - 42,00,000
 - 56,00,000
11. If fixed assets for 2019 are Rs.250000 and fixed assets for 2020 is Rs. 400000, the company fixed assets are grown by what % over previous year?
- 50
 - 60
 - 40
 - 75

12. S ltd reported net sales of INR 3,00,000 , INR 3,30,000 and INR 3,60,000 in the year 2017 , 2018 & 2019 respectively. If 2017 is the base year, what is the trend percentage for 2019

- a. 77%
- b. 108%
- c. 120%
- d. 130%

13. The following balances were extracted from the books of account of D ltd, for the year 2019-20. Calculate Working capital

| Particulars | Amount |
|--------------------|----------|
| Cash | 50,000 |
| Account payable | 1,00,000 |
| Account receivable | 1,50,000 |
| Debtors | 2,00,000 |
| Outstanding wages | 2,00,000 |
| Debtors | 1,00,000 |
| Stock | 3,00,000 |

- a. 3,00,000
- b. 4,00,000
- c. 5,00,000
- d. 6,00,000

14. Total current liabilities are INR 10,000 in 2018 , INR 18,000 in 2019 and 22,000 in 2020 what is the percentage increase from 2018 to 2020.

- a. 22%
- b. 80%
- c. 120%
- d. 100%

15. S ltd furnishes the following information

| Particulars | Amount |
|---------------------|----------|
| Fixed Assets | 6,00,000 |
| Current Assets | 4,00,000 |
| Current liabilities | 3,00,000 |

Calculate the capital employed of S ltd.

- a. 10,00,000
- b. 6,00,000
- c. 5,00,000

d. 7,00,000

16. The relationship between two financial variables can be expressed in

- a. Pure ratio
- b. Percentage
- c. Time
- d. Pure, Percentage and Time

17. Standard Liquid ratio is _____

- a. 2:1
- b. 1:2
- c. 2:2
- d. 1:1

18. Balance sheet ratio indicates _____

- a. Relationship between the profits and the investments of the concern
- b. Relationship between the assets and the liabilities of the concern
- c. Relationship between the profitability and the sales of the concern
- d. Relationship between the profits and assets of the concern

19. Net profit after tax is used for computing _____

- a. Return on proprietors funds
- b. Return on Investment ratio
- c. Return on equity capital
- d. Earning per share

20. A high Debtors Turnover Ratio indicates _____

- a. Less chances of Bad Debt
- b. High chances of Bad debt
- c. More funds are blocked in debtors
- d. Long collection period

21. H Ltd has furnished the following information for the year ended 31st March 2020

| • Particulars | Amount |
|---------------------|-----------|
| • Sales | 30,00,000 |
| • Average Inventory | 5,00,000 |
| • Gross Profit | 12,00,000 |

Calculate Inventory turnover ratio of H Ltd.

- a. 3.60 times
- b. 6.00 times

- c. 2.4 times
- d. 1.67 times

22. The cost of goods sold of R creations are INR 12,00,000 and the Operating expenses are INR 3,00,000. The sale for same period are INR 50,00,000. Calculate the Operating Ratio of R creation.

- a. 6.67%
- b. 24%
- c. 30%
- d. 35%

23. The following details pertain to X ltd

- Equity Share capital 10,00,000
- Preference Share capital 5,00,000
- Debentures 5,00,000

Calculate Debt to Equity ratio of X ltd.

- a. 1:1
- b. 2:1
- c. 3:1
- d. 4:1

24. The following data is extracted from the books of S ltd for the year ended March 31, 2020

| | |
|--------------------------|----------|
| Creditors turnover ratio | 30 times |
| Average Trade creditors | 76,650 |

Calculate average daily credit purchases of S ltd (assuming 365 days in a year).

- a. INR 6,300
- b. INR 3,150
- c. INR 3,500
- d. INR 4,200

25. S ltd has 90,000 equity shares of 10 each fully paid. If it had a profit after tax of INR 9,00,000 in the current year and paid INR 3,60,000 by the way of Equity dividends, the dividend pay-out ratio was _____

- a. 51%
- b. 15%
- c. 40%
- d. 14%

26. The following particulars are provided by XYZ ltd

| Particulars | Amount |
|-------------|--------|
|-------------|--------|

| | |
|--------------------|-----------|
| Cost of Goods sold | 10,00,000 |
| Opening stock | 1,00,000 |
| Closing stock | 3,00,000 |

The stock turnover ratio of XYZ Ltd is _____

- a. 10 times
- b. 3.33 time
- c. 5 times
- d. 2.5 times

27. The following particulars are provided by ABC Ltd

| Particulars | Amount |
|--------------------------|-----------|
| Equity Share capital | 10,00,000 |
| Preference share capital | 2,00,000 |
| Debentures | 3,00,000 |

The capital gearing ratio of ABC Ltd is _____

- a. 2 times
- b. 4 times
- c. 0.5 times
- d. 0.25 times

28. Permanent working capital is _____

- a. Minimum working capital required at all the time
- b. Seasonal in nature
- c. Permanently blocked up in stock
- d. None of the above

29. Negative working capital is equal to _____

- a. current assets less current liabilities
- b. current assets less fixed assets
- c. current liabilities less current assets
- d. none of the above

30. Seasonal working capital is _____

- a. permanently required
- b. Fluctuating in nature
- c. required to meet seasonal needs of the organisation
- d. none of the above

31. The organisation which allows longer period of credit to debtors requires _____

- a. More working capital
- b. Lesser working capital

- c. No working capital
- d. Moderate working capital

32. Following information is about the firm

- Material storage period 85 days
- Finished Goods storage period 10 days
- Collection period 30 days
- Payment period 24 days
- Processing period 15 days

Determine Operating cycle of the firm.

- a. 116 days
- b. 124 days
- c. 90 days
- d. 156 days

33. Which of the following statements is / are not true ?

- I. Shorter the duration of net operating cycle period, slower will be the transformation of current assets into cash.
 - II. Gross operating cycle period less average collection period is the net operating cycle period.
- a. Only (I) above
 - b. Only (II) above
 - c. Both (I) and (II) above
 - d. Neither (I) nor (II) above

34. Consider the following information with regard to a firm :

Raw material storage period = 40 days, Work-in-process period = 25 days, Finished goods storage period = 20 days, Average collection period = 25 days, Average payment period = 25 days. The operating cycle period is _____

- a. 20 days
- b. 65 days
- c. 85 days
- d. 90 days

35. Consider the following data :

- Net operating cycle 55 days
- Raw material storage period 40 days
- Conversion period 2 days

- Finished goods storage period 20 days
- Average payment period 25 days

The average collection period is _____

- a. 7 days
- b. 18 days
- c. 22 days**
- d. 25 days

36. P Co. buys materials from its suppliers on eight weeks' credit. The materials are delivered immediately and held for two weeks before being issued to production. The production process takes five weeks and the finished goods are held for four weeks before being sold. All customers are allowed four weeks' credit but take seven weeks to pay. How long is the cash conversion cycle of the business ?

- a. 7 weeks
- b. 10 weeks
- c. 18 weeks
- d. 25 weeks

37. If the net working capital is negative then it indicates that _____

- a. Long-term funds have been used for financing short-term assets
- b. Long-term funds have been used for financing long-term assets
- c. Short-term funds have been used for financing long-term assets
- d. Short-term funds have been used for financing short-term assets

38. Raw material stock = _____/12* Number of months

- a. Cost of capital
- b. Cost of material
- c. Gross profit
- d. Sales

39. _____ refers to idle funds which earns no return.

- a. shortage of working capital
- b. excess working capital
- c. variable working capital
- d. fixed working capital

40. What is the difference between economic profit and accounting profit?
- Economic profit includes a charge for all providers of capital while accounting profit includes only a charge for debt
 - Economic profit covers the profit over the life of the firm, while accounting profit only covers the most recent accounting period
 - Accounting profit is based on current accepted accounting rules while economic profit is based on cash flows
 - All of the above
41. The security which is last claimant is _____
- Equity Shares
 - Preference shares
 - Debentures
 - Public Deposits
42. The dividend-payout ratio is equal to _____
- the dividend yield plus the capital gains yield
 - dividends per share divided by earnings per share
 - dividends per share divided by par value per share
 - dividends per share divided by current price per share
43. The _____ is the proportion of earnings that are paid to common shareholders in the form of a cash dividend.
- retention rate
 - 1 plus the retention rate
 - growth rate
 - dividend payout ratio
44. The proposition that the value of the firm is independent of its capital structure is called:
- The capital asset pricing model.
 - MM Proposition
 - PM Proposition
 - the law of one price
45. The dividend policy must be formulated considering two basic objectives, namely: _____
- Delaying the tax liability of the stockholder and information content.

- b. Maximizing shareholder wealth and delaying the tax liability of the stockholder.
 - c. Maximizing shareholder wealth and providing for sufficient financing.
 - d. Maintaining liquidity and minimizing the weighted average cost of capital
46. The rate of return expected by investors of ABC Ltd. is 11%, Internal rate of return is 12% and EPS is Rs.15. What is the price per share by Gordon Approach method if dividend payout is 40%.
- a. 214.29
 - b. 157.89
 - c. 158.24
 - d. 216.20
47. Calculate the market price of share of ABC Ltd., under Walters formula if EPS is Rs.5, DPS is Rs.3, Cost of capital is 16%, Return on investment is 20% and Retention ratio is 50%.
- a. 34.65
 - b. 34.75
 - c. 34.375
 - d. 34.85
48. The advantage of using the low-regular-and-extra dividend policy is that _____
- a. The firm avoids giving the shareholders false hopes.
 - b. If the firm's earnings drop, so does the dividend payment.
 - c. The extra dividend may become a regular event.
 - d. Cyclical shifts in earnings may be avoided
49. A stock split has _____ effect on the firm's capital structure.
- a. Little
 - b. No
 - c. A measurable
 - d. A detrimental
50. The problem with a constant- payout-ratio dividend policy from the shareholder's perspective is that _____
- a. It bores the shareholders.
 - b. If the firm's earnings drop, so does the dividend payment.
 - c. Even when earnings are low, the company must pay a fixed dividend.
 - d. There is no informational content.

Personality is derived from _____ word.

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

Organization structure primarily refers to

- a. how activities are coordinated & controlled
- b. how resources are allocated
- c. the location of departments and office space
- d. the policy statements developed by the firm

Neuroticism represents _____.

- a. Negative emotions
- b. Positive emotions
- c. Creativity
- d. Self-Discipline

_____ embodies a team concept, is based on the principle of mutual contribution by employer and employees

- a) Autocratic model
- b) Custodial model
- c) Supportive Model
- d) Collegial Model

The concept of Authoritarianism is proposed by _____.

- a. Steve
- b. Michel
- c. Adorn
- d. Berne

The quality of manipulating people is known as _____.

- a. Locus of Control

- b. Authoritarianism
- c. Introversion
- d. Machiavellianism

Psychoanalytic Theory is proposed by _____

- a. Sigmund Freud
- b. Dr. Eric Berne
- c. Osborne
- d. Dr. Kaoru

_____ is a system of values, norms, ethics & attitudes.

- a. Ego
- b. Super Ego
- c. ID
- d. Confidence

Meaning of Personality is _____

- a. It is a combination of characteristics or qualities that form an individual's distinctive character.
- b. It is a Combination of different values
- c. It is a Combination of thinking and dressing
- d. It is a combination of etiquettes

_____ is a spur or motive.

- a. Motive
- b. Response
- c. Stimuli
- d. Discrimination

Classical Conditioning Theory has been proposed by _____.

- a. Osborne
- b. Freud
- c. Adorn
- d. Pavlov

Operant Conditioning Theory is proposed by _____.

- a. Pavlov
- b. B. F Skinner
- c. Dr. Eric Berne
- d. Sigmund Freud

Hot Stove Rule is proposed by _____.

- a. McGregor
- b. Osborne
- c. Feud
- d. Adorn

The concept of 6 Universal emotions is proposed by _____.

- a. McGregor
- b. Paul Eckman
- c. Sigmund Feud
- d. Eric Berne

_____ is a code of Conduct.

- a. Emotions
- b. Values
- c. Ethics
- d. Locus of Control

_____ are the strong beliefs.

- a. Emotions
- b. Values
- c. Ethics
- d. Locus of Control

_____ is the way of looking at things.

- a. Emotions
- b. Values
- c. Perception
- d. Locus of Control

_____ proposed Learning by Observation.

- a. Albert Bandura
- b. McGregor
- c. Adorn
- d. Osborne

Lateral Communication means _____ communication.

- a. Vertical
- b. Horizontal
- c. Diagonal
- d. Cross

Informal Communication is also known as _____.

- a. Rumour
- b. Memo
- c. Notice
- d. Newsletter

_____ is the ability of influence people.

- a. Authority
- b. Delegation
- c. Power
- d. Negotiation

_____ is Informal Power.

- a. Coercive
- b. Reward
- c. Legitimate
- d. Referent

In _____ parties try to arrive at a win win solution.

- a. Integrative
- b. Distributive
- c. Arbitration
- d. Conciliation

Eric Berne proposed _____.

- a. Johari Window
- b. Learning by Observation
- c. Transactional Analysis
- d. The 6 Universal emotions

In _____ ego the person is impulsive & playful.

- a. Adult
- b. Parent
- c. Nurturing Parent
- d. Child

In _____ transaction both persons operate from same ego state.

- a. Crossed
- b. Supplementary
- c. Complementary

d. Ulterior

_____ is the first stage of Group Formation.

- a. Storming
- b. Norming
- c. Adjourning
- d. Forming

An Organization that is characterized by _____ trust encourages politics.

- a. Low
- b. High
- c. Balanced
- d. Imbalanced

Alex Osborne proposed _____ technique of Decision making.

- a. Delphi
- b. Nominal Group
- c. Brainstorming
- d. Consensus Mapping

_____ ensures pros & cons of each solution proposed.

- a. Brainstorming
- b. Delphi
- c. Electronic Meeting
- d. Dialectical Inquiry

_____ is a collective state of mind.

- a. Group Decision making
- b. Group formation
- c. Group think
- d. Groupism

_____ links members of a social group to one another & also to the group.

- a. Group norming
- b. Group Cohesiveness
- c. Group performing
- d. Group forming

An _____ is a representation of an Organization's internal structure.

- a. Organizational structure
- b. Organizational chart
- c. Organizational design
- d. Organizational Infrastructure

_____ embodies a team concept, is based on the principle of mutual contribution by employer and employees

- a) Autocratic model
- b) Custodial model
- c) Supportive Model
- d) Collegial Model

Leadership motivates the people to work and not the power of money", this concept is related to

- a) Autocratic model
- b) Custodial model
- c) Supportive Model
- d) Collegial Model

An individual can cope with stress through _____.

- (A) Regular exercise
- (B) The self-concept
- (C) Self control
- (D) Self-motivation

Advantages of group decision making are _____

- a. Uniformity of views, decrease enthusiasm, sharing of the load, specialization of labour.

- b. Pooling of resources, diversity of views, increase enthusiasm, sharing of labour.
- c. Pulling of resources, diversity of views, increase enthusiasm, sharing of labour.
- d. Polling of resources, diversity of views, increase enthusiasm, sharing of labour.

An individual can cope with stress through _____.

- (A) Regular exercise
- (B) The self-concept
- (C) Self control
- (D) Self-motivation

_____ power is dependent on fear.

- a. Reward
- b. Coercive
- c. Legitimate
- d. Expert

Internal practices of organization does not include _____ .

- a. Recruitment and selection
- b. Training and development
- c. Performance management
- d. Health check up

Pick the correct option from below:

Statement I: Operating component comprises of the people who undertake the work of providing the services.

Statement II: Administrative component comprises of managers and analysts.

- a. Statement I and Statement II incorrect.

- b. Statement I and Statement II correct.
- c. Statement I is correct and Statement II incorrect.
- d. Statement I is incorrect and Statement II correct.

On the basis of operational and administrative component, which amongst the below is not a bank's work

- a. Top Management
- b. Middle Management
- c. Operational Core
- d. Labour Union

Pick the correct options from the below statements regarding the common practices at bank.

Statement I: Routine ways of internal communication

Statement II: Banks do not spend on training their employees.

- a. Statement I and Statement II are correct.
- b. Statement I and Statement II are incorrect.
- c. Statement I correct and Statement II is incorrect.
- d. Statement I is incorrect and Statement II is correct.

Pick the correct option from below related to work place issues and challenges

- i) Employee privacy
 - ii) Employee rights
 - iii) Changed employee expectations
 - iv) Managing cultural diversity
- a. i, ii are correct only
 - b. ii, iii, and iv are correct only

c. i, ii, and iii are correct only

d. All are correct

Which is the correct option from below in relation to the organisational challenges that managers faces in a bank.

i. Improving quality and productivity

ii. Managing Global Environment

iii. Managing Technology and Innovations

iv. Ethical behaviour

a. i, ii are correct only

b. i, iii, and iv are correct only

c. i, ii, and iii are correct only

d. All are correct