

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

FYBAF Semester I Examination, December 2020
Cost Accounting - Introduction and Elements of Cost – I
Sample questions

- 1 Incremental cost and decremental cost are classifications of _____.
Marginal cost
Abnormal cost
Uncontrollable cost
Differential cost
- 2 Calculate EOQ from the following details: Annual Consumption: 24000 units;
Ordering cost: Rs 10 per order ; Purchase price: Rs 100 per unit and Carrying cost:
5%"
310 units
400 units
290 units
300 units
- 3 Wage sheet is prepared by _____.
time keeping department
personnel department
payroll department
cost accounting department
- 4 Most suitable basis for apportioning insurance of machine would be _____.
Floor Area
Value of Machines
No of Workers
No of Machines
- 5 Which among the following costs are charged to Costing P&L a/c?
Estimated cost
Controllable costs
Normal cost
Abnormal Cost
- 6 The most important element of cost in manufacturing industries is _____.
material
labour
direct costs
indirect costs
- 7 Separation, Replacement and _____ are the three important methods of measuring
labour turnover.
Preventive
Flux
Avoidable
Personal

- 8 Sundry overhead expenses may be apportioned in the ratio of _____.
- material consumed
 - number of employees
 - labour hours
 - machine hours
- 9 Which among the following is not a part of product cost?
- Direct Materials
 - Direct Labour
 - Selling OH
 - Factory OH
- 10 EOQ stands for _____.
- Economic Order Quantity
 - Essential Order Quantity
 - Economic Output Quantity
 - Essential Output Quantity
- 11 Replacement costs of labour turnover include the following except _____
- Loss of output
 - Cost of personnel administration
 - Cost of tool and machine breakage
 - Cost of scrap and defective work
- 12 The cost of insurance and tax is included in which of the following cost.
- Inventory carrying cost
 - Cost of ordering
 - Set up cost
 - Storage cost
- 13 Any cost ascertained after being incurred and has no use in cost control decisions are called _____
- Predetermined cost
 - Historical cost
 - Unavoidable cost
 - Estimated cost
- 14 Most appropriate basis for the apportionment of power is _____.
- No. of labour
 - No. of output
 - No. of machines
 - horse power of machines
- 15 Material requisition is meant for _____.
- purchase of material
 - supply of material from stores
 - sale of material
 - storage of material

- 16 Costs required for production and will not be incurred if there is no production are _____
- Product cost
 - Direct cost
 - Period cost
 - Committed cost
- 17 For the financial year ended as on March 31, 20XX the figures extracted from the balance sheet of Xerox Limited as under:
Opening Stock Rs 29,000; Purchases Rs 2,42,000; Sales Rs 3,20,000; Gross Profit 25% of Sales. Stock Turnover Ratio will be _____
- 8 times
 - 6 times
 - 9 times
 - 10 times
- 18 A manufacturing firm is very busy and is working overtime. The amount of overtime premium contained in direct wages would normally be classed as _____
- Part of prime cost
 - Factory overheads
 - Direct labour cost
 - Administrative overheads
- 19 Factory overhead is Rs 3,00,000 and direct material cost is Rs 5,00,000 What is the overhead rate under direct material cost method?
- 25%
 - 30%
 - 60%
 - 75%
- 20 Hypothetical costs which do not involve any cash outlay and used solely for the purpose of decision making are called _____
- Indirect costs
 - Notional costs
 - Explicit costs
 - implicit cost
- 21 The cost which is to be incurred even when a business unit is closed is ____.
- imputed cost
 - historical cost
 - sunk cost
 - shutdown cost
- 22 Average method of pricing the material issues is useful when _____.
- material prices are rising
 - material prices are falling
 - material prices are fluctuating
 - material prices are constant
- 23 Vacation pay for factory workers should be charged to_____

Work-in-process inventory
Direct labor
Factory overhead.
Administrative expenses

24 When is a physical inventory usually taken?

When goods are not being sold or received
When the company has its greatest amount of inventory
When the company has its greatest amount of inventory and at the end of the company's fiscal year
At the end of the company's fiscal year

25 Which of the following is not an avoidable cause of labour turnover?

Dissatisfaction with Job
Disability, making a worker unfit for work
Low wages and allowances
Lack of training facilities

26 Production overheads are absorbed into production units by the use of an overhead absorption rate. Which one of the following best describes how the absorption rate is calculated?

Total number of units produced divided by the total cost centre overheads.
Total number of units produced multiplied by the unit overhead cost.
Total cost centre overheads divided by the cost centre activity level.
Total indirect costs for the business divided by the total number of units produced.

27 If EOQ = 360 units, order costs are Rs. 5 per order, and carrying costs are Rs.20 per unit, what is the usage in units?

129,600 units
2,592 units
25,920 units
18,720 units

28 When standard output is 10 units per hour and actual output is 12 units per hour, the efficiency is?

80%
100%
110%
120%

29 The process of redistribution of service department costs to production departments is _____.

Departmentalization
primary distribution
secondary distribution
classification

30 Costing is a technique of _____.

Inventory control
Management control

Ascertainment of cost
Calculation of cost

31 A cost unit is _____.

the cost per machine hour
the cost per labour hour
a unit of production or service in relation to which costs are ascertained
a measure of work output in a standard hour

32 FIFO is _____.

Fast Investment in Future Order
Fast Issue Of Fast Order
First In First Out
Fast In Fast Out

33 Which of the following statements are not true regarding cost accounting?

Information obtained is used by management for decision making
Stock is valued at cost
Deals partly with facts & partly with estimates
Accounts are mandatory according to Companies Act and IT Act

34 Retrenchment due to seasonal trade is the _____ of labour turnover.

Avoidable
Un-avoidable
Personal
Cause

35 Depreciation of plant can be apportioned on the basis of _____.

plant value
plant size
working days
output produced

36 What item is not included in cost accounting?

Product costing
Profit-sharing
Planning
Controlling

37 Perpetual inventory system involves _____

bincard and stores ledger
bill of material and material requisition
purchase requisition and purchase order
inward and outward invoices

38 Packing cost is _____.

production cost
selling cost
administration cost
distribution cost

39 Avoidable causes of labour turnover include the following except _____

- Redundancy
- Low wages
- Bad working conditions
- Marriage

40 Absorption means _____.

- charging overheads to cost centres
- charging of overheads to cost units
- charging of overheads to cost centres or cost units
- allotment of overheads to different departments

41 Which of the following is a service department?

- Machining department
- Refining department
- Receiving department
- Finishing department

42 _____ system of costing is suitable for toy making.

- Batch costing
- Job costing
- Operating costing
- Process costing

43 Which one out of the following is not an inventory valuation method?

- LIFO
- Weighted Average
- FIFO
- EOQ

44 Which among the following is the cost of searching for a new product or improved products or improved methods of production?

- Normal cost
- Research cost
- Product cost
- Opportunity cost

45 Sales commissions are classified as _____.

- Prime costs
- Period costs
- Product costs
- Indirect labour

46 Joint cost is suitable for _____.

- Infrastructure industry
- Ornament industry
- Oil industry
- Fertilizer industry

47 In the economic order quantity model the equation D/Q calculate which one of the

followings.

The total holding costs each year
Total ordering costs each year
The number of orders each year
Annual demand

48 Labour cost control embraces the following activities except _____

Recruitment and promotion
Formulation of wage policy and payment and accounting for wages
Allocation of cost
Preparation of financial statement

49 The term Maximum level represents _____

The maximum stock level indicates the maximum quantity of an item of material which can be held in stock at any time.
The maximum stock level indicates the maximum quantity of an item of material which cannot be held in stock at any time.
The average stock level indicates the maximum quantity of an item of material which can be held in stock at any time.
The available stock level indicates the maximum quantity of an item of material which can be held in stock at any time.

50 Predetermined cost based on technical estimate for materials, labour and overhead for a selected period of time and for a prescribed set of working conditions is known as _____

Standard cost
Budgeted cost
Normal cost
Avoidable cost

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. Soilders

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

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.

SEM I
FYBAF
Financial Accounting - I
Sample Questions

1. Significant accounting policies are disclosed
 - a) Along with financial statements
 - b) In the books of accounts
 - c) Along with balance sheet
 - d) In the accounting software
2. The purpose of AS 1 is to establish a Standard as to
 - a) The preparation of final statements
 - b) Fundamental accounting assumptions
 - c) Desirable accounting policies
 - d) Disclosure of accounting policies
3. Basic Accounting Assumptions are _____
 - i) Going concern
 - ii) Entity
 - iii) Conservatism
 - iv) Going concern
4. Following is an example of accounting policy
 - a) Realisation
 - b) Accrual
 - c) Entity
 - d) Valuation of fixed assets
5. Factors, to be considered while selecting accounting policies
 - a) Consistency
 - b) Prudence
 - c) Dual aspect
 - d) Cost
6. Disclosure should form part of
 - a) Directors report
 - b) Auditor's report
 - c) Final accounts
 - d) Books of accounts
7. Following is the example of accounting _____ policy
 - a) Consistency
 - b) Goodwill treatment
 - c) Cost
 - d) Conservatism

8) Valuation of inventories is governed by

- a) Companies Act
- b) Income Tax Act
- c) AS--2
- d) AS-6

9) As per AS-2, inventory covers

- a) Machinery spares
- b) WIP in case of service providers
- c) Materials or suppliers used in production
- d) Stock of mineral oil

10. Valuation of Inventory should be done at

- a) Net realisable value
- b) Fair market value
- c) Present value
- d) Replacement value

11. Concept applicable for inventory valuation is

- a) Consistency
- b) Conservatism
- c) Matching
- d) Realisation

12. Under periodic Inventory system, inventory is valued

- a) Periodically
- b) Yearly
- c) Continuously
- d) Monthly

13. The AS deals with revenue recognition is

- a) AS-1
- b) AS-9
- c) AS-3
- d). AS-10

14. Following is not covered by AS 9

- a) Dividend
- b) Interest
- c) Royalty
- d) Lease Rent

15. Revenue from sale of goods arises when

i) Goods are sold out

ii) Goods are delivered

iii) Goods are depatched

a) Only i

b) i, ii and iii

c) only ii

d) i, ii

16. Revenue from service is recognised when

i) Service is rendered

ii) Service is to be rendered

iii) Contract of service is made

a) Only i

b) i, ii and iii

c) only ii

d) i, ii

17. Expenses incurred for obtaining a licence to start the factory T 10,000

a) Capital Expenditure

b) Revenue Expenditure

c) D.R. Expenses

d) Capital Loss

18. Cost of removal of stock from one place to another place.

a) Revenue Expenditure

b) Capital Expenditure

c) D.R. Expenses

d) Revenue loss

19. Legal expenses incurred in raising debenture loans

a) Capital Expenditure

b) Revenue Expenditure

c) D.R. Expenses

d) Revenue Receipt

20. Purchased a lathe machine T 1.50 lakhs

a) Revenue expenditure

b) Capital expenditure

c) Deferred revenue expenditure

d) Revenue loss

21. Received from X Ltd. an invoice for 3,500 for repairs of walls of the office premises

a) Revenue expenditure

b) Capital expenditure

c) Deferred revenue expenditure

d) Capital Loss

22. Paid to an advocate to defend a suit claiming that the factory site belongs to the firm, the suit was unsuccessful,

a) Revenue expenditure

b) Capital expenditure

c) Deferred revenue expenditure

d) Revenue Loss

23. Recovery of bad debts during the year -Z 3,500

a) Revenue receipt

b) Capital receipt

c) Deferred revenue expenditure

d) Revenue Expenditure

24. Took loan from SB1 5,00,000

- a) Revenue receipt b) Capital receipt
- c) Deferred revenue expenditure d) Capital Loss

25. For a sugar mill, sugarcane is a

- a) Raw material b) WIP
- c) Finished goods d) Asset

26. For a sugar mill, sugar is a

- a) Raw material b) WIP
- c) Finished goods d) Assets

27. Discount represents

- a) Discount allowed b) Discount received
- c) Asset d) Liability

28. Productive wages are

- a) Debited to Trading Account b) Debited to Profit & Loss Account
- c) Shown as asset d) Debited to Manufacturing A/c

29. Closing stock appearing in the Trial Balance is shown on

- a) Asset side of Balance Sheet b) Liability side of Balance Sheet
- c) Credit side of Trading Account d) Credited to Manufacturing A/c

30. Rent and rates are apportioned to different departments on the basis of :

- a) Area b) Number of employees
- c) Sales of each department d) None of the above

31. Sales ratio is used for allocation of :

- a) Income tax b) Bad. debts
- c) Depreciation d) Discount Allowed

32. Power is allocated on the basis of

- a) H.P b) No of light points
- c) Area d) No of employees

33. Depreciation is allocated on the basis of

- a) Value of Assets 1)) Area
- c) Light points d) No of workers

34. Following is not debited to General P & L A/c

- a) Actual expenses incurred b) Estimated expenses
- c) Percentage of purchases d) Percentage of sales

45. Non departmental items of expenses are —

- a) Charged to general P & L A/c
- b) Charged to departments based on sales
- c) Charged to departments based on fixed assets
- d) None of the above

46) Under hire purchase system Hire purchaser becomes the owner of goods on payment of

- a) Down payment b) Last instalment
- c) Interest . d) Cash price

47. The feature of hire purchase is

- i) User ultimately become the owner ii) Instalment include principal only
- iii) User does not pay any interest

- a) Only i b) i, ii and iii c) only ii d) i, ii

48. X Ltd. purchased a car from Y Ltd. on hire purchase basis. Cash price is 50,000 Initial payment 10,000, balance in four instalments with 10% interest. (Attempt 1 to 5 Questions)

1) The hirer is

- a) X Ltd. b) Y Ltd. c) X and Y Ltd. d) Neither X and Y

2) The hire vendor is

- a) X Ltd. b) Y Ltd. c) Either X Ltd. or Y Ltd. d) Neither X and Y

3). The cash price is

- a) 50,000 b) 10,000 c) 60,000 d) 40,000

4) The initial payment is

- a) 10,000 b) 20,000 c) 40,000 d) 30000

5). The interest for 1st instalment is

- a) 4,000 b) 5,000 c) 9,000 d) 6000

49.) Calculation of units and value Closing Stock by weighted Average Method.

Opening stock : 1000 unit @ 20

Purchase : 800 unit @ 22

Sales: 700 unit @ 30

- a) 1100 units Rs. 22,977

- b) 1100 units Rs. 21000
- c) 1100 units Rs. 24200
- d) 1100 units Rs.22000

50. Calculation of units and value Closing Stock by FIFO Method.

Opening stock : 1000 unit @ 20

Purchase : 800 unit @ 22

Sales: 700 unit @ 30

- a) 1100 units Rs. 19,600
- b) 1100 units Rs. 20000
- c) 1100 units Rs. 20200
- d) 1100 units Rs.21000

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

- 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

FYBAF - Financial Management I End Semester - Sample Questions

1. Finance is called _____
 - a) Science of money
 - b) Arts of money
 - c) Economics of money
 - d) Business of money

2. The most important goal of financial management is _____
 - a) Profit maximisation
 - b) Purchasing hi-tech fixed assets
 - c) Declaring huge dividends
 - d) Wealth maximization

3. Wealth maximization implies _____
 - a) Increase in market price of shares
 - b) Increase in wealth of shareholders
 - c) Increase in overall wealth of company
 - d) All of them

4. Which of the following is NOT a part of Investment decision?
 - a) Capital Budgeting decision
 - b) Working capital decision
 - c) Investment in long term projects
 - d) Capital mix decision

5. Statement A: Procurement of funds and raising funds are one and the same.
Statement B: Managing liquidity in the organization is one of the important functions of finance manager
 - a) Both statements are true
 - b) Both statements are false
 - c) Statement A is true and B is false
 - d) Statement A is false and B is true

6. Which of the following is a quality of finance manager?
 - a) Honesty
 - b) Communication skills
 - c) Problem solving skills

- d) Partial
7. Mr. Rajesh, the finance manager of Alpha Ltd, wants to evaluate the risk and estimation of expected benefits from a long term project. So which decision do he need to take?
- a) Dividend Decision
 - b) Capital Structure Decision
 - c) Financing Decision
 - d) Investment Decision
8. Statement A: The other name for Profit maximisation is Value maximisation
Statement B: Profit maximisation approach is narrow in scope as compared to Wealth maximisation approach
- a) Both statements are true
 - b) Both statements are false
 - c) Statement A is true and B is false
 - d) Statement A is false and B is true
9. _____ is the lifeblood of business organization
- a) Finance
 - b) Human Resources
 - c) Management
 - d) Customers
10. Mr. Brijesh, the finance manager of Beta Ltd, wants to understand the expectations of the equity shareholders which will help to decide on the equity dividend to be declared during the Interim meeting. So which decision do he need to take?
- a) Capital structure decision
 - b) Financing decision
 - c) Investment decision
 - d) Dividend decision
11. A friend promises to pay you Rs.600 two years from now if you loan him Rs.500 today. What annual interest rate is your friend offering?
- a) 7.5%
 - b) 8.5%
 - c) 9.5%
 - d) 10.5%

12. Calculate the present value of Rs.1000 to be received at the end of 8 years. Assume interest rate of 7% p.a.
- a) Rs.582.00
 - b) Rs.1718.19
 - c) Rs.531.82
 - d) Rs.5871.30
13. Statement A: Compound Interest will always be more than Simple Interest for duration more than 1 year.
- Statement B: If NPV is positive, we should reject the project.
- a) Both statements are true
 - b) Both statements are false
 - c) Statement A is true and B is false
 - d) Statement A is false and B is true
14. Present Value is Future Value which is _____, and Future Value is Present Value which is _____
- a) Discounted, compounded
 - b) Compounded, discounted
 - c) Compounded, compounded
 - d) Discounted, discounted
15. IRR stands for _____
- a) Internal Rate of Return
 - b) International Rate of Return
 - c) Interim Rate of Return
 - d) Intrinsic Rate of Return
16. NPV stands for _____
- a) Net Present Value
 - b) Nominal Present Value
 - c) New Present Value
 - d) Net Personal Value
17. The relationship between the value of money receivable at present and the value of money receivable at future is referred to as the _____.
- a) Risk and return relationship
 - b) Time value of money
 - c) Annuity

- d) Doubling period
18. _____ is a series of equal amount of cash flows over certain given years. eg:
Premium payments.
- a) Net Present Value
 - b) Internal Rate of return
 - c) Perpetuity
 - d) Annuity
19. Net Present Value refers to the difference between _____ and present value of all cash outflows associated with the project.
- a) future value of all cash inflows
 - b) future value of all cash outflows
 - c) present value of all cash inflows
 - d) present value of all cash outflows
20. If you deposit Rs. 5000 today at 10 % of interest in how many years will this amount double as per Rule of 69?
- a) 7.25 years
 - b) 7.2 years
 - c) 8.2 years
 - d) 8 years
21. EPS stands for _____
- a) Estimates Per share
 - b) Emotions Per share
 - c) Earnings Per share
 - d) Equity Per share
22. The formula for calculating Contribution is _____
- a) Sales + Variable Cost
 - b) Sales – Variable Cost
 - c) EBIT – EBT
 - d) EBIT – Fixed Cost
23. The formula for calculating EBIT is _____
- a) Sales – Variable Cost
 - b) Contribution + Fixed Cost
 - c) EBT + Interest
 - d) EBIT – Interest

24. Statement A: If Preference dividend is not given, then Earnings After Tax (EAT) is equal to Profit Available to Equity Shareholders (PAESH)
Statement B: Usually the company declares the entire earning, to the shareholders in the form of dividends
- a) Both statements are true
 - b) Both statements are false
 - c) Statement A is true and B is false
 - d) Statement A is false and B is true
25. The formula of Combined Leverage is _____
- a) Operating Leverage x Financial Leverage
 - b) Operating Leverage / Financial Leverage
 - c) Contribution / EBIT
 - d) EBIT / EBT
26. _____ refers to furnish the ability to use fixed cost assets or funds to increase the return to its shareholders.
- a) Annuity
 - b) Leverage
 - c) Wealth maximization
 - d) Profit maximization
27. If Fixed Cost is Rs.5,000 and EBIT is Rs.7000, then Contribution will be _____
- a) Rs.10000
 - b) Rs.15000
 - c) Rs.12000
 - d) Rs.2000
28. If Contribution is Rs.12,000 and Fixed Cost is Rs.5000, then EBIT will be _____
- a) Rs.19,000
 - b) Rs.7000
 - c) Rs.13,000
 - d) Rs.10,000
29. If Sales is Rs.10,00,000 and Variable cost is 40% of Sales, then Contribution will be _____
- a) Rs.16,00,000
 - b) Rs.4,00,000
 - c) Rs.6,00,000

- d) Rs.14,00,000
30. If EBT is Rs.40,000 and Tax rate is 50%, then EAT will be _____
- a) Rs.45,000
 - b) Rs.80,000
 - c) Rs.20,000
 - d) Rs.25,000
31. Statement A: Higher the risk, lower the return
Statement B: Debt is costly than Equity
- a) Both statements are true
 - b) Both statements are false
 - c) Statement A is true and B is false
 - d) Statement A is false and B is true
32. Short-term Financial Requirements are also known as _____
- a) Capital Structure Requirement
 - b) Working Capital Requirement
 - c) Fixed Capital Requirement
 - d) Capital Budgeting Requirement
33. Select which of the following is NOT a short term financial requirement
- a) To pay bills payable
 - b) To pay to creditors
 - c) To purchase fixed assets for the company
 - d) To purchase raw materials for manufacturing
34. Which of the following is NOT the other name for Owed Funds?
- a) Borrowed Fund
 - b) Loan Fund
 - c) Debt Fund
 - d) Equity Fund
35. Statement A: Retained earnings is an example of Internal sources of finance on the basis of source of generation.
Statement B: Bonds is an example of Own fund.
- a) Both statements are true
 - b) Both statements are false
 - c) Statement A is true and B is false
 - d) Statement A is false and B is true

36. Retained earnings is also known as _____
- a) Earning back of profits
 - b) Ploughing back of profits
 - c) Claiming back of profits
 - d) Investing back of profits
37. Statement A: In lease financing, the user of the asset is called as "lessee".
Statement B: IFCI, IDBI and SFC are examples of Co-operative banks.
- a) Both statements are true
 - b) Both statements are false
 - c) Statement A is true and B is false
 - d) Statement A is false and B is true
38. Which of the following is a liability of a bank?
- a) Treasury Bills
 - b) Commercial Papers
 - c) Certificate of Deposits
 - d) Junk Bonds
39. Midterm sources of finance have a duration of _____
- a) 1-3 years
 - b) 1-5 years
 - c) More than 3 years
 - d) More than 5 years
40. Zero Coupon bonds are issued _____
- a) At par
 - b) At premium
 - c) At discount
 - d) None of them
41. Which of the following is NOT the other name for cost of capital?
- a) Target rate
 - b) Hurdle rate
 - c) Internal Rate of return
 - d) Cut-off rate
42. _____ is the total cost incurred by a company in offering its securities to the public. They arise from expenses such as underwriting fees, legal fees and registration fees.

- a) Historic cost
 - b) Floatation cost
 - c) Implicit cost
 - d) Marginal cost
43. Sakshi Ltd. issues 11% debentures of Rs.100 at a discount of 10%. The cost of floatation is Rs.2. Compute the Net Sales Proceeds.
- a) 88
 - b) 88.2
 - c) 110
 - d) 108
44. Sagar Ltd. Issues 12% preference shares of Rs.100 each and realises Rs.95 per share. The preference shares are redeemed after 10 years at a premium of 10%. Calculate Net Sales Proceeds and Redeemable Value.
- a) NP=95,RV=95
 - b) NP=95,RV=110
 - c) NP=105,RV=95
 - d) NP=105,RV=110
45. Weighted average cost is based on _____
- i. Market Value
 - ii. Book Value
 - iii. Target Value
 - iv. Face Value
- a) i & ii only
 - b) i,ii,iii
 - c) ii only
 - d) iii only
46. Which of the following is NOT a type of debenture?
- a) Participating and Non-participating
 - b) Redeemable and Irredeemable
 - c) Convertible and Non-convertible
 - d) Registered and Bearer
47. Who is the real owner of a company?
- a) Top Management
 - b) Common share holders

- c) Preference share holders
- d) Debenture holders

48. If debentures are redeemable at discount, the formula to calculate Redeemable Value is _____

- a) $FV - \text{discount}$
- b) $FV - \text{discount} - \text{Floatation cost}$
- c) $FV + \text{discount}$
- d) $FV - \text{discount} + \text{premium}$

49. The equity share of Varma Ltd is traded in the market at Rs.45. The current dividend per share is Rs.9. The subsequent growth in dividends is expected at the rate of 7%. Calculate cost of equity capital.

- a) 24%
- b) 26%
- c) 25%
- d) 27%

50. From the following data calculate WACC:

ESC - Rs.3,50,00,000 After tax cost - 15%

PSC - Rs.36,00,000 After tax cost – 9.8%

Debt - Rs.77,00,000 After tax cost – 10.41%

- a) 13.53%
- b) 13.83%
- c) 14.53%
- d) 14.83%