

<b>Business Communication – I</b>			
<b>Semester I</b>			
<b>2020-21</b>			
<b>Sample MCQs</b>			
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

## **EMFS**

### **SAMPLE QUESTIONS**

1) \_\_\_\_\_committee gave the recommendation that no company should be allowed to deal in both life and non-life products through single entry.

Gupta

Malhotra

Tandon

Narasimham

2) \_\_\_\_\_ sale of securities to institutions confidentially without the issue of prospectus

Securities trading service

Underwriting service

Securities clearing

Private placement

3)\_\_\_\_\_means arranging group of banks and financial institutions to provide loans for projects

Arranging Foreign collaboration

Loan syndication

Corporate counselling

Capital restructuring

4) \_\_\_\_\_means bearing the risk of not being able to sell securities at the established price by virtue of purchasing the securities for resale to the public.

Securities Lending service

Underwriting service

Securities clearing

Private placement

5) A \_\_\_\_\_ is a time deposit with a commercial bank but can be negotiated.

Certificate of Deposit

Public deposit

Commercial Paper

Post office Schemes

6) A \_\_\_\_\_ is a contractual arrangement in which a person owning an equipment provides the equipment for use to another person the right to use the equipment to the user over a certain agreed period of time for consideration (rentals) in return for periodic payments.

Lease

Hire-purchase

Venture Capital

Bill discounting

7) \_\_\_\_\_ have been set up under State Financial Act, 1951.

SHCIL

SFC

IDBI

NHB

8) In 1921, the three presidency banks were amalgamated to form the \_\_\_\_\_

Bank of Bengal

Imperial Bank of India

Bank of Bombay

Bank of Madras

9) \_\_\_\_\_ is the transfer of any existing or future right, property or debt by the borrower to the bank for loan.

Lien

Assignment

Mortgage

Hypothecation

10 ) \_\_\_\_\_ are managed by the Board of Directors on the principles of cooperation, self-help and mutual help

Cooperative banks

Development Banks

Commercial Banks

Regional Rural Banks

11) \_\_\_\_ has been guiding monitoring regulating controlling and promoting the destiny of the Indian Financial system.

SEBI

IRDA

RBI

Government Banker

12) \_\_\_\_\_ is the ratio of financial assets to physical assets and it indicates the relationship between financial structure and real asset structure of the company.

Finance Ratio

Financial stability ratio

Financial Interrelation Ratio

New Issue Ratio

13) Sec. 19 of Banking Regulation Act prohibits a banking from entering into a \_\_\_\_\_ activities,

- Banking
- Insurance
- Trading
- Underwriting

14) \_\_\_\_\_ is the transfer of an interest in specific immovable property for the purpose of securing the loan

- Lien
- Pledge
- Mortgage
- Hypothecation

15) As per whose recommendation, the government constituted an interim Insurance Regulatory Authority on 23rd January 1996.

- Malhotra Committee,
- Tandon Committee,
- Narasimham committee
- Gupta committee

16) Companies can also act as agent of insurance companies. Therefore, they are called \_\_\_\_\_ agents

- Ordinary
- Corporate
- Brokers
- Bancassurance

17) \_\_\_\_\_ prior permission for opening a new place of business in India, or to change the location of an existing place of business in India,

Reserve Bank

SBI

IDBI

Central government

18) Under \_\_\_\_ function of RBI it can issue currency notes.

Government Banker

Note issue authority

Bankers Bank

Supervisory authority

19) Section 10(A) provides that at least \_\_\_\_\_ of the Board of Directors of a banking company must consist of persons who have special knowledge in accounting, agriculture, rural economy, banking, economics, various laws etc

41%

51%

45%

25%

20) \_\_\_\_\_ is a type of Operational Risk of a Bank.

Human Risk

Currency Risk

Interest Rate Risk

Equity Risk

21)\_\_\_\_\_refers to those risks that may affect a bank's business growth, marketability of its product and services, likely failure of its strategies aimed at business growth etc.

Non-Financial Risk

Financial Risk

Credit Risk

Market Risk

22)\_\_\_\_\_ is a non- fund Based activity.

Collection of Cheques

Lien

Mortgage

Pledge

23)\_\_\_\_\_happens when possible sources of loss that might arise from the pursuit of an unsuccessful business plan

Strategic risk

Operational risk

Funding risk

Political Risk

24) Who regulates the investment of funds by insurance companies ?

IRDA

SEBI

SBI

RBI

25 ) Under this principle the insured and insurer have the duty to disclose accurately and fully all facts material to the risk being proposed .

Principle of utmost good faith

Principle of Indemnity

Principle of Insurable interest

Principle of contribution

26) The minimum capital to set up a Local Area Bank is -----

Rs. 5 crore,

Rs. 10 crore,

Rs. 15 crore

Rs. 20 crore.

27 ) \_\_\_\_\_ is a type of Credit Risk of a Bank.

Country Risk

Currency Risk

Interest Rate Risk

Equity Risk

28 ) An insurance \_\_\_\_\_ is an agent with limited authority to find out the insurer willing to give policy to transfer the policyholder's .

Broker

Owner

Shareholder

Director

29 ) \_\_\_\_\_ defined as the possibility of losses associated with decrease in the confidence in the borrower or the counter parties to repay.

Credit Risk

Liquidity risk

Market Risk

Strategic Risk

30 ) \_\_\_\_\_ is a secondary function of Insurance.

Prevention of Loss

Insurance provides Protection

Insurance provides certainty

Risk -sharing

31 ) \_\_\_\_\_ may be defined as the risk of loss resulting from inadequate or failed internal process people and system or because of external events.

Operational risk

Strategic risk

Funding risk

Political Risk

32 ) \_\_\_\_\_ is the rate at which banks give working capital to their best customer

Prime Lending Rate

Repo Rate

bank rate

Cash Reserve Ratio

33 ) A \_\_\_\_\_ is a combination of two or more firms in which one firm would survive and the other would cease to exist.

Absorption

Merger

Amalgamation

Acquisition

34 ) \_\_\_\_\_ is an exposure which is not avoided reduced or transferred.

Risk Retention

Risk Mitigation

Risk Control

Risk Financing

35) A director of a banking company, other than its chairman whole time director shall not hold office continuously for a period exceeding \_\_\_\_\_ years

Nine

Five

Eight

Ten

36) \_\_\_\_\_ is a dynamic ongoing process considering both short and longer-term capital needs.

Funding and Capital Management

Currency Risk Management

Interest Rate Risk

Liquidity Risk

37 )Market risk consists of \_\_\_\_\_

Only Interest rate risk

Foreign exchange risk , Interest rate risk and Equity/Commodity price risk

Only Equity/Commodity price risk

Only Interest rate and Foreign exchange risk

38) If the representation by the bank is not reasonable, the central government

May prohibit the bank from receiving fresh \_\_\_\_\_

deposits

Cash

Mutual Funds

Bills

39 ) Under this function another function of RBI is protecting the interest of the bank depositors.

Customer Centric Function

Bankers Bank

Maintaining Exchange Stability

Credit Control

40 ) \_\_\_\_\_is the department of RBI that acts as an agency for the collection and dissemination of financial information .

Banking Department.

Exchange Control Department

Department of Banking Operations and Development

Research and Statistics Department

41 )The \_\_\_\_\_Committee recommended that the public sector banks should be free and autonomous

Malhotra Committee,  
Tandon Committee,  
Narasimham committee  
Gupta committee

42) Portfolio management is a process of investment in\_\_\_\_\_  
stock market

Insurance  
Bank  
securities

43) All the activities of the Agricultural Credit Department are now transferred to \_\_\_\_\_  
NABARD

IFCI  
IDBI  
RBI

44 )\_\_\_\_\_ is the risk of incurring losses on account of movements in the market prices on all positions held by the banks.

Credit Risk  
Liquidity risk  
Market Risk  
Strategic Risk

45) A substandard asset is one which has remained NPA for a period of less than or equal to \_\_\_\_  
12 months  
6 months  
90 days  
180 days.

46) One of the bancassurance partner of Tata-AIG Life insurance is \_\_\_\_\_

Standard Chartered Bank

State bank of India

Citi Bank

IDBI bank

47) The first insurance company was started in India in 1818 at \_\_\_\_\_

Kolkata

Chennai

Mumbai

Delhi.

48) \_\_\_\_\_ attempts to assess the effect of interest rate changes on the market value of assets and liabilities of the bank

Gap Analysis

Duration method

Simulation method

Value of risk Method

49) The primary legislation that deals with insurance business in India is \_\_\_\_\_

Insurance Act, 1938

insurance Regulatory and Development Authority Act, 1999

Both Insurance Act and IRDA Act

LIC of India Act.

50)\_\_\_\_\_is the department of RBI which controls foreign exchange transactions and to maintain a stable rate of exchange are the functions of this department.

Banking Department.

Exchange Control Department

Department of Banking Operations and Development

Research and Statistics Department:

**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



## Sample questions of FYBBI SEM -I Regular Jan 2020 Exam

### Quantitative Methods- I

- 1) Data collected on numerically measurable characteristic is known as \_\_\_\_\_ data.
- A. Quantitative
  - B. Qualitative
  - C. Descriptive
  - D. Attribute
- 2) The mode for the data 8, 11, 9, 14, 9, 11, 18, 6, 9, 11 is \_\_\_\_\_
- A. 11
  - B. 9
  - C. Both
  - D. None of these
- 3) When the data is classified with reference to time it is called as \_\_\_\_\_
- A. Quantitative
  - B. Geographical
  - C. Chronological
  - D. Spatial
- 4) The average that is affected by sampling fluctuations is \_\_\_\_\_
- A. Mean
  - B. Median
  - C. Mode
  - D. Weighted Mean
- 5) We can obtain mode graphically by plotting a \_\_\_\_\_
- A. Histogram
  - B. Less than type ogive
  - C. More than type ogive
  - D. Frequency Polygon
- 6) The middle most observation that divides the entire distribution into two equal parts is known as \_\_\_\_\_
- A. Mean
  - B. Weighted Mean
  - C. Mode
  - D. Median
- 7) The data collected for the first time is known as \_\_\_\_\_
- A. Information
  - B. Draft
  - C. Secondary Data
  - D. Primary Data
- 8) The median of 11, 7, 23, 15, 18 is \_\_\_\_\_

- A. 23
- B. 18
- C. 11
- D. None of these

9) Which of the following are not particulars of a useful table \_\_\_\_\_

- A. Title and Table Number
- B. Caption and Stub
- C. Source Note and Foot Note
- D. Frequency Density and Relative Frequency

10) Mode is the \_\_\_\_\_

- A. Least Frequent Value
- B. Middle Most Value
- C. Most Frequent Value
- D. Highest Value

11) Mean deviation is \_\_\_\_\_ when calculated from the median. :

- A. Maximum
- B. Least
- C. Zero
- D. None of these

12) The limits for correlation coefficient are \_\_\_\_\_

- A. -1 to +2
- B. 0 to 1
- C. -1 to 0
- D. None of these

13) The two coefficients of regression have opposite signs \_\_\_\_\_

- A. Correct
- B. Incorrect
- C. May be
- D. Cannot say

14) The standard deviation of the data 6, 6, 6, 6, 6 is \_\_\_\_\_

- A. 0
- B. 6
- C. 5
- D. 30

15) The correlation is positive if \_\_\_\_\_

- A. x increases as y decreases
- B. x increases as y increases
- C. x decreases as y increases
- D. None of these

16) The equation of line of regression of y on x is  $(y - 5) = 0.8(x - 4)$  and the equation of line of regression of x on y is  $(x - 4) = 0.2(y - 5)$  then the value of r is \_\_\_\_\_

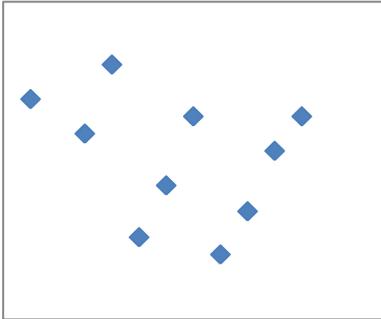
- A. 0.8
- B. 0.2

- C. 0.4
- D. 0.6

17) \_\_\_\_\_ is a relative measure of dispersion.

- A. Coefficient of Correlation
- B. Coefficient of Regression of y on x
- C. Coefficient of Regression of x on y
- D. Coefficient of Variation

18) The following scatter diagram represents \_\_\_\_\_



- A. Positive correlation
- B. Perfect positive correlation
- C. Perfect negative correlation
- D. None of these

19) The point of intersection of the two lines of regression is \_\_\_\_\_

- A.  $(0, 0)$
- B.  $(\bar{x}, 0)$
- C.  $(0, \bar{y})$
- D.  $(\bar{x}, \bar{y})$

20) If the value of the coefficient of variation is less then the consistency of the data is

- A. Zero
- B. Same
- C. Less
- D. More

21) Index number for base year is always considered as-----

- A. 100
- B. 101
- C. 201
- D. 1000

22) Index number is a special type of -----

- A. Average
- B. Dispersion
- C. correlation

D. None of these

23) Index number is always expressed in -----

- A. Percentage
- B. ratio
- C. proportion
- D. None of these

24) Index number is also called as-----

- A. Economic barometer
- B. Parameter
- C. Constant
- D. None of these

25) Which index number is called as ideal index number.

- A. Lasperys
- B. Paasches
- C. Fisher
- D. None of these

26) In Lasperys price index number weight is considered as-----

- A. quantity in base year
- B. quantity during current year
- C. prices in base year
- D. prices in current year.

27) In Paasches price index number weight is considered as-----

- A. quantity in base year
- B. quantity in current year
- C. prices in base year
- D. prices in current year.

28) Fishers price index number is the -----

- A. A.M. of Lasperys and Paasches I.N.
- B. G.M. of Lasperys and Paasches I.N.
- C. Difference between Lasperys and Paasches I.N
- D. None of these

29) An orderly set of data arranged in accordance with their time of occurrence is called:

- A. Arithmetic series
- B. Harmonic series
- C. Geometric series
- D. Time series

30) Insurance can be viewed as a \_\_\_\_\_ that exploits the need of people to reduce the ill-effects of a severe loss in their lives.

- A. Customer
- B. Society
- C. Business
- D. Charitable trust

31) The tabulated rate of annual premium is expressed per \_\_\_\_\_

- A. 100
- B. 1000
- C. 1
- D. 100000

32) An insurance policy whose premium is not paid even within the grace period \_\_\_\_\_.

- A. Lapses
- B. Sum assured
- C. Cancelled
- D. Rejected

33) If a policy is converted into a paid-up policy, then the paid-up value paid at the time of \_\_\_\_\_.

- A. Present date
- B. Maturity of the policy
- C. Policy delivered
- D. Policy started

34) Between two policies with the same sum assured and the same duration, the policy which is surrendered earlier will have \_\_\_\_\_ surrender value.

- A. Higher
- B. Same
- C. Lower
- D. 100%

35) The extra period given to a policy holder to pay a premium after its due is over, is called \_\_\_\_\_

- A. Additional days
- B. Extra days
- C. Premium
- D. Grace period

36) A dice is thrown in the air. The probability of getting odd numbers is

- E.  $\frac{1}{2}$
- F.  $\frac{3}{2}$

G. 3

H. 4

37) If we throw two coins in the air, then the probability of getting both tails will be:

A.  $\frac{1}{2}$

B.  $\frac{1}{4}$

C. 2

D. 4

38) If two dice are thrown in the air, the probability of getting sum as 3 will be

A.  $\frac{2}{18}$

B.  $\frac{3}{18}$

C.  $\frac{1}{18}$

D.  $\frac{1}{36}$

39) A card is drawn from the set of 52 cards. Find the probability of getting a queen card.

A.  $\frac{1}{26}$

B.  $\frac{1}{13}$

C.  $\frac{4}{53}$

D.  $\frac{4}{13}$

40) A fish tank has 5 male fish and 8 female fish. The probability of fish taken out is a male fish:

A.  $\frac{5}{8}$

B.  $\frac{5}{13}$

C.  $\frac{13}{5}$

D. 5

41) A dice is thrown. Find the probability of getting an even number.

A.  $\frac{2}{3}$

B. 1

C.  $\frac{5}{6}$

D.  $\frac{1}{2}$

42) Two coins are thrown at the same time. Find the probability of getting both heads.

- A.  $\frac{3}{4}$
- B.  $\frac{1}{4}$
- C.  $\frac{1}{2}$
- D. 0

43) Two dice are thrown simultaneously. The probability of getting a sum of 9 is:

- A.  $\frac{1}{10}$
- B.  $\frac{3}{10}$
- C.  $\frac{1}{9}$
- D.  $\frac{4}{9}$

44) A game consists of tossing a one rupee coin 3 times and noting its outcome each time. Aryan wins if all the tosses give the same result i.e. three heads or three tails and loses otherwise. Then the probability that Aryan will lose the game.

- A.  $\frac{3}{4}$
- B.  $\frac{1}{2}$
- C. 1
- D.  $\frac{1}{4}$

45) Three unbiased coins are tossed. What is the probability of getting at most two heads?

- A.  $\frac{3}{4}$
- B.  $\frac{1}{4}$
- C.  $\frac{3}{8}$
- D.  $\frac{7}{8}$

46) What is the probability of getting a sum 9 from two throws of a dice?

A.  $\frac{1}{6}$

B.  $\frac{1}{8}$

C.  $\frac{1}{9}$

D.  $\frac{1}{12}$

47) A bag contains 2 red, 3 green and 2 blue balls. Two balls are drawn at random. What is the probability that none of the balls drawn is blue?

A.  $\frac{10}{21}$

B.  $\frac{11}{21}$

C.  $\frac{2}{7}$

D.  $\frac{5}{7}$

48) A box has 6 black, 4 red, 2 white and 3 blue shirts. What is probability of picking at least 1 red shirt in 4 shirts that are randomly picked?

A.  $\frac{4}{15}$

B.  $\frac{24}{455}$

C.  $\frac{69}{91}$

D.  $\frac{22}{91}$

49) In a drawer there are 5 black socks and 3 green socks. Two socks are picked randomly one after the other without replacement. What is the possibility that both the socks are black?

A.  $\frac{5}{14}$

B.  $\frac{5}{8}$

C.  $\frac{3}{8}$

D.  $5/16$

50) From a group of 6 men and 4 women we have to form a committee of 5 people. How many committees are possible if there are to be 3 men and 2 women?

A. 130

B. 120

C. 140

D. 180

## **FYBBI - Principles of Management**

### **Sample Questions**

**1. Management exists at the \_\_\_ level of the organization.**

- A. Lower**
- B. Middle**
- C. Top**
- D. Lower, Middle and Top**

**2. Management is**

- A. an art**
- B. a science**
- C. both an art and a science**
- D. Management**

**3. In what order do managers typically perform the managerial functions?**

- A. organising, planning, controlling, leading**
- B. planning, organising, leading, controlling**
- C. planning, organising, controlling, leading**
- D. organising, leading, planning, controlling**

**4. Guiding and supervising the efforts of subordinates towards the attainment of the organization's goals describes the function of**

- A. organizing**
- B. planning**
- C. directing**
- D. controlling**

**5. According to Taylor there can be many hindrances in good performance which may lead to fatigue. Identify the most suitable cause of fatigue among the following options**

- a. Long working hours**
- b. Doing unsuitable work**
- c. Non cordial relation with boss**
- d. Long hours, Unsuitable and Non cordial relation**

**6. C.K. Prahalad is best known for \_\_\_\_\_**

- a. MBO**
- b. Strategic Management**

**c. Marketing Research**

**d. Accounts**

**7. Organising executes business \_\_\_\_\_**

- a. Policies**
- b. Plans**
- c. Strategy**
- d. Proposal**

**8 . Planning is a \_\_\_\_\_ process**

- a. Rigid**
- b. Mechanical**
- c. Mental**
- d. Virtual**

**9. \_\_\_\_\_ involves motivating subordinates**

- a. Planning**
- b. Organising**
- c. Directing**
- d. Coordinating**

**10. Controlling measures \_\_\_\_\_ performances**

- a. Actual**
- b. Expected**
- c. Calculated**
- d. Profit**

**11. \_\_\_\_\_ is responsible for the performance of staf**

- a. Branch Manager**
- b. Supervisor**
- c. Chief executive office**
- d. Public relation officer**

**12. Banks need \_\_\_\_\_ customers**

- a. Old**
- b. New**
- c. Loyal**
- d. Floating**

**13. \_\_\_\_\_ is responsible for the performance of staff**

- e. Branch Manager**

- f. Supervisor
- g. Chief executive office
- h. Public relation officer

14 \_\_\_\_\_ must regulate rush and non-rush hours

- a. Government
- b. Banks
- c. Plan
- d. Companies

15. Banks need \_\_\_\_\_ style of communication

- a. Oral
- b. Regular
- c. Dignified
- d. Written

16 \_\_\_\_\_ brings out goal directed behaviour

- a. Staffing
- b. Controlling
- c. Motivating
- d. Organising

17. Dynamic risk is less \_\_\_\_\_

- a. Predictable
- b. Rigid
- c. Spoken
- d. Flexible

18. Which of the following options includes relationship management with external stakeholders in the value chain?

- a) Analytical CRM
- b) eCRM
- c) Collaborative CRM
- d) EAI

19. Organisation is a process of

- (A) Identifying and grouping of work to be performed
- (B) Defining and delegating the responsibility and authority
- (C) Identifying and grouping of work
- (D) Delegation of work

**20.. 'No one on the organisation should have more than one boss' is a statement of**

- (A) Principle of specialisation**
- (B) Principle of authority**
- (C) Principle of unity of command**
- (D) Principle of spa The following is not a type of organisation structure**

- (A) Line organisation**
- (B) Functional organisation**
- (C) Line and staff organisation**
- (D) Flexible organisation n of control**

**21. The following is also known as Military organisation**

- (A) Line organisation**
- (B) Functional organisation**
- (C) Line and staff organisation**
- (D) Matrix Organisation**

**22. Departmentation is a process where**

- (A) Tasks are grouped into jobs**
- (B) Jobs are grouped into effective work groups**
- (C) Work groups are grouped into identifiable segments**
- (D) Grouped, Effective work groups, Identifiable segments**

**23. Departmentation leads to grouping of**

- (A) Activities**
- (B) Personnel**
- (C) Activities and Personnel**
- (D) Task**

**24. Organization is derived from the word \_\_\_\_\_**

- a. Organisational**
- b. Organising**

**c. Organism**

**d. Origen**

**25. Departmentation by function is suitable to \_\_\_\_\_ organisation**

**a. Small**

**b. Domestic**

**c. medium**

**d. Large**

**26. Committee Organisation facilitates \_\_\_\_\_ judgement**

**a. Individual**

**b. Group**

**c. Rigid**

**d. Anytime**

**27. Exception principle reserves \_\_\_\_\_ problems for superiors**

**a. routine**

**b. Complex**

**c. Special**

**d. Recurring**

**28. Delegation \_\_\_\_\_burden on the superior**

**a. Reduces**

**b. Increases**

**c. Balances**

**d. Imposes**

**29. Organization structure designates relationships of**

**a. Formal reporting**

**b. Informal reporting**

**c. Authority**

**d. Dynamism**

**30. Irrelevant activities are eliminated in \_\_\_\_\_ organisation**

**a. Functional**

**b. Operational**

**c. Planning**

**d. Departmental**

**29. Full – fledged organisations \_\_\_\_\_ departments**

**a. Create**

**b. Remodel**

**c. Remove**

**d. Drop**

**31. Insurance Companies are based on \_\_\_\_\_**

**a. Unity of command**

**b. Unity of direction**

**c. Division of work**

**d. Feedback**

**32. Departmentation is a process where**

**(A) Tasks are grouped into jobs**

**(B) Jobs are grouped into effective work groups**

**(C) Work groups are grouped into identifiable segments**

**(D) Grouped, Effective work groups, Identifiable segments**

**33. . In line organisation, the business activities are divided into following three types**

**(A) Accounts, Production, Sales**

**(B) Production, Quality, Sales**

**(C) Production, Quality, Maintenance**

**(D) Production, Maintenance, Sales**

**34. Planning is a \_\_\_\_\_ process**

**a.Rigid**

**b.Mechanical**

**c.Mental**

**d.Virtual**

**35. Guiding and supervising the efforts of subordinates towards the attainment of the organization's goals describes the function of**

- A. organizing**
- B. planning**
- C. directing**
- D. controlling**

**36. The control function of management embraces**

- A. Financial Control**
- B. Budgetary Control**
- C. Cost Control**
- D. Management control**

**37. Which one is not a recognised key skill of management?**

- A. Conceptual skills**
- B. Human skills**
- C. Technical skills**
- D. Writing skills**

**38. Which of the following would be included in the "controlling function"?**

- A. explaining routines**
- B. measuring results against corporate objectives.**
- C. giving assignments.**
- D. setting standards.**

**39. Formal organisations are \_\_\_\_\_**

- a. Static**
- b. Non-performing**
- c. Delegated**
- d. Created**

**40. In a small bank the \_\_\_\_\_ is all in all**

- a. Chief Manger**
- b. General Manager**

**c. Administrative Manager**

**d. CEO**

**41. RBI started functioning from \_\_\_\_\_**

**a. April 1, 1935**

**b. March 6, 1934**

**c. January 1, 1949**

**d. April 1, 1936**

**42. HDFC is popular among borrowers due to \_\_\_\_\_ and \_\_\_\_\_ service**

**a. Easy and low interest**

**b. Prompt and decent**

**c. Quick and dirty**

**d. Limited formalities and costly**

**43 \_\_\_\_\_ is known as industrialist visionary as well as the philanthropist**

**JRD Tata**

Ratan Tata

Aziz Premji

Aditiya Vikram Birla

**44. Who is President of World Bank \_\_\_\_\_**

**a. David R Malpass**

**b. Robert Zoellick**

**c. Jim Yong Kim**

**d. Kristalina Georgieva**

**45. The headquarters of ADB is at \_\_\_\_\_**

**a. Manila, Philippines**

**b. Singapore**

**c. New Delhi**

**d. Seoul**

**46. The Hinduja group is a global Conglomerate company headquartered in \_\_\_\_\_**

- a. Mumbai
- b. London
- c. Tokyo
- d. Japan

47. \_\_\_\_\_ started his career serving the ICICI bank in the finance division project

- a. Dr. C. K. Prahalad
- b. Mr. K. V. Kamath
- c. Mr. Azim Premji
- d. Anil Ambani

48. Godrej Business Group in India exist since \_\_\_\_\_

- a. 1899
- b. 1992
- c. 1993
- d. 1994

49. Godrej is a \_\_\_\_ business group

- a. Profit Oriented
- b. Consumer friendly
- c. monopoly -Oriented
- d. Expansion Oriented

50. \_\_\_\_\_ is the chairman of Federal Reserve System

- a. Jerome Powell
- b. Christine Lagarde
- c. Janet Yellen
- d. Takehiko Nakao



## QUESTION BANK

FYBBI

FA 1

1. Which concept provides a link between present and future?

Going Concern      Cost Concept Entity      None of the above

2. Which concept implies that amount paid or payable for acquisition of asset should be recorded at cost?

Entity      Cost concept      Going Concern      None of the above

3. Which concept does not recognise the realisable value, the replacement value or the real worth of an asset?

Cost Concept      Money measurement      Going Concern      None of the above

4. Under which concept comparison of one accounting period with the other is possible?

Consistency concept      Accrual concept      Entity      None of the above

5. Which concept stipulates that accounts must be honestly prepared and they must disclose all material information?

Disclosure concept      Entity concept      Consistency concept      None of the above

6. The immediate recognition of loss is supported by the underlying principle of :

Matching, Consistency      Conservatism      Going Concern      None of the above

7. A sole proprietor decided to use the same bank account for his personal affairs as for his business. Which of the accounting principle is violated?

Going concern      Entity      Cost Concept      None of the above

8. Rent paid to Landlord is debited to \_\_\_\_ Account.

Landlord      Rent      Cash      Bank

9. The amount withdrawn by a trader for his personal use is debited to \_\_\_\_ Account.

Personal      Capital      Drawings      Liability

10. The amount invested in business by the proprietor is credited to \_\_\_\_ Account.

Capital      Cash      Drawing      Liability

11. Cash purchase of goods from Smita should be debited to \_\_\_\_ Account.

Smita's      Goods      Cash      Loan

12. A credit sale of goods to Dina should be credited to \_\_\_\_ Account.

Goods      Dina's      Sales      Cash

13. Drawings Account is a \_\_\_\_ Account.

Real      Personal      Nominal      Valuation

14. Loan Account is a \_\_\_\_ Account.

Nominal      Personal      Asset      Liability

15. Inventories are valued at \_\_\_\_ of cost and net realisable value.      higher Sales less gross profit      lower      None of the above

16. Inventory consists of finished goods held for sale in the \_\_\_\_ course of business.

Companies Act      Income Tax Act      ordinary      None of the above

17. Inventories do \_\_\_\_ include machinery.

All cost of purchases      Cost      not      None of the above

18. Inventories are defined as \_\_\_\_ (AS-2 (Revise)).

Realisable value      Sales less gross profit<sup>1</sup>      asset      None of the above

19. As per AS-2 (Revised) \_\_\_\_ approach for costing inventories has been eliminated.

Selling cost      Direct, costing      Pre-placement cost      None of the above

20. By-products, wastes and spares are to be valued at net realisable price if their value is not \_\_\_\_.

Interest on loans      material      Sales less gross profit  
None of the above

21. AS-2 (Revised) is applicable to \_\_\_\_ enterprise.

all Spare Parts Finished Goods None of the above

22. Main product is the target product of \_\_\_\_ value.

significant Realisable value All cost of purchases None of the above

23. AS-2 is not applicable to \_\_\_\_ \_\_\_\_.

Mineral Oils Direct labour Interest on loans None of the above

24. Overvaluation of stock \_\_\_\_ profits.

Inflates Deflates Current liabilities None of the above

25. Undervaluation of stock \_\_\_\_ profits.

Deflates Current liabilities Inflates None of the above

26. \_\_\_\_ method is recognised by AS-2.

FIFO LIFO Both (a), (b) None of the above

27. Inventory should be valued at cost or M.V. whichever is \_\_\_\_.

Less More Realisable value None of the above

28. The concept which provides for future losses is called as \_\_\_\_.

- Materiality
- Prudence
- Conservatism
- Consistency

29. Net profit is \_\_\_\_.

- having a credit balance
- having a debit balance
- Asset
- Liability

30. Domino's pizza purchases a bike for delivery is \_\_\_\_.

- Capital expenditure
- Revenue expenditure

- Deferred revenue expenditure
- Capital receipt

31. Pizza Hut paid Delivery boy's salary Rs.10000 per month. This is \_\_\_\_.

- Capital Expenditure
- Revenue Expenditure
- Deferred Revenue expenditure
- Capital Receipt

32. Advertisement expenses on Instagram and facebook will be \_\_\_\_.

- Capital Expenditure
- Revenue Expenditure
- Deferred revenue expenditure
- Revenue receipt

33. The receipt from commission earned on turnover is \_\_\_\_.

- Capital expenditure
- Revenue receipt
- Deferred revenue receipt
- capital receipt

34. Purchase of asset will be recorded in \_\_\_\_.

- Cash book
- Purchase book
- Journal
- Sales Book

35. Calculate Total of sales book from the following information. Sales of asset s.100000 Sales of goods for cash Rs.200000 Sales of goods for credit Rs.400000

- Rs.700000
- Rs.300000
- Rs.500000
- Rs.400000

36. Following is not a fundamental accounting assumption.

- Going concern
- Consistency

- Accrual
- Conservatism

37.If transaction cannot be recorded in any other subsidiary book then it will be recorded in\_\_\_\_.

- Journal
- Journal proper
- Cash book
- Petty cash book

38.Calculate the total amount at which trial balance will tally. Sales Rs.1000000  
Purchases Rs.500000 Outstanding income Rs.100000 Pre received income Rs.200000  
Cash Rs.600000

- Rs.1300000
- Rs. 1200000
- Rs.1000000
- Nil

39.Final accounts of the company does not include\_\_\_\_.

- Trading account
- Profit and loss account
- Balance sheet
- Journal

40.For a IPL team, receipt of sponsorship services will be recorded in\_\_\_\_.

- Profit and loss account
- Balance sheet liability
- Balance sheet asset
- No where in financial statements

41.Following is not a branch of accounting.

- Cost accounting
- Financial accounting
- Social accounting
- Management Accounting

42.Following is a nominal account

- Debtor
- Creditor
- Commission
- Mr. B's Bank of Baroda A/c

43. Following is not a personal account

- Outstanding salary
- Debtor
- Creditor
- Depreciation

44. Following is a real account.

- Salary
- Outstanding salary
- Stock of goods
- Electricity expenses

45. Cash book balance Rs.10000. Cheque deposited Rs.1000 was recorded in pass book but was not recorded in cash book. Cheque withdrawn Rs.2000 was recorded in cash book but was not presented in bank. Calculate balance as per pass book.

- Rs. 13000
- Rs. 9000
- Rs.11000
- Rs. 7000

46. Following will affect trial balance.

- No entry recorded
- Rs.3000 recorded in debtors and Rs.3000 recorded in creditors
- Rs.5000 recorded in debit and Rs.5000 recorded in debit
- Single effect given on debit side

47. Journal entry for issue of shares for Rs.400000 for cash will be\_\_\_\_\_.

- Equity Shares A/c To Bank A/c
- Bank A/c To Equity shares A/c
- Cash A/c To Equity Shares A/c
- No entry

48. Journal entry for issue of shares for Rs.400000 for Furniture will be\_\_\_\_\_.

- Equity Shares A/c To Bank A/c
- Furniture A/c To Equity shares A/c
- Cash A/c To Equity Shares A/c
- No entry

49. Term of issue of shares does not include\_\_\_\_\_.

- Share application
- Share Allotment
- Share first call
- Debenture application

50. To pass the journal entry for issue of shares at premium, premium will be \_\_\_\_\_.

- Asset
- Liability
- Credited
- Debited

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.