The South Indian Association's
The S.I.A. College of Higher Education
Affiliated to University of Mumbai
Re-accredited B+ by NAAC
P-88, MIDC Residential Area Dombivli Gymkhana Road,
Near Balaji Mandir, Dombivli (East), 421203.

QUESTION BANK

2023 -24

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BBI QUESTION BANK

2023 -24

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DEPARTMENT OF BANKING & INSURANCE

Question Bank submission Status

SUBJECTS	Status	SUBJECTS	Status
SEM I FY		**SEM II FY**	
Environment and Management of Financial	Sub Object	Principles and Practices of Banking & Insurance	Sub Obj
Principles of Management	Sub object	Business Law	Obj Sub
Financial Accounting - I	obj Sub	Financial Accounting - II	Obj Sub
Business Communication-I	Obj	Business Communication-II	Obj Sub
Foundation Course – I	Sub Object	Foundation Course – II	Obj Sub
Business Economics-I	Sub Sub	Organisational Behaviour	Obj Sub
Quantitative Methods-I	Sub Object	Quantitative Methods-II	Obj Sub
SEM III SY		**SEM IV SY**	
Information Technology in Banking & Insurance-I		Information Technology in Banking & Insurance-I	
Financial Market (Equity, Debt, Forex and	Obj Sub	Corporate Laws & laws Governing Capital Market	Sub Obj
Management Accounting	Sub Object Sub	Business Economics-II	Sub Obj
Financial Management –I	Sub Object	Financial Management –II	Sub Obj
Foundation Course III(Over view of Banking	Sub Obj	Wealth Management	Obj Sub

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Mutual Fund Management		Cost Accounting of Banking & Insurance	
Taxation of Financial Services		Foundation Course – IV(Overview of Insurance	
SEM V TY		**SEM VI TY**	
International Bussiness in Banking and Insurance		Central banking	
Financial Services Management		Human Resource Management	
Auditing I		Auditing II	
Business ethics		Marketing in B&I	
Research Methodology		International Bussiness	
Financial Reporting & Analysis		Security Analysis and Portfolio Management	
Strategic Management			

Convenor

Mrs. Renu Vijay Verma



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Name of the Faculty-Dr. Hasitkumar Nagariya
Class-TYBBI Sem -V
Subject- International Banking and Finance

1)The Market where dealing in currencies take place is called as _____.
a)Money Market b)**Forex Market** c)Capital Market d)None of the Above

2)International Financial System is affected by _____.
a)Government Policies b)Political Issues c)**Both a and b** d)None of the above

3)Difference between the value of merchandise exports and merchandise imports is called _____.
a) Balance of Payment b) **Balance of Trade** c) Balance of Receipts
d)None of the above

4)Broad measure of a country's international trade in goods and services are called_____.
a)**Current Account** b)Capital Account c)Trade Account d)Receivable Account

5)The artificial currency created by IMF to be used as supplementary Reserve Asset is called as _____.
a)**SDR** b)Gold Coins c)Paper Currency d)Bitcoins

6)The transaction under the Capital Account are classified _____.
a)Foreign Investment b)Loans and Banking Capital c)Rupee Debt Services
d)**All of the above**

7)Account reflecting changes in Country Ownership of long-term and short -term financial assets are called _____.
a)Current Account b)**Capital Account** c)Trade Account d)Receivable Account

8)International Bank for Reconstruction and Development also popularly called_____.
a)**World Bank** b)Monetary Fund c)European Union d)BWS

9)Main Components of the ERM were _____.
a)Parity Grid b)Mutual Support c)Commitment to Join Decision of Realignment
d)**All of the above**

10)A Floating Exchange Rate _____.
a)is determined by the National Governments involved
b)remains extremely stable over long periods of time
c)is determined by the actions of Central Banks
d)**is allowed to vary according to market forces**

11)The current system of international finance is a _____.
a)Gold Standard
b)Fixed Exchange Rate System
c)Floating Exchange Rate System
d)**Managed Float Exchange Rate System**

12)____is the act of trading different currencies.
a)**Foreign Exchange** b)Arbitrage c)Foreign Trade d)Exports

13)In a Floating Exchange Rate System, the market clears itself through a _____mechanism.
a)Government b)Quantity c)**Price** d)Quality

14)In a _____exchange rate system the government or central bankers intervene to keep the exchange rate virtually fixed.
a)Floating b)**Fixed** c)Free d)Semi fixed

15)In _____a foreign company issues a bond denominated in a currency which is not the home currency of the investors.
a)**Euro Bond** b)FDI c)FII d)GDR

16)_____refers to an investment in or getting hold of foreign assets with the aim to control and manage them.
a)**FDI** b)FII c)GDR d)ADR

17)_____is an investment made by an investor in the markets of a foreign nation.
a)FDI b)**FII** c)GDR d)ADR

18)_____bonds are the bonds floated in the domestic market denominated in domestic currency by non-resident entities.
a)Euro b)**Foreign** c)Both d)None of the above

19)In the case of an _____offering, the bonds convert into shares of the company that issued the bonds.
a)**FCCB** b)FCEB c)ADR d)GDR

20)_____allows foreign companies to mobilise funds from Indian Markets.
a)GDR b)ADR c)**IDR** d)None of the above

21)SEBI has set ____as the lower limit for the IDRs to be issued by the Indian Companies.
a)Rs.5 Crore b)**Rs.50 Crore** c)Rs.500 Crore d)Rs.5,000 Crore

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22)The minimum investment required in the IDR issue by the investors has been fixed at _____by SEBI.
a)**Rs.2 Lakh** b)Rs.5 Lakh c)Rs.20 Lakh d)Rs.50 Lakh

23)_____does not impose any limit to the buyer and thus one is privileged to buy as many stocks of any foreign company.
a)GDR b)ADR c)**Both a and b** d)None of the above

24)_____is issued locally by a domestic borrower usually denominated in the local currency.
a)**Domestic Bonds** b)Foreign Bonds c)Eurobonds d) Global Bonds

25)A Japanese Company issuing bonds in Yen Currency in Japan is an example of _____.
a)**Domestic Bonds** b)Foreign Bonds c)Eurobonds d) Global Bonds

26)_____is issued in a local market by a foreign borrower usually denominated in the local currency.
a)Domestic Bonds b)**Foreign Bonds** c)Eurobonds d) Global Bonds

27)A Japanese company issuing US-dollar denominated bonds in the US market is example of _____.
a)Domestic Bonds b)**Foreign Bonds** c)Eurobonds d) Global Bonds

28)_____placed mainly in countries other than the one in whose currency the bond is denominated.
a)Domestic Bonds b)Foreign Bonds c)**Eurobonds** d) Global Bonds

29)A Japanese company issuing Yen denominated bond in the US market is example of _____.
a)Domestic Bonds b)Foreign Bonds c)**Eurobonds** d) Global Bonds

30)The main risk associated with domestic bonds is the risk of _____.
a)**bankruptcy** b)Obsolescence c)Exchange d)Credit

31)Straight fixed-rate Eurobonds are typically bearer bonds and pay coupon interest _____.
a)**Annually** b)Half Yearly c)Quarterly d)Monthly

32)_____of the following are Euro Bonds ,.
a)Straight EuroBonds b)Floating Rate Bond Notes c)Zero-coupan Bonds d)**All of the above**

33)_____of the following are Foreign Bonds.
a)Samurai Bonds b)Bulldog Bonds c)Yankee Bonds d) **All of the above**

34)Forex markets play acritical role in facilitating_____.
a)Cross-border trade b)Investment c)Financial Transaction d)**All of the above**

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35)An act which is enacted to regulate payments and foreign exchange in India,is _____.

a)**FERA** b)FEMA c)FEDAI d)FIMMDA

36)_____an act initiated to facilitate external trade and payments and to promote orderly management of the forex market in the country.

a)FERA b)**FEMA** c)FEDAI d)FIMMDA

37)All operational aspects of interbank market are governed by guidelines and code of conduct of _____.

a)RBI b)FEDAI c)**both a and b** d)None of the above

38)RBI and FEDAI issue guidelines to all banks regarding risk to _____.

a)identity b)measure c)manage d)**All of the above**

39)Dealing Room Manual and code of conduct for dealers is given by _____.

a)FEDAI b)FIMMDA c)**Both a and b** d)None of the above

40)_____is a negotiable instrument issued by the international depository bank, representing foreign company's stock trading globally.

a)**GDR** b)ADR c)Both a and b d)None of the above



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Question Bank

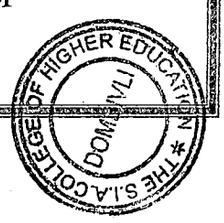
Subject: Financial Services Management
Class: TYBBI
Semester: V
Faculty: Mrs. Renu Vijay Verma

1. Define financial innovation. What are the causes of financial innovation?
2. What are the objectives of financial services?
3. What are the features of financial services?
4. Explain the importance of financial services
5. What are the challenges faced by the financial service sector in India?
6. List out the recent innovative financial instruments
7. After LPG what growth has taken place in the financial service sector in India
8. Explain the scope of Financial services (This question is divided in to two parts I, e Traditional and modern financial services)
9. What are the various agencies providing financial services? Briefly explain any three of them
10. What is Merchant Banking
11. List out the objectives of Merchant banking
12. What are the features of Merchant bankers?
13. Distinguish between: Commercial banks and Merchant banks
14. Explain the scope of Merchant banking? Explain the various services rendered by Merchant bankers
15. What are the guidelines issued by SEBI towards Merchant banking?
16. What are mutual funds. Explain the rights and facilities offered to an investor

17. How the selection of mutual fund done by investor
18. What role commercial bank play in Mutual Funds
19. What is Mutual fund? Explain its types
20. Define Mutual fund. Discuss in detail the origin and Classification of Mutual fund
21. What is the present status of Mutual Funds in India? Discuss and conclude whether they are growing in India
22. Outline the causes for slow growth of Mutual Fund in India
23. Discuss the guidelines framed by Government of India for proper functioning for Mutual Funds
24. Describe the structure of Mutual Funds operation in India
25. Explain the advantages and Disadvantages of Mutual fund
26. Distinguish between Forfeiting and International Factoring What do you mean by Factoring? Explain the advantages and Disadvantages of Factoring
27. What are the various types of Factoring?
28. Distinguish between Factoring and Forfeiting
29. Give the definition, meaning and Modus Operandi along with the terms and condition of Factoring
30. What is Factoring? Distinguish between with recourse factoring and without recourse factoring
31. Define International Factoring. What is the benefit of such Factoring?
32. Elucidate the various functions performed by a Factor
33. Explain the concept of Forfeiting and its working process
34. What are the benefits and Drawback of Forfeiting?
35. Define Securitization. Explain the Modus operandi and various stages involved.
36. for the unpopularity of Securitization and the future of Securitization in India
37. Write in Detail about three important types of securities under Securitization of debt
38. What are securitiesable assets write any four benefits of Securitization of debt
39. Write about pass through and pay through certificates
40. Discuss the role of SPV in Securitization
41. Discuss about Financial Derivatives and bring out their various features

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42. Write-in brief about Futures and Forward
43. Define Derivatives and bring out its importance
44. Explain the features of Future and write about the different types of it
45. What is SWAP? What is its feature?
46. What are the advantages of Derivatives?
47. What is an options contract? what are its characteristics
48. What is forward contract? Explain its feature in detail
49. Distinguish between Forward and Future contract
50. Define Housing Finance and explain advantages and methods of Housing Finance
51. Explain the components of Housing Finance
52. Explain the drivers of Demand in Housing
53. Explain the regulatory framework in Housing Finance
54. Explain the major issues in Housing Finance in India
55. Explain the growth factors in Housing Finance in India
56. Explain various Housing Finance institutions and agencies in India
57. Explain the objectives and functions of NHB
58. Discuss the guidelines for Asset Liability Management System in HFC
59. Explain in brief the fair-trade practices code for HFCs
60. Explain the various sources of HFC in India
61. Define consumer finance and explain the sources of it
62. Explain the type of product in consumer finance
63. Explain the consumer finance practice in India
64. Explain the terms of consumer finance
65. Explain the Marketing and Insurance of Consumer Finance
66. Explain the case for and Against consumer finance
67. Discuss the mode of consumer finance
68. Explain the functions of Depository system in India
69. Describe Depository Bank analogy
70. What do you understand by Depository participant?
71. Write a brief note on NSDL
72. What are the eligibility criteria for a Depository?
73. What are the rights and obligation of Depositories?
74. What are the records to be maintained by Depositor
75. Explain the services of Depository



76. What are the functions of NSDL?
77. Explain the advantages of Depository system
78. Differentiate between Pledge and Hypothecation
79. Explain procedure for Pledge and Hypothecation
80. Explain role of NSDL in Pledge and Hypothecation
81. What do understand by Hypothecation
82. What do understand by Pledge
83. Explain briefly the concept of Pledge



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Question Bank - MCQ

Subject: Financial Services Management

Class: TYBI

Semester: V

Faculty: Mrs. Renu Vijay Verma

1. The prime function of stock exchanges is to offer..... to the existing securities.

(i) Stock (ii) Investment

(iii) Liquidity (iv) Fund Raising

2. Financial companies known as.....&.....management companies.

(i) Lending & acquiring (ii) Asset & Management

(iii) Asset & Lability (iv) Cash & Management

3. Term lending institutions are.....market intermediaries.

(i) Stock (ii) Investment

(iii) Capital (iv) Fund

4. Underwriting of shares by a financial intermediary is a kind of.....activity.

(i) Fees Based (ii) Non Fund Based

(iii) Cash Based (iv) Fund Based

5. Loan syndication by a financial intermediary is a kind of.....activity.

(i) Fees Based (ii) Non Fees Based

(iii) Cash Based (iv) Fund Based

6. Money market is the market for.....sources of finance.

(i) Long Term (ii) Short Term

(iii) Infinite (iv) Medium Term

7. .....regulates the capital market in India.

(i) SEBI (ii) IRDA

(iii) RBI (iv) NHB

8. Merchant Bank mainly involved in.....activities.

(i) Fees Based (ii) Asset Based

(iii) Cash Based (iv) Fund Based

9. The availability of cash and other cash like marketable instruments that are useful in

purchases and investments are commonly known as:

(i) Cash crunch

(ii) Liquidity

(iii)Credit

(iv)Marketability

(v) None of these

10. Banking sector comes under which of the following sectors.

(i) Marketing sector

(ii) Service sector

(iii)Manufacturing sector

(iv)Industrial sector

(v) None of these

11. A set of complex and closely connected instructions, agents, practices, markets transactions, claims and liabilities relating to financial aspects of an economy is referred as:

(i) Financial system

(ii) Financial market

(iii)Financial institution

(iv)Financial management

12. .....is a market for financial assets which have a long or indefinite maturity.

(i) Financial system

(ii) Financial market

(iii)Capital market

(iv)Money market

13. .....was constituted to protect the interests of investors in securities and to promote the development of and to regulate the securities market through appropriate measures.

(i) RBI

(ii) SEBI

(iii) NSE

(iv) BSE

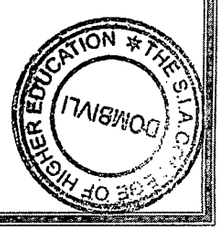
14. What does SEBI aim to provide?

(i) Investor protection

(ii) Legal information

(iii)Large volumes on the stock market

(iv)Market the securities business in India



15. The maximum load that a fund can exchange is determined

(i) Securities and Exchange Board of India

(ii) Reserve Bank of India

(iii)AMFI

(iv)Distributing Agent

16. NBFC performs great role for finance in

(i) Wholesale sector

(ii) Big Scale industries

(iii)Small Scale and Retail sector

(iv)None of the above

17. NBFC is a company registered under

(i) The Indian Contract Act

(ii) The Companies Act, 1956

(iii)The RBI Act 1935

(iv)None of the above

18. Commercial banks mainly involved in.....activities.

(i) Fees Based (ii) Non Fund Based

(iii) Cash Based (iv) Fund Based

19. Financial Services can also be called as.....

(i) Financial Institution (ii) Financial Linkage

(iii) Financial Intermediation (iv) None of these

20. Non-banking companies should compulsorily get credit rating for their

(i) Capital market instruments (ii) Debt Market instruments

(iii) Money market instruments (iv) All of these instruments

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

(i) Forfeiting (ii) Factoring (iii) Leasing (iv) Securitisation of debt

22. Find the odd one out:

(i) Commercial paper (ii) certificate of deposit

(iii) Share certificate (iv) Treasury bill

23. The following one is a kind of fee-based activity of a financial intermediary

(i) Leasing (ii) Underwriting of shares

(iii) Hire purchase financing (iv) Capital issue management

24. The following one is a kind of fund based activity of a financial intermediary

(i) Loan syndication (ii) Project counselling

(iii) Credit rating (iv) Venture capital

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25. The minimum net worth for the first category of merchant is Rs.....

(i) Rs.50 lakhs (ii) Rs.1 crore

(iii) Rs.20 lakhs (iv) Nil

26. Merchant banker engage in the business of.....management.

(i) Issue (ii) Fund

(iii) Asset (iv) Wealth

27. Merchant banker deal with funds raised through.....and.....

(i) Money Market & Capital Market

(ii) Primary Market & Secondary Market

(iii) Fund Based Market & Fees Based Market

(iv) Gilt-edge Market & Stock Market

28. Merchant banking in India is government by SEBI (Merchant Banker) Regulations.....

(i) 1998 (ii) 1992

(iii) 1995 (iv) 2000

29. Merchant Banking do not accept .....

(i) Deposit (ii) Issue

(iii) Fund (iv) Share

30. Which is not the service of Merchant Banking?

(i) Venture Capital (ii) Issue Management

(iii) Deposits (iv) Project Counselling

31. Merchant banker engaged in.....

(i) The business of issue management

(ii) Subscribing to securities as manager-consultant

(iii)Rendering corporate advisory services

(iv)All of the above

32. Formal merchant banking activity in India was originated in.....

(i) 1978

(ii) 1969

(iii)1769

(iv)1987

33. In India, merchant-banking activity was originated with the merchant banking division set up by the.....

(i) Barclays bank

(ii) Grind lays bank

(iii)Yes bank

(iv)None of the above

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34. Merchant bank is an organization that.....

(i) Underwrites securities for corporations

(ii) Advice clients on mergers

(iii)Involved in ownership of commercial ventures

(iv)All of the above

35. Companies raise funds for the purposes of.....

(i) Financing new projects

(ii) Expansion of existing units

(iii)Modernization & diversification of existing units

(iv)All of the above

36. When shares are issued to the existing shareholders of a company, it is called.....

(i) Public issue

(ii) Rights issue

(iii)Private issue

(iv)Government issue

37. The merchant bankers should register with.....

(i) RBI

(ii) SEBI

(iii)Central Government

(iv)State Government

38. When the issuing company sells securities directly to the investors it is called.....

(i) Public issue

(ii) Rights issue

(iii)Private issue

(iv)Government issue

39. The minimum net worth for the second category of merchant bankers is.....

(i) Rs.50 lakhs (ii) Rs.1 crore

(iii) Rs.20 lakhs (iv) Nil

40. The Merchant bankers should register with

(i) Reserve Bank of India (ii) Central Government

(iii) Security Exchange Board of India (iv) State Government

41. The Initial Registration fees for merchant bankers is.....

(i) Rs.2.5 Lakhs (ii) Rs.50 Lakhs

(iii) Rs.5 lakhs (iv) Rs.20 Lakhs

42. Which is private sector merchant banker.

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(i)Bank of Maharashtra (ii) SBI Capital Market

(iii) Bank of America (iv) ICICI Securities Ltd.

43. .....fund invests in highly liquid securities like commercial paper.

(i) Money Market Mutual (ii) Growth Mutual

(iii) Income Mutual (iv) Hybrid Fund

44. The small investor's gateway to enter into big companies is.....

(i) Stock Market (ii) Securitisation

(iii) Mutual Fund (iv) Loan Syndication

45. The.....is nothing but the intrinsic value of each unit of a mutual fund.

(i) Net Asset Value (ii) New Asset Value

(iii) New Acquisition Value (iv) Net Asset Volume

46. The investment experts who invest the pooled money on behalf of investors of the scheme are known as

(i) Fund Managers

(ii) Finance Managers

(iii)Trustees

(iv)Asset management company

47. Which of the following are participants in mutual funds

(i) Sponsor

(ii) Trustees

(iii)Asset Management Company

(iv)All of the above

48. .....is the umbrella body of all the Mutual Funds registered with SEBI.

(i) AMFI

(ii) AMC

(iii)AMBI

(iv)AMFA

49. AMFI stands for.....

(i) Association of Mutual Funds in India

(ii) Association of Mutual Funds of India

(iii)Analysis of Mutual Funds of India

(iv)None of the above

50. Private sector mutual funds were permitted in the year.....

(i) 1963

(ii) 1993

(iii)2010

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(iv)2015

51. The mutual fund industry in India started in.....

(i) 1963

(ii) 1993

(iii)2010

(iv)2015

52. Mutual funds are regulated by.....

(i) Association of Mutual Funds in India (AMFI)

(ii) Securities and Exchange Board of India (SEBI)

(iii)Reserve Bank of India

(iv)None of the above

53. A growth fund is.....

(i) Meets the investors' need for capital appreciation.

(ii) are invested in equities with high growth potentials in order to get capital appreciation

(iii)tries to get capital appreciation by taking much risk.

(iv)all of the above

54. Which of the following has announced a new Framework to improve Governance for Mutual Funds.....

(i) SBI

(ii) RBI

(iii)SEBI

(iv)UTI

55. .....mainly used by corporate to park the surplus they have in their current account.

(i) Liquid fund

(ii) Index Fund

(iii)Both (i) and (ii)

(iv)None of above

56. .....are best instruments to accumulate and maintain an emergency fund.

(i) Liquid fund

(ii) Index Fund

(iii)Both (i) and (ii)

(iv)None of above

57. .....(Index Fund/Liquid Fund) can be used as a useful tool to save or provision towards annual expenses.

(i) Liquid fund

(ii) Index Fund

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(iii)Both (i) and (ii)

(iv)None of above

58. The potential of earning returns is quite high as it is an……..

(i) SIP

(ii) ELSS

(iii)Both (i) and (ii)

(iv)None of above

59. Investments that are greater than…….months are often ideal due to minimum exposure to market risk.

(i) 36 month

(ii) 24 months

(iii)Both (i) and (ii)

(iv)None of above

60. ……..of investing in a sector fund versus individual stocks is the added diversification in the fund.

(i) Advantage

(ii) Disadvantages

(iii)Both (i) and (ii)

(iv)None of above

61. ……..often perform better than the majority of non-index funds that strive to beat the market.

(i) Hybrid Fund

(ii) Index fund

(iii)Both (i) and (ii)

(iv)None of above

62. ……..has the benefits of Portfolio Diversification.

(i) Hybrid Fund

(ii) Gilt fund

(iii)Both (i) and (ii)

(iv)None of above

63. ……can be more tax-efficient than mutual funds because most of the tax on capital gains.

(i) ETF

(ii) SIP

(iii)Both (i) and (ii)

(iv)None of above

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64. .....can be purchased on margin and sold short.

(i) ETF

(ii) SIP

(iii)Both (i) and (ii)

(iv)None of above

65. Mutual fund is not the right investment vehicle for.....

(i) Broker (ii) Speculator

(iii) Arbitrager (iv) Investor

66. The main aim of close ended fund is..... (Capital Appreciation)

(i) Capital Application (ii) Liquidity

(iii) Instalments Payment (iv) Received Dividend

67. Mutual Fund are very popular in

(i) India (ii) UK (iii) Japan (iv) USA

68. The best suited fund to retail investor is

(i) Income fund (ii) Balanced fund (iii) Growth fund (iv) Taxation fund

69. In India, the company which actually deals with the corpus of the mutual fund is called

(i) Sponsor company (ii) Trustee Company

(iii) Asset management company (iv) mutual fund Company

70. Money market mutual funds are invested in

(i) Long term assets (ii) Short term asset

(iii) Short term debt funds (iv) Short term equity fund

71. Which funds do not carry any credit risk?

(i) Gilt funds (ii) Leverage funds

(ili) Equity funds (iv) Off-shore mutual funds

72. .....is the umbrella body of all the Mutual Funds registered with SEBI.

(i) AMFI (ii) AMC (iii) AMBI (iv) RBI

73. Asset Management Company (AMC) should have a minimum net worth of .....

(i) Rs. 10 Lakhs (ii) Rs. 10 Crores (iii) Rs. 50 Lakhs (iv) Rs. 1 Crores

74. Factoring is a.....financial service.

(i) Fees Based (ii) Non Fund Based

(iii) Cash Based (iv) Fund Based

75. If a factor provides, finance after disclosing the fact of assignment of debts to the debtors concerned, it is called.....

(i) Disclosed Faceting (ii) Cross Border Factoring

(iii) Full Serviced (iv) Discount Factoring

76. The central theme of forfeiting is the purchase of.....by a financial service company

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(i) Import Bill (ii) Export Bill

(iii) Domestic Bill (iv) Depository Receipt

77. In India, forfeiting is done by.....bank.

(i) EXIM Bank (ii) IMF

(iii) IDBI (iv) HDFC

78. Trade debts have to be assigned in favour of the financing company under

(i) Discounting (ii) Forfeiting

(iii) Factoring (iv) All of the above

79. Refactoring charges have to be paid in the case of

(i) Maturity factoring (ii) With recourse factoring

(iii) Invoice factoring (iv) Full service factoring

80. Under forfeiting the client is able to get credit facility to the extent of:

(i) 100% of the value of the export bill

(ii) 80% of the value of the export bill

(iii) 75% of the value of the export bill

(iv) 90% of the value of the export bill

81. Under factoring, the factor acts in the capacity of

(i) An agent of his client (ii) A trustee

(iii) A holder for value (iv) An administrator

82. Factoring as a.....financial service.

(i) Fund based (ii) Non-fund based (iii) Advanced (iv) Fess Based

83. .....is a type of factoring.

(i) Financing trade debts

(ii) Permission of advisory services

(iii) Full services

(iv) Trade Services

84. .....is also known as full service of factoring.

(i) Advisory service (ii) Old line factoring

(iii) With Recourse factoring (iv) Without Recourse Factoring

85. .....is also known as collection factoring.

(i) Maturity factoring (ii) Advance factoring

(iii) Invoice discounting (iv) None of these

86. .....party is not involved in Domestic and Export-cross Border factoring.

(i) en porter (ii) Importer (iii) Investors (iv) Exporter

87. .....is purely financial arrangement of short-term nature.

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DOMBIVLI

(i) Factoring (ii) Bill Discounting (iii) Forfeiting (iv) Bill of Exchange

88. .....is the direct communication of inter-organisation transactions.

(i) EDF (ii) EDI (iii) ECGC (iv) HNI

89. The process of managing the sale ledger of a client by a financial service company is called.....

(i) Forfeiting (ii) Factoring (iii) Leasing (iv) Hire Purchase

90. Under forfaiting the client is able to get credit facility to the extent of.....

(i) 100 % of the value of the export bill

(ii) 80% of the value of the export bill

(iii)75% of the value of the export bill

(iv)90% of the value of the export bill

91. Full service factoring is often:

(i) Recourse factoring

(ii) Non-recourse factoring

(iii)Agency factoring

(iv)None of these

92. The process of managing the sales ledger or selling trade debts of a client to a financial intermediary is called.....

(i) Bill discounting

(ii) Factoring

(iii)Securitisation

(iv)Materialisation

93. .....services are mainly provided to foreign investors.

(i) Custodial services

(ii) Financial services

(iii)Factoring services

(iv)None of these

94. The idea of providing factoring services was first thought of in India by.....

(i) Tandem Committee

(ii) Malhotra committee

(iii)Vaghul committee

(iv)None of these

95. The central theme of forfaiting is the purchasing a.....by a financial service company.

(i) Trade Bills

(ii) Export Bills

(iii)Import Bills

(iv)All of these

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96. Refactoring charges have to be paid in the case of.....

(i) Maturity factoring

(ii) With recourse factoring

(iii)Invoice factoring

(iv)Full service factoring

97. Buying a company's accounts receivable on a nonrecourse basis is known as.....

(i) trading

(ii) billing

(iii)factoring

(iv)funding

98. Which of the following is not necessarily a party to a forfaiting transaction?

(i) Exporter

(ii) importer

(iii)broker

(iv)bank

99. ..... bears the cost of forfeiting.

a) Exporter

b) Forfeiter

c) broker

d) Overseas Buyer

100. Factoring Regulation Act,.....

(i) 2001 (ii) 2005 (iii) 2011 (iv) 2014

101. .....is the entity through which the securitization transaction is actually operated.

(i) SPV

(ii) Originator

(iii)Investor

(iv)Seller

102. In the case of.....payments to investors depend upon the cash flow from the assets backing such certificates.

(i) Pass through certificates

(ii) pay through certificates

(iii)Preferred stock certificates and

(iv)Asset based commercial papers

103. .....has a multiple maturity structure depending upon the maturity pattern of underlying assets.

(i) Pass through certificates

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(ii) pay through certificates

(iii)Preferred stock certificates and

(iv)Asset based commercial papers

104. .....are instruments issued by a subsidiary company against the trade debts and consumer receivables of its parent company.

(i) Pass through certificates

(ii) pay through certificates

(iii)Preferred stock certificates

(iv)Asset based commercial papers

105. These certificates are issued against the combined principal value of the mortgages and they are also short term instruments:

(i) Pass through certificates

(ii) pay through certificates

(iii)Preferred stock certificates and

(iv)Asset based commercial papers

106. A transaction where financial securities are issued against the cash flow generated from a pool of assets is called.....

(i) Factoring

(ii) Forfaiting

(iii)Securitization

(iv)discounting

107. The process of selling trade debts of a client to a financial intermediary is called.....

(i) Bill discounting

(ii) Factoring

(iii)Securitisation

(iv)Sale

108. Which of the following is a financial derivative:

(i) Forward

(ii) Future

(iii)Option

(iv)All of the above

109. The reasons for growth of Futures markets are:

(i) are standardized

(ii) have lower default risk

(iii)are liquid

(iv)All of the above

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110. The process by which a financial intermediary liquify its illiquid assets through systematic issuance of financial instruments is called.....

(i) Factoring

(ii) Forfaiting

(iii)Securitization

(iv)discounting

111. Securitisation is mainly associated with the assets.....companies.

(i) Manufacturing (ii) Services

(iii) Financial (iv) Factoring

112. The lending financial institution which decides to go in for securitization is

called.....

(i) SPV

(ii) Originator

(iii)Investor

(iv)Seller

113. .....Instruments are issued by a subsidiary company against the trade debt of its parent Company.

(i) Pass through certificates

(ii) pay through certificates

(iii)Preferred stock certificates

(iv)Asset based commercial papers

114. In India, securitization has been pioneered by.....bank.

(i) SBI (ii) Citi Bank

(iii) PNB (iv) IDBI

115. The concept of securitization is associated with.....

(i) Capital Market

(ii) Money Market

(iii)Debt Market

(iv)Foreign Exchange Market

116. In the case of Securitisation, the trade debts and receivables are mostly in the nature of.....

(i) Short term

(ii) Medium term

(iii)Long term

(iv)Both Medium and Long term.

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117. Under Securitisation, selected pool of assets are "Passed through' for converting them into securities to another institution called.....

(i) Originator

(ii) Special Purpose Vehicle

(iii)Credit Rating Company

(iv)Servicing Agent

118. Which of the following is a short term debt instrument?

(i) Preferred Stock Certificate

(ii) Pass through Certificate

(iii)Asset based Commercial Paper

(iv)Principal only certificate.

119. The asset generally not suitable for Securitisation is

(i) Receivables from Government Department

(ii) Trade Receivables

(iii)Hire Purchase finance Receivables

(iv)Mortgage Loans.

120. The merchant bankers should register with

(i) RBI

(ii) SEBI

(iii)Central Government

(iv)State Government

121. .....is the entity through which the securitization transaction is actually operated.

(i) Special Purpose Vehicle

(ii) Originator

(iii)Seller

(iv)Buyer

122. .....are standardized because they are offered by an traded on anexchange

(i) Futures

(ii) Forward

(iii)Stock

(iv)Bonds

123. Various Risk involved in derivative markets are:

(i) Credit risk

(ii) Default risk

(iii)Liquidity risk

(iv)All of the above

124. The standardized items in a futures contract are:

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(i) Quantity of the underlying

(ii) Quality of the underlying

(iii)The date and the month of delivery

(iv)All of the above

125. The most important underlying markets are:

(i) equity

(ii) treasury bills

(iii)commodities

(iv)All of the above

126. Forward markets worldwide are affected by problems

(i) lack of centralisation of trading

(ii) illiquidity, and

(iii)counterparty risk

(iv)All of the above

127. .....are financial investors that desire their value from the underlying financial assets.

(i) Mutual Fund (ii) Derivatives (iii) Securitisation (iv) Leasing

128. An important function of derivatives is the efficient.....of risks in the economy.

(i) Allocation (ii) Distribution (iii) Assignee (iv) Option

129. .....contracts are not at all standardized.

(i) Forward (ii) Futures (iii) Swaps (iv) Options

130. In an option contracts the seller is referred to as a.....Forward Rate Agreement.

(i) Forward Rate Agreement (ii) Futures Rate Agreement (iii) Swaps (iv) Options

131. A forward contract on interest rates is known as.....

(i) Buyer (ii) Write (iii) Exchanger (iv) Surplus

132. ..... contract is standardized.

(i) Forward (ii) Futures (iii) Swaps (iv) Options

133. A contract that gives its owner the right but not the obligation to buy an underlying asset is called.....

(i) Put Option (ii) Covered Call. (iii) Butterfly Spread (iv) Call Option

134. Financial derivatives are mainly used for.....

(i) Speculative activities (ii) Creating more risks

(iii) Hedging risks (iv) Earning income

135. The instruments that are 'marked' to the market are.....

(i) Forward (ii) Futures (iii) Swaps (iv) Options

136. In an option contract, if the option can be exercised only at the time of maturity is called.....

(i) Double option (ii) American option (iii) put option (iv) European option

137. The predetermined price at which an underlying asset has to be bought or sold in an option contract is called.....

(i) Option price (ii) Exercise price (iii) Spot price (iv) Future Price

138. A combination of forwards by two counter parties with opposite but matching needs is called.....

(i) Swap (ii) Option (iii) Forward (iv) Future

139. .....as the regulator of HFCs, guides, monitors and inspects the activities

of HFCs so that their efforts are channelized in the right direction.

(a) IRDA (b) IDBI (c) NHB (d) SEBI

140. .....finance has received a boost through a combination of growing demand and rising affordability.

a) Consumer (b) Housing (c) Banking (d) Stock

141. ALM Stands for.....

(a) Asset Lability Management

(b) Acquiring and landing Mechanism

(c) Asset Liquidity Management

(d) Arranging and Lending Mechanism

142. The setting up of the National Housing Bank (NHB), a fully owned as the apex subsidiary of the Reserve Bank of India in..... institution marked the beginning of emergence of housing finance as a fund based financial services in India.

(a) 1987 (b) 1988 (c) 1989 (d) 1990

143. The National Building Organisation was established on.....

(a) 1954 (b) 1988 (c) 1956 (d) 1991

144. The Housing and Urban Development Corporation (HUDCO) was established on.....

(a) 1954 (b) 1988 (c) 1970 (d) 1974

145. The growth in.....finance is considered an important barometer measuring growth in an economy.

a) Consumer (b) Housing (c) Banking (d) Stock

146. The NHB, which is a wholly-owned subsidiary of the.....

(a) State Bank of India (b) Bank of India

(c) HDFC (d) Reserve Bank of India

147. Pradhan Mantri Awaas Yojana was launched in.....with an aim to provide affordable housing to urban poor.

(a) July 2016 (b) June 2017

(c) June 2015 (d) June 2018

148. ALCO Stands for.....

(a) Asset Lability Committee

(b) Acquiring and landing Cooperation

(c) Asset Liquidity Cooperation

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(d) Arranging and Lending Committee

149. .....is the basic need of human beings.

(i) Car (ii) Housing (iii) Mobile Phone (iv) Internet

150. .....had introduced a scheme of Housing Finance.

(i) RBI (ii) NHB (iii) HDFC (iv) HUDCO

151. In 1970 Housing and Urban Development Corporation (HUDCO) was established to finance various housing and.....activities.

(i) Rural Infrastructure (ii) Commercial Infrastructure

(iii) Urban Infrastructure (iv) IT Infrastructure

152. .....was set up in July 1988 under an Act of parliament.

(i) SBI (ii) NHB (iii) HDFC (iv) HUDCO

153. HUDCO was incorporate on April 25, ...

(i) 1955 (ii) 1988 (iii) 1970 (iv) 1956

154. When there is no security offered by the consumer against which money is granted by financial institutions it is called as.....

(i) cash loan (ii) unsecured finance (iii) fined credit (iv) Secured Finance

155. Parties are involved in consumer finance are:

(i) Banker/Financier (ii) Merchant

(ii) Customer (iv)All of the above

156. The components of the price are:

(i) A risk-free rate of interest (ii) Administration expenses

(iii) Other possible expenses (iv) All of the above

157. Consumer finance is available through:

(i) Cash Loan (ii) Open Account

(iii) Revolving account (iv) All of the above

158. Consumer finance plays an important role in:

(i) The mass production (ii) Distribution of consumer durables

(iii) Both A and B (iv) All of the above

159. Consumer credit accelerates:

(i) Investments in the consumer durable industry

(ii) Growing level of incomes

(iii) Generates employments

(iv) All of the above

160. Finance companies use following methods of disclosing the interest rates:

(i) A flat of interest (ii) Yearly declining balances rate

(iii) Net interest rate (iv) All of the above

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Accredited B+ by NAAC
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Road Near Balaji Mandir,
Dombivli (East), 421203.

Class-T.Y.B&I
Sem-V

Question Bank
Subject-Auditing-I

1 Auditor of Company is appointed by---
Shareholders 2 Board of Directors
3Promotors 4 Chairman

2 Auditors has to express openion on
1Character of Financial Statements 2Organisation Structure
3. Efficiency of Staff 4 Success of Managem

3 Scope of Auditor is decided by Auditor after
1 Terms of Agreement 2. Accounti 2
3 Time required **4 All 1 2 3**

4 Audit is useful for
1 Investors 2 Loaning Bank
3 Staff **4 A1 & 2**

5 Window Dressing means
1 Overstating Assets 1 Understating Liabilities
3 Attract Investors **4 All 1 2 3**

6 Investigation is examination of
1 Financial Statements **2 Accounts for Specific Purpose**
3 Valuation of Assets 4 None 1 2 3

7 Error is defined as---
1 Unintentiona mistake 2 Neglegence in recording transac
3 Intentional act 4 Posting error

8 When Besic principles of Audit not followed--- it is---
1 Error of Ommisssion **2 Error of Principle**
3 Error of Commission 4 Companseting Error

9 When effect of one error is compansated by another errror,it----
1 Error of Ommisssion 2 Error of Principle
3 Compensating Error 4 Duplication Error

10 When amount of Transaction wrongly recorded,it is----
1Companseting Error **2 Mathematical Error**
3 Error of Commission 4..Error of Duplication

11 SA 240 deals with
1 Audit Planning 2 Audit Procedure
3 Audit Evidence **4. Responsibility for Fraud**

12 Audit is not compolsory for----

13 Banking Companies Audit done under-----

14 A Company Auditor should be---

15 Voluntary Audit is done for-----

16 In----Audit.Audit Planning is simple

17 In Partnership Audit,Auditor to verify

18 Authorised Business of Partnership is verified from----

19 Internal Audit of Company is done by---

20 Physical checking of Fixed Assets is liability of-----

21 Audit Report of Company is addressed to----

22 Efficiency Audit is also known as----

23 Quick discovery of Fraud is possible by----

24 Interim Audit is done for----

25 Less importance is given to P & L A/c in------Audit

26 Balance Sheet Audit is-----Term

27 For ascertainig Cost of Product,----Audit is useful

28 The meaning of Confidentiality of Auditor is----



1 Government Companies
2 Private Limited Companies
3 Public Limited Companies
4 Partnership Firms
1 RBI Act 1934
2 Banking Regulation Act 1949
3 FEMA
4 None 1 2 3
1 C.A. in Practice
2 C.A. in Service
3 Certified Auditor
4 any one 1 2 3
1 Asceraining correct Financials
2 Error free accounts
3 getting Tax liability
4 All 1 2 3
1 Sole Proprietor
2 Trust
3 Small Private Ltd.Co.
4Semi Givernment Company
1 Capital Of Partners
2 Types of Partners
3 Partnership Deed
4 Sleeping Partners
1 Discussion with Partners
2 Self Observations
3 Minute Book
4 Partnership Deed
1 Management
2 Appointed C A
3 Bank
4 None 1 2 3
1 Management
2 Auditor
3 Clerks
4 Head of Deparments
1 Chairman of Company
2 Shareholders
3 Loaning Bank
4 Managing Director of Co.
1 Performance Audit
2 Special Audit
3 Concurrent Audit
4 Spot Audit
1 Cointinuous Audit
2 Special Audit
3 Statutory Audit
4 Efficiency Audit
1 Interim Dividend
2 Sale of Company
3 Half yearly Results
4 All 1 2 3
1 Concurrent
2 Interim
3 Balance Sheet
4 Special
1 Indian
2 American
3 Austrelian
4 Britain
1 Cost
2 Spot
3 Management
4 Tax
1 Work Confedentially
2 Not to Disclose information to
3 No dependiability on others
4 All 1 2 3

29 Statutory Auditor have right of-----

30 Audit Report is prepared on Besis of----

31 Format of Internal Audditor is as per---

32 Genuiness of transaction verified from---

33 True & Fair Financial includes----

34 The Accounting Year of the Company is---

35 Expenses of Company are divided in to==

36 Misappropriation in Goods done b in

37 Consigned Goods shown as Sale is-----error

38 Memorandum of Association is part of----Audit

39 Steps taken to obtain Audit Evidance is----

40 Audit Note Book written record of----

41 In Audit verification of Clauses of----is important

42 Removal of Auditor is done by---

43 Removed Auditor has Right to----

44 Auditor to remove permission from----require

45 Current Files of Auditor contain----



1 General Lien
3 Visit Branches if required
1 Audit Evidence
3 Observations
Tax Act 1961
3 Not prescribed
1 Vouching
3 Correspondance
1 P & L accounts
3 Window Dressing
1 01/01 to 31/12
3 01/06 to 31/05
1 Capital Expenses
3 Routine Expenses
1 Inward Goods Register
3 Purchase Dept
1 Commission
3 Ommisssion
1 Permanent
3 Regular
1 Observations
3 Vigilence
1 Qualities of Audit
3 Quirries
1 Articles of Association
3 Resolutions of Company
1 Shareholders in AGM
3 Board Of Directors
1 Get Notice of AGM
3 To be heard
1 ROC
3 State Government
1 Audit Notes
3 Replies for Quirries

2 Receive Fees
4 All 1 2 3
2 Discussion with Management
4 All 1 2 3
2 Companies Act 2013
4 CARO 2015
2 Files
4 1 2 3
2 Balance Sheet
4 1 & 2
2 01/04 to 31/03
4 Optional of Company
2 Revenue Expenses
4 1 & 2
2 Watchman of Godown
4 None 1 2 3
2 Error of Principle
4 Duplication Error
2 Current
4 None 1 2 3
2 Inspection
4 Quirries
2 Quantity
4 None 1 2 3
2 Minute Book
4 Agreement s entered
2 Chairman of Co.
4 Promotors
2 Attend AGM
4 All 1 2 3
2 Central Government
4 Not require
2 Audit Evidence
4 All 1 2 3

46 Audit Planning should be based on----

47 Audit Note Book is divided in to---parts

48 Audit Note Book is prepared every----

49 There is No specific---for Audit Notebook

50 Audit Papers are property of-----

51 Record of Books of acc Accounts are kept at----

52 Befor Commencing Audit,Auditor should----

53 Internal Control includes----

54 Any weaknesses in Internal Control,Auditor should---

55 Weaknesses in Internal may lead to---

56 In Cash Sales,Cash should be----

57 Goods sold on Approval/Return besis----

58 Dividend Received is verified from—

59 Audit of Investment,Auditor to check----

60 Powers to Investments are in-----

61 To hide abnormal profits----Reserve is created

61 In Audit Population means----



1 Applicable Laws
2 Volume of Work
3 Scope of Audit
4 All 1 2 3
1 2
2 3
3 4
4 6
1 Month
2 Quarter
3 Yearly
4 Half yearly
1 Aims
2 Validity
3 Time
4 Structure
1 Company
2 Auditor
3 Audit Committee
4 Chairman of Company
1 Registered Office of Company
2 Auditors Office
3 Chairman.s Safe
4 Optional of Company
1 Visit Company
2 Understand Internal Control
3 Discuss with Management
4 All 1 2 3
1 Accounting System
2 List of Employees
3 Read M/A & A/A
4 1 & 3
1 Neglect
2 Inform Management
3 Inform Clerk
4 Just Note
1 Fraud
2 Misappropriation
3 Incorrect record of Accounts
4 All 1 2 3
1 Kept in Safe
2 Kept with Officer
3 Inmmidiate Deposits in Bank
4 Optional of Company
1 Not to treat as Sale
2 Sale to Agent
3 Reduce from Closing Stock
4 2 & 3
1 Counter Foil of D/W
2 Investment Record
3 Letter from Co.
4 Inward Dak
1 Brokarage paid
2 Board Resolution
3 Minute Book
4 All 1 2 3
1 Memorandum Of Association
2 Articles of Association
3 Chairmans
4 All 1 2 3
1 Depreciation
2 Secret
3 Free
4 Capital
1 Total Emplyees of Co.
2 Entire set of Data
3 Specific Audit data
4 None 1 2 3

62 Equal chance of gettin ng selected is in------sa ampling

63 Voucher contain----

64 After checking Voucher,Auditor should----

65 Missing serial Number of Voucher,Auditor to----

66 Lost Voucher may be case of----

67 Standard deals with asudit Planning is---

68 Terms of Engagement of Audior is

69 AAS 5 relate to-----

70 Verifying Inventory relate to Provisions of----

71 SA 315 relate to----

75 SA 240 relate to-----

76 Audit Documentation is re;ate to---

77 Auydit Standards (SA) are for----

78 As per M/A sell of Assets are power of----

79 Trial Balance of Company is----

80 Section----- of Compan nies Act lays down Scope of Audit

81 Letter of Engagement specifies-----



1Randum
3 Vouching
1 date of Transaction
3 Signature of Officer
1 File it
3 Put Audit Stamp
1 Neglect
3 Just Note down
1 Fraud
3 Exception
1 AAS 7
3 AAS9
1 AAS 26
3 AAS9
1. Verification of Assets
3 Audit Evidences
1 CARO 2003
3 CARO 2016
1.Audit Procedure
3 Inventory
1.Auditors duty on Fraud
3 Auditors duty on Inventory
1 SA230
3 SA500
1 Making Audit Easy
3 Save Time
1 Chairman of Company
3 Sales Executives
1 Working Paper
3 Text Record
1 225
3 227
1 Aim of Audit
3 Plan of Audit

2 Hapazardous
Systematic
2 Description
4 All 1 2 3
2 Cancel sign of Officer
4 2 & 3
2 Inform Concerned Officer
4 search the voucher
2 Neglegence in recording transac
4 Non 1 2 3
2 AAS8
4 AAS10
2 AAS8
4 AAS10
2 Audit Sampling
4 Audit Report
2 CARO 2015
4 CARO 2013
2 Internal Control
4 Sale of Assets
2 Auditors duty on Internal Conto
4 None 1 2 3
2 SA 240
4 SA 210
2 Audit Standardisation
4 All 1 2 3
2 Board of Directors
4 Managing Director of Co.
2 Newspaper
4 None 1 2 3
2 226
4 228
2 Scope of Audit
4 Time of Audit

82 Auditor can obtain information from----

83 Audit Note Book is a

84 Bank Reconciliation is included in----

85 In adopting Test checking,Auditor can---

86 The test checking does not reduce Auditors----

87 Test checking is suitable for---

88 While determiningn Sample size,Auditor to consider-----

89 Internal Control help in----

90 should be sent to Debtors periodically

91 For purchase of Raw Material,Order is placed by---

92 The work relating to pay salaries & wages include----

93 Payment to dummy person can be checked by----

94 The Auditore has to----Internal Control System

95 C.A. of Company should not be appointed if he is----

96 External Auditor is----

97 Statutory Audit is complsory under-----

98 External Auditor is responsible for----



1 Management
3 Staff of Company
1 New
3 Narrow
1 Audit Working Papers
3 Not incluuded in Audit
1 Save Time
3 Save energy
1 Expenses
3 Income
1 Large Organisations
3 Small sazed Organisations
1 Sampling Risks
3 Expected Errors
1 Detection of Frauds
3 Accuracy in Records
1 Amount Received
3 Balance amount
1 Accounts Dept
3 Purchase Dept
1 Attedance
3 Tax deductiins
1 Checking Attendance Record
3 Self observations
1 Evaluate
3 Implement
1 Not C.A.
3 Having vested interest in Co.
1 C.A. in Service
Audit Committee Member
1 Companies Act 2013
3 CARO 2003
1 Management
3 Loaning Bank

2 Last year Audit Report
4 Feed back
2 Broader
4 Old
2 Comments on Audit
4 Audit Report
2 Concentrate on other matters
4 All 1 2 3
2 Liabilities
4 Openion
2 Medium Organisations
4 All 1 2 3
2 Tolarable Errors
4 All 1 2 3
2 Prevention of Frauds
4 All 1 2 3
2 Amount Due
4 All 1 2 3
2 Store Dept
4 Optional of Company
2 Preparation of Pay Slips
4 All 1 2 3
2 In presence of Supervisor
4 1 & 2
2 Check
4Non 1 2 3
Not C A in practice
4 All 1 2 3
2. Outsider C.A.
4 Senior Accountant
2 Tax Act 1961
4 Corporate Tax Act
2 Sharehplders
4 Non 1 2 3

99 Auditor should well conversant with

100 First Auditor of the Company is appointed by--

101 Charge on Fixesd Assets is Registered with----

102 Installation charges to Machinery are---expenses

103 When Machinery is Revalued,Depreciation is charges on---

104 Audit of Furniture includes---

105 Audit of Vehicles,Auditor to check---

106 Audit of Patents involve---

107 Stock Register is maintained by---

108 Inventory to show in B/s as per----

109 Petty Cash include--

110 Bill Discounted but not matured is---Liability

111 Creditors in B/S,auditor to verify------

112 For Secured Loan by the Company,Auditor to check----

113 For Issue of Debentures Powers are given in-----

114 For Public Deposits,permission from------required

115 The Objects of creation of Reserves is-----



1 ICAI Instructions
3 CARO provisions
1 Board of Directors
3 Shareholders
1 ROC
3 Loanining Bank
1 Revenue
3 Deffered
1 Revised Value
3 ICAI direction
1 Record Register
3 Correct Depreciation
1 RC books
3 Use of Vehicles
1 Record in Patent Fregister
3 Legal Life
1 Store Keeper
3 Accounts Dept
1 Companies Act 1956
3 CARO 2003
1 Notes
3 Coins
1 Contingent
3 Miscelleneous
1 Schedule of Creditors
3 Long Outstanding
1 Prospectus
3 Disbursement
1 Prosoectus
3 Memorandum of Association
1 Shareholders
3 Central Government
1 Emergencies
3 Tax payments

2 Company Act
4 All 1 2 3
2 Promotor
4 ICAI
2 Registrar of Firms
4 Not Registered
2 Capital
4 Preliminary
2 Old Value
4 Optional of Company
2 New Purchasess
4 All 1 2 3
2 Insurance Policies
4 1 & 2
2 Fees Paid
4 All 1 2 3
2 Godown Watchman
4 Audit Clerk
2 Sch VI of Companies Act 2013
Non 1 2 3
2 Stamps
4 All 1 2 3
2 Current
4 Fixed
2 Confirmations
4 All 1 2 3
2 Powers of Board of Directors
4 Trust Deed
2 Management Mannual
4 Not1 2 3
2 SEBI
4 Bank
2 Make company financially stron
4 Non 1 2 3

116 The value of Current assets is valued at

117 Audit of Inventory,auditor should also check---

118 Goodwill of Company is considered as---

119 Self created Goodwill is----

120 Goodwill of the company should be----

121 Trade Mrk should be Registered in Name of----

122 In Tax Auditor,auditor to verify unpaid tax for---months

123 For proposed Dividend,approval from---require

124 Before declaring Dividend Company should provide for---

125 Disputed Tax Liabilities,Auditor to---

126 Long outstanding expenses,Auditor should---

127 Auditor should not work -----

128 Partial posting of Transaction is----error

129 It is difficult to trace out---error

130 Trial Balance is nit affected by---

131 LFAR of Bank audit is submitted to----

132 Permission from---require for removal of Auditor

133 Removed Auditor has right to ----



1 Commencement of Audit
2 Closing date of Audit
3 Close of Year
4 Optional of Company
1 Slow moving Stock
2 Scrap
3 Quantity
4all 1 2 3
1 Tangible Asset
2 Intangible Asset
3 Fictitious Asset
4 Current Asset
1 Valued at Age of Company
2 ICAI instructions
3 Not Acceptable to auditor
4 Reasonable price
1 Depreciated
2 Writeoff within reasonable time
3 Within year
4Not to write off
Chairman of Co.
2 Name of Company
3 Managing Director
4 Non 1 2 3
1 3
2 6
3 9
4 12
1 Shareholders in AGM
2 SEBI
3 Statutory Auditor
4 Optional of Company
1 Depreciation
2 Tax Liabilities
3 Provisions of Acts
4 All 1 2 3
1 Disclose in Report
2 Show as Contingent Liability
3 Neglect
1 & 2
1 Discuss with Managers
2 Supporting Documents
1 Under Pressure
2 With biased mind
3 Integrity
4 1 & 2
1 Error of Ommission
2 Error of Commission
3 Compensating Error
4 Duplicatiion error
1 Duplication
2 Compensating
3 Error of Ommission
4 Error of Commission2
1 Compensating Error
2 Duplication Error
3 Error of Commission
4 Error of Ommission
1 Government
2 RBI
3 SEBI
4 None 1 2 3
1 Bank
2 Central Government
3 SEBI
4 R.B.I.
1 Get Notice of AGM
2 Heard in AGM

134 Not hiding any fact by Auditor is-----

135 Auditor can disclose information only if----

136 SA 200 relate to---

137 Investigator is appointed by----

138 Nature & Amount of fraud is reported under---

139 Audit of Insurance Companies done under -----Act

140 Internal Audit is----

141 Internal Auditor is responsible to---

142 Effective check on staff is possible in---Audit

143 Continuous Audit is good for----

144 In Audit Planning,Auditor should obtain-----

145 SA 530 defines----

146 In case of Sale -----Departments involved

147 Debtors outstanding more tha 6 months comply

148 Cancellation of Voucher is by-----

149 Alteration in Voucher is indication of----

150 Audit of Income include verification of----

Subject Teacher

3 Attend AGM
1 Skill of Auditor
3 Cinfidentiality of Auditor
1 By law
3 other is friend of Auditor
1 Audit Papers
3 Audit Note
1 Management
3 Bank
1 CARO 2003
3 CARO 2016
1 Companies Act 1956
3 GIC Act 1956
1 Kind of Continuous Audit
3 Done by Employee
1 Statutory Auditor
3 Management
1 Management
3 Special
1 Big Organisations
3 Small Companies
1 List of Registers
3 Previous years Audit Report
1 Audit Sampling
3 Costing of product
1 Store
3 Sales
1 Companies Act 1956
3 ICIA Rules
Affixing Rubber stamp
3 Signature of Authorised Officer
1 Mistake
3 Misappropriation
1 Bank Statement

4 All 1 2 3
2 Integrity of Auditor
Objectivity of Auditor
2 Permitted by Client
4 1 & 2
2 Objective & Scope of Audit
4 Audit Openion
2 Government
4 None 1 2 3
2 CARO 2015
4 CARO 2018
2 Insurance Act 1938
4 IRDA
2 Review of Internal Control
4 All 1 2 3
2 Tax Auditor
4 Shareholders
2 Spot
4 Continuous
2 Banking Companies
4 1 & 2
2 List of Officers in Company
4 All 1 2 3
2 Test checking
4 Non 1 2 3
2 Accounts
4 All 1 2 3
2 Sch VI of Co.Act 2013
4 None 1 2 3
2 File
4 1 & 3
2 Fraud
4 All1 2 3
Receipt issued

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Question Bank

Subject: Business Ethics and Corporate Governance

Class: TYBBI

Semester: V

Faculty: Mrs. Renu Vijay Verma

1. Define corporate governance
2. Give the salient features of corporate governance
3. Enumerate the need of corporate governance in today's economy
4. Explain the OECD principles of corporate governance
5. Explain the principles of transparency , accountability , fairness and responsibility in corporate governance
6. Bring out the benefits of corporate governance in view of rising scams and scandals
7. Elaborate the significance of ethics in corporate governance
8. What are the factors responsible for failure of corporate governance
9. Define unfair Business practices
10. State the categories of unfair business practices
11. How consumer are protected against unfair trade practices
12. Define Ethical Business Practices
13. Explain the code of Fair Business practices
14. Explain agency theory of corporate governance
15. What are the feature of stewardship theory of corporate governance
16. Bring out the difference between agency theory and stewardship theory
17. Elaborate stakeholder theory of corporate governance
18. Highlight shareholder theory of corporate governance in detail
19. Explain Anglo American Model of Corporate Governance in Detail
20. State the feature of German Model of corporate governance
21. Describe Japanese Model of corporate governance
22. Discuss the Indian Model of corporate governance in detail

23. Define good governance. Explain the origin and concept of Good governance
24. Define corporate governance
25. Explain the elements of Good corporate governance
26. Define CSR
27. Elaborate all the types of CSR
28. Elaborate the various dimensions of CSR
29. What is Arthashastra
30. Explain the biography of Chanakya
31. Explain Chanakya Niti
32. Explain the principles of Arthashastra
33. Define Good Governance in Ancient Indian Scripture
34. Trace out the historical perspective of the concept of corporate governance
35. Enumerate the status of corporate governance in India
36. State the key issues in corporate governance in India in managing the dominant shareholders and promoters
37. Bring out the shift of corporate governance over the past decade
38. Highlight the emerging trends in corporate governance
39. Explain the concept of value in detail
40. Explain the characteristics of value
41. Mention the different types of value
42. Elaborate the functions of values
43. Give the importance of values
44. Highlight the value system in business
45. Explain the teachings from Bible
46. Explain the teachings from Quran
47. Explain the teachings from Bhagavat Gita
48. Define Independent Director
49. Highlight the role and duties of Independent Director
50. Briefly explain the concept of changing role of Corporate Boards
51. Review the role of SEBI in regulating stock market
52. Explain the main functions of SEBI
53. Elaborate the role of SEBI in corporate governance
54. Highlight the objectives of SEBI
55. Enumerate the steps taken by SEBI for ensuring better governance in corporate
56. Explain SEBI code of conduct in corporate governance based on Birla committee
57. Define Financial Reporting. Explain its objective
58. Give the importance of Financial reporting
59. Give the relationship between Financial Reporting and Corporate Governance
60. Explain Accounting standard
61. State the importance of Accounting standard



62. Distinguish between GAAP V/s IFRS
63. Explain how accounting standard and accounting disclosure are interrelated
64. Write a note on Accounting Standard Board
65. Explain the concept of Disclosure
66. State the objectives of disclosure
67. Mention the disclosures as per the Companies Act ,2013
68. Narrate the disclosure for the listing agreement (Clause 36)
69. Narrate the disclosure for the listing agreement (Clause 49)
70. Highlight the importance of Family Owned Business in India
71. What are the problems of Family Owned Business
72. Give the relationship between Business Ethics and Business Development
73. Highlight the role of Business ethics in Business Development
74. Mention the eight rules of Ethical Thinking in Business
75. Explain the five steps to improve ethical performance in business for business development
76. Highlight the role of Business Ethics in Building civilised society
77. Define corruption. Explain the types of corruption
78. State all the causes of corruption
79. What are the appropriate remedies for corruption
80. Explain the concept of Zero tolerance of corruption
81. Discuss zero tolerance action plan of India
82. Explain the concept of Fraud
83. What are the different areas of frauds in banks? And also mention its preventive measures
84. Explain computer related fraud
85. Explain credit card and debit card fraud
86. Define scams and scandals
87. Mention the overview of Few scams and scandals
88. Define business ethics. What are the salient features?
89. Highlight the importance of business ethics
90. Explain the principles of business ethics in detail
91. Describe the scope of business ethics
92. Explain the different types of ethics
93. Explain the relation between ethics and morality
94. Explain the difference between ethics and law
95. State the objectives of ethics
96. Write a brief note on ethics in Foreign trade or International business
97. Briefly explain the Ethics relating to copyrights
98. State the Ethical issues in free and perfect competitive market
99. Briefly explain various approaches to ethics
100. Explain Mill's and Bentham's utilitarianism theory in detail
101. Describe Kant's Deontology theory in detail
102. Explain the difference between Utilitarianism and Deontology
103. Explain the concept of Ethical Dilemma



104. What are the sources of Ethical Dilemma
105. Explain the various types of Ethical Dilemma
106. Mention the rules for solving Ethical Dilemma
107. Explain the concept of Trusteeship
108. Highlight the Gandhi's principle of trusteeship
109. State the limitations of principle of trusteeship
110. Enumerate the importance of trusteeship principle in modern business
111. What are the ethical issues in marketing
112. Briefly explain the Ethics in HRM
113. State the ethics in IT
114. Highlight the Ten commandments of computer ethics
115. Explain the information technology Act,2000
116. Explain the concept of ethics in advertising
117. Elaborate all the ethical issues in advertising
118. Enumerate ethical and moral principles of advertising to be followed by corporate
119. Explain the ethical issues involved in finance
120. Evaluate the traits / dimensions of an ethical financial manager

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Question Bank

Subject: Business Ethics and Corporate Governance

Class: TYBI

Semester: V

Faculty: Mrs. Renu Vijay Verma

Multiple Choice question

1. . Which of the following are the principles of ethics in business?

    2. Honesty
    3. Integrity
    4. Loyalty
    5. All of these

Answer: All of these

2. A board that is elected in a classified system is known as a

    1. Diversified board
    2. Staggered board
    3. Rotating board
    4. Declassified board

Answer: Diversified board

3. Which of the following regarding corporate governance is correct?

    1. Corporate governance can temper growth.
    2. Good corporate governance can result in excessive risk-taking.
    3. Corporate governance often results in prompt and effective decision-making.

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4. The aim of corporate governance is to protect the interests of shareholders and the local economies.

Answer: Corporate governance can temper growth.

4. The first step in the auditing process should be to secure the commitment of:

1. Employees
2. Top executives and directors
3. Stockholders
4. Customers

Answer: top executives and directors.

5. Which of the following is not part of the definition of an asset?

1. Control of a resource.
2. Resulting from a past event.
3. Inflow of economic benefits.
4. During the accounting period.

Answer: During the accounting period.

6. Which of the following is not a driver of responsible competitiveness?

1. Policy drivers
2. Development drivers
3. Business action
4. Social enablers

Answer: Development drivers

7. Which of the following statements regarding institutional shareholders is correct?

1. These shareholders have extensive power to monitor the activities of the company.
2. Institutional shareholders prefer to exert their power privately rather than publicly.
3. These shareholders often aim to improve outcomes rather than sell their shareholding.
4. Institutional shareholders are known to publicly use their voting power to encourage sound corporate governance.

Answer: Institutional shareholders prefer to exert their power privately rather than publicly.

8. A (n) _____ is a problem, situation, or opportunity requiring an individual, group, or organization to choose among several actions that must be evaluated as right or wrong.

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1. Crisis
2. ethical issue
3. indictment
4. fraud

Answer: ethical issue

9. A high-commitment approach to environmental issues may include all of the following except:

1. risk analysis
2. stakeholder analysis
3. green-washing
4. strategic sustainability auditing

Answer: green-washing

10. Which of the following relating to discounting future liabilities is correct?

1. Discounting future cash flows is not aligned with the aims and objectives of sustainability reporting.
2. Discounting distant future costs that are to be incurred increases the current liability that is to be reported now.
3. Discounting costs highlights the savings of future generations due to present generations accounting for the loss now.
4. Discounting social issues are done in terms of the accounting standards so there are no ethical issues as the process is fair.

Answer: Discounting future cash flows is not aligned with the aims and objectives of sustainability reporting.

11. Which of the following relating to CSR theories is correct?

1. Institutional theory is based on the shareholder concept.
2. Social contract is the key concept of legitimacy theory.
3. The key concept of enlightened self-interest is stakeholder relations.
4. Stakeholder theory requires organizations to manage community perceptions to survive.

Answer: Social contract is the key concept of legitimacy theory.

1. 12. A stakeholder orientation includes all of the following activities except generating data about stakeholder groups
2. assessing the firm's effects on stakeholder groups
3. distributing stakeholder information throughout the firm
4. minimizing the influence of stakeholder information on the firm

Answer: minimizing the influence of stakeholder information on the firm

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13. ABC Ltd is a mining company listed on the Australia stock exchange. It has an audit committee comprising four members. Two members are independent non-executive directors with engineering and mining qualifications. The nomination committee is currently looking to appoint an additional member to the audit committee. In terms of the ASX principles, which of the following would most likely be the best candidate for appointment?

1. An independent non-executive director with a qualification in finance.
2. An executive director with a qualification in accounting.
3. A non-independent non-executive director with qualifications in accounting and auditing.
4. A non-executive director who was previously the CFO of ABC Ltd a year ago.

Answer: An independent non-executive director with a qualification in finance.

14. An independent director is one who:

1. Did not attend a school supported by the company.
2. Does not have outside relationships with other directors.
3. Does not have any other relationships with the company other than his or her directorship.
4. All of the above.

Answer: Does not have any other relationships with the company other than his or her directorship.

15. An organisation's obligation to act to protect and improve society's welfare as well as its own interests is referred to as

1. organizational social responsibility
2. organisational social responsiveness
3. corporate obligation
4. business ethics

Answer: organisational social responsibility

16. An organization's appropriate tone at the top promoting ethical conduct is an example of:

1. Ethics sensitivity
2. Ethics incentives
3. Ethical behavior
4. Consequentialist

Answer: Ethical behavior

17. Atmospheric issues include all of the following except:

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1. Acid rain
2. Global warming
3. Air pollution
4. Water quantity

Answer: Water quantity

18. The four types of social responsibility include:

1. Legal, philanthropic, economic, and ethical
2. Ethical, moral, social, and economic
3. Philanthropic, justice, economic, and ethical
4. Legal, moral, ethical, and economic

Answer: Legal, philanthropic, economic, and ethical

19. The goal of corporate governance and business ethics education is to:

1. Teach students their professional accountability and to uphold their personal Integrity to society
2. Change the way in which ethics is taught to students
3. Create more ethics standards by which corporate professionals must operate
4. Increase the workload for accounting students

Answer: Create more ethics standards by which corporate professionals must operate.

20. The hand-of-government refers to the

1. Ability of the government to interfere in business negotiations
2. Role of corporations to be profitable within the law
3. Effect of national politics on business decisions
4. Impact of changing government regulations

Answer: Role of corporations to be profitable within the law

21. The internal audit function is least effective when the department:

1. Is non-independent
2. Is competent
3. Is objective
4. Exhibits integrity

Answer: Is non-independent

22. The primary stakeholders are

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1. Customers
2. Suppliers
3. Shareholders
4. Creditors

Answer: Shareholders

23. The social economy partnership philosophy emphasizes:

1. Cooperation and assistance
2. Profit maximization
3. Competition
4. Restricting resources and support

Answer: Cooperation and assistance

24. The view that business exists at society's pleasure and businesses should meet public expectations of social responsibility is the

1. Iron law of responsibility argument
2. Enlightened self-interest argument
3. Capacity argument
4. Anti-freeloader argument

Answer: Enlightened self-interest argument

25. To be successful, business ethics training programs need to

1. Focus on personal opinions of employees
2. Be limited to upper executives
3. Educate employees on formal ethical frameworks and models of ethical decision making
4. Promote the use of emotions in making tough ethical decisions

Answer: Educate employees on formal ethical frameworks and models of ethical decision making.

26. Which of the following are the principles of ethics in business?

1. Honesty
2. Integrity
3. Loyalty
4. All of these

Answer: All of these

27. Which of the following is not one the underlying principles of the corporate governance Combined Code of Practice?

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1. Openness
2. Integrity
3. Accountability
4. Acceptability

Answer: Acceptability

28. Which of the following is not one of the elements of financial reporting?

1. Assets.
2. Liabilities.
3. Expenses.
4. Cash flows.

Answer: Cash flows.

29. Under the _____, both internal and external corporate governance mechanisms are intended to induce managerial actions that maximize profit and shareholder value.

1. Shareholder theory.
2. Agency theory.
3. Stakeholder theory.
4. Corporate governance theory.

Answer: Shareholder theory.

30. Which of the following regarding agency theory is correct?

1. Agency theory only applies to large entities.
2. Agents act in the best interest of the principal.
3. Agents are assumed to be in a position of power.
4. Agency theory defines the relationship between agents and directors.

Answer: Agents are assumed to be in a position of power.

31. Codes of conduct and codes of ethics

1. are formal statements that describe what an organization expects of its employees.
2. become necessary only after a company has been in legal trouble.
3. are designed for top executives and managers, not regular employees.
4. rarely become an effective component of the ethics and compliance program.

Answer: are formal statements that describe what an organization expects of its employees.

32.The _____ dimension of social responsibility refers to a business's societal contribution of time, money, and other resources.

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1. Ethical
2. Philanthropic
3. Volunteerism
4. Strategic

Answer: Philanthropic

33.According to clause 49 on independent directors. What can be maximum tenure of independent director.

A. 2 terms of 5 years each

B. 3 terms of 5 years each

C. 2 terms of 10 years each

D. 3 terms of 4 years each

Answer: 2 terms of 5 years each

34.The framework for establishing good corporate governance and accountability was originally setup by

A. Nestle committee

B. Rowntree committee

C. Cadbury committee

D. Thornton committee

Answer: Rowntree committee

35. Which of the following is not one of the underlying principles of the corporate governance combined code of practice?

A. Accountability

B. Openness

C. Acceptability

D. Integrity

Answer: Acceptability

36. External audit of the accounts of a limited company is required?

A. Because it is demanded by the company's bankers

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B. By the companies act 2006

C. At the discretion of the shareholders

D. To detect fraud

Answer: By the companies act 2006

37. Director's responsibilities are unlikely to include

A. a duty to keep proper accounting records

B. a fiduciary duty

C. a duty to propose high dividends for shareholders

D. a duty of care

Answer: a duty to keep proper accounting records

38. A company may become insolvent if it

A. makes a loss

B. has negative working capital

C. cannot meet its budgeted level of profit

D. cannot pay creditors in full after realization of its assets

Answer: cannot pay creditors in full after realization of its assets

39. Fraudulent trading may be

A. a criminal offence committed only by directors of a limited company

B. a civil and a criminal offence committed by an employee

C. a civil and a criminal offence committed only by directors of a limited company

D. a civil offence committed by an employee

Answer: a civil and a criminal offence committed by an employee

40. A director of a limited company may not be liable for wrongful trading if he or she

A. increased the valuation of its inventories to cover any potential shortfall

B. brought in some expected sales from next year in to the current year

C. took every step to minimize the potential loss to creditors

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D. introduce into the balance sheet an asset based on a valuation of its brands sufficient to meet
Answer: took every step to minimize the potential loss to creditors

41. Disqualification of directors may result from breaches under the

A. Health and Safety Act

B. Financial Services Act

C. Sale of Goods Act

D. Companies Act

Answer: Companies Act

42. According to clause 49 on independent directors. What should be minimum age of independent director.

A. 21

B. 22

C. 23

D. 24

Answer:21

43. A company cannot issue redeemable preference shares for a period exceeding

A. 5 years

B. 10 years

C. 15 years

D. 20 years

Answer:20 Years

43. which one is the dimension(approach) of corporate social responsibility?

A. Corporate philanthropy

B. Stake holders' priorities and sustainable development

C. Ethical business

D. All of the above

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Answer: All of the above

44.According to section 179 which one of the following is a power of director?

A. To buy back its shares

B. Sell lease or otherwise dispose of the undertakings of the company

C. Remit or give time for the repayment of any debt due by a director

D. Making political contributions exceeding specified limits

Answer: To buy back its shares

45. What is keiretsu

A. Pension fund

B. Corporate group

C. Stock exchange

D. Futures Market

Answer: Corporate group

46. The concept of Corporate Social Responsibility originated in which time period?

A. 1920's and 1930's

B. 19th Century

C. 1980's and 1990's

D. 1960's and 1970's

Answer: 1960's and 1970's

47. Worldwide, about _____ percent of businesses in the private sector are small or medium sized.

A. 80

B. 85

C. 90

D. 99

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Answer:90

48. The generally accepted definition of a small business is one with _____ or fewer employees.

A. 10

B. 20

C. 25

D. 50

Answer:50

49. The generally accepted definition of a medium business is one with _____ or fewer employees.

A. 50

B. 100

C. 200

D. 250

Answer:250

50. In the United States, small or medium sized businesses provide over _____ percent of total employment.

A. 25

B. 40

C. 50

D. 75

Answer:50

51.Owners of stock in a corporation are only liable for _____.

A. the amount they have invested in the company's stock

B. their personal assets

C. the amount they have invested in the company's stock and their personal assets

D. none of the above.

Answer: none of the above.

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52. A _____ of an issue consists of weighing and balancing all of the competing demands on a firm by each of those who have a claim on it.

A. stakeholder analysis

B. board of directors' analysis

C. corporation analysis

D. management analysis

Answer: stakeholder analysis

53. The _____ that corporations must meet is "do no harm".

A. moral obligation

B. moral minimum

C. moral requirement

D. moral duty

Answer: moral minimum

54. In large corporations, the _____ is/are the legal overseers of management.

A. CEO

B. shareholders

C. board members

D. none of the above

Answer: board members

55. The _____ position is that a corporation can and should be evaluated not only in terms of its financial bottom line, but also in terms of its environmental bottom line and its social/ethical bottom line.

A. Bottom line

B. Double Bottom line

C. Triple Bottom line

D. Final line

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Answer: Double Bottom line

56. Corporate governance can be defined as:

A. the system used by firms to control the actions of their employees.

B. the election process used to vote in a new Board of Director.

C. the corporate compliance system used by the firm.

D. the system used by firms to identify who the critical stakeholders are for the firm.

Answer: the system used by firms to control the actions of their employees.

57. The system that is used by firms to control and direct their operations and the operations of their employees is called:

A. Corporate Compliance.

B. Corporate Governance.

C. Corporate Control.

D. Corporate Directive.

Answer: Corporate Governance.

58. Which board of directors committee is responsible for the guidelines on how the board of directors should operate.

A. Operating

B. Corporate governance

C. Corporate compliance

D. Guiding

Answer: Corporate governance

59. What is meant by the phrase CSR?

A. Corporate Social Responsibility

B. Company Social Responsibility

C. Corporate Society Responsibility

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D. Company Society Responsibility

Answer: Corporate Social Responsibility

60. Which of the following does the term Corporate Social Responsibility relate to?

A. Ethical conduct

B. Environmental practice

C. Community investment

D. All of the above

Answer: All of the above

61. Who are organisational stakeholders?

A. Government

B. Employees

C. Customers

D. All of the above

Answer: All of the above

62. What is Ethics to do with?

A. The wider community

B. Business

C. Right and wrong

D. Nothing

Answer: Right and wrong

63. Which of the following is an example of an area where business ethics apply?

A. Conduct of international operations

B. Nowhere

C. In the personal life of staff

D. None of the above

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Answer: Conduct of international operations

64. A _____ is a problem, situation, or opportunity requiring an individual, group, or organization to choose among several actions that must be evaluated as right or wrong.

A. Crisis

B. ethical issue

C. indictment

D. fraud

Answer: ethical issue

65. Which moral philosophy seeks the greatest good for the greatest number of people?

A. Consequentialism

B. Utilitarianism

C. Egoism

D. Ethical formalism

Answer: Utilitarianism

66.Fraudulent trading may be

A. a civil offence committed by any employee

B. a criminal offence committed only by directors of a limited company

C. a civil and a criminal offence committed only by directors of a limited company

D. a civil and a criminal offence committed by any employee

Answer: a civil and a criminal offence committed by any employee

67.The OECD argues that corporate governance problems arise because:

A. Ownership and control is separated

B. Managers always act in their own self interest

C. Profit maximization is the main objective of organizations

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D. Stakeholders have differing levels of power

Answer: Ownership and control is separated

68. An organization that is owned by shareholders but managed by agents on their behalf is conventionally known as the modern:

A. Conglomerate

B. Corporation

C. Company

D. Firm

Answer: Corporation

82. The modern corporation has four characteristics. These are limited liability, legal personality, centralized management and:

A. Fiduciary duty

B. Stakeholders

C. Shareholders

D. Transferability

Answer: Transferability

83. What makes a corporation distinct from a partnership?

A. If the members of a corporation die, the corporation remains in existence providing it has capital

B. If the members of a corporation die, the corporation ceases to exist

C. A corporation cannot own property

D. A corporation cannot be held responsible for the illegal acts of its employees

Answer: If the members of a corporation die, the corporation remains in existence providing it has capital

THE S.I.A. COLLEGE OF HIGHER EDUCATION * DOMBIVLI

The South Indian Association
The S.I.A. College of Higher Education
Affiliated to University of Mumbai
Accredited B+ by NAAC
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Near Balaji Mandir, Dombivli (East), 421203.

Department of Banking and Insurance

Class: TY B.Com (Banking & Insurance)

Subject : Financial Reporting and Analysis **Semester : V**

Name of Teacher: Ranjana Mhalgi

Theory Question Bank

Unit 1- Final Accounts of Banking Company

1) In how many years non-bank assets should be disposed off?
2) How much should be the capital for a bank situated in Mumbai ?
3) What should be the rate of commission on issue of shares ?
4) How much profit should be transferred to Reserve fund ?
5) What is CRR? What is the rate of CRR today ?
6) How would you classify the loan .
7) Which form is used for Balance Sheet ?
8) Which form is used for P & L A/c .
9) How many Schedules are there for Balance sheet ?
10) How many schedules are there for P & L A/c ?
11) What is NPA
12) What is Non-Banking asset ?
13) What is cash credit ?
14) What is Inter-Branch Adjustment ?
15) What is a Contingent Liability ?
16) What do you mean by Acceptances & Endorsements ?
17) What is Money at Call and Short notice ?
18) What is Rebate on Bills Discounted ' and discounting of a bill of exchange ?

Unit 2- Final Accounts of Insurance Company

1) What are the accounts included in the final accounts of General Insurance Companies
2) Revenue A/c is prepared in the which form
3) Write short notes on :
    a) Reinsurance ;
    b) Commission on Reinsurance accepted and ceded;
    c) Reserve for Unexpired Risk;
    d) Average Clause ;
    e) Premium earned
    f) Claims Incurred

Unit 3 - Preparation of Final Accounts of Companies

1) What is Shareholders Fund?
2) What is of format is provided by Companies Act for Final Accounts of Companies?
3) What is Current Liability?

4) What is Operating Cycle?
5) What is long term borrowings?
6) What is Current Asset?
7) What is Tangible and Intangible Fixed Asset?
8) What is Trade Payables?
9) Mention any three items which are disclosed under other current liabilities.
10) What is Short-term provision?

Unit 4- Cash Flow Analysis & Ethical Behaviour and Implications for Accountants

1) What is Cash Flow?
2) What is Cash and Cash Equivalent?
3) What is Cash Flow from operating Activities?
4) What is Cash Flow from Financing Activities?
5) What is Cash Flow from Investing Activities?
6) How does interest on loan affect cash flow?
7) How does payment of dividend affect cash flow?
8) What is the treatment for interim dividend in cash flow?
9) How does change in working capital affect cash flow?

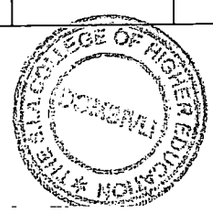
Unit 5 - Introduction to IFRS

1) What are the objectives of Ind AS 10?
2) What are the Mandatory and optional exemptions for First Time Adoption?
3) What are the financial statements included in comparative information?
4) What is share based payment?
5) What is the scope of Ind AS 102?
6) What are the measurement principles for Equity settled share based payment transactions?
7) What are the provisions of Ind AS 102 about disclosure?
8) Write short note on
   a)First Time Adoption Ind AS
   b)Share Based Payment
   c)Scope of Ind AS 101
   d)Scope of Ind AS 102
   e)Measurement of Equity settled share Based Payment Transactions
   f) Objectives of Ind AS 101
   g) Mandatory Exemptions
   h) Optional Exemptions



MCQS Question Bank

Sno	Questions	A	B	C	D	Answer
1	Banking companies in India are governed by _____ _____ _____.	Banking Regulation Act	Share capital	Reserves & surplus	none of the above	a
2	A banking company requires a license from _____.	RBI	Central Govt.	SBI	State Govt.	a
3	A banking company in Mumbai must have ` _____ capital.	15 lakh	25 lakh	35 lakh	5 lakh	a
4	Balance Sheet of a banking company is prepared in _____ _____.	Form B	Form C	Form A	none of the above	c
5	_____ _____ are repayable on demand.	Deposits	Advances	Demand Deposits	none of the above	c
6	Money at call and short notice can be withdrawn by _____ hrs. notice.	24 hrs.	2 hrs.	42 hrs.	22 hrs.	a
7	Treasury bills are usually for _____ months.	3	5	6	2	a
8	Banks must maintain SLR of _____.	25%	35%	55%	20%	a
9	Paid up capital of a banking company must be at least _____ of subscribed capital	20%	25%	50%	75%	c
10	The rate of commission in respect of shares issued by a banking company must be at least	2%	3%	5%	2.50%	d

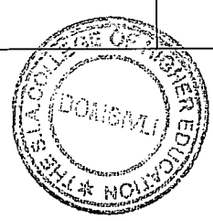


11	Balance sheet & P& L A/C must be prepared as per the form given in	1st schedule	2nd schedule	3rd schedule	5th schedule	c
12	Balance sheet of a bank requires	15 schedules	12 schedules	10 schedules	8 schedules	b
13	P & L A/C of a bank requires	5 schedules	6 schedules	9 schedules	4 schedules	b
14	An assets becomes non – performing when	no income is received	no profit is received	loss is incurred	b & c	a
15	NPA stands for	Non privilege asset	Non-performing asset	Net performing assets	None of the above	b
16	Discounted bills are shown under	Advances	Loans	Current assets	other assets	a
17	Rebate on bills discounted refers to	discount for the unexpired term of the bill	concession on bills discounted	interest on bills discounted	none of the above	a
18	Rebate on bills discounted is shown under	other liabilities & provisions	current liabilities	contingent liabilities	none of the above	a
19	Contingency fund appears :	In Balance sheet under 'other liabilities and provisions'	Under reserves & surplus	In P & L A/c	In notes	a
20	The % of provision required on standard assets is :	40%	0.40%	60%	100%	b
21	The % of provision required on sub–standard asset on secured portion is :	15%	12%	10%	5%	a
22	The % of provision on doubtful asset exceeding 1 year but not exceeding 3 years is :	10%	25%	40%	45%	c
23	The % of provision on loss asset is :	30%	50%	75%	100%	d

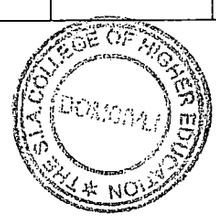
24	In _____ compensation is equal to the loss incurred.	Fire insurance	Marine insurance	General Insurance	Life insurance	c
25	Fire insurance policies are always subject to _____ _____.	Provision	Current liability	Average clause	None of the above	c
26	Average clause is introduced to discourage _____ _____.	Re-insurance	Double insurance	Under insurance	None of the above	c
27	Commission on Re-insurance ceded is credited to _____ A/c.	Investments	Revenue A/c	Cash & Bank balance	None of the above	b
28	Provision for unexpired risk in case of marine insurance is _____ % of Net Premium.	100	200	300	None of the above	a
29	Provision for unexpired risk in case of other insurance is _____% of Net Premium.	40	20	30	None of the above	a
30	Claim on Re-insurance accepted is _____ to claims paid.	Added	subtracted	multiplied	None of the above	a
31	General insurance includes	Fire insurance	Marine insurance	Misc. insurance	all a, b & c	d
32	The insured is not allowed to make any profit is	Life insurance	Fire insurance	Life and Fire insurance	none of the above	b
33	Fire insurance is subject to	average clause	risk clause	escalation clause	none of the above	a
34	When more than one policy is taken to cover the same risk it is called	Re-insurance	Double insurance	Marine Insurance	all of the above	b



35	The insurer who agrees to insure is called	Underwriter	Over writer	Insurer	b & c only	a
36	General insurance companies must comply with the requirements of schedule	A	B	C	D	b
37	Schedule B is divided into _____ parts	5 parts	10 parts	6 parts	8 parts	a
38	Revenue A/c is prepared in the form	RA	B-RA	C-RA	D-RA	b
39	P & L A/c is prepared in form	B × L	BPL	B × A	CPL	b
40	Balance sheet is prepared in the form	B BS	B PL	B DT	B PG	a
41	Provision created to meet the claims which may arise in respect of policies which remain unexpired at the end of the year is called as	Provision for unexpired risk	Provision for expired risk	Provision for risk involved	none of the above	a
42	The final accounts of companies are to be prepared in accordance with the provision of _____ of the Companies Act 2013	Schedule II	Schedule III	Schedule II	None of the above	b
43	The company's final accounts are prepared in _____ form.	Schedule of capital	Vertical	Horizontal Balance sheet	All of the above	b
44	The summarized Balance Sheet in _____ form is supplemented by schedules giving detailed information.	Horizontal Balance sheet	Vertical	Schedule of capital	All of the above	b



45	Profit and Loss of a company must be as per part _____ of schedule III of Companies Act.	III	II	IV	All of the above	b
46	Net Block of fixed assets is shown _____ Balance sheet.	horizontal form	convenient form	Vertical	All of the above	c
47	Net Block is Gross Block _____ _____.	current liabilities	reserve	Accumulated Depreciation	All of the above	c
48	Accounting policies are prescribed by _____.	AS 3	AS 1	AS10	None of the above	b
49	Dividend is declared by _____.	Other Financial Liability	Shareholders	Borrowings	All of the above	b
50	Livestock is shown under _____assets.	capital	loan	Fixed	All of the above	c
51	Intellectual property rights are disclosed under _____.	capital	loan	Other Intangible Assets	All of the above	c
52	Share application money pending allotment is disclosed under _____.	capital	Equity	convenient form	None of the above	b
53	The requirements for final account of companies are specified in Schedule _____.	I	III	XIII	XIV	b
54	The Schedule III prescribes vertical form of Balance Sheet in part.	4	2	3	1	d
55	Schedule II provides for _____.	Depreciation	capital	loans	assets	a
56	Schedule III requires Profit & Loss Account to be prepared in _____.	horizontal form	vertical form	convenient form	columnar form	b



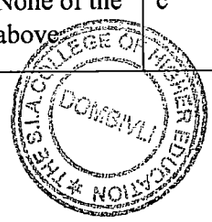
57	The extract of Balance Sheet format profile is specified in Part _____ of Schedule III.	1	2	3	4	a
58	The transfer to reserve is	10%	15%	voluntary	25%	c
59	The example of accounting policy is _____.	realisation	dual aspect	maturity	valuation of inventory	d
60	As per AS–1, disclosure should be made of _____.	all accounting principles	all accounting policies	all accounting concepts	all significant accounting policies	d
61	Following is not shown under provisions :	provision for taxation	provision for dividend	provision for depreciation	none of the above	c
62	Forfeited shares is _____.	added to paid up share capital	deducted from paid up capital	shown under reserves & surplus	none of the above	a
63	The company has 5% Government Securities having face value of ` 1,00,000 and cost ` 95,000. The interest on Government Securities will be _____.	` 5,000	` 4,750	` 9,750	none of the above	a
64	Short term loan is the loan due for not more than _____.	2 years	1 year	5 years	3 years	b
65	In a fixed asset schedule Gross Block Closing is equal to _____.	Opening Gross Block purchases	Opening WDV + purchases	Opening WDV + sales – purchases	Closing WDV + depreciation	a
66	In a schedule of fixed assets closing depreciation is equal to _____.	opening depreciation + Depreciation provided during the year – depreciation	opening depreciation + closing WDV	closing WDV + opening WDV	cost – depreciation	a

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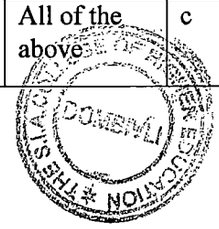
		on asset sold				
67	Dividend is calculated on _____.	paid up capital	called up capita	calls in arrears	none of the above	a
68	Accounting policies are prescribed by _____.	Companies Act	AS 1	Income tax Act	Sales tax Act	b
69	Interim dividend of a company can be declared by _____.	Shareholders	Board of directors	M.D	SEBI	b
70	Following is not a contingent liability _____.	Interim dividend	Bills discounted	Liability under guarantee	Arrears of preference dividend	a
71	The asset which is shown under fixed asset is _____.	Loose Tools	Vehicles	Stock	Investment	b
72	Revised Schedule III is applicable to	All the companies	IND AS compliant companies	All the private companies	All the Govt. companies	b
73	PPE includes	Bearer plants	Stock of Goods	Loose Tools	Live stock	a
74	AS per Ind AS animals are shown under	Live stock	Biological assets	Investments	None of the above	b
75	Bank deposits with more than 12 months maturity are disclosed under	Other financial assets	Investments	Loans	Advances	a
76	As per AS 26 preliminary expenses should be written off	In the year in which it is incurred	In five years	In ten years	None	a
77	Depreciation is provided as per the provision of	Schedule III	Schedule II	Schedule VI	Schedule IX	b
78	Maximum remuneration to a managing director in case of profit is	7.50%	5%	10%	11%	b
79	Cash flow statement is prepared as per AS _____.	3	4	5	None of the above	a

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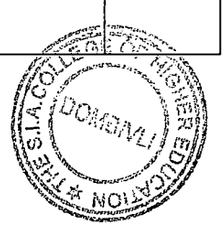
80	Cash flow is classified in to (1) _____ (2) _____ (3) _____ categories.	Operating, Investment & Financing	Operating Activities	Investing Activities	All of the above	a
81	Cash receipt from sale of goods is cash flow from _____.	Operating Activities	Investing Activities	Financing Activities	All of the above	a
82	Refund of income tax is a cash flow from _____.	Operating Activities	Investing Activities	Financing Activities	All of the above	a
83	Payment to employees is a cash flow from _____.	Investing Activities	Operating Activities	Financing Activities	None of the above	b
84	Cash received from sale of machine is a cash flow from _____.	Financing Activities	Investing Activities	Operating Activities	None of the above	b
85	Purchase of building is a cash flow from _____.	Operating Activities	Investing Activities	Financing Activities	None of the above	b
86	Purchase of investment is a cash flow from _____.	Operating Activities	Investing Activities	Financing Activities	All of the above	b
87	Issue of Debentures is a cash flow from _____.	Financing Activities	Investing Activities	Operating Activities	All of the above	a
88	Redemption of Pref. Shares is a cash flow from _____.	Financing Activities	Operating Activities	Investing Activities	All of the above	a
89	Interest on loan paid is a cash flow from _____.	Financing Activities	Investing Activities	Operating Activities	All of the above	a
90	Dividend paid should be shown as cash flow from _____.	Operating Activities	Investing Activities	Financing Activities	None of the above	c
91	Cash flow from operating activities is calculated by _____ and _____.	Direct method	Indirect method	Direct method & Indirect method	All of the above	c
92	Decrease in debtors increases cash flow	Financing Activities	Investing Activities	Operating Activities	None of the above	c



	from _____.					
93	Decrease in creditors decreases cash flow from _____.	Financing Activities	Operating Activities	Investing Activities	None of the above	b
94	Depreciation is _____ to Net profit to get cash flow from operating activities.	Fixed Assets A/c	Added Back	Both	None of the above	b
95	Goodwill w/off is added to N.P to get cash flow from _____.	Financing Activities	Operating Activities	Investing Activities	None of the above	b
96	Decrease in working capital _____ cash flow from operating activities.	Decreases	Increases	Both	All of the above	b
97	Increase in working capital, reduce cash flow from _____.	Operating Activities	Investing Activities	Financing Activities	All of the above	a
98	Collection from debtors is calculated from _____ A/c	Total Debtors A/c	Indirect method	Direct method	All of the above	a
99	Purchase & Sale of fixed assets is ascertained from _____.	Fixed Assets A/c	Investing	Indirect method	None of the above	a
100	Purchase of machinery is an _____ activity.	Increases	Financing	Investing	None of the above	c
101	Under _____ method Net profit is the basis of calculation of cash flow from operating activities.	Direct	Fixed Assets A/c	Indirect	None of the above	c
102	Cash flow statement is governed by AS _____.	2	5	3	All of the above	c
103	Cash flow statement is compulsory for	Operating	Investing	Listed	All of the above	c



	_____ companies.					
104	Depreciation is _____ cost.	Cash	Direct method	Non cash	None of the above	c
105	Cash flow statement provides information that	supplements the P & L A/c and Balance sheet.	is independent of financial statements	provides basis for financial planning	of a cash budget	a
106	Cash received from sale of machinery is treated as cash inflow from	Operating activities	Financing activities	Investing activates	Extra-ordinary activities.	c
107	One of the following is not treated as cash equivalent	Certificate of deposits	Public deposits	Commercial paper	Treasury bill	b
108	Unrealised gains & Losses arising in foreign exchange are	Cash flow from financing activities	Cash flow from investing activities	Not treated as cash flows	None of the above.	c
109	Payment relating to capitalized R & D cost is a cash flow from	Operating activities	Financing activities	Investing activities	Non of the above	c
110	One of the following is considered as cash transaction.	Conversion of Debentures into Equity shares	Collection of calls	Issue of shares for purchase of machinery	Purchase of machinery by issue of Debentures.	b
111	AS 3 is mandatory for	Listed companies	Companies with a turnover exceeding ` 50 crores	as in (a) & (b)	Non of the above	c
112	Proceeds from earthquake disaster settlement is a cash flow from	Operating activities	Investing activities	financing activities	None of the above	a
113	Repayment of lease Liabilities is a cash flow from	Operating activities	Investing activities	Financing activities	None of the above	c



114	Loans to subsidiaries is a cash flow from	Operating activities	Investing activities	Financing activities	None of the above	b
115	Income tax payment is a cash flow from.	Operating activities	financing activities	Investing activities	None of the above	a
116	Cash equivalent is	highly liquid investment	long term investment	most risky investment	None of the above	a
117	The following is not a cash equivalent	Cash Balance	Bank Balance	Investment in shares	None of the above	c
118	Buyback of equity shares creates cash flow from	Investing activities	Financing activities	Operating activities	None of the above	a
119	The term, 'Ethics' comes from _____ word.	Greek	French word	German word	None of the above	a
120	Ethical behaviour distinguishes right from _____.	wrong	right	Accuracy	None of the above	a
121	Ethical behaviour should be practiced with _____.	Stakeholders	Shareholders	Customers	None of the above	a
122	Ethical principles are _____ _____.	Well designed	Workplace	Customer loyalt	None of the above	a
123	Unethical behaviour can _____ the company.	Defame	Integrity	Unethical	None of the above	a
124	Disclosure is the component of _____ _____ ethical behaviour.	Well designed	Workplace	Integrity	None of the above	b
125	Ethical behaviour encourages _____ actions.	wrong	Right	Values	None of the above	b
126	Ethical behaviour ensures _____ _____.	Integrity	Customer loyalt	Accuracy	None of the above	b
127	In India CSR is made mandatory from _____ _____.	April, 2013	April, 2014	April, 2012	April, 2011	b
128	A company has to spend _____% of	1	2	3	4	b

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	N.P. on CSR.					
129	_____ is the principle of ethical behaviour.	Workplace	Objectivity	Integrity	None of the above	c
130	Emphasis on short term results is the reason for _____ behaviour.	Workplace	Ethical	Unethical	None of the above	c
131	ASB is constituted by _____.	ICAI	SEBI	CBDT	None of the above	a
132	Satyam was audited by _____ _____.	Integrity	Price waterhouse	Unethical	None of the above	b
133	Unethical behaviour results in Loss of _____ capital.	Legality	Human	Honesty	None of the above	b
134	Ethics education can check _____ reporting.	Ethical	Integrity	Unethical	None of the above	c
135	Code of Ethics sets out company _____.	Legal rules only	Ethical rules only	Values	None of the above	c
136	Whistle blowers are _____ of public.	Integrity	Customer loyalt	Eyes	None of the above	c
137	Ind AS 101 is _____ IFRS 1.	B.V.	M.V.	Converged		c
138	Ind AS 102 is _____ IFRS 2.	Share based payment	Cash based payment	Converged		c
139	Ind AS _____ governs First Time Adoption of financial statements.	100	102	101		c
140	Ind AS _____ governs share based payment.	101	100	102		c
141	Ind AS are applicable with _____ effect.	Share based payment	Retrospective effect	Prospective effect		a
142	Ind AS 101 provides for _____ from GAAP to Ind AS.	Transition	Insurance contracts	Leases		a



143	Ind AS _____ applies to first set of financial statements.	101	100	102		a
144	Government loan is a _____ exemption.	Mandatory	Share based payment	Cash based payment		a
145	Impairment of financial assets is a _____ exemption.	Prospective effect	Mandatory	Share based payment		b
146	Joint arrangement is an _____ exemption.	Deemed cost	Optional	Share based payment		b
147	The Reconciliation required by Ind AS 101 include equity as per _____ and equity as per _____.	GAAP, Ind AS	IFRS, AS	Employees, Cash		a
148	An expense is recognized when a company pays its _____ in _____.	Employees, Cash	GAAP, Ind AS	IFRS, GAAP		a
149	Ind AS 102 is not applicable to shares issued as a consideration in _____ _____.	Business combinations	Mandatory exemption	Optional exemption		a
150	The amount at which the asset could be exchanged is a _____ _____.	Market value	Realizable value	Fair value		c
151	Cost of goods or services received are measured at _____.	Fair value	Intrinsic value	Fair value		c
152	Fair value of Equity instrument granted is based on _____ _____.	Cost prices	Realization prices	Market prices		c

Subject Teacher

Convener



2. From the following trial balances as on 31/03/2016 prepare final accounts of Aaliya Bank. 15

Trial Balance as on 31st March, 2016.

Particulars	Debit (₹)	Credit(₹)
Paid up Capital		40,00,000
Profit and loss A/c (1/4/2015)		4,00,000
Current A/c		10,00,000
Fixed Deposit		20,00,000
Savings Bank Deposit		20,00,000
Director's fees	1.00,000	
Auditor's fees	10,000	
Furniture	15,00,000	
Commission and Exchange		5,000
Interest on Fixed Deposit	3,40,000	
Branch Adjustment (cr.)		7,350
Postage and Telegram	16,000	
Printing and Stationery	46,000	
Rent, Rates, Taxes and Premium	86,000	
Provident Fund Contribution	40,000	
Salaries	9,83,850	
Interest and Discounts		50,00,000
Stamp in Hand	500	
Land and Building	80,00,000	
Deposit with RBI	12,50,000	
Cash Credit and Overdraft	6,70,000	
Contingency Reserve		2,00,000
Interest on saving deposit	2,20,000	
Statutory Reserve Fund		1,75,000
Legal Expenses	25,000	
Cash in Hand	50,000	
Deposit with other Banks	3,50,000	
Investment	10,00,000	
Bills Discounted	6,00,000	
Reserve Fund		8,00,000
Interest on Current Deposit	3,00,000	
TOTAL	**1,55,87,350**	**1,55,87,350**

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2. From the following particulars, prepare the final accounts of HDFL Bank Ltd. 15

Trial Balance as on 31st March, 2014.

Particulars	Dr.₹	Cr.₹
Share Capital:		
1,00,000 Shares of (₹ 10 each, ₹ 5 paid up)		5,00,000
Reserve Fund		10,00,000
Fixed Deposits		20,00,000
Savings Bank Deposits		30,00,000
Current Accounts		70,00,000
Borrowed from Bank		2,00,000
Investments	30,00,000	
Premises	12,00,000	
Cash in hand	60,000	
Cash at bank	28,00,000	
Money at - Call and Short notice	3,00,000	
Interest accrued and paid	2,00,000	
Salaries	80,000	
Rent	30,000	
Profit &Loss Account(1.4.13)		1,60,000
Net Profit for the year		4,50,000
Bills Discounted	5,00,000	
Bills Payable		8,00,000
Loans, Advances, Overdrafts and Cash Credits	70,00,000	
Unclaimed Dividend		30,000
Sundry Creditors		30,000
	1,51,70,000	1,51,70,000

The Bank has the bills for ₹ 14,00,000 as collection for its constituents and also acceptances ad endorsements for them amounting to ₹ 4,00,000.

3. Prepare Profit and Loss Statement of Currency Bank Ltd. for the year ended 31-3-2013 :— 15

Particular	₹	Particular	₹
Interest on Loan	26,60,000	Interest on Fixed Deposit	22,50,000
Rebate on Bill discounted (31-3-12)	4,20,000	Commission	1,12,000
Establishment charges	4,80,000	Discount on Bill Discounted	16,38,000
Intrest on Cash Credit	22,50,000	Interest on Current Account	7,50,000
Rent and Rates	2,50,000	Auditors fees	16,000
Directors fees	65,000	Postage	12,000
Interest on Saving Account	7,16,000	Printing and Stationary	22,000
		Sundry charges	26,000

Additional Information :

(1) Advances were irrecoverable to the extent of ₹ 4,00,000.
(2) Provision for tax to be made @ 40%.
(3) Transfer 20% of the Profit to Statutory Reserve.
(4) Rebate on bill discounted on 31st March, 2013 accounts to ₹ 2,80,000.

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From the following information, prepare Profit and Loss A/c of I Bank Ltd. for the year 31st March, 2011:

	Rs.
Interest on balance with RBI	200000
Interest received on loans	2570000
Interest on fixed deposits	2050000
Rebate on bills discounted(1-4-2010)	500000
Commission, exchange & brokerage	108000
Establishment charges	540000
Discount on bills discounted	1460000
Interest on cash credit	2230000
Rent and rates	180000
Interest on overdraft	1540000
Directors fees	30000
Auditors fees	12000
Interest on savings bank deposit	600000
Postage and telegram	14000
Printing and stationery	29000
Sundry charges (Cr.)	17000
Profit and loss a/c (1-4-2010)	200000
Dividend on shares	50000

(i) Bad debts amounted to Rs.1,00,000.
(ii) Provision for taxation is 35%
(iii) Rebate on bills discounted (31-3-2011) Rs. 300000.
(iv) Transfer 30 % of the profits to statutory reserves and 5% to revenue reserves.



From the following information, prepare profit and Loss Account of Suvarnasanchay bank Ltd. for the period ended 31st March, 2010.

	(Rs. '000)		(Rs. '000)
Interest on Loans	300	Interest on Saving Bank Deposits	87
Interest on Fixed Deposits	275	Postage, Telegram & Stamp	10
Commission Received	10	Printing & Stationery	20
Exchange & Brokerage Received	20	Sundry Expenses	10
Salaries & Allowances	150	Rent & Taxes	25
Discount on Bills (Gross)	152	Audit Fees	10
Interest on Cash Credits	240	Establishment charges	40
Interest on temporary Overdrafts in Current Accounts	30	Directors Fees	30

Additional Information:

(i) Rebate on bill discounted Fts. 90,000/-

(ii) Provision for Income Tax is to be made @ 40% (Round off to nearest thousand)

(iii) Interest of Rs. 4,000/- on Doubtful debt was wrongly credited to interest on loan account.



Trial Balance of X Ltd.as on 31/3/2011showed the following

Particulars	Debit (Rs.)	Credit (Rs.)
Land (Cost)	100000	
Building(cost)	1500000	
Plant & Machinery (cost)	800000	
Furniture (cost)	150000	
Provision for Depreciation (1/4/2010):		
Building		100000
Plant & Machinery		500000
Furniture		40000

1 Provide for depreciation on building, plant & machinery and furniture at 5%, 20% and 10% respectively under Reducing balance method You are asked to prepare a schedule of Fixed assets as on 31/3/2011

The Trial Balance of Ajay Ltd. shows the following figures relating to Fixed Assets as on 31-3-2009.

Particulars	Rs.
Plant & Machinery	4,20,000
Land	1,60,000
Goodwill	1,00,000
Motor Vehicles	80,000
Opening Depreciation Provision	
on Plant & Machinery	1,78,000
on Motor Vehicles	44,000
Sale proceeds of old machinery	60,000

Additional Information :-
(i) Depreciation to be provided during the year at 10% on Straight Line Method.
(ii) There was an addition to Plant & Machinery on 30-6-2008 for Rs. 1,20,000.
(iii) A machinery costing Rs. 1,60,000 was sold on 30-6-2008, depreciation provided on it was Rs. 80,000.
Prepare schedule of Fixed Assets.

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Near Balaji Mandir, Dombivli (East), 421203.

Department of Banking and Insurance

Class: TY B.Com (Banking & Insurance)

Subject : Central Banking **Semester : VI**

Name of Teacher: Ranjana Mhalgi

Theory Question Bank

Unit 1 An Overview of Central Banking

1) Explain functions of Central Banking in detail.
2) Explain the factors responsible for changing face of Central Banking.
3) Explain meaning of autonomy of the central banking. Also explain factors limiting autonomy of Central Bank.
4) What are the objectives of establishment of a central Bank in a country?
5) Define autonomy of a central bank. Explain factors limiting the autonomy of RBI.
6) Explain important provisions of Banking Regulation Act, 1949

Unit 2 RBI as the Central Bank of India

1) Explain the core and promotional functions of the RBI.
2) Explain briefly about various departments of RBI.
3) Explain organization structure of RBI.
4) Explain meaning and instruments of monetary policy.
5) Explain meaning & instruments of fiscal policy. And Limitations of fiscal policy
6) Discuss the various transmission channels of monetary policy.
7) 'Integrated financial systems offer opportunities and threats'. Comment.
8) Explain regulatory role of RBI
9) Evaluate the role of RBI in development of financial markets in India.
10) Elucidate the role of fiscal policy in managing fiscal deficit.
11) 'Every deposit creates credit and every credit creates a deposit' Explain.

Unit 3 Supervisory Role of RBI

1) Explain constituents of Indian Financial system.
2) Explain core principles for the supervisors.
3) Explain the functions of supervisory dept
4) Explain steps taken by SEBI for capital market development.
5) Discuss the multiple credit creation process of commercial banks.
6) What is financial instability? Explain the reasons for financial instability
7) Comment on the capital market reforms in India.
8) Explain Regulations Review Authority
9) What is OSMOS
10) What are the major recommendations of Narasimhan Committee on Banking sector?
11) What are the measures taken by the RBI to improve the supervisory mechanism and financial soundness of commercial banks?

Unit 4 Central Bank in other Countries

1) Explain briefly structure of Federal Reserve System
2) Comment on the changing role of RBI in globalised world.
3) Explain the functions of
   Bank of England
   European Central Bank
   Bank of Japan
   Peoples Bank of China

Unit 5 Central Banking in Cyber World

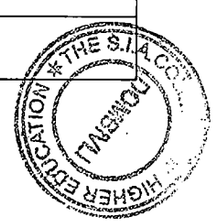
1) Explain the concept of e-banking. What are its pros and cons.
2) What are the Risks in the new IT Era
3) Define E-payment. Explain some of e-payment facilities offered by banks.
4) What is the link between IT ,Globalisation and Central Banking.

Central Banking - MCQs

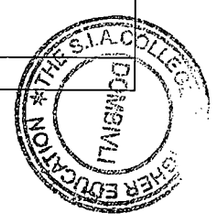
Sr. No.	Questions	Answers
1.	_____ is the apex bank of the banking sector of an economy. a) State Bank b) Imperial Bank c) Central Bank d) World Bank	Central Bank
2.	The Reserve bank of India was established in _____ a) 1933 b) 1934 c)1935 d) 1937	1934
3.	Evolution of central banking is a _____ century phenomenon. a) 20^{th} b)18^{th} c)17^{th} d)19^{th}	20^{th}
4.	Growth with _____ is one of the important objectives of monetary policy of the RBI. a) Development b) Inflation c) Deflation d) Price Stability	Price Stability
5.	The RBI was nationalised in the year _____ a)1949 b) 1948 c) 1950 d) 1947	1949
6.	The central bank of India started its operations in _____ a)1933 b) 1935 c)1937 d)1934	1935
7.	The central bank of the USA is called the _____ a)Reserve Bank of USA b)Federal bank c) Federal Reserve d) Bank of USA	Federal Reserve
8.	The RBI was established as a private shareholder bank. a) True b) False	True
9.	The objective of economic growth is more important than price stability for the RBI. a) True b) False	False
10.	Globalization has increased the role of central banks a) True b) False	True
11.	Central bank acts as an agent and advisor to the government a) True b) False	True
12.	Any commercial bank can issue notes in India a) True b) False	False
13.	The credit created by commercial banks is controlled by the central bank a) True b) False	True
14.	Forecasting or fixing the rate of inflation is called _____ a) Inflation targeting b)Inflation forecasting c) Inflation index d) Inflation fixing	Inflation targeting

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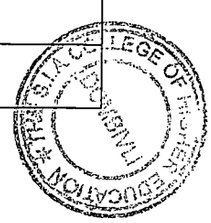
15.	When exchange rate is pegged to another currency it is called _____ a)Exchange rate targeting b) Cross exchange rate c) Fixed exchange rate d) Currency exchange	Exchange rate targeting
16.	Inflation target for India is _____ a) 3% b) 5% c) 4 % d) 7%	4%
17.	_____ is considered as an alternative to central bank a)State bank b) Currency board c) World Bank d) Development bank	Currency board
18.	Managed float system involves the intervention of _____ in the forex market a) SEBI b) EXIM bank c) Central Bank d) Stock Exchange	Central Bank
19.	Monetary policy of India is formulated by _____ a) Central Bank b) Monetary policy Dept. c) Commercial bank d) Monetary policy committee	Monetary policy committee
20.	Forecasting or fixing rate of inflation is called _____ a) Inflation targeting b) CRR c) Exchange rate d) Monetary policy	Inflation targeting
21.	The exchange rate mechanism followed by India at present is _____ a)Fixed exchange rate b) Flexible exchange rate c) Managed float d) None of the above	Managed Float
22.	Along with the banking system, non-banking financial companies are also regulated by the central bank. a) True b) False	True
23.	The formulation and implementation of the monetary policy is the responsibility of RBI. a) True b) False	True
24.	In the 1980s Nine EU countries became the members of Exchange Rate Mechanism. a) True b) False	False
25.	After the collapse of the Bretton woods system, flexible exchange rate mechanism emerged. a) True b) False	True
26.	The Inflation target of 4% set by RBI is for a period of ten years. a) True b) False	False
27.	The autonomy of a central bank is limited by _____ a) government intervention b) state intervention c) IMF d) WTO	government intervention
28.	Transparency improves _____ of the central bank. a) quality b) credibility c) certainty d) morale	credibility
29.	_____ has framed the rules for transparency at global level. a) BASEL norms b) International accounting standards c) The Bank for International Settlements d) government	The Bank for International Settlements
30.	The major weakness faced by central banks in emerging economies is _____. a) weak financial system b) financing government debt c) both a & b d) None of the above	both a & b
31.	Indian Rupee is fully convertible in the _____ a) Current account b) Capital account c) both a&b d) None of the two	Current account
32.	The RBI is totally autonomous and independent of the government.	False



	a) True b) False	
33.	Liberalisation has led to more responsibilities for the central bank. a) True b) False	True
34.	The Bank for International Settlements frames prudential norms for the banking sector. a) True b) False	True
35.	Substantial reforms were introduced in the banking sector as per the recommendations of the _____. a)Narasimham Committee b) Gupta Committee c) Cheliah Committee d) None of the above	Narasimham Committee
36.	The top officials in India are appointed by the Government limiting the freedom of the RBI. a) True b) False	True
37.	The objectives of _____ and monetary policy may be conflicting in nature. a) Fiscal policy b) EXIM policy c) Taxation policy d) Foreign Exchange policy	Fiscal policy
38.	The budgetary operations of the government also influence the monetary policy of RBI. a) True b) False	True
39.	In 1991, economic crisis forced the government to introduce _____. a) Fiscal policy b) Monetary policy c)New Economic Policy (NEP) d) None of the above	New Economic Policy (NEP)
40.	The liberalisation process started in _____ in many countries. a) 1970s b)1980s c)1990s d)1960s	1980s
41.	The public sector banks owned by the government play a predominant role in the Indian Banking Sector. a) True b) False	True
42.	Public debt management is another function of the _____ a) Government b) RBI c)both a & b d) None of the above	RBI
43.	The present governor of the RBI is _____ a)Mr. Shaktikanta Das b)Mr. Urjit Patel c)Mr. N.K. Singh d) Mr. Arvind Subramanian	Mr. Shaktikanta Das
44.	The RBI achieves stability in the foreign exchange market through _____. a)Bank rate b) Repo and reverse repo c) Market stabilisation scheme d) Marginal standing facility	Market stabilisation scheme
45.	The RBI is managed by the central board. a) True b) False	True
46.	Foreign exchange operations are governed by the FERA. a) True b) False	False
47.	Liquidity adjustment facility is operated through CRR and SLR. a) True b) False	False
48.	The present governor of the RBI succeeded Dr Raghuram Rajan. a) True b) False	False
49.	Repos are used to inject the liquidity in the market. a) True b) False	True
50.	Market stabilisation scheme helps to stabilise the exchange rate. a) True b) False	True
51.	Short term liquidity is managed through liquidity adjustment	True



	facility. a) True b) False	
52.	The RBI was established as a private bank. a) True b) False	True
53.	Royal/Hilton young commission recommended the establishment of RBI. a) True b) False	True
54.	Sir Osbourne Arkell Smith was the first governor of the RBI. a) True b) False	True
55.	There are _____ deputy governors in the RBI. a)3 b)4 c)5 d)6	4
56.	The present governor of RBI is Mr. Shaktikanta Das. a) True b) False	True
57.	The present governor of RBI is the _____ governor. a)23rd b)24th c)25th d)26th	25th
58.	_____ is the ex-officio chairperson of the Monetary Policy Committee. a) Governor of the state b) Chief Minister c) Finance Minister d) Governor of the RBI	Governor of the RBI
59.	_____ approach replaced the multiple indicator approach to review monetary policy. a) Exchange rate targeting b) Flexible exchange rate c) Price indices d) Inflation Targeting	Inflation Targeting
60.	The monetary policy committee meets _____ times in a year. a)3 b)4 c)5 d)6	4
61.	Forecasting or fixing rate of inflation is called _____. a) inflation targeting b) exchange rate targeting c) CRR d) Monetary policy	Inflation targeting
62.	Repo and reverse repo are _____ instruments. a) Qualitative b) Quantitative c) Fiscal d) Budgetary	Quantitative
63.	Monetary policy in India is framed by _____. a) Monetary policy committee b) Tandon committee c) Central government d) state government	Monetary policy committee
64.	During the recession time the CRR is _____. a) Reduced b) Increased c) Kept same d) Doubled	Reduced
65.	Inflation and recession are controlled by using _____. a) Monetary policy b) Fiscal Policy c) Both a&b d) None of these	Both a&b
66.	Under deficit financing, the central government borrows from the _____. a) commercial banks b) central bank c) both d) foreign institutions	Central bank
67.	Licenses to start a bank are issued by _____. a) RBI b) SEBI c) IRDA d) ITA	RBI
68.	The number of public sector banks in India is _____. a) increasing b) decreasing c) constant d) none of these	decreasing
69.	Bank nationalization took place in _____ & _____. a)1969&1980 b)1970&1980 c)1969&1981 d) None of the above	1969&1980
70.	At present there are _____ core principles for banking supervision. a)30 b)29 c)28 d)32	29
71.	Commercial banks are inspected by the RBI on the basis of _____ model.	CAMELS



	a)NPA b) BASEL c)CAMELS d) OSMOS	
72.	India's financial sector has _____ regulators. a) Professional b) Different c) Single d) Multiple	Multiple
73.	Certificate of deposit is issued by _____. a) commercial banks b) RBI c) IRDA d) SEBI	Commercial banks
74.	Capital market in India consists of _____. a) primary market b) secondary market c) financial market d) all of the above	All of the above
75.	The money market is divided into _____ and _____ market. a) Organised and Unorganised b) Primary and Secondary c) Short term and Long term d) Spot and Forward	Organised and Unorganised
76.	The central bank of china is _____. a) People's bank of china b) Reserve bank of India c) Swiss bank if china d) Federal bank of china	People's bank of china
77.	There are _____ countries in the European Union. a) 27 b)28 c)29 d)25	28
78.	There are _____ Federal Reserve Banks in the USA. a) Thirteen b) Twelve c) Fifteen d) Ten	Twelve
79.	The Bretton woods conference led to the establishment of the _____. a)World bank b) WTO c) NAFTA d) IMF	IMF
80.	The Bank for International Settlements is located at _____. a) London b) Washington c) Austria d) Switzerland	Switzerland
81.	IBRD stands for _____. a) Indian bank for reconstruction and development b)International Bank for Reconstruction and Development c) International Bank for Recovery and Development d) International Bank for Restructuring and Development	International Bank for Reconstruction and Development
82.	E-payments are increasing due to _____ shopping. a) online b) offline c) both a&b d) traditional	Online
83.	Guidelines for E-banking at the international level are issued by _____. a) BIS b) ECB c) Federal Reserve System d) RBI	BIS
84.	RTGS stands for _____. a) Real Time Gross Settlement b) Reel Time Gross Settlement c) Rate Time Gross Settlement d) Red Time Gross Settlement	Real Time Gross Settlement
85.	The convergence of information technology and _____ facilitates e-payments. a) online shopping b) payment gateways c) telecommunication d)none of the above	Telecommunications

Subject Teacher

Convener

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Name of the Faculty-Dr. Hasitkumar Nagariya
Class-TYBBI
Subject- HUMAN RESOURCE MANAGEMENT

1)Acquiring and _____ good people is critical to the success of every organisation.
a)**Maintaining** b)Promoting c)Terminating d)None of the above

2)There is a need for organisation to adapt to _____ changes.
a)**Environmental** b)political c)Structure d)All of the above

3)HRM involves various of _____ sciences.
a)Political b) **Social** c)Home d)None of the above

4)HRM activity of updating the quality of manpower avoids managerial _____.
a)Control b) skill c)**obsolescence** d)All of the above

5)_____Development not only helps the employees concerned but also the organisation to become dynamic and growth oriented.
a)Social b)**Career** c)Marketing d)None of the above

6)The HRM department plays an important role in helping the business to _____ for the future.
a)**plan** b)research c)analysis d)None of the above

7)An organization with well-defined performance ____ is an organization with high potential for success.
a)**metrics** b)control c)Strategy d)All of the above

8)You could also look at strategic HRM as the _____ or _____, as his or her responsibilities are a little bit different from those of the other players.

a)employee, labour b)**team captain, coach** c)head, owner
d)None of the above
9)Proper selection and pre-departure training that are culturally rooted are necessary before _____.

a)explanation b)selection c)**expatriation** d)All of the above

10)Strategic human resource management focuses on human resource programs with _____ term objectives.
a)short b)**long** c)Mid d)None of the above

11)Job analysis is the _____ point of the whole process of recruitment and selection.
a)**starting** b)ending c)middle d)None of the above

12)_____ assists the management in selecting a match for the job.
a)**Job specification** b)job description c)Job simplification d)None of the above

13)A _____ is a written statement that describes the activities and responsibilities of the job, working conditions and safety and hazards.
a)Job simplification b)**job description** c)Job specification d)None of the above

14)Employees need to be compensated depending on the _____ of jobs which they occupy.
a)Quantity b)**grades** c)quality d)All of the above

15)The applicants are assessed on the basis of _____ mentioned in the job specification statement.
a)quantities b)Reference c)**qualities** d)All of the above

16)A properly designed job will make it more _____ and satisfying.
a)unproductive b)active c)**productive** d)All of the above

17)_____ in a job may be reflection of the number and variety of tasks to be carried out.
a)**Complexity** b)simplicity c)Flexibility d)None of the above

18)Job enlargement is also called _____ job loading.
a)**horizontal** b)vertical c)flexible d)None of the above

19)Empowered employees also have control over _____ feedback that guides their work.
a)skill b)**performance** c)Experience d)None of the above

20)_____ is a design method whereby jobs are divided into smaller components and subsequently assigned to workers as whole jobs.

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a)job description b)Job specification c)**Job simplification** d)All of the above

21)Human resources can be developed through continuous _____ in an organizational setting.
a)**interactions** b)Participations c)evaluation d)None of the above

22)HRM is a process of identifying human resource requirements in the terms of _____ & _____.
a)Subjective, Objective b)**Quality, quantity** c)Direct, Indirect d)All of the above

23)Like most other kinds of planning, human resources planning is _____.
a)backword looking b)inword looking c)**forward looking** d)None of the above

24)The data base made by HRP provides a comprehensive _____, which facilitates for decision making.
a)**skill repertorite** b)Performance c)experience d)All of the above

25)There has been a market increases in employee _____.
a)flexibility b)**mobility** c)Quantity d)None of the above

26)_____ transfers are made primarily to meet the personal requests or needs of the employees.
a)**Personal** b)Remedial c)Precautionary d)None of the above

27)_____ transfers are generally made to rectify the situation caused by faulty selection or placement procedures.
a)Versatility b)**Remedial** c)Personal d)All of the above

28)_____ is the advancement of an employee's rank or position in an organizational hierarchy system.
a)**Promotion** b)Transfer c)Demotion d)All of the above

29)_____ is contracting with another company or person to do a particular function. Almost every organization outsources in some way.
a)Transfer b)Promotion c)**Outsourcing** d)None of the above

30) _____ is sign of recognition of the performance of the employees.
a)Future planning b)**Succession planning** c)Budget planning d)None of the above



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Name of the Faculty-Dr. Hasitkumar Nagariya
Class-TYBBI SEMESTER-VI
Subject- HUMAN RESOURCE MANAGEMENT

1)Discuss the role and functions of human resources manager in insurance sector.

2)Explain with diagram common structure of the human resources department

3)Describe the different factors that affect job design.

4)Explain the objectives of human resources planning.

5)Define promotion and elaborate on promotion by seniority & promotion by merit.

6)What is recruitment? Explain the internal sources of recruitment

7)Explain the selection procedure in the Banking Sector.

8)Elaborate on the different types of interviews.

9)What are the different methods of Training & development?

10)Describe the human errors in performance appraisal.

11)What are the factors affecting wages and salaries?

12)Explain the different types of fringe benefits.

13)Describe the different methods and techniques of employees participation.

14)Discuss "The role of H.R. manager has drastically changed in the globalized business environment"

15)Enumerate the functions of the HR department of a Financial Institution

16)Explain the significance of a personnel manual and discuss its benefits.

17)Illustrate with examples ethical issues in HRM.

18)Discuss briefly the factors affecting Human Resources Planning.

19)Define HRIS, and examine its uses.

20)Define transfer and Explain the types of transfers.

21)Examine the various sources of recruitment used by organisations

22)Explain the different types of selection tests used for banking organisations.

23)Briefly Explain the different methods of management development.

24)Enumerate the common problems and limitations of an Appraisal system.

25)Explain the different steps of career planning.

26)Discuss the uses of Job Analysis.

27)Enumerate the factors affecting job design in an organisation.

28)Discuss the various parties to Industrial relations.

29)Write short notes .

a) Globalisation & HRM

b) Job specification

c) Job enlargement

d) Factors affecting HRP

e) Types of transfer

f) Compensation management.

g) Orientation

h) Employee communication

i) H.R. Audit.



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Name of the Faculty-Mahesh Kandalkar
Class-T.Y.B&I
Subject-Auditing

AUDITING – II

1. Books of account of the company shall be kept at the_____office of the company.
   a. Sales
   b. Purchase
   c. Registered
   d. Home

2. Auditor should obtain_____management representation to complement the audit procedures.
   a. Oral
   b. Written
   c. Gesture
   d. Evidence

3. _____is applicable to segment reporting.
   a. AS 18
   b. AS 17
   c. AS 19
   d. As 20

4. IEPF stand for
   a. Investors Education and Protection Fund
   b. Investors Education and Provident Fund
   c. Investors Education and Public Fund
   d. Investors Education and People Fund

5. The auditor of a government company shall be appointed by_____.
   a. the government company itself
   b. the Comptroller and audit general of India
   c. the shareholders
   d. the debenture holders

6 The board of directors shall appoint first auditor of a company .
   a. within one month of completion of capital subscription state of the company
   b. within one month of the promotion of the company.
   c. within one month of the commencement of the business of the company.
   within one month of incorporation of the company.

7. The statutory auditor of a Government Company submits his report to _____.

   a. the BOD of the company
   b. the C & AG.
   c. the legislature.
   d. the company secretary

8. An auditor can audit maximum_____companies.

   a. 10
   b. 20
   c. 30
   d. 40

9. Audit certificates refers to_____of Certain facts

   a. Opinion
   b. Information
   c. Confirmation
   d. Correction

10. Risk of material misstatement in an audit of financial statements may exist at:

   a. Overall financial statements level
   b. Assertion level
   c. Overall financial statements level and Assertion level
   d. Overall financial statements level or Assertion level

11. The provisions for presentation of financial Statements of banks are given under _____Section of Banking Regulation Act, 1949.

   a. 31
   b. 29
   c. 20
   d. 18

12. "Whether in his opinion, Profit & Loss Account express True and Fair profit or loss" this statement is related to_____of audit of banks.

   a. Audit Certificate
   b. Audit Report
   c. Audit Plan
   d. Audit Programme

13. "Auditor should count the complete cash in hand" this statement is applicable in case of _____

   a. Internal Control System of Cash
   b. Verification of Cash balance
   c. Verification of Fixed assets
   d. Internal Control System of Bills

14. Apart from statutory report, banks are required to submit _____

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a. Audit certificates
b. Non – statutory reports
c. LFAR
d. Customers Details

15. An auditor is having which of the following right?
    a. Right to have access to books
    b. Right to edit financial statements of banks
    c. Right to maintain books of accounts
    d. Right to take cash from cash valet

16. The appointment of auditor of co-operative bank is governed by _____
    a. Companies Act
    b. Co-operative Societies Act
    c. Banking Regulations Act
    d. Insurance Companies Act

17. "A contract that pledges payment of an agreed upon amount to the person (or his/her nominee) on the happening of an event covered against" is technically known as

    a. Death coverage
    b. Life insurance
    c. Savings for future
    d. Provident fund

18. Every Insurer carrying on general insurance business should create a_____to meet future potential liability.

    a. Statutory Reserve
    b. Contingency Reserve
    c. Catastrophe
    d. Reserve

19. Insurance business is controlled by

    a. SEBI
    b. Banking Act
    c. IRDA Regulations, 2002
    d. Companies Act 1956

20. Premium shall be recognised as income:

    a. When received
    b. When due
    c. When received or due whichever is earlier
    d. When received or due whichever is later

21. Human resource audit does not include _____
    a. Identifying needs
    b. Improving HR function

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c. Enhancing HR Function
d. Tax Payment

22. Operational audit is _____
    a. Operation of day to day activities
    b. Annual audit
    c. Monthly report
    d. Weekly Audit

23. _____audit is concerned with verification of performance of environment management systems to control pollution and their efficiency to conserve environment.
    a. Energy Audit
    b. Environmental audit
    c. Social Audit
    d. Tax Audit

24. An auditor is least likely to use computer software to _____
    a. Access client data files
    b. Assess control risk
    c. Performing analytical producers
    d. Audit the books of accounts

25. Auditing through the computer is known as_____approach
    a. Black – Box approach
    b. White – Box approach
    c. Red – Box approach
    d. Blue – Box approach

26 would mean record maintained by the company to record a specific financial transaction.
    a) Approval of books of accounts
    b) Report
    c) Maintenance of books of accounts
    d) Cash books of accounts

27 The books of account must be kept on_____basis.
    a) Cash
    b) Accrual
    c) Ledger
    d) Personally

28 Books of account of the company shall be kept at the_____office of the company.
    a) Sales
    b) Purchase
    c) Registered
    d) Home

29 The financial statement of the company shall be late by_____before the shareholders at the annual general meeting.
    a) Shareholders
    b) Creditors
    c) Board of directors
    d) Debenture holder

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30 No dividend to be declared if company fail to comply with provision de to acceptanceand_of deposits.

a) Purchase
b) Repayment
c) Investment
d) Sale

31 Auditor should obtain_____mangement representation to complement the audit procedures.

a) Oral
b) Written
c) Gesture
d) Evidence

32 _____ is amount of profit available for distribution of dividend.

a) Divisible profit
b) Non divisible profit
c) Security premium
d) Capital reserve

33 Management audit otherwise calledas_____.

a) Financialaudit
b) Efficiency audit
c) Cost audit
d) Cashaudit

34 The banks which perform function of accepting and lending loans are known as _____ banks

a. Commercial Banks
b. Development Banks
c. Regional Rural Banks
d. Cooperative Banks

35 Nationalise banks are part of _____

a. Private Sector Banks
b. Public Sector Banks
c. Cooperative Banks
d. Development Banks

36 The laws applicable to banks is _____

a. Banking Regulations Act, 1949
b. Sale of goods Act, 1930
c. Consumer Protection Act, 2019
d. Indian Contract Act,1872

37 The provisions for presentation of financial Statements of banks are given under _____Section of Banking Regulation Act, 1949.

a. 31
b. 29
c. 20
d. 18

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38 The Cooperative banks which have operations through out the country is _____ bank

a. Central Cooperative Banks
b. State Cooperative Banks
c. Primary Cooperative Banks
d. None of the above

39 Auditor of Scheduled banks is appointed by _____

a. Shareholders
b. Board of Directors
c. Central Government
d. RRB's

40 Remuneration of Nationalized banks is fixed by _

a. Shareholders

b. Central Government
c. RBI
d. SBI

41 ..... of the Companies Act, 2013 empowers the Central Government to order companies engaged in Manufacturing to maintain cost records:

a) Section 128
b) Section 130
c) Section 302
d) Section 139

42 ..... of the Companies Act, 2013 empowers the Central Government to order companies engaged in Manufacturing to maintain cost records:

e) Section 128
f) Section 130
g) Section 302
h) Section 139

43 The cost Auditor should be appointed by the in accordance with the provision of section 139.

a) Board of directors
b) Secretory
c) Central Government
d) State Government

44 Cost auditor has the same power and duties, which a company auditor has under Section

..

a) 143
b) 145
c) 146
d) 174

45 In Auditing HRA stands for:

a) Human Resource Audit
b) Human Required Authority
c) Human Record and Application
d) Human Required Analysis

46 Social audit is assessment of performance of an organization.

a) Financial
b) Social
c) Legal
d) Environmental

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47 _____is an inspection survey and analysis of energy flows for energy conservatic

a) Energy Audit

b) Environmental audit

c) Social Audit

d) Legal audit

48 _____act as Secretary of Audit Committee.

a) Managing Director

b) Company Secretary

c) CEO

d) Chartered Accountant

49 Audit committee should have at least_____directors.

a) 2

b) 3

c) 4

d) 5

50 LLP stands for

a) Limited Liability Partners

b) Limited Liability Partnership

c) Limited Local Partnership

d) Liable Local Partnership

Subject teacher



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Name of the Faculty- Mahesh Kandalkar

Class-T.Y.B&I

Subject-Auditing II

Subjective Questions

1) Explain the Qualification & Disqualification of Auditor
2) Explain the provisions regarding appointment of Company Auditor
3) Explain the provision of removal of Company Auditor
4) Write a note on Remuneration of Auditor
5) Write a note on Audit Ceiling
6) What are the duties & liabilities of Auditor?
7) Write a note on Branch audit
8) Write a note on Joint audit
9) Write a note on Special Audit
10) Explain the provisions of maintenance of Books of Accounts
11) Write a note on related party disclosure
12) Write a note on Segment reporting
13) Write a note on Divisible Profit
14) What is representation by management?
15) Explain the Content of Annual report
16) Distinguish between report & certificate
17) What are the different types of Audit reports?

18) What is a Long form audit report?

19) Explain the internal control system in case of Banking Company

20) How will you verify following assets

a) Land & Building

b) Plant & Machinery

c) Investments

21) Explain the following Accounting standards

a) Accounting Standard-3 Cash Flow Statement

b) Accounting Standard-9 Revenue recognition

c) Accounting Standard-13 Accounting for Investments

d) Accounting Standard -17

22) Explain the internal control system in case of Insurance Company

23) How will you audit the following?

a) Premium b) claim c) Commission d) Investment

24) What is Cost Audit?

25) What is Human Resource Audit?

26) What is management Audit?

27) What is operational Audit?

28) What is Social Audit?

29) What is Forensic Audit?

30) What is Tax Audit?

31) What is Environment Audit?

32) Write a note on Audit Committee

33) What is Professional misconduct? Explain any three examples

Subject teacher

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Name of the Faculty-Dr. Hasitkumar Nagariya
Class-TYBBI SEMESTER-V
Subject- INTERNATIONAL BANKING AND FINANCE

1)What do you mean by International Bank? Explain its features.

2)What is Capital Account Convertibility? Bring out its merits and demerits.

3)Write a detailed note on World Bank.

4)Discuss the various guarantees issued by the banks for the project export.

5)What do you understand by FDI? Discuss its advantages and disadvantages.

6) Distinguish between ADR and GDR.

7)Discuss the various methods of making payment in International market.

8)Explain in brief the characteristics and functions of Offshore Financial Centers.

9)Discuss in detail the concept of Non-Performing Asset.

10)What are the different risks involved in International Lending?

11)What is Eurobond? Explain its features.

12)Bring out in detail the need and function of Asset Liability Management.

13)Explain the need for International Financial Architecture in the light of economic crisis.

14)Discuss different factors affecting Foreign Exchange rates.

15)Calculate the Rate of following currencies against Indian rupees.

	Bid	Ask
1 USD INR	60.3000	60.4000
1 GBP USD	1.8100	1.8110
1 EUR USD	1.2050	1.2060
1 USD JPY	113.80	113.90
1 USD CHF	1.2970	1.2980

16)Calculate forward rate of Dollar to Rupee

Spot Rupee against Dollar = Rs.60.6010/60.6050

Dollar to Rupee	Swap Point
1 Month	2000/2100
2 Months	2200/2300
3 Months	2400/2500
4 Months	2600/2700

17)Write short notes on

1)Gold Standard System
2)NEFT
3)Pre-Shipment Finance
4) Capital Adequacy Ratio





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Question Bank - International Business - TYBBI Sem VI

1) Define International Business. Distinguish between domestic and International business
2) What are the features of international business
3) Features of international trade
4) Explain external environment
5) Explain internal environment
6) Distinguish between internal trade and international trade
7) Explain role of government in international market
8) Explain advantages and disadvantages of foreign trade
9) Importance of analysis of business environment
10) What are the effects of globalisation in Indian Economy?
11) Discuss briefly the strategies for going global
12) What is Trans National Corporation? Explain in brief
13) Define Economic Integration. What are the levels of economic integration?
14) Explain the role and objectives of ADB
15) Explain the Principles of WTO
16) What are the determinants of market selection? Explain in brief.
17) Briefly describe the prices of export documentation
18) What are the challenges related to expatriation and repatriation
19) Examine the basis of market segmentation
20) Explain Duty Draw Back under FTP 2015 - 2020
21) Enlist the major steps in ISO 14001 certification

1) Write short notes on:

Exchange control provisions for imports
Niche Marketing
IMF
IDA
ILO
BRICS
Town of Export Excellence
GATS
PESTLE
SPECTACLE
micro environment
Macro environment
Forms of international business
International management



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Question Bank - International Business - TYBBI Sem VI

1. Any commercial transaction that crosses the borders of two or more nations is known as

International business
Global manufacturing
Domestic marketing
Market segmentation

2. International business does not result in the following .....

Innovation is encouraged.
International cooperation is encouraged.
Imports are rendered cheap.
Consumption is minimized.

3. What one of the following is not the advantage of MNCs to the host country

Increase in social activities
Increase in economic activities
Utilization of natural resource
R&D efforts enhanced.

4. Shipping bill is prepared in ------ copies.

Two

Three

Four

Five

5. Market segmentation aims to do _____
Identify the similarities and differences between groups of customers or users.
Identify the similarities between groups of customers or users.
Identify the differences between organizations and their competitors.
Identify the needs and wants of all customers or users.

6. _____ is a pricing strategy in which a marketer sets a relatively high initial price for a product or service at first, then lowers the price over time.
Skimming
Penetration
Dual Pricing
Full Cost Pricing

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7. The Indian Customs EDI Systems is now handling nearly _____% of India's International Trade.
98%
50%
100%
20%

8. ..... Is the first and foremost economic phenomenon,involving the increasing interaction, or integration, of nationalized economic systems through the intensification in international trade , investment and capital flows.
Globalisation
Localisation
Localisation

Liberalization

9. Sectors having potential for International Business in India include.....
Information Technology
Local Trade
Localisation
Glocalisation

10. Economic conditions in the market demand factors:
Level of incomes
Mergers & Acquisitions
Counter Trade
Strategic Alliance

11. ..... Is a system of international trading that helps governments reduce imbalances in trade between them and other countries.
Counter Trade
Merger & Acquisition
Franchising
Licensing

12. Outsourcing a part of or entire production and concentrating on marketing operations in international business is known as .....
External Marketing
Licensing
Franchising
Contract manufacturing

13. Which of the following is not an advantage of exporting?
Easier way to enter into international markets
Comparatively lower risks
Limited presence in foreign markets
Less investment requirements

14. In relation to the PESTEL framework, which of the following statements is correct?
It assists in the assessment of organizational strengths and weaknesses.
It allows a detailed analysis of the structure of an industry.
It can be used as a checklist to understand the different environmental influences in the macro environment
"Takes an historical perspective on the main political, economic, sociocultural, technological, environmental and legal factors..."

15. The following benefit is not expected from globalization
Reaping the benefits of free trade.
Better quality of life through choice of product.
Better knowledge through compulsory education.

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Dissemination of information through new information technology.

16. A ..... Grants the inventor of a new product or process exclusive rights of manufacture, use or sale of that invention.
Patents
Copyrights
Trade Marks
Logo

17. IMF is headquartered in .....
Washington
Geneva
Vienna
Manila
18. WTO is a successor of .....
GATS
GATT
ILO
IMF

19. ..... is also known as International Bank for Reconstruction and Development (IBRD).
Asian Development Bank
World Bank
International Monetary Fund
Regional Development Bank

20. WTO was established on .....
1st January 1995
1st January 1945
27th December 1945
27th December 1995

21. Which of these institutions is not a part of the World Bank community?
IFC
IDA
WTO
IBRD

22. UNCTAD Stands for .....
United Nations Committee on Tariff and Development
United Nations Conference on Trade and Deficit
United Nations Conference on Trade and Development
Union of Nations Cause for Trade and Development

23. The world trade organization was formed in the year _____ with GATT as it basis.
1993
1994
1995
1996

24. The exclusive legal right of authors. Composers, play writes, artists and publishers to publish and disperse their works is
patent
trademark
copyright
technology

25. The terms TRIPs and TRIMs are related to
WTO
IMF

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NAFTA
SAFTA

26. Three pillars of APEC includes all of the following, except.....
Trade & Investment Liberalization
Trade Facilitation
Economic & Technical Cooperation
Political Security

27. ..... deals with copyright, patents, trademarks and related rights.
TRIMS
TRIPS
GATS
Agreement on Agriculture
28. What is the role of IMF?
It controls the budgets of different countries
It acts as a forum for International economics
Promotes free International Trade
It observes world exchange rate, balance of Payments and multilateral Payments

29. The ..... is a politico-economic union of 28 member states that are primarily located in Europe
BRICS
SAARC
EU
APEC

30. BRICS includes Brazil, Russia, India, China and .....
Switzerland
South Africa
Sri Lanka
Singapore

31. Which of the following options contains the correct order from the lowest to highest level of economic integration?
From economic area to customs union to common market to free trade area.
From customs union to economic union to free trade area to common market.
From free trade area to customs union to common market to economic union.
From common market to free trade area to economic union to customs union.

32. ..... means Migration from a home country.
Repatriation
Expatriation
Inpatriation
Immigrantion

33. When a company wants to appeal to varied defined market segments with a strategy tailored to each segment, it is said to be:
Differentiated marketing
Undifferentiated marketing
Niche Marketing
Concentrated Marketing

34. _____ is a pricing strategy in which a marketer sets a relatively high initial price for a product or service at first, then lowers the price over time.
Skimming
Penetration
Dual Pricing
Full Cost Pricing

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35. Indian exporters of products such as coir, coffee, rubber, spices etc. have to register with _____.
EPCs
Commodity Board
FIEO
Shipping Company

36. EPCG scheme is applicable for _____
Capital goods
Technology
Raw materials
Consumables

37. A Commercial invoice is issued by _____
Exporter
Exporters Bank
Importer
Importers Bank

38. Incoterms is specific about the responsibility for marine insurance in case of _____
FOB and EXW
FOB and CIF
CIF and CIP
CPT and DDP

39. FOR means _____.
Free On Road
Free On Rail
Free On Rate
Free On Reel

40. A _____ contract is an agreement between the importer and exporter to exchange a specified amount of the importer's currency for the exporter's currency.
Export
Forward
Back
Import

41. A _____ is a certificate which specifies the country of the production of goods.
Commencement certificate
Registration certificate
ISO certificate
Certificate of origin

42. FOB was stands for _____.
Free on Board
Freight on Business
Free of Business
Forwarding of Business

43. A letter of credit that provides for granting of pre-shipment finance as well as storage of goods in the name of the bank is called _____
Red clause LC
Standby LC
Green Clause LC
Secured LC

44. The Tenure of the foreign trade policy is _____
3 years
5 years



1 year
7 years

45. The _____ scrips are provided to the exporters under various export promotion schemes of the government .
Licence free
Duty free
Letter of credit
Letter of forwarding

46. Duty Drawback is given only, if the in house cost of production is___in relation to international price.
Higher
Lower
Same

10 percent of Price Level

47. Which of the following is not an important document in foreign trade?
A cheque for the value of goods
A draft
Bill of lading
A letter of credit

48. ---------- receipt is a receipt issued by the Commanding Officer of the ship when the cargo is loaded on the ship.
Dock yard
Custom
Mates
Clearing agent

49. In India ---------- is a method of quality control for export goods .
Self certification
Export Under Bond
Letter of Undertaking
Counter trade

50. Inspection certificate is obtained by the exporter at the ----------
Registration stage
Pre shipment stage
Post shipment stage
Production stage



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Question Bank

Subject: Marketing in Banking and Insurance

Class: TYBBI

Semester: VI

Faculty: Mrs. Renu Vijay Verma

1. Define marketing and explain its nature and scope.
2. Explain the importance of marketing.
3. What do you mean by marketing mix? Explain the different elements of marketing mix.
4. What are the factors influencing marketing mix?
5. What do you meant by market segmentation? Explain the factors influencing market segmentation.
6. How you can segmentation made more effective?
7. What we meant by marketing strategy? How you can create marketing strategy?
8. Define marketing channels. What is the role of marketing channels?
9. Explain the different direct and indirect marketing channels
10. What are the factors affecting channels decision?
11. What are the marketing strategies used by banking sector?
12. Explain the marketing of banking services in the globalized scenario.
13. Explain privatization of insurance sector.

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14. Define marketing research and explain its features.

15. Explain the different types of marketing research.

16. Explain the different types in the process of marketing research.

17. Write short notes on:

    A. Market segmentation.

    B. Marketing strategy.

    C. Marketing research.

    D. Marketing channels

    E. Banking services

    F. Insurance services

18. Define services and explain its evolution.

19. What are the characteristic of services marketing?

20. State and explain the need and importance of services marketing?

21. Explain the 7P's of services marketing mix.

22. Explain the services marketing mix strategies for banking and insurance

23. What we mean by marketing logistics? State its significance.

24. Explain the functions of marketing logistics.

25. Write short notes on:

    A. Evolution of services.

    B. 7'Ps of marketing logistics.

    C. Promotion mix.

    D. Price mix.

    E. Marketing logistics

    F. Marketing mix strategies for banking product.

26. Define consumer behaviour. Explain the factors influencing buyer behaviour.

27. Explain the different types of buying behaviour.

28. Explain the different stages in the buying process.

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29. What are the different types of services expectations?

30. How you can manage customers' expectation?

31. What is the role of consumers in services delivery?

32. What is the role of consumer delight? State its importance.

33. Define integrated marketing communication. State the reasons for his growth.

34. Explain the marketing communication process.

35. What you mean by persuasive communication? Explain its types.

36. Write short notes on:

A. Consumer Behaviour.

B. Consumer Expectation

C. Consumer Delight.

D. Interpersonal Communication.

E. Persuasive Communication.

F. Communication Process.

37. Define rural marketing and explain its scope.

38. Explain the feature of rural market.

39. What are the various factors which have made them market more viable and attractive?

40. Distinguish between rural and urban marketing.

41. What are the characteristic of rural consumer.

42. Explain the different bias characteristic.

43. Explain the buying decision process.

44. What we mean by pricing strategy? Explain some of pricing strategies used in rural market.

45. Explain the different pricing methods for rural markets.

46. Explain the different promotional tools used in rural marketing.

47. Explain the different promotion strategies used in rural marketing.

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48. Define logistics and state its feature.

49. What are the problems of physical distribution in rural context.

50. State the measure to solve these problems.

51. What are the possible approaches for effective channels management in the rural context?

52. Explain electronic Chou pal applications.

53. Write short notes on:

A. Buying Decision Process

B. Pricing Strategy.

C. Appropriate Media.

D. Promotion Strategy.

E. Promotion Campaign

F. Innovative Pricing Methods.



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Question Bank

Subject : Marketing in Banking and Insurance

Class: TYBI Semester:VI

Faculty:Mrs. Renu Vijay Verma

Question	Option 1		Option 2		Option 3		Option 4	
1. _____means giving suitable name and symbol to the product.	a. Branding	Y	b. Labelling		c. Advertising		d. None	
2. _____marketing refers to introducing product or service in a small segment of market.	a. Test	Y	b. Digital		c. Marketing		d. None	
3. _____activities are basically for the satisfaction of consumer needs.	a. marketing	Y	b. Branding		c. Packaging		d. None	
4. Marketing mix is the combination of four basic marketing variables namely, product, price, promotion and_____	a. Place	Y	b. Person		c. Physical evidence		d. None	
5. _____facilitates the introdution of suitable marketing mix for each segment to promote sales in each segment.	a. Segmentation	Y	b. Departmentation		c. Delegation		d. None	
6. _____is a long term, forward-looking approach to planning with the fundamental goal achieving a sustainable competitive advantage.	a. Marketing strategy	Y	b. Marketing mix		c. Market segmentation		d. None	

7. _____create different type of utilities by bringing the producers and buyer together.	a. Channels of distribution	Y	b. Advertising		c. Salesmanship		d. None	
8. _____insurance is the oldest form of insurance.	a. Marine	Y	b. Life		c. Fire		d. Marine & life	
9. Risk and uncertanities move_____due to increased sophistication.	a. Upward	Y	b. Downward		c. Parallel		d. None	
10. Marketing research is a_____process.	a. Continuous	Y	b. One time		c. Permanent		d. None	
11. Services are deeds, processes and_____	a. Performances	Y	b. Delivery		c. Exchange		d. None	
12. Services has a high degree of_____	a. Perishability	Y	b. Separability		c. Intangibility		d. None	
13. The_____and the availability form an important base for location of service premises.	a. Accessibility	Y	b. Intangibility		c. Inseperability		d. None	
14. _____is termed as the social environment along with the tangible cues.	a. Physical evidence	Y	b. Simultaneity		c. Perishability		d. None	
15. insurance in the modern form originated in the Mediterranean during the_____century.	a. 13th	Y	b. 14th		c. 15th		d. 20th	
16. When deciding upon the pricing strategy the average rate_____of is one of the main considerations.	a. Mortality	Y	b. Premium		c. Interest		d. None	
17. Incentives to the_____for taking a policy play an important role in promoting the insurance business.	a. End-users	Y	b. Agents		c. Middleman		d. All of the above	
18._____enables production and transfer of goods and services strictly as per schedule.	a. Logistics	Y	b. Marketing		c. Sales promotion		d. None	
19. In the Galloping stage since_____there has been an increase in the growth of service sector and services are the main contributors to the GDP of the country.	a. 2000	Y	b. 1986		c. 1978		d. None	
20. In the 21st Century, the business enironment conditions are likely to be more_____	a. Volatile	Y	b. Flexible		c. Rigid		d. None	

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21. _____refers to the values, practice of customs of the people in the society.	a. Culture	Y	b. Tradition		c. Religion		d. None	
22. The_____is another major influence on consumer behaviour.	a. Family	Y	b. Friends		c. Opinion leaders		d. None	
23._____refers to the persons patterns of living, activities, interest and opinions.	a. Lifestyles	Y	b.Family		c. Friends		d. None	
24. _____is the driving force within individuals that compels them to action.	a. Motivation	Y	b. Communication		c. Advertising		d. None	
25. _____levels are dynamic and fluctuate in response to a varietyof factors.	a. Customers expectation	Y	b. Customers perception		c. Customer believes		d. None	
26. In the service management system, the_____plays a dual role.	a.Customer	Y	b. Creditors		c. Debtors		d. All of the above	
27. High contact service tends to be those in which customers visit the service facility in person.	a. High	Y	b. Low		c. Medium		d. All of the above	
28. The main objective of integrated marketing communication is to influence_____	a. Consumer behaviour	Y	b. Seller's behaviour		c. Middleman		d. None	
29. _____is a term used to describe a holistic approach to marketing communication.	a. Communication process		b. Integrated marketing communication	Y	c. None		d. (a) & (b)	
30. _____can use the internet in a more targeted by way than traditional media.	a. Advertising	Y	b. Salesmanship		c. Publicity		d. society	
31. _____is an important element of rural marketing.	a. Communication	Y	b. Salesmanship		c. Advertising		d. None	
32. _____population forms a major portion of indian population.	a. Rural	Y	b. Urban		c. None		d. both (a) & (b)	
33. One of the important constituent of rural marketing mix is_____	a. Pricing	Y	b. Promotion		c. Physical evidence		d. Physical Distribution	
34. _____promotions have helped in order to build knowledge of the product categories and change long entrenched living habits.	a. Direct media	Y	b. Visual media		c. Catalogue		d. None	

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35. _____is the face to face interaction between the salesman and the prospective customers.	a. Personal selling	Y	b. Advertising		c. Salesmanship		d. None	
36. _____are the weekly markets from where rural consumers purchase the items of daily necessities, garments, farm inputs etc.	a. Haats	Y	b. Village markets		c. Rutu Bazar		d. Niches market	
37. _____are the main channel in rural market for a large variety of consumer products.	a. Private shops	Y	b. Malls		c. Departmental stores		d. None	
38. E-Choupal is an initiative of_____limited.	a.ITC	Y	b. Pepsi		c. Siemens		d. None	
39. _____is central to the success of a rural marketing strategy.	a. Distribution	Y	b. Selling		c. Advertising		d. None	
40. _____in case of marketing in rural areas is highly important so as to nurture the relationship with the newly acquired customers.	a.Public relations	Y	b. Personal selling		c. Advertising		d. None	
41. _____enables all the businesses too have a truly global reach.	a. E-marketing	Y	b. Direct marketing		c. Green marketing		d. None	
42. _____means of marketing are like a monologue.	a. Traditional	Y	b. Modern		c. Internet		d. both (a) & (b)	
43. A company's marketing messages are most effective when they are delivered directly to the target audience.	a. Target	Y	b. Creditors		c. Debtors		d. Bankers	
44. E-marketing lacks_____touch.	a. Persona touch	Y	b. Group touch		c. None of them		d. both (a) & (b)	
45. When making an online purchase, you have to provide atleast your_____information and mailing address.	a. Credit card	Y	b. Bank account		c. Overdraft		d. None	
46. Many corporations use_____to foster a dialog with customers so that they can explain the features of their products and services.	a. Blogs	Y	b. Social media		c. Internet		d. None	

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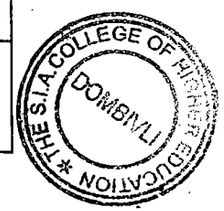
47. _____is advertising in which businesses write short articles related to their industry.	a. Article marketing	Y	b. Advocacy marketing		c. Social advertising		d. None	
48. _____Targeting gives you the ability to target specify customers you think are likely to purchase your product or hire your services.	a. Demographic	Y	b. Geographic		c. Socio-graphic		d. None	
49. _____makes use of personalization to recommend books to customers based on their past purchases.	a. Amazon	Y	b. Internet		c. Social media		d. None	
50. The_____was not created as a marketing tools, it was created to share information.	a. Internet	Y	b. Social media		c. Blogs		d. None	
51._____is not feature of marketing.	a. Transfer of ownership		b. Wide scope		c. Evolutionary concept		d. Price	Y
52. Large scale marketing is possible through appropriate combination of 4P called as_____	a. Product mix		b. Market mix	Y	c. Price mix		d. None	
53. Market is now treated as_____oriented.	a. Producer		b. Seller		c. Consumer	Y	d. None	
54. The national_____policy is successfully implented through marketing.	a. Socio-economic		b. Economic	Y	c. Financial		d. None	
55. _____facilitates quick communication channel between trader and consumer.	a.Marketing		b. Dispersion		c. Loyalty		d. All of the above	
56. International marketing facilitates international movement of capital,_____and technical known-how.	a. Asset		b. Machinery	Y	c. Plant & machinery		d. (a) & (b)	
57. By adding people, process and_____to 4P of marketing mix we get 7P.	a. Packaging	Y	b. Planning		c. Parcel		d. None	
58. Marketing mix aims at achieving marketing mix target in terms of sales,_____and consumer satisfaction.	a. Profit	Y	b. Buyers		c. Sellers		d. None	
59. An_____approach is needed while making change in the marketing mix variable.	a. Continuous		b. Segregated		c. Integreted	Y	d. None	

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60. A_____ has capacity to satisfy human want.	a. Design		b. Style		c. Product	Y	d. Labelling	
61. _____variable is not included in product mix.	a. Product line		b. Packaging		c. Innovation		d.Selling	Y
62. Physical distribution includes_____.	a. Translator		b. Intermediator	Y	c. Publicity		d. Salesman	
63. _____is not included in promotion mix.	a.Advertisement		b. Free sampling		c. Public relation		d. None	Y
64. Advertisement gives information and guidance to_____	a. Retailer		b. Consumer	Y	c. Manufacture		d. Middleman	
65. _____is a direct persuasive communication with customer.	a. Customers expectation		b. Salesmanship	Y	c. Promotion		d. None	
66. _____is a valuation of the product mentioned by the seller of the product.	a. Price	Y	b. Place		c. Promotion		d. None	
67. _____is not the variable of price mix.	a. Pricing policy		b. Credit sale		c. Personal selling	Y	d. Pricing strategy	
68. _____influence the market mix.	a. Product		b. Price		c. Market competition	Y	d. None	
69. _____defines," A chart which shows the element of the mix and the forces that bears on the mix helps to bring understanding of what marketing is.	a. Kotler		b. Neil H Borden	Y	c. William stanton		d. None	
70. Marketing mix is an effective tool for_____	a. Raising price		b. Problem solving	Y	c. Increasing competition		d. None	
71. _____means dividing the total market for a product into different part.	a. Market division		b. Market partition		c. Market segmentation	Y	d. None	
72. _____as regards income, social status, cultural backgrounds, likes and dislikes is useful for rational segmentation of consumers.	a. Homogenous		b. Heterogeneous	Y	c. Both		d. None	
73. _____involves an analysis of company strategic initial situation prior formulation, evaluation and selection of market-oriented competitive position.	a. Homogenous		b. Strategic Planning	Y	c. Substancial		d. None	

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74. _____is medium through which goods are made to move as smoothing as possible to the desired places.	a. Pipe		b. Channels	Y	c. Tunnels		d. None	
75._____helps the marketing channels enables to introduce and promote new product in the existing market.	a. Seller		b. Salesmanship	Y	c. Customer		d. None	
76. _____involves preparing and placing attractive displays of new products.	a. Mechanisms	Y	b. Merchandising		c. Marketing		d. None	
77. _____channels are more common in industrial than in the consumer products.	a. Indirect		b. Direct	Y	c. Both		d. None	
78. The_____can have a greater control over the distribution of their products when they handle the jobs by themselves.	a. Consumers		b. Retailers		c. Producers	Y	d. None	
79. _____marketing channel refers to distributing goods with the help of intermediary agencies.	a. Direct		b. Indirect	Y	c. Both		d. None	
80. The_____agents purchase the goods from the producer and then sells it to the wholesaler, who in turn sells it to the retailers and the retailer sells it to the customers.	a. Manufacturer		b. Sole seller	Y	c. Purchaser		d. A and B	
81. Manufactures of mass consumption goods and operating in the national market find it difficult to manage a large number of wholesalers, so they appoint_____agents.	a. Sole selling	Y	b. Dual seller		c. Retailer		d. Wholesaler	
82. Manufacturers of mass consumption goods with nationwide markets prefer_____channel of distribution.	a. Short		b. Lenghty	Y	c. Both		d.None	
83. The wholesalers should have close contact with the_____	a. Consumer		b. Retailer	Y	c. Manufacture		d. None	
84. Large retail stores like co-operatie stores, Departmental stores, and multiple chain stores directly buy from the_____	a. Producers		b. Retailers		c. Manufacture	Y	d. None	



85.The services of middleman are not used for_____purpose.	a. Selling		b. Marketing	Y	c. Buying		d. A and B Both	
86. In case of Agricultural and Dairy products the producers may supply to the_____their produce	a. Consumer		b. Corporative	Y	c. Non-corporative		d. None	
87. Perishable products like fruits and vegetables will require_____channels to avoid re-handling and spoilage.	a. Longer		b. Medium		c. Shorter	Y	d. All of the above	
88. The_____sells his product throughout the country, then he may to go for longer channel.	a. Manufacturer	Y	b. Retailer		c. Wholesaler		d. None	
89. In case of keen competition, the manufacturer has to seek active support of the_____	a. Wholesaler		b. Middlemen	Y	c. Consumer		d. None	
90. Longer channel will be more useful during the period of_____when demand is more and also increasing.	a. Depression		b. Recession		c. Prosperity	Y	d. None	
91. _____and technological factors also influence the selection of marketing channel.	a. Socio-economic		b. Marketing		c. Economic	Y	d. None	
92. _____conflicts can be resolved by effective communication, mechanism, arbitration, diplomacy and formation of dealer councils.	a. Intermediary		b. Channel	Y	c. Both		d. None	
93. Manufacturers have to offer_____facilities to the intermediaries and also cut down the chances of bad debts.	a. Debit		b. Loan		c. Credit	Y	d. None	
94. Deryk-weyer of Barclays bank came out with a comprehensive definition of_____Marketing.	a. Service		b. Bank	Y	c. Social		d. None	
95. The idea of customer satisfation arose in the_____.	a. 1960		b. 1970		c. 1950	Y	d. 1980	
96.Marketing become more concerned with the well-being of_____.	a. Bank		b. Society	Y	c. Marketing		d. None	

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97. _____is not the feature of banking service.	a. Inseperable		b.Variability		c. Intangible		d. None	Y
98.Banking is one industry where there is no_____servicing the customer.	a. Wholesaler		b. Retailer		c. Middleman	Y	d. None	
99._____plays an important role in Banking services.	a.Customer satisfaction	Y	b. Customer esteem		c. Customer involvement		d. All of the above	
100._____and targeting exisiting high value customers.	a. Amalagamation		b. Segregating	Y	c. Both		d. None	
101.The SBI was set up early in the_____century in order to extend credit facilities.	a. 20th		b. 19th	Y	c. 15th		d. None	
102.The nationalisation of 14 commercial banks in_____	a. 1967		b. 1969	Y	c. 1970		d. 1999	
103. Liberalisation and globalisation process that was initiated in_____	a. 1991	Y	b. 1993		c. 1995		d. 1990	
104. _____is offering 110% loan of the cost of the project in case of construction of building.	a. IDBI	Y	b. SBI		c.ICICI		d. HDFC	
105._____is a Barometer for a judging the performance of any bank.	a. Loss		b. Profit	Y	c. Profit & Loss		d. None	
106. Insurance in the modern form originated in the Mediterranean during the_____century.	a. 14th		b. 13th	Y	c. 15th		d. 20th	
107. Oriental Life Inusrance Company was incorporated in _____	a. Bombay		b. Calcutta	Y	c. Delhi		d. Gujrat	
108. Nationalisation of Life insurance business was taken in_____	a. 1957		b. 1967		c. 1956	Y	d. 1966	
109. The term_____marketing refers to the marketing of insurance services with the aim to create customer and generate profit through customer satisfaction.	a. Marketing		b. Banking		c. Insurance	Y	d. None	
110. The nature and behaviour of business were governed by_____changes.	a. Society		b. Environmental	Y	c. Economical		d. None	

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111. Marketing of Insurance services needs a rational approch which of the following_____.	a. Knowing the market		b. Suitable pricing decisions		c. Product to be developed as per needs		d. All of the above	Y
112. in 1993_____Committee was constitued to review insurance regulations and carry out reforms.	a. Malhotra	Y	b. Narasimha		c. Both		d. None	
113. Insurance awareness among the general public is_____.	a.High		b. Low	Y	c. Medium		d. None	
114.Insurance covers are_____.	a. Expensive	Y	b. Low budgeted		c. Moderate		d. All of the above	
115. _____is a detailed, systematic and comprehensive study of problem.	a. Segmentation		b. Research	Y	c. Both		d. None	
116. Marketing research techniques are used by_____sector to collect information on various aspects of marketing.	a. Financial		b. Non-corporate		c. Non-financial		d. Corporate	Y
117. _____marketing is not compulsory but it is desirable.	a. Survey		b. Observation		c. Test	Y	d. Experimentation	
118. Marketing research is_____ is scope as it deals with all the aspects of marketing of goods and services.	a. Smaller		b. Wider	Y	c. Medium		d. None	
119.Process of maketing research includes_____.	a. Designing a sample		b. Selecting a data source		c. Data collection		d. All of the above	Y
120.The marketing team may suggest many problems but the researcher has to select_____major problem which is suitable for detailed investigation.	a. Three		b. Many		c. Two		d. One	Y
121. While determining the research objectives, the researcher has to formulate_____to fit the problem under investigation.	a. Objective		b. Questionnaire		c. Hypothesis	Y	d. Design	
122._____is a comprehensive plan for the conduct of actual research work.	a. Research objective		b. Research design	Y	c. Hypothesis		d. None	

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123. _____is a blueprint of the whole research activity.	a. Research sample		b. Research design	Y	c. Research objective		d. None	
124._____acts as guiding document as the whole research process moves as per the design prepared.	a. Objective		b. Research design	Y	c. Research sample		d. None	
125.The_____guides the data collection process.	a. Hypothesis	Y	b. Research design		c. Objective		d. All of the above	
126. Surevey work and field investigation will also be needed for the collection of_____data.	a. Secondary		b. Primary	Y	c. Both		d. None	
127. _____is a small representative group selected from the total population for intensive study purpose.	a. Design		b. Sample	Y	c. Hypothesis		d. None	
128. Questionnaire techniques for data collection are used in_____survey.	a. Observation		b. Mailing		c. Field	Y	d. All of the above	
129. _____moves the research process from planning stage to the implementation stage.	a. Designing		b. Data collection	Y	c. Sampling		d. None	
130. Scrutiny of data, editing, coding, classification and tabulation of data are required under_____.	a. Data collection		b. Desgning		c. Data Processing	Y	d. None	
131.Product research is a type of_____research and is undertaken by companies manufacturing and marketing products particularly the consumer product.	a. Analytical		b. Survey		c. Applied	Y	d. None	
132. Social, economic, cultural and psychological influences affecting purchase decisions of consumers are studied in_____research.	a. Product		b. Sales		c. Consumer	Y	d. B and C	
133. _____research relates to consumer behaviour at the market place.	a. Consumer	Y	b. Experimental		c. Sales		d. None	

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134. Consumer research facilitates a fair decision making in relation to the_____marketing mix.	a. 4P's	Y	b. 7P'S		c. Both		d. None	
135. Consumer research provides_____data about the consumer needs, expectations, buying decisions and so on.	a. Secondary		b. Primary	Y	c. Both		d. None	
136. Promotion research includes consumer promotion, trade promotion and_____	a. Manufacturer promotion		b. Retail promotion	Y	c. Product promotion		d. None	
137. _____is an example of retail promotion.	a. Sampling		b. Tie-lns.		c. Free goods	Y	d. Financial incentives	
138. Promotion research included which of the following aspects_____	a. Brand image research	Y	b. Display		c. Sampling		d. Special events	
139. Fisk, Brown and Bitner identify_____stages in the evaluation of services marketing.	a. One		b. Three		c. Five		d. Four	Y
140. The 'Crawling Out' stage which took place prior to_____	a. 1970		b. 1980	Y	c. 1950		d. 1990	
141. The_____stage between 1980 and 1986.	a. Crawling out		b. Walking Erect		c. Scuryying about	Y	d. None	
142. The_____was between 1986 and 2000.	a. Crawling out		b. Walking Erect	Y	c. Scuryying about		d. None	
143. The 'Galloping' stage from_____till date.	a. 2002		b. 1990		c. 1995		d. 2000	Y
144. In the_____stage discussion centered on the need for a seperate body of literature to deal with the specific problems of service sector.	a. Crawling out	Y	b. Walking erect		c. Scuryying about		d. None	
145. _____include consideration of Service Encounters, Service design, Perceived service quality and customer satisfaction, internal marketing and relationship marketing.	a. Crawling out		b. Walking erect	Y	c. Scuryying about		d. None	

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146. Service marketing does not include_____.	a. Intangibility		b. Perishability		c. Homogeneity	Y	d. Ownership	
147. Service lifecycle includes_____.	a. Maturity		b. Growth		c. Decline		d. All of the above	Y
148. _____is a significant element of marketing mix because it is the only element that produce revenue whereas the other element produce cost.	a. Growth		b. Price	Y	c. Product		d. Promotion	
149. _____is a dynamic tool for meeing competition.	a. Product		b. Place		c. Pricing	Y	d. Promotion	
150. Objective of Pricing does not include_____.	a. Maximize profit		b. Leadership		c. Maturity	Y	d. Survival	
151. _____is the factor affecting pricing decsions.	a. Internal		b. External		c. Both	Y	d. None	
152. Internal factor of pricing decision includes_____.	a. Competition		b. Demand		c. Positioning	Y	d. Regulatory factor	
153. External factor affecting pricing decision includes_____.	a. Organizational factor		b. Positioning		c. Demand	Y	d. Service cost	
154. _____is the process of transfering goods from the place of production to the place of consumption.	a. Consumption		b. Manufacturing		c. Distribution	Y	d. None	
155. Services are deeds, processes and_____.	a. Performances		b. Delivery	Y	c. Exchange		d. None	
156. Services has a high degree of_____.	a. Perishability	Y	b.Seperability		c. Intangibility		d. None	
157. The_____and the availability form an important base for location of service premises.	a. Accessibility	Y	b. Intangibility		c. Inseperability		d. None	
158. Social factors affecting consumer buying behaviour includes_____.	a. subculture	Y	b. Physical surrounding		c. Perception		d. Belive	
159. Psychological Factors affecting consumer buying behaviour includes_____.	a. Lifestyles		b. demoghraphic		c. Perception	Y	d. family	

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160. _____ is included in personal factors affecting consumer buying behaviour	a. motives		b. lifestyles	Y	c. reference group		d. attitude	
161. _____gave five forces anlysis for industry attractiveness	a. Kotler		b. Brick		c. Poter	Y	d. (a) & (b)	
162. Poter's 5 force model was developed in the year	a. 1970		b. 1987		c. 1960		d. 1979	Y
163. Michael E Poter's generic strategies include_____.	a. Cost leadership		b. Differntiation		c. Focus		d. All of the above	Y
164. _____ studies how people buy, when they buy and why they buy.	a. Cosumer satisfaction		b. Consumer behaviour	Y	c. Researcher		d. All of above	
165. A social class is relatively _____ group.	a. Hetrogenous		b. Homogeneous	Y	c. both		d. none	
166. The _____surroundings at the place of purchase affect buying behaviour.	a. Place		b. Promotion		c. Physical	Y	d. None	
167. _____refers to changes in individual behaviour that are caused by information and experience.	a. Believe		b. Perception		c. Learning	Y	d. None	
168. _____ is the impression which one forms about a certain situation or object.	a. Believe		b. Perception	Y	c. Learning		d. None	
169._____is complex and dynamic in nature.	a. Manufacturer		b. Consumer behaviour	Y	c. Consumer Attitude		d. None	
170. Consumer buying process starts with the_____ of a problem.	a. Identification	Y	b. distraction		c. Both		d. None	
171. Employment opportunities made possible increase in_____.	a. Power		b. Demand		c. Purchasing power	Y	d. None	
172. The focus strategy is also known as a _____strategy.	a. Niche	Y	b. Gatekeeper		c. Efficiency		d. None	

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173. The sender, is the_____ of the communication	a. opponent		b. initiator	Y	c.middleman		d. ender	
174. In persuasive communication _____can be used to attract attention.	a. metaphors	Y	b. similar		c. adherent		d. none	
175. A_____ is anything that pulls the consumer attention away from the content of a factual message.	a. distraction	Y	b. initiator		c.middleman		d. ender	
176. E-Choupal means	a. committee		b. group of people		c. village meeting place	Y	d. panchayat	
177. E-Choupal was launched in	a. july 2001		b. June 2000	Y	c. august 2005		d. july 2000	
178. _____become the largest private sector initiative among all internet based intervention in rural India	a. ITC		b. E-Choupal	Y	c. Niche		d. All of above	
179.The principal of E-Choupal is to inform, complete and_____	a. Eliminate		b. E-market		c. Empower	Y	d. (a) & (b)	
180. _____is external factor of pricing.	a. social consideration	Y	b. price elasticity		c. market positioning		d. cost of manufacturing	
181._____is internal factor of pricing	a. Bargaining power of customer		b. Government control		c. consumption of product line	Y	d. market	
182. _____is cost-based approch	a. perceive- value pricing		b. going rate pricing		c. sealed-bid pricing		d. cost - plus pricing	Y
183. _____ is Buyer-based approach	a. Breakeven analysis		b. target- profit pricing		c. perceive-value pricing	Y	d. sealed-bid pricing	
184. _____is Competition based pricing	a. sealed-bid pricing	Y	b. target- profit pricing		c.perceive-value pricing		d. cost-plus pricing	
185. The rural population is_____.	a. Highly dense		b. Highly scattered	Y	c. Low		d. dense	
186. Due to diverse _____backwardness the standard of living of rural areas is low.	a. Socio-economic	Y	b. economical		c. both		d. none	

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187. _____of India's population lives in villages.	75%		b.80%		c.70%	Y	d. 40%	
188. _____of FMCG manufacturer's total sales comes from rural areas.	40%		60%		c. 34%	Y	d. 44%	
189. The _____facilities make it more convenient for both the customer and the firm to collect and evaluate information.	a. online feedback	Y	b.survey		c. observation		d. both (a) & (c)	
190. Marketing research is an_____.	a. applied knowledge	Y	b. Analysis		c. observation		d. none	
191. _____is a psychological pricing strategy.	a. Value-based pricing	Y	b. Cost-plus pricing		c. Preceive pricing		d. Target-profit pricing	
192. Demand-based pricing focuses on the_____ for a product or service.	a. supply		b. Market force		c. Level of demand	Y	d. purchasing power	
193. A good _____is one who is persuasive but not pushy in nature.	a. consumer		b. salesperson	Y	c. Manufacture		d. both (a) & (c)	
194. _____provides an opportunity to marketer to display their products.	a. manufacture		b. salesperson		Niche		d.Haats	Y
195. The _____is a unique web-based initiative of ITC limited.	a. ITC		b. E-Choupal	Y	c. Niche		d. All of above	
196. E-Marketing is a process of marketing a brand using the _____.	a. computer		b. Internet	Y	c. face-t-face		d. none	
197. E-Marketing is_____	a. Expensive		b. Moderate		c. Less expensive	Y	d. (b) & (c)	
198. Classifaction of E-Commerce	a. B2B		b.B2C		c.C2C		d. all of above	Y
199._____is used for business communication in E-Commerce	a. B2B	Y	b. C2B		c.C2C		d. none	
200._____is used for Consumer communication in E-Commerce	a. B2B		b.B2C		c.C2C	Y	d. all of above	
201. _____is example of Digital Marketing	a. Content marketing		b. TV	Y	c. banner ads		d. email marketing	
202._____is example of Internet marketing	a. TV		b. SMS		c. Radio		d. email marketing	Y
203. _____is formula of E-Marketing	a.3S+2C+3P		b. 2P+2C+3S	Y	c. 3S+4P+2C		d.3P+3S+2C	

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204. _____is P's in E-Marketing	a. place		b. Promotion		c. Privacy	Y	d. product	
205. _____is P's in E-Marketing	a. place		b. Promotion		c. Personalization	Y	d. product	
206. _____is C's in E-Marketing	a. Customer service	Y	b. Consumer behaviour		c. Consistency		d. Common	
207._____is C's in E-Marketing	a. Consumer behaviour		b. Community	Y	c. Consistency		d. Connectivity	
208. _____is 3S's in E-Marketing	a. site		b. security		c. Sales promotion		d. All of the above	Y
209. Marketing people market following entities	a. Goods		b.Services		c.Experiences		d. All of the above	Y
210. Process of selecting segments to serve by offering product is referred as _____	a. Market segmentation		b. Targeting	Y	c. Marketing		d. Both a and b	
211. Customer classification depends on_____.	a. Potential profitability		b. Projected loyalty		c. Both a and b	Y	d. None of above	
212.Suitable example of 'Selling Concept is_____.	a. Insurance or blood donations	Y	b. Lenovo		c. Southwest Airlines		d. Bottled water industry	
213. Most crucial and first step in marketing is process _____.	a.Designing a marketing strategy		b. Create customer delight		c. Understanding customer needs and wants	Y	d. Capturing value from customers	
214.Company focuses on product improvements on continuous basis in marketing concept called _____.	a. The product concept	Y	b. The production concept		c. The selling concept		d. None of the above	
215.Market offering can be combination of _____.	a. product & services		b. Information		c. Places	Y	d. all of above	
216. Customer driven marketing strategy is another name of_____.	a. The selling concept		b. The marketing concept	Y	c. The product concept		d. The societal marketing concept	
217. Out Of 4ps in marketing mix three are product, promotion, and price, which is the 4th P._____.	a. Purpose		b. Place	Y	c. Pursuit		d. Promotion	

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218. Which P is not included in the 7Ps of marketing mix?	a. People		b. Purpose	Y	c. Promotion		d. Physical environmen	
219. In Marketing mix which scope of product supports the elements _____	a. Guarantee		b. Warrantee		c. Packaging	Y	d. All of these	
220. Which is the ingredient of product mix?	a. Advertising		b. Public relation		c. Personal selling		d. Sales promotion	Y
221. Place" in 4Ps mean same as_____.	a. Promotion		b. People		c. Distribution	Y	d. Demand	
222. Kind of online marketing domain which is initiated by consumer to target consumers is classified as_____.	a. consumer to business domain		b. consumer to consumer domain	Y	c. business to consumer domain		d. business to business domain	
223. Kind of direct marketing done by mailing print, digital or video catalog is presented online or made available in stores is classified as _____.	a. direct mail marketing		b. kiosk marketing		c. catalog marketing	Y	d. premium marketing	
224. Kind of online marketing domain which is initiated by business to target consumers is classified as_____.	a. business to consumer domain		b. business to business domain	Y	c. consumer to business domain		d. consumer to consumer domain	
225. Website build to engage customers from different places to move them closer for marketing outcome is classified as _____.	a. corporate website		b. marketing website	Y	c. branding website		d. viral website	
226. Group of online social communities such as virtual worlds, social networking sites and blogs where people exchange opinions is classified as_____.	a. inbound social networks		b. outbound social networks		c. offline social networks		d. online social networks	Y
227. Rural markets and rural marketing involve a number of strategies, which include:	a. Management of demand		b. Developmental marketing		c. Unique selling proposition (USP)		d. All of these	Y

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228. Which of the following is a function of NABARD?	a. Monitoring flow of ground level credit to agriculture		b. Credit planning and monitoring		c. Formulation of operational guidelines for rural financial institution		d. All the above	Y
229. Web of computer networks that connect users from all around world to interact with each other is classified as	a. interactive net		b. internet	Y	c. intranet		d. extranet	
230. In case of keen competition, the manufacturer has to seek active support of the_____	a. Wholesaler		b. Middlemen	Y	c. Consumer		d. None	
231. Longer channel will be more useful during the period of_____when demand is more and also increasing.	a. Depression		b. Recession		c. Prosperity	Y	d. None	
232. _____and technological factors also influence the selection of marketing channel.	a. Socio-economic		b. Marketing		c. Economic	Y	d. None	
233. _____conflicts can be resolved by effective communication, mechanism, arbitration, diplomacy and formation of dealer councils.	a. Intermediary		b. Channel	Y	c. Both		d. None	
234. Manufacturers have to offer_____facilities to the intermediaries and also cut down the chances of bad debts.	a. Debit		b. Loan		c. Credit	Y	d. None	
235. Deryk-weyer of Barclays bank came out with a comprehensive definition of_____Marketing.	a. Service		b. Bank	Y	c. Social		d. None	
236. The idea of customer satisfation arose in the_____.	a. 1960		b. 1970		c. 1950	Y	d. 1980	
237.Marketing become more concerned with the well-being of_____.	a. Bank		b. Society	Y	c. Marketing		d. None	
238. _____is not the feature of banking service.	a. Inseperable		b.Variability		c. Intangible		d. None	Y

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239.Banking is one industry where there is no_____servicing the customer.	a. Wholesaler		b. Retailer		c. Middleman	Y	d. None	
240._____plays an important role in Banking services.	a.Customer satisfaction	Y	b. Customer esteem		c. Customer involvement		d. All of the above	
241._____and targeting exisiting high value customers.	a. Amalagamation		b. Segregating	Y	c. Both		d. None	
242.The SBI was set up early in the_____century in order to extend credit facilities.	a. 20th		b. 19th	Y	c. 15th		d. None	
243.The nationalisation of 14 commercial banks in_____	a. 1967		b. 1969	Y	c. 1970		d. 1999	
244. Liberalisation and globalisation process that was initiated in_____	a. 1991	Y	b. 1993		c. 1995		d. 1990	
245. _____is offering 110% loan of the cost of the project in case of construction of building.	a. IDBI	Y	b. SBI		c.ICICI		d. HDFC	
246._____is a Barometer for a judging the performance of any bank.	a. Loss		b. Profit	Y	c. Profit & Loss		d. None	
247. Insurance in the modern form originated in the Mediterranean during the_____century.	a. 14th		b. 13th	Y	c. 15th		d. 20th	
248. Oriental Life Inusrance Company was incorporated in _____	a. Bombay		b. Calcutta	Y	c. Delhi		d. Gujrat	
249. Nationalisation of Life insurance business was taken in_____	a. 1957		b. 1967		c. 1956	Y	d. 1966	
250. The term_____marketing refers to the marketing of insurance services with the aim to create customer and generate profit through customer satisfaction.	a. Marketing		b. Banking		c. Insurance	Y	d. None	

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The South Indian Association
The S.I.A. College of Higher Education
Affiliated to University of Mumbai
Accredited B+ by NAAC
P-88, MIDC Residential Area Dombivli Gymkhana Road,
Near Balaji Mandir, Dombivli (East), 421203.

Department of Banking and Insurance

Class: TY B.Com (Banking & Insurance)

Subject : Security Analysis and Portfolio Management **Semester : VI**

Name of Teacher: Ranjana Mhalgi

Theory Question Bank

Unit 1

1) Explain the investment process in detail
2) What are the factors affecting the investment process
3) What are the various investment avenues to park surplus funds
4) Elaborate the various participants in the capital market
5) What is the role of investment banker
6) What are the different market indices and their role
7) What are the benefits of Depositary settlement
8) What are the advantages of online trading
9) Explain Investment Process
10) Investment vs Speculation vs Gambling
11) Explain Any 5 Investment Avenues.

Unit 2

1) What are the different types of risk
2) Numerically on Risk, SD, Variance, Co-efficient of variation, weighted returns, Beta

Unit 3

1) Explain the portfolio management process
2) What are the objectives of portfolio management
3) What are the approaches and principles for portfolio construction
4) What is fundamental and technical analysis (Fundamental vs technical)
5) What are the different types of charts and uses of them
6) Use of moving averages and oscillators
7) Numerical on ratios

Unit 4

1) Elaborate some theories on portfolio constructions
2) What is Security market line and what are the assumptions of the CAPM model
3) Numericals on CAPM and portfolio evaluation

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Question Bank of MCQs

Class: TY B.Com (Banking& Insurance)

Subject : Security Analysis and Portfolio Management

1. _____ is the employment of funds with the aim of getting return on it.
   a. Investment
   b. Risk
   c. Gambling
   d. All of the above
2. _____ is a reward for waiting for money.
   a. Investment
   b. Risk
   c. Gambling
   d. All of the above
3. _____refers to the loss of principal amount of an investment.
   a. Debt
   b. Risk
   c. Gambling
   d. Speculation
4. _____ refers to the expected rate of return from an investment.
   a. Investment
   b. Risk
   c. Return
   d. All of the above
5. _____refers to the protection of investor principal amount and expected rate of return.
   a. Investment
   b. Risk
   c. Safety
   d. All of the above
6. _____refers to an investment ready to convert into cash.
   a. Speculation
   b. Risk
   c. Liquidity
   d. All of the above
7. _____refers to buying and selling of securities in market.
   a. Liquidity
   b. Marketability
   c. Investment
   d. Speculation
8. _____refers to appreciation of investment.
   a. Liquidity
   b. Risk
   c. Capital growth
   d. All of the above



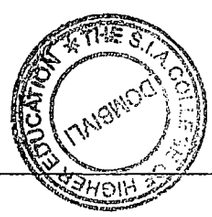
9. _____investment represent ownership in a running company.
   a. Debt
   b. Equity
   c. Preference share
   d. All of the above
10. _____ are long term investment options with a fixed stream of cash flows depending on the quoted rate of interest .
   a. Debentures
   b. Equity
   c. Preference share
   d. All of the above
11. A _____ is a professionally managed investment scheme usually run by an asset management company that brings together a group of people and invest their money in stocks, bonds and other securities.
   a. Mutual fund
   b. Debt
   c. Equity
   d. All of the above
12. The _____ is a saving cum tax saving instrument in India introduced by the national saving institute of the ministry of finance in 1968.
   a. Mutual fund
   b. Bond
   c. NSC
   d. **Public provident fund**
13. _____ are the shares which are preferred over common or equity share in payment of surplus or dividend .
   a. Right shares
   b. Equity shares
   c. Preference shares
   d. All of the above
14. The _____ Account is the deposit scheme offered by the department of post on which fixed interest is paid.
   a. Post office savings
   b. Fixed deposit
   c. Current
   d. Savings
15. _____ refers to the unsecured deposits invited by companies from the public mainly to finance working capital needs.
   a. Public deposit
   b. Fixed deposit
   c. Current deposit
   d. Corporate deposit
16. A _____ is a interest bearing deposit bank product offered to corporate banking customers by banks and accredited financial institutions .
   a. Public deposit
   b. Fixed deposit
   c. Current deposit
   d. **Corporate deposit**
17. A _____ is an insurance plan where the premium paid is invested in equity, debt, or money market instrument.
   a. **ULIP** LIC Mutual funds All of the above



18. Section ____ is the most widely used section for claiming income tax deductions .
    a. **80C**
    b. 70C
    c. 60C
    d. All of the above
19. The maximum deduction which can be claimed under sec80C is Rs _____.
    a. 100000
    b. **150000**
    c. 125000
    d. 75000
20. _____ investor is conservative .
    a. **Type A**
    b. Type B
    c. Type D
    d. All of the above
21. _____ investor is moderately conservative .
    a. Type A
    b. **Type B**
    c. Type D
    d. All of the above
22. _____ is an activity quite contrary to its literal meaning in which a person assumes high risk, often without regard for the safety of his invested principal to achieve large capital gains.
    a. Investment
    b. **Speculation**
    c. Gambling
    d. All of the above
23. _____ is the wagering of money or something of value on an event with an uncertain outcome with the primary intent of winning money or material goods.
    a. Investment
    b. Speculation
    c. **Gambling**
    d. All of the above
24. _____ is one attractive tax sheltered investment scheme for middle class and salaried persons.
    a. Mutual fund
    b. Bond
    c. NSC
    d. **Public provident fund**
25. A _____ is a type of debt instrument that is not secured by physical assets or collateral .
    a. **Debenture**
    b. Equity
    c. Preference share
    d. All of the above
26. _____ is an Indian government saving bond primarily used for small savings and income tax saving investments in India.
    a. Mutual fund
    b. Bond
    c. **NSC**
    d. Public provident fund
27. This type of risk is avoidable through proper diversification .
    a. Portfolio risk
    b. Systematic risk
    c. **Unsystematic risk** **d.total risk**



28. A statistical measure of the degree to which two variable move together.
    a. Coefficient of variation
    b. Variance
    c. Covariance
    d. Certainly equivalent
29. An aggressive common stock would have a beta .
    a. Equal to zero
    b. Greater than one
    c. Equal to one
    d. Less than one
30. A line that describe the relationship between an individual security return and returns on the market portfolio.
    a. Characteristic line
    b. Security market line
    c. Capital market line
    d. Beta
31. According to the CAPM a security is expected return is equal to the risk free rate plus a premium.
    a. Equal to security beta
    b. Based on the security risk of the society
    c. Based on total risk of the security
    d. None of the above
32. The risk free security has a beta equal to, while the market portfolio beta is equal to.
    a. One and more than one
    b. Ones and less than one
    c. Zero and one
    d. Less than zero and more than zero
33. Carrie has a certainty equivalent to a risky gamble expected value that is less than the gamble expected value . Carrie shows
    a. Risk aversion
    b. Risk preference
    c. Risk indifference
    d. None of the above
34. Beta is slope of .
    a. The security market line
    b. The capital market line
    c. Characteristic line
    d. CAPM
35. A measure of risk per unit of expected return
    a. Standard deviation
    b. Coefficient of variation
    c. Correlation and coefficient
    d. Beta
36. The greater the beta the of the security involved
    a. Greater the unavoidable risk
    b. Greater the avoidable risk
    c. Less the unavoidable risk
    d. Less the avoidable risk
37. The oldest approach to common stock selection is .
    a. Fundamental analysis
    b. Technical analysis
    c. Random walk analysis
    d. Value analysis



38. Technical analysis reflects the idea that stock prices :
    a. Move upward over time
    b. Move inversely over time
    c. Move in trends
    d. Move randomly
39. One of the most popular tools used by technical analysis is :
    a. P/E ratio
    b. Book-to-market-value ratio
    c. Moving averages
    d. Growth rate to dividends
e. Both (i) and (ii)
40. A bar chart is used to illustrate :
    a. High, low and closing stock prices on a daily basis
    b. Reversal in the direction of stock prices without consideration of time
    c. High, low opening and closing prices on a daily basis
    d. Advances and declines of stock prices
    e. The candlestick line
41. According to the Dow Theory, daily fluctuations and secondary movements in the stock market are used to identify the :
    a. Primary trend
    b. Short-term trend
    c. Moving average
    d. Intermediate trend
    e. Seasonal patter n

42. Which of the following indicates a sell signal to technical analysts?
    a. The advance-decline line is rising in a falling market
    b. The amount of short selling done by specialists is high
    c. The resistance level is broken
    d. The majority of stock market newsletters are bearish
    e. Both (ii) and (iv)

43. Which of the following indicates a buy signal to technical analysts?
    a. The advance-decline line is falling in a rising market
    b. The support level is broken
    c. The stock breaks through the moving average line from below
    d. Both the Dow Jones industrial average and the Dow Jones transportation average are moving down
    e. Odd-lot buying exceeds odd-lot selling

44. When odd-lot selling exceeds odd-lot buying, this is considered a :
    a. Neutral signal
    b. Bullish signal
    c. Signal to switch from stock to bonds
    d. Bearish signal
    e. Bearish signal by some technical analysts and as a bullish signal by another technical analysts

45. When technical analysts say a stock has good relative strength, they mean the :
    a. Ratio of the price of the stock to a market index has trended upwards
    b. Recent trading volume in the stock has exceeded the normal trading volume
    c. Ratio of the price of the stock to a market index has trended downwards
    d. Total return on the stock has exceeded the total return on other stocks in the same industry
    e. Stock has performed well compared to other stocks in the same industry

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46. A basic assumption of technical analysis in contrast to fundamental analysis is that :
a. A technical analyst would evaluate the amount of short selling, the volume of trading, and the P/E ratio of a stock
b. A stocks price will approach its intrinsic value overtime
c. Security prices move in patterns, which repeat over long periods
d. Financial statements provide information crucial in valuing a stock
e. The stock market is inefficient

47. A resistance level is the price range at which technical analysts would expect the :
a. Demand of a stock to decrease substantially
b. Demand of a stock to increase substantially
c. Supply of a stock to increase substantially
d. Supply of a stock to decrease substantially
e. Both (ii) and (iv)

48. Which of the following terms represents an upper price limit for a stock, based on the quantity of willing sellers?
a. Support
b. Channel
c. Trend line
d. Resistance

49. The daily high prices represented on a candlestick chart by the :
a. Trend line
b. Channel
c. Real body
d. Shadow

50. The daily opening price is represented on a candlestick chart by the :
a. Trend line
b. Channel
c. Shadow
d. Real body

51. Which of the following do technical analysts believe is a lower bound on a stocks price?
a. Shadow
b. Moving average
c. Trend line
d. Resistance
e. Support

52. Which of the following is a sentiment indicator?
a. Trend line
b. Relative strength ratio
c. Advance-decline line
d. Odd-lot trading

53. Which of the following is a breadth?
a. Odd-lot trading
b. Advance-decline line
c. Put/call ratio
d. Channel



54. On which of the following does a hammer sometimes appear?
a. Candlestick chart
b. Moving average chart
c. Point-and-figure chart
d. Bar chart

55. The number of stocks hitting new 52-week highs is a(n) :
a. Primary trend indicator
b. Breadth indicator
c. Sentiment indicator
d. Intermediate trend indicator

56. Which type of chart includes daily high price, low price, opening price, and closing price?
a. Candlestick chart
b. Point-and-figure chart
c. Moving average chart
d. Bar chart

57. Which of the following contains the real body?
a. Candlestick chart
b. Point-and-figure chart
c. Bar chart
d. Moving average chart

58. Which type of chart has no time horizon?
a. Moving average chart
b. Point-and-figure chart
c. Candlestick chart
d. Bar chart

59. Which type of chart is formed using only closing price data?
a. Point-and-figure chart
b. Advance-decline chart
c. Candlestick chart
d. Bar chart

60. Which of the following is most closely associated with the terms "primary trend", "intermediate trend" and "short-term trend"?
a. Channel
b. Candlestick chart
c. Bar chart
d. Dow Theory

61. Which of the following is not breadth indicator?
a. Volume
b. New high/new low indicator
c. Odd-lot trading
d. Advance-decline line
e. Relative changes in trading volume

62. When technical analysts say that a stock has "good relative strength", they mean that :

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a. The recent trading volume in the stock has exceeded the normal trading volume
b. The total return on the stock has exceeded the total return on other stocks in the same industry
c. The ratio of the price of the stock to a market index has trended upward
d. The stock has performed well compared with other stocks in the same risk category as measured by beta

63. Which of the following is not part of the bar chart?
a. Opening price
b. Closing price
c. High price
d. Low price
e. Both the third and fourth answers

64. Which of the following is not a part of the candlestick chart?
a. Shadows
b. Closing price
c. Real body
d. Volume of trading
e. Opening price

65. According to the Dow Theory, the primary trend represents a cycle lasting approximately :
a. To 3 ½ years
b. To 4 ½ years
c. To 12 months
d. 3 to 6 weeks
e. 3 to 6 months

66. Which of the following is not a basic tenet of the Dow Theory?
a. The financial market has three distinct types of movements : the primary trend, the intermediate trend, and short-term trends
b. There is usually a positive relationship between a trend and the volume of shares traded
c. A bear market is established when the Dow Jones industrial Average is moving down
d. The intermediate trend has a duration of three weeks to six months
e. No additional information is needed for the stock market outside of data on stock indexes

67. Which of the following is not part of technical analysis?
a. Put/call ratio
b. Support level
c. Trendline
d. Channels
e. P/E ratio

68. The opportunity line is the :

a. **Set of all portfolios with the same expected rate of return but different standard deviations**

b. Set of portfolios among which the investor is different

c. Set of investment opportunities made available by mixing a risky asset and a risk free asset

d. Set of investment opportunities made available by mixing two risky assets

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69. Consider a graph with standard deviation on the horizontal axis and the expected return on the vertical axis. The line that connects the risk free rate and the optimal risky portfolio is called:

a. The security market line

b. The characteristics line

c. The capital market line

d. The indifference curve

70. Market risk is also called:

a. Unique risk and non-diversifiable risk

b. Non-diversifiable risk and systematic risk

c. Systematic risk and diversifiable risk

d. Systematic risk and unique risk

80. Suppose you estimate the characteristic line for stock X. You find that the standard deviation of X's error term is 7%, X's beta is 1.4 and the standard deviation of the market is 12%. What is the total standard deviation for Stock X ?

a. 19.0 %
b. 18.2 %
c. 30.5 %
d. 15.8 %
e. 23.8 %

81. The risk-free rate for the next year is 3% and the market risk is premium is expected to be 10%. The beta of Acme's stock is 1.5. If you believe that Acme's stock will actually return 18.2 % over the next year, then according to the CAPM you should:

a. Buy the stock because it is under priced.
b. sell the stock because it is underpriced
c. Sell the stock because it is overpriced
d. Be indifferent between buying and selling the stock
e. Buy the stock because it is overpriced

82. Which one of the following is true?

a. Alpha is the slope of the characteristic line
b. Alpha is the slope of the opportunity line
c. Beta is the slope of the capital market line
d. Beta is the slope of the security market line
e. **All of the above are false**

83. The market risk premium is 15% and the risk-free rate is 5%.The beta of Asset Dis 0.2. What is Asset D's expected returnUnder the CAPM?

a.20%
b. 30%
c. 7%
d. 3%
e. 8%

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84. According to the CAPM, overpriced securities have:

a. Negative alphas
b. zero alphas
c. negative betas
d. Positive alphas
e. Zero betas

85. The beta of the risk-free asset is:

a. -1.0
b.2.0
c.1.0
d. 0
e.0.5

86.Stock A has a beta of 1.0 and very high unique risk. If the Expected return on the market is 20%, then according to the:

a.More than 20% because of Stock A's very high unique risk
b.At least 20% if the investor holds only Stock A
c. The answer cannot be found without knowing Stock A's correlation Or covariance with the market
d. Exactly 20

87.The beta of the market portfolio is:

a.0.5
b. 0
c. -1.0
d.1.0

88. If an asset's expected return plots above the security market Line, the asset is:

a. Under priced
b. Overpriced
c. Fairly priced
d. If it has an Unusually large amount of unique risk
e. Both the first and third answers

89.The market risk premium is the slope of
a. the capital market line
c. the Characteristic line
d. The opportunity line
e. the security market line

90. Capital asset pricing theory asserts that portfolio returns are best explained by:

a. specific risk
b. diversification
c. economic factors **d. systematic risk**

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91. The market portfolio has a beta of:
a. -1.0
b 2.0
c. 1.0
d.0.5

92. According to security market line, the expected return of any security is a function of

a. Total risk
b. systematic risk
c. Unsystematic risk
d. diversifiable risk
e. Unique risk

93. Accordingccording to the capital market line, the expected return of any

a. systematic risk
b. unsystematic risk
c. total risk
d. beta

94. Which of the following statements about the market portfolio is False?

a.The market portfolio contains both systematic and unsystematic risk
b.The market portfolio lies on the capital market line
c. The market portfolio lies on the security market line
d. The market portfolio includes all risky assets in the world
e. The market portfolio is on the efficient frontier

95. Fundamental analysis is a method of finding out the ____ price of a security

a. Intrinsic
b. Past
c. Recent
d. Market

96. When the fim takes advantage of borrowed funds to increase the ROI, it is termed as

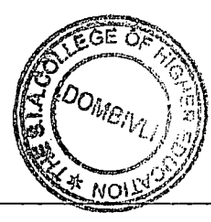
a. Trading on equity
b. Over Capitalization
c. overtrading
d. Capital Gearing

97.Investors have to _____ review and revise their portfolios.

a. Regularly
b. Quarterly
c. Yearly
d. Daily

98.The primary purpose of investment is to _____

a. Gain
b. Loose
c. Win
d. Appreciation



99. Investment decisions which are not carefully thought out are ____

a. Economical

b. Costly

c. Technical

d. Elastic

100. According to CAPM, investors are ___

a. Risk averse

b. Risk Neutrals

c. Risk Takers

d. None of the above.

101. According to CAPM, the correct measure of risk is termed as _____

a. Business risk
b. Financial Risk
c. Beta-Coefficient
d. Systematic Risk

102. ____ is a money market security.

a. Debenture
b. Commercial paper
c. Gold and Silver
d. Mutual fund

103 Which of the following is a tax saving investment?

a. Gold
b. Post office monthly income scheme
c. Company Debentures
d NSC

104. ____ is a market where short term funds are borrowed and lent.

a. Money Market
b. Capital Market
c. Bank
105. _____ is a good investment alternative for high-tax paying investors
a. Equity shares
b. T-Bills
c. **PPF**

Subject Teacher

Convener

THE STATE COLLEGE OF HIGHER EDUCATION DOMBIVLI

SAPM PROBLEMS

Q1) The rate of return on stocks of Ben and Ten under different states of the economy are presented below along with the probability of the occurrence of each state of the economy.

Particulars	Boom	Normal	Recession
Probability of occurrence	0.3	0.5	0.2
Rate of Return on Stock Ben (%)	25	35	45
Rate of Return on Stock Ten (%)	45	35	25

(i) Calculate the expected rate of return and standard deviation of return on stocks Ben and Ten.
(ii) If you could invest in either stock Ben or stock Ten, but not in both, which stock would you prefer.

Q2) You being a Portfolio Management Consultant, an investor with an investible surplus of 45 lakhs and Income before tax of Rs. 10 lakhs has approached you for advise. He wishes to know the following
(a) What are the various investment avenues available to him, which will give him stable return with minimum risk. ANS) WRITE INVST ALTERNATIVEs

(b) What are the various investment avenues available which can minimise his income tax outflow?

ANS) WRITE TAX SAVING INVESTMENT ALTERNATIVES

Q3) Mr. Smith purchased 200 Shares of JKL Ltd. @Rs. 200 each (Face Value Rs. 5 per share) and paid brokerage @ 1.50% on 01-01-2009. On 17-07-2010 the company declared Bonus Shares in the ratio of 1:1, He received no dividend on the shares in 2009. But on 24-12-2010 the company paid dividend @40% dividend. He sold all the shares at Rs. 150/- each on 91-12-2A10 and paid brokerage of Rs. 1,200/-. What is the yearly rate of return on his investment ?

Q4) Mr X purchased 400 shares of A Ltd. four years ago at Rs300 each.

The rate of brokerage was 1%. The company distributed following dividends:

	Year 1	Year 2	Year 3	Year 4
Dividend per share (Rs.)	2	2	2·50	3

The current price of the share is Rs. 330 and brokerage is 1%. What is the profit earned on his investment if he sells the shares now?

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Q5) Based on the below mentioned data decide whether the portfolio has outperformed the market in terms of Sharpe ,Trey nor, and Jensen benchmark evaluation measures.

Particulars	Portfolio	Market
Average Return	7%	10%
Beta	0.4	1.00
Standard Deviation	3%	8%
Risk free rate	6%	6%

Q6)Evaluate performance of following portfolio and the market ON SHARPE,TREYNORS & JENSON RATIOS using the following data and comment on the same:

Portfolio	Standard Deviation (σ) (%)	Beta β	Expected Return %
Dev Ltd.	20	1·25	35
Gandharva Ltd.	18	1·10	30
Asura Ltd.	19	1·15	32
Market	15	1·00	25

(Note : Risk-free interest rate is 8%.)

7) From the following information, calculate the return on the overall portfolio using the CAPM model. Risk free rate is 10%

Investment option	Initial price	closing price	dividend	beta
BHEL	2300	2400	Rs 350	0.8
TCS	2500	3000	Rs 500	1.1
Infosys	3050	2990	–	1.25

8) Calculate ER and SD from the following info

January	10.25
February	11.75
March	9.25
April	10.15
May	11.25
June	11.95
July	12.25
August	11.90
September	12.30
October	11.75
November	10.95
December	11.75

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9) Calculate BETA .

Prob	Returns of Cipla ltd	Market returns
0.2	- 8	13
0.1	15	-5
0.3	12	7
0.2	9	10
0.2	-2	8

10)Calculate Beta and ER under CAPM

Compute Beta and Expected Return. $R_f = 9\%$.

Year	Returns		
	Kapil Ltd. (%)	Durgesh Ltd.	Market (%)
1	20	16	14
2	22	18	16
3	20	20	18
4	18	24	12

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10)

The following is the Balance Sheet of a company as on 31st March:

Liabilities	*Rs.*	*Assets*	*Rs.*
Share Capital	2,00,000	Land and Buildings	1,40,000
Profit & Loss Account	30,000	Plant and Machinery	3,50,000
General Reserve	40,000	Stock	2,00,000
12% Debentures	4,20,000	Sundry Debtors	1,00,000
Sundry Creditors	1,00,000	Bills Receivable	10,000
Bills Payable	50,000	Cash at Bank	40,000
	8,40,000		8,40,000

Calculate :

(1) Current Ratio
(2) Quick Ratio
(3) Inventory to working Capital
(4) Debt to Equity Ratio
(5) Proprietary Ratio
(6) Capital Gearing Ratio
(7) Current Assets to Fixed Assets

11)

Ram & Company supplies you the following information regarding the year ended 31st December:

Cash Sales	Rs. 80,000
Credit Sales	Rs. 2,00,000
Return Inward	Rs. 10,000
Opening Stock	Rs. 25,000
Closing Stock	Rs. 30,000

Gross Profit Ratio is 25%
Find out Inventory Turnover.

12)

The Capital of a Company is as follows:

	Rs.
9% Preference Shares of Rs.10 each	3,00,000
Equity Shares of Rs.10 each	8,00,000
	11,00,000

The Accountant has ascertained the following information :
Profit (after tax at 60%) Rs. 2,70,000.
Depreciation Rs. 60,000
Equity Dividend Paid 20%

Market Price of equity share Rs. 40.
You are required to state the following, showing the necessary workings :
(*a*) Dividend yield on the equity shares.
(*b*) Cover for the preference and equity dividends.
(*c*) Earnings for equity shares.
(*d*) Price-earnings ratio

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Name of the Faculty- Mahesh Kandalkar

Class-S.Y.B & I

Subject-Financial Markets Sem-3

Subjective Questions

1) Explain the function of Financial System.

2) Explain Inflation and types of Inflation.

3) Explain in detail the various Constituents of Indian Financial System.

4) Explain classification of Financial Market.

5) Elaborate Money Market and its instruments.

6) Explain Primary Market in brief and its advantages and disadvantages.

7) Explain Financial Instrument and its Characteristics.

8) Explain Derivative and types of derivative contract.

9) Explain Classification of Financial Instrument in details.

10) Explain in detail various constituents of India financial System

11) Explain various functions of financial Intermediaries.

12) Explain in detail various financial services offered in the financial system

13) What is money Markets and Explain the Instruments of money Markets.

14) Explain characteristics of capital market?

15) What are the various types of bonds?

16) Explain the status of debt markets in India

17) Explain characteristics of financial Instruments?

18) Explain forward v/s futures contract

19) Explain securities market in detail. What are the functions of securities market?

20) Explain meaning of Bond market and explain the structure of Indian Bond Markets indetail.

21) Explain classification of financial instruments in detail

22) What is Derivative market? What are the benefits of derivative markets with reference toIndia?

23) What are financial services? Explain its features and importance

24) Define Commodity market and explain its types

25) Explain Multi commodity exchange and National Commodity Derivatives Exchange.

26) Explain the participants in money market

27) Explain the instruments of money market in India

28) Explain the features of Stock Exchange

29) Explain the methods of raising funds in Primary market

30) Define Risk management. Explain the process of risk management.

Subject teacher



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Question Bank

SYBBI, Subject - Financial Markets, Semester - 3

SR.NO	Questions	Option 1	Option 2	Option 3	Option 4
1	The _____ deals in a new financial claim,	Money Market	Primary Market	Seconadary Market	Capital Market
2	The BSE sensex consists of a basket of _____	30	50	100	66
3	_____ is the function of financial system	Nationalization of financial institutions	Establishment of development banks	Intermediaries Control	Saving Function
4	Stock Holding Corporation of India was set up in Year	1985	1986	1987	1988
5	The central banking functions in india are performed by the	Central bank of India	Reserve Bank of India	State Bank of India	Punjab National Bank
6	new shares or debenture it is	IPO	Fresh Issue	Secondary Issue	Public Issue
7	SEBI Securities exchange Board of india was established	1990	1993	1988	2000
8	there are no standardized rules and regulations govering	Fresh Issue	Unorganized Markets	Organised Markets	Secondary Markets
9	A _____ is a promissory note issued by the	Treasury Bills	Commercial Banks	Commercial Paper	RRB's
10	_____ is an unsecured instrument issued	Development Banks	Reserve Bank of India	Commercial Banks	Commercial Paper
11	_____ is chairman of central board of	Finance Minister	Governor	President	Prime Minister
12	The central co-operative bank works at the _____	Base	First	Co-operative	Apex

13	_____ means a bank included in the second	Schedule	Non- Schedule	Co - Operative	Commercial
15	_____ serve the rural areas and agricultural	RRB	NABARD	SIDBI	RBI
16	Who controls the money market _____	Reserve Bank of India	State Bank of India	Non Banking Financial Companies	Discount and Financial House of India
17	A markets for borrowing and leading of funds for a very short period is	Cash Loan	Call Loan	Certificate of Deposits	Debenture
18	_____ is an amount borrowed or lent on demand for a very short	Call Money	Commercial Papers	Certificate of Deposits	Treasury Bill
19	_____ market deals with short term lending and borrowing	Capital Markets	Money Markets	Treasury Bill	Commercial Paper
20	_____ are transactions or short term loans in which two	Commercial papers	Call Money	Reverse REPO	REPO
21	SBTS stands for_____	Screen Based Training System	Screen Based Traditional System	Screen Based Trading System	Screen Based Technology System
22	The external factor that affects the industry as a whole	Systematic	Finance	Marketing	Human Resource
23	market is termed as the market for equities and	Mutual Funds	Equity	Industrial	Preference
24	_____ are instruments issued by companies to raise capital and it represents the	Preference Share	Equity Share	Corporate Debt	Bonds
25	instruments that are issued by companies or	Mutual Funds	Preference Share	Bonds	Equity Share
26	_____ is the oldest stock exchange in india	Bombay Stock Exchange	National Stock Exchange	S & P CNX Nifty	OTCEI
27	The NSE is value weigthed index composed of	30	20	50	60
28	_____ of securites refer to the sanction of the	Listing	Delisting	Trading	Fundamental Ananlysis
29	_____ analysis is the study of economic, industry,	Technical	Fundamental	Open	Line

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30	India was incorporated in _____	1995	1985	1980	1990
31	_____ are additional shares given to the current	Rigth issue	ESOP	Preference Shares	Bonus Share
32	ESOP stands for _____	Employee Stock Ownership Plan	Equity Stock Ownership Plan	Earning Stock Ownership Plan	Employer Stock Ownership Plan
33	Book buliding is a method of determination of	Time	Weight	Quality	Price
34	_____ is the issue of securities of a company direct	Private Placement	IPO	Secondary Market	Primary Market
35	The clearing corporation of india limited (CCIL) was set up	1995	2001	2005	2010
36	committee recommended that the government must	Narasimham	CV Raman	Chakraborthy	Nehru
37	financial condition and credit worthiness of the issuer of	CRISIL	Moody's	SEBI	RBI
38	_____ comprises of investor like banks RBI,	Wholesale Debt Market	Retails Debt Market	Foreign Exchange Market	Money Market
39	_____ are money market instruments, i.e short _____	Debt	Money Bill	Treasury Bills	Capital Market
40	are securities that do not have a fixed coupon rate	Fixed Rate	Floating Rate	Zero Coupon	Capital Indexed
41	as a common place where	Derivatives	Commodity	Forex	stock Market
42	_____ is a person buys or sells the commodity	Hedgers	Arbitragers	Speculators	Broker
43	_____ demands the simultaneous sale and	Speculators	Hedger	Arbitrage	Broker
44	_____ is a professionally managed online	ICEX	MCX	NMCE	NCDEX
45	genuine exposure to the	Speculators	Hedgers	Arbitragers	Stock Broker
46	in commodities began in india	1975	1775	1875	1885
47	financial asset that derives its	Commodity	Foreign Exchange	Derivative	Fixed Income Security
48	_____	Risk	Uncertainity	Probability	Loss
49	An _____ contract is an agreement between two	Derivatives	Future	Forward	Option



50	_____ was the first exchange to take up the issue	NCDEX	NMCE	ICEX	MCX
51	_____	1950	1951	1949	1955
52	_____ has been set up in july 1988 as an apex	Reserve Bank of India	Export- Import Bank of India	Industrial Investment Bank of India	National Housing Bank
53	purchase of exporter's	Underwriter	Merchant Banker	Factoring	Forfeiting
54	_____ is a system where there is exchange of	Financial System	Primary Markets	Commonly Markets	Derivatives Markets
55	of India was in the Year	1947	1948	1949	1950
56	are short term instruments	Development Banks	Commercial Banks	Co-operative Banks	RRB's
57	as _____ market	Secondary Markets	Stock Markets	Unorganized Markets	New issue
58	used by the bank to meet	Short Money	Call Money	Put Money	Financial Instruments
59	_____ is the nodal agency to regulate the capital	RBI	RRB's	SEBI	Promotional Activties
60	Reseve Bank of India has been given the statutory function of	Note Issue	Treasury Bills	Promotional Activities	RRB's
61	fixed date of redemption	Open Ended funds	Close Ended funded	Diversified funds	Venture Capital
62	of joint stock companies	Private Banks	Public Bank	Foreign Bank	Co-operative Bank
63	The _____are been set up to supplement the	Schedule Bank	Non Schedule Bank	Regional Rural Banks	Foreign Bank
64	_____ is a process by which a firm can obtain the	Leasing	Hire Purchase	Venturing Capital	Depository
65	A _____ is an institution which accept deposits from	SEBI	Bank	Government of India	RBI
66	adjust liquidity in the financial	T - Bills	CD's	Repo	CP's
67	Which of the following is an example of a non banking	Commercial Bank	Reserve Bank of India	Co-operative Banks	Life Insurance Corporation of India
68	money market	Commercial Paper	Treasury Bills	Debenture	Commercial Bill
69	Financial instruments are useful for	Creating benefits for government	Providing credit creation	Mobilisation of savings	For creating direct securities
70	issued by commercial banks at	Share	Treasury Bills	Commercial Paper	Certificate of Deposits
71	simply refer to a market for	Money	Capital	Debenture	Stock
72	The _____ market is the market for the	Primary	Secondary	Industrial Securities	Gilt - Edged

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73	The entire pre - issue share capital, other than locked in as	One Year	Two Year	Three Year	Four Year
74	instruments issued by	Bonds	Mutual Funds	Government Securities	Gilt - Edged
75	_____ between	Chain	Link	Block	Diversified
76	who purchase and sell	Jobbers	Commission Brokers	Sub Brokers	Arbitrageurs
77	established in which year	1990	1875	1995	1890
78	rolling settlement are settled	T + 1 day	T + 3 day	T + 2 day	T + 4 day
79	_____ analysis is the process of examining a	Technical	Fundamental	Economic	Industry
80	A company's _____ ratio is a liquidity ratio	Net Profit	Inventory	Debt	Current
81	_____ is a prospectus which does not	Prospectus	Red Herring Prospectus	Book Buliding	Draft
82	_____ are intermediaries who undertake	Stock Broker	Sub - Broker	Registrars	Jobbers
83	_____refers to the work of investigation, analysis	Delisting	Initial Public Offer	Fellow on public Offering	Origination
84	According to Section 26 of the companies Act, 2013,	Red Herring	Shelf	Abridged	Deemed
85	When an issue of securities is made by an issuer to its	Rights issue	Private Placement	Tender Method	Bonus Shares
86	Yield to maturity _____	Is current price of a bond	Is coupon payment of a bond	Is related to price of a bond	Is historical Price of a bond
87	unsecured instrument issued	Commercial Bank	Treasury Bills	Commercial Paper	Cash Management Bills
88	_____ markets supply long term funds for the	Equity	Debt	International	Financial
89	_____ are the most dominant category of debt	Debt	Capital Market	Treasury Bill	Governemnt Securities
90	_____ are long term securities that carry a fixed or	Dated Government securites	State Development	Cash Management	Zero Coupon Bonds
91	of participants in a commodity	Two	Three	Four	Five
92	_____ has been given with higher aurthority to	State Government	Central Government	Central and state Government	Foreign Goverment
93	on thin margin, leveraged	Speculators	Investors	Hedgers	Stock Broker



94	listed exchange of india	ICEX	NCDEX	NMCE	MCX
95	An _____ swap can be used to transform a	Interest Rate	Swaption	Warrants	Baskets
96	the buyer the right to sell the	Debenture	Equity	Call	Put
97	A _____ contract is an agreement to buy or sell an	Future	Swaps	Forward	Option
98	A _____ option gives the option holder the right but not	Put	Call	Swap	Warrants
99	_____ contract involves two parties thus	Tarding	Bilateral	Counter Party Risk	Standardised
100	A _____ contract is an agreement among two parties	Bilateral	Forward	Future	Swaps

Subject Teacher

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Question Bank

Subject: FC in Banking

Class: SYBI

Semester: 3

Faculty: Mrs. Renu Vijay Verma

Multiple Choice question

1. A cheque dated subsequent to the date of its issue is _____.
A. post dated cheque
B. blank cheque
C. crossed cheque
D. account payee cheque
ANSWER: A
2. A cheque date before the date of its issue is _____.
A. ante dated cheque.
B. full worth cheque
C. preemptive cheque.
D. worth cheque
ANSWER: A.
3. A drawer can also be a _____.
A. Payee.
B. paymaster.
C. banker
D. creditor
ANSWER: A
4. The rate at which RBI discounts approved bill of exchange is _____.
A. bank rate
B. interest rate
C. exchange rate

D. discount rate
ANSWER: D
5. _____ headed the committee on Computerization in Indian banks (1988).
A. M. Narasimhan.
B. M.M. Shah.
C. M. Venkat Ram
D. Raj Foster
ANSWER: A
6. The Word Bank has been derived from a Latin word which means _____.
A. a bench for the keeping, lending and exchanging etc. of money.
B. an institution for meeting people.
C. place, where persons can relax
D. an institution for coordinating people
ANSWER: A
7. A company who accepts demand deposit is called _____.
A. banking company
B. joint stock company
C. manufacturing company
D. IT company
ANSWER: A
8. The lien is _____.
A. method to create charge over customers property
B. not used for respective customers account.
C. not used for loan
D. used for loan
ANSWER: A
9. One rupee notes bear the signature of _____.
A. president of India
B. prime minister of India
C. governor of Reserve Bank of India
D. secretary, Ministry of finance (Government of India).
ANSWER: D
10. Small coin depot is the property of _____.
A. State bank of India
B. Government of India
C. Reserve bank of India
D. Indian bank.
ANSWER: B
11. A Banking company whose license is cancelled may appeal to the ___.
A. High court.
B. Supreme court
C. RBI.
D. Central government
ANSWER: D

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12. Who controls credit in India?
A. Government of India.
B. RBI.
C. SBI.
D. Indian bank
ANSWER: B
13. RBI grants for agricultural purposes _____.
A. only short term finance.
B. medium and long term finance.
C. short and medium-term finance only
D. short, medium and long term finance
ANSWER: C
14. The apex institution in agricultural finance is_____.
A. NABARD
B. EXIM bank
C. RBI
D. IDBI
ANSWER: A
15. Development banks are institutions which _____.
A. give development loans
B. provide emergency loans of banks
C. are subsidiaries of RBI
D. provide term finance to industries
ANSWER: B
16. IFCI was established in _____.
A. 1947.
B. 1948
C. 1951
D. 1956.
ANSWER: B
17. IFCI has its registered office in _____.
A. Bombay
B. Madras
C. Newdelhi
D. Calcutta.
ANSWER: B
18. National industrial development corporation Ltd, was established in _____.
A. 1954
B. 1955
C. 1956
D. 1964
ANSWER: A
19. LIC was set up in _____.
A. 1948



B. 1951
C. 1956
D. 1964
ANSWER: C
20. ICICI was incorporated in _____.
A. 1948
B. 1955
C. 1956
D. 1964
ANSWER: B
21. Negotiable instruments are defined under _____.
A. Section 52 of the Banking regulation act, 1949
B. Section 25 of the Reserve bank of India act, 1934.
C. Section 13 of the Negotiable instruments act, 1881.
D. Section 14 of the companies act, 1956.
ANSWER: C
22. Who is primarily liable on a promissory note?
A. Holder.
B. Maker.
C. Drawee.
D. Endorser.
ANSWER: B
23. A Cheque is always payable on _____.
A. demand.
B. a specified future date
C. the last day of the grace.
D. the will of the paying banker.
ANSWER: A
24. A promissory note _____.
A. can be drawn in sets
B. cannot be drawn in sets
C. indemnity bond is also necessary.
D. indemnity bond is not necessary.
ANSWER: B
25. In a promissory note the words or order are _____.
A. necessary to insert.
B. not necessary to insert
C. not necessary but it is usual to insert
D. necessary it is usual
ANSWER: C
26. Bill of exchange can be drawn payable _____.
A. to bearer on demand
B. either on demand or after a fixed time
C. to bearer in presence

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D. to bearer not in presence.
ANSWER: B
27. Until a bill of exchange is accepted, primary liability there on is that of _____.
A. Payee.
B. Drawee.
C. Drawer.
D. Acceptor.
ANSWER: C
28. A bill of exchange is drawn for a maximum period of ____.
A. 90 days.
B. 120 days.
C. 180 days.
D. 360 days.
ANSWER: C
29. Expansion of HDFC _____.
A. Housing Development Finance Corporation
B. Housing Development Finance Company
C. Housing Development Finance Co-operative
D. Housing Development Finance Community
ANSWER: A
30. Negotiable gives to the transferee _____.
A. the same title
B. no title
C. no better title
D. better title
ANSWER: D
31. _____ is a dead cheque.
A. Post dated cheque
B. Stale cheque.
C. Ante dated cheque.
D. Pre dated cheque
ANSWER: B
32. RBI refers to _____.
A. Reserve Bank of India.
B. Revenue Bank of India.
C. Rupee Bank of India
D. Regional Bank of India
ANSWER: A
33. Name the person to whom the amount of the cheque is payable?
A. Drawer.
B. Payee.
C. Drawee.
D. Acceptor
ANSWER: C



34. Which is a private bank?
A. SBI.
B. UTI
C. IOB.
D. Indian bank.
ANSWER: B
35. The best suited deposit for trading community is _____.
A. Savings deposit
B. Current deposit.
C. Fixed deposit
D. RD.
ANSWER: B
36. A pledge can be made in respect of _____.
A. building.
B. shares.
C. motor car.
D. book debts
ANSWER: B
37. A collecting banker is given the statutory protection only when he acts as ___.
A. a holder
B. an agent.
C. a holder for value.
D. a holder in due course.
ANSWER: D
38. The law of limitation applies to a saving deposit account from the date of _____.
A. opening it.
B. closing it.
C. demanding it.
D. operating it.
ANSWER: A
39. The most liquid asset is _____.
A. gold.
B. bill of exchange.
C. government bonds.
D. cash.
ANSWER: D
40. According to IBA the maximum period for which fixed deposits can be obtained is _____.
A. no limit
B. 5 years
C. 7 years
D. 10 years
ANSWER: C
41. The right of set – off is nothing but a _____.

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A. right to sell.
B. right to retain.
C. right to combine
D. right to appropriate
ANSWER: C
42. Discounting of bills of exchange is ____.
A. clean advance
B. secured advance
C. neither clean advance nor secured advance.
D. unsecured advance
ANSWER: C
43. Expansion of SWIFT is _____.
A. Society for worldwide inter bank financial telecommunication
B. Security for worldwide inter bank financial telecommunication
C. Secured for worldwide inter bank financial telecommunication
D. Safety for worldwide inter bank financial telecommunication.
ANSWER: A
44. Expansion of NEFT_____.
A. National Electronic Fund Transfer.
B. Neutral Electronic Fund Transfer.
C. Nominal Electronic Fund Transfer.
D. Natural Electronic Fund Transfer.
ANSWER: A
45. Expansion of EFT_____.
A. Electronic Fund Transfer
B. Economic Fund Transfer.
C. European Fund Transfer
D. Electric Fund Transfer.
ANSWER: A
46. RTGS system works _____ days in a year
A. 365.
B. 362
C. 300.
D. 305.
ANSWER: B
47. KYC means_____.
A. know your customer.
B. know your creditor.
C. know your cost.
D. know your card.
ANSWER: A
48. The first bank in India to be given an ISO certificate _____.
A. Canara bank
B. SBI.



C. central bank of India.
D. Indian bank
ANSWER: A
49. The first Indian bank to open branch outside India _____.
A. Bank of India
B. Allahabad bank.
C. south Indian bank
D. Indian bank
ANSWER: A
50. RTGS means _____.
A. Real Time Gross Settlement.
B. Real Turn Gross Settlement.
C. Real Technique Gross Settlement
D. Real Towards Gross Settlement
ANSWER: A

51. The committee was set up to study bank computerization under _____.
A. Dr. C Rangarajan.
B. Dr. C. Ragavendra
C. Dr. C. Raja Rajan
D. Dr. C. Ramachandran
ANSWER: A
52. In which system computers are based on the centralized processing concept?
A. Multi-user computer networking
B. Stand-alone computer networking
C. Processing computer system
D. Frame computer system
ANSWER: A
53. Customer interface is maximum at the _____ level.
A. zonal.
B. branch
C. head office.
D. state office.
ANSWER: A
54. The head office of a bank is responsible for_____.
A. only Bank-level planning
B. only Bank-level planning, control functions
C. bank-level planning, control functions and policy decision
D. only services to the branches
ANSWER: C
55. Core banking is a _____ branch computerization model.
A. decentralized
B. centralized.
C. unified
D. ATM



ANSWER: A

56. The objective of computerization in India is to _____.

A. replace men with machines

B. make the work-life more meaningful

C. control the manpower

D. control the economy

ANSWER: A

57. ATMs are primarily used for performing the _____ functions.

A. infrastructure

B. computer-based

C. banking

D. hospitalized

ANSWER: C

58. In the early 1990s, which type of ATMs makes their appearance in India?

A. Multi-user ATM.

B. Network ATM.

C. Branch ATM

D. Stand-alone ATMs

ANSWER: D

59. Expansion of ECS_____.

A. Electronic Clearing system

B. Electronic centered system.

C. Electronic cross systems

D. Electronic conversion systems.

ANSWER: A

60. EFT is introduced by

A. IRDA

B. RBI.

C. SEBI

D. NSE.

ANSWER: B

61. How many public sector banks have EFT facility available?

A. 27

B. 32

C. 28

D. 30

ANSWER: A

62. How many scheduled commercial banks have EFT facility available?

A. 35

B. 45

C. 55

D. 65

ANSWER: C

63. How many centers have EFT facility available?

A. 15 centers



B. 14 centers.
C. 13 centers.
D. 12 centers
ANSWER: A
64. Any EFT limit on the amount of individual transaction?
A. No limit.
B. Rs. 5,00,000.
C. Rs. 50,00,000.
D. Rs. 25,00,000.
ANSWER: A
65. . _____ is a technology that allows you to access your bank account from a mobile device.
A. Home banking
B. Mobile banking
C. Internet banking.
D. Television banking
ANSWER: B
66. Which has been made possible by the application of information technology?
A. Date mining.
B. Date warehousing
C. Databases.
D. Support systems.
ANSWER: B
67. _____ is a technique to reveal the strategic information hidden in the data warehouses.
A. Data mining.
B. Data warehousing
C. Data bases
D. Support systems
ANSWER: A
68. _____ is the demographic information about customers to help banks focus on particular segments
A. Date mining
B. Date warehousing
C. Data analysis
D. Support systems
ANSWER: C
69. _____ is to analyze the performance of a set of securities and fundamental data of the companies that issue the securities.
A. Date mining
B. Date warehousing
C. Data analysis.
D. Stock portfolio creation and analysis.
ANSWER: C
70. Who recommended the RBI to establish a data warehouse on banking and finance?
A. Dr. Rangarajan.

B. M.M. Shah
C. M. Venkat Ram
D. Vasudevan.
ANSWER: D
71. The universal set of standards for EDI is known as _____.
A. EDIFACT.
B. EDI.
C. ISO
D. BIS
ANSWER: A
72. Communication technology _____.
A. facilitates the processing of data.
B. helps in transmission of data
C. enables decision support system.
D. is a tool for data mining.
ANSWER: B
73. Which of the following is the gateway in India EDI services worldwide?
A. Satyam online
B. BSNL.
C. MTNL
D. VSNL.
ANSWER: D
74. When SHIFT network was came to India?
A. December 2, 1991.
B. December 1, 1991.
C. December 3, 1991.
D. December 4, 1991
ANSWER: A
75. How many standard message categories in SWIFT?
A. 10 types
B. 9 types
C. 8 types.
D. 7 types.
ANSWER: B
76. The banking operations are carried through a single banking office is _____.
A. branch banking
B. unit banking
C. commercial banking
D. universal banking
ANSWER: B
77. The banking operations are carried through a network of branches are called____.
A. branch banking
B. unit banking.
C. commercial banking.
D. universal banking

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ANSWER: A

78. The banking which attracts deposits and lending for only short periods is known as _____.

A. commercial banking
B. unit banking
C. branch banking
D. development banking

ANSWER: A

79. Deposit banking is also called as ___.

A. commercial banking.
B. unit banking.
C. branch banking
D. development banking.

ANSWER: A

80. In India every scheduled bank has to maintain with RBI a cash balance equivalent of all the deposit liabilities called as _____.

A. open market ratio.
B. cash reserve ratio.
C. bank reserve ratio.
D. credit reserve ratio.

ANSWER: B

81. During 1969, how many banks were nationalized?

A. 15
B. 14
C. 16
D. 17

ANSWER: A

82. During 1980, how many banks were nationalized?

A. 7
B. 6
C. 5
D. 8

ANSWER: B

83. The _____ acts as an agent of the RBI.

A. SBI
B. ICICI
C. IOB
D. HDFC

ANSWER: B

84. Which committee recommended the establishment of private sector banks in India?

A. Dr. Rangarajan committee.
B. Narashimham committee
C. Rajendran committee.
D. Govindarajan committee.

ANSWER: A



85. RBI was set up in the year____.
A. 1935.
B. 1934.
C. 1933
D. 1932.
ANSWER: A
86. _____ has been constituted as a corporate body having perpetual succession and a common seal.
A. RBI.
B. ICICI.
C. HDFC.
D. IOB.
ANSWER: A
87. The Indian _____ is the market in which short term funds are borrowed and lent.
A. Money market
B. Open market
C. Closed market.
D. Credit market
ANSWER: A
88. Where did bill market first developed?
A. USA
B. London.
C. France
D. Italy.
ANSWER: B
89. The obligation of a banker to honour his customers cheque is extinguished on receipt of an order of the
court, known as the _____.
A. garnishee order.
B. bank order
C. RBI order.
D. debtor order
ANSWER: A
90. A Garnishee order is an order issued by _____.
A. Income tax officer
B. official liquidator
C. court.
D. RBI
ANSWER: C
91. The deposit with the bank for a fixed period which is specified at the time of making the deposit is
called _____.
A. saving deposit
B. current deposit
C. bank deposit



D. fixed deposit
ANSWER: D
92. The minimum period for which a commercial bank can accept term deposit is __.
A. 7 days
B. 15 days
C. 30 days
D. 60 days.
ANSWER: A
93. Interest on fixed deposits is compounded _____.
A. monthly
B. quarterly.
C. half yearly
D. yearly basis
ANSWER: B
94. A banker should not stop operation of the account if the customer ____.
A. dies.
B. becomes insolvent
C. changes his business premises.
D. becomes insane
ANSWER: C
95. . Floating rate of interest is the rate which is _____.
A. . decided by the bank arbitrarily.
B. linked with another relevant rate.
C. fixed by the Indian banks association
D. notified by the reserve bank of India.
ANSWER: B
96. MICR refers to _____.
A. Magnetic Ink Character Recognition
B. . Magnetic Ink Company Recognition
C. Magnetic Ink Cross Recognition.
D. Magnetic Ink Community Recognition.
ANSWER: A
97. If the endorser signs his name only the endorsement is said to be _____.
A. . endorsement in blank
B. . endorsement in full.
C. . conditional endorsement
D. restricted endorsement.
ANSWER: B
98. A cheque with Not negotiable crossing _____.
A. cannot be negotiated
B. can be negotiated and the endorsee title is not affected in any case.
C. can be negotiated but the holder of the cheque will not have title better than that of the person from
whom he took it.
D. is always deemed as crossed specially

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ANSWER: C

99. Who can cancel the crossing on a cheque?

A. The payee.

B. The paying banker.

C. The endorser.

D. . The drawer.

ANSWER: D

100. Which is not possible for the payee of a cheque?

A. To convert a bearer cheque into an order cheque.

B. . To convert an open cheque into a crossed cheque.

C. To convert general crossing into special crossing

D. To make a specially crossed cheque into generally crossed cheque.

ANSWER: D

101. . A banker should not refuse payment of a cheque if _____.

A. . the cheque is a post dated cheque.

B. . the cheque is drawn on another branch of the same bank.

C. the cheque contains an apparent material alteration which is not properly authenticated by the drawer.

D. . the cheque bears more than two endorsements

ANSWER: D

102. . The acceptor for honour _____.

A. . Does not bear any liability as he is not a party to the bill.

B. Bears the liability similar to the person for whose honour he accepts the bill.

C. . Acts as a surety to the drawee.

D. Bears no liability.

ANSWER: B

103. The cause of dishonour of cheque much be _____.

A. forget signature of drawer.

B. . incomplete cheque.

C. insufficiency of funds in the account.

D. any material alteration.

ANSWER: C

104. REPO facility means _____.

A. . borrowing of money without security.

B. borrowing on the basis of guarantee.

C. borrowing against term loans.

D. borrowing against securities on repurchase basis.

ANSWER: D

105. . Aggregate capital market exposure for banks is prescribed as 40 per of ____.

A. . net worth.

B. aggregate time and demand liabilities.

C. total investments

D. . total assets of a banking company.

ANSWER: A



106. . Expansion of SBI
A. State Bank of India.
B. . Securities Bank of India.
C. Stock Broking of India.
D. Society Bank of India.
ANSWER: A
107. A negotiable instrument not drawn or make in India is called_____ instrument.
A. inland.
B. foreign
C. time.
D. . clean
ANSWER: B
108. A term loan is not secured by _____.
A. legal mortgage of fixed assets.
B. pledge of goods.
C. . hypothecation of movable assets equitable mortgage
D. equitable mortgage.
ANSWER: B
109. . According to section 19(b.) of the banking regulation act, a bank can hold shares in a company not
exceeding ____.
A. 20per
B. 25per
C. . 30per
D. 35per
ANSWER: C
110. For issuing a duplicate demand draft, the purchaser is required to submit?
A. Guarantee of a third party
B. . Collateral security
C. Indemnity bond.
D. . Undertaking from the payee.
ANSWER: C
111. The relationship between the hirer of a locker and banker is that _____.
A. principal and agent
B. lessee and lessor.
C. debtor and creditor.
D. pledge and pledger.
ANSWER: C
112. . A debit card holder makes payment for purchases _____.
A. After 15 days.
B. . After 20 days.
C. After a month.
D. Immediately through his account.

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ANSWER: D
113. . Credit information report contains ____.
A. . a recommendation.
B. . a guarantee about repayment.
C. for taking credit decisions.
D. . for underwriting the shares of the borrower company.
ANSWER: C
114. . Credit information furnished by credit information company to a bank can be used by it ____.
A. for any purpose
B. . for publication in its annual report
C. for taking credit decisions
D. . for underwriting the shares of the borrower company.
ANSWER: C
115. . Banking regulation act was passed in the year_____.
A. . 1934.
B. . 1946.
C. 1949.
D. . 1948.
ANSWER: C
116. . Expansion of ICICI.
A. . Industrial Credit and Investment Corporation Of India
B. Industrial Credit and Investment Company Of India.
C. Industrial Credit and Investment Co-operation Of India.
D. . Industrial Credit and Insurance Corporation Of India
ANSWER: A
117. . The consumer Credit Bureau covers credit availed by _____.
A. . individuals
B. . private and public limited companies
C. . proprietary concerns
D. banks.
ANSWER: A
118. The relationship between a banker and a customer is _____.
A. . that of a debtor and creditor
B. . that of a creditor and a debtor.
C. primarily that of a debtor and a credit
D. that of a debtor and agent
ANSWER: C
119. . The banker has a lien on _____.
A. . bonds given for collection.
B. . bonds given for safe custody
C. . bonds left by mistake
D. . bonds given for safe.
ANSWER: A

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120. The banker has a statutory obligation to _____.
A. . honor customers cheques.
B. . exercise lien.
C. maintain secrecy of his customers accounts
D. . honor customers bills
ANSWER: A
121. . The following one is not a material alteration.
A. . Alteration of crossing.
B. Alteration of place of payment.
C. . Conversion of blank endorsement into full endorsement
D. Alteration of the payees name.
ANSWER: C
122. The paying banker can get protection for a materially altered cheque provided __.
A. . the alteration is not apparent.
B. he makes payment in due course.
C. the alteration is immaterial.
D. . i & ii together
ANSWER: D
123. The safest form of crossing is _____.
A. . general crossing
B. . special crossing
C. . double crossing.
D. . a/c payee crossing.
ANSWER: D
124. . Endorsement signifies that the _____.
A. . endorser has got a good title.
B. endorsers signature is genuine.
C. previous endorsements are genuine.
D. . All of the above.
ANSWER: D
125. The biggest constraint in E-banking is _____.
A. start-up cost.
B. maintenance cost.
C. training cost.
D. security cost.
ANSWER: A
126. The credit card offers _____.
A. . revolving credit for certain period.
B. payoff the entire amount of card usage.
C. on-line recover of amount of card usage.
D. only amount.
ANSWER: A
127. The debit card offers _____.

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A. . revolving credit for certain period.
B. . payoff the entire amount of card usage.
C. on-line recover of amount of card usage.
D. only amount.
ANSWER: C
128. Mobile banking offers the following.
A. Withdrawal of cash anywhere in India
B. Statement of account for a specific period.
C. Transfer of funds from one account to another account.
D. Balance enquiry.
ANSWER: D
129. . Merchant bankers are _____.
A. financial Brokers.
B. financial Intermediaries
C. . credit Appraisers.
D. underwriters.
ANSWER: B
130. Merchant bankers activity relate to _____.
A. . equity and equity related finance.
B. debt and debt related finance.
C. fund business.
D. non-Fund business.
ANSWER: A
131. Cheque is payable on _____.
A. demand.
B. . usage.
C. fixed future date.
D. after sight.
ANSWER: A
132. ._____ is an example of an auction site.
A. E-bay.
B. Ibibo
C. .Facebook.
D. .Orkut.
ANSWER: A
133. . A debit card is only for.
A. electronic card both withdraw and deposit purpose.
B. electronic card only for shop purpose.
C. electronic card only for withdraw purpose.
D. electronic card only for deposit purpose.
ANSWER: A
134. . Two types of trading in the financial markets
A. electronic delivery
B. .Courier.

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C. Door delivery.
D. Post delivery.
ANSWER: A
135. The Secure Electronic Transaction protocol is used for _____.
A. credit card payment
B. cheque payment.
C. electronic cash payments.
D. payment of small amounts for internet services.
ANSWER: C
136. SWIFT have _____ digital code number?
A. . 11.
B. . 5.
C. 6.
D. . 10.
ANSWER: A
137. A digital certificate_____.
A. . is an electronic message uniquely identifying the message sender.
B. . is a summary of a plain text document.
C. . is a reliable third party that authenticates the message sender.
D. is used to identify the owner of a private key and related public key.
ANSWER: D
138. A credit card contains _____.
A. only cash.
B. not only cash.
C. not for cash.
D. withdraw cash only.
ANSWER: B
139. A debit card contains cash _____.
A. only cash.
B. . not only cash.
C. . not for cash.
D. withdraw cash only.
ANSWER: A
140. SMART stands for: Specific, Measurable, _____, Relevant and Tangible.
A. accurate.
B. Actionable.
C. .Accountable.
D. Achievable.
ANSWER: D
141. Electronic payment system is a———.
A. software.
B. . hardware.
C. application.
D. . package.



ANSWER: C
142. . In Electronic cash payment ____.
A. . debit card payment system is used.
B. customer buys several electronic coins which are digitally signed by coin issuing bank.
C. credit card payment system is used.
D. RSA cryptography is used in the transactions.
ANSWER: C
143. . In Electronic cash payment_____.
A. . customer not withdraws coins in various denominations signed by the bank.
B. the bank has a database of issued coins.
C. not issues coins.
D. the bank cannot trace a customer.
ANSWER: D
144. A digital signature is _____.
A. bit string giving identity of a correspondent.
B. unique identification of a sender.
C. an authentication of an electronic record by tying it uniquely to a key only a sender knows.
D. an encrypted signature of a sender.
ANSWER: C
145. The Secure Electronic Transaction protocol is used for _____.
A. credit card payment.
B. cheque payment.
C. electronic cash payments.
D. payment of small amounts for internet services.
ANSWER: A
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A. customer not withdraws coins in various denominations signed by the bank.
B. the bank has a database of issued coins.
C. not issues coins.
D. the bank cannot trace a customer.
ANSWER: D
148. M. banking means.
A. To perform actions on his / her mobile device.
B. To perform actions on his / her internet service.
C. To perform actions on his / her webpage.



D. To perform actions on his / her pc.
ANSWER: A
149. . Off-line data entry is preferable when.
A. data should be entered without error.
B. the volume of data to be entered is large.
C. the volume of data to be entered is small.
D. information is to be processed periodically.
ANSWER: B
150. E-cash means.
A. to transfer money between different parties over a network.
B. to transfer cheque between different parties over a network.
C. to credit money between different parties over a network.
D. to credit cheque between different parties over a network.
ANSWER: A

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Question Bank

Subject: Financial Management II

Class: SYBBI

Semester: III

Faculty: Mrs. Renu Vijay Verma

Problem no:1 -Calculation of EVA of ABC ltd from the following details :

Particulars	Year 1	Year 2
PBDIT	130	130
Depreciation	50	50
PBIT	80	80
NOPAT	40	40
Cash flow NOPAT + Depreciation	90	90
Capital charge/Cost	30	22.50

PB:2

Particulars	Year 1	Year 2	Year 3
PBDIT	195	195	195
Depreciation	75	75	75
PBIT	120	120	120
NOPAT	60	60	60
Cash flow NOPAT + Depreciation	135	135	135
Capital charge/Cost	33.75	22.5	11.25

PB:3

Particulars	Year 1	Year 2	Year 3
NOPAT	42160	42160	42160
Capital	600000	421430	207146
Cost of capital	10%	10%	10%
Capital charge	60000	42143	20715

1. Profit before tax ltd with 125000 equity shares outstanding is Rs. 500000. Further ,it has 50000 ,10% Preference shares of Rs.10 each as a part of its share capital. The current share price in the stock market is Rs. 18 per share. Calculate the earnings per share and the Price Earning Ratio. Assume tax rate @30%.
2. The income statement and balance sheet of Five Star Ltd. Is given below

Income Statement

Particulars	Rs. In lakhs	Rs. In lakhs
Sales	500	
Interest on Investment	10	
Profit on sale of old assets	5	
		515
Less		
Manufacturing cost	180	
Administrative cost	60	
Selling and distribution cost	50	
Depreciation	30	
Loss on sale of an old M/C	5	325
EBIT		190
Less : interest		20
EBT		170
Less : Tax 30%		51
PAT		119
EPS (119 lakhs/5 lakhs)		Rs.23.8
P/E ratio		2

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Balance sheet

Liabilities	Rs.	Assets	Rs.
Equity capital – Rs. 10 crore	50	Building	80
Retained earnings	40	Machinery	70
Long term loan	60	Stock	10
Creditors	15	Debtors	12
Provision	13	Bank	6
Total	178	Total	178

3. Calculate EVA from the following data for the year ended 31st March 2003

Average debt (Rs.Crs.)	50
Average equity (Rs.Crs.)	2766
Cost of Debt (Post tax)	7.72%
Cost of equity	16.54%
Profit after tax, before exceptional item	15.41
Interest	5

4. Calculate EVA from the following data for the year ended 31st March 2010

Average debt	Rs.25 crores
Average equity	Rs.2500 crores
Cost of Debt	8%
Cost of equity	15%
Profit after tax	Rs. 12 crores
Interest	Rs.4 crores

5. M/S man India Ltd is considering a capital project for which the following is available.

Investments outlay	10000
Project life	5 years
Salvage value	Zero
Annual revenues	8000
Annual cost (excluding depreciation , interest and taxes)	4000
Depreciation	Straight line
Tax rate	40%

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Debt equity ratio	3:2
Cost of equity	20%
Cost of debt (Post tax)	8%

Calculate EVA of the project over its life

6. From the following data pertaining to XYZ Ltd . for the year ended 31st March 2016., you are required to calculate the missing figures

Particulars	
Sales value	Rs.2000000
Income	Rs.400000
Average investment	Rs.500000
Sales margin (%)	?
Capital turnover (times)	?
ROI(%)	?
EVA	?
WACC	?
Cost of debt (Post tax)	8%

7. Acme ltd is considering a capital project for which the following information is available

Investment outlay	1000
Project life	10 years
Salvage value	0
Annual revenues	2000
Cost of equity	18%
Cost of debt (Post tax)	10%
Debt equity ratio	1:1
Depreciation (for tax purpose)	SLM
Tax rate	40%
Annual cost (excluding depreciation Interest and taxes)	1400

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8. The following information is available of Tata Steel Co. Ltd. Calculate EVA

4% debt capital	3000 (Rs. Lakhs)
Equity capital	800 (Rs. Lakhs)
Reserves and surplus	6200 (Rs. Lakhs)
Risk free rate	9%
Beta factor	1.05
Market rate of return	19%
Equity risk premium	10%
Operating profit after tax	2400 (Rs. Lakhs)
Tax rate	35%

9. The capital structure of BHEL Ltd is a under .
   - 8000000 Equity shares of Rs.10 each =Rs. 800 lakhs
   - 100000 , 12% Preference shares of Rs. 250 each= 250 Lakhs
   - 100000, 10% Debentures of Rs.500 each = 500 Lakhs
   - 10% term loan from bank = 450 lakhs

The company's profit and loss account for the year showed a balance PAT of Rs. 110 Lakhs after appropriating Equity Dividend at 20%. The company is in the 40% tax bracket .Treasury bonds carry 6.5% interest and beta factor for the company may be taken at 1.5.The long run market rate of return may be taken at 16.5%. Calculate EVA.

10.Calculate EVA from the following information of HDFC Ltd.

Capital employed	Rs.1000 crore
Debt equity ratio	1:4
Cost of equity	18%
Cost of Debt (Pre tax)	15%
Tax rate	35%
EBIT	Rs.300 crores

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11.Calculate EVA from the following information of Seagul Ltd.

Financial leverage	1.40 times
Cost of equity	17.50 %
Income tax rate	30%
Cost of depreciation (before tax)	10%

Capital structure	
Equity capital	Rs.340 lakhs
Retained earnings	Rs. 260 lakhs
10% Debentures	Rs. 800 lakhs
Note : Financial leverage =	EBIT/EBT

12.calculate Free cash flow to the firm (FCFF)from the following details of Davanagere Ltd.

Particulars	Amt (Rs. in Lakhs)
EBITDA	1000
400depreciation expenses	400
Interest expenses	150
purchase of Fixed assets	500
change in working capital	40
Net borrowing	80
common dividends	200

Tax rate is @30%

13.The folowing data to three divisions of Sona Chandi Company Ltd. The company's required rate of return on investment capital is 8%

Particulars	Division A	Division B	Division C
Sale value Rs.	?	2 crore	?
Income Rs.	8 lacs	40 lacs	?
Average investment Rs.	?	50 lacs	?
Sales margin (%)	20%	?	25%
Capital turnover (times)	2	?	?

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ROI (%)	?	?	20%
Residual income (EVA) Rs.	?	?	240000

Note : Division C profit (Income) = X

14. The folowing data to three divisions of Jeevan Akshay Company Ltd. The company's required rate of return on investment capital is 8%

Particulars	Division A	Division B	Division C
Sale value Rs.	?	4 crore	?
Income Rs.	16 lacs	80 lacs	?
Average investment Rs.	?	100 lacs	?
Sales margin (%)	20%	?	25%
Capital turnover (times)	2	?	?
ROI (%)	?	?	20%
Residual income (EVA) Rs.	?	?	480000

Note : Division C profit (Income) = X

15. The folowing data to three divisions of Jeevan Suraksha Company Ltd. The company's required rate of return on investment capital is 8%

Particulars	Division A	Division B	Division C
Sale value Rs.	?	8 crore	?
Income Rs.	32 lacs	160 lacs	?
Average investment Rs.	?	200 lacs	?
Sales margin (%)	20%	?	25%
Capital turnover (times)	2	?	?
ROI (%)	?	?	20%
Residual income (EVA) Rs.	?	?	960000

Note : Division C profit (Income) = X

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16. The folowing data to three divisions of Sona Chandi Company Ltd. The company's required rate of return on investment capital is 8%

Particulars	Division A	Division B	Division C
Sale value Rs.	?	12 crore	?
Income Rs.	48 lacs	240 lacs	?
Average investment Rs.	?	300 lacs	?
Sales margin (%)	20%	?	25%
Capital turnover (times)	2	?	?
ROI (%)	?	?	20%
Residual income (EVA) Rs.	?	?	1440000

Note : Division C profit (Income) = X

17. The folowing data to three divisions of Milan Company Ltd. The company's required rate of return on investment capital is 8%

Particulars	Division A	Division B	Division C
Sale value Rs.	?	14 crore	?
Income Rs.	56 lacs	280 lacs	?
Average investment Rs.	?	350 lacs	?
Sales margin (%)	20%	?	25%
Capital turnover (times)	2	?	?
ROI (%)	?	?	20%
Residual income (EVA) Rs.	?	?	1680000

Note : Division C profit (Income) = X



1. Bonds in Perpetuity:

   V=I/i

   Where,

   V=Value of Bond

   I= Annual Interest in Rupees

   I= Required rate of return in %

   a. If the bond pays Rs.60 interest annually on a perpetual bond, the current yield is 8%. Determine the value of the bond
   b. If the bond pays Rs.80 interest annually on a perpetual bond, the current yield is 9%. Determine the value of the bond
   c. If the bond pays Rs.80 interest annually on a perpetual bond, the current yield is 5%. Determine the value of the bond
   d. If the bond pays Rs.80 interest annually on a perpetual bond, the current yield is 8%. Determine the value of the bond

2. Value of Preference shares:

   V=D/i
   Where;
   V= value of Preference share
   D= Annual Dividend Per share
   I= Discount rate on preference share

   a. Paradise company Ltd. Sold its preference shares @Rs.60 last year. The discounted rate at that time was 10%. The company pays an annual dividend of Rs.6. this type of preference shares is currently yielding 8%. Determine the value of Paradise Company's preference shares.
   b. Konark company ltd. Sold its preference shares @ Rs. 75 last year . the discount rate at that time was 8%. The company pays an annual dividend of Rs. 6. This type of preference shares is currently yielding 10%. Determine the value of Konark company's preference shares.



3. Yield on preference shares:
   The yield on preference shares will be calculated using the following formulae:

   I=D/P
   Where;
   I= yield on preference share
   D= Annual dividend per preference share
   V= Value of preference share
   a. If current price of a preference shares is Rs. 80 and annual dividend is Rs. 4 determine the yield on preference shares

4. Constant growth model: if the dividend model remains constant over the period of time, the equation will be:

   Po=D/r

   Where,
   Po= price of shares
   D= Dividend per share
   r= Capitalization rate

a. A company pays a dividend of Rs. 8 annually, if the capitalization rate is 12% determine the price of the share today using Constant Growth Model
b. A company pays a dividend of Rs. 16 annually, if the capitalization rate is 14% determine the price of the share today using Constant Growth Model

Second Type:

1. An investor invests a sum of Rs. 12000 for a period of 3 years at 10% compound interest per annum. How much money would he get back at the end of the three years?
2. Swaraj has invested Rs. 100000 in a scheme @10% p.a. compounded half yearly. Find out what will the amount become at the end of the one year.
3. Sanjana has invested Rs. 25000 in a scheme @12%p. a compounded Quarterly. Find out what will be the amount at the end of two years.
4. A deposit of Rs.10000 is made to earn interest @12% p.a. Find out the future value of the deposit if the compounding period is:
   a. Annually
   b. Half yearly
   c. Quarterly
   d. Monthly
5. An investor invests Rs.60000 in bank certificate of deposit for 3 years at 8% interest per annum. Calculate the maturity value of the investment.

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6. An investor has invested Rs.550000 in a bank FD for 4 Years at 8.5% p.a. How much will be received at maturity.
7. A GOI bond of Rs.1000 each has a coupon rate of 6 percent per annum and maturity period is 16 years. if the current market price is Rs. 1040 find YTM.
8. A GOI bond of Rs.1000 each has a coupon rate of 8 percent per annum and maturity period is 20 years. if the current market price is Rs. 1050 find YTM.
9. A GOI bond of Rs.1000 each has a coupon rate of 7.5 percent per annum and maturity period is 20 years. if the current market price is Rs. 1060 find YTM.
10. A GOI bond of Rs.1000 each has a coupon rate of 10 percent per annum and maturity period is 10 years. if the current market price is Rs. 980 find YTM.
11. A GOI bond of Rs.10000 each has a coupon rate of 15 percent per annum and maturity period is 15 years. if the current market price is Rs. 9900 find YTM.
12. On a contact you have a chance of receiving Rs. 16000, ten years from now or Rs.60000, twelve years from now. At what rate of compound interest

13. Mimosa company limited has invested in a machine at cost of Rs. 900000. Following details are estimated:

Retrenchment staff	4 staff @salary of Rs.20000
Additional staff	1 staff @ salary of Rs. 40000
Saving in wastages	Rs.40000
Saving in Maintenance	Rs.10000
Additional electricity bill	Rs.15000

Calculate :Payback period. Ignore Taxation and Depreciation

14. Calculate Payback period from the following information of safer ltd.
Investment :RS.100000
Estimated life :10 years
Tax rate : 50%

year	Profit before depreciation (Rs.)	Depreciation (Rs.)	Profit after Depreciation (Rs.)	Tax @50%
1	40000	10000	30000	15000
2	60000	10000	50000	25000

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3	50000	10000	40000	20000
4	50000	10000	40000	20000

1.Define Finance. Explain the features of Corporate Finance

2. State and explain the need and importance of Corporate Finance

3. State the functions of Finance

4. What role should a financial manager play in a modern enterprise

5. State the objectives of Financial Management

6. Discuss the qualities of an effective finance manager

7. Explain the various method of financing business operation

8. What are the various sources of long term finance

9. What are the sources of short term finance

10. Explain the various factors relevant to internal and external sources of Financing

11. What are the merits and demerits of Internal financing

12. What are the sources of working capital finance

13. Highlight Tandon committee recommendations with respect to working capital financing

14. What is the role of RBI relating to corporate Financing

15. A company Meenu ltd has 10% debentures of face value Rs. 100 each which are redeemable at par after 10 years. Assuming that tax applicable is 40% and the Floatation cost of debentures is 5%. Calculate the cost of debentures for the company.

16. If the interest on borrowed capital is 12% and the arte of taxation is 40 % determine the after Tax cost of Borrowing

17. A company whose face value per equity share is Rs. 10 has just paid a dividend of Rs. 4 per share. The expected growth rate of dividend is 12% . The current price per share is Rs. 25. Calculate the cost of equity capital

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The South Indian Association's
The S.I.A. College of Higher Education
Affiliated to University of Mumbai
Accredited B+ by NAAC
P-88, MIDC Residential Area Dombivli Gymkhana Road,
Near Balaji Mandir, Dombivli (East), 421203.

Question Bank

Subject: An overview of Banking sector

Class: SYBBI

Semester: III

Faculty: Mrs. Renu Vijay Verma

1. Define Banking and explain the primary functions of Banking?
2. Briefly explain the principles of Banking
3. List out the bank nationalised in 1969 and 1980
4. Explain schedule bank and no schedule bank
5. Explain the different types of banks in India
6. What are the functions of RBI?
7. What is the difference between public sector bank and private sector bank?
8. What is the difference between Indian Bank and Foreign bank?
9. What is the difference between cooperative bank and commercial bank?
10. Briefly explain payment bank
11. What are the functions and objectives of RRBs?
12. Describe the banking system in India
13. Explain pre- Independence history of banking
14. Explain different phases of post – independence history of banking
15. What are the objectives of banking sector reform?
16. List out the content of banking sector reform
17. What are the challenges ahead to banks in today's scenario?
18. Explain the current development in Banking sector
19. what is negotiable instrument

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57. What is Priority sector? Brief its classification.
58. What is Financial Inclusion?
59. Explain the need for Financial Inclusion
60. What are the strategies for Financial Inclusion?
61. Explain FIF
62. Explain FITF
63. List out the recommendation of RBI committee on Medium Term Path on Financial Inclusion
64. What are the advantages of Financial Inclusion?
65. What are the barriers to Financial Inclusion?
66. Explain the various measures taken by RBI and NABARD under Financial inclusion
67. Describe PMJDY
68. Explain stand up India scheme for greenfield in Detail
69. Explain Digital Financial Inclusion
70. Explain Kisan Credit Cards
71. Write a brief note on committee on Financial Inclusion
72. Explain World Findex Report

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Department of Banking and Insurance

Class: SY B.Com (Banking & Insurance)
Subject : Management Accounting Semester : III
Name of Teacher: Ranjana Mhalgi

Theory Question Bank

Unit -1- Introduction to Management Accounting

1) What is meaning and objective Management Accounting?
2) What is the nature and scope of management accounting?
3) What are the techniques that are commonly used in Management accounting?
4) Who are the users of managerial accounting information?
5) What are the roles of management accounting in an organization?
6) What is budgetary control?
7) Explain the functions of Management Accounting
8) Explain the different types of information
9) Distinguish between Financial Accounts and Management Accounts
10) What is the Role of a Management Accountant in decision making"

Unit -2 – Financial Statement Analysis

1) What is Analysis of Financial Statements and Interpretation?
2) What are the objectives of Financial Statement Analysis?
3) What are the requirements of Analysis of Financial Statements?
4) What are the types of Financial Analysis?
5) Distinguish between Horizontal Analysis and Vertical Analysis?
6) What are the methods used in Analysis of Financial Statements?
7) What is comparative Financial Statements and Common-size Statement?
8) What are the advantages & disadvantages of comparative statements?
9) What is Ratio Analysis? What are the modes of expressing ratios?
10) What are the standards for comparison in Ratio Analysis?
11) What is Traditional classification of Ratios?
12) What is Functional Classification of ratios?
13) How are the ratios classified from the point of view of users?
14) What are the precautions in Ratio Analysis?
15) What is a current Ratio? What is its Purpose & the significance of current ratio?
16) What is window dressing? In what ways it is done?

Unit – 3- Working Capital Management

1) Explain the Concept of Working Capital. What is the need of working capital?
2) Explain the nature of working capital.
3) Explain Working Capital Cycle.
4) What is Gross Working Capital and Net Working Capital?

5) Write a short note on : Net Working Capital.
6) Distinguish between Gross and Net Working Capital?
7) What is Cash Working Capital?
8) Explain different types of Working Capital.
9) What factors determine Working Capital Requirement?
10) What is the Importance of Working Capital?
11) What are the Sources of Working Capital?
12) What are the Objectives of Working Capital Management?
13) What are the Steps in estimation of Working Capital?

Unit – 4 – Management of Profits/Dividend Policy

1) State the valuation formula by James Walter & Gordon's basic formula.
2) State the implications of Walter Model.
3) What are the implications of Gordon 's basic model
4) How far do you agree that dividends are irrelevant?
5) Explain MM Model regarding dividend.
6) What is the procedure of Bonus issue?
7) Explain the Types of Dividend Policies.
8) What are the Forms of Dividend Payment
9) Explain M.M. Theory of dividend
10) State the Dividend policy in India
11) Brief the Taxation aspects of dividend decision.

MCQS Question Bank

S.No	Questions	A	B	C	D	Answer
1	Management Accounting is useful in increasing _____.	Profitability	Minimize	Maximize	All of the above	a
2	Financial Accounting deals with _____ data.	Historical	Accounting	Costing	None of the above	a
3	Management Accounting is _____ oriented.	Analytical	Future	Dynamic	None of the above	b
4	Management Accounting includes _____ control.	Decision Making	Marginal Costing	Budgetary	All of the above	c
5	In Management Accounting publication of Reports is _____.	Mandatory	Compulsory	Optional	None of the above	c
6	Inventory control is _____ in Management Accounting.	Internal	Excluded	Included	None of the above	c
7	Operational information is obtained from _____ sources.	Internal	External	Both Internal and External	None of the above	a
8	Strategic information is needed for _____ planning.	Long Range	Short Range	Both Long and Short Range	All of the above	a
9	Strategic information is required by _____ managers.	Middle	Top	Line	None of the above	b



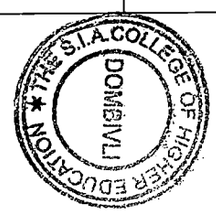
28	Debt Equity ratio shows proportion between _____ and _____.	Long term debt equity	Liquid	Proprietors Fund	None of the above	a
29	Proprietary Ratio = _____ / Total Assets	Proprietors Fund	Long term debt equity	Operating Ratio	None of the above	a
30	Cost of goods sold is divided by average stock to get _____.	Profitability	Stock Turn Over	Net Sales	None of the above	b
31	_____ shows trading efficiency.	N.P.	G. P.	S.P.	None of the above	b
32	_____ shows operating efficiency.	Capital structure Ratio	Operating Ratio	Sales	None of the above	b
33	_____ capital employed shows over all profitability of the organisation.	Profitability	Return on	Net Sales	All of the above	b
34	Dividend payout is calculated by dividing dividend per share by _____.	E.P.S.	G. P.	P.E.S.	None of the above	a
35	Stock _____ shows the speed of movement of stock.	Turnover	Stock Turn Over	Liquidity	None of the above	a
36	_____ ratio shows ability of a firm to service ?.	Debt Service	Financial Stability	Return on	All of the above	a
37	_____ shows the period for which amount of sales remains invested in debtors.	Collection Period	Profitability	Stock Velocity	All of the above	a
38	N.P. ratio is a relationship between N.P. and _____.	Liquidity	Net Sales	Turnover	All of the above	b
39	Standard Current Ratio is _____.	01:03	01:01	01:02	None of the above	b
40	Standard Liquid Ratio is _____.	01:03	01:01	01:02	None of the above	b
41	Working capital is excess of current assets are _____.	Circulating	Current Liabilities	Permanent	None of the above	b
42	Net working capital = Current _____ less _____ Liabilities	Down	Period, Creditors	Assets, Current	None of the above	c
43	Gross working capital = Total _____ Assets	Current Assets	Working Capital	Current Liabilities	None of the above	a
44	Increase in current assets _____ working capital.	Circulating	Permanent	Increases	None of the above	c
45	Decrease in current liabilities _____ working capital.	Increases	Decreases	Added	None of the above	a
46	Minimum amount of working capital is _____.	Increases	Permanent	Current Liabilities	None of the above	b
47	Working capital required to meet seasonal requirements is _____.	Current Assets	Seasonal Working Capital	Circulating	None of the above	b
48	Working capital decided on the basis of current assets & Current Liabilities is _____.	Decreases	Balance Sheet Working	Increases	None of the above	b

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10	Tactical information is generated _____.	Externally	Both Internally and Externally	Internally	All of the above	c
11	Tactical information is based on _____ measures.	Qualitative	Both Quantitative and Qualitative	Quantitative	None of the above	c
12	Operational information is required by _____ managers.	Line	Top	Middle	None of the above	a
13	_____ are users of management accounting information.	Managers	Government	Bankers	None of the above	a
14	Focus of management accounting is on _____ _____.	External Reporting	Internal Reporting	Both Internal and External Reporting	All of the above	b
15	The final accounts of companies are to be prepared in accordance with the provision of _____ of the Companies Act.	Schedule III	Schedule V	Schedule II	None of the above	a
16	The company's final accounts are prepared in _____ form.	vertical	horizontal	Both	None of the above	a
17	The summarised Balance Sheet in _____ form is supplemented by schedules giving detailed information.	vertical	horizontal	Both	None of the above	a
18	_____ is a proportion between two figures.	Ratio	Turnover	Liquidity position	All of the above	a
19	One figure is divided by another figure to get _____ ratio.	Pure	Capital structure Ratio	closing stock	None of the above	a
20	Turn over ratios are expressed in _____.	closing stock	No. of times	Liquid	None of the above	b
21	Balance sheet ratio is a ratio between two figures from _____.	Stock Turn Over	Balance Sheet	Ratio	None of the above	b
22	Combined ratio is a ratio between one figure from _____ and another figure from _____.	Liquidity position	Balance Sheet P & L A/c	closing stock	All of the above	b
23	Current Ratio = _____ / Current Liabilities	Liquid	Balance Sheet	Current Assets	All of the above	c
24	Current Ratio shows _____ financial position.	Profitability	Long Term	Short Term	All of the above	c
25	Liquid ratio is a relationship between Liquid assets and _____.	Turnover	Current Liabilities	Liquidity position	All of the above	b
26	_____ are near cash assets.	Long Term	Liquid Assets	E.P.S.	None of the above	b
27	Working capital is an excess of current assets over current _____.	Current, Liabilities	Profitability	Profitability	None of the above	a



			Capital			
49	Working capital at cash cost is called _____ capital.	Cash Working Capital	Current Assets	Circulating	None of the above	a
50	Positive working capital is excess of current Assets over _____.	Current Liabilities	Current Assets	Working Capital	All of the above	a
51	_____ is excess of current Liabilities over current assets.	Circulating	Negative Working Capital	Seasonal Working Capital	All of the above	b
52	_____ operating cycle requires more working capital.	Shorter	Longer	Down	All of the above	b
53	Debtors may be valued at & _____ or _____.	Assets, Current	Working Capital	Cost, S.P.	All of the above	c
54	Value of creditors depends on _____ of credit allowed by _____.	Period, Creditors	Assets, Current	Size	All of the above	a
55	Stock of finished goods is valued at _____.	Working Capital	Cost of Production	Circulating	All of the above	b
56	Outstanding expenses bring _____ the requirement of working capital.	More	Down	Current Assets	None of the above	b
57	Advance from customers brings _____ the requirement of working capital.	Current Liabilities	Down	Cash Working Capital	None of the above	b
58	Margin of Safety is _____ to Net current assets to get working capital.	Added	Less	Down	None of the above	a
59	Working capital is also called as _____ capital.	Balance sheet	Circulating	Current Liabilities	None of the above	b
60	Permanent working capital is also known as _____ capital.	Working Capital	Balance sheet	Core	All of the above	c
61	A set of guidelines about dividend is known as _____ _____.	Cash Dividend	Dividend Policy	MM	None of the above	b
62	There are two approaches to dividend policy _____ _____.	Stock Split	Relevance, Irrelevance	Long-term dividend policy	All of the above	b
63	_____ _____ has given theory of irrelevance.	MM	Walter	Gordon	All of the above	a
64	Corporation tax does not exist is the assumption of _____ _____ theory.	MM	Gordon	Walter	None of the above	a
65	Dividend may be paid in the form of _____ or_____.	Creditors	Cash, Kind	Cash Dividend	All of the above	b
66	Part of income distributed to shareholders.	Profit	Loss	Dividend	Retained Profit	c
67	Dividends are payments which are	Voluntary	Non-obligatory	Obligatory	Occasional	b
68	The irrelevance theory of dividend was supported by	Walter	MM	Gordon	Fayol	b



69	The Relevance theory of dividend was supported by	Walter	MM	Gordon	Walter & Gordon	a
70	The most common form of dividend payment is	Stock Dividend	Cash Dividend	Stock Split	Bonus Issue	b
71	Constant Payout ratio means	Stable dividend policy	Long-term dividend policy	Regular dividend policy	Irregular dividend policy	a
72	Guideline for issue of bonus shares are issued by	SEBI	RBI	Income tax act	Company law	a
73	Constant payout ratio means	Stable dividend policy	Regular dividend policy	Irregular dividend policy	Long-term dividend policy	a
74	Dividend is payable to	Shareholders	Creditors	Stock holders	Managers	a
75	Ploughing back of profit means	Declaration of dividend	Retaining profits	Re-investing profits	Building reserves	b
76	The models known as bird in the hand argument	Gordon's Model	Walter's Model	Fayol Model	Henry Model	a
77	The approvable to dividend policy are	One	Two	Three	Four	b
78	The profit which is distributed as dividend is known as	Isolating Profit	Divisible Profit	Net Profit	Gross Profit	b
79	Payment of fixed dividend is known as	Constant Payout	Fluctuating Dividend	Cash Dividend	Stock Dividend	a
80	Dividend which is declared before declaration of final dividend is called as	Final Dividend	Interims Dividend	Advoc Dividend	Temporary Dividend	b
81	Relationship between dividend per share and earning per share is known as :	Dividend Payout	Dividend Yield	Dividend per share	E.P.S	a
82	Debt Equity is a	Balance sheet ratio	Income Statement ratio	Composite ratio	None of the above	a
83	Creditors Turnover is a	Balance Sheet ratio	Revenue ratio	Combined ratio	None of the above	c
84	Proprietary ratio is a	Balance sheet ratio	Revenue ratio	Combined ratio	None of the above	a
85	Quick liabilities are equal to	Current liabilities – Bank OD	Current liabilities – Fixed Assets	Current Assets	None of the above	a

Subject Teacher

Convener

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MA – Vertical statements and ratio analysis PROBLEMS

Problem - 1

The following Trading and Profit and Loss Account of Fantasy Ltd. for the year 31-3-2000 is given below:

Particular	Rs.	Particular	Rs.
To Opening Stock	76,250	By Sales	5,00,000
" Purchases	3,15,250	" Closing stock	98,500
" Carriage and Freight	2,000	By Gross Profit b/d	5,98,500
" Wages	5,000	" Non-operating incomes:	
" Gross Profit b/d	2,00,000	"Intereston Securities	2,00,000
To Administration expenses	5,98,500	" Dividend on shares	
" Selling and Dist. expenses	1,01,000	" Profit on sale of shares	1,500
" Non-operating expenses	12,000		
" Financial Expenses	2,000		3,750
Net Profit c/d	7,000		
	84,000		750
	2,06,000		2,06,000

Prepare vertical statement and Calculate:

1. Gross Profit Ratio **2.** Expenses Ratio **3.** Operating Ratio
2. Net Profit Ratio **5.** Operating (Net) Profit Ratio **6.** Stock Turnover Ratio.

Problem - 2

The Balance Sheet of Punjab Auto Limited as on 31-12-2002 was as follows:

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Particular	Rs.	Particular	Rs.
Equity Share Capital	40,000	Plant and Machinery	24,000
Capital Reserve	8,000	Land and Buildings	40,000
8% Loan on Mortgage	32,000	Furniture & Fixtures	16,000
Creditors	16,000	Stock	12,000
Bank overdraft	4,000	Debtors	12,000
Taxation:		Investments (Short-term)	4,000
Current	4,000	Cash in hand	12,000
Future	4,000		
Profit and Loss A/c	12,000		
	1,20,000		1,20,000

From the above, compute (a) the Current Ratio, (b) Quick Ratio, (c) Debt-Equity Ratio, and (d) Proprietary Ratio.

Problem - 3

The details of Shreenath Company are as under:

Sales (40% cash sales)	15,00,000
Less: Cost of sales	7,50,000
Gross Profit:	7,50,000
Less: Office Exp. (including int. on debentures)	1,25,000
Selling Exp.	1,25,000
Profit before Taxes:	5,00,000
Less: Taxes	2,50,000
Net Profit:	2,50,000

Balance Sheet Particular	Rs.	Particular	Rs.
Equity share capital	20,00,000	Fixed Assets	55,00,000
10% Preference share capital	11,00,000	Stock	1,75,000
Reserves	10,00,000	Debtors	3,50,000
10% Debentures	1,00,000	Bills receivable	50,000
Creditors	1,50,000	Cash	2,25,000

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Bank-overdraft	45,000	Fictitious Assets	1,00,000
Bills payable	5,000		
Outstanding expenses	20,00,000		
	64,00,000		64,00,000

Beside the details mentioned above, the opening stock was of Rs. 3,25,000. Taking 365 days of the year,

Prepare vertical statements and calculate the following ratios; also discuss the position of the company:

(1) Gross profit ratio. (2) Stock turnover ratio. (3) Operating ratio. (4) Current ratio. (5) Liquid ratio. (6) Debtors ratio. (7) Creditors ratio. (8) Proprietary ratio. (9) Rate of return on net capital employed. (10) Rate of return on equity shares.

Problem - 4

Following is the summarised Balance Sheet of Mona Ltd. as on 31-3-04.

Particular	Rs.	Particular	Rs.
Equity Shares of Rs. 10 each	10,00,000	Fixed Assets	20,00,000
10% Pref. Sh. of Rs.100 each	4,00,000	Investments	2,00,000
Reserves and Surplus	7,00,000	Closing Stock	2,00,000
15% Debentures	5,00,000	Sundry Debtors	4,60,000
Sundry Creditors	2,40,000	Bills Receivable	60,000
Bank Overdraft	1,60,000	Cash at Bank	60,000
		Preliminary Expenses	20,000
	30,00,000		30,00,000

The Summarised Profit and Loss Account is as under for the year ending on 31-3-'2004:

	Rs.
Sales (25% Cash sales)	80,00,000
Less: Cost of goods sold	56,00,000
Gross Profit	24,00,000
Net profit (Before interest and tax)	9,00,000
TAX	4,50,000
NPAT	4,50,000

Calculate the following ratios:

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(1) Rate on Return on Capital Employed (2) Proprietary Ratio (3) Debt-Equity (4) Capital gearing Ratio (5) Debtors Ratio (365 days of the year.) (6) Rate of Return on Shareholders' Funds (7) Rate of Return on Equity shareholders fund

Problem - 5

Two years' Balance sheets of Jamuna Company Ltd. are as follows:

Liabilities	31-3-03	31-3-04	Assets	31-3-03	31-3-04
Equity share capital	1,00,000	1,50,000	Land and Buildings	1,00,000	90,000
10%Pref. Sh. capital General	50,000	50,000	Machinery	90,000	90,000
Reserve	30,000	30,000	Debtors	53,000	30,000
Profit & Loss A/c 12%	20,000	-----	Bills Receivable	20,000	12,000
Debentures	1,00,000	50,000	Stock	75,000	90,000
Creditors	30,000	35,000	Bank Balance	15,000	35,000
Bills payable	10,000	25,000	Cash Balance	2,000	13,000
Bank Overdraft	10,000	20,000	Profit & Loss A/c	----	10,000
O/s. Expenses	5,000	10,000			
	3,55,000	3,70,000		3,55,000	3,70,000

Additional Information:

	2002-'03	2003-04
	Rs.	Rs.
(1) Sales	3,65,000	2,19,000
(2) Cost of Goods sold	2,19,000	1,46,000
(3) Net profit (Before Pref. Dividend)	35,000	47,500
(4) Stock on 1-4-'02	71,000	---

Calculate following ratios

1) Current ratio (2) Liquid ratio (3) Debtors ratio (Take 365 days for calculations) (4) Gross profit ratio (5) Stock Turnover ratio (6) Rate of return on equity share-holders' funds.

Problem 6



Liabilities	*Rs.*	*Assets*	*Rs.*
Share Capital	2,00,000	Land and Buildings	1,40,000
Profit & Loss Account	30,000	Plant and Machinery	3,50,000
General Reserve	40,000	Stock	2,00,000
12% Debentures	4,20,000	Sundry Debtors	1,00,000
Sundry Creditors	1,00,000	Bills Receivable	10,000
Bills Payable	50,000	Cash at Bank	40,000
	8,40,000		8,40,000

Calculate :
(1) Current Ratio
(2) Quick Ratio
(3) Inventory to working Capital
(4) Debt to Equity Ratio
(5) Proprietary Ratio
(6) Capital Gearing Ratio
(7) Current Assets to Fixed Assets

Q7) Profit and Loss A/c. and Balance Sheet of SIDHARTH LTD. for the year ended 31st March, 2015 is as follows. 15M

Trading&Profit and Loss Account for the year ended 31st March 2014			
Particulars	**Rs.**	**Particulars**	**Rs.**
To Opening Stock	70,000	By Sales	9,00,000
To Purchases	5,40,000	By Closing Stock	80,000
To Wages	2,14,000		
To Gross Profit c/d.	1,56,000		
	9,80,000		**9,80,000**
To Salaries	26,000	By Gross Profit b/d.	1,56,000
To Rent	5,000	By Interest on investment	5,000
To Miscellaneous Expenses	15,000		
To Selling Expenses	10,000		
To Depreciation	30,000		
To Interest	5,000		
To Provision for Tax	20,000		



To Net Profit c/d.	50,000		
	1,61,000		**1,61,000**

Balance Sheet as on 31st March, 2014				
Liabilities	**Rs.**	**Assets**		**Rs.**
Equity Share Capital (Rs. 10)	1,50,000	Fixed Assets	1,60,000	
10% Preference Share Capital	1,00,000	(less)Depreciation	30,000	1,30,000
Reserve and Surplus	62,000	Investment		1,00,000
10% Debenture	50,000	Stock		80,000
Long term Loan	40,000	Debtors		60,000
Creditors	60,000	Bills Receivable		50,000
Provision for Tax	20,000	Cash		85,000
Bank Overdraft	20,000	Preliminary Expenses		5.000
Outstanding expenses	8,000			
	5,10,000			**5,10,000**

Market value of Equity share is Rs. 12 and Dividend paid per Equity share is Rs. 2.

Calculate the following ratios :

(1) Acid Test Ratio. (2) Current ratio. (3) Gross Profit Ratio. (4) Dividend Payout Ratio and Earning per Share (5) Creditors Turnover Ratio (6) Return on capital employed. (7) Debtors Turnover Ratio (8) Stock Turnover Ratio.

- **Note:** Vertical final accounts need not be prepared.

Q8) The following information regarding Maruti car Ltd. for the year ended 31st March.2012 is given to you. 15M

	Rs.
Sales	75,00,000

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Purchases	50,00,000
Opening Stock (01/04/2011)	5,00,000
Closing Stock (31/03/2012)	7,50,000
Return Inward	75,000
Carriage Outward	57,000
Carriage Inward	50,000
Return Outward	50,000
Salesmen Salary	75,000
Advertising and Publicity	2,52,000
Salesmen Travelling expenses	7,500
Office Salary	4,00,000
Repairs and Maintenance	84,000
Rent, Rates, Taxes	4000
Printing and Stationery	400
Bad Debts	75,750
Purchase of Computer	40,000
Dividends received	10,000
Electricity Expenses	44,000
Interest paid	50,000
Manufacturing expenses	15,000

- Prepare Vertical Income statement only.



The South Indian Association's
The S.I.A. College of Higher Education
Affiliated to University of Mumbai
Accredited B+ by NAAC
P-88, MIDC Residential Area Dombivli Gymkhana Road,
Near Balaji Mandir, Dombivli (East), 421203.

Subject: Financial management I

Class: SYBBI

Semester: III

Faculty: Mrs. Renu Vijay Verma

Multiple choice questions.

1. The only feasible purpose of financial management is
A. Wealth maximization
B. Sales maximization
C. Profit maximization
D. Assets maximization
ANSWER: A

2. Financial management process deals with
A. Investments
B. Financing decisions
C. Both a and b
D. None of the above
ANSWER: B

3. Agency cost consists of
A. Binding
B. Monitoring
C. Opportunity and structure cost
D. All of the above
ANSWER: D

4. Finance function comprises
A. Safe custody of funds only
B. Expenditure of funds only
C. Procurement of finance only
D. Procurement & effective use of funds
ANSWER: D

5. The objective of wealth maximization takes into account
A. Amount of returns expected
B. Timing of anticipated returns
C. Risk associated with uncertainty of returns
D. All of the above
ANSWER: D

6. Financial management mainly focuses on
A. Efficient management of every business
B. Brand dimension
C. Arrangement of funds
D. All elements of acquiring and using financial resources
ANSWER: D

7. If the present value of cash inflows are greater than the present value of cash outflows, the project would be
A. Accepted
B. Rejected with condition
C. Rejected with approval
D. Rejected
ANSWER: A

8. Finance functions are
A. Planning for funds
B. Raising of funds
C. Allocation of resources
D. All of the above
ANSWER: D

9. Investment is the
A. Net additions made to the nations capital stocks
B. Persons commitment to buy a flat or house
C. Employment of funds on assets to earn returns
D. Employment of funds on goods and services that are used in production process
ANSWER: C

10. The primary goal of the financial management is
A. To maximize the return
B. To minimize the risk
C. To maximize the wealth of owners
D. To maximize profit
ANSWER: D

11. In his traditional role the finance manager is responsible for
A. Proper utilisation of funds
B. Arrangement of financial resources
C. Acquiring capital assets of the organization
D. Efficient management of capital
ANSWER: D

12. Market value of the shares are decided by
A. The respective companies
B. The investment market
C. The government
D. Shareholders
ANSWER: B

13. A company may raise capital from the primary market through
A. Public issue
B. Rights issue
C. Bought out deals

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D. All of the above
ANSWER: D

Is payable on debentures

14. A fixed rate of
A. Dividend
B. Commission
C. Interest
D. Brokerage
ANSWER: C

15. In weighted average cost of capital, a company can affect its capital cost through
A. Policy of capital structure
B. Policy of dividends
C. Policy of investment
D. All of the above
ANSWER: D

16. The long-run objective of financial management is to
A. Maximize earnings per share
B. Maximize the value of the firm's common stock
C. Maximize return on investment
D. Maximize market share
ANSWER: B

17.Dividend promises to pay shareholders at future date
A. Scrip
B. Cash
C. Stock
D. Property
ANSWER: A

18.Is concerned with the maximization of a firm's stock price.
A. Shareholder wealth maximization
B. Profit maximization
C. Stakeholder welfare maximization
D. Eps maximization
ANSWER: A

19. Degree of total leverage can be applied in measuring change in
A. Ebit to a percentage change in quantity
B. Eps to a percentage change in ebit
C. Eps to a percentage change in quantity
D. Quantity to a percentage change in ebit
ANSWER: C

Phase of the life-cycle.

20. Investors can normally afford to assume larger risks in the
A. accumulation
B. Consolidation
C. Spending
D. Gifting
ANSWER: B

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21.Is the most important investment decision because it determines the risk-return characteristics of the portfolio.
A. Hedging
B. Market timing
C. Performance measurement
D. Asset allocation
ANSWER: D

22. The value of ebit at which eps is equal to zero is known as
A. Break-even point
B. Financial break-even point
C. Operating break-even point
D. Overall break-even point
ANSWER: B

23. Price per share is rs 25 and cash flow per share is rs 6 then price to cash flow ratio would be
A. 0.24 times
B. 4.16 times
C. 4.16%
D. 24.00%
ANSWER: B

24. Low price for earning ratio is result of
A. Low risky firms
B. High risky firms
C. Low dividends paid
D. High marginal rate
ANSWER: A

25. Formula such as net income available for common stockholders divided by total assets is used to calculate
A. Return on total assets
B. Return on total equity
C. Return on debt
D. Return on sales
ANSWER: A

26. Financial securities that can be converted into cash at closing to their book value price are classified as
A. Inventories
B. Short-term investments
C. Cash equivalents
D. Long-term investments
ANSWER: C

27. Discounted cash flow analysis is also classified as
A. Time value of stock
B. Time value of money
C. Time value of bonds
D. Time value of treasury bonds
ANSWER: B

28. Prices of bonds will be decreased if an interest rates
A. Rises

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B. Declines
C. Equals
D. None of the above
ANSWER: A

29. In capital budgeting, a technique which is based upon discounted cash flow is classified as
A. Net present value method
B. Net future value method
C. Net capital budgeting method
D. Net equity budgeting method
ANSWER: A

30. Real risk-free rate is applicable when it is expected that there will be
A. High inflation
B. Low inflation
C. No inflation
D. None of the above
ANSWER: D

31. Stocks which has lower book for market ratio are considered as
A. Optimistic
B. More risky
C. Less risky
D. Pessimistic

ANSWER: C

32. An individual stock required return is equal to risk free rate plus bearing risk premium is an explanation of
A. Security market line
B. Capital market line
C. Aggregate market line
D. Beta market line
ANSWER: A

33. Growth in earnings per share is primarily resultant of growth in
A. Dividends
B. Asset value
C. Fundamental value
D. Yearly value
ANSWER: A

34. A price for equity is called
A. Interest rate
B. Cost of equity
C. Debt rate
D. Investment return
ANSWER: B

35. Risk in which value of investment depends on what happens to foreign exchange rates is classified as
A. Preferred risk
B. Exchange rate risk
C. Country risk

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D. Foreign risk
ANSWER: B

36. Corporations such as citigroup, american express and fidelity are classified as
A. Financial services corporations
B. Common service corporations
C. Preferred service corporations
D. Commercial service corporations
ANSWER: A

37. Financial corporations which serve individual savers and commercial mortgage borrowers are classified as
A. Savings associations
B. Loans associations
C. Preferred and common associations
D. Savings and loans associations
ANSWER: D

38. A regulatory body which licenses brokers and oversees traders is classified as
A. International firm of auction system
B. International association of network dealers
C. National firm of equity dealers
D. National association of securities dealers
ANSWER: D

39. Companies take savings as premium, invest in bonds and make payments to beneficiaries are classified as
A. Debit unions
B. Life insurance companies
C. Credit unions
D. Auto purchases
ANSWER: B

40. Federal government tax revenues if it exceeds government spending then it is classified as
A. Budget surplus
B. Budget deficit
C. Federal reserve
D. Federal budget
ANSWER: A

41. Mutual fund allows investors to sale out their share during any normal trading hours is classified as
A. Exchange traded fund B
B. Management expense
C. Money trade fund
D. Capital trade fund
ANSWER: A

42. Step in initial public offering in which hired agents act on behalf of owners is classified as
A. Hiring problems
B. Agency problems
C. Corporation internal problems
D. Corporation external problems
ANSWER: B

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43. Type of financial security in which loans are secured by borrower's property is classified as
A. Municipal bonds.
B. Corporate bonds
C. U.s treasury bonds
D. Mortgages
ANSWER: D

44. In financial markets, period of maturity more than five years of financial instruments is classified as
A. Intermediate term
B. Capital term
C. Short-term
D. Long-term
ANSWER: D

45. Type of financial securities that mature in less than a year are classified as
A. Saving intermediaries
B. Discounted intermediaries
C. Money market securities
D. Capital market securities
ANSWER: D

46. Rate of return which is asked by investors is classified as
A. Average cost of capital
B. Mean cost of capital
C. Weighted cost of capital
D. Weighted average cost of capital

ANSWER: D

47. Type of financial securities that matures in less than a year are classified as
A. Money market securities
B. Capital market securities
C. Saving intermediaries
D. Discounted intermediaries
ANSWER: A

48. Markets which bring closer institutions needing funds and with surplus funds are classified as
A. Financial markets
B. Corporate institutions
C. Hedge firms
D. Retirement planners
ANSWER: A

49. Sales revenue $90,000, operating taxes $30,000 and operating capital $15,000 then value of free cash flows (in usd) will be
A. 45000
B. 13500
C. 65000
D. 75000
ANSWER: A

50. Cost of money is affected by factors which includes
A. Production opportunities

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B. Risk
C. All the above
D. Inflation
ANSWER: D

51. Markets in which corporations raise capital for creating market transaction which are classified as
A. Commercial markets
B. Residential markets
C. Primary markets
D. Consumer credit loans
ANSWER: C

52. Notes, mortgages, bonds, stocks, treasury bills and consumer loans are classified as
A. Capital assets
B. Financial instruments
C. Primary assets
D. Competitive instruments
ANSWER: B

53. New york stock exchange and nada stock market are classified as types of
A. Primary stock market
B. Equity market
C. Public offering market
D. Secondary stock market
ANSWER: D

54. Price for debt is called
A. Debt rate
B. Investment return
C. Discount rate
D. Interest rate
ANSWER: D

55.. In corporation characteristics, an easy transferring and division of stock of shares is classified as
A. Ownership interest transferability
B. Deceased transferability
C. Shared division
D. Deceased division
ANSWER: A

56. In financial markets, period of maturity less than one year of financial instruments is classified as
A. Short term
B. Long term
C. Intermediate term
D. Capital term
ANSWER: A

57. Condition in which company's imports are more than its exports is classified as
A. Foreign trade
B. Foreign trade deficits
C. Foreign trade surplus

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D. Trade surplus
ANSWER: B

58. A markets which deals with long-term corporate stocks are classified as
A. Liquid markets
B. Short-term markets
C. Capital markets
D. Money markets
ANSWER: C

59. Bonds issued to individuals by corporations are classified as
A. Municipal bonds
B. Corporate bonds
C. U.s treasury bonds
D. Mortgages
ANSWER: B

60. Financial security in which there is no default risk and issues by u.s governments is classified as
A. U.s treasury bonds
B. Mortgages
C. Municipal bonds
D. Corporate bonds
ANSWER: A

61. Financial security issues by major banks and risk depends on strength of issuer is classified as
A. Negotiable certificate of deposit
B. Mutual funds
C. U.s treasury bills
D. Commercial paper
ANSWER: A

62. Financial security kept by non-financial corporations is
A. Deposit cheque
B. Distribution cost
C. Short term treasury bills
D. Short term capital cost
ANSWER: C

63. A retirement plans funded for workers by corporations, administered and commercial banks are classified as
A. Retirement funds
B. Pension funds
C. Future funds
D. Workers funds
ANSWER: B

64. Financial security issued by banks operating outside u.s is classified as
A. Dollar bonds
B. Euro deposits
C. Eurodollar market deposits
D. Euro bonds
ANSWER: C

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65. Markets which deal with buying and selling of bonds, mortgages, notes and stocks are considered as
A. Financial instruments
B. Financial asset markets
C. Physical asset markets
D. Easy markets
ANSWER: B

66. Capital gain expected by stockholders and dividends are included in
A. Debt rate
B. Investment return
C. Interest rate
D. Cost of equity
ANSWER: D

67. An attitude of investor towards dealing with risk determines the
A. Rate of return
B. Rate of exchange
C. Rate of intrinsic stock
D. Rate of extrinsic stock
ANSWER: A

68. Government spending, if it exceeds federal government tax revenues then it is classified as
A. Federal reserve
B. Federal budget
C. Budget surplus
B. Budget deficit
ANSWER: D

69. Financial security with low degree risk and investment held by businesses is classified as
A. Treasury bills.
B. Commercial paper
C. Negotiable certificate of deposit
D. Money market mutual funds
ANSWER: D

70. 'New York stock exchange' is an example of
A. Capital markets
B. Money markets
C. Liquid markets
D. Short-term markets
ANSWER: A

71. A price for equity is called
A. Interest rate
B. Cost of equity
C. Debt rate
D. Investment return
ANSWER: B

72. Risk in which value of investment depends on what happens to foreign exchange rates is classified as
A. Preferred risk
B. Exchange rate risk

C. Country risk
D. Foreign risk
ANSWER: B

73. Markets which deals with high liquid and short term debt securities are classified as
A. Capital markets
B. Money markets
C. Liquid markets
D. Short-term markets
ANSWER: B

74. Mutual fund allows investors to sale out their share during any normal trading hours is classified as
A. Exchange traded fund
B. Management expense
C. Money trade fund
D. Capital trade fund
ANSWER: A

75. Financial security which is tax exempted and issues by state governments to individuals is classified as
A. U.s treasury bonds
B. Mortgages
C. Municipal bonds
D. Corporate bonds
ANSWER: C

76. To financial analysts, "working capital" means the same thing as
A. Total asset
B. Fixed asset
C. Current asset
D. Current assets minus current liabilities
ANSWER: C

77. Compared to other frms in the industry, a company that maintains aconservative working capital policy will tend to have a
A. Greater percentage of short-term financing.
B. Greater risk of needing to sell current assets to repay debt.
C. Higher ratio of current assets to fixed assets
D. Higher total asset turnover.
ANSWER: C

78. A firm following an aggressive working capital strategy would
A. Hold substantial amount of fixed assets.
B. Minimise the amount of short-term borrowing
C. Finance fluctuating assets with long-term financing.
D. Minimise the amount of funds held inventory liquid assets
ANSWER: D

79. Activities related to coordinating, controlling and planning flow of inventory are classified as
A. Decisional management
B. Throughput management
C. Inventory management

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DD. Manufacturing management
ANSWER: C

80. The following classes of costs are usually involved in inventory decisions except
A. Cost of ordering
B. Carrying cost
C. Cost of shortages
D. Machining cost
ANSWER: D

81. The cost of insurance and taxes are included in
A. Cost of ordering
B. Set up cost
C. Inventory carrying cost
D. Cost of shortages
ANSWER: C

82. Profit forgone by capital investment in inventory rather than investment of capital to somewhere else is classified as
A. Relevent purcgase order costs
B. Relevent inventory carrying costs
C. Irrelevent inventory carrying costs
D. Relevent opportunity cost of capital
ANSWER: D

83. The market price of a share of common stock is determined by
A. The board of directors of the firm.
B. The stock exchange on which the stock is listed.
C. The president of the company.
D. Individuals buying and selling the stock.
ANSWER: D

84.Is the price at which the bond is traded in the stock exchange.
A. Redemption value
B. Face value
C. Market value
D. Maturity value
ANSWER: C

85.Refers to the amount invested in various components of current assets.
A. Temporary working capital
B. Net working capital
C. Gross working capital
D. Permanent working capital
ANSWER: C

86.Is the length of time between the firms actual cash expenditure and its own cash receipt
A. Net operating cycle
B. Cash conversion cycle
C. Working capital cycle
D. Gross operating cycle
ANSWER: A

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87.Refers to the length of time allowed by a firm for its customers to make payment for their purchases.
A. Holding period
B. Pay back period
C. Average collection period
D. Credit period
ANSWER: D

88.Carry a fixed rate of interest and are to be paid off irrespective of the Firms revenues.
A. Debentures, dividends
B. Debentures, bonds
C. Dividends, bonds
D. Dividends, treasury notes
ANSWER: B

89. Credit policy of every company is largely influenced by,
A. Liquidity, accountability
B. Liquidity, profitability
C. Liability, profitability
D. Liability, liquidity
ANSWER: B

90. The only feasible purpose of financial management is

A. Wealth maximization b. Sales maximisation c. Asset maximization d. Profit maximization
answer: a

91. A capital investment is one that
A. Has the prospect of long-term benefits.
B. Has the prospect of short-term benefits.
C. Is only undertaken by large corporations.
D. Applies only to investment in fixed assets.
ANSWER: A

92. Which of the following would be consistent with a more aggressive approach to financing working capital?
A. Financing short-term needs with short-term funds.
B. Financing permanent inventory buildup with long-term debt.
C. Financing seasonal needs with short-term funds.
D. Financing some long-term needs with short-term funds.
ANSWER: D

93. Which asset-liability combination would most likely result in the firm's having the greatest risk of technical insolvency?
A. Increasing current assets while lowering current liabilities.
B. Increasing current assets while incurring more current liabilities.
C. Reducing current assets, increasing current liabilities, and reducing long-term debt.
D. Replacing short-term debt with equity.
ANSWER: C

94. Which of the following illustrates the use of a hedging (or matching) approach to financing?
A. Short-term assets financed with long-term liabilities.
B. Permanent working capital financed with long-term liabilities.
C. Short-term assets financed with equity.

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D. All assets financed with 50 percent equity, 50 percent long-term debt mixture.
ANSWER: B

95. In deciding the appropriate level of current assets for the firm, management is confronted with
A. A trade-off between profitability and risk.
B. A trade-off between liquidity and marketability
C. A trade-off between equity and debt.
D. A trade-off between short-term versus long-term borrowing.
ANSWER: A

96. Spontaneous financing includes
A. Accounts receivable.
B. Accounts payable.
C. Short-term loans.
D. A line of credit.
ANSWER: B

97. Finance function comprises
A. Safe custody of funds only
B. Expenditure of funds only
C. Procurement of finance only
D. Procurement & effective use of funds
ANSWER: D

98. A firm's inventory turnover (it) is 5 times on a cost of goods sold (cogs) of $800,000. If the it is improved to 8 times while the cogs remains the same, a substantial amount of funds is released from or additionally invested in inventory. In fact,
A. $160,000 is released.
B. $100,000 is additionally invested.
C. $60,000 is additionally invested.
D. $60,000 is released
ANSWER: D

99. An increase in the firm's receivable turnover ratio means that:
A. It is collecting credit sales more quickly than before.
B. Cash sales have decreased.
C. It has initiated more liberal credit terms.
D. Inventories have increased.
ANSWER: A

100. Time value of money supports the comparison of cash flows recorded at different time period by
A. Discounting all cash flows to a common point of time
B. Compounding all cash flows to a common point of time
C. Using either a or b
D. None of the above.
ANSWER: C

101. The cost of equity capital is all of the following except:
A. The minimum rate that a firm should earn on the equity-financed part of an investment.
B, a return on the equity-financed portion of an investment that, at worst, leaves the market price of the stock unchanged.
C. By far the most difficult component cost to estimate.

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D. Generally lower than the before-tax cost of debt.
ANSWER: D

102. Market values are often used in computing the weighted average cost of capital because
A. This is the simplest way to do the calculation.
B. This is consistent with the goal of maximizing shareholder value.
C. This is required in the u.s. by the securities and exchange commission.
D. This is a very common mistake.
ANSWER: B

103. The term "capital structure" refers to:
A. Long-term debt, preferred stock, and common stock equity.
B. Current assets and current liabilities.
C. Total assets minus liabilities.
D. Shareholders' equity
ANSWER: A

104. If the weighting of equity in total capital is 1/3, that of debt is 2/3, the return on equity is 15% that of debt is 10% and the corporate tax rate is 32%, what is the weighted average cost of capital (wacc)?
A. 10.533%
B. 7.533%
C. 9.533%
D. 11.350%

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Question Bank

Subject: Financial Management

Class: SYBI

Semester: 4

Faculty: Mrs. Renu Vijay Verma

Practical Problem Sheet

Chapter 1: Working Capital Management

1

The cost sheet of PQR Ltd. gives the following data:

Particulars	Cost Per Unit Rs.
Raw Material	50
Direct Labour	20
Overhead (including depreciation of Rs. 10)	40
Total Cost	110
Profit	20
Selling Price	130

Average raw material in stock is for one month. Average material in work in progress is for half month. Credit allowed by suppliers is one month. Debtors are allowed credit of one month. Average time lag in payment of wages is 10 days. Average time lag in payment of overheads is 30 days 25% of the sales are on cash basis. Cash balance is expected to be Rs. 1,00,000. Finished goods lie in the warehouse for one month.

Prepare a statement of working capital needed to finance a level of activity of 54,000 units of output. Production is carried on evenly throughout the year and wages and overhead accrue similarly.

State clearly any assumptions you make.

2 The management of Gemini Enterprises has called for a statement showing the working capital required to finance a level of activity of 1,80,000 units of output for the year. The cost structure for the company's product for the above-mentioned level of activity is detailed below:

Particulars	Cost per Unit Rs.
Raw Material	20
Direct Labour	5
Overheads (including depreciation of Rs. 5 per unit)	15
Total Cost	40
Profit	10
Selling Price	50

Additional information:

(i) Minimum cash balance desired Rs. 20,000.
(ii) Raw materials are held, in stock, on an average, for two months.
(iii) Work in progress (assume 50% completion stage) will approximate to half a month's production.
(iv) Finished goods remain in warehouse, on an average, for one month.
(v) Suppliers of raw materials extend one month's credit and debtors are given two month's credit. Cash sales are 25% of total sales.
(vi) There is a time lag in payment of wages of one month and of half a month in the case of overheads.

Prepare an Estimate of Working Capital requirements.

3

Details of A Ltd.	Cost Per Unit
Materials	40
Labour	20
Variable selling Expenses	4

Fixed Expenses:

(i) Manufacturing = Rs. 6,000 p.m.
(ii) Administration = Rs. 48,000 p.a.
(iii) Selling = 20% of Administration is Selling Fixed Costs.
(iv) Depreciation = 10% p.a. on Cost of Machine of Rs. 12 lacs. Selling Price = Rs. 96 per unit.

	Output Units	Sales Units
Year 1	6,000	5,000
Year 2	9,000	8,500

Additional information:

(a) Stock of raw materials = 2.25 months' consumption.
(b) Debtors and creditors time lag = 1 month.
(c) Creditors for expenses = 1 month.
(d) Cash balance of one month's administration and selling expenses will be maintained.
(e) Finished goods will be valued on weighted average office cost basis.

Find the amount of working capital required for both the years.

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4

Given below are the summarised income statements of ACE Ltd. for the year ended 31st March 2001 and the projected year ended 31st March, 2002:

Particulars	31-3-2001 (Rs. lakhs)	31-3-2002 (Rs. lakhs)
Sales	600	720
Less: Consumption of Raw Materials	180	240
Depreciation	12	15
Other Manufacturing Expenses	174	186
Adjustment for Opening and Closing Stock	(6)	(9)
Cost of Goods Sold	360	432
Gross Profit	240	288
Less: Interest	30	40
General Selling Expenses	150	200
Profit Before Tax	60	48

The company's average inventory, debtors and creditors levels for the year 2000-2001 were as follows:

Particulars	Rs. In lakhs
Raw Materials	15
Semi-finished Goods	15
Finished Goods	30
Debtors	100
Creditors	15

Based on the projected income statement estimate the working capital requirement for the

5

M/s Jayam Ltd. sells its products on a gross profit of 20% on sales. The following information is xtracted from its annual accounts for year ended 31st March, 2002.

	Rs.
Sales at three months credit	40,00,000
Raw material	12,00,000
Wages paid (average time lag 15 days)	9,60,000
Manufacturing Expenses paid (One month in arrears)	12,00,000
Administrative Expenses paid (one month in arrears)	4,80,000
Sales Promotion Expenses (Payable half-yearly in advance)	2,00,000

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6

Ram Ltd. furnishes the following details and requests you to prepare a statement showing the requirements of working capital for the year 2006.

Particulars		Budget for 2006
Production Capacity		30,000 units
Production		80%
Cost Structure:		
Raw Material		Rs. 40 p.u.
Other direct material		Rs. 30 p.u.
Wages		Rs. 20 p.u.
Overheads:	Fixed	Rs. 10,000 p.m.
	Variable	Rs. 10 p.u.
Profit		20% on sales

(a) Fixed overheads payable quarterly in advance.
(b) Raw material remains in stock for two months.
(c) Other Direct Material in stock for one month.
(d) The production process takes one month. WIP valuation to be made raw material and other direct material at cost and 50% of wages and overheads (variable).
(e) Finished goods remain in stock for two months (to be valued at direct cost).
(f) Raw Material purchased from suppliers against advance payment of three months and other direct material suppliers allow credit of two months.
(g) Time lag in payment of wages two months.
(h) Cash Balance to be maintained at Rs. 75,000.
(i) Credit allowed to customers as under (valued at selling price)
  (I) 50% of invoice price against acceptance of Bill for three months.
  (II) 25% of invoice price time lag three months.

7

Forecast the requirement of working capital of a Trading Company from the following particulars:

(1)	Projected Annual Sales (48 weeks)	Rs. 120 Lakhs
(2)	Percentage of Net Profit to Sales	20%
(3)	Average stock holding in terms of sales requirements	8 weeks
(4)	Average credit period allowed to debtors	10 weeks
(5)	Average credit period allowed by creditors	4 weeks

[Ans.: AWCR Rs. 33,00,000]

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8 M/s Shailesh Enterprise manufactures and sells household goods to retailers. The following are the budgeted figures, for the year 2001-02.

	Rs.	Rs.
Sales		9,42,480
Less: Raw Materials	3,77,040	
Labour	1,85,160	
Overheads	1,38,000	7,00,200
Profit		2,42,280

Additional Information:

(a) Raw materials are carried in stock on an average for 2 months.
(b) Process period is ½ a month.
(c) Finished goods are carried in stock on an average for 1 month.
(d) Normal credit period allowed to customers is 3 months.
(e) Suppliers of raw materials allow 2 months time.
(f) Time lag in payment of labour and overheads is 1 month.
(g) Cash on hand and at bank is estimated at Rs. 20,000 throughout the year.
(h) The activity is spread over evenly during the year.
(i) The working capital is to be increased by 10% for contingencies.

[Ans.: AWCR Rs. 3,40,431.00]

9 Electronic Company Pvt. Ltd. manufactures and sells radio components. From the following particulars you are required to estimate the working capital requirement for the next year (50 weeks).

(I) The selling price per unit will be Rs. 15.
(II) The estimated sales are Rs. 1,50,000 for the year.
(III) The cost per unit is estimated to be:

Materials	Rs. 5
Labour	Rs. 3
Overheads	Rs. 2

(Iv) Other information:
- (a) Raw materials remain in stock for 3 weeks.
- (b) Materials remain in process for 2 weeks.
- (c) Finished goods remain in warehouse on an average for 2 weeks.
- (d) Credit available from the suppliers of materials is 2 weeks.
- (e) Credit allowed to customers is 4 weeks.
- (f) Time lag in payment of labour and overheads is 2 weeks.
- (g) Cash on hand and at bank is estimated at Rs. 20,000.
- (h) Operations are expected to be distributed evenly throughout the year.

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1

From the details of E Co. Ltd. calculate MPBF.

Balance Sheet (Rs. in lakhs)

Liabilities	Rs.	Assets	Rs.
Share Capital	600	Fixed Assets	960
Reserves and Surplus	200	Current Assets	600
Debentures	400		
Creditors and Other Current Liabilities	360		
	1,560		1,560

Note: Of the current assets Rs. 80 lakhs is Core Current Assets.

2

Calculate the Maximum Permissible Bank Finance as per Tandon Committee Norms with the help of following information. (All three methods)

(a) Current Assets Rs. 23,85,385
(b) Current Liabilities Rs. 5,58,461
(c) Core Current Assets 25% of current assets

3

The Board of Directors of Century Ltd. requests you to prepare a statement showing the requirements of working capital for a forecast level of 52,000 units. Following information is made available.

Raw material	400
Labour	150
Overheads manufacturing	200
Overheads selling and distribution	100

Additional Information:

(a) Selling price Rs. 1,000 per unit.
(b) Raw material in stock Average 4 weeks.
(c) W. I. P. average 4 weeks.
(d) Finished goods in stock average 4 weeks.
(e) Credit allowed to debtors average 8 weeks.
(f) Credit allowed by suppliers average 4 weeks.
(g) Cash at Bank is expected to be Rs. 50,000.
(h) Core current assets Rs. 4,00,000.

Find out MPBF under all method suggested by Tandon committee.

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4

Particulars	*₹ in lakhs*
Liabilities :	
Creditors	120
Other Current Liabilities	40
Bank Borrowing	250
Total	410
Current Assets :	
Raw Material	180
Work-in-Progress	60
Finished Goods	100
Receivables	150
Other Current Assets	20
Total Current Assets	510

The total Core Current Assets (CCA) are ₹ 200 lakhs.

5

A newly formed company has applied to the Commercial Bank for the first time for financing its working capital requirements. The following information is available about the projections for the current year :

Particulars	*Per unit (₹)*
Elements of Cost :	
Raw Material	40
Direct Labour	15
Overhead	30
Total Cost	85
Profit	15
Sales	100

Other Information :

Raw material in stock : Average 4 weeks consumption, work-in-progress (completion stage, 50 percent), on an average half a month. Finished goods in stock : on an average, one month.

Credit allowed by suppliers is one month.

Credit allowed to debtors is two months.

Average time lag in payment of wages is 1½ weeks and 4 weeks in overhead expenses.

Cash in hand and at bank is desired to be maintained at ₹ 50,000.

All sales are on credit basis only.

Chapter 3: Cash and Marketable securities Management

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1 ZED Ltd. wishes to arrange for overdraft facilities with its bankers during the period April to June of a particular year when it will be manufacturing mainly for stock. Prepare a Cash budget for the above period from the following data, indicating the extent of bank facilities the company will require at the end of each month.

(a)

Month	Sales Rs.	Purchases Rs.	Wages Rs.
February	1,80,000	1,24,000	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

(b) 50 per cent of the credit sales are realised in the month following the sales and the remaining sales in the second month following. Creditors are paid in the month following the purchases.

(c) Cash in bank on April 1 is estimated at Rs. 25,000.

2 From the following prepare Cash Budget for the period from 1st March to 31st August when the opening Cash Balance was Rs. 40,000.

Month	Sales	Selling Expenses	Purchases	Wages	Factory Expenses	Administration Expenses
January	3,40,000	14,000	1,60,000	30,000	20,000	10,000
February	3,20,000	15,000	1,68,000	32,000	22,000	11,000
March	5,64,000	13,000	1,66,000	3,36,000	16,000	9,000
April	3,10,000	13,600	1,66,000	24,000	21,000	9,400
May	3,30,000	14,800	1,52,000	36,000	24,000	10,800
June	4,00,000	14,000	1,36,000	32,000	19,200	11,400
July	3,60,000	12,000	34,000	34,000	16,000	10,000
August	4,40,000	11,000	1,16,000	33,000	19,200	10,000

(a) Period of credit allowed by suppliers and to customers 1 month.

(b) Lag in Payment of:

(i) Wages : 1 month

(ii) Factory Expenses : 1 month

(iii) Administration Expenses : 1 month

(iv) Selling Expenses : 1 month

(c) Machinery purchased for Rs. 1,00,000 in March payable on delivery in April.

(d) Building purchased in April Rs. 3,00,000 payable in two equal instalments in May and July.

(e) Commission of 3% on sales payable two months after sales.



3 Prepare cash budget from the following information: **(Amount in Rupees)**

Month	Sales	Purchase	Wages	Expenses	Other Expenses
December 2005	58,000	38,000	11,000	9,000	7,000
January 2006	97,000	27,000	14,000	8,000	6,000
February 2006	82,000	26,000	11,000	7,000	3,000
March 2006	98,000	24,000	21,000	5,000	4,000

Other information:

(a) Cash in hand on 1.12.2005 was Rs. 11,034 and any short fall is to be met with through temporary loans.

(b) 30% sales are for cash and debtors get realised in 2 months period equally.

(c) One month credit is available from creditors for purchases.

(d) All other expenses are incurred on 1st of next month.

(e) Expenses includes depreciation of Rs. 1,000 per month.

4 Prepare Cash Budget of Sunil Gavaskar Ltd. for the months of April, May and June, 2002:

Month	Sale	Purchases	Wages	Expenses
January	1,60,000	90,000	40,000	10,000
February	1,60,000	80,000	36,000	12,000
March	1,50,000	84,000	44,000	12,000
April	1,80,000	1,00,000	48,000	14,000
May	1,70,000	90,000	40,000	12,000
June	1,60,000	70,000	36,000	10,000

You are informed that:

(a) 50% of the purchases and sales are on cash.

(b) The average collection period of the company is ½ month and credit purchases are paid off regularly after 1 month.

(c) Time lag in payment of wages is 1 month.

(d) Rent of Rs. 1,000 is payable every month.

(e) Cash and Bank Balance as on 31st March, 2002 was Rs. 3,00,000

(f) Dividend received in May Rs. 36,000.

(g) Professional fees to be paid in June Rs. 1,500.

(h) Expenses are paid in the same month.

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5

Prepare Cash Budget for the month of January to April, 2008 based on the following:

(a) Sales:

October	2007	Rs. 25,000
November	2007	Rs. 20,000
December	2007	Rs. 20,000
January	2008	Rs. 25,000
February	2008	Rs. 25,000
March	2008	Rs. 20,000
April	2008	Rs. 20,000
May	2008	Rs. 25,000

(b) Sales Collection is as under:

(i) In the month of Sale 50%
(ii) Next Month 30%
(iii) Following Month 20%

(c) Cost of Goods sold is 70% of Sales.

(d) Suppliers are to be paid 40% in the month of Purchases and 60% in the following month.

(e) Other Expenses are:

(i) Salaries : Rs. 2,500 p.m
(ii) Commission : 10% of Sales (Payable one month after sale)
(iii) Rent : Rs. 500 p.m Payable one month in advance
(iv) General Exps. : Rs. 2,000 p.m

(f) Company Maintains Cash Balance of Rs. 20,000 on 1st Jan., 2008.

6

Following details are available from the records of a firm. Prepare a cash budget for the 3 months ending 30.06.2017:

Month	Sales (Rs.)	Materials (Rs.)	Wages (Rs.)	Overheads (Rs.)
February	14,000	9,600	3,000	1,700
March	15,000	9,000	3,000	1,900
April	16,000	9,200	3,200	2,000
May	17,000	10,000	3,600	2,200
June	18,000	10,400	4,000	2,300

Additional Information:

(a) 10% sales are on cash.
(b) 50% of the credit sales are collected next month and the balance in the following month.
(c) Period of credit allowed by suppliers 2 months.
(d) Delay in payment of wages ¼th month.
(e) Delay in payment of overheads ½ month.
(f) Cash and Bank Balance on 1.04.2017 is expected to be Rs. 6,000.
(g) Plant and Machinery will be installed in February 2017 at a cost of Rs. 96,000. The monthly installment of Rs. 2,000 are payable from April 2017 onwards.
(h) Advance to be received for sale of vehicle Rs. 9,000 in June.
(i) Dividend from investments Rs. 1,000 is expected to be received in June 2017.
(j) Advance Income Tax to be paid in June 2017 Rs. 2,000.

Chapter 4: Receivables Management



1

Present Situation:

Sales = Rs. 50 Lakhs
Variable Costs = Rs. 40 Lakhs
Fixed Costs = Rs. 6 Lakhs
Credit to Debtors = 30 days

Proposed Credit Policy	Proposed Credit Period	Sales (Rs. in Lakhs)
I	45 days	56
II	60 days	60
III	75 days	62
IV	90 days	63

Determine the credit period that should be allowed by the company. Present your answer in a tabular form. Assume 360 days a year. Calculations should be made upto two digits after decimal. The company expects pre-tax return on investment @ 25%.

2

ABC Ltd. which sells on credit basis has ranked its customers in categories 1-5 in the order of credit risk.

Category	% Bad Debts	Anticipated Credit Period (ACP)
1	0.0	20 days
2	1.5	30 days
3	3.0	45 days
4	7.5	90 days
5	9.0	180 days

The company's current policy is to allow unlimited Credit to firms in categories 1 to 3, limited Credit to firms in category 4 and no additional Credit to firms in category 5.

As a result, orders amounting to Rs. 15 lacs from category 4 and Rs. 40 lacs from category 5 are rejected every year. If ABC Ltd. makes a 15% gross profit on sales and has an opportunity cost on investment in receivables of 18%, what would be the effect on profits of allowing full credit to all categories of customers? Should credit be extended to all categories of customers?

3

A trader whose current sales is Rs. 10 Lakhs per annum and has an average collection period of 30 days wants to place a more liberal Policy to improve sales.

A study made by a management consultant reveals the following information.

Credit Period	Increase in collection Period (Days)	Increase in Sales (Units)	Default Anticipated (Percentage)
A	15	20,000	1.5
B	25	40,000	2.5
C	30	60,000	3.5
D	40	70,000	4.5

Selling price per unit is Rs. 10; average cost per unit is Rs. 6 and variable cost per unit is Rs.

4.

Current bad debt loss is1%
Required return on additional investment is 25%
Assume 360 days in a year. Which of the above policies would you recommend for adoption?

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4

Present Situation
Sales = Rs. 80 Lakhs
Variable Cost = Rs. 50 Lakhs
Fixed Cost = Rs. 10 Lakhs
Credit to Debtors = 20 days

Plan	Proposed Credit Period	Sales (Rs. In Lakhs)
I	30 days	100
II	40 days	120
III	50 days	135
IV	60 days	150

Determine the Credit period that should be allowed by the company. Assume Return On Investment (ROI) @ 18%.

5

A firm sells 40,000 units of its product per annum @ Rs. 35 per unit. The average cost per unit is Rs. 31 and the variable cost per unit is Rs. 28. The average collection period is 60 days. Bad debt losses are 3% of the sales and the collection charges amount to Rs. 15,000.

The firm is considering a proposal to follow a strict collection policy which would reduce the bad debts losses to 1% of sales and the average collection period to 45 days. It would however, reduce sales volumes by 1,000 units and increase the collection expenses to Rs. 25,000.

The firm's required rate of return is 20%. Would you recommend the adoption of the new collection policy? Assume 360 days in a year

Chapter 5: Inventory Management

1

From the following data prepare a valued stock card for material EXE for the month of April, 2012 and value the closing stock by:

(a) Weighted average cost method.
(b) First in first out method.

Date	Transaction
01/04/2012	Opening stock 100 units at Rs. 15 per unit
04/04/2012	Received 90 units at Rs. 16 per unit
07/04/2012	Issued 80 units
11/04/2012	Received 200 units at Rs. 17 per unit
14/04/2012	Issued 150 units
21/04/2012	Received 20 units at Rs. 25 per unit
25/04/2012	Issued 100 units
27/04/2012	Received 50 units at Rs. 16 per unit

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2 The following is a history of the receipts and issues of materials in a factory during March, 2014.

March	Particulars	
1	Opening Balance	500 Quintal @ 25.00
3	Issue	70 Quintal
4	Issue	100 Quintal
8	Issue	80 Quintal
13	Received from Vendor	200 Quintal @ 24
14	Refund of Surplus from a work order	15 Quintal @ Rs. 24
16	Issue	180 Quintal
20	Received from Vendor	240 Quintal @ Rs. 23
24	Issue	304 Quintal
25	Received from Vendor	320 Quintal @ Rs. 23.50
26	Issue	112 Quintal
27	Refund of Surplus from a Vendor	12 Quintal @ Rs. 25
29	Received from Vendor	100 Quintal @ Rs. 24

The Stock verifier of the factory noted that on 15th he had found a shortage of 5 Quintal, and on the 28th another shortage of 8 Quintal.

Write out the Stores Ledger Account in respect of the above material for the month of March, 2014 by LIFO Method.

3 From the following data you are required to compile a valued stock card in respect of material 'Mikytoya' for the month of April 2014 and value the closing stock by:

(a) Weighted average method (b) First In First Out method.

April 1	Opening stock 100 units @ Rs. 15 per unit
April 4	Received 90 units under GRN no. 301 @ Rs. 16 per unit
April 7	Issued 80 units under Issue note no. 501
April 11	Received 200 units under GRN no. 302 @ Rs. 17 per unit
April 14	Issued 150 units under Issue note no. 502
April 21	Received 20 units under GRN no. 303 @ Rs. 25 per unit
April 25	Issued 100 units under Issue note no. 503
April 27	Received 50 units under GRN no. 304 Rs. 16 per unit

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4 Following data pertains to Raw material 'Timmy' during the month September 2010.

01/09/2010	Opening Balance	100 kg.	@ Rs. 15 per kg.
04/09/2010	GRN 903	90 kg.	@ Rs. 16 per kg.
07/09/2010	M.R. 951	80 kg.	
11/09/2010	GRN 908	200 kg.	@ Rs. 17 per kg.
14/09/2010	M.R. 959	150 kg.	
20/09/2010	GRN 923	20 kg.	@ Rs. 25 per kg.
24/09/2010	M.R. 963	100 kg.	
29/09/2010	GRN 942	50 kg.	@ Rs. 16 per kg.

From the above details. You are required to find out:

(a) (i) Value of total issues under "weighted average" method.
(ii) Quantity and value of closing stock under (i) weighted average (ii) FIFO.
(iii) Average purchase price per unit, during the month.

(b) If (i) 2 kgs of "Timmy" are required to manufacture 1 unit of 'Tommy' and
(ii) Other conversion cost per unit of Tommy are Rs. 6 per unit and Company wants to earn 30% profit on sales.
What should be selling price per unit of 'Tommy'?

5 Data relating to slotted angles in a steel furniture manufacturing unit is as follows:

(i)	Annual consumption	12 tonnes.
(ii)	Unit cost	Rs. 100 per kilo.
(iii)	Storage/carrying cost	12%.
(iv)	Procurement cost	Rs. 20 per order.

Calculate:

(1) E.O.Q. per order in kilos.
(2) Annual procurement cost.
(3) Annual carrying cost.

from the above data.

6 Data relating to slotted angles in a steel furniture manufacturing unit is as follows:

Half yearly demand	1,000 units
Ordering cost	Rs. 62.50 per order.
Inventory carrying cost	Rs. 2 per unit.

Calculate:

(a) EOQ per order in units.
(b) Annual procurement cost.
(c) Annual carrying cost.

from the above data.

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7

From the following information calculate the EOQ of a particular component:

Annual Demand	1,250 units
Ordering Cost	Rs. 40 per order
Inventory Carrying Cost	Re. 1 per unit

8

From the following information calculate the EOQ of a particular component:

Quarterly demand	2,500 units
Ordering cost	Rs. 200 per order
Inventory carrying cost	Re 0.50 per unit

9

The following information is available in respect of Zilo Material.

Re-order Quantity	3,000 units
Re-order Period	4 to 6 weeks
Maximum Consumption (per week)	800 units
Normal Consumption (per week)	600 units
Minimum Consumption (per week)	500 untis

Calculate:

(a) Re-order Level
(b) Minimum Level
(c) Maximum Level
(d) Average Stock Level

10

For the manufacture of Product – "Modem", two Components P and Q are used. The following table gives the particulars about these Components:

Particulars	Component P	Component Q
Normal Usage (per Week)	270 units	270 units
Maximum Usage (per week)	360 units	360 units
Minimum Usage (per week)	135 units	135 units
Re-order Quantity	1,800 units	2,700 units
Re-order Period	5 to 7 weeks	3 to 5 weeks

Calculate for each Component:

(a) Re-order Level
(b) Minimum Level
(c) Maximum Level
(d) Average Stock Level

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Chapter 6 : Budgeting

1 Maya limited has made the following sales estimates for April, May and June of the year 2005 from which you are required to prepare sales budget by units and rupees for each of the three months for each Sales area and in Total.

Sales Area	April	May	June
A	40%	30%	30%
B	45%	35%	20%
C	40%	35%	25%
D	30%	40%	30%

The area-wise unit sales are expected as follows:

Sales Area	Sales (Units)
A	2,500
B	2,000
C	3,000
D	6,000
Total	13,500

The selling price has been fixed at Rs. 6 per unit in Area A. Rs. 8 per unit in Area B, Rs. 12 per unit in Area D, and Rs. 10 per unit in Area C.

2 A manufacturer operates three sales divisions X, Y, Z which sell three branded products A, B and C. The budget committee needs a sales budget for the next year from the following information:

Budget sales units for current year:

Product	X	Y	Z
A	8,000	12,000	12,000
B	6,000	16,000	8,000
C	4,000	24,000	10,000

Actual sales units for the current year based on actual sales to the date and estimated sales for the balance of the year are:

Product	X	Y	Z
A	10,000	16,000	14,000
B	4,000	20,000	10,000
C	2,000	20,000	8,000

The selling prices per unit of A, B and C are Rs. 5, Rs. 10, and Rs. 20 respectively applicable for all the divisions.

The discussions with divisional sales managers have product "A" is oversold and if the price is increased by 10%, even then it finds a ready market: product "C" is overpriced and the price of it can be reduced by 5%. By incorporating these changes, the sales will be as follows:

Product	X	Y	Z
A	+ 30%	+ 40%	+ 20%
B	- 10%	+ 30%	- 10%
C	+ 10%	+ 20%	+ 10%

You are required to prepare the budget for the current year as well as budget for the next year.

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3 ACC Ltd. manufactures two products X and Y and sells them through two divisions: North and South. For the submission of Sales budget to the budget committee the following information has been made available:

Budgeted sales for the current year:

Product	North	South
X	4,000 units at Rs. 9	6,000 units at Rs. 9
Y	3,000 units at Rs. 24	5,000 units at Rs. 24

Actual sales for the current year:

Product	North	South
X	5,000 units at Rs. 9	7,000 units at Rs. 9
Y	2,000 units at Rs. 24	4,000 units at Rs. 24

Adequate market studies reveal that product X is popular but under-priced. It is observed that if the price of X is increased by Re. 1, it will still find a ready market. On the other hand, Y is over-priced and the market could absorb more if sales price of Y be reduced by Rs. 4. The management has agreed to do so.

For the information based on these price changes and reports from salesmen, the following estimates have been prepared by divisional managers.

Percentage increase in sales:

Product	North	South
X	+ 10%	+ 5%
Y	+ 20%	+ 10%

Prepare a sales budget, showing budgeted sales and actual sales of the current year as well as budget for the next year.

4 A manufacturing company submits the following figures for the first Quarter of 2003.

Sales/Month	Product in Units	
	X	Y
January	25,000	30,000
February	20,000	25,000
March	30,000	35,000

Selling price per unit Product X Rs. 10, Product Y Rs. 20.

Prepare a sales budget based, on the above data for the first Quarter of 2004 assuming,

(a) Sales quantity increase of X by 20%, Y by 10%.

(b) Sales price increase of X: nil, Y: 10%.

5 Prepare an Area-wise and product wise sales budget for the following data:

Product	Jan.	Feb.	March.
X	500 Units	800 Units	200 Units
Y	1,000 Units	1,100 Units	1,500 Units

The sales areas A, B and C account for 20%, 30% and 50% of product x and 30% and 70% o product y respectively. There is no sale of y in area C. The selling price of x is Rs. 5 per unit anc that of y is Rs. 10 per unit.

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6 A manufacturer operates three sales divisions X, Y, Z which sell three branded products A, B and C.

The Budget committee needs a sales budget for the next year from the following information:

Budgeted sales units for the current year:

Product	X	Y	Z
A	8,000	12,000	12,000
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Actual sales units for the current year based on actual sales to the date and estimated sales for the balance of the year are:

Product	X	Y	Z
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The selling prices per unit of A, B and C are Rs. 5, Rs. 10 and Rs. 20 respectively applicable for all the divisions.

The discussions with divisional sales managers have product "A" is oversold and if the price is increased by 10%, even then it finds a ready market, product "C" is overpriced and the price of it can be reduced by 5%. By incorporating these changes, the sales will be as follows:

Product	X	Y	Z
A	+30%	+40%	+20%
B	−10%	+30%	−10%
C	+10%	+20%	+10%

Chapter 7: Strategic Financial Management

Answer in brief:

(1) What do you understand by the term "Finance Function"?
(2) Bring out the inter-relationship between finance and marketing.
(3) Bring out the scholarship between finance function and Advertising.
(4) State the functions of finance.
(5) Bring out the inter-relationship of finance with other functional areas.
(6) "The term 'Finance Function' as used in the modern context does not simply involve allocation of funds." Examine this statement.
(7) Bring out the relationship between the finance and the purchase functions in a firm.
(8) What role should a financial manager play in a modern enterprise?
(9) Bring out the relationship between the finance and the marketing functions in a firm.
(10) Outline the interrelationship between finance and marketing.
(11) State the objectives of finance management.
(12) What are the objectives of financial management? Explain in brief.
(13) What is the scope of financial management?
(14) State and explain in brief the qualities of an efficient finance manager.
(15) Explain the role of a finance manager in a large corporate enterprise.
(16) What are the objectives of Financial Management?
(17) What are main objectives of financial management?
(18) How are the objectives of financial management achieved?
(19) What are major types of Financial Management Decisions make and describe each of them?
(20) Evaluate different Financial Management Objectives.
(21) Explain the role of finance head as conflict manager.
(22) Express the key determinants of the rate of return on invested capital.
(23) What is EVA? What is its significance?
(24) Discuss the various long term sources of financing. ***(April 18)***
(25) Discuss the scope of strategic financial management. ***(April 18)***
(26) What are principles of sound financial planning? ***(April 18)***
(27) Distinguish between debt finance and equity finance. ***(April 18)***

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Chapter 8: Leverages

1 Find the operating leverage from the following data:

Sales	Rs. 50,000
Variable Cost	60%
Fixed Cost	Rs. 12,000

2 An analytical statement of Q-Me Company is shown below. It is based on an output sales level of 60,000 units.

	Rs.
Sales	9,60,000
Less: Variable Cost	5,60,000
Contribution	4,00,000
Less: Fixed Cost excluding Interest	2,40,000
Earnings Before Interest and Tax (EBIT)	1,60,000
Less: Interest	60,000
Earnings Before Tax	1,00,000
Less: Taxes @ 50%	50,000
Earnings After Tax	50,000

Calculate the degree of

(I) Operating Leverage,
(II) Financial Leverage, and
(III) Combined Leverage.

from the above data.

3 *(a) Calculate degree of operating leverage, degree of financial leverage and combined leverage from the following date:*

Sales 1,00,000 units at Rs. 2 per unit is Rs. 2,00,000.
Variable cost per unit at Re. 0.70.
Fixed Costs: Rs. 1,00,000.
Interest Charges: Rs. 3,668.

(b) Which combinations of operating and financial leverages constitute:

(I) risky situation and
(II) ideal situation



4

Scorpio Ltd. furnishes the following information:

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Equity Capital (Rs. 10 each)	10,00,000	Sundry Assets	31,00,000
10% Preference Share Capital	10,00,000		
8% Debentures	11,00,000		
	31,00,000		31,00,000

If the return on investment is 18% and the tax rate is 40%.

Calculate:

(a) Financial leverage.

(b) Earnings per share.

(c) If the asset turnover ratio is 0.6, calculate the operating and combined leverage of the firm assuming that the firms P/V Ratio is 33⅓%.

5

Calculate Earnings per share (EPS) of Solid Ltd. and Sound Ltd. assuming:

(a) 20% before tax rate of return on assets.

(b) 10% before tax rate of return on assets

based on the following data:

	Solid Ltd. (Rs. in lakhs)	Sound Ltd. (Rs. in lakhs)
Assets	100	100
Debt	–	50 (12% Debenture and Loan)
Equity	100 (Share of Rs. 10 each)	50 (Share of Rs. 10 each)

Assume a 50% income tax rate in both the cases.

Give your comments on the financial leverage.

6

Illustration 12:

A firm has sales of Rs. 150 lakhs, variable cost of Rs. 84 lakhs and fixed cost of Rs. 12 lakhs. It has a debt of Rs. 90 lakhs at 9% and equity of Rs. 110 lakhs.

(a) What is the firm's ROI?

(b) Does it have favourable financial leverage?

(c) If the firm belongs to an industry whose asset turnover is 2, does it have a high or low asset leverage?

(d) What is the operating, financial and combined leverage of the firm?

(e) If the sales drop to Rs. 125 lakhs, what will be the new EBIT?

(f) At what level the EBT of the firm will be equal to zero?

7

The selected financial data for A, B and C companies for the year ended 31st March, 2002 were as follows:

	A	B	C
Variable Cost as a Percentage of Sales	66⅔	75	50
Interest Expenses (Rs.)	200	300	1,000
Degree of Operating Leverage	5	6	2
Degree of Financial Leverage	3	4	2
Income Tax Rate %	40	40	40

Prepare an Income statement for each of the 3 companies.

8

From the following information of S Ltd. and G. Ltd. compute Operating Leverage, Financial Leverage and combined leverage and comment on the impact on the shareholder's wealth.

	S. Ltd (Rs.)		G. Ltd (Rs.)	
Equity Share of Rs. 10 Each		10,000		90,000
10% Debentures		90,000		10,000
Total Capital Employed		1,00,000		1,00,000
Sales	2,00,000	1,80,000	2,00,000	1,80,000
Less: Variable Cost	1,00,000	90,000	1,00,000	90,000
Contribution	1,00,000	90,000	1,00,000	90,000
Less: Fixed Cost	50,000	50,000	50,000	50,000
EBIT	50,000	40,000	50,000	40,000
Less: Interest	9,000	9,000	1,000	1,000
EBT	41,000	31,000	49,000	39,000

9

The following projections are related to company A.

Sales (Units)	80,000
Variable Costs per Unit (Rs.)	4
Fixed Costs (Rs.)	2,40,000
Interest burden on Debt (Rs.)	1,20,000
Selling Price per Unit (Rs.)	10

On the basis of above data compute:

(a) Operating Leverage. (b) Financial Leverage. (c) Combined Leverage.



10 From the following particulars, prepare income statement of A Ltd. and B Ltd.

	A Ltd.	B Ltd.
Degree of Combined Leverage	6 times	15 times
Degree of Operating Leverage	3 times	5 times
Variable Cost as a % of Sales	40%	50%
Rate of Income Tax	35%	35%
Number of Equity Shares	1,00,000	1,00,000
Earnings Per Share	₹ 1.30	₹ 0.65

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Affiliated to University of Mumbai
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P-88, MIDC Residential Area Dombivli Gymkhana Road,
Near Balaji Mandir, Dombivli (East), 421203.

Name of the Faculty-Mahesh Kandalkar

Class-S.Y.B & I , Sem- 3

Subject-Taxation of Financial Services

Q.1 Dr. Anand Shinde is employed with KBC College Mumbai, he gives the following information for the year ended 31st March 2019.

Basic Salary Rs. 400000 Per Annum

Dearness Allowance Rs. 200000 Per Annum

Perquisite Value of Rent Free House Rs. 12000 per annum

Arrears of Salary (Not Taxed Earlier) Rs. 180000.

S.Y. B Com. Examination Remuneration received from college Rs. 10500.

Profession Tax Deducted from salary Rs. 2500.

Remuneration received from Pune University for being PhD. Guide Rs. 10000.

He spent Rs. 6000 on purchase of books useful for the purpose of his employment.

He received Best Teacher Award of Rs. 11000 from Government of Maharashtra.

He received gift from father Rs. 75000.

Q.2 He paid LIC premium for his son Rs. 60000 by Cash for a policy of Rs.500000 issued on01-04-2011. He had taken a loan from State Bank of India for higher education of his sonpursuing Mumbai University's Engineering degree course. For which he paid interest of Rs.50000 during the year. Compute his taxable income for the assessment year 2019-20. Mr. Ayushman Khurana works with the Indian Railways. He gives you following information

for the year ended 31st March 2019.

Particulars	Amount
Basic Salary(Gross)	300000 p.a.
Dearness Allowance	145500 p.a.
House Rent Allowance (Exempt u/s 10 Rs. 30000)	60000 p.a.
Entertainment Allowance	12000 p.a.
Conveyance Allowance (Amount Spent on Conveyance for official purposes Rs. 28000)	48000 p.a.
Arrears of Salary (Not Taxed Earlier)	200000
Profession Tax deducted from salary	2500 p.a.
Employees Provident Fund deducted from Salary	30000 p.a.

Other Information:

He received Rs. 500000 from LIC of India as maturity value of life insurance policy taken on his life. He had taken a loan from state bank of India for his [illegible]

Q.3 Following is the Receipts and Payments Account of Shri Mansukhlalji, A reputed lawyer for the year ended 31st March 2019.

	Receipts	Amount		Payments	Amount
To	Opening Balance	69000	By	Motor car expenses	24400
To	Consultation Fees	210000	By	Staff Salaries	36000
To	Audit Fees	320000	By	Donations	20000
To	Gift From Client	10000	By	Books Purchased	15000
To	Gift from Father	5000	By	Computer Purchased	18000
To	Honorarium for lectures given in Mumbai University	12000	By	Stationery	22000
To	Royalty Received from Publisher of Tax Workbook	18000	By	Income Tax	9000
To	Bank Interest (F.D.)	2250	By	Wealth Tax	1000
To	Loan borrowed for purchase of computer	15000	By	GST	3000
			By	Gift to wife	50000
			By	Son's Expenses	29000
			By	House Furniture	125000

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			Purchased	
		By	Municipal Tax of House	3350
		By	Gift given to Income Tax officer's son for marriage	5000
		By	Sundry Expense	9000
		By	Closing Balance	291500
	661250			**661250**

Additional Information:

1. One fourth of the motor car expenses relate to his personal use.
2. W.D.V. of motor car as on 1st April 2018 is Rs. 205000. Rate of Depreciation on Motor car is 20% p.a. as per income tax rules.
3. W.D.V. of the computer as on 1st April 2018 is Rs. 46000. The new computer was purchased on 18th October. Rate of depreciation on computer is 60% p.a. as per income tax rules.
4. Sundry Expenses includ es Rs. 290 paid to United India Insurance Company for personal Accident Insurance of Shri Mansukhlalji.
5. Son's Expenses include Rs. 2250 school tution fees and the balance for taking out LIC Policy for his son who has severe disability (dyslexia)

Compute Net Taxable Income for assessment year 2019-20

Q.4 Mr. Landhge Gives you following information for the year ended 31-3-2019

	Expenses	**Amount**		**Income**	**Amount**
To	Salaries to staff	200000	By	Gross Profit	1000000
To	Salary to Mr. Landhge	60000	By	Winnings from horse racings	100000
To	General Expenses	150000	By	Dividend from co-operative bank	20000
To	Conveyance	70000	By	Interest on P.P.F. Account	40000
To	Rent of premises	100000	By	Old debts recovered	38000
To	Fire insurance premium	27000			
To	Reserve for doubtful Debts	20000			
To	Income Tax	15000			
To	Contribution to P.P.F.	50000			
To	Depreciation	70000			
To	Net Profit	436000			
		1198000			**1198000**

Other Information:

1. Depreciation allowance under income tax rules is Rs. 60000
2. General Expenses includ e Rs. 10000 for gifts to staff and Rs. 20000 for LIC pension plan premium
3. Old debts in respect of w hich recovery is made were not allowed as deduction in the past, though they were written off in the books.

Compute his total income for the assessment year 2019-20

Q.5 Mr. Kolhe owns two houses in Chennai, in particulars of which are as follows for the previous year 2018-19. Compute his total income for the assessment year 2019-20

Fire Insurance Premium	3000	5000
Collection Charges Paid	1000	Nil
Land Revenue Payable	1500	2400
Interest paid on loan taken for construction of house property	160000	40000
Repayment of principal amount of loan taken	50000	10000
Date of loan taken	20-02-2004	25-01-1999

Mr. Kolhe also received following income during the previous year 2018-19.

1) Royalty on book written by him Rs. 25000

2) Dividend received from co-operative society Rs. 5000

3) Interest received on debe ntures from Indian company Rs. 5000

He contributed Rs. 11000 for LIC Pension Fund Policy.

Q.6 Mr. Shyamsunder furnishes the following information for the previous year ending 31-3-2019 and requests you to compute the taxable gain:

i) He had a residential hou se, inherited from father in March 2010, the fair market value of which as on 1-4-2001 is Rs. 5 lakhs. It was acquired by his father in 1990.

ii) In the year 2012-13 furth er construction and improvements costing Rs. 6 lakhs were made.

iii) On 10-05-2018 the house was sold for Rs. 50 lakhs. Expenditure in connection with transfer Rs. 50000

iv) On 20-12-2018, He purchased a residential house for Rs.15 Lakhs

Cost Inflation Index

2001-02 =100, 2009-10 =148, 2012-13 = 200, 2018-19 = 280

Q 7 Mr. Pradeep has earned the following income during the previous year ended 31st March 2019

Professional fees received in India for three months	Rs. 18000
Payment received in UK for services rendered in India	Rs. 16000
Income from business in Australia controlled from India	Rs. 14000
Income from Agriculture in Bangladesh	Rs.12000
Dividend from foreign company received in UK	Rs. 10000
Amount brought into India out of past untaxed profits earned in USA	Rs. 18000

Compute his total income if he is:

1. Resident and ordinarily resident

Q 8 Non- resident Mr Sandeep has earned the following income during the p.y ended 31st March,2017

Interest on bank account in London	Rs.33,000
Income received from agriculture land in Nepal	Rs.86,000
Dividend Income from Co operative Society from India	Rs.74,000
Salary earned and received in France	Rs.12,700
Dividend from a foreign company received in U.K	Rs.10,000

Compute his total income assuming: he is Resident and Ordinarily Resident and NonResident

To printing	50,000	By gift from Father	35,000
To Entertainment	1,00,000		
To Advertisement	46,000		
To Motar car Expenses	60,000		
To Drawing	1,20,000		
To embezzlement by employee	14,000		
To staff welfare Expenses	1,40,000		
To Sales tax	30,000		
To Depreciation	70,000		
To Income tax	32,000		
To Net Profit	5,17,000		
	15,07,000		**15,07,000**

Additional Information:

1. Depreciation as per Income tax rules is Rs.54,000.
2. Staff welfare expenses include Rs.40,000 for his own medical premium.
3. Salary includes salary paid to his son Rs.15,000.
4. Printing includes Rs.5,000 paid for printing marriage for his daughter marriage.

Q .10 Explain the following basic concepts

a) Assessment Year b) Previous Year c) Person d) Assesse

Q 11. Explain the procedure of deciding residential status of an Individual

Q 12 Explain Deductions from Income from salary

Q 13 Explain the types of House properties

Q 14 Explain Deductions from Income from House Property

Q 15 Explain the various incomes from other sources

Q 16 a) Explain deduction u/s 80TTA

b) Agriculture Income

Q 17 a) Explain deduction u/s 80 U

b) List of Income from other sources

Q 18 Write Short note

1. Short term Capital Gain
2. Deduction from Income from Other sources
3. Basic Condition for Resident and not Ordinary Resident of India.
4. List out Income Exempt from Tax
5. Deduction from Business and Profession

Subject teacher

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P-88, MIDC Residential Area Dombivli Gymkhana Road,

Near Balaji Mandir, Dombivli (East), 421203.

Class-S.Y.B&I

Subject-Direct Tax

Sem-3

Question Bank

Question	Option1	Option2	Option3	Option4
If the assets of a particular block is aquired and put to use during the previous year for less than 180 days,the assessee shall be entitled to depreciation _____	At normal rate	At 50%of normal rate	No depreciation is allowed	At 10%of normal rate
Where the amount of an expenditure claimed as deduction exceeds Rs10,000,it should be paid by ____	Bearer cheque	Account payee cheque/draft	cash	Wallets
Value of any prequisite arising from business is _____	Exempt from tax	Taxed as profit and gains of business	Taxed as income from other sources	Taxed as salary
What is charged to tax under'profit and gains from business' is	Gross profits	gross turnover	gross receipts	Net profits
Any capital expenditure on scientific research related to the assessee's business _____	is allowed to be deducted @100%	is allowed to be deducted@125%	is allowed to be deducted @175%	cannot be deducted from profit of business
Any sum paid to an approved university to be used for scientific research _____	is allowed to be deducted @100%	is allowed to be deducted @12%	is allowed to be deducted @175%	is allowed to be deducted @200%
Capital gains arises from the transfer of _____	Any asset	Any fixed asset	Any capital asset	Land and building only
Which asset is not treated as capital asset for capital gain purposes?	Motor car for business use	Jewellery	Tenancy rights	Plant and machinery held as stock in trade
Short-term capital gain arise on transfer of listed shares and units held by the assessee for not more than _____	36 months from the date of acquisition	12 months from the date of acquisition	54 months from the date of acquisition	22 months from the date of acquisition
Income from sale of rural agriculture land is _____	Taxable capital gain	Not taxable as capital gain	Taxable income	Taxable as income from house property
To be a long term capital assets,a residential house property should be held for more than _____	12 months	24 months	36 months	60 months
Shares held for less than 12 months are _____	Short term capital Asset	Long term capital gain	Exempted capital assets	Excluded from definition of capital asset
House property held for less than 24 months is _____	Long term capital asset	Short term capital assets	Exempted capital assets	Excluded from definition of capital asset

Listed shares held for 15 months are _____	Long term capital asset	Short term capital assets	Exempted capital assets	Excluded from definition of capital asset
FMV on 01-04-2001 is applicable to assets _____	acquired prior to 01-04-2001	transferred prior to 01-04-2001	acquired after 01-04-2001	acquired after 01-04-2002
M,a foreign national visited India during previous year 2018-19 for 180 days.Earlier to this he never visited India.M in this case shall be	Resdent in India	Non-resident	Not ordinarily resident in India	Foreigner
M,a foregin national but a person of Indian orgin visited India during previous year 2018-19 for 50 days.During 4 preceding previous years he was in india for 366 days.M shall be _____	Resident in India	Non-resident in India	Not ordinarily resident in India	Foreigner
Income which accrue or arise outside India and also received outside India is taxable in case of _____	Resident only	Not ordinarily resident	Both ordinarily resident and NOR	Foreigner
Income which accrue outside india from a business controlled from India is taxable in case of _____	Resident only	not ordinarily resident only	Both ordinarily resident and NOR	non-resident
Salary received by partner from firm will be taxable under the head _____	salary	income from other sources	income from business	exempt income
M has taken a house on rent and sublets the same to A.Income of M from such house property shall be under the head _____	Income from house property	Income from other sources	Business income	Capital Gain
Muncipal valuation of the house is Rs.1,00,000 fair rent Rs.1,20,000 standard rent Rs 1,10,000 and actual rent received or receivable is Rs.1,40,000. The gross Annual value in this case shall be _____	R1,10,000	Rs.1,20,000	Rs.1,40,000	Rs 90,000
Muncipal valuation of the house is Rs.1,20,000,fair rent 1,40,000, standard rent Rs 1,30,000 and actual rent received or receivable is Rs 1,25,000.The gross annual value in this case shall be	Rs.1,30,000	Rs.1,25,000	Rs.1,40,000	Rs 90,000
A has two house properties. Both are self-occupied.The annual value of _____	Both house shall be nil	one house shall be nil	No house shall be nil	is taxable as income from other sources
Muncipal tax is deducted from _____	Net annual value	Gross annual value	Muncipal valuation	Interest on loan
A house property with fair rent Rs1,20,000 is neither let out nor self occupied through out the previous year, its annual value shall be	Rs 1,20,000	Nil	Rs 60,000	Rs 5,000
Following will be taxable as income from house property _____	Sub-letting of a house	letting of an office building	Sale of house at profit	rent from open land used for wedding functions
Standard deduction under section 24(a) from Income from House property is _____	1/3rd of NAV	repairs actually incurred	30% of NAV	Rs 30,000
The maximum limit of deduction under section 24(b) in respect of interest on loan taken on 01-04-2017 for repairs of a self-occupied house is _____	Rs 30,000	Rs 2,00,000 p.a	No limit	Rs 5,000
Depreciation is allowed in case of _____	Tangible fixed assets only	Intangible assets only	Tangible and intangible assets	Wasting assets only
Short term capital gain on sale of unlisted shares are _____	Taxable	Exempted	Partially exempted	partially taxable
Long term capital gain on sale of listed shares are _____	Exempted	Taxable	Partially exempted	partially taxable

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Income under the head income from other sources is taxable on ____	Due basis	Receipt basis	On the basis of method of accounting regularly employed by the assessee	Any basis as per choice of assessee
Dividends declared by unit trust of India is _____	Fully exempt in the hands of unit holders	Fully taxable in the hands of unit holders	Taxable but deduction is allowed under sec.80	Taxable as per wish of assessee
Annual interest accrued on NSCs VIII issues shall be _____	Exempt	Taxable only in VI th year	Taxable on the basis of annual accrual	Taxable when received
Deduction u/s 80c in respect of tution fee is allowed to an individual for _____	Any of his children	Any of his minor children	Any two children of such individual	Any one child only
The quantum of deduction allowed under section 80 D for self and spouse shall be limited to _____	Rs 25,000	Rs10,000	Rs 15,000	Rs 200,000
Deduction u/s 80DD in case of dependent with severe disability shall be allowed _____	To the extent of actual expenditure	Rs 75,000	Rs 1,25,000	Rs 1,00,000
Deduction u/s 80E shall be allowed in respect of amount paid by way of interest on loan taken from _____	Any person	Any relative	Financial institution or approved charitable insitution	Any loan
The deduction u/s 80E is allowed for repayment of interest to the extent of: _____	Rs 25,000	Rs 40,000	Any Amount	Rs 50,000
Deduction u/s 80E shall be allowed for the higher education of _____	Assessee himself	Assessee,spouse and children	Assessee and dependent childern	Any one
Deduction u/s 80U in case of person with disability is allowed to _____	An individual who is citizen of India	An individual who is resident of India	Any individual assessee	Foreign Citizen
The quantum of deduction allowed u/s 80U is _____	Rs 40,000	Rs.75,000	Rs 60,000	Rs 70,000
Rajan has incurred Rs 20,000 for treatment and Rs 25,000 was deposited with LIC for maintenance of a handicapped dependant with severe disability.Deduction under Ch VIIAwill be _____	Rs 20,000	Rs.25,000	Rs 1,25,000	Rs 45,000
Deduction u/s 80C in respect of LIP, Contrinution to PF etc is allowed to _____	Any assessee	An individual	An individual or HUF	An individual or HUF who is resident in India
If no system of accounting is followed,interest on securities is taxable on _____	Due basis	Receipt basis	Hyrbid basis	Any basis
Gift received by an individual Rs 70,000 from his relative M shall be _____	Fully exempt	Fully Taxable	Exempt upto Rs 50,000	Exempt up to Rs 20,000
Family pension received by a window of a member of the armed forces is subject to conditions _____	Exempt upto Rs3,00,000	Exempt upto Rs 3,50,000	Totally exempt under section 10(19)	Totally chargeable to tax
Gift of Rs 5,00,000 received on 10th July,2017 through account payee cheque from a non-relative regularly assessed to income-tax,is _____	A capital receipt not chargeable to tax	Chargeable to tax as income from other sources	Chargeable to tax as business income	Exempt upto Rs 50,000 and balance chargeable to tax as income from other sources
Agricultural income from a place outside India is _____	Exempt from tax	Taxable only in case of a non-resident	Taxable as income from business	Taxable as income from other sources
Ganesh received Rs 60,000 from his friend on the occasion of his birthday _____	The entire amount of Rs 60,000 is taxable	Rs 50,000 is taxable	The entire amount is exempt	Rs 10,000 is taxable

Mr. Y has received a sum of Rs 51,000 on 24-10-2020 from relatives on the occasion of his marriage _____	Entire Rs 51,000 is chargeable to tax	Only Rs 1,000 is chargeable to tax	Entire Rs 51,000 is exempt from tax	Only 50% i.e.Rs 25,500 is chargeable to tax
Mr.Mayank has received a sum of Rs 75,000 on 24-10-2020 from his friend on the occasion of his marriage anniversary. _____	Entire Rs 75,000 is chargeable to tax	Entire Rs 75,000 is exempt from tax	Only Rs 25,000 is chargeable to tax	Only 50% i.e Rs 37,500 is chargeable to tax
Deduction u/s 80c is allowed to the maximum of _____	Rs 50,000	Rs 1,50,000	Rs 1,00,000	Rs 3,00,000
For claiming deduction u/s 80c in respect of life insurance premium,it can be paid by assesse for _____	Himself only	Himself or Spouse	Himself,spouse and any child	anyone
Muncipal valuation of the house is Rs 1,00,000 whereas the fair rent of house property Rs 1,15,000 and standard rent is Rs 1,20,000,Actual rent receivable is Rs 1,40,000 muncipal taxes paid 10%.Net Annual value is _____	Rs 90,000	Rs.1,05,000	Rs 1,40,000	Rs.1,30,000
Municipal valuation of the house is Rs 1,50,000,fair rent is Rs 1,50,000 standard rent is Rs 1,40,000.whereas actual rent receivable is Rs 1,35,000 Muncipal taxes paid are Rs 40,000.Net Annual value is	Rs 1,10,000	Rs 90,000	Rs 95,000	Rs.1,00,000
Fair rental value of a house is Rs 2,50,000 standard rent Rs 2,20,000 actual rent Rs 2,30,000.Muncipal taxes paid for 7 years in advance Rs 2,80,000.Net annual value is _____	Rs 10,000	loss Rs.50,000	Rs 2,50,000	Rs 2,10,000
Municipal value of a house is Rs 9,000 p.a,Fair rent Rs 14,000 p.a,standard rent Rs 12,000p.a. The house property has been let out Rs 1,200 p.m and was vacant for one month during the previous year. Muncipal taxes paid during the year Rs 4,000.Net Annual vale is	Rs 5,000	Rs 10,000	Rs 9,200	Rs 8,000
Muncipal value of a house is Rs 9,000,Fair rent Rs 14,000,standard rent Rs 12,000. The hous property has been let out for Rs 1,200 p.m and was vacant for three months during the previous year. Muncipal taxes paid during the year were Rs 4,000. Net Annual value is _____	Rs 5,000	Rs 10,000	Rs 6,800	Rs 8,000
M has a house property in Mumbai whose Muncipal value is Rs 10,000 p.a and the fair rental value is Rs 12,000 p.a .It was self-occupied by M from 01-04-2020 to 31-07-2020.W.e.f 01-08-2020 it was let out at Rs 900 p.m. The muncipal taxes paid during the year were Rs 2,000.Net Annual value is _____	Rs 12,000	Rs 10,000	Rs 10,800	Rs 5,000
Salary,bonus,commission of remuneration due to or received by a working partner from the firm is taxable under the head _____	Income from salaries	other sources	Business income	Exempt
Perquisite received by the assessee during the course of carrying on his business or profession is taxable under the head _____	Salary	other sources	Business/Professional income	Exempt
Interest on capital or loan received by a partner from a firm is _____	Exempt u/s 10(2A)	Taxable as business and professional income	Taxable as income from other source	Taxable as income from salary
Under the head Business or profession,the method of accounting which an assessee can follow shall be _____	Mercantile system only	cash system only	Mercantile or cash system	Hybird system
M a foreign national but a person of Indian origin visited India during previous year 2020-21 for 18 days.During 4 preceding previous years he was in india for 400 days. For the assessment year 2021-22 ,he is	a resident and ordinarily resident	a resident but not ordinarily a resident	non-resident	Foreign Citizen

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Income which accrue or arise in London and also received in London is taxable in case of	Resident only	Not ordinarily resident	Both ordinarily resident and NOR	Foreigner
Mr.Kishao Pant,a citizen of Japan,has come to India for the first time on 03-10-2020 for 200 days. For the assessment year 2021-22,he is	a resident and ordinarily resident	a resident but not ordinarily a resident	a non-resident	Foreign Citizen
Mr. C, a citizen of India left India for US on 16-8-2020 for booking orders on behalf of a Indian Company for exporting goods to US. She came back to India on 5-1-2021. She had been a resident in India for past 10 years . For AY 2021-22, she is	a resident and ordinarily resident	a resident but not ordinarily a resident	a non-resident	Foreign Citizen
M.who is entitled to a salary of Rs20,000 P.M.took an advance of Rs50,000 against the salary in the month of March,2020.The gross salary of M for assessment year 2021-22 shall be	Rs.2,90,000	Rs.2,40,000	Rs.50,000	Rs 20,000
Un-commuted pension received by a Government employee is	Exempt	Taxable	1/3 is exempt	2/3 is taxable
Employee M is neither a government employee nor covered under payment of Gratuity Act,1972.He has complected 16 years and 8 months of service. The number of complected years considered for gratuity exemption shall be	17 years	16 years	16 years and 8 months	18 years
Compensation received on voluntary retirement is exempt under sec.10(10C) to the maximum extent of	Rs.2,40,000	Rs.3,00,000	Rs.5,00,000	Rs 7,00,000
Entertainment allowance in case of government employee is	fully exempt	fully taxable	Exempt upto certin limits mentioned in sec.16(ii)	First included in full in gross salary and thereafter deduction allowed from gross salary under section 16(ii)
Pension received by an employee of the central or state Government who has been awarded "Param Vir Chakra" is	is taxable as income from salary	is exempt from tax	is taxed after deducting Rs 15,000 or 1/3 which ever is lower	is taxable as income from other sources
Which of the following is a capital asset for the purpose of capital gain tax?	Assets held for personal use	Shares of domestic companies	Gold deposits bond ,1999	Special bearer bonds,1991
Capital gain on compulsory acquisition of urban agriculture land is	Exempted capital gain	Taxable capital gain	Partially exempted	partially taxable
Mr.A,aged about 61 years,has earned a lottery income of Rs 1,20,000(gross)during the P.Y2020-21.He also has a business income of Rs 30,000.He invested an amount of Rs 10,000 in Public Provident Fund account and Rs 24,000 in national saving Certificates.The total taxable income of Mr.A for the A.Y.2021-22 is	Rs 1,50,000	Rs 1,16,000	Rs 1,20,000	Rs 1,10,000
Income earned during what period is taxed?	Assessement year	Previous Year	Financial Year	Calender year
One who is liable to pay the income tax in India is called	Indian citizen	Resident in India	Any person	An assessee
A Company joining with two other companies in a joint venture is treated under Income tax laws as	a company	an association of persons	a body of individuals	an artificial juridical person
A Charitable Trust is treated under Income tax law as	a company	an association of persons	a body of individuals	an artificial juridical person

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A Club is treated under Income tax law as _____	a company	an association of persons	a body of individuals	an artificial juridical person
Reliance Limited is treated under income tax laws as ____	a company	an association of persons	a body of individuals	an artificial juridical person
A co-operative Society is treated under income tax laws as _____	a company	an association of persons	a body of individuals	an artificial juridical person
For Claiming deduction u/s 54 the assessee should purchase residential property _____	2 Years after the date of transfer	3 Years after the date of transfer	One Year before and 2 Years after the date of transfer	One year before and 3 years after the date of transfer
Written down value of plant A, B and C on 01.04.2020 is Rs. 7000000 Purchased Plant D on 05.05.2020 and put to use on 01.12.2020 Rs. 2000000 Sale of Plant A Rs.1800000 Rate of Depreciation 15% Depreciation	1080000	225000	1350000	1200000
NAV of self - occupied property is_____	Lower of actual rent	Higher of RLV or Actual Rent	NIL	Equal to GAV - Municipal Tax
Export incentives received by assessee are _____	Exempt	Taxable as business income	Exempt upto certain limits	Taxable as income from salary
Vacant land owned by the assessee during previous year is _____	A capital Asset	A fixed asset	A financial Asset	Not a Capital Asset
Profit on sale of Import Licence is _____	Exempt from tax	Taxed as profit and gains of business	Taxed as income from other sources	Taxed as capital gains
Export cash assistance earned by any person from Government is _____	Exempt from tax	Taxed as capital gains	Taxed as income from other sources	Taxed as profit and gains of business
Profit on transfer of duty entitlement pass book is _____	Exempt from tax	Taxed as income from other sources	Taxed as profit and gains of business	Taxed as capital gains
Income from sale of household furniture is _____	Taxable capital gain	Not taxable as capital gain	short term capital gain	Long term capital gain
Life insurance corporation is treated under income tax law as _____	a company	Local authority	a body of individuals	an artificial juridical person
Mumbai University is treated under income tax laws as _____	a company	an association of persons	a body of individuals	an artificial juridical person
A person by whom any tax, interest,penalty etc is due is known as _____	a defaulter	a resident	a citizen	an assessee
The rate of income tax are laid down _____	for each calender year	for each assessment year	for each previous year	for each head of Income
Residential status is to be determined for _____	previous year	Assessment year	Accounting year	Calender year
Total Income of a person is determined on the basis of his _____	Residential status in India	Citizenship in India	Country of origin	Reason for stay



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Department of Banking and Insurance

Class: SY B.Com (Banking & Insurance)
Subject : Mutual Fund Management Semester : III
Name of Teacher: Ranjana Mhalgi

Theory Question Bank

Unit -1-Introduction to Mutual Fund

1) Explain the characteristics of Mutual Funds in India.
2) Define Mutual fund. What are the ethics in mutual fund?
3) Explain the disadvantages of mutual fund.
4) Explain the working of mutual fund in India.
5) Evaluate Mutual Funds as an investment avenue.
6) Explain the origin and growth of Mutual Funds in India.
7) Explain the role of registrar and transfer agents.
8) What is the role of SEBI in ethics?
9) What is the AMFI code of ethics of Mutual Funds in India.
10) Explain the future of Mutual Funds in India.
11) Explain the role of regulatory agencies for mutual fund.
12) Explain SEBI guidelines for mutual funds.
13) Explain objective of Association of Mutual fund in India.
14) What is the objective of SRO?
15) Explain the role of registrar of companies, company law board, Department of Company affairs.
16) What is the advertising code prescribed by SEBI?
17) Explain the tax implications of security transaction tax.
18) Explain the accounting of mutual funds in India.
19) Explain the various tax implications for mutual fund companies in India.
20) Explain grievances mechanism in mutual fund in India.
21) How to invest in mutual funds in India?
22) Explain the role of SEBI in investor protection.
23) Explain the process of investing in mutual fund.
24) Explain the valuation of equity securities.
25) Explain the concepts: a. Accounting Norms b. Taxation Norms C. Valuation Norms

Unit – 2 – Classification of Mutual Fund

1) Explain the classifications of mutual fund.
2) Differentiate between SIP and STP.
3) What are the advantages of SIP and STP?
4) What is NAV? How is it calculated?
5) Explain entry load and exit load.
6) Write short notes on: a. NAV b. Portfolio maturity C. Open ended schemes d. Close ended schemes e. Money market mutual fund.

Unit – 3 – Fund Selection Criterion

1) Explain the importance of rating Funds.
2) Explain the various basis of Ratings.
3) How rating of funds done by CRISIL and CARE and ICRA.
4) Explain the Criteria for selecting the funds.

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5) Write short notes on Rolling Returns and Benchmarking.
6) Explain YTM with suitable examples

Unit-4- Financial Planning in Mutual Funds

1) What is Financial Planning? Explain the importance of Financial Planning.
2) Explain various steps involved in Financial Planning.
3) Write a short notes on Life cycle and Wealth cycle.
4) Write a short notes on Risk Profiling and Assets Allocations in portfolio.
5) Explain Contingency Funds with suitable example.
6) Explain KYC for Individuals, Micro SIPs, Institutional Investor.
7) Why do we need for financial advisor?
8) What is colour coding in Mutual Funds
9) Explain the difference between 1) advisor and distributor 2) Dividend option and Growth option 3) Bank Fixed and Mutual Funds
10) Explain the steps in building a Model Portfolio.

MCQs Question Bank

1) The highest risk is associated with_____.

a. Balanced Funds b. Gilt Funds **c. Equity Growth Funds**

d. Debt Funds

2) The most important advantage of a money market mutual fund is __.

A quick capital appreciation b. high regular income **c. safety of principal** d. no loads

3) The functions and responsibilities of the sponsor, AMC, trusteesand custodian of the mutual fund are listed in_____.

A offer document only b. key information memorandum

c. both offer document and key information memorandum d. none of the above

4) Which category of investors need advice for Investing in Mutual funds ?

A Non Banking Finance Companies b. Insurance Companies

c. Foreign Institutional Investors **d. Individuals investors**

5) The most important link between Mutual Fund and Investors is _____

aGovernment b. SEBI **c. Fund distributors** d. AMFI

6) Agents are compensated by mutual funds_____.

athrough salaries **b. through commissions**

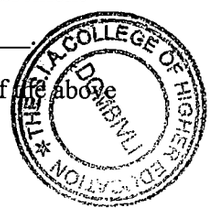
c. through an annual fees d. not in cash but in kind

7) SEBI's advertising code mandate that all performance calculationsin a fund's advertisement should be based on_____.

a. NAV b. the NSE Fifty Index c. the BSE SENSEX d. none of the above

8) _____ plays important role in ensuring the investor protection.

i. **(SEBI,** ii) RBI, iii) IRDA)



9) A close ended mutual fund has a fixed _____

1) NAV
2) **Fund size**
3) Rate of return

10)_____is the supervisor of both RBI & SEBI. (Company Law Board, Underwriter, **Ministry of Finance)**

11) _____is the rate of return expected on a bond at maturity.(**Yield to maturity**, Benchmarking, Net performing assets)

12) The_____is a away to invest in mutual fund regularly.(**SIP**, SWP, STP)

13) Bonds are _____term debt securities issued by government entities. (short term , medium term , **long term**)

14) Bonds pay periodic payment called a _____ rate . (**coupons**,rolling, capital)

15) An _____fund is available for repurchase on a continuous basis.(**open-ended**, close - ended, interval)

16) A_____ option does not re-invest the profit made by the fund.(Growth, **dividend,** portfolio)

17) In _____option the profits generated by the mutual funds scheme are invested back. (Growth, dividend, **dividend reinvestment)**

18) The management of all assets of a mutual fund is entrusted with its _____(UTI, **AMC**, SEBI)

19) A mutual fund is a

a. owned jointly by all investors
b. a company that manages investment portfolios
c. a pool of funds used to purchase securities on behalf of investors
d .a collective investment vehicle

20) Mutual fund is owned by

a. the Govt. of India
b. SEBI
c. all its investors
d. AMFI

21)The Mutual fund is constituted as

a. A trust
b. A private limited company
c. An asset management company
d. A trustee company

22) _____plan is one for investors who purchase units in a scheme directlywith the MF

a. Indirect.
b. Direct.
c. Regular.

23) A close-ended mutual fund has a fixed :

a. NAV
b. fund size
c. rate of return
d. number of distributors

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24) An open-ended mutual fund is one that has:
   a. an option to invest in any kind of security
   b. units available for sale and repurchase at all times
   c. an upper limit on its NAV
   d. a fixed fund size

25) The NAV of a mutual fund:
   a. is always constant
   b. keeps going up at a steady rate
   c. fluctuates with market price movements
   d. cannot go down at all

26) A gilt fund is a special type of fund that invests
   a. In very high quality equity only
   b. In instruments issued by companies with a sound track record
   c. In short-term securities
   d. In government securities only

27) The most important advantage of a money market mutual fund is
   a. quick capital appreciation
   b. high regular income
   c. safety of principal
   d. no loads

28) The NAV of each scheme should be updated on AMFI's website
   a. every quarter
   b. every month
   c. every hour
   d. every day

29) Debt funds target
   a. low risk and stable income
   b. protection of principal
   c. high growth with risk
   d. long term capital appreciation

30) The Custodian of a mutual fund:
   a. Is appointed for safekeeping of securities
   b. Need not be an entity independent of the sponsors
   c. Not required to be receive deliveries with SEBI
   d. Does not give or receive deliveries of physical securities

31) Bank owned Mutual Funds are supervised by
   a. SEBI
   b. RBI
   c. Jointly by SEBI & RBI
   d. AMFI

32) Distributors or agents
   e. Can distribute several mutual funds simultaneously
   f. Cannot appoint sub-agents or sub-brokers
   g. Should be only individuals not companies or banks
   h. Should not be an employee or associate of the AMC

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33) The most suitable measure of fund performance for all fund types is

i. NAV Change
j. Total Return
k. Total Return with reinvestment
l. None of the above

34) Who among the following are not eligible to invest in MF

a. Indian Companies
b. Banks
c. Non Banking Finance Companies
d. Foreign Citizens

35) Which Mutual Fund has majority of the agents selling its Mutual Fundunits in India

a. LIC Mutual Fund
b. UTI Mutual Fund
c. SBI Mutual Fund
d. None of the above

36) If the AMC is managing a fund for the first time, this information can befound in

a. Newspapers
b. SEBI
c. AMFI Newsletter
d. Offer document

37) A diversified equity fund is one whichA Invests in one sector

b Invests in one theme

c Invests in stocks across various sectors

d Invests in minimum 30 stocks

38) SIP is a

A Method of regular investment
B Name of a mutual fundC
Brand of Tea Stock
D None of these

39) The first introduction of Mutual Funds in India occurred in which of thefollowing years?

A 1964

B 1963

C 1987
D 1999

40) Which of the following mutual funds solely invests in stocks?A debt funds

B gilt funds

C equity funds

D balanced funds

41) Bonds / Debentures are generally issued for time beyond(i) 1 week

(ii) 180 days

(iii) **One year** None of the above

42) Day to day operations of a mutual fund is handled by

(i) Asset Management Company(ii)
Sponsor
(iii) Trustee

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(iv) None of the above

43) The asset allocation that is worked out for an investor based on riskprofiling is called

(i) Tactical Asset Allocation
(ii) Fixed Asset Allocation
(iii) Flexible Asset Allocation
(iv)Strategic Asset Allocation

44) The funds that combine features of both open-ended and close-endedschemes are called

(i) Interval Funds(ii)
Dual Funds (iii)Middle
Funds
(iv)Intermediary Funds

45) Which of the following is a benefit of investing in mutual funds?

I. Diversification
II. Professional management
III. Switching services
IV. All of the above

46) A Self Regulatory Organisation can regulate

a.All entities in the market
b.Only its own members in a limited way
c.Its own members with total jurisdiction
d.No entity at all

47) Transaction costs include

A all expenses related to tradingB all expense charged to the fund C distribution expenses
D none of the above

48) Mutual Fund agents/distributors in India are required to pass examination to qualify to sell Mutual Fund Units conducted by

A AMFI
B SEBI
C No
D Post Graduate university course

49) Financial Planning involves

A studying financial management
B managing the risks of investingC financing the client's investments D none of the above

50) Mutual fund ratings providers also act as

a) Link
b) Industry watchdogs
c) Sponsor
d) None of the above

51) _____considers performance of MF on of a defined period.a) Point to point return.
b) Rolling returns.c)
Market returns
d) None of the above.

52) Mutual fund has to be registered with

a) RBI
b) SEBI
c) EXIM
d) All of the above

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53) _____ witnessed the entry of mutual fund companies sponsored bynationalized banks and insurance companies.
a) Phase l **b)**
Phase llc)
Phase lll d)
Phase lV

54) 7.The objective of SEBI is

A.To protect the interest of investors in securitiesB.To regulate the securities market

C.To promote the development of securities market

D. All of the above

55) _____acts as investment manager of the trust under the boardsupervision and direction of the trustees
A.SEBI
B.SRO
C. Custodian
D.AMC

56) SEBI replaces colour coding of mutual fund products with _____
A risko parameter ,
B riskometer ,C
risko scale d)
colours

57) A mutual fund's benchmark is usually _____
A fund amount,
B an index, C
book valueD
NAV

58) Mutual fund taxation is based on_____of an individual.A
income status,
B Residential status,
C wealth status

59) _____by SEBI-registered intermediary is compulsory forall investors
a KYC,b
IPV, c
NAV

60) SEBI made it mandatory for fund houses to declare_____

A Market index

B benchmark index.
C SENSEXD
NIFTY

61) Mutual fund schemes pay tax on capital gains at _____
a. 10%

b. 15%

c. 30%
d. 10%LTGC & STCG

62) Mutual fund investors can redeem their units ata. NAV at the time of purchase

b. Base price

c. Current NAV

d. Shares cannot be redeemed

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63)What factor is important for debt fund?

A Yields

B Credit risk

C Years to maturity

D All of these

64)Only_____schemes are considered in CRISIL mutual fund ranking.

1) Open ended

2) Close ended

3) Both open ended and close ended40 none

66) A Fixed Term Plan Series is a _____

A. An open-ended fund

B. A close-ended fund

C. A fixed term bank deposit D. A fixed term corporate bond

67) The role of an AMC is to act as _____

A. Promoters

B. Investment Managers

C. Distribution Agents

D. Regulators

68) In case of listed securities of group companies of the sponsors mutualfund is not allowed to invest _____

A. 25% of its net assets

B. 10% of its net assets

C. Not allowed at all

D. 5% of its net assets

69) SEBI act was passed _____

a. 1932

b. 1956

c. 1946

d. 1992

70) The first offshore fund was launched by _____

1) AMFI

2) UTI

3) AMC

4) SBI

SR No	**Questions**	**A**	**B**	**C**	**D**	**Answer**
71	_____ Schemes is one that is available for subscription and repurchase on a continuous basis.	Close-ended	Open-ended	SIP	All of the above	b
72	_____ schemes do not have a fixed maturity period.	Close-ended	Open ended	SIP	All of the above	b
73	_____ funds have the features of both open ended and close ended funds.	SWP	SIP	Interval funds	All of the above	

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74	The aim of _____ fund is to provide both growth and regular income as such schemes invest both in equities and fixed income securities.	Equity	Debt	hybrid	All of the above	c
75	_____ funds enable NRIs and international investors to participate in Indian capital market.	Domestic	National	Off-shore	All of the above	c
76	_____ fund is an open fund that tracks an index like an index fund but trades like a stock in an exchange.	Exchange traded	Nifty	stocks	All of the above	a
77	_____ helps reducing the average cost per unit and helps an investor to take advantage of market fluctuation.	SWP	STP	SIP	All of the above	c
78	_____ is a plan that allows a unit holder to withdraw money from an existing mutual fund portfolio at predetermined intervals.	systematic withdrawal plan	systematic transfer plan	Both	None of these	a
79	_____ is unique mutual fund products, which make investments in mutual fund schemes of its own AMC or schemes of any other AMCs.	Funds of Funds	Index fund	ELSS	All of the above	a
80	Maturity of Portfolio is applied to _____ mutual funds.	Equity	debt	Both	None of these	b
81	_____ is the optimum blending of various financial instruments keeping in mind the objective and preferences of investor.	Planning	Portfolio	Training	None of these	b
82	Investors who need _____ income from the investments should opt for dividend option.	Irregular	Regular	Supply	None of these	b
83	_____ is the process of comparing one's business processes to industry bests or best practice from other industries.	Road mapping	Benchmarking	Business landmark	All of the above	b

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84	_____ are long term debt securities usually issued by Government entities and by financial corporations.	Bonds	equity	both	All of the abov e	a
85	Bond pays periodic payments called as _____.	YTM	Dividend	coupons	None of these	
86	_____ is the rate of return expected on a bond which is held till maturity.	Yield to maturit y	Yield to curve	Yield to coup on	All of the abov e	a
87	_____ shows the history of mutual fund's performance.	Rolling returns	Standard returns	Fixed retur ns	All of the abov e	a
88	_____ is a mutual fund rating agency.	RBI	SEBI	ICRA	None of these	
89	The Securities and Exchange Board of India [SEBI] has made it mandatory for mutual funds to declare a _____.	Benchmark	CASA	ICRA	None of these	c
90	CARE _____ rating signifies Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations.	AA	BB	AAA	All of the abov e	c
91	CARE_____ rating are in default or are expected to be in default soon.	D	C	AA	All of the abov e	a
92	In case of Dividend Reinvestment option, the investor chooses to_____ the dividend in the scheme.	reinvest	redeem	invest	None of these	a
93	_____ is the process of a business identifying and verifying the identity of its clients.	Know your custom er	Know your consumer	Both	None of these	a
94	_____ does not guarantee fixed rate of returns.	Bank fixed deposit	Mutual fund	Both	None of these	b
95	_____ is the evaluation process to find out individual's willingness to take risk.	Risk profilin g	Risk distributio n	Risk Asse ssme nt	All of the abov e	a
96	_____ refers to distributing investors investible surplus across asset classes such as equity, debt,	Asset allocati on	Liability	Manage ment	All of the abov e	

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	gold, real estate or cash.					
97	_____ is a type of bond fund that invests only in fixed-income instruments with very short-term maturities.	Ultra short	ELSS	Balanced	None of these	a
98	The most important feature of a contingency fund is _____.	liquidity	transparency	disclosure	All of the above	a
99	_____ gives the roadmap to your financial decisions.	Tax	Finance	Financial Planning	All of the above	c
100	Investors whose goal is to earn compounded returns from MF investments should opt for_____ option.	Dividend	Interest	Growth	All of the above	c

Subject Teacher

Convener

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The South Indian Association's
The S.I.A. College of Higher Education
Affiliated to University of Mumbai
Accredited B+ by NAAC
P-88, MIDC Residential Area Dombivli Gymkhana Road,
Near Balaji Mandir, Dombivli (East), 421203.

Class: SYBBI
Subject: CORPORATE & SECURITIES LAW
Semester -IV
Subject Teacher: MRS. SUNITA SIDHANI

1. Which of the statement is not correct as regards a company?
   (a)It is an artificial person.
   (b) It is not a citizen.
   (c) **It does not have perpetual succession.**
   (d) It can sue and be sued in its own name.
2. When the company assumes an enemy character:
   (a) The government of the country of the place of incorporation is liable.
   (b) **The corporate veil will be pierced.**
   (c) Nothing can be done as the company is registered.
   (d) None of the above happens.
3. Effects of pre-incorporation contracts:
   (a) **If adopted by the company after incorporation, the company is liable.**
   (b) If not adopted by the company after incorporation, still the company is liable.
   (c) The directors are personally liable.
   (d) The shareholders become liable.
4. As regards the consequences of non-registration of a company, which statement is not applicable?
   (a) **The company is a legal association.**
   (b) The company cannot be wound up.
   (c) The company is an illegal association.
   (d) The members become personally liable.
5. In case of one Person Company minimum number is:
   (a) **One**
   (b) Two
   (c) Seven
   (d) One person and one nominee
6. Independent corporate personality means:
   a. company is independent in some aspects only
   b. company is different from the members who constitute it
   c. company and shareholders are one and the same
   d. (a) or (b)
7. A company can be limited by shares, guarantee or unlimited:
   (a) **True**
   (b) False
8. A company has perpetual succession, means:

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(a) company exists for perpetuity
(b) company exist so long as the promoters live
(c) **company exist so long as it is not wound up**
(d) company exist till 1 director is alive

9. The corporate veil of the company may be lifted under:
(a) statutory provisions
(b) judicial interpretation
(c) cannot be lifted
(d) **(a) and (b)**

10. When the minimum subscription is not received, the money must be returned within
(a) **120 days**
(b) 150 days
(c) 200 days
(d) any time the company desires

11. A company on registration:
(a) **Acquires a corporate personality.**
(b) Does not acquire a corporate personality.
(c) Acquires a corporate personality depending on the intention of the promoters.
(d) Acquires a corporate personality depending on the intention of the government

12. The corporate veil of a company is lifted:
(a) When the company wants.
(b) When the company does not refund the application money on failure, to allotment.
(c) **When the company acquires an enemy character.**
(d) All the above.

13. Pre-incorporation contracts are:
(a) Binding on the promoters.
(b) Binding on the company.
(c) Does not bind the company or the promoters.
(d) **Binds the company if the matter falls within the object clause.**

14. Since a company is regarded as an entity separate from its members:
(a) The members of the company can be sued for the debts of the companies.
(b) The shareholders are the agents and trustees of the company.
(c) **The shareholders can enter contracts with the company.**
(d) The assets and liabilities of the company are also the assets and liabilities of the members.
(e) The shareholders have an insurable interest in the property of the company.

15. Which statement is correct as regards private company?
(a) Private company does not require registration.
(b) Minimum capital required is Rs. 5 lakhs.
(c) **Minimum 2 persons are required for registration.**
(d) Maximum number is unlimited.

16. A company cannot be unlimited liability:
a. May be
b. **True**
c. False

17. A company can be limited by shares, guarantee or unlimited:
(a) **True**

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(b) False

18. A private company gets converted to a public company by ordinary resolution:
    (a) True
    (b) **False**
19. In case of OPC, one director is appointed.
    (a) **True**
    (b) False
20. In case the company has been registered with a name that is an undesirable on the Central Government can ask for a change of name:
    (a) Within 5 years of registration
    (b) **Within 1 year of registration,**
    (c) Within 6 months of registration
    (d) Cannot ask, once registered,
    (e) At any time.
21. For alteration of the object clause:
    (a) Requires only special resolution
    (b) Requires special resolution and approval of the Company Law Board.
    (c) Requires ordinary resolution and approval of the Central Government,
    (d) **Requires special resolution and approval of the Central Government,**
    (e) Requires ordinary resolution and approval of the Central government.
22. A certified copy of the order of the Central Government confirming the alteration of Memorandum of association, is to be registered with the Registrar of Companies within:
    (a) One month of its alteration
    (b) Two months of its alteration
    (c) **Three months of its alteration**
    (d) Six months of its alteration,
23. The doctrine of indoor management comes to the aid of:
    (a) The company.
    (b) **The outsider, dealing with the company.**
    (c) The Central Government.
    (d) The Company Law Board.
24. The doctrine of Constructive notice can be invoked by:
    (a) The Company Law Board.
    (b) The Central Government.
    (c) Ministry of Company affairs
    (d) **The company**
25. Which statement is incorrect as regards MOA:
    (a) MOA is primary, and AOA is secondary.
    (b) MOA deals with the fundamental conditions while AOA talks about internal regulations.
    (c) **Anything done beyond MOA is a mere irregularity while anything done beyond AOA is null and void**
26. MOA is compared to:
    (a) **Constitution**
    (b) Preamble
    (c) History
    (d) Aims and objectives

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27. Which statement is incorrect as regards the object clause:
    (a) contains the main objects
    (b) contains incidental objects
    (c) other objects of the company.
    (d) **talks about the profits of a company.**
28. Articles of Association deals with:
    (a) Aims and objectives of the company.
    (b) **Regulations regarding the administration of the company**.
    (c) Where the registered office of the company is situated.
    (d) With the name of the company.
29. Any property acquired under an ultra vires transaction:
    (a) Contract is null and void.
    (b) Property belongs to the directors.
    (c) **It is the asset of the company.**
    (d) Belongs to the shareholders.
30. Which of the following does not fall within the AOA:
    (a) Borrowings powers.
    (b) Meetings
    (c) Transfer and transmission of shares.
    (d) **Capital clause.**
31. Which of the doctrines is regarded as unreal, as it fails to take note of the business realities:
    (a) **Doctrine of constructive notice.**
    (b) Doctrine of indoor management.
    (c) Doctrine of Ultra Vires
32. Which is an exception to the doctrine of indoor management:
    (a) Object clause and doctrine of ultra vires.
    (b) **Doctrine of constructive notice.**
    (c) Articles of Association
    (d) Memorandum of Association
33. Which is not an exception to the rule of indoor management:
    (a) Knowledge of irregularity.
    (b) **Persons has read and understood the MOA & AOA**
    (c) (C) Suspicion of irregularity.
    (d) The act is outside the apparent authority of the company.
34. In case of a conflict between MOA & AOA:
    (a) **MOA prevails.**
    (b) AOA prevails.
    (c) Directors shall decide.
    (d) Both are not considered.
35. What does not constitute a prospectus?
    (a) If directed to a specified person
    (b) If directed not to the public.
    (c) If it does not aim to issue shares.
    (d) It is directed to a select group.
    (e) **All of the above**
36. When is a prospectus not required to be issued?
    (a) In case of private company



(b) In case of a public company.
(c) When the company intends raising funds only from existing shareholders.
(d) When the shares are offered to the underwriters.
(e) **(a), (c) and (d).**

37. A public company should issue a prospectus within
(a) Within 30 days after registration with the Registrar.
(b) Within 45 days after registration with the Registrar.
(c) Within 60 days after registration with the Registrar.
(d) **Within 90 days after registration with the Registrar**

38. A subscriber, who purchases shares based on misstatement in the prospectus:
(a) Can rescind the contract.
(b) Can claim for compensation.
(c) Can seek for punishment of the directors.
(d) **All four remedies are available.**

39. Small depositor is a person:
(a) **Who deposits up to Rs. 20,000 in a year.**
(b) Who deposits up to Rs. 50,000 in a year.
(c) Who deposits up to Rs. 1, 00,000 in a year.
(d) Who deposits up to Rs. 1, 50,000 in a year.

40. A director on coming to know of the misstatements in the Prospectus withdraws his consent before the prospectus was issued. He:
(a) Will still be held liable.
(b) **Will not be held liable.**

41. Statement in lieu of the prospectus must be registered with the registrar:
(a) **Minimum 3 days before allotment of shares.**
(b) Minimum 6 days before allotment of shares.
(c) Minimum 9 days before allotment of shares.
(d) Minimum 12 days before allotment of shares.

42. Who is not liable for misstatement in the prospectus:
(a) Directors.
(b) Any person whose name appears in the prospectus.
(c) Expert
(d) **Employee**
(e) Managing Director.

43. There is no prospectus in case of a private company.
a. **true**
b. false

44. For the transmission of securities to the account of new karta from the account of deceased karta, the surviving members through the new karta shall make joint application to the DP.
a) True
b) False

45. A new company issues securities worth Rs.9.5 crore to the public. In such case which of the following is true.
a) Securities will be issued in physical form, but trading will be in demat form.
b) Securities will be issued in demat form, but trading will be in physical form.
c) Securities will be issued in physical form and trading also in physical form.
d) Securities will be issued in demat form or physical form but trading only in demat form.

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46. Dematerialisation request can be rejected by issuer or R&T agent in case.
a) All/some certificates received by R&T agent from the DP is /are found to be fake or reported lost or stolen.
b) Duplicate certificate earlier issued by R&T agents.
c) All/some certificate received by R&T agent are found to bear forged or fake endorsement.
d) All of the above.

47. What kind of account is needed by nominee to give effect to the transmission of shares?
a) Saving account
b) Demat account
c) Salary account
d) Current account

48. Which of the following statement is false?
a) Depositories also provide depository facility to the commodity exchanges for settlement of trades pertaining to ware house receipts for commodities.
b) The legal status of warehouse receipts is different from that of securities.
c) DP are free to add any more terms and conditions to the agreement to the extent they are not contradictory to the terms and conditions of the model.
d) For electronic trading of ware house receipts, a DRF-WR portion has to be filled by the client.

49. HUF account cannot be opened with joint holders.
a) False
b) True

50. If the application by the DP for renewal is received at SEBI less than 3 months before the expiry
a) DP ceases to act as intermediately immediately.
b) DP will continue to act as intermediary till the date of expiry.
c) DP will act as intermediary even after expiry but cannot take new business
d) DP ceases to act as intermediary immediately but continue to do fresh business.

51. In dematerialisation of securities
a) Physical securities are destroyed and electronic credit is given in demat a/c.
b) Physical securities are stored and electronic trading is done.
c) Both are true
d) Both are false.

52. If the lender needs concurrence of the borrower for appropriating securities to his account, the transaction is called as _____?
a) Pledge
b) Hypothecation
c) Either of the above
d) None of the above

53. Are certificate of deposits eligible for dematerialization as per SEBI (Depository and participant Regulation, 1996).
a) Yes
b) NO.

54. In off market transfer, the account holder should specify the execution date onthe execution slip.
a) False



b) True

55. The following cannot be a beneficial owner for securities account.
    a) A proprietary firm
    b) A foreign institutional investor
    c) A person age below 18 years
    d) A trust
56. RBI does not register transfer of securities during.
    a) Closure period
    b) Shut period
    c) Lock period
    d) Enclosed period
57. Which of the following documents have to be preserved by the Depository?
    a) Names of transferor
    b) Names of the transferee
    c) Dates of transfer of securities
    d) All of the above
58. DP has to get an internal audit done of the depository operations on a _____basis by a practising Chartered account or a company secretary.
    a) Weekly basis
    b) half-yearly basis
    c) Monthly basis
    d) Quarterly basis.
59. The effect of nomination of a joint account is
    a) Nominee has no right
    b) Nominee act as trustee on the death of one of the holders.
    c) The nominee act as trustee on the death of all the account holders.
    d) The nominee becomes the owner of the securities.
60. Which of the following is a "cash corporate action"?
    a) Corporate benefits
    b) **Dividend**.
61. The client and participant is a standard agreement approved by
a) SEBI
b) RBI
c) DCA
d) Depository
62. The depository provides the details of holding of the client to the issuer/R&T agent for the purpose of corporate actions.
    a) one day prior to record date/ book closure date
    b) on Record date
    c) One day after Record date
    d) Depository never provide such details
63. Under RGESS, 'New Retails investor will be eligible for additional tax benefits up to Rs. 25,000/-under section 80CCG up to a maximum investment of Rs. 50,000made in eligible securities.
    a) True
    b) False
64. A power of attorney has to be given on a stamp paper of value?
    a) Rs.100
    b) Rs.20
    c) Rs.200
    d) Varies from state to state

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65. Within how many days of request of remat of securities should the client receive the physical securities?
    a) 45 days
    b) 30 days
    c) 7 days
    d) 15 days
66. The creation of pledge and hypothecation against securities which are held in demat mode is permitted as per
    a) Bye-law of the depository
    b) SEBI act 1992
    c) Depository Act 1996
    d) SEBI (DP) regulation act 1996
67. Identify incorrect underlined portion of the sentence.

Accounts opened under the agreement with DPs shall hold electronic warehouse receipts along with other securities.

a) along with other securities
b) account opened
c) Agreement with DPs.
d) electronic warehouse receipts

68. In CDSL the signature of introducer is required to open a Demat account.
    a) **TRUE**
    b) False
69. _____ aims at streamlining settlement process by transfer of ownership of securities electronically by book entry without making the securities move from person to person.

a) Companies act 1956
b) Depository act 1996
c) SEBI Act 1996
d) SCRA 1956

70. From whom does the DP receives pledge closure request?
    a) Pledgor
    b) Depository
    c) Pledgee
    d) None of the above
71. Among the following which can be dematerialised
    a) Units of mutual fund
    b) Unlisted securities
    c) Money market instruments
    d) None of the above
72. A DP may register the transfer of securities to or from the beneficial owner account only on receipt of instrument from the beneficial owner.

a) TRUE
b) False.

73. Each participant should appoint a senior management executive to be designated as principle officer to monitor transaction as per PMLA act.

a) False
b) **True.**

74. Which of the following category of investors are exempted from furnishing PAN?

a) **U.N. entities/ Multilateral agencies**
b) B)NGO
c) Registered Trust

75. The account opening form should be signed by _____ in case of minor.



a) **Guardian**
b) Neighbour
c) banker

76. Public limited companies are required to make public offer only in dematerialised form in case of offer is more than_____.
a) **Rs.10 crores**
b) Rs. 5 Crores
c) Rs. 3 Crores
d) None of the Above

77. Can either of the account holders sign in case of depository account as is the case with deposit account?
a) True
b) False

78. Minimum subscription should be received with in _____days
a) 120
b) 125
c) 130
d) 135

79. If minimum subscription is not received application money should be refunded with in _____days
a) a)20
b) b)25
c) c)30
d) **d)10**

80. In the process of conversion of a private company into a public company which prospectus must be issued
a) Deemed prospectus
b) Shelf prospectus
c) Statement in lieu of prospectus
d) None of the above

81. Company should file a prospectus in case of conversion of private company into a public company with in _____ from the date of resolution
a) 30 days
b) 45 days
c) 60 days
d) none of these

82. _____are the prospectus issued instead of full prospectus
a) Abridged
b) Statement in lieu
c) Shelf
d) Red herring

83. Allotment of shares or debentures must be made after getting _____ subscription against entire public issue as per SEBI guidelines.
a) 80%
b) 90%
c) 100%
d) None of these

84. If the refunds are delayed by more than 10 days after this period. The directors become liable to repay the money with how much interest as per SEBI Guidelines.
a) 10%

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b) **b) 15%**
c) c) 20%
d) d) None of these

85. Every Company who want to go for public issue and allot shares, they should make an applicant to stock exchange

a) Yes
b) b)No

86. If the permission has not been granted or not applied for permission for listing through stock exchange. The allotment of shares will be void in case of public company

a) Yes
b) b)No

87. If the company has not received permission for listing from stock exchange and repayment of amount delayed by more than 8 days the minimum interest should be paid is

a) 4%
b) 3%
c) 2%
d) none of these

88. From the above how much will be maximum interest

a) 10%
b) 12%
c) 15%
d) None of these

89. In case minimum subscription is not received and refund is delayed _____% of interest to be paid by the company.

a) 5
b) 6
c) 7
d) 8

90. As per SEBI application money should be refunded from the end of _____ day

a) 60
b) 70
c) 80
d) 90

91. An appeal is made to whom against stock exchange for refusing the permission of listing.

a) SAT
b) NCLT
c) MAT
d) ROC

92. A company cannot pay under writing commission unless it is authorized by its_____

a) Articles
b) Memorandum
c) Both a) & b)
d) None of the above

93. Every company must go for under writing

94. a)Yes

c) No

95. Under writing commission payment shall be authorized by AOA

a) Yes
b) No

96. In case of shares under writing commission will be

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a) 2%
b) b) 3%
c) **c) 5%**
d) d) None of these

97. In case of debentures underwriting commission will be
a) 3%
b) 4%
c) 2.5%
d) None of these

98. The term Securities includes -
a) units of collective investment scheme
b) coins
c) plastic currencies
d) negotiable instruments

99. Securities Market has ____ categories of participants
a) 2
b) 3
c) 4
d) 5

100. Securities market is a link between
a) Company and employees
b) Shareholders and Debenture holders
c) investment and savings
d) investors and liquidity

101. In the Options Market securities are traded
a) for conditional future delivery
b) immediately by the investors
c) previously in stock market
d) for exchange of other securities

102. A Put option permits the owner to sell a security to the writer of the option at
a) **Pre-determined price**
b) Current price
c) Market price
d) Future price

103. In call option, purchaser has a right when to
a) **Call**
b) Put
c) Sell
d) Exchange securities

104. In Spot market securities are traded for _____ delivery and payments
a) past
b) future
c) immediate
d) optional

Aparnita

SUBJECT TEACHER

THE S.I.A. COLLEGE OF HIGHER EDUCATION DOMBIVLI

The South Indian Association's
The S.I.A. College of Higher Education
Affiliated to University of Mumbai
Accredited B+ by NAAC
P-88, MIDC Residential Area Dombivli Gymkhana Road,
Near Balaji Mandir, Dombivli (East), 421203.

Class: SYBBI
Subject: CORPORATE & SECURITIES LAW
Semester -IV
Subject Teacher: MRS. SUNITA SIDHANI

1. Define company. What are the features of a company?
2. What are the different types of companies?
3. Define a company. What are the advantages and disadvantages of incorporation?
4. Explain the doctrine of corporate veil'. Under what circumstances can the veil be lifted?
5. Explain the procedure for incorporation of a company under Companies Act, 2013
6. Explain the advantages of a company.
7. Explain how the doctrine of constructive notice protects the company, while the doctrine of indoor management protects the outsiders.
8. Explain the doctrine of indoor management. Are there any exceptions to this rule? What are they?
9. Define MOA and explain the clauses under Companies Act, 2013. OR
10. What is a Memorandum of Association? Explain the different clauses of MOA.
11. Explain in detail the doctrine of ultra vires.
12. Write Notes on:
    (a) Alteration of MOA
    (b) Differences between MOA and AOA.
    (c) Articles of Association
    (d) (a) Ultra-virus.
    (e) (b) Indoor Management.
    (f) Constructive Notice.
    (g) One Person Company.
    (h) Registered Office Clause.
    (i) Doctrine of Indoor Management.
    (j) Certificate of Incorporation.
    (k) Class Action.
    (l) Oppression and Mismanagement.
    (m) Rule in the Turquand Case.
    (n) Doctrine of ultra-virus.
    (o) Types of Company.
13. What are the objects of Securities Contract Regulation Act 1956?

14. In what cases is the application of SCRA 1956 is excluded?
15. Write a note on application and grant of recognition on a stock exchange.
16. What is the process for application and grant of recognition to a stock exchange? Explain.
17. Discuss the provisions of SCRA with respect to recognition of Stock Exchange.
18. State the provisions regarding withdrawal of recognition of Stock Exchange.
19. "All contracts in notified area are illegal". Comment.
20. SCRA contains provisions with respect to licensing of dealers. Explain.
21. Write a note on the advantages of listing.
22. Explain the listing agreements and documents required for listing.
23. What is understood by the term Listing of Securities? Explain the provisions with respect to application for listing of securities. What are the consequences of Non-Listing?
24. Explain: (a) Documents required for listing under SCRA,
    (b) Consequence of Non-Listing.
25. Can a Stock Exchange refuse listing? What are the rights of the person aggrieved of the order of refusal for listing the securities?
26. Write a note on powers of the Central Government to make rule under the SCRA.
27. Write a note on the background and objects of the SCRA, 1956.
28. Discuss the procedure for corporatization and Demutualization
29. Write short notes on:
    (a) Securities.
    (b) Spot Delivery Contract.
    (c) Option in Securities.
    (d) Derivatives.
    (e) Stock Exchange and Recognized Stock Exchange.
    (f) Withdrawal of recognition of stock exchange.
    (g) Contracts in Notified areas.
    (h) Consequences of non-listing of securities.
    (i) Advantages of listing.
    (j) Delisting of securities.
    (k) Power to adjudicate.
    (l) Power of Central Government to make rules.
    (m) Offences by companies.
    (n) Corporatization of Stock Exchanges.
30. Introduce the SEBI Act and enumerate its objects.
31. Explain the powers of SEBI to order investigation of an intermediary associated with the Securities Market.
32. What are the penalty provisions for the following:
    (a) Failure to furnish information.
    (b) Failure to obtain certificate of registration.
33. Explain the constitution and management of SEBI.
34. Explain the functions of SEBI assigned to it under the SEBI Act.
35. Write a detailed note on power and function of SEBI.
36. What are the functions of SEBI? Explain briefly.

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37. "SEBI has powers to issue direction and order investigation" Discuss.
38. What are the provisions regarding Finance, Accounts and Audit of SEBI? Explain briefly.
39. What powers of Civil Court which are exercisable by SEBI in discharging its functions?
40. SEBI has received a complaint from an investor that he has not received the payment due to him, from a registered Stock Broker.
41. Investor seeks your opinion on the following issues:
    (a) Can an adjudicating officer be appointed?
    (b) What would be the purpose of appointment?
    (c) Is stock broker liable to pay any penalty?
    (d) What factors will be taken into consideration while taking such action?
42. What are the defaults for which penalty can be levied on a Stock Broker?
43. A group of investors are not happy with the functioning of two of leading stock brokers of Bombay Stock Exchange and wants to make complaint to SEBI. Explain what type of defaults by Stock brokers can come in purview of the SEBI Act.
44. What are the Provisions relating to appeal against order of SEBI?
45. Enumerate the parties who required registration certification from the SEBI.
46. Discuss the following terms under SEBI: (2Marks Each)
    (a) Underwriter.
    (b) Mutual Fund.
    (c) Broker.
    (d) Portfolio Manager.
    (e) Debenture Trustee.
47. Write Short Notes:
    (a) Removal of members of SEBI.
    (b) Meetings of SEBI.
    (c) Registration of Stock Brokers.
    (d) Registration of intermediaries.
    (e) Accounts and Audit of SEBI.
    (f) Meaning of insider and penalty for insider trading.
    (g) Procedure for adjudication.
    (h) Objectives of SEBI.
    (i) Securities Appellate Tribunal.
48. Discuss the significance of ICDR regulations.
49. Discuss the common conditions for Public issue and Right issue under the SEBI.
50. Discuss any four Post Issue Obligations to be complied with.
51. Discuss the SEBI Regulations with regards to Promoters Contribution and lock in period.
52. Write notes on following ICDR regulations:
    (a) Common Conditions for Public Issues and Right Issues.
    (b) Right issue and Bonus Issue.
    (c) General Obligation of issuer and intermediaries with respect to public issue and right issue.

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(d) Issue of Indian Depository receipts.
(e) Regulations relating to issue of specified securities by small and medium enterprises.
(f) Public Issue by listed companies

53. Write short notes on:
    (a) Underwriting.
    (b) Registration certificate for intermediaries.
    (c) Prospectus.
    (d) Applicability of ICDR regulations.
    (e) Credit Rating for Debt Instruments
54. Discuss the obligation of Depositories in India.
55. Depositories in India are governed by certain laws and rules. Briefly comment on the legal framework of Depositories in India.
56. Explain / discuss the power of depositories to make bye-laws.
57. State various offences in the Depositories Act, for which penalties is imposed. Who can be appointed as adjudicating officers for imposing penalties?
58. Appeal to Securities Appellate Tribunal.
59. Discuss the rule making powers of SEBI and Depositories under the Depositories Act, 1996.
60. Explain the constituents and working of depositories.
61. Write a note on NSDL.
62. Write a note on CDSL.
63. Explain the participants of depositors in detail.
64. Explain the working of Depository System.
65. Write short notes on:
    (a) Define depository and Depository participant.
    (b) What is the function of client ID number?
    (c) What is conversion of shares from electronic format to physical format is termed as?
    (d) Concept of Single registration.
    (e) Benefits of depositors to investors.
    (f) Beneficial owner.
    (g) NSDL.

SUBJECT TEACHER

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The South Indian Association's
The S.I.A. College of Higher Education
Affiliated to University of Mumbai
Accredited B+ by NAAC
P-88, MIDC Residential Area Dombivli Gymkhana Road,
Near Balaji Mandir, Dombivli (East), 421203.

Question Bank for SY BBI - Business Economics - SEM III

UNIT I

1. Discuss the circular flow of national income in a three sector economy and four sector economy
2. Explain concept of Green National Income and explain its need
3. Explain relationship between National Income and Welfare
4. Explain different phases of trade cycle and explain the important policies to control trade cycle.
5. State and explain Say's law of market and limitations of the law.

UNIT II

1. What is effective demand? Discuss Keynes' equilibrium level of output and employment
2. Distinguish between Gross and Net Investment and Autonomous and induced investment
3. Explain the different types of Investment
4. Explain how rate of interest is determined by demand for and-supply of money.
5. Explain the concept of MEC? What factors determine it
6. Explain the principle of multiplier with an example and a diagram.
7. Explain with an example and illustrative diagrams the working of investment multiplier

UNIT III

1. Discuss the nature of the short run and long run Philips Curve
2. How is supply side economics different from Keynesian economics? Explain.
3. Discuss IS curve and bring out its properties
4. What is stagflation? Discuss the causes and consequences of stagflation
5. Explain general equilibrium with IS-LM model
6. Define stagflation .What are its causes and effects?

UNIT IV

1. What is money supply? Discuss the determinants of money supply
2. Examine the effects of inflation on economic activities and different sections of people
3. How is interest rate determined? Discuss the drawbacks of liquidity preference theory of interest
4. What is meant by velocity of circulation of money? What factors determine it?
5. Critically examine the cash transaction approach to Quantity theory of money.
6. Examine the monetary and fiscal measures to control inflation.

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SYBBI - Business Economics II Important Questions

1	_____ is cause of market failure	Private goods	Externalities	Existence of Perfect competition	Promotion of unhealthy competition	Answer2
2	____ is the wrong statement	Public finance deals with finances of the government	The classical economists considered it appropriate to keep public expenditure to the minimum	Financial administration is a part of public finance,	The classical economists advocated maximum taxation	Answer4
3	Public goods are the one that provides _____benefit to all the individuals in the society	rival	non-excludable	high price	poor quality	Answer2
4	_____categorises the scope of public finance into four group: public revenue, public expenditure, public debt and financial administration	Walras	Musgrave	Dalton	Adam Smith	Answer3
5	Externalities are also called_____	Spillover effect	company effect	internall-party effect	loss effects	Answer 1
6	In distribution function, funds are collected and distributed according to the criteria of	Utility and satisfaction	Equity and social justice	Productivity and satisfaction	utilisation of funds	Answer2
7	The failure in market mechanism arises due to_____	Economic inequalities	Economic stability	Rise in healthy competition	equal distribution of resources	Answer1
8	Stabilization function is also known as_____	Deficit financing	Debt financing	Compensatory financing	source of funds	Answer3
9	Production possibility curve is also referred as	Production - possibility frontier	Consumer curve	Producer curve	demand curve	Answer1
10	The test of maximum social advantage is_____	Economic stability	reduction in production	reduction in Distribution	withdrawal of funds from market	Answer 1
11	_____introduced the concept of production possibility curve.	Prof. Alfred Marshall	Prof. Paul Samuelson	Prof. Baumol	Prof. Peter Drucker	Answer2
12	The Principle of Maximum Social Advantage was introduced by_____	Seligman	Alfred Marshall	J.R. Hicks	Hugh Dalton	Answer 4

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13	_____ is not feature of public goods	Consumer voluntarily pay for such goods	non-excludable	Non - rival in consumption	Free - rider problem	Answer 1
14	_____ functions of public finance came into prominence since the 1930s	Distribution function	Consumption function	Stabilization function	efficiency	Answer3
15	Which of the following is not within the scope of public finance?	Public revenue	Monetary	[illegible]	Financial administration	Answer2
16	The two sets of criteria introduced by Mrs. U. Hicks for judging the distribution optimum of public finance policy	production optimum and distribution optimum	Production optimum and utility optimum	[illegible]	[illegible]	Answer2
17	A _____ budget should be followed during depression	Deficit	Surplus	[illegible]	Neutral	Answer1
18	The marginal cost of a public good is generally	High	Negative	[illegible]	Infinite	Answer3
19	The income of government from all resources is called _____	Public Revenue	[illegible]	[illegible]	Public expenditure	Answer 1
20	The need for any public, defence, health and [illegible] examples of	private wants	Social wants	[illegible]	[illegible] income group wants	Answer2
21	It is difficult to assess the outcome of financial activities of government because, good is	[illegible]	[illegible]	Surpluses may be surplus or deficit	budgets are always surplus	Answer 1
22	_____ does not explain the term Public	[illegible]	[illegible]	[illegible]	[illegible]	Answer3
23	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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28	Public finance deals with_____ of the following aspect of government.	Social	Political	Human	Financial	Answer4
29	When the size of the budget is less than optimum, then	MSS<MSB	MSS>MSB	MSS=MSB	NMB is zero	Answer1
30	_____is concerned with the division of income and wealth among its people in society.	Allocation function	Stabilisation function	Growth function	Distribution function	Answer4
31	The Maximum welfare Principle of budget determination is associated with_____	Hugh Dalton	Paul Samuelson	Edwin Seligman	Richard Musgrave	Answer4
32	_____ is not a cause of market failure	Moral Hazard	asymmetric information	externality	perfect competitive market	Answer4
33	Left to themselves, markets_____	will always produce socially acceptable efficiently	will always fails to allocate efficiently	may produce socially unacceptable outcomes	will always correct socially unacceptable outcomes by themselves	Answer3
34	The principle of maximum social advantage is the basic principle of_____	Micro Economics	Macro Economics	Fiscal Economics	Environmental Economics	Answer3
35	_____ goods are characterised by two important features non-rival in consumption and non-excludability	Public goods	Private goods	Merit goods	Agriculture goods	Answer1
36	Who has used the term the maximum welfare' instead of "maximum social advantage	Prof. Dalton	Prof. Keynes	Prof. Musgrave	Henry Fayol	Answer3
37	The point inside the PPC are inefficient because we could produce more goods and services with no _____	opportunity cost	additional cost	cost of economy	productive inefficiency	Answer1
38	productive efficiency is obtained when production is _____	on PPC	inside PPC	Outside PPC	invisible	Answer1
39	The _____ involves production of goods and services by using non- optimal combination of inputs	productive efficiency	productive inefficiency	allocative efficiency	allocative inefficiency	Answer2
40	The size of the budget is less than the optimum, when _____	Marginal Social Benefit > Marginal Social sacrifice	Marginal Social Benefit < Marginal Social Sacrifice	Marginal Social Benefit< Marginal Social sacrifice	Multiplier takes place	Answer2

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41	_____ is a concept in economic theory which describe the allocation of goods and services by a free market is not efficient	Market failure	PPC	Allocative efficiency	Public goods	Answer1
42	Taxes are subject to increasing _____	Marginal social sacrifice	Marginal social benefit	Both a and b	Productive inefficiency	Answer 1
43	_____ are those wants which are satisfied by services that must be consumed in equal amounts by all.	Merit goods wants	Luxury goods wants	Social goods wants	Private goods wanta	Answer3
44	Production efficiency occur when_____	Average cost is declining	marginal revenue is minimum	maximum number of goods is produced with given amount of input	less than optimum	Answer3
45	_____brought about the change in the scope of public finance	World War I	World War II	US crisis of 2008	Great Depression of 1930	Answer2
46	According to the Principle of Maximum Social Advantage, Public Expenditure is subject to_____	Diminishing Marginal Returns	Diminishing Marginal Productivity	Diminishing Marginal Utility	Increasing Marginal Utility	Answer3
47	_____is not the test of social advantage	Provision for posterity	Improvement of labour productivity	economic stability	instability promotion	Answer4
48	Public goods are_____ _ in consumption	exclusionary	rivalry	non-exclusive	harmful	Answer3
49	_____versio n came to be known as the maximum welfare principle of budget	Huge Dalton	Richard Musgrave	Pigauv	Prof. Keynes	Answer2
50	The role of the government in providing public goods_____	to charge high price	to safeguard the interest of the consumer	to promote unfair competition	increase gap between high income group and low income group	Answer2
51	Under monopoly the incidence of lumpsum tax is _____	on the sellers	on the buyer	partially on the sellers	partially on the buyers	Answer1
52	_____ is not true about direct tax	It is a compulsory contribution	Money collected as tax is used for the benefit of all citizens	Money collected is used for providing public utility services	People can ask for special benefit in return for taxes paid	Answer4
53	Public goods are the one that provides _____benefit of all the individuals in the society	rival	non-excludable	high price	poor quality	Answer2

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54	_____categorises the scope of public finance into four group: public revenue, public expenditure, public debt and financial administration	Walras	Musgrave	Dalton	Adam Smith	Answer3
55	Impact of tax refers to_____	final money burden	indirect real burden	immediate real burden	immediate money burden	Answer4
56	_____ is economic activity on which the tax is levied by the government	money supply	demand for money	Tax base	public borrowings	Answer3
57	With a regressive tax, an income_____	increase, the tax rate remains the same	decreases, the tax rate decreases	increases, the tax rate increases	increases, the tax rate decreases	Answer4
58	_____ is not a characteristic of direct tax	The impact and incidence are on the same person	It is levied on income	Taxes are progressive in nature	Regressive tax	Answer4
59	Direct taxation is better form of taxation because	it fetches more revenue	it can be more easily collected	it allows for taxation according to means	it has greater tax compliance.	Answer3
60	In India service tax was introduced in_____	1991-92	1994-95	1999-2000	2005-06	Answer2
61	Indirect taxes have a/an----------effect on the society	Progressive	Equitable	Regressive	Proportional	Answer 3
62	Impact of a tax refers to_____	Final money burden	Immediate money burden	Indirect real burden	result of tax on consumption	Answer2
63	_____is an example of administrative non-tax revenue	Grants	Fees	gifts	Profits from public enterprises	Answer2
64	The Canons of Taxation was originally put forward by _____	Alfred Marshall	J. M. Keynes	Adam Smith	Musgrave	Answer2
65	_____in not the characteristic of tax	Compulsory payment	Levied on commodity/income	Involves sacrifice	Quid-pro-quo	Answer4
66	Pick out the statement which is not true of indirect taxes	regressive in nature	Only the rich have to bear the burden	It can be shifted	It is charged on goods and services	Answer2
67	Direct taxes like income tax and property tax are _____ in nature.	regressive	Progressive	proportional	neutral	Answer2
68	Progressive taxation are beneficial for _____	Government	employee	Tax payer	RBI	Answer1
69	A progressive tax system _____inequalities in income and wealth	increase	doesn't bring any change	reduce	is root of	Answer3
70	Taxes are shifted through the _____	Prices	Bank Rate	SLR	CRR	Answer1
71	Tax revenue_____	Tax base×Tax rate	Tax base/ Tax rate	Tax rate/ tax revenue	Revenue/expenditure	Answer1

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107	_____ brings out the relation between the domestic economic activities with the world economy	Public debt - Trade Ratio	Public debt - Import Ratio	Public debt - Export Ratio	Public debt - Money supply Ratio	Answer3
108	_____ is the debt which is paid under any legal enforcement.	Voluntary debt	Compulsory Debt	Internal debt	External debt	Answer2
109	_____ is the ability of a government to sustain its current spending, tax and other fiscal policies in the long run without threatening its solvency	Fiscal Sustainability	Fiscal Responsibility	Fiscal assessment	Fiscal availability	Answer1
110	According to Peacock Wiseman hypothesis, A discontinuity in the growth pattern which produces expenditure peak during social disturbances is referred to as:	Displacement Effect	Concentration Effect	Inspection Effect	Substitution Effect	Answer1
111	A _____ _ public debt - GDP Ratio indicates that the government is able to generate sufficient revenue from taxes and other sources	Zero	Low	High	Neutral	Answer2
112	Developmental expenditure refers to	Revenue Expenditure incurred for meeting current expenses of the Government	Capital Expenditure incurred for creating long- term assets of the Government	Expenditure which is incurred on activities directly related to economic development	Expenditure which is incurred on running the normal government administration	Answer3
113	_____ is a measurement of an economy's health and fiscal sustainability	Public debt - Trade Ratio	Public debt - GDP Ratio	Public debt - Export Ratio	Public debt - Money supply Ratio	Answer2
114	Public Expenditure refers to the	Government Expenditure	Investment Expenditure	Individual Expenditure	PersidentExpe nditure	Answer1
115	Unproductive public debts are _____	also known as dead weight debts	self liquidating	do not cause any net burden on the community	they are generally repaid within the lifetime of the property created by them	Answer1
116	Wagner's Law is based on historical evidence drawn from economic growth of _____	India	USA	China	Germany	Answer4
117	Direct Money Burden of public debt is	direct real burden	foreign currency burden	effect on production and allocation	sum of money payments for principle and interest	Answer4
118	After war people tax tolerance level ____	increases	decreases	remains constant	becomes zero	Answer1

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91	In case of perfectly elastic supply, the money burden is_____	entirely on the buyer	shifted partially to the buyers	shifted partially to the sellers	only on sllers	Answer1
92	_____ nature of income tax in India	Proportional	Regressive	Progressive	descriptive	Answer3
93	In case of perfectly inelastic demand, the money burden is	entirely on the seller	fully borne by buyer	shifted partially to the buyers	born by farmers	Answer2
94	In case of constant cost condition the supply curve _____	upward	downward	horizontal	vertical	Answer3
95	In the case of perfectly elastic demand the money burden of a tax is	entirely on the seller	partially on the seller	entirely on the buyer	shifted partially to the buyer	Answer1
96	In the case of perfectly elastic demand the money burden of a tax is	entirely on the seller	partially on the seller	entirely on the buyer	shifted partially to the buyer	Answer1
97	Proportional taxes are _____ in nature	Inelastic	Elastic	favourable	unfavourable	Answer1
98	In case of perfectly elastic supply, the money burden is_____	entirely on the buyer	shifted partially to the buyers	shifted partially to the sellers	only on sellers	Answer1
99	_____ tax rate helps to control inflation by reducing the disposable income of the tax payer	Proportional tax	Progressive tax	Regressive tax	degressive tax	Answer 2
100	A tax that tries to reduce income inequalities will _____ saving and investment	Induce	multiply	encourage	discourage	Answer4
101	_____ is not characteristic of public debt	Only internal source of borrowing	Loans raised by the government	Stock of direct government fixed term contractual obligation	Dead weight debt	Answer1
102	Public Expenditure increases	Interest rate	Employment	recession	Imports	Answer2
103	_____ brings out the relation between the domestic economic activities with the world economy	Public debt - Trade Ratio	Public debt - Import Ratio	Public debt - Export Ratio	Public debt - Money supply Ratio	Answer3
104	The burden of long term public debt is on:	Present generation	Past generation	Future generation	Full generation	Answer3
105	A productive public debt is _____	not easy to repay	is also known as dead weight debt	more burdensome	fully covered by assets of equal or greater value	Answer4
106	Public burden on account of public debt is generally classified as	Productive Burden and Unproductive Burden	Money burden and Real Burden	Consumption burden and Distribution burden	Debt burden and Finance Burden	Answer2

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72	Taxes on _____ have beneficial impact	Liquor	education	infrastructure	social service	Answer1
73	Canons of taxation refers to _____-	importance of taxation	negative effect of taxation	principles of taxation	public finance	Answer3
74	In _____ taxation, the same tax rate is levied on all income bases	Progressive	proportional	digressive	unequal	Answer2
75	_____ implies that there should be a multiple tax system of diverse nature rather than having a single tax system.	canon of equity	Canons of certainty	Canons of diversity	canon of elasticity	Answer3
76	Goods and Services Tax was introduced in India on	1st July 2017	2nd Feb 2017	1st June 2017	15th Aug 2015	Answer1
77	_____refers to process by which the money burden of commodity tax is transferred from the producer to the consumer.	Backward shifting	Reverse shifting	Forward shifting	Source of funds	Answer3
78	_____ implies that taxation should be flexible	canon of equity	canon of economy	Canons of certainty	canon of elasticity	Answer4
79	_____ is not the tax rates	Proportional taxation	Progressive taxation	Regressive taxation	Drawback duty	Answer4
80	Public revenue does not include_____	direct tax	indirect tax	public expenditure	fees	Answer3
81	_____is not canons of taxation	canon of equity	canon of certainty	canon of benefits	canon of elasticity	Answer3
82	People ability to work, save and invest will suffer when _____ goods are taxed	Luxury	comfort	Necessary	branded	Answer3
83	_____ is non tax revenue	fees	penalties	custom duty	borrowings	Answer3
84	Public revenue implies_____	tax cum non-tax revenue	deflation	election expenses	public expenditure	Answer1
85	_____ is not the characteristics of a tax	compulsory payment	there is quid-pro-quo	involves some sacrifice	with high income tax rate become zero	Answer2
86	Special assessment means	General tax on all people	A tax for specific benefit conferred	Gift tax	comfort	Answer 2
87	A tax that tries to reduce income ineuqalities will _____ saving and investment	Induce	multiply	encourage	discourage	Answer4
88	GST is not imposed on _____	Production	Sales	Movement of goods	purchase of vegetables	Answer4
89	When the supply is more elastic the burden of tax is _____	more on the buyer	more on the sellers	borne fully by the buyers	more than the amount of tax	Answer1
90	Taxes on luxuries are:	Progressive in effect	On film producers	Regressive in effect	reduces income of the income	Answer1

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119	Long - Term public debt_____	have low rate of interest	are raised to finance developmental programmes	are raised to finance welfare programmes	are generall used to meeet administrative expenditure shortfall	Answer2
120	Some economist are of the opinion that Wagner's law is a _____	Positive	normative	suggestive	widely applicable	AnswerAn swer2
121	Public Debt burden is measured as _____	The ratio of outstanding debt to GNP	The ratio of GNP debt to outstanding debt	The ratio of outstanding debt to PCI	The ratio of outstanding debt to total export	Answer1
122	_____ is not a cause of growth of public expenditure	Inflation	Population growth	Discarding of traditional function	Expansion of traditional function	Answer3
123	Redeemable public debts _____	are terminable	creat greater burden on taxpayers	require the payment of interest only	do not have any definite date for final repayment	Answer1
124	_____ observed that there are tendencies of government activities to increase intensively and extensively	Wiseman	Peacock	Wagner	Keynesian	Answer3
125	_____ types of public debt are used to finance welfare programmes of the government	Very short term	Short term	Medium term	Long term	Answer3
126	According to principles of sound finance, expenditure on _____ is non - essential and should be kept to the minimum	social welfare	defence	industry	infrastructure	Answer1
127	Internal public debt results in _____	outflow of foreign currency	inflow of foreign currency	redistribution of income and wealth within the country	redistribution of income and wealth between the government and foreign citizens	Answer3
128	According to the canon of _____, deficits in government budget should be avoided	surplus	productivity	economy	sanction	Answer1
129	_____debt are those which do not add to the productive capacity of the economy	Productive	Voluntary	Compulsory	Unproductive	Answer4
130	_____ is capital expenditure	Utility for consumption	interest payment	interest receipt	creation of asset and investment	AnswerAn swer4
131	_____ goods include expenditure on free education, subsidised housing, housing and health services	Merit	Demerit	Durable	Perishable	Answer1
132	Public Expenditure should increase during_____	Inflation	recession	hyper inflation	prosperity	Answer2

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133	The Expansion of public sector led to an increase in _____	public exploitation	money demand	money supply	public Expenditure	Answer4
134	Expenditure on social security confers _____	common benefits to all	special befefits to all	direct special benefits to certain people	common benefits to certain people	Answer2
135	_____ implies redistribution of money incomes to the community	Transfer expenditure	Capital Expenditure	Revenue expenditure	Unproductive expenditure	Answer1
136	It should be possible for the government to use funds from less essential uses to meet current contingencies is based on canon of	benefit	sanction	elasticity	surplus	Answer3
137	Canon of _____ implies public expenditure policy of a country must be flexible	Surplus	Sanction	Benefit	Elasticity	Answer4
138	Canon of _____ implies that the effect of public expenditure does not result in negative effects on the economy and society	neutrality	surplus	productivity	benefit	AnswerAn swer1
139	_____ expenditure is to maintain law and order and administration of justice	Revenue	capital	Civil	Defence	Answer3
140	Goods that are provided by both public and private sectors are known as _____	Public	Merit	Demerit	Social	Answer2
141	Rise in Public Expenditure is _____related with rise in National Income is	directly	inversely	net	gross	Answer1
142	_____ aims at providing pension benefit to people working in the unorganised sector	Atal pension yojana	Jan Dhan Yojana	Pradhan Mantri Jeevan Jyoti Bima Yojana	Ayushman Bharat Yojana	Answer1
143	_____ refers to the protection of individual against economic hazard	Social Insurance	Demerit good	Funded	Unfunded	Answer1
144	The Basic aim of Public Provident Fund is to _____	promotion of capital market	promote bank lending	encourage people to save	encourage consumer spending	Answer3
145	Government expenditure on interest payment is an example of_____	Security expenditure	Capital Expenditure	productive expenditure	Unproductive expenditure	Answer2
146	_____ is Postal saving scheme	Public Provident Fund	Atal pension Yojana	National saving Certificate	Employee's Provident fund	Answer3

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147	Revenue expenditure do not include_____	interest payment	subsidies	debt repayment	expenditure on civil administration	Answer3
148	_____ is not a charactristic of social insurance	Provided and initiated by the private sector	compulsory participation	Government sponsorship and regulation	Benefit prescibed in law	Answer1
149	_____ helps to recover from recession	Public debt	Public Expenditure	Public disutility	Public park	Answer2
150	Public Debt is measured as of a given date because it is a _____ concept	micro	macro	stock	flow	Answer3
151	According to _____ budget deficit are uneconomical, harmful and socially undesirable	Mahalanobis	Schumpter	Fei Ranis	Rcardian Equivalence theprem	Answer4
152	The most important aim of fiscal policy in a developing country is	Economic instability	Economic development	unbalance growth	Regional imbalance	Answer2
153	Deficit Financing is resorted when _____	Public Expenditure > Public Revenue	Public Expenditure < Public Revenue	Public Expenditure = Public Revenue	Public Expenditure ≠Public Revenue	Answer1
154	Principle of sound finance refers to	Maximum Government spending	Minimum Government spending	Revenue and expenditure balanced at the minimum level	Minimum Government Revenue	AnswerAn swer3
155	Primary deficit is fiscal deficit less _____	interest payment	interest receipts	debt repayment	debt solvency	Answer1
156	An example of discretionary fiscal policy would be	The operation of the welfare state	The operation of the progressive federal income tax	A tax cut adopted to stimulate consumption	An interest rate cut implemented to stimulate consumption	AnswerAn swer3
157	The key issue of Fiscal Fedralism is_____	only revenue assignment	revenue and expenditure assignment	only expenditure assignment	money supply	Answer2
158	The difference between revenue deficit and grants for creation capital assets is called	Fiscal Deficit	Budget Deficit	Effective Revenue Deficit	Primary Deficit	Answer3
159	Automatic stabiliser will be ineffective in case of _____	recession	deflation	demand - pull inflation	cost - push inflation	Answer4
160	The difference between total expenditrue and total receipts except loans and other liabilities is called	Fiscal Deficit	Budget Deficit	Primary Deficit	Revenue Deficit	Answer1
161	_____ is not correct statement of public expenditure	Contra - cyclical fiscal policy aims at economic stability	public expenditure should be increased during inflation	During recession, direct taxes are lowered	Pump priming is done to stimulate private investment	Answer2
162	Grants recommended by the Finance Commission are known as	Plan Grants	Conditional Grants	Statutory Grants	Conditional Grants	Answer3

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163	_____ is not true of burden of internal public debt	Reduce pivate investment	increase inequality of income	transfer purchasing power from the younger to the older generation	transfer purchasing power from the older to the youngergener ation	Answer4
164	Fiscal policy does not directly deals with_____	public debt	public expenditure	taxation	money supply	Answer4
165	The 14th finance commission was set up under the chairmanship of _____	K.C Niyogi	A.K. Chanda	Y.V Reddy	Brahmanand Reddy	Answer3
166	A public budget is _____	the record of all international transaction of a country	the income - expenditure statement of the government for the previous financial year	an audit report of government expenditure	estimate of the government's expenditure and revenue for the coming fiscal year	Answer4
167	IGST stands for_____	Integrated goods and service tax	International goods and service tax	Indian goods and service tax	Imported goods and service tax	Answer1
168	Deficit financing by the government, particularly in developing economies, can cause_____	disinflation	inflation	deflation	recession	Answer2
169	_____ is the sum of the net increase in holdings of treasury bills by the RBI and its contribution to the market borrowing of the government	Effective revenue deficit	Monetized deficit	Primary Deficit	Fiscal deficit	Answer2
170	According to _____, the budget can be used to regulate the adverse effects of business cycles	functional finance	monetarist school	sound finance	cyclical finance	Answer1
171	FRBM stands for_____	Fiscal Responsibility and Budget Management	Fundamental Responsibility and Bureo Management	Functional Responsibility and Benefit Management	Formation Rationality and Budget Management	Answer1
172	The affairs of the country are coducted by the authorities of different levels of government in_____	Federal system	Dictatorship system	monetarist system	Unitary system	Answer1
173	Keynesians, believed that it is _____ that leads to investment	Supply	Demand	Price	Money	Answer2
174	Under the GST system ,the tax levied on all inter-state supplies of goods and service is known as	CGST	SGST	VAT	IGST	Answer4
175	_____ advocated fiscal policy	Adam Smith	Harrod Domar	Nurksey	J.M. Keynes	Answer4

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176	In a _____ government set up, all the affairs of the entire country are conducted by a single government	unitary	fedral	mixed	capitalist	Answer1
177	Surplus Budget = _____	Expenditure < Revenue	Expenditure = Revenue	Revenue < Expenditure	Revenue = Effective Revenue	Answer1
178	In _____ based budget every item has to be re - evaluated throughly starting from the zero base	revenue	capital	zero	effective revenue	Answer3
179	_____ of the constitution of India has made provision for the appointment of a Finance Commission	Article 26	Article 280	Article 290	Article 275	Answer2
180	Budgetary deficit net borrowing is termed as _____	Fiscal deficit	Monetized deficit	Primary deficit	Effective Revenue Deficit	Answer1
181	States' share in the net proceeds of Union tax revenue to be increased up to _____ as per recommendation of 14th Finance Commission	58%	52%	32%	42%	Answer4
182	Revenue Expenditure > Revenue Receipt = _____	Revenue deficit	Primary deficit	Effective Revenue Deficit	Fiscal deficit	Answer1
183	_____ recommended for covering the gap between current revenues and expenditures of the states	Grants - in - aid	Medical Insurance	Money Supply	Money Transfer	Answer1
184	_____ is more comprehensive measure of budgetary imbalances	Revenue deficit	Primary deficit	Effective Revenue Deficit	Fiscal deficit	AnswerAn swer4
185	_____ is concerned with division of economic responsibilities between the central and state government of India	RBI	NITI Aayog	Finance Commission	Planning Commission	Answer3
186	_____ is not an objective of the budget	Reduction of poverty	Generation of employment	Economic growth	Manipulating the rate of interest	AnswerAn swer4
187	Defence and Communication services are provided by _____	Central Government	State Government	Local Government	Foreign Government	Answer1
188	_____ economist are beleiver of sound financing	Classical	Kenesian	Modern	Monetarist	Answer1

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189	_____ are _____ example of Supplementary Levies	Cess and Surcharges	CRR & SLR	Repo Rate & Reverse Repo Rate	Bank Rate & Interest Rate	Answer1
190	According to _____ economist primary objective of fiscal policy is to maintain hegh level of aggregate demand	Classical	Kenesian	Modern	Monetarist	Answer2
191	_____ is the key issues under fiscal fedralism	CRR & SLR	Repo Rate & Reverse Repo Rate	Bank Rate & Interest Rate	Tax Competition	Answer4
192	The important of fiscal policy as an economic tool was recognized during	The Asian Financial Crises	The second world war	The Great Depression of Answer19Answer29	The Great recession of Answer2008	Answer3
193	_____ means lack of harmony between functions and financial resources	Fisscal Balance	Fiscal Imbalance	Financial Stability	Balance Budget	Answer2
194	According to _____ supply creates its own demand	Schumpeter	Mankiew	J.B. Says	Keynes	Answer3
195	_____ is not correct statement with respect to FRBM ACT	FRBM aimed at reducing BoP deficit	FRBM Act succeded in meeting all its targets	FRBM Bill become an Act in Answer200Answer3	FRBM is Monetary Measure	Answer3
196	_____ is not an objective of the budget	Manipulating the rate of interest	Reduction of poverty	Generation of employment	Economic Growth	Answer1
197	GST is an example of _____	Direct tax	Non tax Revenue	Borrowings	Indirect Tax	Answer4
198	_____ tax is revenue receipt of central government	Agricultural	Stamp Duty	SGST	Income	Answer4
199	_____ is an example of direct tax	GST	Income Tax	Custom Duty	Union Excise Tax	Answer2
200	The term Invisible - hand is promoted by _____	J.M Keynes	Adam Smith	Alfred Marshall	Rostow	Answer2

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The S.I.A. College of Higher Education
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Question Bank

Subject: Financial Management II

Class: SYBI

Semester: 4

Faculty: Mrs. Renu Vijay Verma

Multiple Choice question

1.Financial Management is mainly concerned with _____.
A. arrangement of funds
B. all aspects of acquiring and utilizing financial resources for firms' activities
C. efficient Management of every business.
D. profit maximization
ANSWER: B
2. In his traditional role the finance manager is responsible for _____.
A. arrange of utilization of funds.
B. arrangement of financial resources.
C. acquiring capital assets of the organization.
D. effective management of capital.
ANSWER: D
3. The primary goal of the financial management is _____.
A. to maximize the return
B. to minimize the risk.
C. to maximize the wealth of owners.
D. to maximize profit.
ANSWER: D
4. Capital budgeting is related to _____.
A. long terms assets.
B. short term assets.
C. long terms and short terms assets.
D. fixed assets.
ANSWER: A
5. A way to analyze whether debt or lease financing would be preferable is to:
A. compare the net present values under each alternative, using the cost of capital

as the discount rate.
B. compare the net present values under each alternative, using the after-tax cost of borrowing as the
discount rate.
C. compare the payback periods for each alternative.
D. compare the effective interest costs involved for each alternative
ANSWER: B
6. The type of lease that includes a third party, a lender, is called a(n)
A. sale and leaseback.
B. direct leasing arrangement.
C. leveraged lease.
D. operating lease.
ANSWER: C
7. Future value interest factor takes _____.
A. Compounding rate
B. Discounting rate.
C. Inflation rate.
D. Deflation rate.
ANSWER: A
8. Present value takes _____.
A. Compounding rate.
B. Discounting rate.
C. Inflation rate.
D. Deflation rate.
ANSWER: B
9. Financial decisions involve _____.
A. Investment, financing and dividend decisions.
B. Investment sales decisions.
C. Financing cash decisions.
D. Investment dividend decisions.
ANSWER: C
10. Traditional approach confines finance function only to _____.
A. raising
B. mobilizing
C. utilizing
D. financing
ANSWER: A
11. The company's cost of capital is called _____.
A. Leverage rate
B. Hurdle rate.
C. Risk rate.
D. Return rate.
ANSWER: A
12. Market value of the shares are decided by _____.
A. the respective companies.

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B. the investment market.
C. the government.
D. shareholders.
ANSWER: D
13. Cost of retained earnings is equal to _____.
A. Cost of equity.
B. Cost of debt.
C. Cost of term loans.
D. Cost of bank loan.
ANSWER: C
14. Beta measures the _____.
A. Financial risk.
B. Investment risk rate.
C. Market risk.
D. Market and finance risk.
ANSWER: B
15. The expansion of CAPM is _____.
A. Capital amount pricing model.
B. Capital asset pricing model.
C. Capital asset printing model.
D. a. Capital amount printing model.
ANSWER: B
16. Medium-term notes (MTNs) have maturities that range up to
A. one year (but no more)
B. two years (but no more).
C. ten years (but no more).
D. thirty years (or more)
ANSWER: D
17. Which one of the following is the main objective of Unit Trust of India?
A. To mobilize the savings of high-income groups.
B. To mobilize the savings to low and high-income groups.
C. To mobilize the savings of corporate.
D. To mobilize the savings of low and middle-income groups.
ANSWER: D
18. The first development financial institution in India that has got merged with a bank
A. IDBI
B. ICICI
C. UTI
D. SFC
ANSWER: B
19. The most difficult to calculate is _____.
A. the cost of equity capital.
B. the cost of preferred capital.
C. the cost of retained earnings.

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D. the cost of equity and preference capital.
ANSWER: B
20. The required rate of return for an investment project should _____.
A. leave the market price of the stock unchanged
B. increase the market price.
C. reduce the market price.
D. constant market price.
ANSWER: A
21. ICICI was formed in _____:
A. 1955
B. 1665
C. 1965
D. 1954
ANSWER: A
22. The principal objective to form ICICI was:
A. To create a development financial institution
B. To create a financial institution for providing medium-term and long-term project financing
C. Create a financial institution for providing medium-term and long-term project financing to Indian businesses
D. All of The Above
ANSWER: D
23. Headquarter of ICICI Bank is located at:
A. Mumbai
B. Hyderabad
C. Mysore
D. Bangalore
ANSWER: A
24. Fixed cost per unit _____.
A. changes according to the volume of production
B. be flexible according to the rate of interest.
C. does not change with the volume of production.
D. remains constant.
ANSWER: C
25. The principal objective was to create a development financial institution for providing _____project
financing to Indian businesses:
A. Medium Term
B. Long Term
C. Medium Term and Long Term
D. short term
ANSWER: C
26. Variable cost per unit _____.
A. varies with the level of output.
B. remains constant irrespective of the level of output.

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C. changes with the growth of the firm.
D. does not change with the volume of production
ANSWER: A
27. Financial leverage measures _____.
A. sensitivity of EBIT with respect of 1% change with respect to output
B. 1% variation in the level of production
C. sensitivity of EPS with respect to 1% change in level of EBIT.
D. no change with EBIT and EPS.
ANSWER: A
28. Operating leverage measures _____.
A. the business risk.
B. financial risk.
C. both risks.
D. production risk.
ANSWER: D
29. Financial leverage helps one to estimate _____.
A. the business risk
B. the financial risk.
C. both risks
D. production risk.
ANSWER: C
30. Financial leverage is also known as _____.
A. Trading on equity
B. Trading on debt.
C. Interest on equity.
D. Interest on debt.
ANSWER: A
31. Industrial Development Bank of India is
A. Wholly-owned Government of India undertaking
B. Wholly-owned subsidiary of Reserve Bank of India
C. A corporation and owned by the Government of India and public sector banks.
D. Public Limited Company
ANSWER: A
32. Operating leverage x financial leverage= ____.
A. composite leverage.
B. financial composite leverage.
C. operating composite leverage.
D. fixed leverage
ANSWER: C
33. Operating leverage = _____.
A. contribution less profit.
B. contribution less sales.
C. contribution fewer total expenses
D. contribution less operating profit.
ANSWER: B

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34. The IDBI was established in

A. 964

B. 1965

C. 1966

D. 1967

ANSWER: A

35. The financial institute IFCI established in

A. 1947

B. 1948

C. 1949

D. 1950

ANSWER: B

36. In his traditional role the finance manager is responsible for _____.

A. proper utilization of funds

B. arrangement of financial resources

C. acquiring capital assets of the organization

D. Efficient management of capital

ANSWER: D

37. Shares having no face value are known as ____.

A. no-par stock.

B. at par stock.

C. equal stock.

D. debt-equity stock.

ANSWER: D

38. A fixed rate of _____is payable on debentures.

A. dividend

B. commission

C. . interest

D. brokerage

ANSWER: D

39. Effective cost of debentures is _____as compared to shares

A. higher

B. lower

C. equal

D. medium

ANSWER: C

40. Ownership securities are represented by _____.

A. securities.

B. equities

C. debt

D. debentures.

ANSWER: A

41. Corporation is not a part of _____finance.

A. Public.

B. Private.

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C. Public & private
D. Organization.
ANSWER: C
42. _____management is the important task of the finance manager.
A. Debt
B. Equity.
C. Profit
D. Cash.
ANSWER: D
43. Finance function is one of the most important functions of _____.
A. business.
B. marketing.
C. financial.
D. debt.
ANSWER: C
44. Which one of the following is not a money market security?
A. treasury bills
B. National savings certificate
C. Certificate of deposit
D. Commercial paper
ANSWER: B
45. The expansion of EAR is ____.
A. equivalent annual rate.
B. equivalent annuity rate
C. equally applied rate.
D. equal advance rate
ANSWER: B
46. Working capital management is managing _____.
A. short term assets and liabilities
B. long term assets
C. long terms liabilities
D. only short-term assets
ANSWER: A
47. Future value interest factor takes _____.
A. Compounding rate
B. Discounting rate
C. Inflation rate
D. Deflation rate
ANSWER: A
48. Financial security with low degree risk and investment held by businesses is classified as
A. treasury bills
B. commercial paper
C. negotiable certificate of deposit
D. money market mutual funds



ANSWER: D

49. Future value interest factor takes _____.

A. Compounding rate

B. Discounting rate

C. Inflation rate

D. Deflation rate

ANSWER: A

50. _____ are financial assets.

A. Bonds

B. Machines

C. Stocks

D. A and C

ANSWER: C

51. Arbitrage is the level processing technique introduced in _____.

A. Net income approach

B. MM approach.

C. Operating approach

D. Traditional approach.

ANSWER: A

52. Operating incomes and the discount rate of a particular risk class are the 2 factors determining _____.

A. Dependence hypothesis

B. Traditional view.

C. Modern view.

D. Independence hypothesis.

ANSWER: D

53. Financial leverage measures _____.

A. sensitivity of EBIT with respect of % change with respect to output

B. % variation in the level of production

C. sensitivity of EPS with respect to % change in level of EBIT

D. No change with EBIT and EPS

ANSWER: C

54. The probability of bankrupt is higher _____.

A. for a levered firm than an unlevered firm.

B. for a unlevered firm than an levered firm

C. . only levered firm

D. only unlevered firm

ANSWER: C

55. The decision to invest a substantial sum in any business venture expecting to earn a minimum return is called _____.

A. working capital decision

B. an investment decision

C. a production decision.

D. a sales decision.

ANSWER: D

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56. The available capital funds are to be carefully allocated among competing projects by careful prioritization. This is called _____.

A. capital positioning.

B. capital structuring.

C. capital rationing.

D. capital budgeting.

ANSWER: D

57. Capital budgeting decisions in India cannot be reversed due to ____.

A. economic conditions.

B. ill-organized market for second-hand capital goods.

C. government regulations.

D. policy of the management

ANSWER: C

58. Payback period is superior to other methods, if the objective of the investor is to _____.

A. consider cash flow in its entirety

B. consider the present value of future cash flows

C. consider the liquidity.

D. consider the inflows in its entirety.

ANSWER: A

59. If the payback is a bad rule, the average returns on book value is _____.

A. worse.

B. better

C. the best

D. equal.

ANSWER: C

60. Net present value is a popular method which falls _____.

A. Within non- discount cash flow method.

B. Within discount cash flow method

C. Equal Within non- discount cash flow method.

D. No discount cash flow

ANSWER: C

61. A demerit of IRR method is that it does not distinguish between _____.

A. lending & borrowing

B. . discounting & non- discounting.

C. cash flow & non- cash flow.

D. inflow & outflow.

ANSWER: C

62. Net working capital is the excess of current asset over _____.

A. Current liability.

B. Net liability.

C. . Total payable.

D. . Total liability.

ANSWER: C

63. Net working capital refers to.



A. total assets minus fixed assets
B. current assets minus current liabilities
C. current assets minus inventories
D. current assets.
ANSWER: B
64. The gross working capital is a _____ concern concept.
A. Going.
B. money measurement
C. revenue concept.
D. cost concept
ANSWER: B
65. The rate of return on investment ____ with the shortage of working capital
A. falls.
B. going.
C. constant.
D. change.
ANSWER: A
66. Greater the size of a business unit ____ will be the requirements of working capital.
A. lower.
B. no change.
C. larger.
D. fixed
ANSWER: A
67. The fixed proportion of working capital should be generally financed from the ____ capital sources
A. fixed.
B. variable.
C. semi-variable.
D. borrowed.
ANSWER: D
68. The volume of sales is influenced by ____ of a firm
A. finance policy.
B. credit policy.
C. profit policy.
D. fund policy.
ANSWER: D
69. Factoring is a form of financing ___.
A. payable.
B. receivables.
C. borrowings.
D. debts
ANSWER: C
70. The formula for cost of debt is _____.
A. kd=(1/2+f-p)/f+p
B. f+p



B. It is equal to the Internal Rate of Return of a project if the projects Net Present Value is Zero.
C. It is the weighted arithmetic average of the cost of the various sources of long-term finance used.
D. Both b and c
ANSWER: D
133. While calculating the weighted average cost of capital, market value weights are preferred because _____.
A. Book value weights are historical in nature.
B. This is in conformity with the definition of cost of capital as the investors minimum required rate of return.
C. Book value weights fluctuate violently.
D. Market value weights are fairly consistent over a period of time.
ANSWER: C
134. While calculating weighted average cost of capital _____.
A. Preference shares are given more weightage.
B. Cost of issue is considered
C. Tax factor is ignored.
D. Risk factor is ignored.
ANSWER: B
135. Which of the following ratios is not affected by the financial structure and the tax rate of a company?
A. Net profit margin.
B. Earning power.
C. Earnings per share.
D. Capitalization rate
ANSWER: C
136. Which of the following factors influence(s) the capital structure of a business entity?
A. Bargaining power with the suppliers
B. Demand for the product of the company
C. Technology adopted
D. Adequate of the assets to meet any sudden spurt in demand.
ANSWER: C
137. Which of the following factors does not affect the capital structure of a company?
A. Cost of capital.
B. Composition of the current assets.
C. Size of the company
D. Expected nature of cash flows
ANSWER: B
138. Which of the following methods does a firm resort to avoid dividend payments?
A. Share splitting.
B. Declaring bonus shares.
C. Rights issue.
D. New issue.

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C. f-P
D. f*p
ANSWER: A
71. Traditional theorists believe that.
A. there exists an optimal capital structure
B. no optimal capital structure
C. equal optimal capital structure
D. 100% debt financial organizations
ANSWER: A
72. Ordering cost is the cost of _____materials.
A. selling.
B. purchasing.
C. stocking.
D. financing.
ANSWER: A
73. The policy concerning quarters of profit to be distributed as dividend is termed as _____.
A. Profit policy.
B. Dividend policy.
C. Credit policy.
D. Reserving policy.
ANSWER: C
74. The company must implement the bonus issues decision within _____ of the director approval.
A. 6 months.
B. 3 months.
C. 2 months.
D. 1 month.
ANSWER: B
75. The most appropriate dividend policy is the payment of _____dividend per share consent.
A. constant.
B. variable.
C. higher.
D. lower.
ANSWER: B
76. A company having easy access to the capital markets can follow a _____. dividend policy
A. liberal.
B. formal.
C. strict.
D. Varying.
ANSWER: C
77. _____ dividend promises to pay shareholders at future date.
A. Scrip.

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B. Cash.
C. Stock.
D. Property.
ANSWER: B
78. _____ dividend is the usual method of paying dividend .
A. Scrip.
B. Cash
C. Stock.
D. Property.
ANSWER: B
79. Which of the following is/are assumption(s) underlying the Miller and Modigliani analysis?
A. Capital markets are perfect
B. Investors are assumed to be rational and behave accordingly
C. There is no corporate or personal income tax
D. All of the above.
ANSWER: D
80. . The cash management refers to management of ___.
A. cash only
B. cash and bank balances.
C. cash and near-cash assets
D. fixed assets.
ANSWER: B
81. Offering cash discount to customers result is _____.
A. reducing the average collection period.
B. increasing the average collection period
C. increasing sales.
D. decreasing sales.
ANSWER: D
82. Good inventory management is good _____ management
A. financial.
B. marketing.
C. stock.
D. purchasing.
ANSWER: D
83. Setup cost is a type of ____ cost.
A. fixed.
B. variable.
C. semi-variable.
D. carrying.
ANSWER: D
84. Re-order level is _____than safety cash level .
A. higher.
B. lower.
C. medium.

D. fixed.

ANSWER: D

85. MM approach assumes that _____markets are perfect.

A. Receivable.

B. Capital.

C. Stock.

D. Exchange.

ANSWER: D

86. The amount of the temporary working capital _____.

A. keeps on fluctuating from time t o time.

B. remains constant for all times

C. financed through long term services

D. financed short term sources.

ANSWER: C

87. While evaluating capital investment proposal the time value of money is considered in case of

_____.

A. Payback method.

B. Accounting rate.

C. Internal rate.

D. Discounted cash flow.

ANSWER: C

88. The return after the pay off period is not considered in case of _____.

A. Payback period method.

B. Interest rate method.

C. Present value method

D. Discounted cash flow method.

ANSWER: C

89. Depreciation is include in costs in case of _____.

A. Payback method.

B. Accounting rate.

C. Discounted cash flow.

D. Present value method.

ANSWER: A

90. The arbitrary process is the behavioral foundation for the _____.

A. MM approach.

B. XX approach.

C. Gorder approach.

D. Miller approach.

ANSWER: B

91. The notice to Accept right share should not be less than _____. days

A. 15.

B. 20.

C. 10.

D. 30.

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ANSWER: D

92. The bonus issue is permitted to be made out of _____ and premium collected in cash

A. free reserves.

B. free interest

C. free bonus.

D. free cash dividend.

ANSWER: A

93. The bonus issue is made to make the nominal value and the _____ value of the shares of the company.

A. Face.

B. Market

C. Stock.

D. Real

ANSWER: B

94. Premium received in cash is a source of _____ issue .

A. Right.

B. Bonus.

C. Cash.

D. Résumés .

ANSWER: C

95. Bonus share are not permitted unless the _____paid shares ,if any made fully paid .

A. partly.

B. semi.

C. fully.

D. not.

ANSWER: B

96. Dividend policy of a firm affects both the long time financing and_____. wealth.

A. Owners.

B. Creditors.

C. Debtor

D. Shareholders

ANSWER: C

97. _____is the distribution of the profits of a company among its shareholders

A. Shares.

B. Interest.

C. Dividend.

D. Commission.

ANSWER: C

98. Which of the following is not an objective of financial management?

A. Maximization of wealth of shareholders

B. Maximization of profits

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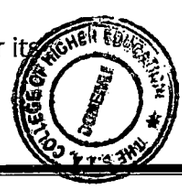
C. Mobilization of funds at an acceptable cost.
D. Ensuring discipline in the organization.
ANSWER: D
99. The market value of the firm is the result of _____.
A. dividend decisions.
B. working capital decisions.
C. capital budgeting decisions
D. trade-off between cost and risk.
ANSWER: D
100. The objective of financial management is to _____.
A. generate the maximum net profit.
B. generate the maximum retained earnings.
C. generate the maximum wealth for its shareholders
D. generate maximum funds for the firm at the least cost.
ANSWER: C
101. Which of the following statements represents the financing decision of a company?
A. Procuring new machineries for the R&D activities.
B. Spending heavily for the advertisement of the product of the company
C. Adopting state of the art technology to reduce the cost of production.
D. Purchasing a new building at Delhi to open a regional office.
ANSWER: D
102. . Financial risk arises due to the _____.
A. variability of returns due to fluctuations in the securities market.
B. changes in prevailing interest rates in the market.
C. leverage used by the company
D. . liquidity of the assets of the company.
ANSWER: D
103. The factor(s) which affect(s) P/E ratio is/are _____.
A. Growth rate
B. Debt proportion
C. Retention ratio
D. All of the above.
ANSWER: D
104. . Long -term solvency is indicated by _____.
A. Liquidity ratio
B. Debt-equity ratio
C. Return coverage ratio
D. Both a and b
ANSWER: B
105. Which of the following is/are the problem(s) encountered in financial statement analysis?
A. Development of benchmarks
B. Window dressing.
C. Interpretation of results



D. All of the above.
ANSWER: D
106. Earnings Per Share (EPS) is equal to _____
A. Profit before tax/No. of outstanding shares.
B. Profit after tax/No. of outstanding shares
C. Profit after tax/Amount of equity share capital.
D. Profit after tax less equity dividends/No. of outstanding shares.
ANSWER: B
107. Degree of total leverage can be applied in measuring change in _____
A. EBIT to a percentage change in quantity.
B. EPS to a percentage change in EBIT.
C. EPS to a percentage change in quantity.
D. Quantity to a percentage change in EBIT.
ANSWER: C
108. The measure of business risk is_____.
A. operating leverage.
B. financial leverage.
C. total leverage.
D. working capital leverage.
ANSWER: A
109. The value of EBIT at which EPS is equal to zero is known as _____
A. Break even point.
B. Financial break even point.
C. Operating break even point
D. Overall break even point.
ANSWER: B
110. operating Leverage is the response of changes in _____.
A. EBIT to the changes in sales..
B. EPS to the changes in EBIT
C. Production to the changes in sales.
D. None of the above.
ANSWER: A
111. Operating Leverage Measures the responsiveness of earnings per share to variability in _____
A. earnings before interest
B. taxesIs undefined at the operating break even point
C. All of the above.
D. None of the above.
ANSWER: C
112. The use of preference share capital as against debt finance _____.
A. Reduces DFL.
B. Increases DFL.
C. Increases financial risk.
D. Both a and b.
ANSWER: B



113. The Degree of Financial Leverage (DFL) _____.
A. Measures financial risk of the firm.
B. Is zero at financial break even point.
C. Increases as EBIT increases.
D. Both a and b.
ANSWER: A
114. The objective of financial management is to _____.
A. Maximize the return on investment.
B. Minimize the risk.
C. Maximize the wealth of the owners by increasing the value of the firm.
D. All the above.
ANSWER: D
115. Which of the following characteristics are true, with reference to preference capital?
A. Preference dividend is tax deductible.
B. The claim of preference shareholders is prior to the claim of equity shareholders.
C. Preference share holders are not the owners of the concern.
D. All of the above
ANSWER: D
116. What are the factors which make debentures attractive to investors?
A. They enjoy a high order of priority in the event of liquidation.
B. Stable rate of return.
C. No risk.
D. All of the above.
ANSWER: D
117. The method of raising equity capital from existing members by offering securities on pro rata basis is
referred to as _____.
A. Public issue.
B. Bonus issue.
C. Private placement.
D. Bought-Out-Deal.
ANSWER: B
118. Which of the following is not a source of long-term finance?
A. Equity shares.
B. Preference shares.
C. Commercial papers
D. . Reserves and surplus.
ANSWER: D
119. For which of the following factors are the debentures more attractive to the investors?
A. The principal is redeemable at maturity.
B. A debenture-holder enjoys prior claim on the assets of the company over its shareholders in the event of
liquidation



C. trustee is appointed to preserve the interest of the debenture holders.
D. All the above.
ANSWER: D
120. If debentures are issued by a company, _____.
A. The interest of the debentures holders is assured by SEBI.
B. Debenture redemption reserve should be at least 75 percent of the issue amount prior to the
commencement of the redemption process
C. Call option on debentures allows the issuer to redeem the debentures at a certain price before maturity
D. Put option on debentures allows the issuer to redeem the debentures at a certain price before maturity.
ANSWER: D
121. A company may rise capital from the primary market through _____.
A. Public issue
B. . Rights issue
C. Bought out deals.
D. All of the above.
ANSWER: D
122. According to traditional approach, the average cost of capital _____.
A. Remains constant up to a degree of leverage and rises sharply thereafter with every increase in leverage
B. Rises constantly with increase in leverage
C. . Decrease up to certain point, remains unchanged for moderate increase in leverage and rises beyond a
certain point
D. Decrease at an increasing rate with increase in leverage
ANSWER: C
123. The cost of capital of a firm is _____.
A. The dividend paid on the equity capital.
B. The weighted average of the cost of various long-term and short-term sources of finance.
C. The average rate of return it must earn on its investments to satisfy the various investors
D. The minimum rate of return it must earn on its investments to keep its investors satisfied.
ANSWER: C
124. The constant growth model of equity valuation assumes that _____.
A. the dividends paid by the company remain constant.
B. the dividends paid by the company grow at a constant rate of growth.
C. the cost of equity may be less than or equal to the growth rate.
D. the growth rate is less than the cost of equity.
ANSWER: D
125. Cost of equity capital is _____.
A. lesser than the cost of debt capital.

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B. equal to the last dividend paid to the equity share holders
C. equal to the dividend expectations of equity share holders for the coming year
D. none of the above
ANSWER: D
126. Which of the following is not a feature of an optimal capital structure?
A. Safety.
B. Flexibility.
C. Control.
D. Solvency.
ANSWER: B
127. The overall capitalization rate and the cost of debt remain constant for all degrees of leverage. This is
pronounced by _____.
A. Traditional approach
B. Net operating income approach
C. Net income approach
D. MM approach
ANSWER: C
128. While calculating weighted average cost of capital _____.
A. Retained earnings are excluded.
B. Cost of issues are included.
C. Weights are based on market value or on book value
D. Equity shares are given more weights.
ANSWER: D
129. The formula for cost of debt is
A. kd=(1/2+f-p)/f+p
B. f+p
C. f-P
D. f*p
ANSWER: A
130. Which of the following is/are assumption behind the realized yield approach?
A. The yield earned by investors has been, on average, in conformity with their expectations.
B. The dividends will continue growing at a constant rate forever.
C. The market price will continue growing at a constant rate forever.
D. Both a and b.
ANSWER: D
131. Which of the following is not an assumption in the Miller & Modigliani approach?
A. There are no transaction costs.
B. Securities are infinitely divisible.
C. Investors have homogeneous expectations
D. All the firms pay tax on their income at the same rate.
ANSWER: D
132. Which of the following is/are true regarding the cost of capital?
A. It is a measure of the returns required by all the suppliers of long-term finance.

B. It is equal to the Internal Rate of Return of a project if the projects Net Present Value is Zero.
C. It is the weighted arithmetic average of the cost of the various sources of long-term finance used.
D. Both b and c
ANSWER: D
133. While calculating the weighted average cost of capital, market value weights are preferred because _____.
A. Book value weights are historical in nature.
B. This is in conformity with the definition of cost of capital as the investors minimum required rate of return.
C. Book value weights fluctuate violently.
D. Market value weights are fairly consistent over a period of time.
ANSWER: C
134. While calculating weighted average cost of capital _____.
A. Preference shares are given more weightage.
B. Cost of issue is considered
C. Tax factor is ignored.
D. Risk factor is ignored.
ANSWER: B
135. Which of the following ratios is not affected by the financial structure and the tax rate of a company?
A. Net profit margin.
B. Earning power.
C. Earnings per share.
D. Capitalization rate
ANSWER: C
136. Which of the following factors influence(s) the capital structure of a business entity?
A. Bargaining power with the suppliers
B. Demand for the product of the company
C. Technology adopted
D. Adequate of the assets to meet any sudden spurt in demand.
ANSWER: C
137. Which of the following factors does not affect the capital structure of a company?
A. Cost of capital.
B. Composition of the current assets.
C. Size of the company
D. Expected nature of cash flows
ANSWER: B
138. Which of the following methods does a firm resort to avoid dividend payments?
A. Share splitting.
B. Declaring bonus shares.
C. Rights issue.
D. New issue.

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ANSWER: B

139. Under trading means_____.

A. Having low amount of working capital

B. High turnover of working capital

C. Sales are less compared to assets employed.

D. Low turnover of working capital.

ANSWER: D

140. Cost of capital is the _____ rate of return expected by the investor.

A. maximum.

B. average.

C. marginal.

D. minimum.

ANSWER: A

141. Effective cost of debentures is _____-as compared to shares.

A. higher.

B. lower.

C. equal.

D. medium.

ANSWER: C

142. Corporation is not a part of _____ finance

A. Public.

B. Private.

C. Public & private.

D. Organization.

ANSWER: D

143. Financial analysts,working capital means the same thing as _____.

A. total assets.

B. fixed assets.

C. current assets.

D. current assets minus current Liabilities.

ANSWER: D

144. _____ is concerned with the maximization of a firms earnings after taxes.

A. Shareholder wealth maximization

B. Profit maximization

C. Stakeholder maximization.

D. EPS maximization.

ANSWER: B

145. What is the most appropriate goal of the firm?

A. Shareholder wealth maximization.

B. Profit maximization.

C. Stakeholder maximization.

D. EPS maximization.

ANSWER: A

146. The long-run objective of financial management is to _____.

A. maximize earnings per share.

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B. maximize the value of the firms common stock.
C. maximize return on investment
D. maximize market share.
ANSWER: B
147. This type of risk is avoidable through proper diversification_____.
A. portfolio risk.
B. systematic risk.
C. unsystematic risk.
D. total risk.
ANSWER: A
148. .In proper capital budgeting analysis we evaluate incremental _____.
A. accounting income.
B. cash flow.
C. earnings.
D. operating profit.
ANSWER: B
149. The term _____ means mathematical relationship between two figures.
A. Income.
B. Expense.
C. Profit
D. Ratio.
ANSWER: D
150. EBIT is usually the same thing as_____
A. funds provided by operations
B. earnings before taxes
C. net income
D. operating profit.
ANSWER: D

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Near Balaji Mandir, Dombivli (East), 421203.

Name of the Faculty-Mahesh Kandalkar
Class-S.Y.B&I sem-4
Subject-Wealth Management

1) Wealth management is a financial service which includes

a) Financial /Investment advice

b) Accounting/Tax service

c) Retirement & Estate planning

d) **All of the above**

2) Wealth management is _____service

a) **Client centric**

b) Employee centric

c) Manager centric

d) None of the above

3) Occasions of sudden wealth are_____

a) Winning lotteries

b) Unexpected inheritance of wealth

c) Unusually high capital gain

d) **All of the above**

4) The goal of wealth management is to sustain and grow _____wealth

a) Short term

b) **Long term**

c) Medium term

d) None of the above

5) _____represents that part of the persons income which is not used for consumption

a) Expenses

b) **Saving**

c) Capital gain

d) None of the above

6) Qualities for successful investment includes_____

a) Goal setting

b) Knowledge

c) Right decision

d) **All of the above**

7) Objectives of savings & Investments are

a) Safety

b) Growth

c) Income

d) **All of the above**

8) _____is a important tool for savings

a) **Budgeting**

b) Planning

c) Profit

d) None of the above

9) _____is the traditional ways of investing

a) Mutual Funds

b) Shares

c) **Bank fixed deposits**

d) None of the above

10) Wealth management is the _____process of meeting the needs & wants of clients

a) **Consultative**

b) Decisive

c) Planning

d) None of the above

11) _____are unwealthy habits

a) Gambling

b) Unhealthy diet

c) Watching too much TV

d) **All of the above**

12) A financial plan can help you to

a) Accumulate & Preserve wealth

b) Provide you with more comfortable retirement

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c) Pass on wealth to your loved ones after you die

d) **All of the above**

13 The important aspects of investment planning are

a) Capital growth vs Regular income

b) Risk

c) Determine your investment profile

d) **All of the above**

14 Market risk includes

a) Interest rate risk

b) Inflation risk

c) Currency risk

d) **All of the above**

15) Risk profiling involves assessment of _____

a) Risk Capacity

b) Attitude to risk

c) Risk tolerance

d) **All of the above**

16) Asset allocation strategy includes

a) Strategic asset allocation

b) Tactical Asset allocation

c) Lifecycle based asset allocation

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d) **All of the above**

17) Following are the benefits of passive investing

a) Very low fees

b) Good transparency

c) Tax efficiency

d) **All of the above**

18 _____is a snapshot of clients financial position

a) **Financial blood test report**

b) Passbook

c) Cashbook

d) None of the above

19 _____is a most important financial statement for a project or business

a) **Cash flow statement**

b) Balance sheet

c) Profit & Loss A/c

d) None of the above

20 **Financial planning brings in** _____

a) **Discipline**

b) Indiscipline

c) Expenses

d) None of the above



21 Role of financial planner is _____

a) Organise & Manage finances

b) Marriage & Children

c) Planning for retirement

d) **All of the above**

22 _____prompt seeking of financial advice

a) Loss of job

b) serious illness

c) Legal problem

d) **All of the above**

23 _____planning is an integral part of financial planning

a) **Estate**

b) Technical

c) Personal

d) None of the above

24 _____helps you bring order to your finances by identifying what is right and not right for you

a) **Financial planning**

b) Technical analysis

c) Economic analysis

d) None of the above



25 ____begins after you have taken into account your current & expected income level & have laid down your financial goals

a) Fundamental analysis

b) **Investment planning**

c) Industry planning

d) None of the above

26 _____is a concept applicable to individuals and businesses as a key measure of how much an entity is worth

a) CAGR

b) **Net worth**

c) HPR

d) Post tax returns

27 _____Finance as a sub field of economics concerns itself with the valuation of assets & financial instruments as well as the allocation of resources

a) **Quantitative**

b) Qualitative

c) Personal

d) Micro

28 _____is the application of mathematical methods to the solution of problems in finance

a) Economics

b) Psychology

c) **Financial mathematics**

d) None of the above

29 _____is year over year growth rate of an investment over a specified period of time

a) HPR

b) **CAGR**

c) Net worth

d) None of the above

30 The goal of retirement planning is _____

a) **To achieve financial freedom**

b) To retire early

c) To save money

d) None of the above

31 _____is the process of determining retirement income goals & the actions & decisions necessary to achieve those goals.

a) Financial planning

b) Economic planning

c) **Retirement planning**

d) None of the above

32 With power of attorney you can instruct your agent

a) To pay your bills

b) Deposit or withdraw funds from your Account

c) Invest your assets

d) **All of the above**

33 _____is the easiest way of giving ownership rights to your spouse



a) Trusts

b) **Joint holding**

c) Will

d) Nomination

34 _____in India includes making a will ,setting up a trust or making a nomination and even life insurance

a) **Estate Planning**

b) Retirement Planning

c) Personal Planning

d) Economic Planning

35 A _____is a document outlining the rules you want followed for assets that are meant to be passed down to others at a predetermined point in time

a) Will

b) Debenture deed

c) **Trust agreement**

d) Nomination document

36 _____ are the tools for estate planning

a) Joint holding

b) Nomination

c) Will

d) **All of the above**

37 Personalised insurance plans can help you for_____



a) Protect your income stream in the event of disability

b) Provide for your family in the event of a premature death

c) Guarantee income for life

d) **All of the above**

38 The main objective of every insurance contract is to give

a) Financial security

b) Protection from future uncertainities

c) a or b

d) **both a & b**

39 Primary principle of insurance is

a) **Principle of utmost good faith**

b) Principle of insurable interest

c) Principle of indemnity

d) None of the above

40 _____is the process of analysing what type of insurance is needed for the protection of a person's assets and liability to create assets

a) Fundamental planning

b) **Insurance planning**

c) Industry planning

d) Economic planning

41 _____must always investigate any doubt able insurance claims

a) **Insurer**

b) Broker

c) Trader

d) Economist

42 _____coverage needs change with the time, therefore, it is important to review your insurance needs regularly

a) Fire insurance

b) General Insurance

c) **Life Insurance**

d) Marine insurance

43 Medical insurance is offered by

a) Life insurers

b) **Non- life insurers**

c) a or b

d) none of a & b

44 Commercial insurance includes

a) Property insurance

b) Marine insurance

c) Liability insurance

d) **All of the above**

45 Motor insurance plans include

a) Car insurance

b) Two wheeler insurance

c) Commercial Vehicle insurance

d) **All of the above**

46 In _____ insurance premium is cheaper than other insurance

a) **Term Insurance**

b) Life insurance

c) Non- life insurance

d) None of the above

47 _____is a model provision for safe guarding retirement

a) Insurance

b) **Pension**

c) Gold

d) None of the above

48 Underwriters are hired by insurance companies to

a) Figure out the amount of risk

b) To charge premium according to risk

c) a or b

d) **both a & b**

49 _____is the ability to understand how money works :how someone makes,manages & invest it & also expends it

a) Financial planning

b) **Financial literacy**

c) Portfolio management





d) None of the above

50 A _____Investment portfolio that minimises your risk while generating measured returns is desirable

a) **Diversified**

b) Single

c) Multi

d) Selective

Subject Teacher



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P-88, MIDC Residential Area Dombivli Gymkhana Road,
Near Balaji Mandir, Dombivli (East), 421203.

Name of the Faculty- Mahesh Kandalkar

Class-S.Y.B&I

Subject-Wealth Management

Subjective Questions

1) Define Wealth Management and Explain the process of Wealth Management
2) Explain the various investment alternatives
3) Explain the qualities required for successful investment
4) Explain the components of wealth management
5) Explain the various approaches to investment decision making
6) Explain the concept of wealth cycle
7) Explain the nature and scope of saving investments
8) Explain the advantages and disadvantages of wealth management
9) Explain the nature and scope of savings and investment
10) Explain the types of Investment Risk
11) Explain the process of Financial Planning
12) What is estate planning? What are the tools of Estate Planning
13) What are the objectives of Retirement Planning
14) Explain any five principles of Insurance
15) What are different types of Life Insurance Policies
16) What are the rights and responsibilities of Insured
17)

Mr.Dinesh is 50 years old and plans to retire at the age of 65 years .
His current salary is Rs 10,00,000 p.a. and is expected to remain same
Every year till his retirement .His expenses include
a) Personal expenses Rs 3,50,000
b) Tax payable Rs 50,000

c) Life Insurance premium Rs 50,000
Calculate the Human Life Value assuming the discounting rate of 10%,
p.a. (PV of Re 1@ 10% for 15years=7.606)

18)

The following is the Balance Sheet of Jivan Textile Company Ltd. for the year ended 31st March,2018

Liabilities	Amount	Assets	Amount
Equity share capital	4,00,000	Machinery	3,40,000
12% preference shares	3,00,000	Premises	6,80,000
Security premium	2,60,000	Furniture	1,20,000
General reserve	2,20,000	5% Government Bonds	1,16,000
8% Debentures	2,00,000	Debtors	4,00,000
5% Term loan	1,70,000	Stock	2,60,000
Bank overdraft	1,20,000	Cash	80,000
Sundry creditors	2,20,000	Prepaid expenses	24,000
Provision for taxation	1,40,000	Preliminary expenses	10,000
	20,30,000		20,30,000

Calculate :

1) Net worth

2) Working capital

19) Explain the strategic wealth management process

20) Explain the asset allocation strategies

Subject Teacher



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Department of Banking and Insurance

Class: SY B.Com (Banking & Insurance)
Subject : Cost Accounting Semester : IV
Name of Teacher: Ranjana Mhalgi

Theory Question Bank

Unit -1- Introduction to Cost Accounting

1) What is Cost? And What is a Unit of Cost?
2) What is Cost Centre, Profit Centre and Investment Centre and Revenue Centre?
3) Explain the following costs :
   - **a.** Opportunity Cost
   - **b.** Out of Pocket Cost?
   - **c.** Committed Cost?
   - **d.** Notional Cost?
   - **e.** Shutdown Cost?
4) What is Cost Accounting?
5) What is Financial Accounting?
6) What is an Expense?
7) What is a Loss?
8) What is an Asset?
9) What is the purpose of Cost Centre?
10) What is Reporting?

Unit -2 – Classification of Cost and Cost Sheet

1) What is Direct Cost?
2) What is chargeable Expenses?
3) Explain the following elements of cost sheet:
   Prime Cost? Factory Cost? cost of production? cost of sales?
4) What is Historical Cost?
5) What is Pre-determined Costs?
6) What is Product Cost and Period Costs?
7) What is Manufacturing Costs? What is Administrative Cost?
8) What is Selling & distribution Cost? What is Research and Development Cost?
9) What is Pre-production Cost?
10) What is Controllable Cost? And Non-controllable Cost?
11) What is Normal Cost? , Abnormal Cost, Avoidable Cost?
12) What is Unavoidable Cost?
13) What is Cost Sheet?

Unit – 3- Standard Costing

1) What is standard cost ?.
2) What is the difference between standard cost & estimated cost ?.
3) What is standard costing ?
4) What is cost variance ?
5) When the cost variance is favourable ?
6) When the cost variance is adverse ?
7) Explain the following variance :
   - **a.** controllable variance ?
   - **b.** non-controllable variance ?.
   - **c.** material cost variance?.
   - **d.** std. quantity of material ?
   - **e.** std. price of material ?
   - **f.** material mix variance ?.
   - **g.** material yield variance ?
   - **h.** yield variance is adverse ?
   - **i.** labour cost variance ?
   - **j.** efficiency variance caused ?
   - **k.** idle time variance ?
   - **l.** abnormal idle time ?.
   - **m.** normal idle time ?.
   - **n.** fixed overheads variance ?.
8) variable overheads variance ?
9) Who is responsible for adverse labour efficiency variance ?.
10) Who is responsible for adverse variable overheads variance ?
11) What is overhead expenditure variance ?

Unit – 4 – Introduction to Marginal Costing

1) What is marginal cost? What is marginal costing?
2) Explain the following :

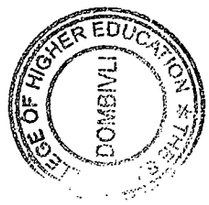
a. B.E. Point?
b. P/V ratio?
c. contribution?
d. margin of safety?

3) What is the basis of stock valuation under marginal costing?
4) What is the minimum price under marginal costing?
5) What is fixed cost?
6) What is variable cost?

MCQS Question Bank

1) Cost Accounting is a system developed for____use.
   - **a. Internal**
   - b. External
   - c. Government
   - d. outsiders
2) A price paid or money sacrifice made to get something of value/asset/objective is called

a. Profit
b. Cost
c. expense
d. loss



3) Cost accounting involves
a) cost ascertainment
b) cost control
c) cost reporting
d) all of the above
4) Costing includes_____.
a. 6 A's
b. 5 A's
c. 3 A's
d. none
5) A cost centre is _____
a. Location
b. Organisation
c. unit
d. profit

6) _____ is a unit of measurement like number, weight, time, area.
a. Cost unit
b. Cost accounting
c. Cost centre
d. None of the above
7) Unit of measurement for gold is _____.
a. Carats
b. Grams
c. Litres
d. Metres

8)Prime cost is also known as _____ cost
a. Fixed
b. Variable
c. notional
d. sunk
9) Cost accounting and Financial Accounting are the same.
a. TRUE
b. FALSE
10) Overheads are classified as _____
a. factory
b. office
c. S&D
d. All of the above
11) Cost which does not remains constant is called _____ cost
a. Variable
b. sunk
c. Fixed
d. notional
12) Notional cost is known as _____ cost.
a. Imputed
b. opportunity
c. variable
d. fixed
13)Material, Labour ,expenses are _____ of cost
a. Unit
b. Elements
c. functions
d. departments



14)Factory, Admin, S&D ,R&D is a _____ classification of cost.

a. Elements
b. Functional
c. Traceablity
d. others

15).Timber in furniture , 2. Cloth in garments , 3. Paper in books are examples of _____

a. secondary packing materials
b. primary packing materials
c. basic raw material
d. none of the above

16) .Excise duly on output 2. Royalty on output 3. Cost of special designs 4.Hiring charges for machines, tools & equipment's are examples of _____

a. Direct materials
b. direct labour
c. direct expenses
d. none

17) On the Basis of Behavior, cost is classified as _____ costs.

a. Fixed ,Variable , Semi-variable
b. Direct & indirect
c. factory, office, S& D
d. Cost of production

18)Prime Cost =_____

a. D. Materials+ D. wages+ factory OH
b. D. Materials+ D. Expenses+ office OH
c. D. Materials+ D. wages+ D. expenses
d. D. wages+ D. expenses

19)Opening Stock of Raw Material = Rs 1,00,000;Purchases = rs 6,00,000
Closing Stock of Raw Materials = rs 1,50,000;Carriage inwards = rs 20000
Purchase returns rs 10000;sales returns rs 10000.calculate Value of Raw material consumed .

a. rs 5,50,000
b. rs 5,00,000
c. rs 5,60,000
d. rs 60,000

20)Cost of sales = _____

a. DM+DL+DE
b. PRIME COST + FACT OH
c. COP+ Opn FG - Cl FG
d. COGS+S&D

21)Direct Materials purchased 2,80,000,Direct Wages 1,70,000,Indirect Expenses 20,000 ,Royalty on Production 30,000,What is the Prime cost?

a. rs 4,80,000
b. rs 2,80000
c. rs 3,00,000 d.Rs 5,00,000

22) COST OF PROD Rs 5,55,000 ;Opn stock of FG Rs 1,00,000;Cl stock of FG RS 2,00,00 .Calculate COGS

a. Rs 655000
b. Rs100000
c. Rs 200000
d. Rs 4,55,000

23)calculate sales units if units produced is 200000 , Opening stock of FG units is 30000 , closing stock of FG units 20000

a. Rs 200000
b. Rs 50000
c. Rs210000
d. rs 230000



24)Closing stock of FG = 5000units ;COP per unit = Rs 180;What is the value of closing stock?

a. Rs 920000
b. Rs 900000
c. Rs 520000
d. Rs 820000

25)If Cost of sales is Rs. 6,00,000 and profit is 20% on sales , what will be the amount of Sales

a. Rs. 7,50,000
b. Rs. 7,20,000
c. Rs. 6,00,000
d. Rs. 5,00,000

26) _____ is excluded while preparing cost sheet.

a. Goodwill
b. Direct materials
c. manager's salary
d. Advertising expenses

27)In reconciliation statement, if profit as per FA is given, Over absorption of overheads in costing is _____

a. added
b. subtracted
c. divided
d. none

28) if Net Profit as per Cost Accounts is given , then all Incomes are _____

a. added
b. subtracted
c. divided
d. none

29)Reasons for reconciliation includes _____

a. Notional Expenses
b. Under / Over Absorption of overheads
c. Different Methods of stock valuation
d. All of the above

30) Net Profit as per CA : 345000 ;Works Overheads under absorbed in cost records : 45000,Administrative Overheads over absorbed in cost books: 30000 then Net Profit as per FA is ___

a. 110000
b. 220000
c. 330000
d. 345000

31)A segment of a business responsible for both revenues and expenses is referred to as_____

a. A cost centre.
b. An investment centre.
c. **A profit centre.**
d. Residual income

32)Difference between standard cost & actual cost is _____.

a. profit
b. variance
c. loss
d. waste

33)The term standard cost refers to the_____

a. average unit cost of product produced in the previous period
b. budgeted unit cost of product produced in a particular period
c. average unit cost of product produced by other companies
d. average unit cost of product produced in the current period

34)Idle time variance is always _____

a. favourable
b. un-favourable



c. controllable
d. none

35)Labour cost variance = _____
a. LEV+ LMV
b. LRV+LEV
c. LEV+LYV
d. None

36) If standard cost > actual cost , then it is _____ variance
(A) not- favorable
(B) **favorable**
(C) neither favorable nor not favorable
(D) both (A) and (B)

37)Standard material for 1 unit of FG = 2 kgs ; standard price = rs 5 ; Actual output =500kgs. What is standard material cost?
a. Rs 3000
b. Rs 4000
c. Rs 5000
d. Rs 2000

38)Material Price Variance (MPV) --
a. (SP – AP) × SQ
b. (SP – AP) × AQ
c. (AP – SP) × SQ
d. (SQ-AQ) × AQ

39)The increase/decrease in variable cost from existing level to the new level is called as _____
a. Standard cost
b. absorbed cost
c. Marginal cost
d. opportunity cost

40)Contribution is the difference between _____
a. sales and fixed cost.
b. fixed cost and marginal cost.
c. sales and profit
d. sales and marginal cost.

41)If profit is ` Rs 20000 and profit volume ratio is 40%, then Margin of safety will be `_____.
a. 55,000
b. 60,000
c. 50,000
d. 65000

42)Contribution per unit =
a. FC-VC
b. SP per unit – VC per unit
c. SP-FC
d. FC-P

43) If fixed cost is Rs. 30,000, SP = 10 , VC = 7 , PV Ratio =
a. 30%
b. 20%
c. 40%
d. 25%

44)Sales x P/V Ratio =
a. VC
b. profit
c. contribution
d. FC

45)BEP means =
a. no expenses point

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b. only profit point
c. no profit no loss point
d. sales point

46)Following information of sales and Profit for the last two years:

Year	Sales (rs`)	Profit (`rs)
2017	2,00,000	80,000
2016	1,20,000	40,000

profit Volume Ratio is _____

a. 20%
b. 30%
c. 40%
d. 50%

47) Sales= 2,00,000; Marginal Cost= 1,50,000 Fixed Cost 15,000;Find P/V ratio and BEP

a. 30% & RS 40000
b. 20% & RS 50000
c. 25% & RS 60000
d. 20%& RS 40000

48) Break-even chart indicates _____

a. Profit or Loss,
b. Margin of Safety
c. Angle of incidence
d. All of the above

49) In marginal costing the elements of cost are differentiated between_____

a. Direct costs and variable costs
b. direct costs and indirect costs
c. fixed costs and variable costs
d. factory costs and office costs

50) If the selling price per unit is rs 16, the unit variable cost is rs 7 and fixed costs are rs 60,000; the break-even points in units will be

a) **6667 units**
b)5555 units
c)2223 units
d)4445 units.

51)A company has sales of rs 2,00,000; P/V Ratio is 20% and fixed cost is & 15,000; the profit is

a) 25,000
b)20,000
C)35,000
d)12000

52)Under marginal costing, marginal cost is equal to

a)Fixed cost + variable cost
b)**D.M. + D.L. + D. exp.**
c)Prime cost + variable overheads
d)Total cost

53) Under marginal costing, cost is classified on the basis of

a) Function
b)Behaviour
c)Elements
d)**None of these**

54)Contribution margin is known as

a) marginal income
c) net income
b) gross margin
d)**none**

55) Break-even analysis may be described as net profit

a) **comparison between sales and cost**



b) comparison between production and sales
c) comparison between fixed cost and variable cost
d) comparison to make out capacity utilisation
56) An increase in sales price
a)does not affect the break-even point
b)c) **increases the break-even point**
c) lowers the net profit
d)lowers the break-even point
57)Margin of safety is referred to as
a) **excess of sales over break-even sales**
b)excess of sales over variable cost
c) excess of sales over fixed cost
d)excess of sales over budgeted sales
58)To obtain break-even point in rupees, total fixed cost is divided by
a) variable cost per unit
b)fixed cost per unit
c) contribution per unit
d P/V ratio.
59) At break-even point, the contribution margin equals total
a) variable cost
b)sales revenue
c) fixed cost
d) administrative cost.
60) Under marginal costing, marginal cost is equal to
a)Fixed cost + variable cost
b)D.M. + D.L. + D. exp.
c)Prime cost + variable overheads
d)Total cost
61) Material cost variance is favourable when
a) **Actual cost of material is more than std. material cost**
b) Standard cost of material is more than actual cost of material
c) Actual quantity of material is more than standard quantity of material
d) None of the above
62) Material mix variance is a difference between
a) SMC - AMC
b) SQ - AG
c) **SCSM - SCAM**
d) None of the above
63) Material yield variance arises due to change in the
a) Wastage
b)Input
c)Output
d)None of the above
64) Material cost variance is equal to
a) MPV + MUV
b)MUV + MYV
c)MYV + MPV
d)MPV + MUV + MYV
65)Labour cost variance is a difference between
a) Std. labour cost and actual labour cost
b)Std. labour hrs - actual labour hrs
c) Std. labour rate – actual labour rate
d)None of the above
66) Favourable labour efficiency variance indicates
a) **Improvement in labour efficiency**



b)Improvement in quality
c) Cost reduction
d)None of the above
67) Labour rate variance is favourable when
a) **Actual rate is lower than the std. rate**
b)Actual time is less than is std. time
c) Actual rate is higher than
68) The cost Accounting system is developed for _____ .
a) Financial institution
b) Government
c) Management
d) Shareholders
69) Cost which can be identified with the output is called as _____ .
a) Product
b) Fixed
c) Direct
d) Indirect
70) Overheads incurred in connection with factory is called ____ overheads.
a) Office
b) Factory
c) Selling
d) None of the above
71) Direct labour and factory overheads is called _____ cost.
a) Conversion
b) Direct
c) Packing
d) Indirect
72)_____ facilitates internal control.
a) reconciliation
b) Overvaluation
c) Computation
d) None of the above
73. Dividend received is shown in _____ accounts only.
a) financial
b) Cost
c) Balance Sheet
d) Ignored
74)Overheads recovered in costing is more than actual it is called
a) over-absorption
b) under-absorption
c) Both a & b
d) None of the above
75)Donations paid reduces _____ profit.
a) financial profit
b) Ignored in costing
c) costing profit
d) Both a & b

Subject Teacher **Convener**



COST A/C ASSGNMT - II Reconciliation statement PROBLEMS

SY B&I

Q 1) From the following information prepare Reconciliation Statement as on 31/3/2018.

1. Opening stock of FG as per cost accounts	18,000
2. Opening stock of FG as per financial accounts	16,000
3. Closing stock of FG as per cost accounts	20,000
4. Closing stock of FG as per financial accounts	17,000
5. Opening Raw materials as per cost accounts	10,000
6. Opening Raw materials as per financial accounts	15,000
7. preliminary expenses written off	500
8. Commission received	1,000
9. Indirect expenses as per cost accounts	75,500
10. Indirect expenses as per financial accounts	80,000
11. Notional rent not taken in financial accounts	1,200
12 Depreciation over recovered in cost accounts	2,200
13. Loss on sale of assets	2,000
14. Net profit as per cost accounts	1,50,000

Q 2) From the following information prepare Reconciliation Statement as on 31/3/2018.

1. Opening stock as per cost accounts	52,600
2. Opening stock as per financial accounts	54,000
3. Closing stock as per cost accounts	52,000
4. Closing stock as per financial accounts	49,600
5. Works overhead under recovered in costing	3,120
6. Admin overheads recovered in excess	1,700
7. Depreciation as per cost accounts	11.200
8, Depreciation as per financial accounts	12,500
9. Profit on sale of asset not included in cost accounts	8,000
10. Obsolescence loss in financial records	5,700
11. Income tax provided in financial books	40,500
12. Bank Interest credited in financial books	750
13. Stores adjustment credited in financial books	475
14. Notional Interest charged in cost accounts	6,000
15. Preliminary expenses written off	800
16. Provision for doubtful debts	150
17. Goodwill written off	25,000
17. Net loss as per cost accounts	1,72,400

3) Prepare Reconciliation Statement for the month of December 2017.

Net Profit as per FA	3,55,000
Factory overheads over recovered	5,000
Depreciation as per cost a/c	12,500
Depreciation as per Financial a/c	11,200
Loss due to obsolescence	5,200

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Value of Closing stock as per cost a/c	62,500
Value of closing stock as per Financial a/c	59,000
Income Tax	41,600
Bank Interest & Transfer Fees	2,250
Stores adjustment credited in Financial A/C	1,880

4) The Trading and Profit and Loss A/c of ABC Ltd. for the year ended 31-3-2019 is as follows:

	Rs.		Rs.
To Purchases	42,000	By Sales	1,43,000
„ Direct wages	20,000	„ Closing Stock	2,000
„ Manufacturing overheads	24,000		
„ Gross profit c/d	59,000		
	1,45,000		1,45,000
To Administration expenses	10,000	By Gross profit b/d	59,000
„ Selling & Dist. expenses	16,000		
„ Depreciation	2,000		
„ Net profit c/d	31,000		
	59,000		59,000

The following information was available from the Cost Accounts:
(i) Closing stock of goods—Rs. 4,000
(ii) Manufacturing overhead was applied @ 150% on direct wages
(iii) Administrative, selling & distribution expenses were 10% of sales,
(iv) Depreciation charged Rs. 2,400
You are required to reconcile the profit of Financial Accounts with that of the Cost Accounts.

5) M/s Rana Traders have furnished the following information from the financial books for the year ending 31st March, 2019

	Rs.		Rs.
To Opening Stock (500 units at Rs. 35 each)	17,500	By Sales (10,250 units @ Rs. 70 each)	7,17,500
„ Materials consumed	2,60,000	„ Closing Stock (250 units at Rs. 50 each)	12,500
„ Wages	1,50,000		
„ Gross profit c/d	3,02,500		
	7,30,000		7,30,000
To Factory overheads	94,700	By Gross profit b/d	3,02,500
„ Office overheads	1,06,000	„ Interest on Investment	250
„ Selling expenses	55,000	„ Rent received	10,000
„ Provision for bad debts	4,000		
„ Goodwill written off	5,000		
„ Net profit c/d	48,050		
	3,12,750		3,12,750

The cost sheet shows the following:
(a) Cost of materials at Rs. 26 per unit and labour cost Rs. 15 per unit.
(b) Factory overheads are absorbed at 60% of labour cost
(c) Office overheads are absorbed at 20% of factory cost
(d) Selling expenses are charged at Rs. 6 per unit sold, and
(e) Opening stock of finished goods is valued at Rs. 45 per unit.
You are required to prepare:

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Marginal costing and standard costing problems

Selling Price..... Rs. 20 per Unit
Direct Material..... Rs. 5 per Unit
Direct Wages..... Rs. 6 per Unit
Variable Administrative Overheads.....Rs. 3 per Unit
Fixed Factory Overhead.....Rs. 6,40,000 per year
Fixed Administrative Overheads.....Rs. 1,52,000 per year
calculate
:1) P/V ratio
2) Breakeven point in units and Rs
3) Sales to earn profit of Rs 7,50,000
4) Profit if the sales are Rs 25,00,000
5) MOS
6) New Breakeven point if SP is increased by 20%.
7) Revised P/V Ratio and Breakpoint if FC is Rs 8,00,000

2) Bombay plastics make plastic buckets. An analysis of their accounting reveals the following :

Variable cost per bucket Rs. 20

Fixed cost Rs. 50000 for the year

Capacity 2000 buckets per year

Selling price per bucket Rs.60

You are required to find out

(a) Break even point

(b) The number of buckets to be sold to get a Profit of Rs. 14000

(c) If the Company can manufacture 600 buckets more per year with an additional fixed cost of Rs. 2000, what should be the Selling Price to maintain the profit per bucket as stated above

3) MLM Ltd. has furnished you the following information for the month of January:

	Budget	Actual
Outputs (units)	30,000	32,500
Hours	30,000	33,000
Fixed overhead	45,000	50,000
Variable overhead	60,000	68,000
Working days	25	26

THE S.I.A. COLLEGE OF HIGHER EDUCATION GOREGAON

Calculate overhead variances.

3) The Standard quantity and Standard price of raw material
required for one unit of Product A are given below :-

Material	Quantity	Selling Price
X	2 Kg.	Rs 3 per Kg.
Y	4 Kg.	Rs 2 per kg.

The actual production and relevant data are given below.
Output 500 unit.

Material	Quantity	Selling Price
X	1100 kg.	Rs 3.20 per kg.
Y	1800 kg.	Rs 1.90 per kg.

You are required to calculate
(a) Material Cost Variance
(b) Material Price Variance
(c) Material Usage Variance

4) The standard time rate for unit component "X" are given below :-

Standard hours per unit 15 hrs

Standard Rate Rs. 4 per hour

The Actual data is as follows :-

Actual Production 1000 units

Actual hours 15500 hours

Actual Rate Rs. 3.80 per hour.

Calculate :- (a) Labour Cost variance

(b) Labour Rate Variance and

(c) Labour Efficiency variance

THE T.I.A. COLLEGE OF HIGHER EDUCATION DOMBIVLI

5) The Standard quantity and Standard price of raw material required for one unit of Product A are given below :-

Material	Quantity	Selling Price
Chemical ABBI	8 Kg.	Rs 3.50 per Kg.
Chemical BIBI	5 Kg.	Rs 2.30 per kg.

Actual Output is 500 units.

Actual Material	Quantity	Selling Price
Chemical ABBI	4100 kg.	Rs 3.20 per kg.
ChemicalBIBI	2600 kg.	Rs 2.80 per kg.

You are required to calculate Material variances

6) The Standard quantity and Standard price of : required for one unit of Product A are given bel

Material	Quantity	Selling Price
X	2 Kg.	3 per Kg.
Y	4 Kg.	2 per kg.

The actual production and relevant data are give Output 500 unit.

Material	Quantity	Selling Price
X	1100 kg.	3 per kg.
Y	1800 kg.	2 per kg.

You are required to calculate

7) The standard time rate for unit component "X given below :-

Standard hours per unit 15

Standard Rate Rs. 4 per hour

The Actual data and related infoformation are a :-

Actual Production 1000 units

Actual hours 15500 hours

Actual Rate Rs. 3.80 per hour.

Calculate labour variances.

THE S.I.A. COLLEGE OF HIGHER EDUCATION DOMBIVLI

8) Selling price of a product was Rs.200 per unit.
Its cost structure was as follows
Variable Cost Per Unit:
Material Rs.76
Labour Rs.28
Direct Expenses Rs.16
Fixed Overhead for the year:
Factory Overhead Rs.5,60,000
Office Overhead Rs.4,40,000
Selling Overhead Rs80,000
Number of units Sold 40,000units
Calculate:
1.P/V Ratio
2.Break Even Point in Units
3.Margin of Safety
4. Break Even sales – amount, if Fixed Overhead is increased by 20%
5.Revised P/V Ratio when selling price is increased by 20%

9) From the following information calculate Material and Labour Variances:

For 5 units of Product A, standard data are:-
Material 40 Kg @Rs.25 Per Kg.
Labour 100 Hours@ Rs.4.50 Per Hour
Actual data
Actual production 1000 units
Material 7,840Kg @ Rs.27 per kg
Labour 19,800 Hrs @ Rs.4.60 per hour

10) From the following information you are required to calculate
1. Material Cost Variances 2.Material Price Variances
3.Material Usage Variances
Standard quantity for 35 units of product –Z
Material 70 kgs @ Rs.25 per. Kg.
Actual Production-40,000unit
Actual material used 95,000 unit: Actual rate Rs.28 per kg

11) The following data are obtained form the records of a Factory
Sales – 4000 units @ of Rs. 25 each Rs. 1,00,000

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Materials consumed	40000
Variable overheads	10000
Direct labour	20000
Fixed overheads	18000
Net Profit	12000

Calculate :

(a) Break – Even point

(b) Sales needed to earn a profit of 20% on sales.

(c) Extra units which should be produced to obtain the present profit if it is proposed to reduce the selling price by 20%.

(d) Selling Price to be fixed to bring down its B.E.P. to 500 units under present conditions.

12) The Mexico Company provides you the following data:

- Budgeted production: 50,000 units
- Standard hours allowed per unit: 4 hours
- Budgeted hours: 200,000 hours (= 50,000 units × 4 hours)
- Actual production: 40,000 units
- Budgeted variable manufacturing overhead: Rs150,000
- Budgeted fixed manufacturing overhead rs 600,000
- Calculate fixed oh variances.

THE S.I.A. COLLEGE OF HIGHER EDUCATION DOMBIVLI

(i) A statement showing the cost and profit as per Cost Accounts for the year ended 31st March, 2019

(ii) A statement showing the reconciliation of profit disclosed in Cost Accounts with the profit shown in Financial Accounts.

6) The Trading & P & L A/C of Gama Ltd fo the year endedn 31st March ,2009 is as follows:

Particulars	Rs	Particulars	Rs
To materials	50,00,000	By Sales (1,20,000 units)	1,20,00,000
To wages	30,00,000	By Closing stock of Finished goods (4000 units)	3,20,000
To Factory expenses	16,00,000	WIP	2,40,000
To Admin exp	7,00,000	By Interest received	20,000
To Selling exp	9,60,000	By dividends	1,00,000
To bad debts	80,000		
To donations	40,000		
To net profit	13,00,000		
	1,26,80,000		1,26,80,000

Additional info:

Cost accounts for the same period revealed the following info:

Direct materials : Rs 56,00,000

Factory OH are recovered 20% of Prime cost.

Admin OH are Rs 6 per unit of production and S&D OH are Rs 8 per unit sold.

Closing stock is valued at cost of production .

Prepare : 1) Cost sheet showing costing profit and

2) Reconciliation statement.

7) Prepare Reconciliation statement for March,2017.

Particulars	Amount Rs.
Net Profit as per cost accounts	2,05,000
Administrative Overheads under recovered in Cost books	8,000
Interest on Loan in Financial accounts	25,000
Income Tax paid as per financial accounts	12,800
Dividends received Credited in financial accounts	10,400
Stores Adjustment Credited in Financial accounts	2,300
Bad debts written off in Financial accounts	5,500
Depreciation charged in Cost accounts	4,500
Depreciation charged in Financial accounts	5,400
Factory overheads over recovered in cost accounts	12,500
Opening Stock as per cost accounts	2,000
Opening Stock as per Financial accounts	42,000
Profit on sale of asset not shown in cost books	51,000
Closing stock over valued in CA	10,000



8) M/s ESVEE Ltd. has furnished you the following information from the financial books for the year ended 31st December, 2009.

Particulars	RS
Materials consumed	260000
Wages	150000
Factory overheads	94750
Administration Overheads	106000
Selling and Distribution Overheads	55000
Bad Debts	4000
Preliminary expenses	5000
Opening Stock (500 units at Rs.35/- each)	17500
Closing stock (250 units at Rs.50/- each)	12500
Sales (10250 units)	717500
Interest Received	250
Rent Received	10000

The cost sheet shows the following :

1) Cost of materials Rs. 26 per unit.
2) Labour cost Rs. 15 per unit
3) Factory overheads 60% of Labour cost
4) Administration overheads 20% of Factory cost
5) Selling expenses Rs, 6 per unit
6) Opening Stock Rs. 45 per unit

You are required to prepare :

1. Financial Profit & Loss Account
2. Costing STATEMENT &
3. Statement of Reconciliation



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Question Bank

Subject: An Overview of Insurance Sector

Class: SYBI

Semester: IV

Faculty: Mrs. Renu Vijay Verma

1. Define insurance. Explain the nature of life insurance.
2. List out the advantages of life insurance.
3. What are the factors determining life insurance premium?
4. Describe the principles of risk pooling in life insurance.
5. Explain briefly ho insurance works?
6. Explain the principles of life insurance contract.
7. Define traditional life insurance products and explain its features.
8. Define whole life insurance.
9. Write the benefits of whole life insurance.
10. Explain the endowment assurance variants.
11. Explain dividend method or profit participating.
12. Describe different riders in life insurance products.
13. List out the document required to convent proposal into policy.
14. Explain the non-traditional life insurance products?
15. Explain briefly about unit linked insurance.
16. Explain any two non-traditional SBI life insurance plans.
17. Explain any two ULIPs products of ICICI prudential.

18. What is general insurance?
19. Explain TPA.
20. List out the essential of general insurance contract.
21. Define health insurance.
22. What are the characteristics of health insurance?
23. Brief the different advantages of health insurance.
24. What are the factors influence of health insurance?
25. What are the different types of health insurance product?
26. Explain the scheme of health insurance in India.
27. What is the difference between life insurance and health insurance?
28. Describe IRDA regulation in health insurance.
29. What is the top-up cover?
30. What is indemnity product?
31. Brief senior citizen health insurance in India.
32. Explain different option cover under complete health insurance policy of ICICI.
33. Explain SBI critical illness insurance policy.
34. Explain Arogya premier policy.
35. Explain ICICI's personal protect policy in details.
36. What are the key features of daily cash insurance policy of SBIGI?
37. List out the key features of SBI health insurance.
38. Explain cashless insurance and procedure foe cashless claim.
39. What is home insurance?
40. What are the features of home insurance?
41. What are the benefits of home insurance?
42. Explain simple home insurance.
43. List out the coverage under SBI's long term home insurance.
44. What are the factors determine home insurance premium?
45. Explain the claim procedure of ICIC's home insurance.
46. Explain the home insurance policy of SBI general insurance ltd.
47. Explain ICICI's home insurance.
48. What is motor insurance?
49. Explain the classification of vehicle under motor insurance.
50. Brief the types of policies.
51. Explain the SBI motor insurance policies.
52. Explain ICICI motor insurance policies.
53. List out the benefits of motor insurance.

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54.List out the common inclusion and of risk under motor insurance.
55.What are the factors affecting motor insurance premium?
56.Define cargo insurance and explain its importance.
57.Explain the different hazards of logistics insurance.
58.Explain the different types of cargo insurance policy.
59.Explain briefly about the social security of insurance.
60.Discuss about the different risks of insurance.
61.Define fire insurance and explain SBI general standard fire insurance.
62.Explain the forms and procedures of fire insurance.
63.Explain briefly about standard fire and specials perils policy?
64.Explain any 5 general rules and regulations of fire insurance.
65.Explain any five policies of fire insurance.



Faculty

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Question Bank

Subject: FC in Insurance

Class: SYBI

Semester: 4

Faculty: Mrs. Renu Vijay Verma

Multiple Choice question

1. Insurance contract is sort of contract which is approved by
A. The Indian Contract Act
B. Indian Factory Act
C. Indian Companies Act
D. The Indian finance Act
ANSWER: A
2. General Insurance Corporation was established during the year
A. 1972.
B. 1955.
C. 1956.
D. 1971
ANSWER: A

3. General Insurance Business was nationalized under
A. General Insurance Business Nationalization Act, 1971
B. General Insurance Business Nationalization Act, 1972
C. General Insurance Business Nationalization Act, 1973
D. General Insurance Business Nationalization Act, 1974
ANSWER: B
4. The head office of New India Assurance & Co Ltd
A. New Delhi
B. Kolkata
C. Chennai.

D. Mumbai.
ANSWER: D
5. New Delhi is the head office of _____.
A. New India Assurance & Co Ltd.,
B. . United India Assurance & Co Ltd
C. Oriental Insurance Co Ltd
D. National Insurance Co Ltd
ANSWER: C
6. The Head office of National Insurance Co, Ltd, is _____.
A. Mumbai
B. Kolkata.
C. Bangalore.
D. Hyderabad
ANSWER: B
7. The Head office of United India Insurance co, Ltd, is
A. Chennai.
B. Bangalore.
C. New Delhi
D. . Mumbai.
ANSWER: A
8. The first company transacted insurance business was
A. LIC
B. GIC
C. Indian Mercantile Insurance Company
D. Oriental insurance Company.
ANSWER: C
9. The nationalization of insurance sector was taken over by ____ companies
A. 245
B. 950
C. 200
D. 100
ANSWER: A
10. LIC was formed in 1956 through nationalization of_____ Companies
A. 246
B. 256
C. 250
D. 252
ANSWER: B
11. ____ insurance were amalgamated under GIC
A. 107
B. 100
C. 102
D. none of the above

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ANSWER: A

12. Those risks which are more than normal risk are called

A. Super standard risk

B. Substandard risk.

C. Both of the above

D. Neither of them

ANSWER: C

13. Premium on sub-standard lives can be increased by one of the following

A. By rating more than of age

B. By adding flat extra premium

C. By adding extra percentage

D. All of the above

ANSWER: D

14. Occupation is important for risk classification because of _____.

A. Income earned by individual

B. Tension, stress and worries given by workplace

C. Damage caused by pollution at the workplace

D. Both b. and c.

ANSWER: D

15. Risk of mortality is considered to be.

A. More on male life

B. More on female life

C. Same on life of both

D. All the above

ANSWER: B

16. Valuation in life insurance means

A. The process of arriving at the profit of a life insurance company

B. The process of determining the net premium for a life insurance policy

C. The process of arriving at the bonus in a life insurance company

D. The process by which the value of all the existing policies is ascertained in a life insurance company.

ANSWER: D

17. Notification of alteration in risk is a condition

A. precedent to liability.

B. subsequent to liability

C. . precedent to contract

D. subsequent to contract.

ANSWER: D

18. Life insurance in its present form came to India from

A. The United Kingdom

B. The USA

C. Canada

D. Germany

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ANSWER: A

19. Life Insurance Company was set up in

A. 1824

B. 1823

C. 1800

D. 1801

ANSWER: B

20. Life Insurance Corporation was nationalized in

A. 1951

B. 1952

C. 1954

D. 1956

ANSWER: D

21. The Head office of National Insurance Co, Ltd, is _____.

A. Mumbai

B. Kolkata.

C. Bangalore.

D. Hyderabad.

ANSWER: B

22. The Head office of United India Insurance co, Ltd, is _____.

A. Chennai.

B. Bangalore.

C. New Delhi.

D. Mumbai.

ANSWER: A

23. Life insurance in its present form came to India from _____.

A. The United Kingdom.

B. The USA.

C. Canada.

D. Germany.

ANSWER: A

24. Life Insurance Company was setup in _____.

A. 1824.

B. 1823.

C. 1822.

D. 1821.

ANSWER: B

25. Life Insurance Corporation was nationalized in _____.

A. 1951.

B. 1952.

C. 1954.

D. 1956.

ANSWER: D

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26. Life Insurance Corporation was formed with a capital contribution of _____.
A. Rs. 10 Crore.
B. Rs. 15 Crore.
C. Rs. 5 Crore.
D. Rs. 20 Crore.
ANSWER: C
27. The term Assurance refers to _____.
A. Life Insurance Business.
B. Marine Insurance Business.
C. Fire Insurance Business.
D. Motor Vehicle Business.
ANSWER: A
28. The Oriental Life Insurance Company came to India during _____.
A. 1919.
B. 1818.
C. 1899.
D. 1888.
ANSWER: B
29. The policies where the premium is payable throughout the life of the assured is called _____.
A. Whole life policies.
B. Renewable term policies.
C. Sinking fund policies.
D. Annuity policies.
ANSWER: A
30. With profit policy is also termed as _____.
A. Multiple life policy.
B. Participating policy.
C. Level premium policy.
D. Lump-sum policy.
ANSWER: B
31. The Insurer who grants a guarantee from the direct insurer is called as _____.
A. Direct Insurer.
B. Ceding Insurer.
C. Re-Insurer.
D. Double Insurer.
ANSWER: C
32. The proportion of the risk which the direct insurer holds on his own account refers to _____.
A. Line.
B. Retention.
C. Retrocession.
D. Ceding insurer.

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ANSWER: B

33. When the same risk and subject matter is insured with more than one insurer is called as_____.

A. Double insurance.

B. Over insurance.

C. Reinsurance.

D. External insurance.

ANSWER: A

34. When the amount for which a subject matter is insured is more than its actual value is called _____.

A. Double insurance.

B. Over insurance.

C. Reinsurance.

D. Crop insurance.

ANSWER: B

35. IRDA refers to_____.

A. Indian Regulatory Development Authority.

B. Institute of Regulatory Development Authority.

C. Insurance Regulatory Development Association.

D. Insurance Regulatory Development Authority.

ANSWER: D

36. Committee of reforms in insurance sectors during 1993 headed by _____.

A. R.N. Malhotra.

B. S. Narashiman.

C. Manmohan Singh.

D. P.Chidambaram.

ANSWER: A

37. The danger of loss from the unforeseen circumstances in future refers to _____.

A. Perils.

B. Hazards.

C. Risk.

D. Damage.

ANSWER: C

38. _____ involved those losses that occur even if there were no changes in the economic environment

A. Dynamic risk.

B. Static risk.

C. Fundamental risk.

D. Particular risk.

ANSWER: B

39. Risks are not suited to treatment by insurance refers to _____.

A. Static risk.

B. Property risk.

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C. Dynamic risk.
D. Liability risk.
ANSWER: C
40. Fundamental risk is also termed as _____.
A. Particular risk.
B. Speculative risk.
C. Pure risk.
D. Group risk.
ANSWER: D
41. Unemployment, war, inflation, earthquakes etc., are the examples of _____.
A. Pure risk.
B. Fundamental risk.
C. Particular risk.
D. Personal risk.
ANSWER: B
42. Any risk involved a situation where there is a possibility of gain refers to _____.
A. Liability risk.
B. Personal risk.
C. Pure risk.
D. Speculative risk.
ANSWER: D
43. Direct or Consequential losses refer to _____.
A. Dynamic risk.
B. Particular risk.
C. Property risk.
D. Pure risk.
ANSWER: C
44. Spreading of risk otherwise termed as _____.
A. Spreading of risk.
B. Reduction of risk.
C. Acceptance of risk.
D. Shifting of risk.
ANSWER: A
45. Cargo ship caught by fire is an example of _____.
A. particular average loss.
B. actual total loss.
C. constructive total loss.
D. general average loss.
ANSWER: D
46. Rashtriya Krishi Yojana of Crop Insurance Scheme came into India during _____.
A. 1999.
B. 1888.
C. 1988.

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D. 1977.
ANSWER: A
47. Corpus fund is created with contributions from the Central Government and State Government on _____.
A. 75:25 basis.
B. 50:25 basis.
C. 60:40 basis.
D. 70:30 basis
ANSWER: B
48. The organisation structure of LIC refers to _____.
A. Two-tier structure.
B. Four-tier structure.
C. Five tier structure
D. Three-tier structure.
ANSWER: B
49. The constitution of the IRDA consists of not more than _____ members.
A. 10 members.
B. 7 members.
C. 9 members.
D. 3 members.
ANSWER: C
50. Insurance business is based on _____.
A. Newton's law.
B. The theory of probability and law of large numbers.
C. Parkinson's law.
D. Boyles law
ANSWER: B

51. The insurance plays a role in the economic development of the country in following Ways _____.
A. Releases capital for new investments.
B. The job potential increases.
C. Money collected is invested in infrastructure.
D. All of the above.
ANSWER: D
52. On the death of the bread-earner, two losses occur in the family one is loss of human life and the other is _____.
A. earning power of family.
B. loss of insurance.
C. loss of investment.
D. loss of bank deposits.
ANSWER: A
53. Valuation in life insurance means _____.
A. the process of arriving at the profit of a life insurance company.

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B. the process of determining the net premium for a life insurance policy.
C. the process of arriving at the bonus in a life insurance company.
D. the process by which the value of all the existing policies is ascertained in a life insurance company.
ANSWER: D

54. Notification of Alteration in Risk is a condition _____.
A. precedent to liability.
B. subsequent to liability.
C. precedent to the contract.
D. subsequent to the contract.
ANSWER: D
55. The whole-life plans in India _____.
A. pay death benefits only whenever it occurs.
B. pay death benefits after retirement.
C. pay policy benefits after the person attains a certain age, say 80-85 years.
D. pay death benefits after payment of first premium.
ANSWER: A
56. What are with-profit policies?
A. Insurance policies, which can be sold at a profit.
B. Policies which can be pledged to avail loan.
C. Policies under which bonus is paid.
D. Money back plans.
ANSWER: C
57. Name the Indian insurance organisation which for the first time started charging normal rates of premium on Indian _____.
A. Bombay Mutual Life Assurance society.
B. Oriental Life Assurance Company.
C. New India Assurance Company.
D. Hindustan C-operating Insurance Society.
ANSWER: A
58. In case a business firm sets up a private fund to pay out the losses if happens, then that is called as _____.
A. Individual insurance.
B. family insurance
C. Self-insurance.
D. group insurance
ANSWER: C
59. Group insurance is ideally suited for covering _____.
A. affluent person in the society.
B. weaker sections of the society.
C. employer-employee groups.
D. both (2) and (3).
ANSWER: D

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60. Master policy is issued for _____.
A. term insurance schemes.
B. permanent insurance.
C. group insurance schemes
D. individual policy.
ANSWER: C
61. For the introduction of a group scheme, we need a _____.
A. homogeneous group.
B. insured group.
C. small group of persons.
D. large group.
ANSWER: A
62. The doctrine of Caveat Emptor governs _____.
A. Marine insurance contracts.
B. Commercial contracts.
C. Group insurance contracts.
D. All general insurance contracts.
ANSWER: B
63. What is floating policy?
A. A standard fire policy.
B. Policy covering the fixed sum assured stock.
C. A policy that covers stocks located in various godowns under a single policy.
D. A renewable marine policy.
ANSWER: C
64. Claim forms are not compulsorily used in _____.
A. fidelity guarantees.
B. marine cargo.
C. machinery breakdown.
D. Others.
ANSWER: B
65. For settlement of claims, Insurer requires proper knowledge of _____.
A. law, principles and practice of insurance.
B. law only.
C. principles and practice of insurance.
D. Law, principles, practice of insurance, terms and conditions of policies, extensions and modifications.
ANSWER: D
66. The burden of proof of the loss within the scope of policy is upon the _____.
A. Insurer.
B. Insured.
C. Surveyor.
D. Defence Lawyer.
ANSWER: B

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67. As the age increases risk on the life _____.
A. Increases.
B. Decreases.
C. does not change.
D. Moderate.
ANSWER: A
68. If the interest rates in the market are higher, then cost of insurance _____.
A. Increases.
B. moderate.
C. Decreases.
D. no change.
ANSWER: C
69. The expenses which do not vary with the amount of business written are called _____.
A. Direct expenses.
B. Overhead expenses.
C. Indirect expenses.
D. Trading expenses.
ANSWER: B
70. Brokers Association of India was granted recognition by IRDA on _____.
A. Dec 11, 2001.
B. Dec 11, 2002.
C. Dec 11, 1999.
D. Dec 11, 2003.
ANSWER: A
71. Foreign equity participation is allowed in insurance sector up to a limit of ____ percent.
A. 80.
B. 73.
C. 49.
D. 26 .
ANSWER: D
72. _____ provides guidelines to decide whether the loss is caused by an insured peril or an expected peril.
A. Indemnity.
B. Proximate clause.
C. Standard claims.
D. Trip sheet.
ANSWER: B
73. _____ means those risks which involve a situation where there is a possibility of gain.
A. Personal risk.
B. Speculative risk.
C. Liability risk.
D. Other risk.

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ANSWER: B

74. _____ is concerned with the conversion of a firms asset and earning power against risks of accidental loss.

A. Risk retention.

B. Risk control .

C. Risk management.

D. Risk identification.

ANSWER: C

75. _____ is a contract between the insurer and the insured under which the insurer undertakes to compensate the insured for the loss arising from the risk.

A. Insurance.

B. Agreement.

C. Indemnity.

D. Proximate clause.

ANSWER: A

76. The authorized capital of GIC is _____.

A. 35 Crore.

B. 50 Crore.

C. 75 Crore.

D. 80 Crore.

ANSWER: C

77. _____ is the appointing of a nominee under the policy.

A. Nomination.

B. Election.

C. Justification.

D. Assignment.

ANSWER: A

78. The _____ has the right to receive the amount assured in the event of death of the insured.

A. Employer.

B. Nominee.

C. Friend.

D. third party.

ANSWER: B

79. Nomination can be done at the inception of the policy by providing details of nominee in the _____.

A. white paper.

B. proposal form.

C. premium receipt.

D. promissory note.

ANSWER: B

80. Nomination can be done only by a _____ who is a major holding Policy Bond in his own name.

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A. Employer.
B. legal advisor.
C. insurance company.
D. policy holder.
ANSWER: D
81. Under Nomination, the Nominee gets only the right to receive the policy money in the _____ of the policyholder.
A. event of sickness.
B. event of death.
C. event of credit.
D. event of happiness.
ANSWER: B
82. _____ is a means whereby the beneficial interest, right and title under a policy gets transferred from the assignor to the assignee.
A. Nomination.
B. Selection.
C. Election.
D. Assignment.
ANSWER: D
83. _____ is the policyholder who transfers the title of the policy.
A. Assignee.
B. Nominee.
C. Assignor.
D. Consignee.
ANSWER: C
84. _____ is the person who derives the title from the assignor.
A. Assignee.
B. Nominee.
C. Assignor.
D. Consignee.
ANSWER: A
85. _____ can be done by mere endorsement on the policy or by a separate duly stamped deed.
A. Nomination.
B. Election.
C. Justification.
D. Assignment.
ANSWER: D
86. A life insurance policy from LIC may be assigned only after a period of _____.
A. 10 years.
B. 5 years.
C. 3 years.
D. 1 year.

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ANSWER: B

87. The total number of branch offices of LIC is _____.

A. 800.

B. 950.

C. 1000.

D. 2048.

ANSWER: D

88. How many zonal offices are functioning under LIC?

A. 5 zonal offices.

B. 8 zonal offices.

C. 10 zonal offices.

D. zonal offices.

ANSWER: B

89. LICs _____ office is to perform the activities relating to investments, framing and administering the ules and regulations of corporation.

A. Zonal.

B. Divisional.

C. Central.

D. Branch.

ANSWER: C

90. In LICs _____ office almost 90% of the functions relate to policy holders.

A. Zonal.

B. Central.

C. Divisional.

D. branch.

ANSWER: D

91. The LICs Zonal office and Divisional office are established on the basis of _____.

A. number of agents.

B. number of policyholders

C. geographical areas.

D. fund allocation.

ANSWER: C

92. The document which contains the terms and conditions of the life insurance contract is termed as the _____.

A. Cover note.

B. Life insurance policy.

C. Agreement.

D. Other document.

ANSWER: B

93. The person to whom the policy proceeds will be paid in the event of the death of the insured is known as

_____.

A. Assignee.

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B. Nominee.
C. Consignee.
D. Beneficiary.
ANSWER: D
94. A _____ is the person who sends the proposal form for taking an insurance policy and pays the premium.
A. Proposer.
B. Nominee.
C. legal advisor.
D. employer.
ANSWER: A
95. The cash value of the policy, paid by the company upon the surrender of a policy before it becomes payable by maturity is known as _____.
A. Premium.
B. Cash surrender value.
C. Consideration.
D. Commission.
ANSWER: B
96. One who shares the risk under an insurance policy or policies is known as _____.
A. Assurer.
B. Insurer.
C. Co-insurer.
D. Agent.
ANSWER: C
97. A policy protecting a group of persons, usually employees of a firm generally called as _____.
A. Fire insurance policy.
B. Group insurance policy.
C. Marine insurance.
D. Automobile insurance.
ANSWER: B
98. The period of time for which the policy will normally remain in existence is known as _____.
A. Policy term.
B. Policy note.
C. Proposed time.
D. Grace time.
ANSWER: A
99. What is meant by a claim under an insurance policy?.
A. Any demand made by the policyholder on the insurer.
B. A demand to fulfil the policyholder's obligation.
C. A demand to fulfil the insurers obligations.
D. A demand to fulfil the third party.

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ANSWER: C

100. If a life insured has died a few days before the date of maturity, but after signing discharge from, to whom should the claim be paid?.

A. Surviving heirs.

B. Nominee.

C. The policy holders bank account.

D. Any of the above three above mentioned.

ANSWER: B

101. What is a proposal?.

A. A request for an insurance cover.

B. An offer to enter into a contract.

C. Both a request and an offer to enter an insurance contract.

D. None of the above.

ANSWER: C

102. If the premium was due on 15th July and 16 August is a Sunday.

A. the grace period will end on 14th august (Friday).

B. the grace period will end on 15th august (Saturday).

C. the grace period will end on 17th august (Monday).

D. the grace period will end as per the discretion of the insurer.

ANSWER: C

103. A policy which has been assigned, will revert to the assignor.

A. if the assignor survives till maturity.

B. whenever the assignor demands it.

C. when the conditions specified in a conditional assignment happen.

D. on maturity of the policy.

ANSWER: C

104. In life insurance, profit is determined by_____.

A. the accountant who prepares the balance sheet.

B. the actuary who makes a valuation.

C. the auditor who certifies the annual accounts.

D. the third party.

ANSWER: B

105. A plan of insurance is said to be different from another if _____.

A. the sum assured is different.

B. the age of the life to be insured is different.

C. the date of commencement of policy is different.

D. the conditions when the sum assured becomes payable are different.

ANSWER: D

106. Who is benefited if a policy is under the salary savings scheme?

A. The policyholder.

B. The insurer.

C. The agent.

D. All the three above.



ANSWER: D

107. Which of these persons will not be given a license to work as an insurance agent?

A. A person with criminal record.

B. A corporate insurance executive.

C. An employee of an insurance company.

D. All the three mentioned above.

ANSWER: A

108. A type of insurance contract through which protection is given against loss of crop from risk is known as _____.

A. Fire insurance.

B. Crop insurance.

C. Marine insurance.

D. Automobile insurance.

ANSWER: B

109. A memorandum added to a policy embodying some alterations to the terms of policy is known as _____.

A. Endorsement.

B. Discharge of contract.

C. Breach of contract.

D. Nomination.

ANSWER: A

110. A kind of insurance which provides for indemnity for loss against health such as loss of time and medical expenses due to sickness is called _____.

A. Fidelity insurance.

B. Crop insurance.

C. Health insurance.

D. Fire insurance.

ANSWER: C

111. Insurer is a person who has _____.

A. insured his life or goods.

B. helped a person to get an insurance policy.

C. undertaken to make good the loss of the subject matter of insurance.

D. file a suit in a court of law to recover an insurance claim.

ANSWER: C

112. Average clause is a fire policy_____.

A. average the claim on the different policies taken by the insured.

B. insures the property at average premium paid for the class three years.

C. insures the property at the average rate of premium recovered during the last year only.

D. penalizes under-insurance.

ANSWER: D

113. In which of the following types of insurance should insurable interest be present only at the time when policy is taken?

A. Fire insurance.

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B. Life insurance.
C. Marine insurance.
D. Life and marine insurance.
ANSWER: B
114. Paid-up value is payable on a life insurance policy_____.
A. on the maturity of the policy.
B. when the policy lapses.
C. when the policy is surrendered.
D. on maturity or death whichever is earlier.
ANSWER: D
115. Insurance technique is based on the principle of _____.
A. pooling system.
B. compensating others.
C. helping others.
D. Indemnity.
ANSWER: A
116. A person insured his goods worth Rs. 2000 for Rs. 1600 and suffers a loss of Rs. 1800. His claim can be for_____.
A. Rs. 2000.
B. Rs. 1800.
C. Rs. 1600.
D. Rs. 3800.
ANSWER: C
117. The principle of contribution applies when_____.
A. the full amount of premium is not applied by the insured.
B. there are two or more insurance on the risk.
C. the insured insures the same risk policy with other insurers.
D. the insured insures the same risk policy with different persons.
ANSWER: B
118. The principle of _____ does not apply to life insurance.
A. Subrogation.
B. utmost good faith.
C. Contribution.
D. Indemnity.
ANSWER: D
119. Main emphasis of risk management is on _____.
A. risk retention.
B. reduction of cost of handling risk.
C. risk transfer.
D. Insurance.
ANSWER: B
120. The IRDA has replaced _____.
A. the controller of insurance.

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B. the LIC chairman.
C. department of insurance.
D. department of commerce.
ANSWER: A
121. Which of the following is the similarity between insurance and gambling?.
A. The amount of loss to be paid is known before hand.
B. Promise to pay on the happening of an event.
C. Both the parties win on happening of an event.
D. Both are enforceable at law.
ANSWER: A
122. The concept of insurance is_____.
A. to make money out of death.
B. to earn interest.
C. to earn a status.
D. to share losses by many.
ANSWER: D
123. A human life is an income-generating asset_____.
A. partially true.
B. partially false.
C. True.
D. False.
ANSWER: C
124. The company doing the insurance business is called _____.
A. mutual funds.
B. non-banking firm.
C. banking company.
D. an insurance company.
ANSWER: D
125. Which one of the following comes under miscellaneous insurance?.
A. Marine insurance.
B. Motor insurance.
C. Fire insurance.
D. Group insurance.
ANSWER: B
126. Which of the following is an evidence of insurance contract?
A. Insurance Policy
B. payment of premium.
C. cover note.
D. acceptance of proposal.
ANSWER: A
127. Term assurance provides the following benefits _____.
A. death benefits if the person dies within term.
B. death and survival benefits.

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C. periodic payments at predictable intervals.
D. death benefits with bonus.
ANSWER: A
128. Which of the following is a children policy of LIC?.
A. Jeevan Sneha.
B. Jeevan Vishwas.
C. Jeevan Dhara.
D. Jeevan Sukanya.
ANSWER: D
129. The premium is lowest for _____.
A. money back policy.
B. term insurance.
C. whole life policy.
D. endowment policy.
ANSWER: C
130. Annuity plan offer _____.
A. Liquidity.
B. capital appreciation.
C. Profitability.
D. regular assured return.
ANSWER: A
131. Claim is processed on the basis of _____.
A. claim form and agents opinion.
B. legal opinion.
C. claim form, survey report etc., other documents and any evidence secured by the insurer.
D. survey report.
ANSWER: C
132. Insurance writing is often referred to as _____.
A. rate making.
B. Underwriting.
C. Undertaking.
D. Documenting.
ANSWER: B
133. As per the Principle of Insurable interest, it should be present in the case of life Insurance _____.
A. at the time of claim settlement.
B. at the time of survival only.
C. only at the inception of the policy.
D. at inception and at the time of revival.
ANSWER: D
134. European started the Oriental Life Insurance Company in Kolkata in the year _____
A. 1870.

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B. 1872.
C. 1818.
D. 1906.
ANSWER: B
135. The first Indian Insurance Act was passed in _____.
A. 1938.
B. 1985.
C. 1912.
D. 1956.
ANSWER: C
136. The concept of bancassurance originated in _____.
A. France.
B. U.S.A.
C. England.
D. Italy.
ANSWER: A
137. The clause which sets out the essence of the contract is _____.
A. The Preamble.
B. Recital Clause.
C. Conditions.
D. Operative Clause.
ANSWER: D
138. Cargo Ship Caught by fire is an example of _____.
A. particular average loss
B. General average loss
C. constructive total loss
D. Actual total loss
ANSWER: B
139. Corpus fund is created with contributions from the Central Government and State Government on
_____.
A. 50:50
B. 60:40
C. 70:30
D. 75:25
ANSWER: A
140. The danger of loss from the unforeseen circumstances in future refers to _____.
A. Perils
B. Hazard
C. Damage
D. Risk
ANSWER: D
141. Committee of Reforms in insurance sectors during 1993 headed by _____.

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A. S. Narashiman
B. Manmohan Singh
C. R.N. Malhotra
D. P. Chidamabaram
ANSWER: C
142. The proportion of the risk which the direct insurer holds on his own account refers to _____.
A. Line.
B. Retention
C. Retrocession
D. Ceding insurer
ANSWER: B
143. When the same risk and subject matter is insured with more than one insurer is called as_____.
A. Double insurance
B. . Over insurance
C. Reinsurance
D. External insurance
ANSWER: A
144. When the amount for which a subject matter is insured is more than its actual value is called _____.
A. Double insurance
B. Over insurance
C. Reinsurance.
D. Crop insurance
ANSWER: B
145. When was IRDA Act passed?
A. 1930
B. 1956
C. 1972
D. 1999
ANSWER: D
146. There are ___ subsidiary companies available.
A. 2
B. 3 .
C. 5
D. 4
ANSWER: D
147. ___ is the first insurance company to transact the general insurance business
A. Trition Insurance
B. LIC.
C. GIC
D. None of the above

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ANSWER: A

148. Oil well liability covers

A. Scalling operations

B. Drilling operations

C. Machinery Operations

D. None of these

ANSWER: B

149. Poultry Insurance covers

A. Species of Birds

B. Reared of Eggs

C. Meats of Feathers

D. All the above

ANSWER: D

150. Credit Insurance Covers

A. Coverage against bad debts

B. Coverage against fire loss

C. Coverage against Marine loss

D. Coverage against burglary

ANSWER: A



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Class: FYB&I

Sub: EVMFS

Question Bank

Multiple Choice Questions:

1. A bill market is a market for ____ bills

   a) Short term

   b) Medium term

   c) Long term

   d) None of these

2. _____ is a financial arrangement that redistributes the cost of unexpected losses

   a) Insurance

   b) Bank

   c) Financial institution

   d) Financial Market

3. Which of the following is a negotiable instrument?

   a) Airway bill

   b) Cheque

   c) Bank Note

   d) Letter of Credit

4. Which of the following is not a type of loan?

   a) Term loan

   b) Overdraft

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c) Lien

d) Cash Credit

5. Which of the following is a principle of insurance?

a) Premium

b) Insured

c) Insurer

d) Indemnity

6. Insurance is a protection against ____ loss arising on the happening of an unexpected event

a) Normal

b) Financial

c) Accidental

d) None of these

7. Section 19 of Banking Regulations act prohibits a banking company from entering into _____ activities

a) Trading

b) Insurance

c) Banking

d) None of these

8. Banking company means any company which transacts the business of ____ in India

a) Banking

b) Insurance

c) Communication

d) Banking and Insurance

9. Reserve Bank of India was established in the year ____

a) 1935

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b) 1947

c) 1949

d) 1953

10. The first insurance company was started in India at _____

a) Kolkatta

b) Mumbai

c) Chennai

d) Delhi

11. IRDA regulates the investment of funds by ____

a) Banking

b) Insurance

c) Communication

d) IPO

12. How many pillars is the Basel I framework based?

a) 1

b) 2

c) 3

d) 4

13. The _____ is maintained in the form of Cash Balance with the RBI

a) CRR

b) SLR

c) PRR

d) None of these

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14. The Indian Banking System is regulated by _____

a) RBI Act 1934

b) Banking Regulation Act, 1949

c) Both

d) None of these

15. Which is not the channel of insurance company?

a) Agents

b) Brokers

c) Bancassurance

d) Stock Broker

16. The minimum paid up capital prescribed for setting up a new banking company is Rs. ____ crore

a) Rs. 100 Cr

b) Rs. 500 Cr

c) Rs. 50 Cr

d) Rs. 1000 Cr

17. The business of insurance is more about turning losses into ___

a) Good

b) Profit.

c) Risk.

d) None of the above

18. Recurring deposit is a type of _____ deposit

a) Demand

b) Time

c) Place

d) None of these

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19. Banking Regulation Act was passed in the year ____

a) 1947

b) 1949

c) 1956

d) 1982

20. _____ insurance forms the lifeline of several commerce and trade activities

a) Medical

b) General

c) Marine

d) Life

21. _____ card is launched by National Payments Corporations of India

a) Rupay

b) Master

c) Visa

d) None of the above

22. A ____ term loan is repayable in 3-7 years

a) Short

b) Long

c) Medium

d) All

23. A bill of exchange is an important instrument widely used in the discharge of business

a) Obligations
b) Assets
c) Settlements
d) Ideas



24. Standardisation of financial services is not _____

a) **Possible**
b) Feasible
c) Visible
d) Flexible

25. Which of the following is not a financial service?

a) Banking
b) Communication
c) Insurance
d) Leasing

26. Which of the following is a public sector bank?

a) HDFC bank

b) Central bank

c) Yes Bank

d) Bank of Baroda

27. _____ is a private sector bank

a) Bank of India

b) Bank of Baroda

c) ICICI bank

d) State Bank of India

28. Commercial papers are sold at _____ and redeemable at its face value

a) Discount

b) Par

c) Premium

d) Face Value

29. ____ is a regulatory financial institution for stock exchange
a) RBI
b) SEBI

c) IRDA

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d) LIC

30. _____ means any company which transacts the business of banking in India

a) Banker

b) Bank

c) Banking

d) Banking Company

31. _____ is a financial arrangement that redistributes the cost of unexpected loss

a) Insurance

b) Bank

c) Financial Institutions

d) None of these

32. Insurance is a ____ form of distributing a certain risk over a group of persons who are exposed to it.

a) Mutual

b) Social

c) Cooperative

d) All of these

33. _____ companies may be allowed to enter through collaboration with an Indian Company

a) Indian

b) Foreign

c) Domestic

d) Local

34. _____ Insurance forms the lifeline of several commerce and trade activities

a) Medical

b) General

c) Marine

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d) Fire

35. The ____ is maintained in the form of Cash Balance with RBI

a) CRR

b) SLR

c) PLR

d) DRR

36. An RBI cheque is considered to be valid for

a) 3 months

b) 6 months

c) 9 months

d) 12 months

37. RBI was nationalised in the year

a) 1935

b) 1947

c) 1949

d) 1969

38. Recurring Deposit is a type of _____ deposit

a) Time

b) Demand

c) Place

d) None of these

39. Which of the following is a development bank

a) IDBI

b) SBI

c) RBI

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d) HDFC

40. Insurance is a protection against ___ loss arising on the happening of an unexpected event

a) Normal

b) Financial

c) Abnormal

d) None of these

41. What is the principal concern for selecting an insurance company for an insurance

a) Reputation in the national market

b) Reputation in the international market

c) Reputation in settling claims

d) Good will

42. Risk control focuses on _____ the risk of loss to which the firm is expected and includes the techniques of risk avoidance and reduction

a) Maximise

b) Minimise

c) Equalise

d) All of these

43. In which type of insurance, the claim is fixed and certain

a) General

b) Life

c) Health

d) All of these

44. Which of the following is a principle of insurance

a) Premium

b) Age of assured

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c) Indemnity

d) Insured

45. As per the recommendation of ____, government constituted an interim Insurance Regulatory Authority on 23rd January 1996

a) Malhotra committee

b) Tandon Committee

c) Narasimha Committee

d) Gupta Committee

46. The first pillar under Basel II talks about _____

a) Minimum capital requirement

b) Supervisory review

c) Market discipline

d) Disclosure norms

47. Which is the non - financial risk _____

a) Interest Rate Risk

b) Liquidity Risk

c) Exchange Risk

d) Legal Risk

48. ____ is known as insurance of insurance

a) Double insurance

b) Reinsurance

c) Fire insurance

d) Marine Insurance

49. Liquidity Risk is a type of _____

a) Market Risk

b) Credit Risk

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c) Legal Risk

d) Interest rate risk

50. Operational risk is the risk of loss arising from various types of _____

a) Human error

b) failed system and procedures in bank

c) Breakdown in internal controls

d) All of these

51. One of the main objectives of ALM is to control ____ risk

a) Liquidity

b) Market

c) Business

d) None of these

52. The RBI is the banker to the government when it _____

a) Controls the credit

b) Advises the government

c) Issues loans and Treasury bills on behalf of the government

d) None of these

53. IRDA relates the investment of funds by _____ companies

a) Banking

b) Insurance

c) Technology

d) Communication

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54. The most important internal factor that contributes to NPA is ____

a) Business failure

b) Inefficient management

c) Diversion of funds

d) Technology

55. Recession is ___ cause that contributes to NPA

a) External

b) Internal

c) None of these

d) Both

56. Credit cards are issued by _____
a) Insurance Companies
b) Telephone Companies
c) **Banking Companies**
d) Broking Companies

57. Portfolio management is a process of investment in _____
a) Stock market
b) Insurance
c) Bank
d) **Securities**

58. Which of the following instruments are traded on stock exchnages?
a) Bank deposits
b) **Shares**
c) Venture Capital
d) Insurance Policies

59. In 1969, under a social control program _____ major banks were nationalized.
a) 19
b) 7
c) **14**
d) 21

60. CC stands for _____
a) Carbon copy
b) Carbon credit
c) Carbon control
d) **Cash credit**

61. _____ is a person who accepts deposits, money on current account, issue and pay cheques and collects cheques for his customer.
a) Accountant

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b) Advisor
c) **Banker**
d) None of the above

62. An overdraft facility is offered to _____ holder.
a) Fixed deposit
b) Saving account
c) **Current account**
d) Recurring account

63. The SLR cannot be less than _____ % of demand and time liabilities of a bank.
a) 20%
b) **25%**
c) 30%
d) 35%

64. The term 'Currency of India' refers to _____
a) Hundred rupee note
b) Five rupee note
c) Coins
d) **Coins and one rupee note**

65. There is a need for insurance because _____
a) Insurance companies want insurance business
b) People have fear of death or accident
c) **Human life is full of uncertainties**
d) None of the above

66. The environment of insurance in India is _____
a) Adverse
b) **Favourable**
c) Complicated
d) Uncontrol

67. Risk control focuses on _____ the risk of loss to which the firm is expected and includes the techniques of risk avoidance and reduction.
a) Maximizes
b) **Minimize**
c) Equalize
d) Balance

68. The Indian Banking System is regulated by _____
a) RBI Act 1934
b) Banking Regulation Act, 1949
c) **Both (a) and (b)**
d) Ministry of Finance

69. The report of financial system submitted by Narasimham Committee in _____
a) 1990
b) **1991**

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c) 1997
d) 1998

70) Which liability will be shown under the Balance Sheet.
a) Current Liability
b) Quick Liability
c) **Contingent Liability**
d) Loan

Full Length Questions:

Unit I: Introduction to Financial System

1) What is financial system? Discuss the components of financial system.
2) Discuss the functions of financial system.
3) Explain in brief various financial instruments.
4) Explain in brief the structure of financial market in India.
5) Define financial Services. Explain the various fund based and fee based financial services.
6) Define Banking. Explain the features of Banking.
7) What is Bank? What is the need for bank?
8) Explain the scope of banking
9) Define insurance? What are the objectives of insurance?
10) Explain the scope of insurance.
11) Difference between Scheduled and Non-Scheduled Bank.

Unit II: Phases of Development of Banking and Insurance

12) Role/functions of RBI
13) Functions of Commercial Banks
14) Sources of Funds for Banks
15) Types of Deposits
16) Types of Lending
17) Non-fund based activities and services of the bank
18) Distinguish between CRR and SLR
19) Banking Regulation Act, 1949
20) Define Insurance. Explain the Principles of Insurance.
21) Explain the primary and secondary functions of insurance.

Unit III: Management, Regulation and Development

22) Organization structure of Indian Banks
23) Business permitted for banking company
24) Section 22 for Licensing of Banking companies
25) RBI powers of inspection of banking company
26) Narasimham committee recommendations of 1998

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27) Narasimham committee recommendations of 1991
28) Objectives of merger and Acquisition of banks
29) Distribution channels of insurance policies
30) Duties, powers and functions of IRDA
31) Functions of Asset Liability Management
32) Definition of Risk
33) Classification of Risks
34) Methods of Handling Risk
35) Definition of Risk Management
36) Features of Risk Management
37) Steps in Risk Management Process

Unit IV: Regulatory and Development Framework of Banking and Insurance

38) What is Banking Ombudsman?
39) What are the classifications of assets?
40) Explain in brief development functions of RBI.
41) Explain the provisions for NPA.
42) Explain the powers and functions of IRDA.
43) Explain the traditional functions of RBI.
44) What are the powers provided by section 14 to IRDA Act to their authorities?
45) Discuss the developmental role of IRDA in insurance industry.
46) Write a note on non-performing asset.
47) Write a note on appointment of Ombudsman.

Babita Nagdev

Mrs. Renu Verma
convenor

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Question Bank

Subject: Principles of Management

Class: FYBI

Semester: 1

Faculty: Mrs. Renu Vijay Verma

1. Discuss the concept of management Explain its features.
2. Define management. Explain its importance.
3. What is meant by the term 'management'? Explain nature of management
4. Define management, Explain the importance of management (Nov. 16)
5. What are the levels of management? Explain the functions of each level,
6. Do all managers at all levels of management perform all the functions?
7. Distinguish between levels of management,
8. State the main features of management,
9. Explain six Ms of management,
10. Define management. Explain the main characteristics of management,
11. Is management both an art and a science? Give your views.
12. Why management is called an art?
13. Justify that management is a science,
14. What do you understand by the term 'profession'? Bring out its main characteristics.
15. Define profession. Is management a profession?

16. State the need for and importance of management of banking,
17. Discuss the need for professionalism in management
18. Identity the factors emphasizing need for professionalism,
19. Why customer is considered the most important visitor to the bank premises?
20. How can banks contribute in national development?
21. How to manage insurance companies well?
22. Explain the distinctive contributions of FW, Taylor.
23. Explain Henri Fayol's fourteen principles of management
24. State and explain the features of contemporary management.
25. Explain contributions of Peter Drucker.
26. What is meant by traditional management? State its main features
27. Point out advantages and limitations of traditional management
28. What are the advantages of traditional management?
29. What is contemporary management? What are its features?
30. State the advantages and limitations of contemporary management.
31. Distinguish between traditional and contemporary management
32. Why most of the large business is still traditionally run in India? Give
33. your views
34. Why is Henri Fayol regarded as Father of Modern Management?
35. Describe any ten principles of Henri Fayol.
36. Outline the main contributions of Henri Fayol,
37. Why Taylor is called Father of Scientific Management?
38. Explain Taylor's principles of scientific management.
39. Point out the distinctive contributions of Taylor to the Theory
40. Discuss the contributions of scientific management.
41. Bring out the contributions of Peter Drucker in the development of modem management thought,
42. Drucker was a visionary and a thinking writer." Elaborate Explain the work and ideas of "Theory of Core Competence"?
43. Elaborate strategic intent as provided by C. K Prahalad

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44. Why is Vijay Govindarajan regarded as a management guru?
45. Explain budgeting and reporting as functions of management.
46. Define staffing. Discuss the staffing process in banking companies
47. What are the advantages of planning?
48. Define planning. Explain the advantages of planning.
49. What is directing? Explain the principles of direction?
50. Explain budgeting and reporting as a function of management.
51. Discuss the importance of controlling in management.
52. What is staffing? Explain its process.
53. Explain management process and practices with reference to Indian co.s
54. State the role of managers in discharging management practices.
55. What is meant by management process? Explain its features.
56. Explain Luther Conflict's PODSCORB as functions of management.
57. What is meant by planning? Explain its features.
58. Discuss the steps in planning process.
59. Explain the components of planning.
60. Point out the advantages and limitations of planning.
61. What is MBO? Explain MBO process. Mai Define MBO. State its advantages and limitations.
62. What is organizing function of management? State its characteristics.
63. Explain the principles of organisation.
64. Discuss staffing process in banking companies.
65. Which styles of leadership are appropriate in banking and insurance sector?
66. What is meant by coordination? Explain its importance.
67. What are the steps in effective coordination?
68. Explain the importance of communication in business management. How communication helps management to achieve efficiency in business?
69. What do you understand by the term budgeting? Point out its main objectives. Explain the various types of budget.
70. Discuss control process.
71. What are the different types of control?

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72. Explain the principles of direction,
73. Bring out the relationship between authority and responsibility.
74. Explain planning function of management in a banking
75. What are the functions of management in insurance?
76. Discuss the functions of management related to insurance.
77. How to motivate employees in the insurance sector?
78. Discuss the need to motivate employees in banking sector.
79. Discuss the main functions of management related to banking.
80. How planning becomes the most important function in banking organizations?
81. Why should banks take care in recruiting right man to the right job?
82. Describe the need to motivate employees in banking sectors.
83. Point out the factors that motivate bank staff
84. Describe CRM programme in banking sector.
85. Outline CRM objectives in banking sector.
86. How HDFC bank has implemented CRM?
87. Explain CRM programme in ICICI Bank.
88. Explain the functions of management related to insurance
89. How insurance companies plan their activities?
90. Describe the basis of motivating insurance employees.
91. State the motivating factors used in insurance companies.
92. Why is communication determinant to the success of insurance company?
93. Explain the different types of risk management practices in banks.
94. Discuss CRM programme in insurance sector.
95. How LIC has successfully used CRM? Give details.
96. Explain how insurance companies adopt CRM programme,
97. Write a note on KYC.
98. Explain risk management in the banking sector.
99. How is risk managed in insurance sector?
100. Explain the merits and demerits of formal organization
101. What is an organization structure? Explain its importance

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102. Explain the factors determining organisation structure.
103. Describe the importance of organisation structure.
104. Discuss the steps involved in designing organisation structure.
105. Explain the principles of organisation.
106. Identify the features of a good organisation structure.
107. What is formal organisation? State its features.
108. Why is line and staff organisation needed in a large business?
109. Explain the features of line and staff organisation.
110. Bring out merits and limitation of line and staff organisation.
111. What are the reasons of conflicts between line and staff managers?
112. State the merits and limitations of line and staff organisation.
113. What is committee organisation? State its features.
114. What are the advantages and limitation of committee organisation?
115. What do you understand by matrix organisation
116. Define matrix organisation and state its main features.
117. What are the merits and limitations of matrix organisation?
118. What is meant by departmentation? Explain the bases?
119. Describe the benefits of centralization.
120. Explain the disadvantages of centralization.
121. Describe the organisation structure in banking companies
122. Discuss the types of organisation structure followed by banks.
123. How does functional organisation work in banking?
124. Explain organisation structure of insurance companies is composed?
125. What are advantages and limitations of Decentralization?
126. Distinguish between centralised and decentralized
127. Explain the contribution of Business leaders in business growth.
128. "JRD Tata is the greatest architect of Indian industry" Explain
129. Explain the contributions of JRD Tata in Indian Industries.
130. Explain the leadership qualities of Shri. Ratan Tata.
131. Explain the contribution of the Kumar Mangalam Birla

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132. Explain Dhirubhai Ambani as an outstanding industrialist
133. Explain Kiran Mazumdar Shaw as a leading woman business leader
134. Explain the role of Verghese Kurien in white revolution.
135. Explain the contribution of Azim Premji as a known service provider.
136. Throw light on Profile of one of the leaders of Indian Industry.
137. Explain the role of Smt. Naina Lal Kidwai in the success of HSBC.
138. Write about leadership qualities of Mr. Narayana Murthy.
139. Explain the growth of Godrej Group after 1990.
140. Write a note on K. V. Kamath
141. Write a note on RBI and its present Governor.
142. Explain briefly the progress of Hinduja Group
143. Discuss the features of leadership of Anand Mahindra.
144. Explain the role of Deepak Parekh in the progress of HDFC Group.
145. Describe the contribution of Mr. Deepak Parekh
146. Write briefly the contribution of Uday Kotak and Sudhakar Shanbhag.
147. Discuss the contribution of RBI in Indian economy.
148. Explain briefly the challenges before RBI Governor Dr. Urjit Patel.
149. Explain the functions/duties of Federal Reserve System.
150. Write briefly about Federal Reserve Bank and its President.
151. State the objectives and functions of IMF.
152. Throw light on one leader of International Financial Institution.
153. "India has close and cordial relations with IMF, World Bank
154. Development Bank" Explain the statement briefly.
155. Write a note on the President of World Bank
156. Write a note on President of Asian Development Bank.

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Name of the faculty-Mahesh Kandalkar

Class-F.Y.B&I

Subject-Financial Accounting I

Subjective Questions

Q.1From the Trial Balance of Ravi Ltd Prepare Manufacturing Account, Trading Account, Profit and Loss Account, and Balance Sheet as on 31st March, 2017.

Trial balance of Ravi Ltd as on 31st March, 2017

Particular	Dr. (Rs)	Cr.(Rs)
Machinery	2,00,000	-
Sales	-	4,00,000
Opening Stock of Raw Material	20,000	-
Opening Stock of work in progress	10,000	-
Opening Stock of Finished Goods	15,000	-
Production on Royalties	11,000	-
Factory Rent	15,000	-
Factory Power and Fuel	15,000	-
Office Salaries	30,000	-
Office Expenses	35,000	-
Direct wages	60,000	--
Purchase of Raw material	1,20,000	-
Cash in Bank	8,000	-
Advertisement	18,000	-
Interest	9,000	-
Discount Allowed	10,000	-
Creditors	-	1,00,000
Bad Debts	6,000	-
Provision for Bad Debts	-	7,000
Debtors	60,000	-
Bills Payable	-	5,000
Capital	-	1,50,000

Drawing	20,000	-
Total	**6,62,000**	**6,62,000**

Adjustments -:

(1) Closing Stock as on 31st March, 2017 is Raw Material Rs 20,000, Finished GoodsRs 15,000, Work in Progress Rs 10,000.

(2) Outstanding Factory Rent isRs 3,000.

(3) Depreciation Machinery @ 15%.

(4) Provide reserve for doubtful debts @ 10% on Debtors.

Q.2 From the Trial Balance of Dinesh Ltd Prepare Manufacturing Account, Trading Account, Profit and Loss Account, and Balance Sheet as on 31st March, 2017.

Trial balance of Dinesh Ltd as on 31st March, 2017

Particulars	**Debit (Rs)**	**Credit (Rs)**
Opening stock of Raw material	25,000	-
Opening stock of Work in progress	11,000	-
Opening stock of Finished goods	16,000	-
Debtors	37,000	-
Carriage inwards	2,000	-
Carriage outwards	5,000	-
Bills receivables	18,000	-
Wages	15,000	-
Salaries	30,000	-
Purchase	3,00,000	-
Cash at bank	3,000	-
Plant and machinery	90,000	-
Office furniture	10,000	-
Rent	6,000	-
Lighting expenses	1,800	-
Factory insurance	3,000	--
General expenses	1,800	-
Bad Debts	2,000	-
Sundry creditors	-	1,00,000
Bills payable	-	58,600
Commission	-	15,000
Provision for bad debts	-	3,000
Capital	-	1,50,000
Sales	-	2,50,000
Total	**5,76,600**	**5,76,600**

Adjustments -:

(1) Closing Stock as on 31st March 2017 is Raw Material Rs 25,000, Finished Goods Rs35,000, Work in Progress Rs 20,000.

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(2) Depreciation Plant and Machinery @ 20%.

(3) Provide reserve for doubtful debts @ 5% on Debtors.

(4) Outstanding Rent is Rs 3,000.

Q.3 State whether the following Expenditure or Receipts are Capital or Revenue or Deferred Revenue Expenditure. Give reason for your answer.

(1) Purchase machinery for production.
(2) Discount on issue of shares Rs 25,000.
(3) Paid factory rent of Rs 50,000.
(4) Purchase second hand car for Rs 1,00,000.
(5) Amount of Rs 1,00,000 received on sales of furniture.
(6) Received commission of Rs 5,000.
(7) Paid Rs 3,00,000 as a custom duty on machinery purchased from Germany.

Q.4 **Journalize the following transaction in the books of Roshan Ltd.**

(1) Mr. Roshan commenced business with cash Rs 1,00,000.

(2) Paid income tax of Rs 10,000 in cash.

(3) Received discount of Rs 1,000 in cash.

(4) Purchase furniture of Rs 15,000 on credit from Rucha Ltd.

(5) Paid electricity bill of Rs 500 in cash.

(6) Bought computer of Rs 20,000 for cash.

(7) Deposited cash into bank of India of Rs 5,000.

(8) Purchase goods worth of Rs 25,000 @ 10% Trade Discount from Rohan Ltd.

(9) Withdrawn cash for personal use of Rs 2,000.

(10) Sold goods to Vinod of Rs 10,000 on cash.

(11) Sold goods worth of Rs 90,000 for cash on 5 % Cash Discount.

(12) Paid postage of Rs 150 in Cash.

Q 5 From the following particular, prepare stock ledger by Weighted Average Method and also find out Cost of Goods Sold : **15**

Transaction	Date	Units	Rate Per Unit in Rs
Opening Stock	1/1/2019	5,000	10
Sales	2/1/2019	2,000	-
Purchase	3/1/2019	7,000	15

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Sales	5/1/2019	4,000	-
Purchase	7/1/2019	6,000	12
Sales	8/1/2019	5,000	-
Purchase	9/1/2019	5,500	11
Sales	10/1/2019	7,000	-
Purchase	11/1/2019	6,500	13
Purchase	13/1/2019	3,600	44
Sales	15/1/2019	9,000	-

Q.6 On 1/1/2015, Suraj Ltd purchase one machinery from Kalpesh Ltd. Cash price of machinery was Rs 2,00,000. Down Payment of Rs 20,000 was made on that day. Remaining amount was to be paid in 3 annual installment of Rs 60,000 each plus interest @ 20% on outstanding balance at the beginning of the year. The due date of annual installment was on 31st December every year. Suraj Ltd depreciated machinery in their books @ 15% p.a on WDV Method. You are required to prepare the following in the book of Suraj Ltd

A statement showing calculated of interest.

(1) Machinery Account.

(2) Kalpesh Ltd Account.

Q 7.Journalise the following transactions in the books of Rohan[t] Oct. 2015 – Rohan started business with cash Rs.50,000 and bank balance of Rs. 35,000

02nd Oct. 2015 – Purchased goods from Amit costing Rs.45,000 on 10% trade discount

05th Oct. 2015 – Purchased goods on cash worth Rs.25,000

15th Oct. 2015 – Sold goods to Anil for Rs.20,000

20th Oct. 2015 – Sold goods worth Rs.25,000

25th Oct. 2015 - Received a cheque from Anil in full settlement of the transaction

30th Oct. 2015 – Paid 500 as rent of office

Q 8.Following information is extracted from the books of M/s Shamsunder. Prepare Trail Balance for the yearended 31st March 2016.

Particulars	Rs.	Particulars	Rs.
Capital	1,00,000	Opening Stock	15,000
Debtors	20,000	Creditors	20,000
Fixed Assets	92,000	Purchase	70,000
Sales	1,10,000	Returns Inward	2,000
Returns Outward	1,000	Wages and Salaries	30,000
Bills Payable	8,000	Bills Receivable	15,000
Bank Overdraft	11,000	Rent	6,000

Q 9. State giving reasons, whether you will consider the following items as Capital Revenue or Deferred

1. Rs. 3,500 paid as Installation charger for newly purchased machinery.
2. Rs. 500 received as interest on Investment.
3. Company made sale of goods amounting Rs 3,00,000
4. Heavy advertisement expenses made for launching a new product.

Q .10 On 1st April, 2011 SFD & Co. Purchased a Projector from HMT Co on Hire purchase. The Cash Price of the projector was Rs. 2,50,000. The payment was to be made of Rs.50,000 on the date of agreement and the balance in 4 annual instalments of Rs. 50,000 plus interest at 5 percent per annum. Depreciation @ 10% p.a is to be written off on W.D.V basis You are required to prepare

a) A statement showing calculation of interest
b) Projector Account
c) Vendor company's account

Q 11 From the following information relating to Product M, Value closing stock on 31-12-2012 applying

a. FIFO b. Weighted Average Method

Stock (kgs) on 01-12-2012 5000 units @ Rs.14Purchases (kgs)

18-12-2012 --- 4200 units @ Rs.13

22-12-2012 --- 3800 units @ Rs.9

Sales (kgs)

07-12-2012 --- 1200 units

16-12-2012 --- 2600 units

19-12-2012 --- 1800 units

30-12-2012 --- 3400 units

Q 12 31-12-2012 --- 200 units Prepare Manufacturing Account for the year ended 31st March 2015.

	Amt
Purchase of materials	2,20,000
Freight On Purchases of raw material	500
Direct wages	50,000
Factory rent	7,500
Factory power	8,500
Return Inward	25,000
Return Outward	20,000
Sales	5,75,000
Depreciation on Plant	11,500
Depreciation on Delivery van	7250
Royalties paid on Production	350
Stock of Raw material as on 1st April 2014	54,000
Work in progress as on 1st April 2014	57,000
Stock of Raw materials as on 31st March 2014	46,000
Work in progress as on 31st March 2015	23,000

Q 13 Define the term 'Accounting' and explain the Principles of accounting.

Q 14 Distinguish between Capital Expenditure and Revenue Expenditure.

Q 15 Distinguish between FIFO Method and Weighted Average Method.

Q 16 Explain FIFO & Weighted Average method of Stock Valuation

Q 17 Explain International Financial Reporting Standards

Q 18 Explain the following Accounting Standards

a) Disclosure of Accounting Policies b) Depreciation c) Inventory Valuation d) Revenue Recognition d) Fixed Assets

Q 19.Write short notes

1. Merits and demerits of accounting standard
2. Bank reconciliation statement.
3. Rectification of errors.
4. Deferred Revenue Expenditure
5. Manufacturing Account.

Q 20 Write Short Notes on

1 Types of Error.

2 Types of Cheques.

3 IFRS.

4 Revenue Receipts.

5 Manufacturing Account

Subject Teacher

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Class-F.Y.B & I Subject-Financial Accounting -I Sem-I

Question Bank

SR.NO	Questions	Option 1	Option 2	Option 3	Option 4
1	Each account is kept on a separate page in the ledger known as _____	Sheet	Card	Folio	Voucher
2	The articles purchased, sold or produced by a businessman_____	Fixed Assets	Goods	Financial Assets	Real Assets
3	Credit balance of a nominal A/c indicates _____	Asset	Liability	Income	Expenditure
4	Bank Overdraft A/c is a _____ account	Nominal	Real	Intangible	Personal
5	Journal is called a book of _____ entity	Double	Prime	Single	Subsidiary
6	Accounts related to the items of property and assets are known as _____ accounts	Personal	Liability	Real	Nominal
7	_____ means finding the difference between the total of the debit side and of the credit side of an account	Balancing	Posting	Totalling	Sub- Totalling

8	A debit balance in an account is c/d on the _____ side of the account	Debit	Credit	Left - Hand	Right - Hand
9	Writing of transaction in the ledger is called _____	Casting	Balancing	Jouranalizing	Posting
10	Each subsidiary book involves one _____ account	Common	Personal	Real	Income
11	Cash book is used to record _____	All Receipts Only	All Payments Only	All Cash and Credit Sales	All Receipts and Payments of Cash
12	When a cheque is dishonoured after being deposited into bank it should be credited to _____	Bank A/c	Cash A/c	Drawer's A/c	Drawee's A/c
13	Bank Overdraft is shown on the _____ side of the trial balance	Debit	Credit	Both Debit and Credit	Not on Debit and Credit
14	The statement listing the balances and the title of the accounts in the ledger on a given date is the _____	Income Statement	Balance sheet	Journal	Trial Balance
15	Assets Account show_____ balances	Debit	Credit	Either Debit and Credit	Plus
16	_____ expenditure means an expenditure carrying probable future benfetits	Revenue	Capital	Deferred	Outstanding
17	Spend on umbrellas to employees for Rs 5,000 _____	Revenue Expenditure	Capital Expenditure	Deferred Revenue Expendtuire	Revenue Receipt
18	_____ is that expenditure which is carried forward on the presumption that it will be of benefit over subsequent periods.	Revenue Receipt	Capital Receipt	Capital Expenditure	Deferred Revenue Expenditure

19	Valuation of inventory should be done at _____	Fair Market Value	Present Value	Net Realisable Value	Replacement Value
20	Under periodic inventory system, closing stock is valued _____	By actually counting the stock on a particular date	From the stores ledger	By deducting value of sales from value of purchases	On estimate Basis
21	AS 2 states that, inventory should be valued at _____	Retail Price of standard Cost	FIFO or Weigthed Average Basis	Retail price of Standard Csot	LIFO
22	_____ is prepared when there is a cash sale	Cash Memo	Credit Memo	Invoice	Debit Note
23	_____ is the person who signs the cheque	Bank	Drawee	Drawer	Payee
24	A _____ cheque must be credited only to the bank account of the payee	Self	Order	Signed	Crossed
25	Overdraft means the _____ balance in the pass book	Debit	Credit	Excess	Deficit
26	Credit balance of the bank column of cash book means _____	Bank Balance	Cash on Hand	Nothing in Particular	Bank Overdraft
27	The bank balance in the cash book _____ by cheque drawn and _____ by cheque deposited	Increases, Decreases	Does not change, Increases	Decreases, Increases	Decreases, Does not Change
28	A credit sale wrongly passed through the purchases book _____	Error of Omission	Error of Commission	Error of Principle	Compensating Errors
29	Goods taken away by the proprietor for personal use not recorded anywhere _____	Error of Commission	Compensating Errors	Error of Omission	Error of Principle

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30	Cartage paid for newly purchased machinary, posted to cartage Account_____	Error of Principle	Error of Omission	Error of Commission	Compensating Error
31	Which one of the following does not require provision of depreciation_____	Leased Assets	Liverstock	Loose Tools	Goodwill
32	AS 9 does not deal with revenue arising from _____	Construction Contract	Sale of Goods	Service Contract	Interest
33	Which Accounting Standard deals with recognition of revenue _____	AS 1	AS 2	AS 10	AS 9
34	US GAAP are issued by _____	ICAI	FASB	IASB	IASC
35	IFRS are applicable to all the entries having networth in excess of Rs _____	Rs 500 Crores	Rs 1,000 Crores	Rs 100 Crores	Rs 10,000 Crores
36	The first repoting period as per IFRS is _____	2009 - 10	2008 - 09	2016 - 17	2012 - 13
37	Retail method of inventory valuation is _____	Sales Less Gross Profit	Cost Plus Net Profit	Sales Plus Gross Profit	Sales Less Net Profit
38	Weighted Average Cost Method can be used under _____	Only the periodic system of inventory	Both the systems of inventory - periodic and perpetual	Only the perpetual systems of inventory	Neither the periodic nor the perpetual system of inventory
39	Total intallments in which the balance amount is payable is equal to the _____	The cash price of the article and interest	Hire Purchase Price and Down Payment	Hire Purchase Price Less Down Payment	Hire Purchase Price Less Interest
40	As soon as the _____ payment is made, the hirer gets possession of the article and can start using it immediately	Down	Full	Cash	Last

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41	Each Hire Purchase installment amount is made up of _____	Part payment towards cash price only	Part payment towards interest only	Part payment towards cash price plus interest	Only Interest
42	The depreciation on an asset purchased through hire purchase should be _____	Based on the cost price of the asset only	Based on the total cost including interest	Under straight line method only	Nill, till final payment is made
43	Interest charged on the hire purchase should appear in the profit and loss account in what manner _____	charged equally over the period of hire purchase	The Interest relating to only that period should be included	in the profit and loss A/c of the year of first instalment	in the Profit and Loss A/c of the year of last installment
44	The assets legally belongs to the purchaser under a hire purchase agreement _____	is paid and purchaser agrees to a legal option to buy the	On the first date of repayment installment	When the purchaser chooses the option to buy the asset	When the final instalment is paid
45	Returns inwards appearing in Trail Balance are deducted from _____	Purchase	Sales	Return Outward	Opening Stock
46	Wages and Salaries appearing in Trial Balance are shown _____	On the Debit Side of Profit and Loss Account	On the Liabilities Side of the Balance Sheet	On the Debit side of Manufaturing Account	On the Asset Side of Balance sheet
47	Work in progress closing stock Rs 60,000 _____	Will be shown on Credit side of Manufacturing A/c	Will be shown on Debit side of Trading A/c	Will be shown Debit side of Profit and Loss A/c	Will be shown on Credit side of Trading A/c
48	Trade Mark is _____	Curerent Asset	Fictitious Asset	Tangible Asset	Intangible Asset
49	Drawing are deducted from _____	Sales	Capital	Purchases	Return Outward
50	Discounts allowed appearing In the Trial Balance are shown _____	On the Debit Side of Profit and Loss Account	On the Debit side Trading Account	On the Assets side of the Balance Sheet	On the Liabilities side of Balance Sheet
51	Book - Keeping records only the _____ transactions of business	Cash	Financial	Book	Credit

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52	Recording of transactions is done in a book called _____	Transactional Book	Record book	Journal	Legder
53	Debit balance of a personal A/c shows amount _____	Paid	Receivable	Payable	Received
54	Drawing A/c is a _____ account of the proprietor	Personal	Real	Nominal	Fictitious
55	_____ discount is allowed in order to recover the amount due in time	Trade	Cash	Retail	Gross
56	A brief description of the transaction written below each jouranl entry is known as the _____	Voucher	Explanation	Description	Narration
57	Each page in the legder is known is _____	Journal	Sheet	Folio	Debit side
58	_____ contain the list of accounts arranaged alphabetically showing the folio number of each account in the legder	Journal	Trial Balance	Folio	Index
59	The left hand side of an account is the _____ side	Credit	Debit	Positive	Negative
60	Cash receipts are recorded in the cash book _____	On Debit Side	On Credit Side	On Both Side	On Either Side
61	The allowances made for prompt payment is called _____	Trade Discount	Commssion	Doubtful Debt	Cash Discount
62	Transactions in fixed assets are recorded in the _____	Fixed Assets Register	Purchase Journal	Journal Proper	Cash Book

63	An account having _____ balance is not shown in the trial balance	Debit	Credit	Nil	High Amount
64	When the totals of ledger accounts are considered for a trail balance, it is _____ trial balance	Gross	Interim	Final	Net
65	An agreed trial balance indicates that the books are _____ accurate	Technically	Arithmetically	Not	Principally
66	Capital expenditure is _____ Expenditure	Abnormal	Recurring	Non - Recurring	Wasteful
67	legal expenses in connected with purchase of land Rs 50,000 is _____	Revenue Expenditure	Capital Expenditure	Deferred Revenue Expendtuire	Capital Receipt
68	_____ means an expenditure from which no future benefit benefit is expected	Capital Expenditure	Deferred Revenue Expenditure	Revenue Receipt	Revenue Expenditure
69	Valuation of inventories is govered by _____	Companies Act	Income Tax Act	Accounting Standard 2	Accounting Standard 6
70	Cost of inventory should include _____	cost incurred to bring the inventory to present location	Purchase Price Only	Freight Only	Cost of Conversion Only
71	Under Perpetual inventory system inventory is valued _____	Periodically	Annually	Quarterly	Continuously
72	_____ is a record of evidence of each transaction	Journal	Cheque	Voucher	Ledger
73	_____ vouchers are obtained from outsiders	Printed	Numbered	Internal	External



74	We prepare a _____ when we pay cash into our Bank Account	Withdrawal Slip	Bearer Cheque	Pay - in - Slip	Crossed Cheque
75	Bank Reconciliation is a_____ and not an _____	Account, Statement	Statement, Account	Ledger, Journal	Letter, Account
76	Bank Reconciliation statement is prepared by _____	Customer of a Bank	Bank	Creditors of a Business	Shareholders
77	Debit balance in the cash Book means _____	Overdraft as per Pass Book	Credit Balance as per Pass Book	Overdraft as per Cash Book	Petty Cash Book with the Bank Account
78	The total of sales Book was not posted to the ledger_____	Error of Omission	Error of Commission	Error of Principle	Compensating Errors
79	Sales Book was overcast by Rs 500 _____	Error of Omission	Error of Commission	Compensation Error	Error of Principle
80	Repairs to machinary has been charged to machinary A/c	Error of Commission	Error of Omission	Error of Principle	Compensating Errors
81	Aaccounting Standard 1 is _____	Mandatory	Recommendatory	Optional	No Longer Valid
82	Inventories should be generally valued at lower of cost or _____	Fair Market Value	Replacement Value	Present Value	Net Realisable Value
83	Accounting Standard 6 deals with _____	Inventories	Depreciation	Revenue Recognition	Fixed Assets
84	IFRS stands for _____	Interim Financial Reporting Standard	Indian Financial Reporting Standard	International Financial Reporting Standard	Indian Foreign Reporting Standard



85	Total number of International Accounting Standard (IAS) _____	41	9	33	19
86	The ICAI has decided to adopt IFRS wef from _____	1/4/2012	1/4/2016	1/4/2013	1/4/2016
87	Under this method, it is assumed that the unit are issued at a random order _____	FIFO	LIFO	Weigthed Average	Specific Indentification
88	Lower of cost or market rule is an example of which concept _____	Conservatism	Consistency	Realisation	Matching
89	_____ is the purchase price payable if full payment is made immediately	Market Price	Cash Price	Hire Purchase Price	Down Payment
90	Hire purchase price means the total amount payable by the hirer, made up of _____	The cash price of the article and interest	The Cash price the article less interest	The Cash price of the article and the down payment	The Intalments and the interest
91	The initial amount payable at the time of signing the hire purchase agreement is _____	The cash price	The Hire Purchase Price	The Down Payment	The Interest
92	Under the hire purchase system, depreciation is provided _____	By the Hire Purchaser, on Hire purchase price	By the Hire Vendor, on hire purchase price	By the hire vendor, on cash price	By the Hire Purchaser, on Cash Price
93	A hire purchase trader, desiring to prepare a separate Hire Purchase Trading Account will follow _____	Sales Method	Full Cash Price method	Stock Method	Asset Accural Method
94	Buying an asset without having to make full payment immediately is known as _____	Hire Purchase	Cash Purchase	Gift	Online Purchase
95	Return outwards appearing in Trial Balance are deducted from_____	Sales	Purchases	Returns Inward	Opening Stock

96	Salaries and wages appering in Trial Balance are shown _____	On the Debit Side of Trading Account	On the Debit Side of Profit and Loss Account	On the Liabilities Side of the Balance Sheet	On the Credit side of Manufacturing Account
97	Work in progress opening stock Rs 50,000 _____	Will be shown on Credit of Manufacturing A/c	Will be shown on Debit of Trading A/c	Will be shown on Debit of Manufacturing A/c	Will be shown on Credit of Trading A/c
98	For a shirt factory, cloth converted from cotton is _____	Finished Goods	Work in Progress	Raw Materials	Assets
99	Sales of scrap appearing in the Trail Balance are Shown _____	On the Debit Side of Profit and Loss Account	On the Debit Side of Trading Account	On the Credit Side of Profit and Loss Account	On the Credit Side of Manufacturing Account
100	Outstanding wages appearing in Trial Balance are shown _____	On the Credit Side of Profit and Loss Account	On the Credit Side of Trading Account	On the Liabilities Side of the Balance Sheet	On the Debit side of Manufacturing Account

Subject Teacher

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Business Communication 1

MCQ

Communication is a _____

A. one way process.

B. two way process.*

C. three way process.

D. four way process.

The information the receiver gets is called _____

A. message.*

B. output.

C. input.

D. source.

On the _____ it is possible to get immediate feedback

A. letter.

B. telephone.*

C. e-mail.

D. fax.

The most important part of the letter is

A. the heading.

B. date.

C. body of the letter.*

D. post script.

An _____ report can be denied at any time

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A. oral.*

B. written.

C. special.

D. informal.

Informal communication is otherwise known as _____ communication.

A. grapevine.*

B. lateral.

C. visual.

D. horizontal.

The downward communication flow from

A. a subordinate to a superior.

B. a subordinate to a subordinate.

C. a superior to a superior.

D. a superior to a subordinate*

Communication means _____ information, feeling and thoughts, with others.

A. to receive.

B. exchange of.*

C. conveying.

D. all the above.

Facial expressions and gestures are known as _____

A. face to face communication.

B. oral communication*.

C. both 1 & 2.

D. Multimedia communication.

_____ is usually indicated if anything is to be attached to a letter.

A. appendix.

B. annexures.

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C. index.

D. enclosures.*

Gestures is an example for

A. body language.*

B. grammar.

C. speeches.

D. written.

_____ is the set of instructions given to the computers.

A. hardware.

B. software.*

C. human ware.

D. firmware.

The letter should be based on _____

A. I attitude.

B. you attitude.*

C. we attitude.

D. my attitude.

Bio-data is enclosed with the following letter _____

A. sales letter.

B. application letter.*

C. complaint letter.

D. collection letter.

Pictures, slides, films fall under

A. body languages.

B. audio-visual communication.*

C. reporting.

D. visual communication

_____ in communication increases credibility of the sender of message

A. Clarity

B. Correctness

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C. Concreteness*

D. Consideration

_____ refers to mental disturbances

A. Coherence

B. Notion

C. Distraction*

D. Psychological noise

Advantage of written communication

A. Save time.

B. Save money.

C. Permanent record.*

D. Neat.

All the following are principles of business letter writing, except:

A. Consideration

B. Correctness

C. Conciseness

D. Concurrency*

Communication is derived from a Latin word "Communis" which means

A. Community

B. Share

C. Common*

D. Marxist

Communication through news papers and television are known as:

A. Group communication

B. Interpersonal communication

C. Mass communication*

D. None of these.

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Down ward communication and Upward communication are:

A. Vertical communication*

B. Horizontal communication

C. Diagonal communication

D. None of these



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Business Communication 1

Subjective Questions

1. Need and Importance of communication?
2. Explain grapevine chain of operation and its advantages and disadvantages?
3. Explain characteristics of verbal communication?
4. Explain oral communication advantages and disadvantages?
5. Explain nonverbal communication and its characteristics?
6. Explain feedback and its types?
7. Impact of Technology advancement on communication
8. Explain various channels of organisational communication?
9. Explain Download downward communication its advantages and disadvantages?
10. Explain business etiquettes and its types?
11. Discuss Advantages of computer internet and email in modern business communication?
12. Discuss advantages and disadvantages of telephonic communication?
13. Advantages of effective listening?
14. Importance of good listening in communication?
15. Characteristics of good listener?
16. Obstacles of effective listening and how to overcome them?
17. Importance of business ethics?
18. Explain corporate social responsibility?
19. Discuss ethics and that should govern the user of the computer and internet?
20. Write in brief types of written communication?
21. Write in brief you attitude in a business letter?

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D. my attitude.

Bio-data is enclosed with the following letter _____

A. sales letter.

B. application letter.*

C. complaint letter.

D. collection letter.

Pictures, slides, films fall under

A. body languages.

B. audio-visual communication.*

C. reporting.

D. visual communication



_____ in communication increases credibility of the sender of message

A. Clarity

B. Correctness

C. Concreteness*

D. Consideration

_____ refers to mental disturbances

A. Coherence

B. Notion

C. Distraction*

D. Psychological noise

Advantage of written communication

A. Save time.

B. Save money.

C. Permanent record.*

D. Neat.

All the following are principles of business letter writing, except:

A. Consideration

B. Correctness

C. Conciseness

D. Concurrency*

Communication is derived from a Latin word "Communis" which means

A. Community

B. Share

C. Common*

D. Marxist

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Communication through news papers and television are known as:

A. Group communication

B. Interpersonal communication

C. Mass communication*

D. None of these.

Down ward communication and Upward communication are:

A. Vertical communication*

B. Horizontal communication

C. Diagonal communication

D. None of these



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Business Communication 1

MCQ

Communication is a _____

A. one way process.

B. two way process.*

C. three way process.

D. four way process.

The information the receiver gets is called _____

A. message.*

B. output.

C. input.

D. source.

On the _____ it is possible to get immediate feedback

A. letter.

B. telephone.*

C. e-mail.

D. fax.

The most important part of the letter is

A. the heading.

B. date.

C. body of the letter.*

D. post script.

An _____ report can be denied at any time

A. oral.*

B. written.

C. special.

D. informal.

Informal communication is otherwise known as _____ communication.

A. grapevine.*

B. lateral.

C. visual.

D. horizontal.

The downward communication flow from

A. a subordinate to a superior.

B. a subordinate to a subordinate.

C. a superior to a superior.

D. a superior to a subordinate*

Communication means _____ information, feeling and thoughts, with others.

A. to receive.

B. exchange of.*

C. conveying.

D. all the above.

Facial expressions and gestures are known as _____

A. face to face communication.

B. oral communication*.

C. both 1 & 2.

D. Multimedia communication.

_____ is usually indicated if anything is to be attached to a letter.

A. appendix.

B. annexures.



C. index.

D. enclosures.*

Gestures is an example for

A. body language.*

B. grammar.

C. speeches.

D. written.

_____ is the set of instructions given to the computers.

A. hardware.

B. software.*

C. human ware.

D. firmware.

The letter should be based on _____

A. I attitude.

B. you attitude.*

C. we attitude.

D. my attitude.

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7. Rearrange the four phrases in which an interview is normally conducted
   I) Supplying information
   ii) Parting
   iii) Welcome
   iv) Acquiring information

   a) **(c,d,a,b)** b) (d,c,b,a)
   c) (a,b,c,d) d) (b,c,d,a)

8. In _____ the superior officer reviews the subordinate's performance, future work plans and personal prospects.
   a) exit interview b) **appraisal interview**
   c) selection interview d) understress interview

9. _____ helps to improve the efficiency and motivation of the employee.
   a) Exit interview b) **Appraisal interview**
   c) Selection interview d) Understress interview

10. In a/an _____ interview the applicant is put under intentional stress so that his reactions can be observed.
   a) Exit interview b) Appraisal interview
   c) Selection interview d) **Understress interview**

11. _____ is usually conducted for the post of which is managerial in nature and which involves decisions to be taken under very difficult circumstances.
   a) Exit interview b) **Understress interview**
   c) Selection interview d) Appraisal interview

12. _____ tries to establish whether the candidate is calm, tactful and capable of taking proper decisions in an emergency.
   a) Exit interview b) **Understress interview**
   c) Selection interview d) Appraisal interview

13. A _____ is conducted to hear the grudge or hard feelings of the employees of the organizations.
   a) **Exit interview** b) **Grievance interview**
   c) Appraisal interview d) Selection interview

14. _____ helps to identify the problems in the organizations.
   a) Exit interview b) **Grievance interview**
   c) Appraisal interview d) Selection interview

15. _____ is conducted when an employee leaves an organization.
   a) **Exit interview** b) Selection interview
   c) Appraisal interview d) Understress interview

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Business Communication II

UNIT 1

1. The letter calling the interviewees must be sent several _____ in advance.
   a) months b) times
   c) **days** d) papers

2. The candidate should _____ prepare himself to deal with different types of interviewers.
   a) **mentally** b) physically
   c) always d) never

3. _____ is a face-to-face verbal exchange which endeavors to discover as much information as possible in the least amount of time about some relevant matter.
   a) **interview** b) meeting
   c) seminar d) conference

4. The person who gives the interview is called as _____.
   a) interviewer b) **interviewee**
   c) boss d) subordinate

5. The person who conducts the interview is called as _____.
   a) **interviewer** b) meeting
   c) seminar d) conference

6. The _____ is one of the best method of selecting personnel for it offers the employer the opportunity to meet and talk with the applicant.
   a) **selection interview** b) exit interview
   c) understress interview d) appraisal interview

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16. _____ is often held for problem solving and decision making.
a) **Group discussion** b) Symposium
c) Conference d) Committee meeting

UNIT 2

17. _____ refers to a gathering of 2 or more persons in order to discuss matters of common concern, in order to arrive at a decision or to promulgate a policy.
a) group b) **meeting**
c) conference d) committee

18. Participants should not bring up items which are not on the _____.
a) **agenda** b) minutes
c) memo d) letter

19. A _____ brings together people with knowledge and experience for discussions which could be beneficial in developing new ideas and solutions to certain problems.
a) groups b) **meetings**
c) group discussion d) panel interview

20. The first step in organizing a meeting is to _____.
a) decide the venue b) **determine the purpose**
c) inform the members d) draft a notice

21. _____ plays the role of a leader in the meeting.
a) Boss b) **Chairperson**
c) Secretary d) Legal expert

22. _____ refers to a written intimation of the date, time, place and the business to be transacted at the meeting.
a) **Notice** b) Report
c) Circular d) Pamphlets

23. The _____ is sent by the secretary of the association or company.
a) **notice** b) report
c) circular d) pamphlet

24. _____ refers to a lost of items to be discussed at a meeting.
a) **Agenda** b) Resolution
c) Decision d) Notice



25. _____ refers to a firm decision or opinion formally expressed by a group of people. Unanimously or by a simple majority.
a) Agenda b) Circular
c) Notice d) **Resolution**

26. A question on which vote is to be taken is called a _____.
a) resolution b) **motion**
c) decision d) agenda

UNIT 3

27. _____ is more or less a formal body with a definite structure.
a) Group b) Meeting
c) Conference d) **Committee**

28. _____ refers to a meeting for discussion or an exchange of views.
a) Group b) Meeting
c) **Conference** d) Committee

29. _____ committee is a formal committee.
a) Ad hoc b) **Advisory**
c) Informal d) Temprary

30. In _____ committee, the members are normally the member of the organization itself.
a) Advisory b) **Executive**
c) Ad hoc d) Standing

31. A _____ committee is empowered to take management decisions.
a) **Standing** b) Advisory
c) Executive d) Ad hoc

UNIT 4

32. _____ is a 2 way communication process in which information is given to the public and the opinion and ideas of the public are obtained.
a) **Public relations** b) Group communication
c) Meeting c) Conference

33. The main objective of _____ is to reach the mind of the outside public and establish mutual understanding.
a) **public relations** b) group communication
c) conference d) meeting



34. A _____ is called where journalists are invited and ask questions which are replied to by a spokesperson on behalf of the organization.
a) **press conference** b) meeting
c) seminar d) symposium

35. Today _____ are becoming more social capital investors because they are taking a key role in growing the organizations internal and external relationships.
a) computers b) **employees**
c) shares d) debentures

36. _____ is a powerful means of communication within an organization.
a) Press release b) Television
c) Radio d) **House Organ / Journal**

37. _____ are an inevitable source of upward communication are known to have helped management to improve efficiency.
a) **Employees opinion surveys** b) Press conference
c) Fairs d) Exhibition

38. _____ provides a personal touch which is very valuable for building goodwill.
a) **Open house** b) Press conference
c) Fairs d) Exhibition

39. _____ not only keeps the executives of the organization in touch with outside public opinion but also provides the requisite scientific data and material for making policy decisions.
a) Press conference b) Publications
c) House Organ d) **Press clipping service**

40. Finding out facts about the organization you work for and preparing _____ is the basic tool of the successful public relations man.
a) **fact sheets** b) questionnaire
c) survey d) bulletins

41. _____ is used to announce messages without disturbing the workers from their place of work.
a) **Public address system** b) Radio
c) TV d) House organ

42. _____ is a very important function of PR.
a) Conflict Management b) **Crisis Management**
c) Stress Management d) Time Management



43. _____ is used to solve the personal problems of the employees which might be affecting their work and efficiency.
a) Advice
b) **Counselling**
c) Persuasion
d) Suggestion

44. _____ can reduce tensions and frustrations and set practical and attainable goals before workers.
a) Advice
b) **Counselling**
c) Suggestion
d) Persuasion

UNIT 5

45. It becomes necessary to write a letter of complaint if the _____ is defective.
a) payment
b) **packing**
c) carriage
d) letter

46. The purpose of writing a letter of complaint is not to start a _____
a) deal
b) **quarrel**
c) consignment
d) contract

47. There is nothing to be gained by using _____ language.
a) formal
b) **insulting**
c) technical
d) polite

48. If a strong appeal is made, the _____ is likely to grant even more than what the writer has demanded.
a) **buyer**
b) adjuster
c) judge
d) purchaser

49. The writer should express his _____ for making a complaint.
a) joy
b) **regret**
c) condolence
d) happiness

50. Justice delayed is justice _____
a) **denied**
b) delivered
c) refused
d) granted

51. The customer is always _____
a) **right**
b) wrong
c) a cheater
d) biased

52. Fair claim, fair _____
a) **demand**
b) complaint
c) adjustment
d) blame

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53. In complaint letter, avoid a detailed explanation of _____
a) error b) use
c) transport d) price

54. _____ language that will cast a doubt on the honesty or integrity of the writer.
a) Use b) **Avoid**
c) Confuse d) Employ

55. When the complaint is genuine, it deserves a full & frank _____
a) excuse b) **apology**
c) story d) explanation

56. The claim can be met by supplying _____
a) new goods b) old goods
c) information d) **Substitute**

57. _____ are kind of open letters designed to be handed out to people either by hand or by post.
a) **Leaflets** b) memos
c) reports d) proposals

58. A _____ is also called as a circular, handbill or leaflet.
a) **Flyer** b) Memo
c) Report d) Proposal

59. On receiving a complaint, the _____ sends a copy to the opposite party.
a) judge b) **forum**
c) magistrate d) police

60. Complaints to the forum must be in _____
a) **writing** b) private
c) secrecy d) person

61. The consumer court is expected to resolve the matter within _____ days.
a) 120 b) 60
c) **90** d) 30

Unit 6

62. _____ reports strive to be more accurate & correct.
a) Oral b) **Written**
c) Presentation d) Informal

63. Usually an Auditor's report is a _____report.
a) non-statutory b) **statutory**
c) first information d) investigative

64. _____ report deals with promotion of employees.
a) Project b) **Performance**
c) Inspection d) FIR

65. _____ spells out the aspects to be covered by the report.
a) **Terms of reference** b) Procedure
c) Conclusion d) Recommendation

66. _____ are based on the findings of the report.
a) Terms of reference b) Procedure
c) Conclusion d) **Recommendation**

67. _____ proposals are also known as business proposals.
a) Research b) **Sales**
c) Technical d) Unsolicited

68. _____ is the most important part of a proposal.
a) **Executive summary** b) Letter of conveyance
c) Letter of attachment d) Letter of carrier

LETTER WRITING

69. In the business world things do go _____.
a) **wrong** b) right
c) straight d) casual

73 It becomes necessary to write a letter of complaint if the _____ is defective.
a) payment b) **packing**
c) carriage d) letter

74) The purpose of writing a letter of complaint is not to start a _____.
a) deal b) consignment
c) **quarrel** d) contact

75) There is nothing to be gained by using _____ language
a) formal b) **insulting**
c) technical d) polite

76) The writer should express _____ for making the complaint.
a) joy b) **regret**
c) condolence d) happiness

77) Justice delayed is justice _____.
a) **denied** b) refused
c) delivered d) granted

78) The customer is always _____.
a) wrong b) right
c) cheater d) biased

79) _____ language that will cast a doubt on the honesty and integrity of the complaint.
a) Use b) Confuse
c) **Avoid** d) Employ

80) In complain letter avoid a detailed explanation of the _____.
a) **error** b) transport
c) use d) price

81) Where the complaint is genuine, the complaint deserves nothing less than a full and frank _____.
a) excuse b) **apology**
c) story d) history

82) The complaint can be met by supplying _____.
a) new goods b) old goods
c) information c) **substitute**

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83) _____ are kind of paper advertisment intended for wide distribution.
a) **Flyer** b) Memo
c) Report d) Proposal

84) _____ can be used to advertise an event such as music concert, festival or political raly.
a) **Flyer** b) Memo
c) Report d) Proposal

85) _____ report strives to be more accurate and written.
a) Oral b) Written
c) Presentation d) Informal

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Business Communication 1

Subjective Questions

1. Need and Importance of communication?
2. Explain grapevine chain of operation and its advantages and disadvantages?
3. Explain characteristics of verbal communication?
4. Explain oral communication advantages and disadvantages?
5. Explain nonverbal communication and its characteristics?
6. Explain feedback and its types?
7. Impact of Technology advancement on communication
8. Explain various channels of organisational communication?
9. Explain Download downward communication its advantages and disadvantages?
10. Explain business etiquettes and its types?
11. Discuss Advantages of computer internet and email in modern business communication?
12. Discuss advantages and disadvantages of telephonic communication?
13. Advantages of effective listening?
14. Importance of good listening in communication?
15. Characteristics of good listener?
16. Obstacles of effective listening and how to overcome them?
17. Importance of business ethics?
18. Explain corporate social responsibility?
19. Discuss ethics and that should govern the user of the computer and internet?
20. Write in brief types of written communication?
21. Write in brief you attitude in a business letter?

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Class: FY BI

Subject: Foundation Course-I

Semester -I

Subject Teacher: Mrs. Sunita Sidhani

Subjective Questions

1. Characteristics of Indian culture
2. Multi-cultural society
3. Multi-religious society
4. Religion wise population of India
5. Caste wise population of India
6. Gender ratio of Indian population
7. Concept of Linguistic diversity
8. Characteristics of Indian rural population
9. Characteristics of Indian urban population
10. Tribal characteristics
11. Any two aspects of diversity in Indian culture
12. Discuss the pluralistic nature of Indian society
13. Explain the status of women from the Vedic period to the modern times.
14. Explain the interplay of tradition and modernity in respect of women status in India.
15. What measures would you recommend to solve women's problems in India?
16. Explain the factors responsible for declining gender ratio (female foeticide) in India.
17. Explain the causes and effects of violence against women.
18. Write a note on Women and Mass Media.

19. Enlist and explain the socio-economic problems faced by women in India.
20. Write a detailed note on visually challenged persons.
21. Explain the various issues relating to auditorily challenged persons.
22. Write a note on mentally challenged persons.
23. Explain the various issues relating to orthopedically challenged persons.
24. Examine the types of physical disabilities.
25. Explain the services available to handicapped persons in India.
26. Discuss in detail the problems faced by socially handicapped persons.
27. What steps should be taken to prevent violence against women in India?
28. Explain the manifold problems faced by the disabled in the country.
29. Discuss the causes for gender disparity and violence against women in India.
30. Discuss the reasons for gender disparity in India and give reasons to combat the same.
31. Write short notes on:

    (a) Status of women in the Vedic period.
    (b) Types of deafness
    (c) Different types of violence against women
    (d) Representation of women by the Indian media.
    (e) Inequalities against people with physical disability
    (f) Special provisions for people with disabilities
    (g) Causes of declining sex ratio

32. Explain the features of political parties in India
33. Explain the concept of urban local self-government
34. Explain the concept of Panchayati Raj in India
35. Bring out the role and significance of women in politics
36. Major features of 74th Amendment Act 1992
37. Explain the concept of rural local self-government
38. Major features of 73rd Amendment Act 1992
39. Explain the characteristics of political parties in India
40. Explain the inequalities generated due to caste system in India
41. Discuss the inequalities caused by the caste system.
42. Explain the consequences of caste conflicts in India.
43. Discuss the causes and consequences of communalism in India.
44. What are the measures to overcome the problem of communalism and casteism?

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45. Discuss the inter-group conflicts caused due to caste inequalities

46. Indian society. Suggest measures to eradicate caste conflicts,

47. Write a note on linguistic conflicts in India.

48. Discuss the problems of regionalism.

49. What are the measures to resolve linguistic conflicts in India?

50. Define communalism. Describe the causes of communalism.

51. What is regionalism? Examine the causes of regional conflicts in India.

52. Explain the various issues related to regional conflicts in India.

53. Write a note on regional conflicts in India. Substantiate with examples.

54. Explain the various causes of Regionalism in India with suitable examples.

55. Explain the term caste. What are the inequalities caused by caste system in India?

56. Discuss the reasons for communal violence in modern India.

57. "Issues related to regionalism are integral to India" Comment.

58. Define communalism and explain the factors responsible for the growth of communalism in India.

59. Discuss linguism as a basis for inter-group conflict and suggest measures to resolve linguistic conflicts in India.

60. Comment on various issues regarding communalism in India.

61. Discuss the reasons for communal violence in modern India. Suggest measures to overcome the problems of communalism.

62. Write short notes on:

(a) Inequalities caused by caste system in India
(b) Causes of linguistic conflicts
(c) Caste conflicts in India
(d) Linguistic conflicts in India.

Subject Teacher

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Convenor

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CLASS	Fy BI	Subject	Foundation Course-I
SEM	I	Teacher	Mrs. Sunita Sidhaul

SR NO	QUESTIONS	A	B	C	D
1	The term _____ refers to a state of intellectual development or manners.	**culture**	religions	languages	None of the above
2	_____ is defined as the study of the size, growth, age and geographical distribution of human population.	geography	**demography**	diverse	None of the above
3	Tamil, Telugu, Kannada and Malayam are _____ languages.	northern	central regions	**Dravidian**	None of the above
4	Ethnic groups in Assam and other parts of eastern India speak _____ languages.	Sino-Tibetan	Brahmi	**Austro-Asiatic**	None of the above
5	People in Northern Himalayas and near the Burmese border speak _____ languages.	Dravidian	**Sino-Tibetan**	Austro-Asiatic	None of the above
6	The written forms of language and script come from an ancient Indian script called _____.	**Brahmi**	Austro-Asiatic	Dravidian	None of the above
7	_____ has the federal status of associate / subsidiary official language.	Marathi	**English**	Tamil	None of the above
8	The Indian constitution uses the term _____ instead of language or dialect.	**mother tongue**	*language*	*dialect*	None of the above
9	_____ means all religions and citizens irrespective of their faith would be treated impartially.	religions	citizens irrespective	**secular state**	None of the above
10	_____ and _____ are two important words that should be borne in mind in a multi-religious society.	**tolerance and respect**	multi-religious	atmosphere	None of the above

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11	The Sanskrit word for caste is _____ which means colour.	Vaishya	**varna**	Shudra	None of the above
12	The caste stratification of the Indian society had its origin in the _____ system.	Vedic period	caste	**chaturvarna**	None of the above
13	_____ and _____ have been the bases of varna vyavastha.	Varna Vyavstha	**purity and pollution**	Varna Dharma	None of the above
14	Gender study is carried out in relation to _____.	number of males	number of females	**sex-ratio**	None of the above
15	_____ is defined as the number of females per thousand males.	**sex-ratio**	males	females	None of the above
16	India is the _____ largest country by area in the world.	**fourth**	tenth	seventh	First
17	The eighth schedule of Indian constitution enumerates _____ languages.	**22**	26	29	24
18	A system of structured inequality which rates and ranks members of a society based on definite criteria	**Social stratification**	Demography	Diversity	Unity
19	an established system of classifying groups, based on caste, economic status, etc.	**Social stratification**	Demography	Diversity	Unity
20	Caste system is _____ a form of stratification	political	economic	**social**	Democratic
21	_____ opposed the practice of sati.	**Raja Rammohan Roy**	Mahatma Phule	Sardar Vallabhai Patel	Mahatma Gandhi
22	Denial of share in property is a _____ form of violence.	**domestic**	psychological	spiritual	criminal
23	Dr. Ambedkar burnt Manu Smriti symbolically in 1927 to destroy _____ and caste discrimination	child marriage	**untouchability**	child labour	dowry
24	_____ is the main reason of female foeticide.	**Preference for male child**	Unemployment	Globalisation	All of the Above
25	The major cause of declining sex ratio is _____.	**poverty**	pollution	smoking	population
26	Gender is a _____ concept.	**sociological**	economic	biological	scientific
27	Pre-Conception and Pre-Natal Diagnostic Techniques Act (PCPNT) is aimed at preventing _____	**female foeticide**	child marriage	maternal mortality	domestic voilence
28	The traditional Hindu society was divided into _____ Varnas.	one	three	**four**	six

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29	_____ has the lowest child (0-6 age group) sex ratio in India.	Punjab	**Haryana**	Meghalaya	Bihar
30	_____ are persons below the age of 18 years who commit socially undersirable acts.	Victims	Destitutes	**Delinquents**	Dyslexia
31	_____ is a defect due to extra chromosome.	Cretinism	Microcephalus	**Down's Syndrome**	Dyslexia
32	In — system, a person's social position was determined by ownership, occupation and heredity status.	class	caste	**estate**	None of above
33	The ancient Hindu scriptures depict women as _____ where references are made to Goddess Kali.	Prakriti	Sati	**Shakti**	All of the Above
34	_____ is the only State where females out number males.	Mizoram	**Kerala**	Maharashtra	Goa
35	Every caste or sub-caste insists that its members should _____ within the group.	Mr. Nesfield	Prof. Ghurye	**Marry**	None of the above
36	Each caste or a group of allied castes was traditionally associated with a particular _____.	specific occupation	skilled activity	**Occupation**	None of the above
37	55 per cent of SC population are still deprived from _____ regarded as the basic and essential component of human development.	sub-castes	**Education**	Caste System	None of the above
38	According to census definition a worker is categorized as '_____' if she/he has worked for 6 months or more.	**Main worker**	total workers	marginal workers	None of the above
39	Inter-caste conflicts arise when higher castes _____ the lower castes,	**Exploit**	features of caste	caste system	None of the above
40	With the passing of political power to the people, castes have become _____ groups	small segments	single caste category	**Pressure**	None of the above
41	A caste is 'dominant' when it wields _____ and political power.	caste is crucial	**Economic**	lower castes	None of the above
42	The _____ of the upper castes has always been to consolidate and maintain their high social status.	high caste	lower castes	**Attitude**	None of the above
43	The MCC collects a levy called _____ tax from contractors and big landlords to meet its day-to-day expenses.	individual annihilation	**Rangdari**	caste enemies	None of the above

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44	The best examples of these caste conflicts due to exploitation, economic grievances and deprivation are found in _____.	**Bihar**	lower castes	intermediate	None of the above
45	Anti–Hindi agitations took place in _____ India.	Northern	**Southern**	Western	None of the above
46	Dr. Ambedkar burnt Manu Smriti symbolically in 1927 to destroy _____ and caste discrimination.	Child Marriage	**Untouchability**	Child Labour	None of the above
47	Endogamy is the essence of Caste System.	**True**	False		
48	Caste system does not enforce any restriction with regard to inter – dining and inter – marriage.	True	**False**		
49	For what period does the Vice President of India hold office ?	**5 years**	Till the age of 65 years	6 years	2 years
50	The President gives his resignation to the	Chief Justice	Parliament	**Vice President**	Prime Minister
51	The Governor of a State is appointed by the President on the advice of the	**Prime Minister**	Vice- President	Chief Minister	Chief Justice
52	The total number of members nominated by the President to the Lok Sabha and the Rajya Sabha is	16	18	**14**	12
53	Who appoints the Prime Minister of India ?	Vice-President	**President**	Parliament	Citizens of India
54	Who was the first Prime Minister of India ?	**Jawaharlal Nehru**	Mrs. Indira Gandhi	Dr. Rajendra Prasad	Mahatma Gandhi
55	Chief Minister of a State is responsible to	Prime Minister	Rajya Sabha	**Legislative Assembly**	Governor
56	Which of the following is described as the 'Soul of the Constitution'?	Fundamental Rights	Fundamental Duties	Directive Principles of State Policy	**Preamble**
57	The term 'We' in Preamble means	Indian Government	Supreme Courts	Indian Parliament	**The People of India**
58	Indian Constitution ensures 'Justice' in which of the following form	Social	Economic	Political	**All of the above**

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59	Preamble has been amended by which Amendment Act?	27th Constitutional Amendment	**42nd Constitutional Amendment**	44th Constitutional Amendment	40th Constitutional Amendment
60	As per Preamble, date of adoption of the Constitution is	26th January 1950	**26th November 1949**	11th December 1946	(a) None of the above
61	The correct sequence of the following words in the Preamble is	Sovereign, Democratic, Socialist, Secular, Republic	**Sovereign, Socialist, Secular, Democratic, Republic**	Sovereign, Socialist, Democratic, Secular, Republic	None of these
62	Dr. Ambedkar burnt Manu Smriti symbolically in 1927 to destroy _____ and caste discrimination.	Child Marriage	**Untouchability**	Child Labour	None of the above
63	A caste is 'dominant' when it wields _____ and political power.	caste is crucial	**Economic**	lower castes	None of the above
64	Political parties that contest local, state, national elections are requiredto register with the_____of India.	**Election Comission**	Supreme Court	President	High court
65	Political parties recognized in_____or more States are consideredas national parties.	Six	Five	**Four**	Two
66	The political parties which do not get a majority, plays the role of _____parties	**Opposition**	ruling	suppressing	winning
67	The_____governments enjoy greater degree of autonomy in decision-making	Union	state	**local**	None of above
68	The urban areas in India are looked after by the_____	**Muncipalities**	State	Panchayati Raj	Zilla parishad
69	The Municipal Corporation of Greater Mumbai operates under the_____	State government	**Brhanmumbai Muncipal Corporation**	Union Government	Local government
70	The Councillor enjoys a term of_____ years.	two	three	**five**	six
71	The_____is the first citizen of the city.	President	Governor	**Mayor**	Ward member
72	_____is formed according to the 74th constitutional amendment.	Nagar Parishad	**Nagar Pachayat**	Panchayati Raj	Union Government

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73	The rural local self-government in India is described as_____	Nagar Parishad	Nagar Parishad	**Panchayati Raj**	State government
74	_____was the first State to establish Panchayati Raj system in India.	**Rajasthan**	Maharastra	Gujarat	Shimla
75	_____is the apex institution in the Panchayati Raj system in India.	**Zilla Parishad**	Pachayat samiti	Gram Pachayat	Nagar Parishad
76	_____is the head of the Gram Panchayat.	President	Chairperson	**Sarpanch**	Mayor
77	Empowerment of women in politics means the participation of women in political_____process.	**decision making**	formation	alliance	decenteralisation
78	73rd Amendment of the Indian Constitution is related to_____	indipendent judiciary	**Pachayat Raj**	parlimentary system	Local government

Subject Teacher

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DEPARTMENT OF BANKING AND INSURANCE - QUESTION BANK - BUSINESS ECONOMICS - I

Unit 1
1. Explain the Scope of Business Economics
2. Importance of Business Economics
3. Basic tools of Business Economics
4. Explain the concept of Incrementalism and Marginalism

Unit 2
1. Explain the types of Demand
2. Explain the determinants of Demand
3. Explain law of Demand with Assumptions
4. Explain exceptions to the law of Demand
5. Explain Demand Function and Price
6. Nature of Demand Curve under Different Markets
7. Changes in Demand and Variation in Demand
8. Types of Elasticity of Demand
9. Types of Price Elasticity of Demand
10. Methods of measuring Elasticity of Demand
11. Importance of Price Elasticity of Demand
12. Income Elasticity of Demand
13. Cross Elasticity of Demand
14. Promotional Elasticity of Demand
15. Relationship between Elasticity of Demand and Revenue

Unit 3
1. Production Function and Iso-quants
2. Properties of Iso-quants
3. Ridge lines
4. Least cost combination or Producer Equilibrium
5. Law of Variable Proportion
6. Assumptions of Law of Variable proportion
7. Explanation of Law of Variable proportion
8. Law of Returns to Scale
9. Internal Economies of Scale
10. External Economies of Scale
11. Internal Diseconomies of Scale
12. External Diseconomies of Scale
13. Explain Average Total Cost
14. Marginal Cost
15. Short run cost concept
16. Relationship between Average Cost and Marginal Cost
17. Long run Average Cost
18. Learning Curve or Modern Long-run Average Cost
19. Algebraic Method and Break even Analysis

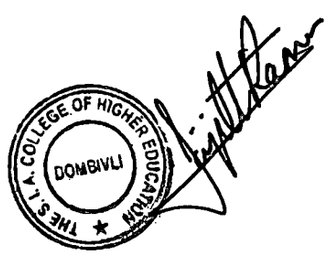
20. Linear Break Even analysis
21. Non linear Break Even analysis
22. Variables affecting Break even point
23. Advantages of break even point
24. Limitations of break even point

Unit 4

1. Perfectly Competitive Market
2. Equilibrium Price
3. Effect of time on supply
4. Price output determination under perfect competition
5. Long run Equilibrium
6. Monopoly
7. Features of Monopoly Market
8. Price Determination under monopoly
9. Short Run monopoly Equilibrium
10. Long run monopoly Equilibrium
11. Monopolistic Competition and its Features
12. Price and output decisions under monopolistic competition
13. Oligopoly and its features
14. Price Determination under oligopoly
15. Pricing under Price leadership
16. Pricing under collusive oligopoly
17. Price Discrimination
18. Types of Price Discrimination
19. Conditions of Price Discrimination
20. Dumping and types of Dumping
21. Cartels

Unit 5

1. Pricing practices
2. Meaning of price
3. Factors governing price and pricing decisions
4. Internal Factors
5. External Factors
6. Pricing policies
7. Objectives of pricing policies
8. Mehtods of pricing
9. Transfer pricing
10. Multiproduct pricing
11. Transfer pricing
12. Degrees of price discrimination
13. Kinds of pricing
14. Markup pricing
15. Cost plus pricing
16. Consumer psychology in pricing



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1. Marginal Cost pricing is generally followed by
Private Enterprise
Small and Medium enterprises
Public Sector enterprises
All of these

2. For a monopoly firm
AR = MR
AR > MR
AR < MR
None of these

3. The demand curve faced by an individual seller in perfect competition
Perfectly elastic

4.Which of the following is an example of source of monopoly power
a key resource is owned by a single firm
technology
Legal protection
All the above

5. In a monopolistic competition the number of sellers are ____
Many
Very large
One
few

6. Product sold in monopolistic competition is ___
homogeneous
differentiated
inferior
All of these

7. Kinked demand curve was introduced by ___
Prof. Marshall
Prof. Sweezy
Prof. Smith
Prof. Smith

8. Price discrimination is possible in ____
Monopolistic competition
Oligopoly
Perfection Competition
Monopoly

9. Dumping takes place when a monopolistic
has monopoly in the world as well as home market

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has monopoly in the world market
has monopoly in the home market and competitive world market
all of these

10. While determining the full cost price, the firm uses
Fully allocated average cost
Only average variable cost
Only overheard costs
Marginal cost

11. Price discrimination is profitable when
elasticity of demand is the same in different markets
elasticity differs in different market
when demand in different :r:narkets is perfectly elastic
None of these

12. Expenditure on advertisement constitutes
production cost
selling cost .
fixed cost
None of these

13. A profit-maximizing monopolist will produce the level of output at which
Average revenue is equal to average total cost
Average revenue is equal to marginal cost
Marginal revenue is equal to marginal cost
Total revenue is equal to opportunity cost

14.A monopolist is a price
taker
maker
neither
both

15. Given the demand and supply equations Qdx = 200 - 5Px and Qsx = - 250 + 10 Px, the equilibrium price is
Rs. 45
Rs. 30
Rs. 40.40
Rs. 30.50

16. In the equation, $Dx = a - bPx$
a is the quantity of X demanded when price is zero
b is the quantity of X demanded when price is zero
a is the slope of the demand curve
b is the elasticity of demand

17. Which of the following is not an assumption of the law of demand?
consumer's income does not change
No change in consumers taste and preference
No change in price of inputs
No future uncertainties

18. _____ revenue is he total sale of certain amount of commodity at a given time
total
average
marginal
Incremental

19. ____ revenue is equal to the price per unit of output

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Total
Marginal
Average
Fixed cost

20. _____ method uses time series data
Trend
End-user
Delphi
Sample Survey

21. Which is not a feature of market experiment method of demand forecast?
Use of consumer clinics
Actual Market situations are created
Forecast is based on past statistical data
Based on observed consumer behaviour

22. If a firm has to choose between two equally technically efficient methods of production, then its choice of a method will depend on
prices of the factors
availability of the factors
monetary resources available with the firm
All the above

23. Which of the following properties of an iso-quant is due to diminishing marginal rate of technical substitution?
Negative slope
Right angle
Doesn't intercept axes
Convexity

24. Given the monetary resources, if the factor prices change, then
the slope of the iso-cost line will change
there will be a parallel shift in the iso cost line
the slope of iso coast line will not change
there will be no impact on the iso cost line

25. When TP is maximum, MP is ___
zero
negative
maximum
constant

26. When MP is maximum, which of the following is true?
AP is equal to MP
AP is declining
AP is maximum
AP is rising

27. Returns to scale determines the behaviour of
Short run average cost
Marginal cost
Average fixed cost
Long run average cost

28. Which of the following is not an assumption of the law of variable proportion?
The state of technology is given and constant
All factors are variable
All units of variable factors are homogeneous
At least one factor remains constant



29. Negative marginal returns occur due to
Relative abundance of variable factors
Relative abundance of fixed factors
Relative scarcity of variable factors
Scarcity of fixed and variable factors

30. An important cause of internal diseconomies of scale is
rising factor costs
Diminishing returns to management
Transport congestions
Pollution and health hazards

31. In the short run, a firm's fixed cost
is zero
will always have to be incurred
can be zero if production is zero
will decline with every increase in output

32. Implicit costs are
equal to total fixed costs
equal to variable costs
always less than explicit cost
cost of using factors belonging to the business owner

33. If average fixed cost is rs. 40 and average variable cost is rs. 80 for an output level of 10, then total cost is
1200
120
12
12000

34. Which of the following statements is true of the long run average cost curve?
its shape is influenced by the law of returns to scale
its shape is influenced by the law of variable proportions
It is a declining function of output
None of these

35. At the break even point, the price is equal to ____ cost
Total
Marginal
Average
Variable

36. A break even point changes whenever there is change in
Price
Fixed Cost
Variable cost
any of the or all of the 3 factors

37. A firm is at break even point when
TR > TC
TR < TC
TR = TC
none of these

38. A firm earns supernormal profit when its
TR = TC
TR > TC



TR < TC
None of these

39. A fall in the price of the commodity
increases the consumers nominal income
increases the consumers real income
decreases the consumers nominal income
decreases the consumers real income

40. The income effect of a price change
is always positive
is always negative
may be positive or negative
is caused by changes in consumer tastes

41. The formula of calculating average revenue is
TR/Q
P X Q
P/Q
all of these

42. The optimal combination of inputs or producers equilibrium
least cost combination of inputs
HCF
LCM
ALL OF THESE

43. Two isoquants can intersect each other
True
False
Both
None of these

44. Increasing marginal returns comes to an end when
AP intersects MP
TP begins to decline
TP begins to rise at a diminishing rate
MP becomes negative

45. Economic Cost = Accounting cost + _____
Opportunity class
Variable cost
fixed cost
all of these

46. The formula for calculating AFC is
TFC/Q
TC/Q
AFC X Q
All of these

47. Which of the following would be an implicit cost for a firm?
Payment of wages and salaries of workers
payment to the supplier of raw material
Salary that the business owner would have earned by working elsewhere
Interest to the bank for borrowed funds

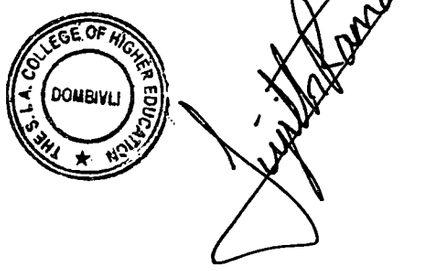
48. In perfect competition, the producer is
Price Maker
Price taker

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Price controller
all of these

49. The shutdown and break even points are _____
Same
Different
Irrelevant
Equal

50. Collusive oligopoly is beneficial to ____
Consumers
Producers
New Entrants
None of the above



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PPBI - Important Question

1. What are the financial services provided by the banks
2. Role of NABARD in agriculture and rural development
3. Define Financial inclusions and explain the scope of financial inclusion
4. What are the roles and functions of RBI
5. What s licensing of Banking company
6. Distinguish between Banking company and NBFC
7. Write different types of fire insurance
8. What are the basic principles of Insurance?
9. Explain need of insurance
10. What is the role of insurance in the economic system
11. Define Actuary. Explain the role of actuary in Insurance
12. Duties and powers of IRDA

Write a short-note:

1. Secondary functions of bank
2. Principles of good lending
3. types of bank accounts
4. Exim Bank
5. Primary Functions of bank
6. Scheduled Banks
7. CRR
8. NBFC
9. Classification of Life Insurance
10. Types of fire Insurance
11. Voyage Policy
12. Marine Insurance
13. Re-insurance
14. Proximate Cause
15. Classification of Risk
16. Principle of Indemnity of loss

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DEPARTMENT OF BANKING AND INSURANCE - QUESTION BANK - PPBI

1. E-Banking is also known as _____ (Electronic Banking, Economic Banking, Internet Banking)
2. Fixed account opened in the name of two or more individuals called as _____ (Recurring account, Current account, Fixed account)
3. Immovable property used for the purpose of securing the loan is called _____ (Pledge, Mortgage, Hypothecation)
4. Banking is essentially a business dealing with _____ (Goods, Money, Electronic)
5. Hypothecation is the mortgage of _____ property for secured loan. (Movable, Immovable, Land and Building)
6. _____ is also called as fixed deposit and are repayable after the expiry of specific term. (Term deposit, Demand deposit, Saving deposit)
7. Minimum period of fixed deposit is _____ days. (120, 30, 7)
8. _____ is a person who accepts deposits, money on current accounts, issues and pay cheques and collects cheques. (Banker, Bank, Customer)
9. NABARD was established in the year _____ (1982, 155, 1935)
10. _____ is a running account to which deposits and withdrawals can be made frequently. (Recurring deposit, current account, Fixed deposit)
11. Debit card is also known as _____ (Cash, Credit, Ration)
12. The Scheduled banks are included in schedule of _____ Act. (Banking, RBI, Statutory)
13. SBI was nationalized in the year _____ (1969, 1956, 1955)
14. Scheduled bank and non-scheduled bank are the classification of _____ (Commercial banks, Reserve Bank of India, NABARD)
15. Reserve Bank of India Act_____ (1949, 1934, 1955)
16. Nationalized banks are also called included in the category of _____ banks. (Scheduled, Non-Scheduled, Co-operative)
17. Foreign Exchange Management Act _____ empowered the RBI to exercise control over foreign securities. (1999, 2000, 2001)
18. Regional Rural Banks were set up under an Act of Parliament in _____ (1975, 1976, 1977)
19. Immovable property used for the purpose of securing the loan is called_____ a) Pledge b) Mortgage c) Hypothecation
20. RTGS means_____ a) Real Time Gross Service b) Real Time Gross System c) Real Time Gross Settlement

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21. ATM stands for _____ a) Automatic Time Money b) Automated Teller Machine c) Automatic Teller Money
22. Reserve Bank of India Act, _____ a) 1949 b) 1956 c) 1934
23. Scheduled and non-scheduled banks are classification of _____ a) Commercial banks b) Reserve Bank of India c) NABARD
24. The main object of _____ is to promote saving habit among the people. a) Current Account b) Fixed Deposit c) Saving Deposit
25. Immovable property used for the purpose of securing the loan is called _____a) Hypothecation b) Mortgage c) Pledge
26. _____ is a plastic card that allows its holders to buy goods and services on credit. a) Debit Card b) Credit Card c) RuPay Cards
27. _____ banks were set up with the objective of providing credit to the agriculture and rural areas. a) Private Banks b) Foreign Banks c) Regional Rural Banks
28. Number of nationalized banks are _____ a) 18 b) 19 c) 15
29. Every banking company shall have one of its directors as the _____ of its Board of Director a) Chairman b) Manager c) Actuary
30. _____ deals with financial impact of risk and uncertainty. a) Rider b) Risk Manager c) Actuary
31. _____is the consideration paid by the insured to insurance company. a) Instalment b) Premium c) Dividend
32. Minimum paid up equity capital required for a life insurance is _____ crores. a) 100 b) 200 c) 500
33. Section 22 of Banking Regulation deals with _____ a) Minimum paid-up capital b) Opening of new branch c) licensing of Banking company
34. Risk management is a _____ approach to deal with pure risk. a) Scientific b) Natural c) Economic
35. Life insurance act as protection as well as _____ a) Safety b) Liquidity c) Investment
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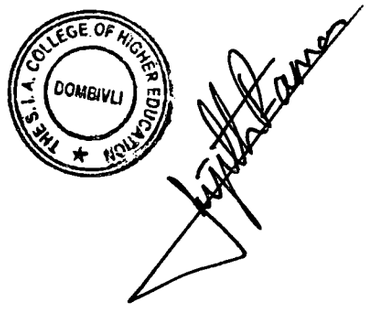
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69._____ is a plastic card that allows its holders to buy goods and services on credit. a) Debit Card b) Credit Card c) RuPay Cards

70.Number of nationalized banks are _____ a) 18 b) 19 c) 15

71.



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QUESTION BANK-21-22

Subject:Quantitative Methods

Semester:I

CLASS:FYBBI

Faculty:Sreekala Nair

Answer the following:

1. Describe various uses and limitations of Statistics
2. Discuss the merits and demerits of the diagrams
3. Explain how to construct a Pie diagram
4. Define cumulative frequency distribution and its types with example
5. Draw the histogram and the frequency curve on graph paper for the following distribution

Daily wages in Rs	No of workers
40-50	12
50-60	20
60-70	40
70-80	50
80-90	34
90-100	16
100-110	12
110-120	8

6. Calculate mean, median and mode of the following series

Class	10-30	30-50	50-70	70-90	90-110	110-130
Frequency	4	10	14	12	8	6

7. Following data give the bursting pressure of polythene bags produced by a manufacturer

Bursting pressure	5-10	10-15	15-20	20-25	25-30	30-35
No of bags						

Draw a less than curve and find median graphically

8. The distribution of heights of 100 children is given below. Find D_4 and P_{87}

Height in cms	130-135	135-140	140-145	145-150	150-155	155-160	160-165

No of children	8	10	20	25	15	12	10

9. The following are the runs scored in 7 matches of IPL by Mumbai Indians. Find Arithmetic Mean.162,138,195,177,126,152,170
10. Calculate the mean for the following distribution

x	5	15	25	30	45
f	12	13	21	19	15

11. Distinguish between absolute measure and relative measure of dispersion
12. Find standard deviation :15,20,17,8,9,12,18,10
13. Find SD and coefficient of variation

CI	20-40	40-60	60-80	80-100	100-120	120-140
f	7	12	16	13	13	4

14. For the following data:

x	2	10	13	5
y	3	8	6	1

Find the Regression Coefficients byx and bxy.

15. Regression equation of the two regression lines are given as

$3x + 2y - 26 = 0$ and $6x + y - 31 = 0$.Find

(i) The mean values of x and y.

(ii) Identify which of the two regression equations can be called as

Regression line of y on x.

16. The ranks of 10 individuals are given below. Find the rank correlation

Ranks	3	5	4	10	8	9	1	6	2	7
Ranks	3.5	3.5	1	7.5	4	10	2	7	7.5	3

17. Calculate Spearman's rank correlation coefficient

x	60	68	61	93	81	75	25	98	60	78
y	40	51	57	85	62	69	62	91	51	84

18. From the following pay off table , determine the best possible act by using
(i) maximin criterion(ii) maximax criterion (iii) Laplace criterion

Act	State of nature			
	E1	E2	E3	E4
A1	45	33	60	48
A2	-12	30	22	32
A3	0	-4	20	48

19. A random variable X has the following probability distribution .Find (i) K (ii)E(X) (iii)V(X)

X	0	1	2	3	4	5
P(X)	0.1	0.2	0.4	k	0.1	0.1

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20. Explain the following:-
(i) Sample space (ii) Random experiment (iii) Mutually exclusive event

21. For the following data calculate index number by(i)Weighted average of price relative (ii) Weighted aggregative method

Commodity	Price in		Weight
	1970	1995	
A	3	5	50
B	6	10	30
C	4	8	10
D	2	3	20

22. Construct Laspyere's, Paasche's, Fishers and Marshall-Edgeworth index number for the following data:

Commodity	1990		2005	
	Price	Quantity	Price	Quantity
A	5	10	7	6
B	8	12	9	5
C	4	15	6	10
D	3	16	3	12

23. Construct Fisher's index number for the following data:

Commodity	1990		2005	
	Price	Quantity	Price	Quantity
A	5	10	3	12
B	7	12	4	11
C	5	15	6	16
D	2	20	3	18

24. Find the index numbers using (i) Simple aggregative method (ii) Simple average of relative Method

Shares	Price in years	
	2000	2002
A	5	12
B	8	8
C	10	15
D	9	10

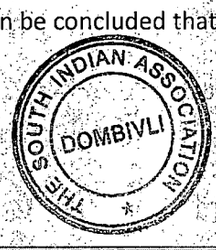
25. For the following data calculate index number by using(i)Weighted aggregative method (ii)Weighted average of price relative method

Commodity	Price in 1980	Price in 1990	Weight
Rice	8	16	9
Wheat	5	9	12
Pulses	10	12	7
Sugar	6	13	7
Jowar	4	8	5



OBJECTIVE QUESTIONS

1) The profit given on policy is ---------
   a) Lapses
   b) Grace period
   c) Bonus
   d) Premium
2) The extra time period to pay the premium after the due date of premium is known as--------
   a) Lapses
   b) Grace period
   c) Bonus
   d) Premium
3) The surrender value of a policy is usually a percentage of------
   a) Premium paid
   b) Bonus
   c) Maturity
   d) None
4) The total amount given to the person at the time of completing the policy is called----
   a) Premium paid
   b) Bonus
   c) Maturity amount
   d) None
5) If premium of a policy is not paid within the grace period the policy----
   a) Maturity
   b) Lapses
   c) Bonus
   d) None
6) Coefficient of correlation lies between----------
   a. -1 and 1
   b. -2 and 2
   c. 0 and 1
   d. -1 and 0
7) If two variables vary together in the same direction, then there is---correlation between them
   a. No
   b. Zero
   c. Positive
   d. Negative
8) The contestants in a beauty contest are judged by 2 eminent personalities from different fields. Which measure of correlation will be best suited to find relation between their judgement?
   a. Pearson's coefficient
   b. Rank correlation coefficient
   c. Scatter diagram
   d. None of these
9) If the value of Pearson's coefficient of correlation is 0.93, it can be concluded that there is
   a. High degree of positive correlation
   b. Absence of correlation



c. Perfect of Negative Correlation
d. None of these

10) In decision making problems there is only one ____ and a number of alternatives

a) Policy maker
b) policy
c) state of nature
d) *payoff*

11) EOL stands for expected _____ loss

a) Opportunity
b) objective
c) occupancy
d) none of these

12) We use regret table for calculating _____

a) EOL
b) EMV
c) maximax
d) none of these

13) EMV stands for expected _____ value

a) Marketing
b) monetary
c) machine
d) none of these

14) What is E(X) for the following Probability distribution

X	0	1	2	3
P(X)	0.125	0.375	0.375	0.125

a. **1.5**
b. 1.6
c. 1.7
d. 1.8

15) The value of K for the probability distribution

Number	0	1	2	3	4	5
Probability	K	0.3	0.15	0.15	0.1	2K

a. 0.2
b. **0.1**
c. 0.3
d. 0.5

16) The following table shows a Probability distribution of a Random variable X

X	-1	0	1	2	3
P(X)	0.1	0.25	0.25	0.2	0.2

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Then the value of V(X) is

a. 1.6354
b. 1.6549
c. 1.6275
d. 1.6863

17) For the following probability distribution , the value of P(X>2) is

X	-2	-1	0	1	2	3
P(X)	0.1	0.2	0.2	0.3	0.15	0.05

a. 0.8
b. 0.35
c. 0.05
d. 0.53

18) For the following probability distribution , the value of P(X≤ 1) is

X	-2	-1	0	1	2	3
P(X)	0.1	0.2	0.2	0.3	0.15	0.05

a. 0.8
b. 0.35
c. 0.05
d. 0.53

19) Given P(A)=0.5 , P(B)=0.4 and P($A \cap B$)=0.625 then P(AU B) is

a. 0.5
b. 0.6
c. 0.275
d.0.625

20) Which of the following is NOT a common measure of central tendency?

a) mean
b)mode
c)median
d)range

21) A batsman scores the following number of runs in 6 innings: 36, 35, 50, 46, 60, and 55. Calculate the mean runs scored in an innings

a)46
b)48

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c)45

d)47

22) Which partition value divides the total set of values into four equal Parts

a) deciles

b)percentiles

c)quartiles

d)mode

23) The mean is

a)The highest value

b)The sum of all values in a group divided by the number of elements in a group.

c)The value that occurs most frequently

d)The midpoint in a set of scores

24) ----is used for finding the mode graphically

a)pie diagram

b)less than ogive

c)Histogram

d) none of these

25) Mode of 20,30,25,20,34,20 is

a)34

b)20

c)30

d)25



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Question Bank

Subject: Principles of Management

Class: FYBI

Semester: 1

Faculty: Mrs. Renu Vijay Verma

Multiple Choice question

1. The Practice of Management written by _____.
   A. Peter F. Drucker.
   B. Terry.
   C. Louis Allan.
   D. Henry Fayol.
   ANSWER: A

2. Management is an organ, organs can be described and defined only through their functions. This definition
   was given by _____.
   A. Peter F. Drucker.
   B. Terry.
   C. Louis Allan.
   D. Henry Fayol.
   ANSWER: A

3. Management is what a manger does_____.
   A. Peter F. Drucker.
   B. Terry.
   C. Louis Allan.

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D. Henry Fayol.
ANSWER: C

4. To manage is to forecast and plan, to organize, to compound, to co-ordinate and to control. This definition
was given by_____.
A. Peter F. Drucker.
B. Henry Fayol.
C. Louis Allan.
D. Terry.
ANSWER: B

5. Management is the art of getting things done through and with an informally organized_____.
A. Harold Koontz.
B. Terry.
C. Louis Allan.
D. Henry Fayol.
ANSWER: A

6. Management is the art and science of decision making and leadership _____.
A. Harold Koontz.
B. Donald J. Clough.
C. Louis Allan.
D. Terry.
ANSWER: B

7. Luther Gullik classifies the function of management as _____.
A. POSDCORB.
B. POSTCARD.
C. POSDCORB.
D. POSDORBC.
ANSWER: C

8. Father of Administrative management_____.
A. Mary Parkett.
B. Lillian Gilbert.
C. Henry Fayol.
D. Elton Mayo.
ANSWER: C

9. Pioneer of Human Relations is _____.
A. Mary Parkett.

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B. Lillian Gilbert.
C. Henry Fayol.
D. Elton Mayo.
ANSWER: D

10. Henry Fayol laid down_____.
A. 12 principles.
B. 13 principles.
C. 14 principles.
D. 15 principles.
ANSWER: C

11. Espirit de corps means_____.
A. union is strength.
B. service is our motto.
C. buyer beware.
D. product is our strength.
ANSWER: A

12. F.W. Taylor is associated with_____.
A. Scientific Management.
B. Future management.
C. Modern management.
D. Principles of management.
ANSWER: A

13. The first and foremost function of management is _____.
A. planning.
B. organizing.
C. controlling.
D. coordination.
ANSWER: A

14. Planning lays down the overall objective, strategies and polices for the total enterprise is _____.
A. corporate planning.
B. divisions planning.
C. unit planning.
D. department planning.
ANSWER: A

15. The assumptions about future derived from forecasting and used in planning are known as

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_____.

A. planning premises.
B. freehold premises.
C. business premises.
D. corporate premises.
ANSWER: A

16. The process of establishing a time sequence for the work is known as _____.
A. objective.
B. schedules.
C. procedures.
D. budgets.
ANSWER: B

17. A rigid plan, no scope for discretion _____.
A. rule.
B. schedules.
C. procedures.
D. budgets.
ANSWER: A

18. _____ is the harmonising or synchronising of individual efforts with the purpose of achieving
group goals.
A. coordination.
B. control.
C. decision making.
D. delegation.
ANSWER: A

19. _____ is an obligation to perform certain functions and achieve certain results.
A. responsibility.
B. decentralisation.
C. centralisation.
D. delegation.
ANSWER: A

20. An identified group of people contributing their efforts towards the attainment of goals is called an
_____.
A. organization.
B. business.
C. management.

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D. department.
ANSWER: A

21. A system of co-operative activities of two or more persons is called _____.
A. department.
B. co-ordination.
C. organization.
D. control.
ANSWER: C

22. Supply of human and material resources and helps to achieve the objective of business is_____.
A. planning.
B. organisaiton.
C. management.
D. control.
ANSWER: B

23. Formal authority flows from upwards to downwards in_____.
A. formal organization.
B. informal organization.
C. business or organisation.
D. strategic organization.
ANSWER: A

24. Informal authority flows upwards to downwards or horizontally in _____.
A. formal organization.
B. informal organization.
C. business or organisation.
D. strategic organization.
ANSWER: B

25. Rules, duties and responsibilities or workers are given in writing in_____.
A. formal organization.
B. informal organization.
C. business or organisation.
D. strategic organization.
ANSWER: A

26. Which arises from mans quest for social satisfaction?
A. formal organization.
B. informal organization.
C. business or organisation.

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D. strategic organization.
ANSWER: B

27. _____ deals with appointing people and placing them at the appropriate jobs.
A. Human resources.
B. Recruitment.
C. Staffing.
D. Placement.
ANSWER: C

28. The extent to which power and authority are retained at the top is called as_____.
A. centralization.
B. decentralization.
C. responsibility.
D. accountability.
ANSWER: A

29. The right of a person to give instructions to his subordinates is known as_____.
A. responsibility.
B. authority.
C. accountability.
D. line authority.
ANSWER: B

30. The decisions which are frequent and repetitive in nature are called as_____.
A. non programmed decisions.
B. programmed decisions.
C. major decisions.
D. operative decisions.
ANSWER: B

31. Selecting a best course of action among the alternatives is called as_____.
A. decision making.
B. planning.
C. organizing.
D. controlling.
ANSWER: A

32. The organization which was devised by FW Taylor was _____.
A. functional organization.
B. matrix organisation.
C. committee organization.

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D. line and staff organization.
ANSWER: A

33. The oldest type of organization_____.
A. functional organization.
B. line organization.
C. matrix organization.
D. committee organization.
ANSWER: B

34. Scalar chain means _____.
A. hierarchy levels.
B. chain of command.
C. delegation of authority.
D. span of control.
ANSWER: A

35. Letters, circulars, memos, bulletin, manuals, reports are example of_____.
A. oral communication.
B. written communication.
C. gestural communication.
D. sideward communication.
ANSWER: B

36. Fixation of standards, measurement of performance, comparison, and correction of deviation are the steps in_____.
A. planning.
B. organizing.
C. Staffing.
D. control process.
ANSWER: D

37. The leader acts as a liaison officer between the employees and the outside world is _____.
A. positive style.
B. free-rein style.
C. autocratic style.
D. democratic style.
ANSWER: B

38. Banks, insurance companies and distribution agencies are examples of ____.
A. departmentation by function.
B. departmentation by products.

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C. departmentation by territory.
D. departmentation by customers.
ANSWER: C

39. Departmentation is a part of the ___.
A. organisation process.
B. control process.
C. planning process.
D. staffing process.
ANSWER: A

40. The process of dividing the large monolithic functional organization into small and flexible administrative units is called ____.
A. staffing.
B. delegation.
C. departmentation.
D. control.
ANSWER: C

41. Departmentation on the basis of activities grouped according to the type of customer is _____.
A. departmentation by function.
B. departmentation by products.
C. departmentation by territory.
D. departmentation by customers.
ANSWER: D

42. Delegation made by written orders and instruction is known as ____.
A. oral delegation.
B. written delegation.
C. downward delegation.
D. sideward delegation.
ANSWER: B

43. When an individual or a group agrees to work under the direction of an informal leader is called _____.
A. formal delegation.
B. informal delegation.
C. general delegation.
D. specific delegation.
ANSWER: B

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44. The process whereby a manager shares his work and authority with his subordinates is_____.
A. Decentralisation
B. Responsibility.
C. Delegation.
D. decision making.
ANSWER: C

45. Opening of new branch is an example of _____.
A. programmed decision.
B. non-programmed decision.
C. individual decision.
D. non-economic decision.
ANSWER: B

46. Which type of organization has no place in the organization chart?
A. formal organization.
B. informal organization.
C. business or organisation.
D. strategic organization.
ANSWER: B

47. ---- is a chartered accountant by profession.
A. Aditya Birla
B. Chanda Kochhar
C. Naina Lal Kidwai
D. Narayan Murthy
ANSWER: C

48. ------ is the first Indian Woman to graduate from Harvard Business School.
A. Chanda Kochhar
B. Naina Lal Kidwai
C. Rajeshri Birla
D. Sudha Murthy
ANSWER: B

49. ------ is the chairperson and MD of Biocon Ltd, a biotechnology company operating from Bangalore.
A. Aziz Premji
B. Verghese Kurien
C. Kiran Mazumdar Shaw

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D. Chanda Kochhar
ANSWER: C

50. -------is known as Czar of the Indian IT Industry.
A. JRD Tata
B. Aziz Premji
C. Dhirubhai Ambani
D. Deepak Parekh
ANSWER: B

51. ------ is the most philanthropic Indian.
A. Verghese Kurien
B. Narayan Murthy
C. K.V.Kamath
D. Aziz Premji
ANSWER: D

52. In 2006, ----- was awarded Lakshya Business Visionary by National Institute of Industrial Engineering, Mumbai.
A. Ratan Tata
B. Narayan Murthy
C. Aziz Premji
D. Mukesh Ambani
ANSWER: B

53. In 2006, ----- was awarded Lakshya Business Visionary by National Institute of Industrial Engineering, Mumbai.
A. Ratan Tata
B. Narayan Murthy
C. Aziz Premji
D. Mukesh Ambani
ANSWER: B

54. The chairman of Federal Reserve Bank is nominated by the President of the_____ from among the members of the Board of Governors
A. World Bank
B. United States
C. United Kingdom
D. United Emirates
ANSWER: B

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55. The_____ is an international organization, headquartered in Washington, D.C., consisting of 190 countries.

A. Asian Development Bank
B. Federal Bank
C. World Bank
D. International Monetary Fund

ANSWER: C

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SUBJECT: BUSINESS LAW

CLASS: FYBBI

SEMESTER: II

SUBJECT TEACHER: SUNITA SIDHANI

1) Explain the sources of law.
2) Discuss the features of Indian Constitution.
3) Explain the different types of Courts.
4) Explain Law. State various classification of law.
5) What are the salient features of Constitution of India?
6) Discuss 'Right to Freedom 'as per Article 19 of the Constitution of India.
7) Discuss 'Right to Equality 'as per Article 14 of the Constitution of India.
8) What is Writ? Explain the types of Writs.
9) Write a note on Principles of Natural justice.
10) Distinguish between: Contract and Agreement
11) Define Contract. State essential elements of contract.
12) Write a note on minor's Agreement.
13) Distinguish between: Fraud and Misrepresentation.
14) What is the classification of contract as per Indian Contract Act?
15) "No Consideration No Contract" State the brief details for exception to this rule.
16) Explain the valid rules for Offer.
17) Describe the valid rules for acceptance.
18) Write a note on 'Coercion'
19) Explain the different types of Mistakes.
20) Who are Disqualified Person as per Indian Contract Act?
21) what do you mean by Wagering Agreement?
22) State any five Void Agreement as per Indian Contract Act.
23) Write a note on Quasi Contract.
24) Explain the modes of Discharge of Contract.

25) What are the remedies for Breach of Contract?

26) Distinguish between: Contract of Indemnity and Contract of Guarantee.

27) Define Contract of Agency. What are the different types of Agents?

28) Explain Contract of Bailment. Discuss the essential elements of Contract of Bailment.

29) Explain Contract of Bailment. What are the rights and duties of Bailor and Bailee?

30) Define Contract of Agency. What are the duties of Agent?

31) Explain the modes of Termination of Agency.

32) Define Contract of Sale. What are the features of Contract of Sale?

33) Who is Unpaid Seller? What are the rights of an Unpaid Seller?

34) Define Goods. State the different types of Goods.

35) Distinguish between: Sale and Agreement of Sale

36) Distinguish between: Sale and Hire Purchase Agreement.

37) Explain the element of Promissory Note.

38) Explain the essentials of Bill of Exchange.

39) Explain the features of Negotiable Instrument.

40) Explain the hallmark of Cheque.

41) Distinguish between: Bill of Exchange and Cheque.

42) Distinguish between: Promissory Note and Bill of Exchange.

43) Define Cheque. Explain the kinds of Crossing of Cheque As per Negotiable Instrument Act.

44) Explain the different types of Bills of Exchange as per NI Act.

45) Explain the Rules regarding Dishonour of Cheque.

46) State the offences and penalties under Information Technology Act.

47) Write a note on E- Governance.

48) Write a note on E- contract.

49) What is Digital signature and digital certificate?

50) Explain in brief "Certifying Authority"

SUBJECT TEACHER

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SUBJECT: BUSINESS LAW

CLASS: FYBBI

SEMESTER: II

SUBJECT TEACHER: SUNITA SIDHANI

1. __ is a system of rules and guidelines which are enforced through institution.

A. **Law**

B. Regulation

c. legislation

d. All of the Above

2.__ serves as a social mediator of relations between people.

A. **law**

B. Regulation

c. legislation

d. All of the Above

3. The adjudication of the law is generally divided into __&__ law

a. Private, Public

b. **Civil, Criminal**

c. Substantial, Procedural

d. National, International

4. Private law deals more with ___ rights and the relationships between Private ___.

a. Many, Residents

b. Single, Citizens

c. Individual, citizen

d. None of the above

5. Crime is considered as an offence against_____

a. **community**

b. Individual

c. Private party

d. All of the above

6. Constitutional law involves the study and practice of the laws and procedures of the constitutions of ___ and ___

a. **Countries, State**

b. Region, State

c. Both A & B

d. None of the Above

7. The Constitution also regulates the relationship between the two Commonwealth Houses of ____

a. Councils

b. Legislative Assembly

c. **parliament**

d. None of the Above

8. Parliament has also created special tribunals such as the Administrative Appeal Tribunal to _ and ___ administrative actions.

a. Revision, Review

b. **Review, Correct**

c. Revision, Correct

d. None of the Above

9. Industrial law has a __ & __ component.

a. National, International

b. **public, private**

c. Both A & B

d. None of the Above

10. A government looks after __ and ___ in a society.

a. Rules, Regulations

b. **Law, Order**

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Windows Printer Test Page

Congratulations!

If you can read this information, you have correctly installed your HP LaserJet Professional P1108 on siaclibrary001.

The information below describes your printer driver and port settings.

Submitted Time: 12:52:42 PM 6/15/2022
Computer name: siaclibrary001
Printer name: \\siaclibrary001\HP LaserJet Professional P1108
Printer model: HP LaserJet Professional P1108
Color support: No
Port name(s): USB001
Data format: IMF
Share name: HP LaserJet P1108 (Library)
Location:
Comment:
Driver name: hp1100sd.dll
Data file: hp1100sd.sdd
Config file: hp1100su.dll
Help file: hp1100sd.chm
Driver version: 0.03
Environment: Windows x64
Default datatype: RAW

Additional files used by this driver:
C:\Windows\system32\spool\DRIVERS\x64\3\hp1100su.ent
C:\Windows\system32\spool\DRIVERS\x64\3\hp1100su.ver
C:\Windows\system32\spool\DRIVERS\x64\3\hp1600sd.sdd
C:\Windows\system32\spool\DRIVERS\x64\3\HP1100PP.DLL (2012.0831.1.57034)
C:\Windows\system32\spool\DRIVERS\x64\3\HP1100GC.DLL (2012.0831.1.57034)

This is the end of the printer test page.

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c. Both A & B

d. None of the Above

11. Constitution is federal in nature with ____ features.
a. **Unitary**
b. Bilateral
c. Multi-lateral
D. None of the Above
12.The word Quo Warranto literally means ___
a. Have the body
b. Stay order
c. **by what warrants**
d. We command
13. Habeas corpus is a Latin term which means ____
a. **Have the body**
b. Stay order
c. by what warrants
d. We command
14. The Writ of prohibition is issued by any High Court or the Supreme Court to any ____ court.
a. Superior
b. **Inferior**
c. Both A & B
d. None of the Above
15. The normal penalty for a breach of the criminal law is a jail _____ or _____
a. Only Sentence
b. Only fine
c. No Sentence
d. **sentence, fine**
15. Writs are extraordinary legal remedies offered to _____
a. Groups
b. Citizens
c. **Individuals**
d. All of the above
16. Mandamus will not be issued against president or _____
a. **The Governor**
b. Public Official
c. Public Corporation
d. Inferior Court
17. The Writ of Certiorari can be issued by the Supreme Court or any High Court for ___ already passed by an inferior court.
a. **Quashing the order**
b. Revision of order
c. Updating the order
d. None of the above
18. _____ cannot be issued to Legislature or Government to make Laws or rules.
a. Habeas Corpus
b. **Mandamus**
c. Quo Warranto
d. Writ of Prohibition



19. An offer is
a) a suggestion by one person to another
b) **expression of willingness by a person to another to do something in order to obtain assent of the other person**
c) communication of willingness of a person to another person
d) an intention of a person to do or to abstain from doing an act
20. A proposal when accepted becomes a
a) **Promise**
b) Contract
c) Offer
d) Acceptance
21. When a proposal is accepted, it becomes
a) **promise**
b) contract
c) Legal promise
d) tentative agreement
22. A person to whom proposal is made is called
a) promisee
b) acceptor
c) **offeree**
d) promisor
23. A promise is
a) a valid offer
b) a contract
c) **an accepted offer**
d) a valid agreement
24. Consideration means
a) **doing or abstaining from doing something at the desire of the promisor**
b) doing or abstaining from doing something voluntarily
c) doing or abstaining from doing something which he promisee is already under a duty to do
d) all of the above
25. Consideration is
a) **something in return**
b) something of value
c) something invaluable
d) doing something voluntarily
26. An agreement made without consideration is
a) valid
b) voidable
c) illegal
d) **void**
27. Consideration
a) **need not be adequate**
b) need not be real
c) need not have monetary value
d) need not be certain
28. Which of the following persons do not fall under the category of persons of unsound mind?
a) **Alien**
b) Idiot

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c) Lunatics
d) Drunken persons
29. Minor's agreement is
a) **void from beginning**
b) voidable
c) void when court declares it void
d) valid
30. Consent means parties agreeing on
a) the terms of contract
b) something about a contract
c) **the something in the same sense**
d) the method of performance of contract
31. Free consent means
a) parties agreeing on the same thing in the same sense
b) parties agree to do something
c) **parties wilfully agree on the same thing in the same sense**
d) either a) or b)
32. Undue influence involves
a) use of physical pressure
b) **use of position to obtain an unfair advantage over the other**
c) none of these
d) a threat.
33. Fraud means
a) a false representation of fact made innocently with a view to deceive the other party
b) a false representation of fact made wilfully without any intention to receive the other party
c) **a false representation of fact made wilfully with a view to deceive the other party**
d) none of these.
34. When a valid tender of goods is not accepted, it is called
a) actual performance
b) **attempted performance**
c) no performance
d) discharge of contract
35. Quantum meruit means:
a) A non-graduations promise
b) **As much as is earned**
c) An implied promise
d) As much as is paid
36. A contract is discharged:
a) When all the parties perform their promises.
b) When performance of contract becomes impossible
c) When one party makes a breach of contract
d) **In all the above cases**
37. A contract is discharged by remission:
a) When a party waives all his rights under a contract
b) When a party cancels an existing contract
c) **When a party accepts lesser performance in discharge of a whole obligation**
d) When a party makes novation of a contract.
38. Anticipatory breach of a contract takes place:
a) During the performance of the contract
b) At the time when the performance is due

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c) **Before the performance is due**
d) At the time when the contract is entered into.
39. The damages which can be claimed only when the special circumstances are communicated to the promisor are called:
a) Ordinary damages
b) Exemplary damages
c) **Special damages**
d) Nominal damages
40. In contract of guarantee the person who gives guarantee is called _____
A. **Surety**
B. Principal Debtor
C. Creditor
D. None of the above
41. In contact of guarantee the person at whose place guarantee given is called _____
A. Surety
B. **Principal Debtor**
C. Creditor
D. None of the above
42. A continuing guarantee may at any time be revoked by the surety as to future transaction by giving notice to _____
A. **The creditor**
B. Principal Debtor
C. Without giving any notice to any person
D. None of the above
43. Contact for sale of goods where property would pass to buyer on payment of total price would be _____ to sell
a. Contract
b. **Agreement**
c. Both a and b
d. None of the above
44. In which form of contract property in goods passes to buyer immediately:
a. agreement to sell
b. hire purchase agreement
c. **sale**
d. none of the above
45. Person who buys or agrees to buy goods is _____
a. Seller
b. Buyer
c. Agent
d. None of the above
46. Goods which are in existence at the time of contract of sale is _____ goods
a. Contingent
b. **Existing**
c. Ascertained
d. All of the above
47. In a contract of sale subject matter of contract must always relate to _____
a. **Goods**
b. Services
c. Property
d. All of the above

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48. In contract of sale consideration for sale must be received in terms of _____
a. Kind
b. Goods
c. **Money**
d. All of the above
49. In a contract of sale goods means _____ goods.
a. **Movable**
b. Immovable
c. Both a and b
d. None of the above
50. Doctrine of Caveat emptor means _____
a Seller Beware
b **Buyer Beware**
c. No one to Beware
51. An unpaid seller is having rights against _____
a Only good
b Only buyer
c. **Both goods and buyer**
d None of the above
52. When unpaid seller has parted with goods to a career and buyer has become insolvent he can exercise right of _____ in transit
A. Lien
b Resale
c **Stoppage**
D Withhold
(53) Which of the following are negotiable instruments?
(a) Cheque
(b) Bill of Exchange
(c) Transferable Shares
(d) Only a and b
(54) The undertaking contained in a promissory note, to pay a certain sum of money is
(a) conditional
(b) unconditional
(c) may be conditional or unconditional depending upon the circumstances
(d) none of the above
55. A bill of exchange contains an
(a) unconditional undertaking
(b) unconditional order
(c) conditional undertaking
(d) conditional order
56.The person who is entitled to receive the payment in bill of exchange is called as
(a) Maker
(b) Acceptor
(c) Debtor
(d) Bank
57. In case of a cheque who is a drawee.
(a) Person who signs the cheque
(b) Bank
(C) Person in whose favour it is endorsed
(d) None of the above



58. Negotiable Instruments are in writing.
(a) True
(b) False
59) Promisee is the person who is entitled to receive the payment in case of Promissory Note.
(a) True
(b) False
60. Which of the following is not an essential of Bill of Exchange?
(a) It should be dated and Stamped
(b) It should be in writing
(c) It should be registered
(d) It should be signed by the acceptor
61. ___ cheque can be uncashed at the encounter.
a. cross cheque
b. open cheque
c. both cheques
d. none of the above
62) Holder in Due Course can file complaint for dishonor of Cheque.
(a) True
(b) False
(63) Which of the following is a kind of Bill of Exchange drawn without consideration.
(a) Ambiguous Bill
(b) Escrow
(c) Inchoate Stamped Instrument
(d) Accommodation Bill
(64) The maker of a bill of exchange or cheque is called __
A. Drawer
B. Drawee
C. Payee
D. Acceptor
(65) Negotiable instruments can always be in writing.
(a) True
(b) False
(66) A cheque is always payable on demand.
(a) True
(b) False
(67) _____ type of Negotiable instruments is always drawn on a specified banker.
A. General crossing
B. Special crossing
C. Restrictive crossing
D. Bearer cheque
68) A ____ means, a promissory note, bill of exchange or cheque, payable either to order or to bearer.
A. Negotiable instrument
B. Promissory note
C. Cheque
D. Bill of Exchange
69) A complaint for dishonour of cheque due to insufficiency of funds can be filled by the drawee or by the holder of the cheque.
(a) True

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(b) False

70. Objective of I.T. Act 2000 to give ___ protection to any transaction which is done by electronic way or use of internet.
    a. Illegal
    b. Legal
    c. General
    d. None of the above

71. Every ___ information is under the scope of IT Act 2000.
    a. physical
    b. book
    c. electronic
    d. all of the above

72. Any subscriber may authenticate an electronic record by affixing his ____ signature
    a. normal
    b. Public key
    c. Private Key
    d. Digital

73. ___ Tribunal shall be guided by the principles of natural justice
    a. Motor Vehicle
    b. Securities Appellate
    c. Consumer
    d. **Cyber Appellate**

74. _____ means a statement issued by a Certifying Authority to specify the practices that the Certifying Authority.
    a. Certification Practice Statement
    b. Statement
    c. Certificate
    d. None of the Above

75. Every such application shall be accompanied by such fee not exceeding __ rupees.
    a. 20000/-
    b. 25000/-
    c. 30000/-
    d. 15000/-

76. Every appeal shall be filed within a period of ___ days from the date on which a copy of the order made by the Controller
    a. 30
    b. 40
    c. 45
    d. 60

77. The Presiding Officer of a Cyber Appellate Tribunal shall hold office for a term of __ years from the date on which he enters upon his office or until he attains the ___ years, whichever is earlier.
    a. 5, 65
    b. 3, 65
    c. 5, 60
    d. 4, 62

78. A Cyber Appellate Tribunal shall consist of __ person.
    a. 1
    b. 2
    c. 3



d. 5

79. The Controller shall maintain a computerized data base of all __
    a. Public key
    b. Private Key
    c. Digital Signature
    d. All the above.

80. A person appointed by the original agent to act in the business of agency, but under the control of original agent, is known as:
    a. Agent
    b. Del credere agent
    c. Substituted agent
    d. Sub-agent

81. Sale of goods Act was passed in the year _____.
    a. 1930
    b. 1935
    c. **1932**
    d. 1872

82. Which of the following feature is not essential for a contract:
    a. It should be in writing only
    b. free consent of parties competent to contract
    c. lawful consideration and with a lawful object
    d. It should not be declared void expressly

83. Who among the following is not competent to contract:
    a. Person who has acquired the age of 18
    b. **Person who has acquired the age of 16**
    c. Person is of sound mind
    d. Person who is disqualified from contracting by any law

84. Which of the following is not a necessary feature for free consent:
    a. When the consent is not caused by coercion
    b. When the consent is not caused by undue influence
    c. When the consent is not caused by mistake
    d. **When the consent is not caused by misunderstanding**

85. Agreement to do an impossible act is:
    a. Voidable at the option of the promisor
    b. **Void**
    c. Valid
    d. Voidable at the option of the promise

SUBJECT TEACHER

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FYBBI

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CLASS	FYBMS / FYBBI	Subject	Foundation Course -II
SEM	II	Teacher	Dr. Shilpa Malani

SR NO	QUESTIONS	A	B	C	D
1	Elimination of the government control over economic activities is known as what?	**Liberalisation**	Privatisation	Globalisation	Information
2	When Indian market stated flooding with foreign goods, Indian goods were pushed to what ?	First position	**Second position**	Third position	Fourth position
3	In which of the following year the process of liberalization started in India ?	Early 1980s	**Early 1990s**	2000	2001
4	Which of the following companies is not Indian multinational company ?	Tata Motors	**Colgate**	Infosys	Ran-boxy
5	Which of the following services done cheaply in India and exported to develop countries ?	**Data entry**	Economic growth	Management	Marketing
6	Economic liberalization was a bold decision of which Prime Minister ?	Indira Gandhi	Rajiv Gandhi	**Narshima Rao**	Sonia Gandhi
7	What is into corporate farming ?	**Field Fresh**	Crop Fresh	Agri Fresh	Fresh Fish
8	During which of the quarter of twentieth century space of globalization picked up ?	**Fourth**	Third	Second	First
9	Which of the following industries did not suffer after globalization in India ?	**Automobile**	Plastic	Toys	Dairy products

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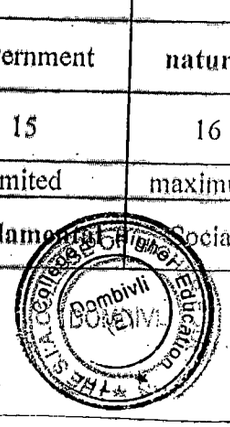
10	Who amongst the following was the finance minister at the time of decision taken by the government of India. ?	Chindambaram	**Manmohan Singh**	Pranob Mukherjee	Narendra Modi
11	After liberalization what were the changes in Indian culture ? Indian culture started becoming what ?	**Materialistic**	Non-commercial	Holistic	NGO
12	Which of the following system of information technology provides a vast quantum of latest data on various subjects ?	GIS	GPS	**WWW**	HTTP
13	What involves selling state owned assets to the private sector ?	Liberalisation	**Privatisation**	Globalisation	State selling
14	Any type of information on any topic is available within fraction of second with the help of what ?	E-Mail	Fax	**Internet**	GPS
15	By what we mean the sale of shares of public sector undertaking by the government ?	Investment	**Disinvestment**	Reinvestment	Disclosure
16	School, workplace and religious institutions are _____ agents of socialization.	Primary	Official	Economic	**Secondary**
17	The _____ stressors are also called as job-related stressors.	Individual	Group	**Organizational**	Social
18	_____ is a situation in which two or more parties feel themselves in opposition.	Stress	**Conflict**	Frustration	Prejudice
19	_____ provides moral principles and rules of good conduct to be followed by individuals in a society.	Values	Behaviour	**Ethics**	Prejudice
20	_____ implies a preconceived and unreasonable judgement or opinion, usually an unfavourable one, arising out of fear hatred or suspicion.	Values	Ethics	Stress	**Prejudice**
21	The family influences a person's _____ through mirror image of himself/ herself.	Behavi[illegible]	Attitude	Life style	**Self-Concept**

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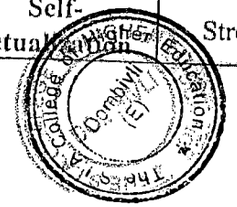
22	_____ refers to behaviour that is intended to cause harm or pain.	Conflict	Violence	**Aggression**	Prejudice
23	_____ occurs when the person does not know what he is supposed to do one the job.	Role conflict	**Role Ambiguity**	Rotating shifts	Work Underload
24	_____ is a negative judgment of a group and its individual members.	Values	**Conflict**	**Prejudices**	Ethics
25	_____ means prejudgment.	Violence	**Prejudices**	Stereotypes	Stress
26	The _____ stressors are also called as personal stressirs.	group	organisation al	xonflict	**individual**
27	_____ refets to moral norms that are essential for the well being of an individual or group	ethics	**values**	religion	prejudices
28	_____ is not a type of aggression.	hostile	**instrumental**	violence	**correlationa l**
29	When a person is bored he is experiencing _____.	**hypostress**	**hyperstress**	distress	eustress
30	Eustress is also known as _____ stress.	negative	**positive**	**neutral**	conflict
31	An increase in the amount of greenhouse gases in the earth's atmosphere, leading to entrapment of more solar radiations, thus increasing the overall temperature of the earth.	World warming	**Global warming**	World heating	Global heating
32	The reduction/destruction of the land's biological potential, finally resulting in the appearance of desert conditions.	Global warming	**Deforestatio n**	Pollution	Reforestatio n
33	Which of the following gas does not contribute to the global warming?	Methane	Carbon dioxide	Sulphur	**Acetylene**
34	The most important cause of deforestation	**Agriculture**	Forest fire	Volcanic activities	Soil erosion
35	The best way to reduce deforestation	Using more paper	Clear more area of trees to grow plant	Burning forest in order to create cultivated land	**Clear more area of plants to grow trees**

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36	The main cause of wildfire	Volcanic activity	Lightening	Pollution	**Human activity**
37	Which type of farming cause more amount of deforestation?	**Subsistence farming**	Commercial farming	Mixed farming	Dairy farming
38	Cause of climate change	Storms	Cloud burst	**CFC**	Photosynthesis
39	Ozone depletion means	**Thinning of earth's layer**	Evaporation of earth's layer	Thickening of earth's layer	Double formation of earth's layer
40	Sign of global warming	Rainfall	Humidity	**Climate Change**	Erosion
41	The non living parts of the environment	Biotic	**Abiotic**	Probiotic	Antibiotic
42	The Brundtland report is also known as-	**Our common future**	your common future	everyones common future	no ones common future
43	Rocky outer part of the Earth	**Lithosphere**	Hydrosphere	Atmosphere	Biosphere
44	Evaporation of the water through minute pores or stomata, in the leaves of plants.	**Transpiration**	Condensation	Precipitation	Infiltration
45	Caused by the release of fertilisers and sewage into water storage areas has caused aquatic environments to be artificially enriched with nutrients.	**Eutrophication**	Acid rain	Evapo-transpiration	Condensation
46	Human rights are as old as _____ civilization.	**human**	social	european	england
47	Human rights are derived from the principle of _____ law.	government	**natural**	judicial	human
48	Article _____ of the constitution abolishes the practice of untouchabilities.	15	16	**17**	18
49	Human rights have _____ application.	limited	maximum	minimum	**universal**
50	_____ rights aim at personal good of an individuals as well as that of the community.	**Fundamental**	Social	Natural	Religious



51	Article ____ of the constitution provides for social equality and equal access to public area.	14	**15**	16	17
52	The UDHR consist of a preamble and _____ articles highlighting human rights and freedoms entitled to everyone in the world.	12	15	**30**	31
53	_____ rights is a more specified and well defined manner came with the signing of Magna carta in 1215.	Social	Common	Labour	**Human**
54	_____ of the constitution abolishes the practice of untouchablilitily.	**Article 17**	Article 18	Article 19	Article 20
55	Article 21 (A) has made _____ education as a fundamental rights.	higher	**primary**	secondary	management
56	The objectives of Right to Freedom of Religion is to sustain the principle of _____.	humanism	socialism	**secularism**	regionalism
57	Abolition of _____ is provided under Article 17 of the Indian Constitution.	caste	child labour	gender inequality	**untouchabil ity**
58	_____ empowers the citizens to move a court of law in case of any denial of the fundamental rights.	**Rights to constitutional remedies**	Rights to freedom of religion	Rights against exploitation	Rights to equality
59	Article _____ guaranteed to all citizens the right to acquires, hold and dispose off property.	18	**19**	20	21
60	Article ____ provides the right of freedom of religion, which entitles all person to preach, practice and propagate any religion of their choice.	23	24	**25**	26
61	At the base of Maslow's pyramid are _____.	esteem	physical	safety	needs.
62	_____ is the oldest known stress reduction technique.	weight control	exercsise	**Yoga**	Arguments
63	Maslow's theory is related to _____.	**Self-actua**	Stress	Aggression	Developmen t



64	_____ is the term used to descirbe positive stress.	Physical stress	Psycholoigical stress	**Eustress**	Anxiety
65	Organisational stressors are also called as as _____.	Group Stressors	**Job-related Stressors**	Environmental Stressors	Individual Stressors
66	_____ stress takes place when different people have different expectations from a person performing a particular role.	**Organisational Stress**	Group stress	Individual stress	Environmental stress
67	Poor working conditions can create physiological and _____ imbalance in a person by causing stress.	**Psycholoigical**	physical	social	political
68	_____ refers to the ability of a group to remain together.	**Choesiveness**	Personality	Humanity	Kindness
69	_____ takes place due to differences in perceptions, attitudes, values and beliefs between two or more individuals or groups.	Lack of Group Cohensiveness	Lack of Social Support	**Inerpersonal and Intergroup Conflict**	Caste and Religion conflict
70	_____ arises due to disagreement over certain work related issues.	Stress	**Conflict**	Frustration	Group Stress
71	_____ takes palce when a disagreement occurs between two persons.	Intergroup Conflict	**Interperson al Conflict**	Intrapersonal Conflict	One to one Conflict
72	_____ when one group such as a department disagrees with another group.	Interpersonal Conflict	**Intergroup Conflict**	One to one Conflict	Intrapersona l Conflict
73	Which agent of socialization impact on our development?	**Education**	Mass Media	Family	Peer Group
74	Which agent of socialization is most important in most of the cultures?	Peer Groups	Religion	**Family**	Media
75	Which agent of socialization exposes us to the real world situations and people?	**family**	School	Media	Peer Groups
76	Symptoms such as moodiness, hostility, and fearfulness are signs that stress is effecting the	Body	Mind	**Emotions**	Behaviour
77	_____ method is characterized by the assumption that one side wins and everyone else loses.	**Competing**	**Withdrawing**	Accommodati ng	Collaboratin g

78	In a method of _____the stress victim is under the medical guidance.	networking	**Biofeedback**	Social Support	mindfulness
79	Maslow identified _____sets of needs.	two	three	four	five
80	Process which begins when one party perceives that the other is frustrated, or is about to get frustrated is known	Poor Management	Uncertainty	Risk	**Conflict**

Subject Teacher

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Business Communication II

UNIT 1

1. The letter calling the interviewees must be sent several _____ in advance.
   a) months b) times
   c) **days** d) papers

2. The candidate should _____ prepare himself to deal with different types of interviewers.
   a) **mentally** b) physically
   c) always d) never

3. _____ is a face-to-face verbal exchange which endeavors to discover as much information as possible in the least amount of time about some relevant matter.
   a) **interview** b) meeting
   c) seminar d) conference

4. The person who gives the interview is called as _____.
   a) interviewer b) **interviewee**
   c) boss d) subordinate

5. The person who conducts the interview is called as _____.
   a) **interviewer** b) meeting
   c) seminar d) conference

6. The _____ is one of the best method of selecting personnel for it offers the employer the opportunity to meet and talk with the applicant.
   a) **selection interview** b) exit interview
   c) understress interview d) appraisal interview

7. Rearrange the four phrases in which an interview is normally conducted
   I) Supplying information
   ii) Parting
   iii) Welcome
   iv) Acquiring information

   a) **(c,d,a,b)** b) (d,c,b,a)
   c) (a,b,c,d) d) (b,c,d,a)

8. In _____ the superior officer reviews the subordinate's performance, future work plans and personal prospects.
   a) exit interview b) **appraisal interview**
   c) selection interview d) understress interview

9. _____ helps to improve the efficiency and motivation of the employee.
   a) Exit interview b) **Appraisal interview**
   c) Selection interview d) Understress interview
10. In a/an _____ interview the applicant is put under intentional stress so that his reactions can be observed.
   a) Exit interview b) Appraisal interview
   c) Selection interview d) **Understress interview**

11. _____ is usually conducted for the post of which is managerial in nature and which involves decisions to be taken under very difficult circumstances.
   a) Exit interview b) **Understress interview**
   c) Selection interview d) Appraisal interview

12. _____ tries to establish whether the candidate is calm, tactful and capable of taking proper decisions in an emergency.
   a) Exit interview b) **Understress interview**
   c) Selection interview d) Appraisal interview

13. A _____ is conducted to hear the grudge or hard feelings of the employees of the organizations.
   a) **Exit interview** b) **Grievance interview**
   c) Appraisal interview d) Selection interview

14. _____ helps to identify the problems in the organizations.
   a) Exit interview b) **Grievance interview**
   c) Appraisal interview d) Selection interview

15. _____ is conducted when an employee leaves an organization.
   a) **Exit interview** b) Selection interview
   c) Appraisal interview d) Understress interview

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16. _____ is often held for problem solving and decision making.
a) **Group discussion** b) Symposium
c) Conference d) Committee meeting

UNIT 2

17. _____ refers to a gathering of 2 or more persons in order to discuss matters of common concern, in order to arrive at a decision or to promulgate a policy.
a) group b) **meeting**
c) conference d) committee

18. Participants should not bring up items which are not on the _____.
a) **agenda** b) minutes
c) memo d) letter

19. A _____ brings together people with knowledge and experience for discussions which could be beneficial in developing new ideas and solutions to certain problems.
a) groups b) **meetings**
c) group discussion d) panel interview

20. The first step in organizing a meeting is to _____.
a) decide the venue b) **determine the purpose**
c) inform the members d) draft a notice

21. _____ plays the role of a leader in the meeting.
a) Boss b) **Chairperson**
c) Secretary d) Legal expert

22. _____ refers to a written intimation of the date, time, place and the business to be transacted at the meeting.
a) **Notice** b) Report
c) Circular d) Pamphlets

23. The _____ is sent by the secretary of the association or company.
a) **notice** b) report
c) circular d) pamphlet

24. _____ refers to a lost of items to be discussed at a meeting.
a) **Agenda** b) Resolution
c) Decision d) Notice

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25. _____ refers to a firm decision or opinion formally expressed by a group of people. Unanimously or by a simple majority.
a) Agenda
b) Circular
c) Notice
d) **Resolution**

26. A question on which vote is to be taken is called a _____.
a) resolution
b) **motion**
c) decision
d) agenda

UNIT 3

27. _____ is more or less a formal body with a definite structure.
a) Group
b) Meeting
c) Conference
d) **Committee**

28. _____ refers to a meeting for discussion or an exchange of views.
a) Group
b) Meeting
c) **Conference**
d) Committee

29. _____ committee is a formal committee.
a) Ad hoc
b) **Advisory**
c) Informal
d) Temprary

30. In _____ committee, the members are normally the member of the organization itself.
a) Advisory
b) **Executive**
c) Ad hoc
d) Standing

31. A _____ committee is empowered to take management decisions.
a) **Standing**
b) Advisory
c) Executive
d) Ad hoc

UNIT 4

32. _____ is a 2 way communication process in which information is given to the public and the opinion and ideas of the public are obtained.
a) **Public relations**
b) Group communication
c) Meeting
c) Conference

33. The main objective of _____ is to reach the mind of the outside public and establish mutual understanding.
a) **public relations**
b) group communication
c) conference
d) meeting

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34. A _____ is called where journalists are invited and ask questions which are replied to by a spokesperson on behalf of the organization.
a) **press conference** b) meeting
c) seminar d) symposium

35. Today _____ are becoming more social capital investors because they are taking a key role in growing the organizations internal and external relationships.
a) computers b) **employees**
c) shares d) debentures

36. _____ is a powerful means of communication within an organization.
a) Press release b) Television
c) Radio d) **House Organ / Journal**

37. _____ are an inevitable source of upward communication are known to have helped management to improve efficiency.
a) **Employees opinion surveys** b) Press conference
c) Fairs d) Exhibition

38. _____ provides a personal touch which is very valuable for building goodwill.
a) **Open house** b) Press conference
c) Fairs d) Exhibition

39. _____ not only keeps the executives of the organization in touch with outside public opinion but also provides the requisite scientific data and material for making policy decisions.
a) Press conference b) Publications
c) House Organ d) **Press clipping service**

40. Finding out facts about the organization you work for and preparing _____ is the basic tool of the successful public relations man.
a) **fact sheets** b) questionnaire
c) survey d) bulletins

41. _____ is used to announce messages without disturbing the workers from their place of work.
a) **Public address system** b) Radio
c) TV d) House organ

42. _____ is a very important function of PR.
a) Conflict Management b) **Crisis Management**
c) Stress Management d) Time Management

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43. _____ is used to solve the personal problems of the employees which might be affecting their work and efficiency.
a) Advice
b) **Counselling**
c) Persuasion
d) Suggestion

44. _____ can reduce tensions and frustrations and set practical and attainable goals before workers.
a) Advice
b) **Counselling**
c) Suggestion
d) Persuasion

UNIT 5

45. It becomes necessary to write a letter of complaint if the _____ is defective.
a) payment
b) **packing**
c) carriage
d) letter

46. The purpose of writing a letter of complaint is not to start a _____
a) deal
b) **quarrel**
c) consignment
d) contract

47. There is nothing to be gained by using _____ language.
a) formal
b) **insulting**
c) technical
d) polite

48. If a strong appeal is made, the _____ is likely to grant even more than what the writer has demanded.
a) **buyer**
b) adjuster
c) judge
d) purchaser

49. The writer should express his _____ for making a complaint.
a) joy
b) **regret**
c) condolence
d) happiness

50. Justice delayed is justice _____
a) **denied**
b) delivered
c) refused
d) granted

51. The customer is always _____
a) **right**
b) wrong
c) a cheater
d) biased

52. Fair claim, fair _____
a) **demand**
b) complaint
c) adjustment
d) blame

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53. In complaint letter, avoid a detailed explanation of _____
a) error b) use
c) transport d) price

54. _____ language that will cast a doubt on the honesty or integrity of the writer.
a) Use b) **Avoid**
c) Confuse d) Employ

55. When the complaint is genuine, it deserves a full & frank _____
a) excuse b) **apology**
c) story d) explanation

56. The claim can be met by supplying _____
a) new goods b) old goods
c) information d) **Substitute**

57. _____ are kind of open letters designed to be handed out to people either by hand or by post.
a) **Leaflets** b) memos
c) reports d) proposals

58. A _____ is also called as a circular, handbill or leaflet.
a) **Flyer** b) Memo
c) Report d) Proposal

59. On receiving a complaint, the _____ sends a copy to the opposite party.
a) judge b) **forum**
c) magistrate d) police

60. Complaints to the forum must be in _____
a) **writing** b) private
c) secrecy d) person

61. The consumer court is expected to resolve the matter within _____ days.
a) 120 b) 60
c) **90** d) 30

Unit 6

62. _____ reports strive to be more accurate & correct.
a) Oral b) **Written**
c) Presentation d) Informal

63. Usually an Auditor's report is a _____report.
a) non-statutory b) **statutory**
c) first information d) investigative

64. _____ report deals with promotion of employees.
a) Project b) **Performance**
c) Inspection d) FIR

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65. _____ spells out the aspects to be covered by the report.
a) **Terms of reference** b) Procedure
c) Conclusion d) Recommendation

66. _____ are based on the findings of the report.
a) Terms of reference b) Procedure
c) Conclusion d) **Recommendation**

67. _____ proposals are also known as business proposals.
a) Research b) **Sales**
c) Technical d) Unsolicited

68. _____ is the most important part of a proposal.
a) **Executive summary** b) Letter of conveyance
c) Letter of attachment d) Letter of carrier

LETTER WRITING

69. In the business world things do go _____.
a) **wrong** b) right
c) straight d) casual

73 It becomes necessary to write a letter of complaint if the _____ is defective.
a) payment b) **packing**
c) carriage d) letter

74) The purpose of writing a letter of complaint is not to start a _____.
a) deal b) consignment
c) **quarrel** d) contact

75) There is nothing to be gained by using _____ language
a) formal b) **insulting**
c) technical d) polite

76) The writer should express _____ for making the complaint.
a) joy b) **regret**
c) condolence d) happiness

77) Justice delayed is justice _____.
a) **denied** b) refused
c) delivered d) granted

78) The customer is always _____.
a) wrong b) right
c) cheater d) biased

79) _____ language that will cast a doubt on the honesty and integrity of the complaint.
a) Use b) Confuse
c) **Avoid** d) Employ

80) In complain letter avoid a detailed explanation of the _____.
a) **error** b) transport
c) use d) price

81) Where the complaint is genuine, the complaint deserves nothing less than a full and frank _____.
a) excuse b) **apology**
c) story d) history

82) The complaint can be met by supplying _____.
a) new goods b) old goods
c) information c) **substitute**

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83) _____ are kind of paper advertisment intended for wide distribution.

a) **Flyer** b) Memo

c) Report d) Proposal

84) _____ can be used to advertise an event such as music concert, festival or political raly.

a) **Flyer** b) Memo

c) Report d) Proposal

85) _____ report strives to be more accurate and written.

a) Oral b) Written

c) Presentation d) Informal

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Name of the Faculty-Mahesh Kandalkar
Class-F.Y.B&I
Subject-Financial Accounting II Sem-II

1. **Which of the following methods are used for the valuation of goodwill?**
   a. Super profit method
   b. Weighted profit method
   c. Average profit method
   d. All of the above
2. **What is the primary purpose for the valuation of shares?**
   a. To advance a loan against the security of shares
   b. For purchase of shares by employees where they can retain these shares till the period of their employment
   c. To purchase a block of shares to acquire control in the company
   d. All of the above
3. **Which of the following factors is not affecting the goodwill of a company?**
   a. The location of a company's customers
   b. The nature of business
   c. The efficiency of a company's management
   d. None of the above
4. **The formula for calculating goodwill under the simple average profit method is _____.**
   a. Goodwill = Super profit * Annuity factor
   b. Goodwill = Super profit * No. of years purchase
   c. Goodwill = Average profit * No. of years purchase
   d. Goodwill = Weighted average profit * No. of years purchase
5. **The weighted average method for calculating goodwill should be followed only when _____.**
   a. The profits have a decreasing trend
   b. The profits are uneven
   c. The profits have an increasing trend
   d. None of the above
6. **The net asset value method for the valuation of shares is based on the assumption that _____.**
   a. The company is going to be liquidated
   b. The company is a going concern
   c. Both a and b are incorrect
   d. Both a and b are correct
7. **The value of a partly paid equity share is equal to _____.**
   a. The value of a fully paid-up share minus the calls unpaid per share
   b. The value of a fully paid-up share divided by the face value of a share

c. The value of a fully paid-up share
d. None of the above

8. **_____ is the main reason why the intrinsic value of a share is lesser than its market value.**
   a. The market is undervaluing the share
   b. The market is overvaluing the share
   c. The share has a low level of risk
   d. The share offers a high dividend payout ratio
9. **The market-based methods for the valuation of a share should not be adopted if _____.**
   a. The assets of a business are lesser than its liabilities
   b. The company is too small
   c. It becomes difficult to estimate the realisable value of a going concern
   d. There are massive fluctuations in its market price
10. **The market value method for the valuation of a share is preferred _____.**
    a. When the shares are not listed
    b. When there is a valuation for a division within the company
    c. When the shares of a company are frequently traded in a stock exchange that has nationwide trading
    d. None of the above
11. **The amount that is treated as goodwill by a firm is paid for obtaining _____.**
    a. Present benefit
    b. Future benefit
    c. Both a and b
    d. None of the above
12. **The formula for valuation of equity shares is _____ multiplied by the price-earnings ratio.**
    a. Interest per share
    b. Bonus per share
    c. Earnings per share
    d. None of the above
13. **The shares appear at _____ in the balance sheet of a company.**
    a. Paid-up value
    b. Market price
    c. Adjusted market value
    d. None of the above
14. **Which of the following is not essential to calculate the yield value per share?**
    a. Super profit
    b. Paid-up value
    c. Normal return rate
    d. Expected return rate
15. **For any organisation, goodwill is _____.**
    a. A valuable asset
    b. A non-current asset
    c. An intangible asset
    d. All of the above

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16. Capital Redemption Reserve Account may be applied to issue
    (A) Right shares
    (B) Bonus debentures
    (C) Bonus to employees of the company
    (D) Bonus shares
17. The balance in capital redemption reserve is available for
    (A) Issue of fully paid-up bonus shares
    (B) Redemption of preference shares
    (C) Redemption of debentures
    (D) All of the above
18. A preference share is one that enjoys a:
    (A) Preferential right regarding payment of dividend
    (B) Preferential right regarding allotment of shares
    (C) Preferential right regarding payment of dividend and return of capital
    (D) Preferential right regarding the return of capital
19. Which of the following can be utilized in the redemption of preference share capital account?
    1. Profits available for dividend
    2. Capital Reserve
    3. Dividend Equalization Fund
    4. Development Rebate Reserve
    5. Profit Prior to Incorporation
    Select the correct answer from the options given below
    (A) 1,3 and 5 only
    (B) 2 and 4 only
    (C) 1 and 3 only
    (D) 1, 2, 3, and 5 only
20. To whom the bonus shares or rights shares can be issued?
    (A) Equity shareholders
    (B) Preference shareholders
    (C) Both (A) and (B)
    (D) Neither (A) nor (B)
21. Preference shares are entitled to a
    (A) Variable rate of dividend.
    (B) Fixed rate of dividend.
    (C) Both (A) and (B)
    (D) Neither (A) nor (B)
22. Redeemable Preference shares can be redeemed out of _____
    (A) The sale proceeds of Investments
    (B) The proceeds of a fresh issue of shares
    (C) Share premium
    (D) The proceeds of the issue of debentures
23. Which of the following is the correct journal entry for the 'Amount due to preference shares on redemption'?

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(A)	Preference Shareholders A/c	Dr.
	To Preference Share Capital A/c	
(B)	Preference Shareholders A/c	Dr.
	To Preference Share Capital A/c	
	To Premium on Redemption A/c	

(C)	Preference Share Capital A/c	Dr.
	Premium on Redemption A/c	
	To Preference Shareholders A/c	
(D)	Preference Shareholders A/c	Dr.
	To Bank A/c	

24 Loss on issue of debentures is recorded as :

(i) Intangible Asset
(ii) Current Asset
(iii) Current Liability
(iv) **Miscellaneous Expenditure**

25 The balance of 'Sinking Fund Account' after the redemption of debentures is transferred to :

(i) Profit & Loss Account
(ii) Profit & Loss Appropriation Account
(iii) **General Reserve Account**
(iv) Sinking Fund Account

26 Debentures may be issued at _.

(i) par
(ii) premium
(iii) Discount
(iv) **All of these.**

27 Debentures can be redeemed out of:

(i) Profit
(ii) Capital
(iii) Provision
(iv) **All of the above**

28 The provisions of Companies Act 2013 with respect to redemption to debentures are to protect the interest of

(i) debenture holders
(ii) creditors

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(iii) shareholders
(iv) Banks

29 Debentures cannot be redeemed at:

(i) Par
(ii) Premium
(iii) Discount
(iv) More than 10% premium

30 Sources of finance of the redemption of debentures are:

(i) Redemption out of profits
(ii) Redemption out of capital
(iii) The proceeds from fresh issue of shares/debentures
(iv) **All the above**

31 A company issued 1,000, 12% debentures of ₹ 100 each at 10% premium. 12% stand for:

(i) Rate of dividend
(ii) Rate of Tax
(iii) **Rate of interest**
(iv) None of these

32 Loss on Issue of Debenture Account is shown:

(i) **On Assets side of Balance Sheet**
(ii) On Liabilities side of Balance Sheet
(iii) On Credit side of P & L Account
(iv) None of these

33 When debentures are issued then __ account is opened.

(i) capital
(ii) **debenture**
(iii) loan
(iv) All of these.

34 Provisions relating to buying back securities are contained in the Companies Act. 2013.
(A) Section 77
(B) Section 77A
(C) **Section 68**
(D) Section 63

35
A company may purchase its own shares or other specified securities out of
A. Free reserves
B. Securities premium account
C. Proceeds of issue of any shares
D. Proceeds of issue of specified securities.

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Select the correct answer from the options given below.
(A) A and C only
(B) A, B, and C only
(C) A, C, and D only
(D) **A or B or C or D**

36.
Section 68 of the Companies Act, 2013 provides that no buy-back of any kind of shares or other specified securities shall be made out of the
(A) Securities premium balance as it stood before buy-back.
(B) Proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.
(C) General reserve in excess of 15% balance as per latest audited balance sheet.
(D) Proceeds of issue of specified securities.

37.
Provisions of Section 68 relating to buy-back of shares are applicable to –
(A) Private companies
(B) Public companies
(C) Listed companies
(D) **All of the above**

38.
No company shall purchase its own shares or other specified securities unless buy-back is authorized by its –
(A) Memorandum of Association
(B) Registrar of Companies
(C) Shareholders agreement
(D) **Article of Association**.

39
The maximum permissible buy-back under the Companies Act, 2013 is
(A) 10% of paid-up capital with Board resolution.
(B) 25% of paid-up capital with Board resolution.
(C) **25% of the aggregate of paid-up capital and free reserves of the company with a special resolution of shareholders.**
(D) 25% of the aggregate of paid-up capital and free reserves of the company with an ordinary resolution of shareholders.

Answer:

40.
Which of the following is the correct journal entry for the 'Amount due on buyback of shares?

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(A)	Equity Shareholders A/c	Dr.
	To Equity Share Capital A/c	
(B)	Equity Shareholders A/c	Dr.
	To Equity Share Capital A/c	
	To Reserves/Securities Premium A/c	
(C)	Equity Share Capital A/c	Dr.
	Reserves/Securities Premium A/c	Dr.
	To Equity Shareholders A/c	
(D)	Equity Shareholders A/c	Dr.
	To Bank A/c	

Answer:
(C)

41
For buy-back up to of the company. Board resolution is sufficient.
(A) 10% of paid-up capital
(B) 10% of free reserves
(C) 10% of paid-up capital or free reserves
(D) **10% of paid-up capital and free reserve**

42
Buy-back of equity shares in any financial year should not exceed –
(A) 10% of net worth
(B) 25% of the aggregate of paid-up capital and free reserves of the company
(C) **25% of the paid-up equity capital**
(D) 25% of the aggregate of paid-up equity capital and preference capital

43
As per Section 68 of the Companies Act, 2013, the post-buy-back debt-equity ratio should not exceed –
(A) 1
(B) 1.5
(C) 2
(D) 3

44
Companies are allowed to buy back shares which are:
(A) Partly paid-up
(B) **Fully paid-up**
(C) Partly paid-up or fully paid-up at the option of the company
(D) Fully paid-up and partly paid-up with the permission of Central Government

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45 Which of the following method of buy-back is allowed under the Companies Act, 2013?
(I) Buy-back by way of purchasing the securities issued to employees of the company pursuant to a scheme of stock option.
(II) Buy-back by way of purchasing the securities issued to employees of the company pursuant to a scheme of sweat equity.
Select the correct answer from the options given below:
(A) (I) only
(B) (II) only
(C) Both (I) and (II)
(D) Neither (I) nor (II)

46 Which of the following is allowed within the next 6 months after the buyback of share?
(A) Bonus issue
(B) Conversion of warrants
(C) Stock option schemes
(D) **All of the above**

Subject Teacher Principal

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Name of the Faculty- Mahesh Kandalkar

Class-F.Y.B&I

Subject-Financial Accounting II

Subjective Questions

1 Define Goodwill. Explain the need for goodwill valuation

2 Explain the methods of goodwill valuation

3 Explain the need for Share valuation

4 Explain the methods of share valuation

5 Explain difference between Buyback of shares and redemption of shares

6 Explain different types of Debentures

7 Distinguish between divisible & non divisible profit

8 Explain the basic conditions of calculating buyback of shares if offer price is given

9 Explain different types of Preference shares

10 Explain sources of redemption of Preference shares

11 Explain the circumstances under which Goodwill is valued

12 What are the elements of Goodwill?

13 Explain the types of goodwill

14 What is FMP ? What points should be considered in determination of FMP ?

15 What are the occasions of valuation of shares ?

16 What points should be remembered in valuation of shares?

17 Define Buy back. Explain sources of Buy back

18 Explain the modes of Buy back

19 What are the provisions of companies Act, 2013 about redemption of preference shares ?

20 Explain the divisible profit

21 What is capital redemption reserve? How is it created?

22 What is the procedure of deciding minimum amount of fresh issue?

23 Distinguish between over –Subscription and under –subscription

24 Distinguish between Calls in arrears & Calls in Advance

25 Explain forfeiture of shares and reissue of forfeiture of shares.

26 What do you mean by redemption of Debentures? Explain methods of redemption of Debentures.

27 What are the provisions of law about redemption out of profit?

28 What is the process of redemption of debentures by sinking fund method.

29 The Balance sheet of SRK Ltd as on 31st March,2017 is as follows

Liabilities	Amount	Assets	Amount
10,000 shares of Rs 10 each fully paid	1,00,000	Land & Building	1,20,000
Profit & Loss A/c	50,000	Plant & Machinery	80,000
Debentures	50,000	Furniture & fittings	15,000
Trade creditors	25,000	Stock	20,000
Provision for taxation	5,000	Book debts	10,000
Proposed dividend	20,000	Cash and bank	5,000
	2,50,000		**2,50,000**

The net profits of the company after charging depreciation and taxes for the year ending 31st March were as follows

2013:47,000, 2014:49,000, 2015-50,000 , 2016-52,000 and 2017-59,000

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On 31st march assets were revalued as under:

Land & Building –Rs 1,80,000 Plant & Machinery –Rs 1,10,000 ,

Furniture & fittings-10,000 ,12% return on investment can be considered fair for the business. You are required to find value of goodwill by

1) Five years purchase of super profit method

2) Capitalisation of Super profit method

30 A Company issued Rs 1,80,000, 10% redeemable preference shares at par on 1st January,2013.redeemable at the option of the company on or after 31st December,2014 in whole or part .The following redemptions were made out of profits: on 30th June,2015 :Rs 60,000, on 30th June,2016 Rs 40,000 .on 1st December 2016 ,the company issued Equity shares of the Face value Rs 60,000 at a premium of 2% and on 31st December 2016 , It redeemed balance of the preference shares. Pass the necessary Journal entries to record the above transactions.

31 Suvarna Ltd. Has 6,000 ,8% of debentures of Rs 100 each due for redemption in four equal annual instalments starting from March,31st ,2013 Debenture redemption reserve has a balance of Rs 70,000 on that date. Record necessary journal entries .The company complied with the requirements with respect to investment made in government securities on 30th April,2012.

32 The summary Balance sheet of K Ltd. As on 31st march, 2012 is as follows.

Liabilities	Rs	Assets	Rs
Equity shares of Rs 10 each	3,00,000	Net block of fixed assets	8,00,000
Preference shares of Rs 100 each	1,00,000	Long term investments	1,00,000
Security premium A/c	1,50,000	Bank	7,50,000
General reserve	1,00,000		
Profit & Loss A/c	1,00,000		
Debentures	8,00,000		
Trade payables	1,00,000		
	16,50,000		16,50,000

Keeping in view all the legal requirements ,ascertain the maximum no of equity shares that K Ltd can buy back @ Rs 30 per share.



Subject teacher



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Sub: Business Communication II

Question Bank (Descriptive Questions)

Part 1

1. How does an interviewer prepare for the interview process?
2. Explain the various types of interviewers.
3. Describe the process of job or selection interview.
4. How a candidate should prepare for an interview?
5. What are the various types of interview questions?
6. Describe the various types of interviews.
7. Write a note on group discussion.
8. Define meetings. Explain the advantages and limitations of meeting.
9. Discuss the role of chairperson and the participants in the meeting.
10. Describe the various techniques used by the chairperson to manage group dynamics in a meeting.
11. Describe the various types of secretaries.
12. Explain the functions of : i. Private secretary ii. Company secretary.
13. Draft a notice of an Annual General Meeting of a company. (Also include the agenda).
14. Define conference. What are the merits and demerits of a conference?
15. What are the various types of conferences?
16. Write notes on: a. Teleconferencing b. Webinar
17. Define Public Relations. Explain the need and purpose of public relations.
18. Describe the various 'Publics' of Public Relations.
19. Explain the functions of Public Relations Department.
20. Describe briefly the measures of external PR.
21. Explain in brief the measures of internal PR.
22. Write a note on Press Release.
23. Write a note on crisis management.
24. Write a note on AIDA Model.
25. Explain in brief the Right to Information Act, 2005.
26. What are the various types of reports?

Part 2

1. Write a letter of inquiry to Atlas cycles enquiring about their latest brands of Himalaya and Andes cycles.
2. Your organization – The S.I.A. College of Higher Education requires 50 computers. Write a letter to inquiry to a computer distributor in your city for the same. [Use full block layout]
3. Reliable Enterprises wants to install 2 coffee machines in their office premises. Write a letter of inquiry to Gada Electronics inquiring about the features, various models and prices. [Use Modified block layout]
4. You are a cycle manufacturer based in New Delhi. You have received a letter of inquiry for purchase of cycles. Write a letter of reply for the same.
5. Write replies to the above letters of enquiry – refer question nos . 02, 03 & 04.
6. You are a trader dealing in plastic ware. In a recent consignment that you received, several sets of plasticware were damaged or broken. Write a letter to the trader explaining about the problem you faced due to receipt of damaged goods.
7. (Write a letter of reply to the above complaint letter.) A customer has sent a complaint letter to you about the receipt of consignment that contained several damaged plastic ware. Write a letter explaining to the customer the reasons for the damage.
8. You are a trader dealing in sandlewood caskets. In the recent order that you received from the wholesaler, there has been a shortage of sandalwood casket in terms of quantity. Write a letter informing the wholesaler about this issue.
9. You are a Sandalwood wholesaler based in Mysore. One of your old customers has written a letter to you complaining about the shortage of the sandalwood caskets in the latest delivery. Write a letter of reply addressing the issue.
10. You are a trader dealing in furniture, fixtures and polishings. You had received a contract from a local branch of a co-operative bank for doing finishing and polishing work. Yesterday you had received a letter from the bank complaining about the poor quality of workmanship. Write a letter replying to this complaint from the bank.
11. Write a letter of complaint to a supplier about the poor quality of stationery items received.
12. Write a letter of complaint about poor customer service that you faced in the City branch of ABC Bank. You had visited the branch regarding non receipt of pass book.

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13. You had ordered 5 cases of glassware from Crystal stores, Mumbai. When you received the cases, much of the glassware were in damaged condition because of poor packaging. Draft a letter of complaint and ask for replacement of the damaged goods. Use Full Block Format

14. Mehfuz Pvt. Ltd, Raigad, has complained to you that they have received your last consignment in a badly damaged condition on account of loose packing. On behalf of Ravi Crockery Works Ltd, Virar West, Mumbai, write a reply suitably adjusting their claim. Use the Modified Block layout.

15. Write a sales letter to a prospective customer describing Summer travel packages to hill stations.

16. Write a Sales letter describing the benefits of your company's lates herbal shampoo product.

17. Draft a Sales Letter to promote a 'Vedic Maths and Abacus Center'. Use the semi Block layout.

18. Draft a Sales Letter to promote SIA College of Management and Technology offering MBA courses. Use the Full Block Layout.

19. Draft a Sales Letter to promote the sales of a Treadmill. Use the Full Block layout.

20. 1. Mr. A.K. Sundaram had purchased an acre of Mango Plantation land in Roha, Ratnagiri from Messers Patil and Ghatge. The sellers (Messers Patil and Ghatge) were supposed to plant mango saplings and take care of them. However, Mr. Sundaram has not received the possession of the land till now. Further no mango saplings have been planted in the area shown to him earlier. Write a letter to the Consumer Redressal Forum on behalf of Mr. Sundaram.

21. You had purchased a new wristwatch from Just in Time retailers. However, it was defective and stopped working the next day itself. The retailer has failed to offer a refund or replace it. Further he has claimed Rs. 5000 for repairs despite the warranty. Write a letter to the Consumer Grievance Forum about this issue.

22. Write a letter to the District Consumer Redressal Forum about an order of Rs, 350,000 that you had placed with New Wave Furniture, Andheri. The work has been going at a very slow speed and has still not been delivered even after 2 months. You have cancelled the order due to the delay but have still not received the refund.

23. Draft a letter to the president, District Consumer Forum, Sudarshan Building, Gokhale Road, Dadar, Mumbai complaining about a defective washing machine sold to you by Dynamic Electronics, Charni Road, Mumbai. Use the Full Block layout.

24. Amrit Lal had paid his post paid mobile bill in time, yet his service was disconnected on charges of non-payment. This has happened for the third consecutive month. Draft

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a letter to the consumer forum seeking compensation on his behalf. Also ask for immediate restoration of service.

25. Draft a letter addressed to the president, District Consumer Redressal Forum, Sudarshan Building, Gokhale Road, Dadar, Mumbai complaining about faulty electronic bill that was sent to you by MSEB. Use the Full Block Layout.

26. Write a RTI letter to the Public Information Officer regarding encroachment of public space meant for a Park in your city by hutment dwellers.

27. RTI application of Neelam Devi. You had applied for a Ration Card two months back but have still not received it. Draft a RTI letter to the Public Information Officer enquiring about the delay and reasons for the same.

28. You have not received your passport for the past 3 months in spite of having fulfilled all formalities. Draft a letter under the RTI act addressed to the passport officer, Passport Seva Kendra, Marol, Andheri (East), Mumbai inquiring about the reason for the delay.

29. Write an investigation report on behalf of the committee appointed to find out the causes for decline in business for 2015-16 in India Bank Ltd.

30. There has been a fire in one of the bank branches. Write a first information report on the incident.

31. An investigation committee was appointed to find out the the causes of poor employee morale and satisfaction in our factory in Badlapur. Write a report on behalf of the committee.

32. Write a report with recommendations about the unhygienic conditions in the canteen of Perfect Enterprises , Chembur, India.

Subject teacher **Convenor**



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Class: FYBBI

Subject: Foundation Course-II

Sem -II

Subject Teacher: Dr. Shilpa Malani

Subjective Questions

1. Concept of Liberalization
2. Concept of Privatization
3. Concept of Globalization
4. Impact of Globalization on Industry
5. Impact of Globalization on Employment
6. Causes of Migration
7. Effects of Migration
8. Globalization and Changes in Agrarian Sector
9. Growth of Corporate Farming
10. Increase in Farmers' Suicides
11. Growth of I'T and Communication

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12. Impact of IT and Communication

13. Explain the concept of human rights. Elaborate its origin and evolution.

14. Explain in detail, the Universal Declaration of Human Rights.

15. What are fundamental rights? Explain its significance.

16. Write short notes on:

a. Right to Equality
b. Right to Freedoms
c. Right against Exploitation
d. Right to freedom of Religion
e. Right to Cultural and Educational Rights
f. Right to Constitutional Remedies

17. Explain the concepts of environment and ecology and their interconnections.

18. Discuss the importance of environmental studies in the current developmental context.

19. Elaborate on "Environment as natural capital and connection to quality of of human life".

20. Explain the causes of environmental degradation.

21. Explain the impact of environmental degradation on human life.

22. Explain the concept of sustainable development and bring out the

in the components of sustainable development.

23. Explain the meaning and causes of stress.

24. Discuss the meaning and causes of conflict.

25. What are the agents of socialization?

26. Explain the significance of value in individual development

27. What is the significance of ethics in individual development?

28. Elaborate the significance of prejudice in individual development

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29. What are the causes of aggression and violence? What are the measures of resolving aggression and Violence in the society?

30. Explain how the agents of socialization play an important role in shaping the personality of an individual.

31. Write short note on:

(a) Stereotypes and prejudice as causes of conflict

(b) Causes of aggression

(c)Significance of ethics in individual development

32. What are strategies for coping with conflicts.
33. What are the several approaches to minimize stress?
34. Explain different methods of coping with stress?
35. Elaborate on Maslow's Theory of self-actualization.
36. Write short note on:

a. Types of conflict
b. Maslow's Theory of Self-actualization
c. Methods of coping with stress
d. Methods of responding to conflicts
e. Strategies for coping with conflicts

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Subject Teacher

Convenor

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Question Bank

Subject: Organizational Behaviour

Class: FYBI

Semester: 2

Faculty: Mrs. Renu Vijay Verma

Multiple Choice question

1. Organizational Behaviour is_____
a) A science
b) An art
c) A science as well as an art
d) None of the above
Answer: A science as well as an art

2. A study of the culture and practises in different societies is called _____
a) Personality
b) Anthropology
c) Perception
d) Attitudes
Answer: Anthropology

3. Forces affecting organisational behaviour are _____
a) People
b) Environment
c) Technology
d) All of the above

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Answer: :All of the above

4. Scope of Organizational Behaviour does not include _____
a. Leadership
b. Perception
c. Job Design
d. Technology
Answer: Technology

5. In present context, challenges for Organizational Behaviour are _____
a) Employee expectation
b) Workforce diversity
c) Globalization
d) All of the above
Answer: All of the above

6. Organizational behaviour focuses at 3 Levels-
a. Individuals, Organisation, Society
b. Society, Organisation, Nation
c. Employee, Employer, Management
d. Individual, Groups, Organisation.
Answer: Individual, Groups, Organisation.

7.Organisational Behaviour is the study of _____ in the organisation
A. Human
B. Employer
C. Human Behaviour
D. Employees
Answer: Human Behaviour

8.OB Helps to understand behaviour of human in _____.
a) work place and Society
b) work place only
c) Society only
d) Department only
Answer: work place only

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9._____ is a Study of individual Behaviour

a) Anthropology
b) Psychology
c) political science
d) sociology
Answer: Psychology

10.The purpose of job enrichment is to _____

a. expands the number of tasks an individual can do
b. increase job efficiency
c. increase job effectiveness
d. increase job satisfaction of middle management
Answer: increase job efficiency

11._____ is the process of stimulating people to actions to accomplish the goals.

a) Bonus
b) Motivation
c) Performance-based Incentive
d) Promotion
Answer: Motivation

12. _____ is the force of action or motivation.

a) Behaviour
b) Stimulus
c) Perception
d) Attitude
Answer: Stimulus

13. **Motivation includes** _____

a) job enrichment
b) Job rotation
c) Job enlargement
d) all of the above
Answer: all of the above

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14. **According to Herzberg, which of the following is a maintenance factor?**
a. Salary
b. Work itself
c. Responsibility
d. Recognition
Answer: Recognition

15. **In _____the needs are arranged in an order as per their importance (basic to complex)**
a) Maslow need Theory
b) Herzberg theory
c) Satisfaction theory
d) Mayo theory
Answer: Maslow need Theory

16.Responsibility, Advancement etc are an example of
a) Motivators
b) hygiene factors
c) improvement factors
d) advance factors
Answer: Hygiene Factors

17. _____need improves the confidence level of an employee when satisfied.
a) Social
b) Safety
c) Basic
d) Esteem
Answer: Esteem

18.Which of the following is not a part of hygiene factor of two factor theory
a) Company policy
b) Administration
c) responsibilities
d) Interpersonal Relations
Answer: responsibilities

19. The techniques like questionnaires, interviews, etc., are used in which of these stages are related to change management?
a. Recruitment
b. Training

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c. Diagnosis
d. All of the above
Answer: (c) Diagnosis

20. Which of these types of persons would have an ideology and a cause to fight and achieve their set goal?
a. Self-disciplined
b. Self-driven
c. Self-confident
d. Self-actualised
Answer: (d) Self-actualised

21. Which of these is caused when there is less than optimum activity?
a. Hypo stress
b. Distress
c. Eustress
d. None of the above
Answer: (a) Hypo stress

22. Which of these processes influences the process of personality development?
a. Identification and Socialisation process
b. Socialisation process
c. Identification process
d. None of the above
Answer: (a) Identification and Socialisation process

23. Which of these is/are the reason(s) behind individual resistance?
a. Social reasons
b. Personal reasons
c. Economic reasons
d. All of the above
Answer: (d) All of the above

24. The science of studying human behaviour is:
a. Sociology
b. Psychology
c. Philosophy
d. None of the above
Answer: (b) Psychology

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25. A person who has an intelligence that is lower than normal is less bored by which of these types of work?
a. Continuous
b. Daily
c. Repetitive
d. All of the above
Answer: (c) Repetitive

26. What is caused as a result of our modern life and to cope with the anxiety due to it?
a. Distress
b. Eustress
c. Depression
d. None of the above
Answer: (a) Distress

27. Which of these would fall under the desire to control others?
a. Primary motive
b. Power motive
c. Affiliation motive
d. Achievement motive
Answer: (b) Power motive

28. The concept of avoidance of pain falls under which of these?
a. Primary motive
b. Achievement motive
c. Power motive
d. Affiliation motive
Answer: (a) Primary motive

29. Ego controls the:
a. Instincts that will be satisfied
b. Selection of the feature of the environment
c. Gateway of actions
d. All of the above
Answer: (d) All of the above

30. The desire of a human to be accepted by other fellows falls under which of these?
a. Achievement motive

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b. Power motive
c. Affiliation motive
d. Primary motive
Answer: (c) Affiliation motive

31. When any third party helps multiple other parties in order to resolve the conflicts they are facing, it is known as:
a. Mutation
b. Mediation
c. Cooperation
d. None of the above
Answer: (b) Mediation

32.. Which of these factors affects personality?
a. Culture
b. Family
c. Heredity
d. All of the above
Answer: (d) All of the above

33.. How does an individual cope with stress?
a. The self-concept
b. Self-motivation
c. Regular exercise
d. Self-control
Answer: (c) Regular exercise

34.. Which of these is the result of the multiplication of expectancy and valence according to Vroom's theory?
a. Organisation
b. Delegation
c. Management
d. Motivation
Answer: (d) Motivation

35. A manager's role changes from a leader's position to a partner's position in which of these types of organisations?
a. Autocratic
b. Collegial
c. Supportive

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d. Custodial
Answer: (b) Collegial

35. Motivation's two-factor theory is given by:
a. Herzberg
b. Harold Kelley
c. J. Stacy Adams
d. Douglas McGregor
Answer: (a) Herzberg

36. Which of these personality theories gives recognition to the continuity of various personalities?
a. Trait
b. Humanistic
c. Integrative
d. None of the above
Answer: (a) Trait

37. A mismatch between a personality and its organisation may lead to:
a. Members in an organisation will have a loss of interest
b. Low job satisfaction and morale
c. Chaos and confusion
d. All of the above
Answer: (d) All of the above

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Question Bank

Subject: Organisational behaviour

Class: FYBI

Semester: 2

Faculty: Mrs. Renu Vijay Verma

1. Define OB. Explain the characteristics of OB
2. Explain the challenges of work life balance
3. Organisational behaviour is interdisciplinary in nature''. Explain
4. Define organizational behavioral. State the models of organizational Behavioral
5. Discuss the four models of OB.
6. Explain in details the nature and scope of OB.
7. Explain the different models of organizational behavior.
8. Define organizational behavior. Explain the nature and scope of organizational behavior.
9. What are the goals of OB?
10. "Organizational behavior is interdisciplinary in nature". Explain.
11. What are the different challenges that managers face at work today?

12.Elucidate on the limitations of OB.

13. How can various theories of motivation be applied in the modern organization?

14. Describe in brief the motivational techniques which can be used in the banking industry.

15. Describe the job characteristics models as a method of job enrichment.

16. Write the note on application of motivational theories.

17. Describe theory X and theory Y of motivation.

18. Describe Maslow's need hierarchy theory.

19. Make a comparison between the need hierarchy theory and two factor theory of motivation.

20. Describe the ERG theory of motivation.

21. Define motivation and compare Maslow's theory of motivation with that of Alderfer's.

22. Explain the nature of motivation in organization. Compare as contrast the need theories of motivation.

23. Elaborate at the length on the expectancy theory of motivation.

24. What is intelligent quotient? Explain gardener's theory of multiple intelligence.

25. What is emotional intelligence? Explain.

26. Write short on IQ and EQ.

27. Describe the dimensions of emotional intelligence.

28. what are the major areas of individual differences?

29. Describe the nine major findings regardings the nature of human beings.

30. Explain in brief the different approaches to intelligence.

31. Emotional intelligence refers to how well an individual handles himself and others. Explain.

32. Define and explain group. Explain the stages of group development

33. Briefly enumerate the different stages of groups development.

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34. Define a group. What are the different types of groups?

35. What are the different stages of group development?

36. Describe in brief the different properties of a group.

37. Why does social loafing occur? How can it be reduced?

38. What is group think and what are its symptoms?

39. Describe how a team can be created?

40. Define team. How to build effective team? What are the skills required to build good team?

41. Explain how a team can be created?

42. What are the characteristics of a team? What are the four stages of creating a team?

43. What are the characteristics of mature team?

44. State the function of a leader.

45. What is meant by cross cultural skills?

46. Write a note on cross cultural skills.

47. How does the skills of assertiveness influence our life?

48. What are the different characteristics and functions of a leader?

49. Describe the different dimensions of personality in the form of Johari window.

50. What can be learnt from Johari window? State the benefits and limitations of self-disclosure.

51. Explain the Johari window with the help of diagram.

52. "Johari window" help us to understand self and others effectively. Do you agree with this statement? Justify.

54. Explain how self-disclosure and feedback play an important role in determining the window which we operate from.

55. Define culture. How culture is created?

56. Explain the various methods of transmitting culture in the organization.

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56. What do you mean by organizational culture? State its characteristics.

57. How can organizational culture be created and maintained?

58. Draw and explain the models of conflict.

59. What is conflict? What are the source of conflict?

60. Describe the sources of conflict.

61. Define the conflict. What are the sources of conflict?

62. What are the advantages and disadvantages of a conflict?

63. Describe in the brief the different stages of conflict.

64. Describe the stages of stress.

65. Define stress. What are the effect of stress on an employee?

66. State the extreme effect of Stress.

67. Write a note on time management.

68. Define stress and describe the nature of stress.

69. What are the different organizational causes of stress?

70. What are the different strategies for copying with stress?

71. Explain in brief the importance of good time management.

72. Describe the how the change can be successfully implemented in the organization?

73. Explain the reasons for resistance to change.

74. Discuss the nature of change. Why do people resist change?

75. How can support be built for change?

76. Describe the major OD interventions.

77. State the meaning and characteristics of organizational development.

78. State the benefits and limitations of organizational development.

79. Explain the essential aspects of organizational development.

80. Explain the characteristics of organizational development.

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81. Write down the importance of organizational development.

82. Explain the meaning the nature of organizational development.

83. What are the major techniques of organizational development?

84. What is OD? What are the concepts of OD?

85. What are the essential aspects of an OD programmer?

86. What are the different steps involved in an OD process?



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QUESTION BANK-21-22

Subject:Quantitative Methods II **Semester:II**

CLASS:FYBBI **Faculty:Sreekala Nair**

Solve the following:

1) A random sample of 900 items is found to have a mean of 150 and standard deviation of 50. Find 95% and 99% confidence interval for the mean of the population from which the sample is drawn?
2) 500 chocolates were randomly selected from a box. The mean weight was 1.5gm with a standard deviation of 0.05.Find 95% and 99% confidence interval for the mean weight of the chocolates
3) In a big city 325 men out of 600 men were found to be smokers. Does this information support the conclusion that the majority of men in this city are smokers? Use 5% level of significance.
4) A pharmaceutical company claims that the average life span of medicine is 85days. With a sd of 7days.Asample of 100 medicines is selected at random and it is found that the average is 40days.Test the claim at 1%LOS
5) Estimate the average length of the nails produced by a certain machine on the basis of a sample of size eight with lengths 6.8,7.42,5.68,10,12.42,9.2,7,8.42
6) If out of 700 units of a large consignment 200 are damaged, estimate the percentage of damaged items from the consignment
7) A sample of 100 gave a mean of 7.4kg and a standard deviation of 1.2kg.Find 95% confidence limit for the population mean?
8) Give the formula used for 99% confidence interval for population mean and population proportion?
9) What is meant by statistical hypothesis?
10) Define null hypothesis and alternative hypothesis?
11) Solve the LPP graphically

    Maximise $z = 2x + 3y$

    Subject to $x + y \leq 2$

    $3x + y \leq 4$

    $x \geq 0, y \geq 0$

12) Solve the LPP graphically

    Minimise $z = 9x1 + 5x2$

    Subject to $2x1 - x2 \geq 1$

    $X1 + x2 \geq 5$

    $X1 \geq 0, x2 \geq 0$

Return in (%)(Rs)	-9	-4	1	8	12	15
Probability	0.15	0.10	0.15	0.20	0.15	0.25

Probabilities	0.05	0.15	0.35	0.2	0.15	0.10
Return of A(%)	-3.9	-0.8	2.7	4.2	6.2	7.4
Return of B(%)	-6.4	-1.6	0.9	3.8	5.6	9.2

31. The probability that the returns of a company will be 6%, 12% and 20% under recession, normal and boom situation is 0.2, 0.5 and 0.3 respectively. Calculated expected returns?
32. Explain in short the different measures of money supply, giving their formulae.
33. What are the problems in estimating the GDP of India?
34. Explain trade balance, capital account balance?
35. Explain type I and Type II error in testing of hypothesis?
36.. Sonali and Rupali together invested Rs.4,00,000 in a business. Sonali's investment is 48% of the total amount. Find Rupali's actual investment?

OBJECTIVE QUESTIONS

1)The region of rejection of null hypothesis H0 is called-------
   a) Sample space
   b) Critical region
   c) Level of significance
   d) Estimator

2) If we accept H0 , when H0 is false ,then we are committing-------error
   a) Type I
   b) Type II
   c) Type zero
   d) Type III

3) A solution satisfying the non-negativity constraint as well is called-------
   a) Solution.
   b) Basic solution
   c) Feasible solution
   d) Optimal solution

4) The conditions in a LPP of the type $x_1, x_2 \geq 0$ are called----
   a) Positive conditions
   b) constraint
   c) Negative condition
   d) non-negativity constraints

5. The value of a determinant with two identical rows is-----
   a) 1
   b) -1
   c) 2
   d) zero

6) In graphical solution, the feasible solution is any solution to a LPP which satisfy---------
   a) Only objective function
   b) Only constraint
   c) Non-negative restriction
   d) all the three

7) A set of simultaneous equation can be solved by using
   a) Cramer's Rule

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13) Solve the LPP by simplex method

Maximise $z = 7x + 6y$

Subject to $x + y \leq 4$

$2x + y \leq 6$

$x \geq 0, y \geq 0$

14) Solve the LPP by simplex method

Maximise $z = 40x1 + 30x2$

Subject to $x1 + x2 \leq 12$

$2x1 + x2 \leq 16$

$X1 \geq 0, x2 \geq 0$

15) Write a short note on the advantages and limitations of linear programming?

16) A factory manufactures two products A and B .To produce 1 unit of A requires 40 machine hours and 40 labour hours. One unit of B requires 20 machine hours and 160 labour hours. Profit per unit of A and B is Rs10 and Rs 15 respectively. Formulate as LPP whose availability of machine and labour hour is 800 and 1600 respectively?

17) Find the inverse of the matrix $A = \begin{bmatrix} 1 & 2 & -2 \\ -1 & 3 & 0 \\ 0 & -2 & 1 \end{bmatrix}$

18) If $A = \begin{bmatrix} 2 & 4 & 6 \\ 5 & 3 & 1 \end{bmatrix}$ and $B = \begin{bmatrix} 1 & 2 & 3 \\ 6 & 5 & 4 \end{bmatrix}$ Find 5A -B

19) If $A = \begin{bmatrix} 3 & -1 & 2 \\ 4 & 3 & -5 \end{bmatrix}$ $B = \begin{bmatrix} -1 & 2 & 4 \\ 8 & -1 & 3 \end{bmatrix}$ Verify that $(A + B)^T = A^T + B^T$

20) If $A = \begin{bmatrix} 2 & 3 \\ -4 & -6 \end{bmatrix}$ Show that $A^2 = 0$

21) Find the determinant to find the value $A = \begin{bmatrix} 2 & -2 & 4 \\ 2 & 0 & 4 \\ 6 & 2 & -3 \end{bmatrix}$

22) Solve the following equation using Cramer's rule:

$2x + 7y = 9$; $5x - 2y = 3$

23) Find by adjoint method, the inverse of the matrix A where $A = \begin{bmatrix} 1 & 2 & 3 \\ 3 & -2 & 1 \\ 4 & 2 & 1 \end{bmatrix}$

24) Divide 49 into two parts such that if larger part is increased by 6 and smaller part is decreased by 11, then ratio becomes 9:2

25) Find x if x,4,26 and 52 are in proportion.

26) Alia and Ayesha together invested Rs.10,00,000 in a business. If Alia's investment was 55% of the total amount, find their actual investments.

27) A, B, C are partners in a business firm. A gets 25% of total profits, B gets 60% of the remaining profits and C gets the rest. If C gets Rs.24,000 find the total profit.

28) What are the different types of risks? Explain

29) A comparative data of returns of two company's shares with the probabilities is given below. Calculate expected return from each and comment

30) Find total risk of a share of "ABC infrastructure" with the following information.



b) Graham's Rule
c) Cromtons'rule
d) None of these

8) The mean proportional between 6 and 150 is------
a) 900
b) 60
c) 160
d) 30

9) Net domestic product=--------
a) NNP-Depreciation
b) GNP-Depreciation
c) GDP-Depreciation
d) NNP-GNP

10) If the securities within the portfolio have high degree of correlation , then the risk of the portfolio is----
a) High
b) medium
c) Low
d) zero

11. The slope of the regression line y=2+4x is
a) y
b) 5
c) x
d) 4

12. A square matrix having determinant value=0 is called---
a) Null matrix
b) non-singular
c) Zero matrix
d) Singular

13. Infrastructure facilities consists of---------
a) Railways
b) Inflation
c) Fiscal Deficit
d) Fiscal Profit

14.The difference between the merchandise exports and imports is called-----
a) Trade Deficit
b) Budgetary Deficit
c) Fiscal Deficit
d) Fiscal Profit

15.The total risk of the return R is measured using------
a) Expected value
b) Standard deviation
c) Variance
d) None

16.The expected return from shares is calculated using
a) $\sum RS$
b) $\sum p.R_s$
c) $\sqrt{\sum R_s}$

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d) *None*

17. Find the value of x in 4:3= x:12
    a) 16
    b) 3
    c) 12
    d) 4
18. Three terms a,b,c are said to be in proportion if----
    a) a:b=b:c
    b) b:a=c:a
    c) a:b=c:b
    d) c:a=a:b
19. Length and width of a field are in the ratio 5 : 3. If the width of the field is 42 m then its length is:
    a) 100 m
    b) 80 m
    c) 50 m
    d) 70 m
20. Find the value of x if $\begin{bmatrix} 2 & 8 \\ -4 & x \end{bmatrix}$ is singular
    a) 16
    b) -16
    c) 6
    d) 10
21. Beta of a share is-----
    a) Expected return
    b) Slope of the regression line
    c) X intercept
    d) None
22. The real wages are calculated with the help of------
    a) Index agriculture
    b) Consumer Price Index Number
    c) Index of Industrial Production
    d) None
23. If A and B are two matrices of order 2x3 and 3x4 respectively ,then
    a) the matrix product A.B can be obtained
    b) both the matrix product A.B and B.A can be obtained
    c) the matrix product B.A can be obtained
    d) None of the products can be obtained
24. From the Central limit theorem, the sampling distribution of sample mean is approximately normal with mean μ and standard deviation----
    a) $\frac{\sigma}{\sqrt{n}}$
    b) $\frac{\sigma}{n}$
    c) σ
    d) n. σ

Answers

1.b 2.b 3.c 4.d 5.d 6.d 7.a 8.d 9.c 10.a 11.d 12.d 13.a 14.a 15.c 16.b 17.a 18.a 19.d 20.b 21.b 22.b 23.a

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BAF QUESTION BANK

2023 -24

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Question Bank

SYBAF

COST ACCOUNTING – 2.

Questions of practical sums.

1) From the books of accounts of M/s Avdhoot enterprises , the following details have been enacted for the quarter ending 31/3/2014.

Particulars	Rupees
Stock of material – opening	270000
Stock of material – Closing	300000
Purchases of materials	1248000
Direct wages	357600
Direct expenses	120000
Indirect expenses	24000
Salaries to administrative staff	60000
Carriage Inwards	48000
Carriage Onwards	37500
Manager's Salary	72000
General Charges	37200
Legal charges for criminal suit	20000
Commission on sales	28000
Fuel	96000
Electricity charges	72000

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Director's fees	36000
Repairs to plant & Machinery	63000
Rent , Rates & Taxes - factory	18000
Rent , Rates & Taxes – office	9600
Depreciation on plant & machinery	45000
Depreciation on Furniture	3600
Salesmen's salary	50000
Audit fees	18000

1) The manager's time is shared between the factory and the office in the ratio of 20 : 80.
2) Carriage outwards include Rs. 7500 being carriage inwards on plant & machinery.
3) Selling price is 120% of the cost price.

From the above detailed cost sheet for the quarter ending 31/12/2014 and ascertain sales.

2) M/s Vishal manufacturing Company manufactures two types of products viz. A and B. The information for the year ended on 31st March , 2014 is as under.

Particulars	Product	
	A	B
	Rs	Rs
Direct material per unit	100	120
Direct labour per unit	60	50
Direct expenses per unit	40	80

1) Factory expenses are charged at 20% of prime cost.
2) Office expenses are charged at 25% of work cost.
3) 2000 units of product A were produced of which 1500 units were sold and 5000 units of product B were produced of which 4500 units were sold.
4) Selling expenses are Rs. 15 per unit for product A and for product B is Rs. 20.
5) Company charges a profit at 20% on sales for both the products.

Prepare a cost sheet showing the cost and profit in total as well as in per unit.

3) GK Ltd. Showed net loss of Rs. 243300 as per their financial accounts for the year ended 31st march , 2018. However, cost accounts disclosed net loss of Rs. 248300 for

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the same period . On scrutinizing both the set of books of accounts, the following information were revealed:-

a) Works overheads over recovered – Rs. 30400

b) Selling overheads under recovered – Rs. 20300

c) Administrative overheads under recovered – Rs. 27700

d) Depreciation over charged in cost accounts – Rs. 35100

e) Bad debts w/off in financial accounts – Rs. 15000

f) Preliminiary expenses w/off in financial accounts – Rs. 5000

g) Interest credited during the year in financial accounts – Rs. 7500

Prepare a reconciliation statement reconciling losses shown by the financial and cost accounts by taking costing net loss at base.

4) From the following , prepare reconciliation statement of M/s XYZ and company as on 10-6-2014:-

a) Net profit as per financial accounts Rs. 40340

b) Income tax provision made Rs. 30000

c) Materials purchases of 5000 units were recorded in cost standard cost Rs. 24 per unit whereas in finance it was recorded at actual cost Rs. 22 per unit.

d) Old bad debts recovered Rs. 20500

e) Loss on sale of furniture was Rs. 4120.

5) Computed estimated of profit on a contract (which has been 90% complete) from the following particulars:-

Total expenditure to date – 2250000

Estimated further expenditure to complete the contract (including contingencies) – 250000

Contract price – 3250000

Work certified – 2750000

Work Uncertified – 175000

Cash received – 2125000

6) M/s Air craft builders undertook a contract for a contract price Rs. 6000000 and commenced the work on 1st July , 2013. The following particulars are available for 9 months ended 31/03/2014.

Particulars	Rupees
Materials issued from stores	400000
Materials bought directly	2050000

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Wages paid	1900000
Direct expenses	300000
Establishment charges	150000
Plant	650000
Sub-contract charges	100000
Scrap sold	30000
Work certified	5000000

The following further information was available :-

a) Outstanding wages and direct expenses were Rs. 10000 and Rs. 20000 respectively on 31/3/2014.

b) Materials at site at the end of the year is valued at Rs. 120000.

c) Value of work uncertified Rs. 200000 on 31/3/2014.

d) Included in wages is the salary paid to a supervisor @Rs. 30000 p.m who had devoted half of the time on this contract.

e) Working life of the plant is estimated to be 5 years at the end of which it is estimated to realise Rs. 50000 as scrap value. The plant was purchased exclusively for this contract only.

Prepare contract account for the year ended 31/3/2014.

7) A product passes through 3 distinct processes to completion. During December 2013, 500 units were produced. The cost books show the following information:-

Particulars	Process A	Process B	Process C
Materials	3000	1500	1000
Labour	2500	2000	1500
Direct expenses	500	2160	905

The indirect expenses for the period were Rs. 1400 to be apportioned on the basis of labour cost. The residue of process B was sold for Rs. 145. Residue of Process C was sold for Rs. 166. Prepare the process accounts showing the cost of each process and the cost of production of the finished product per unit.

8) Y Ltd. Manufactures a chemical product which passes through three processes. The cost records show the following particulars for the year ended 30th June , 2014.

Input to I process 20000 units @28 per unit.

Particulars	Process I	Process II	Process III

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Materials	48620	108259	103345
Labour	32865	84553	77180
Expenses	2515	10588	16275
Normal Loss	20%	15%	10%
Scrap value per unit	1	2	3
Actual Outout (units)	18000	16000	15000

Prepare process account, abnormal gain/loss account. Also show process cost per unit for each process.



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Class: SYBAF
Subject: BUSINESS LAW-II
Semester -III
Subject Teacher: MRS. SUNITA SIDHANI

1. Prior to enactment of Indian Partnership Act, 1932, the laws relating to Partnership were governed by:
   (a) English Partnership Act, 1890
   (b) **Indian Contract Act, 1872**
   (c) Companies Act
   (d) Hindu law
2. Indian Partnership Act, 1932 is governed by:
   (a) **Central Government**
   (b) State Governments
   (c) Local authority
   (d) All of these
3. A Partnership agreement maybe:
   (a) written
   (b) oral
   (c) implied from the conduct
   (d) **all**
4. A partnership firm is:
   (a) a distinct legal entity different from its partners
   (b) **not a distinct legal entity from its partners**
   (c) a juristic person
   (d) none of the above
5. The term 'persons' for the purpose of partnership agreement does not in
   (a) **firm**
   (b) Women
   (c) Company
   (d) All
6. Partnership is a result of:
   (a) **status**
   (b) contract
   (c) circumstances
   (d) none of the above
7. Under the act, business includes:
   (a) every trade and occupation
   (b) every trade and profession
   (c) every profession and occupation

(d) **every trade, occupation and profession**

8. A partnership can be:
   (a) particular partnership
   (b) partnership at will
   (c) partnership for fixed term
   (d) **all the above**
9. As per the law, which of the following is not a requisite of partnership?
   (a) Sharing of profits
   (b) **Sharing of loss**
   (c) Mutual agency
   (d) Carrying on a business
10. Where the period of partnership is not fixed, it is:
   (a) **Partnership at will**
   (b) Particular partnership
   (c) Partnership for a fixed tenure
   (d) Hindu undivided family
11. Which is not a consequence of non-registration of firms?
   (a) Set off above rupees one thousand.
   (b) Partner cannot bring an action against the firm.
   (c) Firm cannot bring an action against the third party.
   (d) **Partner can ask for dissolution of the firm.**
12. In case of banking business, the maximum number of partners permissible is:
   (a) 5
   (b) **10**
   (c) 15
   (d) 20
13. A partnership business where the number of persons exceeds than that allowed under the partnership act will be:
   (a) A company
   (b) A partnership
   (c) **Illegal association**
   (d) None of the above
14. A nominal partner:
   (a) Shares profits.
   (b) **is liable to third party.**
   (c) (a) & (b)
   (d) Neither shares profits nor is he liable
15. A registered firm is:
   (a) A legal entity.
   (b) A company
   (c) **Not a separate legal entity different from its partners.**
   (d) None of the above.
16. When a partnership firm is continued even after the expiry of fixed term it is:
   (a) **Partnership at will**
   (b) Particular partnership
   (c) Fixed Partnership
   (d) Not a partnership

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17. Under the definition of partnership, business includes:
    (a) Every trade and occupation
    (b) Every occupation and profession
    (c) **Every trade, occupation and profession**
    (d) Every trade and profession
18. A partnership can be:
    (a) A particular partnership
    (b) Partnership at will
    (c) **(a) or (b)**
    (d) (a) and (b)
19. For constituting a partnership:
    (a) The business has to be of permanent nature
    (b) The business can be of temporary nature
    (c) **It is immaterial as to whether the business is of temporary or permanent nature.**
    (d) Only (a) and not (b)
20. Profit sharing is the true test of partnership.
    (a) True
    (b) **False**
21. Liability of partners under partnership is limited.
    (a) True
    (b) **False**
22. A co-owner is the agent of the other co-owner.
    (a) True
    (b) **False**
23. Which of the statements is incorrect?
    (a) Every partner must work for the greatest common benefit of the firm.
    (b) Every partner must render true accounts.
    (c) Every partner must account for secret profits.
    (d) **The firm need not indemnify the partner for expenses incurred while discharging his duties.**
24. Consent of all partners is necessary:
    (a) **In all fundamental matters.**
    (b) In trivial matters.
    (c) In routine matters
    (d) For all the above.
25. Admission of a new partner requires:
    (a) Any partner desirous can take the decision
    (b) **Consent of all partners.**
    (c) Majority partners must consent.
    (d) Governments approval is necessary.
26. Whenever additional undertakings are undertaken by an existing firm:
    (a) Old terms and conditions only apply.
    (b) New terms and conditions must be formulated.
    (c) **Old terms and conditions apply if new terms and conditions are not formulated**
    (d) 50% old terms and 50% new terms apply.
27. Whenever the property of a partner is being used exclusively for the firm's activities, the property,

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(a) Belong to the partner nonetheless,
(b) **belongs to the firm,**
(c) The property belongs to the firm, and the partner is a creditor to that effect
(d) Does not belong to the partner nor the firm.

28. Goodwill of the firm includes:
(a) Business trend.
(b) Personal goodwill
(c) Business goodwill
(d) **(b) & (c)**

29. A partner can retire:
(a) Anytime.
(b) With the consent of all partners.
(c) In accordance with the terms of the agreement.
(d) **All the above is true.**

30. An outgoing partner:
(a) Can never start a competing business.
(b) Can start the business immediately.
(c) Can start the business subject to reasonable restriction imposed by the firm.
(d) **Can start the business immediately or subject to reasonable restriction imposed by the firm as the case may be.**

31. Property of the firm includes:
(a) Property acquired at the time of starting the firm.
(b) Property acquired during the existence of the firm.
(c) Goodwill of the firm.
(d) **All the above.**

32. Interest on the capital:
(a) Is paid out of the capital if no profits.
(b) Is paid only out of the capital
(c) **Is paid only out of the profits.**
(d) Cannot be paid at all.

33. In absence of specific provision in the partnership deed at what rate interest on advances shall be:
(a) **@ 6%**
(b) @ 8%
(c) @ 10%
(d) @ 24%

34. Which does not cause reconstitution of the firm?
(a) Admission of a partner
(b) Death
(c) Retirement of partner
(d) **Illness of a partner**

35. Which statement is correct?
(a) Partners share profit and losses in the ratio of their capital contribute
(b) Share the profits and losses equally irrespective of any agreement be them to the contrary.
(c) **Share the profits and losses equally in the absence of any agreements contrary between them.**
(d) Both (a) and (b)

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36. Dissolution of the firm means:
    (a) The firm is dissolved.
    (b) The partnership is dissolved.
    (c) **(a) & (b)**
    (d) None of the above.
37. Which of the following is not a voluntary mode of dissolution of the firm?
    (a) By agreement.
    (b) **Some event making the business unlawful if carried on in partnership.**
    (c) By consent.
    (d) By notice.
38. Which is a mode of dissolution of the firm by operation of law?
    (a) **Some event making the partnership business unlawful.**
    (b) Insanity of a partner.
    (c) Business undergoing losses.
    (d) Just & equitable ground.
39. Which statement is incorrect?
    (a) Death of a partner dissolves the firm unless otherwise agreed upon
    (b) On dissolution of the firm, public notice is required.
    (c) **Any incapacity of a partner will make the court to dissolve the firm.**
    (d) A firm gets dissolved when all but one partner become insolvent.
40. Public notice is necessary:
    (a) When an active partner retires.
    (b) When the firm is dissolved.
    (c) When a minor admitted to the benefits of partnership, decides to become a partner.
    (d) **All the above.**
41. Notice to the registrar on dissolution of the firm is necessary
    (a) if the firm is unregistered
    (b) **If the firm is registered.**
    (c) In both cases
    (d) (a) & (b)
42. Publication in the official gazette is necessary:
    (a) When a registered firm is dissolved.
    (b) When an unregistered firm is dissolved.
    (c) **(a) & (b)**
43. The death of a partner dissolves the firm.
    (a) **True**
    (b) False
44. LLP is governed by:
    (a) Indian Partnership Act, 1932
    (b) **Limited Liability Partnership, 2008**
    (c) Companies Act, 1956
    (d) Indian Contract Act, 1872
45. Which of the statement, does not apply to LLP, 2008?
    (a) **Liability of each partner is unlimited**
    (b) No limit as to maximum number
    (c) LLP has perpetual succession
    (d) Liability of the each partner is limited

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46. Minimum number of designated partners necessary for LLP:
    (a) 5
    (b) **2**
    (c) 3
    (d) 4
47. Registration of LLP is granted by:
    (a) Collector of the district
    (b) Registrar of Cooperative Societies
    (c) **Registrar of Companies**
    (d) Registrar of firms
48. Atleast one designated partner must be:
    (a) **a resident of India**
    (b) resident of a foreign country
49. Every designated partner shall obtain:
    (a) Adhar card
    (b) **DPIN/DIN**
    (c) APN
    (d) Nationalised Bank Account No.
50. If the designated number falls below 2 for 6 months, the penalty imposed on every partner is:
    (a) **Fine of Rs. 10,000 to Rs. 5 lakhs**
    (b) Fine of Rs. 7,000 to Rs. 75,000
    (c) Fine of Rs. 5,000 to Rs. 50,000
    (d) Fine of Rs. 3,000 to Rs. 30,000
51. Generally the ROC grants registration within:
    (a) 1 week of submission
    (b) **2 weeks of submission**
    (c) 3 weeks of submission
    (d) 4 weeks of submission
52. LLP is:
    (a) A partnership firm with unlimited liability
    (b) A business activity not recognised by law
    (c) A business enterprise
    (d) **A body corporate with separate entity and perpetual succession**
53. A private company can be converted into a LLP:
    (a) **Yes**
    (b) No
54. Under LLP, the term business only includes trade.
    (a) True
    (b) **False**
55. At least one of the designated partner shall be a resident of India.
    (a) **True**
    (b) False
56. Under LLP the term business only includes trade.
    (a) True
    (b) **False**
57. What entity can get converted to LLP?
    (a) Firm

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(b) Private company
(c) Unlisted public company
(d) **All**

58. Once a firm gets converted to LLP, all rights and liabilities of the firm vests with LLP
(a) **True**
(b) False

59. Once a private company gets converted to a LLP, Intimation of the conversion to be intimated to the:
(a) Registrar of firms
(b) Registrar of Companies
(c) Registrar of companies with which registered.
(d) Not required

60. A LLP can get converted to firm.
(a) True
(b) **False**

61. When a unlisted public company was converted to LLP
a) All shareholders to agree
b) Some shareholders agreeing is sufficient
c) Company Itself can apply as it is a separate entity

62. Once a firm/private company/ unlisted public company gets converted to LLP, all official correspondence must bear a statement regarding the conversion for a period of
(a) 1 month
(b) 6 months
(c) 9 months
(d) 12 months

63. (1) Liability of partner in LLP is
a) **Limited**
b) Unlimited
(c) As per the agreement

64. 2) Notice to a partner is notice to the LLP:
(a) **True**
(b) False
(c) Only in an emergency

65. (3) Ratification means
(a) An act approved by LLP done by a partner with consent.
(b) **An act approved by LLP done by a partner without authority**
(c) An act done by a partner with consent and also approved by LLP,
(d) An illegal act done by a partner without authority and approved by LLP.

66. (4) Holding out means
(a) **A person not a partner but represents or allows to represented as a partner and credit is given on the assumption**
(b) A LLP pretends to be a partner and credit is given to the LLP.
(c) A partner takes credit from an outsider, representing that he has authority from LLP

67. (5) A partner of a LLP is.
a. agent of his co-partners
b. Agent of the LLP as well as co-partners
c. Agent of the LLP

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d. The principal and LLP is the agent

68. (6) Which statement is true as regards whistle blowing?
(a) **The partner helps the investigation authority**
(b) The partner misguides the investigating authority
(c) The partner makes public disclosure of the LLP
(d) The partner helps the culprit escape

69. (7) Where a partner knowingly defrauds the creditors of LLP:
(a) His liability is limited
(b) **His liability is unlimited**
(c) His liability depends on this bargaining capacity
(d) Is Nil

70. (8) Contribution of partner may be by way of:
(a) Movable
(b) Immovable
(c) Intangibles
(d) **All**

71. (9) Contribution of a partner is determined by:
(a) LLP Act, 2008
(b) **Agreement**
(c) None of them

72. (10) Contribution shall be the criterion for determining the profit sharing.
a. **True**
b. False

73. LLP cannot be wound up.
a. True
b. **False**

74. Voluntary winding up requires
a. Ordinary resolution
b. **Special resolution**
c. No resolution
d. (d) (a) or (b)

75. Defunct LLP means.
a) LLP is not making enough profit
b) Temporary shut down
c) Permanent shut down
d) Not making profit

76. Voluntary winding up is on account of inability to pay off debts.
a) True
b) False

77. In case of voluntary winding up, the LLP is to be would up within what period of the Liquidator submitting the report?
a) 3 months
b) 6 months
c) 1 year
d) 2 years

78. Which is not a ground for Tribunal to order winding up of LLP?
a) Number of partners falls below 2
b) Unable to pay off the debts

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c) **Annual returns not submitted for 1 year**
d) LLP acting against the interest of the sovereignty

79. _____of a factory means the person who has ultimate control over the affairs of the factory.
a. Worker
b. **Occupier**
c. Manufacturer
d. Owner

80. The ___ has to ensure that the provisions of the Factory Act, 1948 are duly complied with.
a. Worker
b. Supervisor
c. **Employer**
d. State Government

81. Statutory canteen facilities are to be provided if there are more than __ workers in a factory.
a. 100
b. 250
c. 500
d. 700

82. As per the Factories Act, 1948, manufacturing means any process for ___ ordinarily
a. repairing
b. packing
c. demolishing
d. all of these

83. According to Factories Act, 1948, crèches should be provided in a factory, where more than ___ women workers are ordinarily employed
a. 10
b. 20
c. 30
d. 50

84. According to Section 2 D of the factories act 1948, young person means a person who is_____
a. child
b. an adolescent
c. either a child or an adolescent
d. an adult

85. No woman shall be required or allowed to work in any factory except between the hours
a. 6:00 a.m. and 7:00 p.m.
b. 5:00 a.m. and 6:00 p.m.
c. 7 a.m. and 10:00 p.m.
d. 6:00 a.m. and 10:00 p.m.

86. The factories act 1948 requires the appointment of the safety officer in the factories employing at least
a. 250 workers
b. 500 workers
c. 1000 workers
d. none of the above

87. Which section of the factories Act deals with appointment of welfare officer
a. section 45
b. section 49
c. section 51
d. section 55

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88. Leave with wages is allowed for employees if they work for _____ days in a month
    a. 15
    b. 25
    c. **20**
    d. 28
89. If any employee found violating the section 20 of the factories act 1948 shall be fine up to
    a. Rs 10
    b. **Rs 5**
    c. Rs 15
    d. Rs 20
90. Which provisions regarding health are mentioned in the sections 11 to 20 in factories act?
    A. Cleanliness
    B. Dust and fumes
    C. Ventilation and temperature
    D. Disposal of wastes

    a. Only B & C
    b. Only A & D
    c. None of the above
    d. **All of the above**
91. As per the factories act, after how many years should the factory premises be painted and refurbished?
    a. **5 years**
    b. 2 years
    c. 10 years
    d. Annually
92. As per section 2 in factories act, who will be called as an adult?
    a. A person who has completed 21 years of age
    b. A person who is less than 19 years of age
    c. A person who has completed 24 years of age
    d. **A person who has completed 18 years of age**
93. Section 2(k) under the act defines _____
    a. Factory
    b. **Manufacturing process**
    c. Worker
    d. Occupants
94. From the below mentioned options, which of the following is not mentioned under the welfare provision in the factories act?
    a. Canteen
    b. Creches
    c. **Drinking water**
    d. First aid
95. Which of the below mentioned provisions come under safety provisions?
    a. Lighting
    b. Crèches
    c. **Self-acting machinery**
    d. Ventilation and Temperature

SUBJECT TEACHER

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Cost Accounting - MCQ - FYBAF Semester - I

Sr.No	Questions	A	B	C	D	Answer
1	Cost accounting is an important system developed for	share holders	Government	Management	Financial institution	Management
2	The resources that have been used for attaining a particular objective is	revenue	Cost	profit	investment	Cost
3	cost accounting is a ____ reporting system	internal	external	government	financial	internal
4	the costing which determines cost after it has been actually incurred is	historical	standard	estimated	marginal	historical
5	Cost ascertainment involves	ascertainment of cost	control of cost	estimation of cost	fixation of price	ascertainment of cost
6	Product cost means	Variable cost	Fixed cost	Prime cost	Indirect cost	Variable cost
7	Notional cost is also known as	Imputed cost	Opportunity cost	Out of pocket cost	Variable cost	Imputed cost
8	Cost which can be identified with the output is called	Product cost	Direct cost	Fixed cost	Variable cost	Product cost
9	Cost of designing is	Production cost	Indirect cost	Direct material	Direct charges	Direct charges
10	Cost which can be identifiable easily is called as	Indirect cost	Direct cost	Variable cost	Fixed cost	Direct cost
11	Wages paid to the workers in machinery department in an engineering industry is called as	Indirect labour	Direct labour	Actual labour	Production labour	Indirect labour
12	BIN card is	a inspection note	a continuous record of stock stored	a statement of delivery materials	a statement of issue of material	a continuous record of stock stored

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13	A store ledger is	An evidence of delviery of materials	a ledger of the supplier	a ledger which shows movement of each item of mateials	a statement of issue of material	a ledger which shows movement of each item of mateials
14	Bill of materials	is an invoice sent by supplier	helps to calculate the cost of materials of a job	is an inspection record of materials	an acknowledgment of materials received	helps to calculate the cost of materials of a job
15	Material control includes	inventory control	labour control	overheads	cost control	inventory control
16	Under periodic inventory control	stock is verified at the end of certain period	stock is verified continuously	stock is verified everyday	stock not verified	stock is verified at the end of certain period
17	Under perpetual inventory control	sotck is verified continuoulsy	stock is verified periodically	stock is verified quarterly	stock not verified	sotck s verified continuoulsy
18	ABC analysis is	analysis of A, B and C type of material	a technique of selective control	a technique under which control is always best	no control	a technique of selective control
19	Issue of material during a period of time at the latest cost under	FIFO	LIFO	Simple average	Weighted Average	LIFO
20	Stores department maintains a record in which a separate folio is maintained for each item	Stores ledger	Bin card	Stock register	Bill of Materials	Stores ledger
21	In times of rising prices, the prcing of issues will be at more recent current market price in	FIFO	Weighted Average	LIFO	Simple average	LIFO
22	Issue of material during the period is priced at the latest purchase cost under	FIFO	LIFO	Weighted Average	Simple average	LIFO

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23	Issue of material under ___method is from oldest lots	FIFO	LIFO	Average	Weighted Average	FIFO
24	During the period of rising prices of the issue will be at more recent price under	LIFO	FIFO	Average	Replacement	LIFO
25	The inventory is valuedat most reent price under	LIFO	FIFO	Average	Weighted Average	LIFO
26	Trade disccount	Increase cost of material	Decrease cost of material	Does not affect cost of material	increase cost of labour	Decrease cost of material
27	FIFO method is	Logical	Illogical	Reasonable	Not reasonable	Logical
28	Under perpetucal inventory system stock is ascertained	Periodically	Continuously	At the beginning of every year	Between the year	Continuously
29	Under Peridodic inventory system stock is ascertained	Periodically	Continuously	At the beginning of every year	Between the year	Periodically
30	Time booking is essential for	record purpose	costing purpose	financial purpose	controlling purpose	costing purpose
31	Idle card shows	time allowed	effective use of time	idle time	busy time	idle time
32	Casual workers are employed when	workers are absent	accident takes place	the machine break down	labour turn over	workers are absent
33	The objective of time keeping is of	preparation of payroll	working in factory	working in office	working at home	preparation of payroll
34	The objective of time keeping is to	ascertain labour cost	cost control	cost allocation	cost keeping	cost control
35	the workers whor are entitled to wages on the basis of their output are called	Piece workers	cAsual workers	Out workers	Badli workers	Piece workers
36	The workers who work outside the factory premises are called as	Outworkers	Job workers	Casual worker	Absenteeism	Outworkers
37	Payroll accouting is concerned with	Computation of wages	Allocation of workers	Allocation of jobs	Salaries	Computation of wages
38	Payroll shows	Deductions	Job card	Job analysis	Job methods	Deductions
39	Deductions allowed as per payment of wages act include	House rent	Salaries	Wages	Incentives	House rent

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40	Wage sheet shows	House rent	Salaries	Wages	Net profit	Wages
41	Payslip is prepared for	Individual worker	All workers	Casual worker	Temporary workers	Individual workers
42	Labour turn over	Turnover of goods	Turnover of labour	Stock turn over	Debtors turn over	Turnover of labour
43	Labour turn over is caused by	Absenteeism	Over time	Scientific selection	friends	Absenteeism
44	Labour turn over is calculated by	Flux method	Turnover method	Scientific method	Taylor method	Flux method
45	Salary of the work manager	office overheads	factory overheads	selling overheads	all of the above	factory overheads
46	_____computed after the expenses has been incurred	Actual overhead	Pre - determined overhead	Blanket overhead	Overhead	Actual overhead
47	___overhead rate is calculated by dividing the budgeted overhead by the budgeted base	Actual overhead	Pre - determined overhead	Blanket overhead	Overhead	Pre - determined overhead
48	___overhead can be done on reciprocal and non reciprocal basis	Primary distribution	Secondary distribution	Notional distirbution	Depreication	Secondary distribution
49	Exchange of services among the service department is known as	Reciprocal method	Non reciprocal method	Plant wide method	Trial mehtod	Reciprocal method
50	____basis considers only one directional service flow from a serive cost centre to other production cost centre	Reciprocal method	Non reciprocal method	Plant wide method	Trial mehtod	Non reciprocal method
51	Example of non reciprocal method	Trial and error method	Simultaneous equation method	Step down method	Repeated distribution method	Step down method
52	Trial and error mehtod is ___basis	Reciprocal method	Non reciprocal method	Plant wide method	Trial mehtod	Reciprocal method
53	___method is continued till teh figures remaining undistributed in the service cost centres are negligibly small	Trial and error method	Simultaneous equation method	Step down method	Repeated distribution method	Repeated distribution method

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54	____method is followed when the question of distribution of service cost centre which are interlocked among themselves	Trial and error method	Simultaneous equation method	Step down method	Repeated distribution method	Trial and error method
55	____method is adopted to take care of secondary distribution of cost of service cost centres toproduction cost centres with the help of mathematical formulation and solution	Trial and error method	Simultaneous equation method	Step down method	Repeated distribution method	Simultaneous equation method
56	Step distribution method is also known as __method	Trial and error method	Simultaneous equation method	Ladder method	Repeated distribution method	Ladder method



Cost Accounting – Assignment – Semester V

Material Cost

Sum no 1.

1. The following information is provided by S Ltd .for the fortnight at April , 2014 .
   Stock on 1-4-2014 of material X 100 units @Rs.5

PURCHASES	**UNITS**
05-4-2014	300@ Rs. 6
08-4-2014	500@ Rs. 7
12-4-2014	600@ Rs. 8

SALES	**UNITS**
06-4-2014	250
10-4-2014	400
14-4-2014	500

Calculate value of closing stock and material consumed(cost of goods sold) using FIFO method and weighted average method.

Sum no 2.

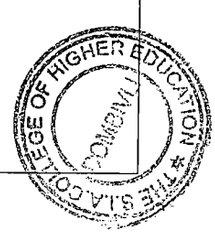
Prepare a stores ledger on FIFO method :

1st may opening stocks is 400 units at rs. 4 per unit
4th may purchased 600 units at rs. 6 per unit
8th may issued 800 units
16th may purchased 600 units at rs. 8 per unit
20th may issued 700 units
25th may returned from factory 10 units issued on 20 may
28th may returned to vendors 12 units purchased on 16 may.

Sum no 3.

From the following details find out closing stock of Bharat Industrial LTd as per FIFO method.

Date	Purchases	Sales	Price per unit
1st November	40 opening balance	-	14
2nd November	30	-	15
4th November	20	-	15
5th November	-	40	18.5
10th November	-	10	19
17th November	30	-	16
20th November	-	25	20
28th November	50	-	13
30th November	-	40	16



On 29th November two units were found damaged and had to be discarded.

Sum no 4.

From the following data for the year end 31st December 2018 calculate inventory turn over ratio and give comments.

Particulars	Material X	Material Y
Opening stock	20,000	18,000
Purchases	1,04,000	54,000
closing stock	12,000	22,000

Sum no 5.

Two components A and B are used as follows:

Normal usage	50 units per week each
Minimum usage	25 units per week each
Maximum usage	75 units per week each
Re - order quantity	A : 300 units B : 500 units
Re - order period	A : 4 to 6 weeks B : 2 to 4 weeks

Calculate Maximum level, Minimum Level, Re - order level and Average level

Sum no 6.

KL Ltd produces product M which has a quarterly demand of 8000 units. The product requires 3 kg quantity of material X.
for every finished unit of product.
the other information are as follows:
cost of material X is Rs. 20 per kg
cost of placing an order is Rs. 1000 per order
carrying cost 15% per annum of average inventory
calculate: EOQ for material X
should company accept an offer of 2% discount by the supplier, if he wants to supply the annual requirement of material X in 4 equal

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quarterly instalments?

Sum no 7

A firm is able to obtain quantity discounts on its orders

of materials as follows:

price per kg	**KGs**
8	Less than 250
7.9	250 and less than 500
7.8	500 and less than 1000
7.6	1000 and less than 2000
7.5	2000 and above

The annual demand for a material is 2000 kg.

Stock holding cost are 20% of material cost per annum
the delivery cost per order is Rs. 8

Minimum ordering quantity is 200
You are required to calculate best quantity to a order.

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Labour Cost

Sum no 1.

From the following particulars calculate the earnings of workers X and Y
for a day under Straight Piece Rate system and Taylor Differential Piece
Rate system.
Standard Production - 20 units per hour
Normal time rate - Rs. 5 per hour
Differential to be applied :
80% of piece rate below standard
120% of piece rate above standard
Hours of the day = 8
Output X = 150 units
Output Y = 200 units

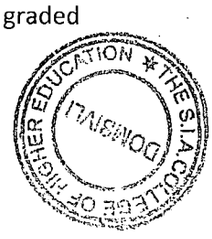
Sum no 2.

In a manufacturing concern the daily wage rate is Rs. 5.The standard output in a 6 day week is 200 units representing 100% efficiency. The daily wage rate is paid
without bonus to those workers who show upto 66 2/ 3 % of the efficiency standard.
Beyond this there is a bonus payable on a graded scale as below:
80% efficiency - 5% bonus
90 % Efficiency - 9% bonus
100 % efficiency - 20% bonus
Further increase of 1% for every 1 % further rise in efficiency. In a 6 day week
A produced - 180 units, B produced - 150 units, C produced - 200 units
D prodcued - 208 units and E produced - 130 units

Sum no 3

In a manufacturing concern the daily wages guaranteed for workers is Rs. 5. the standard output for the month is 4,000 articles representing 100% efficiency. The rate of wages is paid without bonus those workers who show up to 66 2/3 % efficiency. Beyond this bonus is payable on graded scale

Efficiency	**Bonus**
90%	10%
100%	20%



further increase 1% on bonus for every 1% further rise in efficiency
calculate total earnings of A, B, C and D who have worked 26 days in a month. A's output - 2,000 articles B's output - 3,600 articles C's output - 4,000 articles and D's output - 4,800 articles

Sum n o 4

XYZ co. employs its workers for a single shift of 8 hours per day for 25 days in a month.the company has recently fixed standard output of 80 units per day per worker for a mass production item and introduced an incentive scheme to boost output. Details of wages payable to the workers are as follows:

Basic wages Rs. 6 unit subject to a guaranteed minimum wages of RS. 160 per day worked

dearness allowance : Rs. 80 per day worked

incentive bonus

Upto 80% efficiency - Nil

For efficieny above 80% Rs. 100 for every 1% increase above 80%

the details of performance of 2 workers for a particular month are as follows:

Workers	No.of days worked	Output (units)
A	25	1640
B	18	1000

Sum no 5

Calculate the earnings of A and B from the following particulars for the month and allocate the labour cost to each job X, Y and Z.

Particulars	A	B
Basic wages	100	160
D.A.	50%	50%
Contribution to PF (on basic)	8%	8%
Contribution to ESI (on basic)	2%	2%
overtime	10 hours	

The normal working hours for the month are 250



Overtime are paid at double the total of normal wages and dearness allowance
employers and employees contribution to PF and ESI are at equal rates
The two workers were employed on job X, Y and Z in the following proportions

	Job x	Job Y	Job Z
Worker A	40%	30%	30%
Worker B	50%	20%	30%

Overtime was done on job Y at the request of the customers.

Sum no 6.

from the following particulars work out the earnings for the week of a worker under:
straight piece
differential piece rate
halsey premium plan
rowan plan
number of working hour per week - 48
wages per hour - Rs. 7.5
normal output per week - 120 pieces
actual output per week - 150 pieces
time allowed for actual production - 60hours
differential piece rate 80% of the piece rate when output is below standard and 120% above standard

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Overheads

Sum no 1.

KVD LTd has five departments P, Q, R and S are production department and S-1 is a service department

Particulars	**Amount**
Supervision	4,00,000
Insurance on stock	1,60,000
Lighting	1,80,000
Employer liability of employee insurance	60,000
Repairs	3,50,000
Rent	2,50,000
Depriciaiton	4,20,000

The following information is also available in respect of five departments

Particulars	**P**	**Q**	**R**	**S**	**S-1**
Area (Sq ft)	1,400	1,200	1,100	900	400
No. of workers	250	300	100	100	50
Total wages	1,00,000	80,000	50,000	50,000	20,000
Value of Plant	2,00,000	1,80,000	1,60,000	1,00,000	60,000
No. of Light points	50	40	35	30	25
Value of Stock	1,50,000	1,00,000	50,00	20,000	Nil

Sum no 2

Cadila Co. Ltd has three production departments A, B, C and two service department D and E.
The following figures are extracted from the records of the company.

Particulars	**Amount**
Rent and Rates	30,000



Indirect wages	10,000
Depreciation of machinery	18,000
General Lighting	6,000
Power	10,000
Sundries	17,000

The following figures are extracted from the records of the company.

Particulars	Total	A	B	C	D	E
Floor space (sq ft)	10,000	2,000	2,500	3,000	2,000	500
Light points (nos.)	50	10	15	20	10	5
Direct wages	10,000	3,000	2,000	3,000	1,500	500
Horse power of machines	150	60	30	50	10	
Value of machinery	2,50,000	60,000	80,000	1,00,000	5,000	5,000
Apportion the cost to various departments on the most equitable basis						

Sum no 3

Radha enterprises has three production departments A,B and C and one service department S.
The following fighures are available for one month of 25 working days of 8 hours each day
All departments worked all these days with full attendance.

Particulars	total	S	A	B	C
Power and Lighting	1,100	300	200	250	350
Supervisor salary	1,500	Nil	Nil	Nil	Nil
Rent	600	Nil	Nil	Nil	Nil
Canteen expenses	500	Nil	Nil	Nil	Nil
Others	1,100	140	210	470	280

The following additional information is available:

Particulars	S	A	B	C
Supervisor salary	20%	20%	30%	30%
Floor area in sq ft	400	350	450	300
Number of workers	10	15	15	10
Service rendered by service department to production departments		20%	30%	50%

You are required to calculate the labour hour rate of each of the department A, B and C.



Sum no 4

Calcuate the comprehensive machine hour from the following
Cost of machine Rs. 45,000
Installation charges Rs. 5,000
Life of machine 5 years
Working hours per year 2,500
Repair chargse 75 % of depreciation
Electric power consumed 10 units per hour @ 15 paise per unit
Lubricant oil Rs. 4 per day of 8 hours
Consumable stores @ Rs. 10 per day of 8 hours
Wages of machine operator @ Rs. 8 per day of 8 hours

Sum no 5.
Compute a comprehensive machine hour rate for a machine in production department 'A' of factory
from the following details
Machine:
Cost including installation charges Rs. 20,00,000
Estimated useful life 20 years
Estimated salvage value 10%
Working hours:
No. of working days 300
No.of shift per day 2
Effective working hours per shift 7
Stoppages for repairs and maintenance 200 hours
Operating and other costs
Wages of two ooperators (one for each shift)@ 5,000 per month
Salary of a supervisor (one for each shift) @ Rs. 7,500 (Only 1/5th of the supervisor time devoted to this machine)
Electric power: 20 units per hour, each unit costing Rs. 3.20
Insurance charges : Rs. 5,000 per annum
Repairs and mainenance (estimated) Rs. 12,500 per month
Rent, rates and taxes (allocated) : Rs. 10,000 per annum
General lighting etc (allocated) Rs. 750 per nonth
Other facoty overheads (allocated) rs. 1,40,000 per annum

Subject Teacher

Kavitha

Kavitha Nadar

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FYBAF - Business Environment Sem.- I
Descriptive Question Bank

Unit I – Business and Its Environment

1. **Explain the meaning of the following terms**
   a. Business objectives
   b. Three fold objectives
   c. Economic objectives
   d. Social objectives
   e. Human objectives

2. Define business and explain its features.
3. Define Business Objectives' Explain their features. National objectives of Business
4. Are objectives important for a business organisation? Why?
5. Explain the guidelines for setting of business objectives.
6. Classify business objectives. Explain threefold objectives business.
7. With the help of a chart, explain the different types of objectives.
8. Explain briefly the social objectives of business.
9. "Setting of business objectives help the successful conduct of business activities" Discuss.
10. Define business environment? Explain its features.
11. State and explain the constituents of business environment
12. State and explain the internal factors constituting the business environment.
13. Name the different types of environment? How does it affect environment?
14. Discuss "Political stability is a must for success of firm".
15. Explain the factor affecting economic environment of business.
16. What is regulatory / legal environment? How does it influence business?
17. Discuss the need / Importance for environmental analysis.
18. Explain in detail the various technique of environment analysis.

19. **Write short notes on:**
   a. Organic objectives of business
   b. Economic objectives of business
   c. Social objectives of business
   d. Human objectives of business
   e. National objectives of business
   f. Features of business objectives
   g. Importance of business objectives
   h. Business Environment
   i. SWOT Analysis
   j. PESTLE Analysis
   k. Industry Analysis

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UNIT-II Business and Society

1. What do you understand by ethics? Why is ethics important for business?
2. State and explain the sources of business ethics.
3. What are ethical dilemmas? How can they be resolved?
4. How is ethics managed in a business unit?
5. Define business Ethics and explain its features.
6. Explain in detail need for business ethics to be followed in business.
7. Explain the concept and features of business ethics.
8. State the various approaches to business ethics.
9. Mention the scope of business ethics.
10. Explain the importance of business ethics.
11. Explain the concept of entrepreneurs.
12. Define Entrepreneurship and explain the characteristics of Entrepreneurship.
13. Explain in detail entrepreneurship as a career option.
14. Explain in detail the calculation of plant & machinery value under MSMED Act.
15. State the relation between entrepreneurship and economic development.
16. Explain in details section 7 of MEMED Act 2006.
17. State the Advantage of Registration under MEMED Act 2006.
18. Discuss the various problems that a consumer norms encounters.
19. Define 'consumerism' and discuss the history of consumerism
20. What do you mean by consumerism? Explain its features.
21. Explain briefly the various functions of consumerism.
22. Discuss the impact of consumerism.
23. What are the various obstacles to consumerism?
24. "Consumerism has improved the general quality of life for the consumers". Do you agree? Why?
25. "Consumerism in India has had a slow growth". Elucidate the statement.
26. Explain the various factors responsible for the evolution of consumerism.
27. Explain in detail Basic Consumer Rights' with reference to Consumer Protection.
28. Discuss the Consumer Protection Act, 1986, along with its features.
29. What consumer redressal agencies? What is their structure under COPRA - 1986?
30. What is meant by consumer advocacy? Explain the role of consumer associations in consumer protection.
31. Explain in detail the non-statutory measures taken by the government, businesses and consumers in protecting the consumers.
32. What is consumer guidance and why do we need it?
33. How do the government and businesses guide the consumer?
34. What are consumer organisations? Explain their role in consumer guidance.
35. With reference to consumer associations discuss any two well-known consumer associations.
36. Write short note on
    a. Ethical Dilemmas
    b. Corporate Culture and Ethical Climate
    c. Factors Governing business ethics
    d. Approaches to business ethics
    e. Scope for business ethics
    f. Entrepreneurship and economic development
    g. Feature of MSMED Act
    h. Calculation of Investment in Plant and Machinery
    i. Constitution of National Board for Micro, Small or Medium Enterprise
    j. Consumer problems
    k. Consumerism

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l. History of consumerism
m. Features of consumerism
n. Tasks of consumerism
o. Role of consumerism.
p. Right to safety
q. Right to be informed
r. Right to be heard
s. Right to seek redressal

Unit-III Contemporary Issues

1. Explain the concept of Social Responsibility.
2. What are the arguments for social responsibility of business?
3. What are the arguments against social responsibility of business?
4. Explain the concept of CSR.
5. What are the different levels of CSR?
6. Give the scope of CSR.
7. Mention different ways of contributing to CSR.
8. State models of CSR.
9. Describe the obstacles encountered by the company in developing CSR?
10. Define corporate governance.
11. What are the features of corporate governance?
12. State all the objectives of corporate governance.
13. Explain the importance/need of corporate governance.
14. How corporate enhances business prospects?
15. What are the main issues on which the corporate governance focuses?
16. Briefly explain the mechanism of corporate governance.
17. Highlight the principles of good corporate governance.
18. Write a detailed note on insider trading.
19. Write a detailed note on whistle blowing.
20. Write a note on Ecology and business.
21. Write a note on Carbon Credit.
22. Write a note on Koyto Protocol.
23. Define 'Social Audit' Explain its features.
24. What is 'Social Audit"? State its nature and objectives.
25. Define 'Social Audit'. Why is it undertaken?
26. Write a note on the evolution of Social Audit.
27. Discuss the importance of Social Audit.
28. Explain the features of Social Audit. What are its limitations?
29. Explain briefly the different types of Social Audit.
30. How would you popularise the concept of social audit in India?
31. "Social audit benefits only the society and not the organisation, do you agree? Justify.
32. Explain the relevance of social audit in India.
33. **Write short notes on:**
    a. Social audit
    b. Objectives of social audit
    c. Social audit in India
    d. Types of social audit
    e. Limitations of social audit
    f. Social audit in India

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Unit- IV International Environment

1. Define the terms Multinational' and 'Transnational' firms. Explain the difference between them.
2. Define and explain features of MNCs.
3. What do you mean by Multinational Corporations? Explain its advantage and disadvantage.
4. Define and explain the features of Transnational Corporations.
5. What is the WTO? Explain its functions and objectives.
6. Explain in detail favourable and unfavourable impact of WTO an Indian Economy.
7. Distinguish between MNCs & TNCs.
8. Explain in detail foreign trade in India.
9. Define FDI and its implication for Indian industries.
10. Explain in detail foreign trade and balance of payment before 1991.
11. Explain in detail foreign trade and balance of payment after 1991.
12. State meaning of FDI & prepare flow chart for types of Foreign Investment option.
13. **Write short note on:**
    a. WTO
    b. MNCs
    c. TNCs
    d. Balance of trade and payment before 1991.
    e. Balance of trade and payment after 1991.
    f. Foreign Direct Investment.
    g. Trends in FDI Inflows to India.
    h. Sectors where FDI is prohibited.
    i. Global Trends in FDI inflows.



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The Indian Contract Act-1872

Multiple Choice Questions:

1. An agreement enforceable at law is_____
   a. agreement
   b. offer
   c. promise
   d. contract
2. An agreement enforceable at law is a contract.
   a. True
   b. False
3. Every promise and every set of promises, forming the consideration for each other, is an_____.
   a. agreement
   b. contract
   c. offer
   d. acceptance
4. Promises which form the consideration or part of the consideration for each other are called_____.
   a. reciprocal promises
   b. acceptance
   c. conditional offer
   d. conditional promises
5. In a valid contract, _____ comes first
   a. enforceability
   b. promise
   c. proposal
6. Contracts requires_____.
   a. agreement
   b. agreement + enforceability
   c. tree consent
   d. parties must be competent to contract
7. A Contract is_____.
   a. a whole lot of agreements
   b. a whole lot of obligations
   c. neither whole lot of agreements nor a whole lot of obligations
   d. none of the above
8. Which of the following is an offer?
   a. A declaration of intention.
   b. An invitation to offer
   c. An advertisement offering reward to anyone who finds the lost dog of the advertiser
   d. An offer made jokingly

9. There is_____.
    a. A contract voidable at the option of acceptor
    b. A contract voidable at the option of offerer
    c. No contract at al
    d. A valid contract
10. An offer made to Raj in a crowd. It_____.
    a. Can be accepted by him alone.
    b. May be accepted by any person who hears it
    c. May be accepted by his friend.
    d. Cannot be accepted by any
11. The offeree introduces a fresh term in acceptance. This is_____.
    a. Valid acceptance
    b. Counter offer
    c. A query
    d. None of these.
12. A makes an offer to 'B on 10-4-12 by a letter, which reaches 'B on 12-4-12 B posts his acceptance on 14-4-12 which reaches A on 16-4-12 The communication of acceptance Is complete as against A On____.
    a. 12-4-12
    b. 14-4-12
    c. 16-4-12
13. Which of this statement is true?
    a. An agreement is a wider term than a contract
    b. All agreements are contracts but all contracts are not agreements
    c. Contract many or may not create legal obligation
    d. Social obligations are enforceable by law

14. Contract means an agreement_____
    a. Between two competent persons
    b. Enforceable by law
    c. In writing and registered.
    d. None of these
15. Executory contract is one in which both parties have performed their respective obligation
    a. True
    b. False
16. Acceptance can be given latter the offer is withdrawn or revoked
    a. True
    b. False

17. when the mode of acceptance is prescribed, acceptance can be given in a usual and reasonable way
    a. True
    b. False

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18. All agreements between parties are enforceable in a court of law
    a. true
    b. False
19. A minor borrows money by representing himself as a major from a money lender The money lender
    a. can sue for fraud_____
    b. cannot recover the money
    c. can recover the money on the minor attaining the age of majority
    d. guardian is liable
20. The contract entered by a lunatic during the lucid interval is.
    a. valid
    b. void
    c. voidable
    d. illegal
21. 'A', a wealthy minor orphan was taken care of by the neighbor for the education provided to the minor, the neighbor_____
    a. cannot claim the expenses as it is charity
    b. the minor can be asked to pay after he starts earning
    c. the government can be asking to pay
    d. can be claimed from the property of the minor
22. Which of the statement is true:
    a. a minor's contract is valid
    b. a minor cannot acquire property
    c. a minor can be an agent
    d. a minor cannot acquire shares even if fully paid
23. Who are competent to enter into a contract?
    a. sound mind
    b. major
    c. a person not otherwise disqualified
    d. All the above
24. An intoxicated person_____
    a. is of sound mind
    b. of unsound mind
    c. s otherwise disqualified
    d. none of the above
25. Disqualified persons are_____
    a. Incorporated bodies if they enter into contracts not permitted by MOA
    b. army major
    c. agents
    d. lunatics
    e. (a) & (C)

26. A minor is a person below:_____
    a. 14 years
    b. 16 years
    c. 18 years
    d. 22 years
27. A person is legally of sound mind provided _____.
    a. he is able to understand the terms of the contract
    b. can form a rational judgement
    c. is certified to be of sound mind by a doctor
    d. (a) & (b)
28. A minor who enters into a contract during minority_____.
    e. can ratify the same on attaining the age of majority
    f. cannot ratify the same on attaining the age of majority
    g. the agreement is illegal hence cannot be ratified
    h. the choice is of the minor whether he wants to ratify or not
29. A mortgage was executed in favour of a minor. Can the minor get a Decree, for the enforcement of mortgage?
    a. Yes
    b. No
    c. Can't say
    d. Mortgage is invalid
30. An agreement with a minor is: _____
    a. void
    b. voidable at the option of the minor
    c. voidable at the option of other party
    d. valid
31. When the consent of a party is obtained by coercion, undue influence, fraud or misrepresentation, the
    a. contract is_____
    b. Valid
    c. voidable
    d. Void
32. IF A exercises coercion against an Indian citizen 'B, at a place where IPC is not in force, the contract still is_____
    a. Valid
    b. Illegal
    c. Voidable
    d. void
33. Which of the following acts does not amount to fraud?
    a. Knowingly making a false statement
    b. Promise made without intending to perform
    c. Active concealment of facts
    d. Innocent false statement

34. Which of the following remedy/remedies is/are not available in case of misrepresentation?
    a. The aggrieved party can rescind the contract even if he had the means of discovering the truth
    b. with ordinary diligence
    c. The aggrieved party can avoid the contract
    d. The aggrieved party can affirm the contract
    e. The aggrieved party cannot claim damages.
35. A person buys some goods from a shop While paying by way of cheque, discloses his name. The cheque bounces, as he was not the person he claimed to be the contract will be_____
    a. Valid
    b. Void
    c. Voidable
36. In case of an act of coercion, the act:_____
    a. is forbidden by Indian Contract Act, 1872
    b. is forbidden by Indian Penal Code, 1860
    c. is forbidden by Criminal Procedure Code, 1973
    d. is forbidden by the Constitution of India
37. Moral pressure is exercised in case of_____.
    a. coercion
    b. undue influence
    c. fraud
    d. misrepresentation
38. 'A' informs 'B' the buyer that his farm is without any encumbrance 'B', buys the farm. Later, he comes to know that the land has been mortgaged 'B'_____.
    a. can avoid the contract
    b. cannot avoid the contract
    c. can insist 'A' to redeem the mortgage
    d. can claim damages
    e. (a).(c) and (d)
39. Does silence amount to fraud?
    (a) Yes, always
    (b) No
    (c) Yes, only when equivalent to speech
40. When the consent to the contract is not free:
    a. the contract is void
    b. the contract is voidable
    c. the contract is illegal
    d. the contract is valid
41. Mistake can be of_____.
    a. Law
    b. Facts
    c. Indian law
    d. a and b

42. Consent is_____.
    (a) accepting
    (b) agreeing in the same sense
    (c) agreeing even with variation
    (d) consensus ad idem

43. Misrepresentation can be of_____.
    (a) law
    (b) facts
    (c) both

44. Mistake of fact can be_____.
    (a) only unilateral mistake of fact
    (b) only bilateral mistake of facts
    (c) a or b
    (d) a & b

45. When two persons, agree to a same thing in the same sense, it is called_____.
    (a) consensus ad idem
    (b) offer
    (c) acceptance
    (d) consideration

True or False

1. Quasi contract are certain relations resembling those created by contract. **True**
2. Every promise and every set of promises forming the consideration for each other is an agreement **True**
3. An offer can be in the form of doing or abstaining **True**
4. Communication of offer is complete when it comes to the knowledge of the person to whom it is made **True**
5. When two persons make identical offer to each other in the ignorance of each other's offer, is called counter offer **False**
6. Special terms are automatically binding on the contracting parties **True**
7. Acceptance can be given partially **False**
8. An an auction would be bidders are making the offer **True**
9. An advertisement regarding retirement benefit insurance is an offer **False**
10. Communication of acceptance is complete as against the proposer when the acceptance is put into the course of transmission so as to be out of the power of the offeror **True**
11. Mental acceptance is valid acceptance. **True**
12. Counter offer and cross offer are same **True**
13. Legal relations mean the parties intend to create legal consequences **False**
14. A proposal when accepted becomes a contract. **True**
15. An implied contract may be oral or written

16. A contract creates legal relation
17. Free consent is consensus ad idem **True**
18. A contract where consent is not free is voidable at the instance of the innocent party **True**
19. In case of coercion, the act must be forbidden by the Indian Contract Act, 1872 **False**
20. In case of coercion, the act must be forbidden by the Indian Penal Code **True**
21. Moral or mental pressure is exercised in case of undue influence **True**
22. Silence amounts to fraud, when silence is equivalent to speech **True**
23. Bilateral mistake of fact makes the agreement void **True**
24. Fraud and misrepresentation can be of both law and fact. **False**
25. Fraud can be of law alone. **False**
26. Mistake is an error of judgement **True**

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Sale of Goods Act 1930

1. The Sale of Goods Act is of:_____
   a. 1903
   b. 1923
   c. 1930
   d. 1932
2. Seller is a person who:_____
   a. sells
   b. agrees to sell
   c. both (a) & (b)
   d. none of the above
3. Meaning of deliverable state is _____
   a. seller has to do something
   b. buyer has to do something
   c. seller has done what is required
   d. state at which buyer cannot refuse to take possession
4. Document of title includes_____.
   a. Railway receipt
   b. Bill of lading
   c. Wharfinger's certificate
   d. All the above
5. Which is not goods:_____
   a. dog
   b. shares
   c. valid Indian currency
   d. ship
6. Contract of sale may be in_____.
   a. writing
   b. oral
   c. partly in writing, partly oral
   d. all the above
7. In an agreement to sell, in the event of destruction of goods loss is borne by_____.
   a. seller
   b. buyer
   c. 50% by each of the above parties
   d. minister of consumer affairs
8. Hire purchase is governed by:_____.
   a. Sale of Goods act, 1972
   b. transfer of property Act, 1963
   c. Hire Purchase Agreement, 1972
   d. Indian Contract Act, 1872

9. Price may be determined by:_____.
    a. terms of the contract
    b. by third parties
    c. by the seller
    d. all the above
10. In case of sale where price is paid in instalments:_____.
    a. each instalment is regarded as the hire charges
    b. each instalment is regarded as part payment of the price
    c. only b
    d. a or b
11. Goods means every kind of movable property including_____
    a. Actionable claims and currency money
    b. old currency notes
    c. Goodwill and copyright
    d. Both (a) and (c)
12. Delivery means voluntary transfer of possession of goods from one person to another.
    a. True
    b. False
13. In a contract of sale, payment of price may take place at a future date.
    a. True
    b. False
14. Condition is a stipulation that is:_____
    (a) primary
    (b) secondary
    (c) collateral
    (d) irrelevant
15. Express condition may be in:
    a. writing
    b. oral
    c. partly oral partly written
    d. all of them
16. Implied condition are stipulations:
    a. **assumed to be present**
    b. assumed to be absent
    c. parties want it
    d. none of the above
17. Implied condition as to title means_____
    a. the seller has the title to sell
    b. the seller will get the title to sell
    c. id title of the seller is irrelevant
    d. a or b

18. Implied condition of sale by description includes: _____
    a. where the buyer does not see the goods but relies on description
    b. where the buyer sees the goods but relies on the description given
    c. a or b
    d. a and b
19. Implied condition of sale by sample and description means_____.
    a. goods must match the sample
    b. goods must match the description
    c. a or b
    d. a and b
20. When the goods are purchased under a trade name_____.
    a. there is an implied condition as to trade usage
    b. there is no implied condition as to quality or fitness for the buyer's purpose.
    c. it amounts to implied warranty
    d. it amounts to implied condition of wholesomeness.
21. Implied condition as to wholesomeness refers to_____.
22. merchantability
23. food products
24. anything other than food products
    (e) & (b)
25. Warranty is a stipulation that is.
26. primary
27. secondary
28. incidental
29. irrelevant
30. Breach of a warranty leads to:
31. repudiation of a contract
32. cannot repudiate the contract
33. can claim damage
34. Implied warranty of freedom from encumbrance means
35. no encumbrance
    (f) & (b)
36. no encumbrance in favour of third party unknown to the buyer
37. third party
38. there is an encumbrance
39. none of them
40. A breach of a condition may be treated as a breach of warranty in some cases.
41. True
42. False

43. Doctrine of caveat emptor places the burden on the
44. buyer
45. seller
46. government
47. Stipulation as to time of payment can only be a warranty in a contract of sale.
48. True
49. False
50. A milk vendor supplied milk which contained typhoid germ. X got infected after consuming the
51. milk. Is the milk vendor bound to pay damage?
52. Yes, breach of condition as to wholesomeness
53. Yes, condition as to merchantability
54. No, milk vendor never knew himself.
55. No, 'X', should have seen it.
56. In case of breach of condition by the seller, the buyer
57. can reject the goods.
58. only sue for damages
59. does not have any rights under SOGA.

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Negotiable Instruments Act 1881

1. Under the Negotiable Instrument Act, which of the following refers to a written document by which a night is created in favor of some person"?
    a. Promise
    b. Instrument
    c. Agreement
    d. Contract
2. The term 'Negotiable instrument' is defined in the Negotiable Instruments Act, 1881, under section
    a. 12
    b. 13
    c. 13A
    d. 31
3. Which of the presumptions in case of a negotiable instrument is not presumed:
    a. date is the correct date
    b. amount written is correct
    c. signature is genuine
    d. the instrument is invalid
    e. (a), (b) and (c)
4. The undertaking contained in a promissory note, to pay a certain sum of money is:___
    a. conditional
    b. unconditional
    c. may be conditional or unconditional depending upon the circumstances
    d. none of the above
5. According to Negotiable Instrument Act, 1881, which of the following is not a promissory note?
    a. promissory note payable to bearer
    b. promissory note payable to the order of a certain person.
    c. payable to two or more promises
    d. payable to a specified person on demand
6. A promissory note merely acknowledging a debt is:_____
    a. a valid promissory note
    b. not a valid promissory note
    c. may or may not be a valid promissory note
    d. share warrant
7. In case of bills in sets_____
    a. All copies needs to be signed
    b. all copies need to be signed and stamped.
    c. No copy need to be signed and stamped.
    d. only one copy requires stamp and all copies signed.

8. Which is valid acceptance of a bill of exchange:
   a. oral
   b. written without signature
   c. signed by drawee
   d. none of the above
9. Foreign bill of exchange are: _____
   a. Bills drawn in India and payable outside India upon Indian residents.
   b. Bills drawn outside India but payable in or drawn upon any person resident in India.
   c. Bills drawn in India upon persons non-resident in India and made payable outside India
   d. Both (a) & (b)
10. Which form of cheques is valid?
   a. (a)Bearer cheque
   b. (b)Crossed cheque
   c. (c) Account payee cheque
   d. All of above
11. According to Negotiable Instrument Act, 1881, which of the following is the essential of a cheque?
   a. it does not bear a stamp
   b. It should contain conditional order
   c. it must not be signed by drawer
   d. Cheque is not payable on demand.
12. Who is not a party to a cheque?
   a. Drawer
   b. Drawee
   c. Payee
   d. Acceptor
13. If an instrument may be construed either as a promissory note or bill of exchange, it is
   a. a valid instrument
   b. an ambiguous instrument
   c. illegal instrument
   d. none of the above.
14. If in an instrument the amount undertaken or ordered to be paid is stated differently in figures an words,_____
   a. the instrument is void due to uncertainty
   b. the amount stated in figure shall be the amount undertaken or ordered to be paid
   c. the amount stated in words shall be the amount undertaken or ordered to be paid
   d. none of the above
15. A promissory note or bill of exchange which is not expressed to be payable on demand, at sight or on presentment the date of maturity is:_____
   a. on the day payment is demanded
   b. on the Ird day after the day on which it is expressed to be payable
   c. on the 5th day after the day on which it is expressed to be payable
   d. on the 4th day after the day on which it is expressed to be payable

16. Which of the following is not a justified ground of dishonoring of cheque by the banker?
    a. the cheque is post-dated and presented before the ostensible date
    b. the banker had sufficient funds, but the funds are not properly applicable towards the payment of the cheque
    c. if the cheque is altered in parts
    d. if the cheque is duly presented
17. If the words "not negotiable" is used with special crossing in a cheque _____
    a. Transferability of the cheque is stopped
    b. The cheque should be credited to the account of the payee
    c. On transferring the cheque, the transferee cannot get a better title than that of the transferor
    d. None of the above
18. Which of the following statements are incorrect?
    a. Banker is never liable
    b. Banker is bound to make payment under certain conditions
    c. Banker is justified in dishonouring a cheque
    d. Statutory protection is given to banker under certain circumstances.
19. What is the presumption under section 137 of the Negotiable Instruments Act, 1881?
    a. A negotiable instrument drawn in a foreign country is genuine
    b. The law of any foreign country regarding promissory notes, bills of exchange and cheques is
    c. same as that of India
    d. Both (a) and (b)
    e. None of the above
20. For what term of imprisonment an offender under section 138 of the Negotiable Instruments Act can be punished?
    a. two years
    b. one year
    c. three years
    d. five years
21. A complaint against an offence under section 138 of the Negotiable Instrument Act, 1881_____
    a. must be in writing
    b. may be oral or in writing
    c. must be in writing containing a declaration by the drawee that he consents to such filing of the
    d. complaint
    e. none of the above
22. Which of the following is not applicable in case of escrow?
    a. not transferring absolutely, the property
    b. safe custody
    c. conditional delivery
    d. collateral security
    e. all

23. Maturity of an instrument is:
    a. date on which the instrument is created.
    b. date on which the instrument is payable
    c. date on which the instrument is signed.
    d. none of the above
24. _____is a person who draws a bill
    a. drawer
    b. drawee
    c. payee

Consumer Protection Act 1986

25. Which reason is not a valid reason for enacting the consumer protection act:
    a. problems on account of collective bargaining
    b. existence of multiple laws.
    c. hurdles in litigation.
    d. to decrease the number of cases being filed in the regular courts.

26. Which statement does not reflect as regards definition of consumer?
    a. A person who buys goods or services.
    b. Free services excluded from the definition of consumer.
    c. Borrower is also a consumer.
    d. Buying of goods for commercial purpose.
27. Unfair trade practice is:
    a. sale
    b. giving gifts.
    c. buy one take one free
    d. putting the tag 50% discount when the original price is not there
28. _____means an allegation in writing made by a complainant. (MU, Oct. 2018
    a. Complaint
    b. Resale
    c. Commercial purpose
29. Person includes_____
    a. Firm
    b. HUF
    c. Cooperative society
    d. All the above

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Question Bank
TYBAF Semester V
Indirect Tax Laws

1) GST stands for
(a) goods and supply tax (b) government sales tax
(c) goods and service tax (d) goods and simple tax

2) GST is levied in India on the basis of _____principle.
(a) Origin (b) destination (c) either a or b (d) both a or b

3) The main objective of GST implementation is ____
(a) To consolidate multiple indirect tax levies into single tax
(b) Overcoming limitation of existing indirect tax structures
(c) Creating efficiency in tax administration
(d) All of the above

4) Which of the following is not a bill passed by parliament for the implementation of GST in India ?
(a) the central GST act 2017 (b) the state GST act 2017
(c) the integrated GST act 2017 (d) none of the above

5) _____petroleum products have been temporarily been kept out of GST.
(a) 1 (b) 2 (c) 3 (d) 5

6) In India, GST structure is ___in nature.
(a) Single (b) dual (c) triple (d) a and b both

7) P Ltd has a contract with X Ltd. to provide book keeping services to Q Ltd. is a subsidiary of P Ltd. The liability to discharge consideration for such book keeping service is of P Ltd. As per the CGST Act 2017 who will be the recipient of the above service ?
(a) P Ltd. (b) q Ltd. (c) X Ltd. (d) both (a) and (b)

8) The definition of goods under section 2(52) of the CGST Act does not include
(a) Grass (b) money and securities
(c) actionable claims (d) growing crops

9) ____ is not included in the term "Goods" under GST Law:
(a) movable property (b) actionable claim
(c) securities (d) growing crops

10) Which of the following is not covered under the term goods under GST ?
(a) money (b) actionable claim
(c) securities (d) both (a) & (c)

11) As per the CGST Act, 2017 business includes

(i) Adventure not for a pecuniary benefit

(ii) Any activity or transaction undertaken by the central government, a state government or any local authority in which they are engaged as public authorities

(a) (ii) only (b) both (i) and (ii)

(c) neither (i) nor (ii) (d) (i) only

12) Which of the following can be treated as goods under the CGST act 2017 ?

(i) Movable property

(ii) Money ad securities

(iii) Actionable claim

13) What are different types of supplies covered under the scope of supply?

(a) Supplies made with consideration

(b) Supplies made without consideration

(c) Both of the above

(d) None of the above

14) The activities to be treated as supply of goods or supply of services as referred to in ____of CGST Act, 2017.

(a) schedule I of CGST act (b) schedule II of CGST act

(c) schedule III of CGST act (d) section 7

15) Which of the following taxes will be levied on imports?

(a) CGST (b) SGST (c) IGST (d) none of the above

16) Which of the following is not a supply as per section 7 of the CGST Act?

(a) Management consultancy services not in course of furtherance of business

(b) Import of services for consideration and in course or furtherance of business

(c) Both a and b

(d) None of the above

17) ____specifies the activities to be treated as supply even if made without consideration.

(a) schedule I of CGST act (b) schedule II of CGST act

(c) schedule III of CGST act (d) all of the above

18) Which of the following activity is outside the scope of supply and not taxable under GST?

(a) Services by an employee to the employer in the course of or in relation to his employment

(b) Services of funeral

(c) Actionable claims other than lottery, betting and gambling

(d) All of the above

19) Agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act is ____

(a) Supply of goods

(b) Supply of services

(c) Neither as a supply of goods nor a supply of services

(d) Either as a supply of goods or a supply of services

20) Transfer of the right to use any goods for any purpose(whether or not for a specified period) for cash, deferred payment or other valuable consideration shall be treated as____

(a) Supply of goods

(b) Supply of services
(c) Neither as a supply of goods nor a supply of services
(d) Either as a supply of goods or a supply of services

21) Works contract as defined in section 2 (119) shall be treated as____
(a) Supply of goods
(b) Supply of services
(c) Neither as a supply of goods nor a supply of services
(d) Either as a supply of goods or a supply of services

22) Supply by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration is____
(a) Supply of goods
(b) Supply of services
(c) Neither as a supply of goods nor a supply of services
(d) Either as a supply of goods or a supply of services

23) Supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration shall be treated as ____
(a) Supply of goods
(b) Supply of services
(c) Neither as a supply of goods nor a supply of services
(d) Either as a supply of goods or a supply of services

24) Services by an employee to the employer in the course of or in relation to his employment is ___
(a) Supply of goods
(b) Supply of services
(c) Neither as a supply of goods nor a supply of services
(d) Either as a supply of goods or a supply of services

25) A ____ supply comprising of two or more supplies shall be treated as the supply of that particular supply that attracts highest rate of tax.
(a) Composite (b) mixed (c) both a and b (d) none of the above

26) ____means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combinati5on thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.
(a) composite supply (b) principal supply
(c) mixed supply (d) inward supply

27) ____ means two or more individual supplies of goods or services or any combination thereof made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.
(a) mixed supply (b) principal supply
(c) inward supply (d) exempt supply

28) _____ supply shall attract IGST?
(a) Intra state (b) inter state (c) both

29) Is there any ceiling limit prescribed on the rate under IGST?

(a) 14% (b) 40% (c) 26% (d) 30%

30) What if an e-commerce operator having no physical presence in the taxable territory, does not have a representative in the taxable territory?

(a) He will have to discharge his tax liability in foreign currency
(b) He will not be liable to tax
(c) He has to appoint a person in the taxable territory for the purpose of paying tax on his behalf
(d) None of the above

31) Unless and until notified, GST shall not be levied on the inter-state supply of which of the following:

(a) industrial alcohol (b) works contract
(c) petroleum (d) none of the above

32) What are the supplies on which reverse charge mechanism would apply at present?

(a) Notified categories of goods or services or both under section 9(3)
(b) Inward supply of goods or services or both from an unregistered dealer under section 9(4)
(c) Both of the above4
(d) None of the above

33) Which of the following services are covered under Reverse Charge Mechanism of CGST Act, 2017?

(i) legal consultancy (ii) goods transport agency
(iii) manpower supply (iv) rent a cab
(a) (i) and (iii) (b) (i) and (iv) (c) (i) and (ii) (d) all the above

34) Which of the following is not exempted?

(a) Health care service to human beings by authorized medical practitioners / para medics
(b) Health care services to animals / birds
(c) Slaughtering of animals
(d) Rearing horses

35) Services by educational institution is exempted if the services are to:

(a) any common man (b) its own students, faculty / staff
(c) both a & b (d) none of the above

36) Tax invoice must be issued by ____ on supplies made by him.

(a) Every supplier
(b) Every taxable person
(c) Every registered person not paying tax under composition scheme
(d) All the above

37) An invoice must be issued.

(a) At the time of removal of goods
(b) On transfer of risks and rewards of the goods to the recipient
(c) On receipt of payment for the supply
(d) None of the above

38) What is the time of supply of vouchers when the supply with respect to the voucher is identifiable?

(a) Date of issue of voucher
(b) Date of redemption of voucher
(c) Earlier of a and b.
(d) A and b whichever is later

39) What is the time of supply of vouchers when the supply with respect to the voucher is not identifiable?

(a) Date of issue of voucher
(b) Date of redemption of voucher
(c) Earlier of a and b.
(d) A and b whichever is later

40) What is the time of supply of service in case of reverse charge mechanism?

a. Date of payment as entered in the books of account of the recipient
b. Date immediately following 60 days from the date of issue of invoice
c. Date of invoice
d. Earlier of a and b.

41) From the following information determine the TOS of goods where goods are taxed on reverse charge basis.

Date of issue of invoice by the supplier – 30th Nov. 2019
Date of receipt of goods – 30thNov. 2019
Date of payment by the recipient – 10th Dec. 2019
Entry of receipt of services in the recipients BOA – 12th Dec. 2019

a. 30th Nov. 2019 (b) 10th Dec. 2019 (c) 12th Dec. 2019 (d) 30th Dec. 2019

42) Place of supply in case installation of elevator is

(a) Where the movement of elevator commences from the suppliers place
(b) Where the delivery of elevator is taken
(c) Where the installation of elevator is made
(d) Where address of the recipient is mentioned in the invoice

43) Place of supply of food taken on board at Delhi for an aircraft departing from Delhi to Bangalore via Hyderabad is

(a) Address of the aircraft carrier mentioned on the invoice of the supplier
(b) Delhi
(c) Jaipur
(d) Hyderabad

44) What is location of supply in case of important of goods?

(a) Customs port where the goods are cleared
(b) Location of the importer
(c) Place where the goods are delivered after clearance from customs port
(d) Owner of the goods

45) Place of supply of goods, other than supply of goods imported into, or exported from India, when supply involves movement of goods is the

(a) Location of the goods at the time at which the movement terminates for delivery
(b) Location of the goods at the time at which the movement starts for delivery

(c) Location of the principal place of business of the recipient
(d) Location of the principal place of business of the supplier

46) Place of supply of goods other than supply of goods imported into, or exported from India, when supply does not involve movement of goods is the
(a) Location of the supplier
(b) Location of the goods at the time of the delivery to the recipient
(c) Location of the goods at the time of purchase order
(d) Location of the recipient

47) The value of supply of goods and services shall be the
(a) Transaction value (b) MRP
(c) Market value (d) None of the above

48) The value of supply of goods and services shall be the
(a) Transaction value (b) Retail sale price
(c) wholesale price (d) None of the above

49) When can the transaction value be rejected for computation of value of supply
(a) When the buyer and seller are related and price is not the sole consideration
(b) When the buyer and seller are related or price is not the sole consideration
(c) It can never be rejected
(d) When the goods are sold at very low margins.

50) If the goods are supplied to related persons then how should the taxable person ascertain the value of supplies?
(a) Seek the help of the GST officer
(b) Use the arms length price as required under the income tax law
(c) Refer the rules which prescribed for this purpose
(d) None of the above

51) Persons shall be deemed to be related persons if any person directly or indirectly owns, controls or holds _____ or more of the outstanding voting stock or shares of both of them.
(a) 25% (b) 26% (c) 51% (d) 0%

52) Persons shall be deemed to be related persons?
(a) Such persons are officers or directors of one another's businesses
(b) Such persons are legally recognized partners in business
(c) Such persons are employer and employees
(d) All of the above

(A) <u>Inclusions (S. 15 (2)</u>

53) The value of supply should include
(a) Any non GST taxes, duties, cesses, fees charged by supplier separately
(b) Interest, late fee or penalty for delayed payment of any consideration for any supply of goods or services
(c) Subsides directly linked to the price except subsidies provided by the Central and State Government
(d) All of the above

54) Which of the following shall not be included in value of supply?
(a) GST (b) Interest (c) Late fee (d) commission

55) The value of taxable supply should not include
(a) Taxes levied under SGST act 2017

(b) Taxes levied under CGST act 2017
(c) Taxes levied under GST compensation cess act 2017
(d) All of the above

56) Interest or fee or penalty for delayed payment of any consideration for any supply
(a) Shall be excluded from the value of taxable supply
(b) Shall be included from the value of taxable supply
(c) Shall require no adjustment
(d) Can be included or excluded from the value of the taxable supply

57) Subsidies provided by the central / state Govt.
(a) Shall be excluded from the value of taxable supply
(b) Shall be included from the value of taxable supply
(c) Shall require no adjustment
(d) Can be included or excluded from the value of the taxable supply

58) The value of supply should include
(a) Incidental expenses, including commission and packing, charged by the supplier to the recipient of a supply
(b) Interest, late fee or penalty for delayed payment of any consideration for any supply.
(c) Subsidies directly linked to the price except subsidies provided by the central and state government
(d) All of the above

59) From the following information determine the value of taxable supply as per provisions of section 15 of the CGST Act 2017?
Contracted value of supply of goods (including GST @ 18%) 11,80,000
The contracted value of supply includes the following:
(1) Cost of primary packing
25,000
(2) Cost of protective packing at recipients request for safe transportation
15,000
(a) 10,00,000 (b) 11,80,000 (c) 11,55,000 (d) 11,40,000

60) From the following information determine the value of taxable supply as per provisions of section 15 of the CGST Act 2017?
Price (including GST @ 18%) 11,00,000
Other information:
(1) Commission paid to agent by recipient on instruction of supplier and not included in price 5,000
(2) Freight and insurance charges paid by recipient On behalf of supplier not included in price 75,000
(a) 11,00,000 (b) 11,80,000 (c) 10,00,000 (d) 11,75,000

61) If a person opting for composition scheme is liable to be registered on 1st October 2019 and has applied for registration on 17th November 2019 and registration granted on 20th November 2019 then the effective date of registration will be
(a) 20th November 2019 (b) 1st October 2019
(c) 17th November 2019 (d) 1st April 2020

(d) Growing crops

Practical Questions

1) Compute the taxable value of supply of service of ABC Ltd. for the month of June 2019 from the following information.

Particulars	₹
1. Entry fees received for cultural program organized in open theatre to 1,250 person	5,00,000
2. Receipt on account of stand-alone ride in a mall	2,00,000
3. Receipts of video parlous exhibiting movies	2,00,000
4. Auxiliary services provided in capacity of an event manager for organizing an event	15,00,000
5. Receipts from running Rocky Circus: Entry fees 800 per person	8,00,000
6. Receipts on account of admission to award function where the consideration for admission to musical performance	5,00,000
7. Receipts on account of admission to musical performance where the consideration for admission is 1,000 per person	10,00,000
8. Receipts on account of admission on recognized sporting event where the consideration for admission is 1,000 per person	10,00,000
9. Receipts on account of admission to non-recognized sporting event where the consideration for admission is 1,000 per person	10,00,000
10. Receipts of amusement park	15,00,000

2)

Particulars	₹
Rent received	
For factory building	6,00,000
For machinery in factory	1,20,000
For residential house	3,00,000
For furniture in residential house	80,000
For open plot of land rented to circus	2,40,000
For agricultural plot	90,000
For hotel rooms (Declared tariff per day ₹ 1,200)	4,20,000
For hostel for working women	5,40,000
For renting premises for ATM machines of bank	1,40,000
For open plot on land for animal husbandry	90,000
Remuneration received as a member of parliament (MP)	3,60,000
Pension received from Ex-Employer	72,000

As per provisions of GST laws, classify above items as taxable or non-taxable and calculate the value of taxable supply, assuming that GST is not included in above amounts (ignore threshold exemption and abatement).

3) Calculate the value of taxable supply

1) Sale of rice on commission basis ₹ 2,65,000.
2) Transport facility provided by a school to its students ₹ 60,000.
3) Packing of tomato ketch up ₹ 54,000.
4) Serving food in air conditioned restaurant (taxable value) ₹ 40,000.
5) Merchant Banking services ₹ 8,00,000.
6) Royalty from temporary transfer of patents ₹ 3,00,000.
7) Upgrading of information Technology software ₹ 8,00,000.

62) In case of transport of goods by rail within India, which of the following item is an exempted supply?

(a) Transport of postal malls and postal bags
(b) Transport of defence and military equipments
(c) Transportation of household effects
(d) Transport of alcoholic beverages

63) Mr. C of Chennai supplied goods to M/s. Smart Jet airlines of Chennai flying between Delhi – Mumbai. The goods are loaded in the aircraft in Delhi. The place of supply of goods will be

(a) Chennai (b) Delhi (c) Mumbai (d) none of the above

64) Gifts not exceeding _____ in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both

(a) Rs. 20,000 (b) Rs. 25,000 (c) Rs. 50,000 (d) Rs. 1,00,000

65) Hospital charging room rent per day per room Rs. 1,200 on rooms provided to in patients. It is

(a) exempted supply (b) taxable supply
(c) not at all supply (d) none of the above

66) In cases of change in rate of tax and amount is credited to the bank account after 4 working days from the date of change in rate of tax the date of receipt of payment will be

(a) Date of book entry or date of bank entry whichever is earlier
(b) Date of bank entry
(c) Date of book entry
(d) Date of book entry or date of bank entry whichever is later

67) Who is the person allowed to cancel a GST registration?

(a) The registered person himself
(b) The GST officer
(c) The legal heir of the registered person
(d) All of the above

68) Where the application of registration is found to be deficient for any reason and the proper officer requires any further information then he shall intimate to the applicant in form

(a) GST REG – 01 (b) GST REG – 02
(c) GST REG – 03 (d) GST REG – 04

69) Aminpur Post office provided basic mail services of Rs. 2,50,000 and speed post services of Rs. 3,00,000 the value of taxable services will be

(a) Rs. 2,50,000 (b) Rs. 3,00,000 (c) Rs. 5,50,000 (d) none of the above

70) An individual acts as a referee in a football match organized by sports Authority of India. which one of the following is correct?

(a) The individual is liable to pay GST
(b) Sports authority of India is liable to pay GST
(c) Exempted from GST
(d) Outside this scope of supply

71) Goods under CGST act excludes

(a) Securities
(b) Unsecured debts
(c) Right to participate in the draw to be held in a lottery

4) Calculate the value of Taxable Supply:

1. Supply of farm labour ₹ 1,00,000
2. Transport of postal mail or mail bag by a vessel ₹ 60,000.
3. Warehousing of potato chips ₹ 1,05,000.
4. Renting of hotel rooms with food (tariff ₹ 2,000 per day) ₹ 2,10,000.
5. Asset Management Services ₹ 30,000.
6. Royalty for providing use of technical knowhow ₹ 2,50,000.
7. Development and Design of information Technology software ₹ 8,00,000.

5) Determine the GST with resapect to each of the following independent services provided:

Particulars	₹
Fees charged for yoga camp conducted by a charitable trust	5,00,000
Amount charged by Bank Mitras for the services provided to a bank with respect to Basic Saving Accounts covered by Pradhan Mantri Jan Dhan Yojana (PMJDY)	1,00,000
Amount charged by cord blood banks by way of preservation of stem cells	50,000
Service provided by commentators to a recognized sports body	5,20,000

Note: ignore the threshold exemption. GST has been changed separately, wherever applicable.

6) Form the information for June 2019 supplied by Mr. Amir compute his value of taxable supply for the month of June 2019. (ignore threshold limit and all amounts given are excluding GST).

Particulars	₹
1. Supply of Farm Labour	40,000
2. Loading and unloading of Grapes	60,000
3. Cleaning and Packing Grapes	20,000
4. Sale of Grapes	4,00,000
5. Consultation Service for Manufacturing wine from Grapes	3,50,000
6. Rent from agricultural land situated at Jammu and Kashmir	40,000
7. Renting Agricultural machinery	80,000
8. Rent from Agricultural land used for research	60,000
9. Rent from Agricultural Land given to Agricultural college for research	70,000
10. Rent from Agricultural Land given to Mela (Fun-Fair)	4,00,000
11. Rent of Agricultural Land from Cinema production house	6,00,000

7) Arun Ltd. is a manufacturing concern in Pune. In the preceding Financial Year 2018-19 total value of supplies including inward supplies taxed under reverse charge basis are ₹ 1,54,000. (excusive if taxes). Determine whether Arun Ltd. is eligible to opt for composition scheme. The break up of supplies are as follows:

Particulars	₹
Intra-state supplies made under forward charge	50,00,000
Intra-state supplies made which are which are chargeable to GST at Nil rate	88,00,000
Intra-state supplies which are wholly exempt under section 11 of CGST Act, 2017	12,00,000
Value of inward supplies on which tax payable under RCM	4,00,000

8) Virat Ltd. a manufacturing concern located in Nagpur has opted for composition scheme for the current F.Y. 2019-20. Determine tax payable by Virat Ltd. Details of supplies including inward supplies taxable under reverse charge basis as follows:

Particulars	₹
Intra-state supplies of Goods chargeable @ 12% GST	23,00,000
Intra-state supplies of Goods chargeable @ 18% GST	10,00,000
Intra-sate supplies made which are chargeable to GST an Nil rate	18,00,000
Intra-state supplies which are wholly exempt under section 11 o CGST act, 2017	16,40,000
Value of inward supplies on which tax payable under RCM (GST rate 5%)	20,00,000

9) Determine the time of supply in each of the following independent cases in accordance with provisions of CGST Act, 2017:

Date of Actual Provision of Services	Date of Invoice	Payment Entry in Supplier's Book	Credit in Bank Account	Remarks
20-10-2019	21-10-2019	26-10-2019	30-10-2019	
20-10-2019	30-10-2019	24-10-2019	22-10-2019	
16-11-2019	26-12-2019	28-01-2020	29-01-2010	
1/12/2019	30-10-2019	30-10-2019	30-10-2019	₹ 5,00,000 is received in advance on 30-10-2019
	30-10-2019	6/10/2019	8/12/2019	Balance amount ₹ 6,80,000 is received on 060-12-2019

10) Determine the time of supply in the following cases assuming that GST is payable under reverse charge:

Date of payment by recipient of services	Date of issue of invoice by Supplier of service
10-10-2019	29-08-2019
10-10-2019	01-08-2019
Part payment made on 30-08-2019 and balance amount paid on 01-11-2019	29-08-2019
Payment in entered in the books of account on 28-08-2019 and debited in recipient's bank account on 30-08-2019	01-08-2019
Payment in entered in the books of account on 30-08-209 and debited in recipient's bank account on 26-08-2019	29-08-2019

11) Determine the time of supply of goods in the following independent situations, as per the GST law, giving brief reason for your conclusion:

Sr. no.	Date of removal of goods	Date of receipt of goods by buyer	Date of issue of tax invoice	Date of credit of payment in suppliers books of account	Date of credit of payment in suppliers bank account
1	04-01-2020	05-01-2020	04-01-2020	05-01-2020	06-010-2020
2	04-01-2020	03-01-2020	05-01-2020	03-01-2020	02-01-2020
3	04-01-2020	05-01-2020	04-01-2020	07-01-2020	08-01-2020

12) Determine time of supply in following independent cases as per the provisions of CGST act, 2017.

Sr. No.	Date on which Goods are available	Date of invoice	Date of recipient of payment
1	12-12-2019	15-12-2019	06-11-2019
2	17-12-2019	20-12-2019	02-11-2019
3	25-12-2019	04-01-2020	23-01-2020
4	26-10-2019	16-10-2020	15-10-2020
5	18-12-2019	12-12-2020	10-12-2020
6	15-01-2020	16-01-2020	05-01-2020
7	17-02-2020	13-02-2020	12-02-2020

13) Determine Place of Supply of Goods in the following cases and also state the Nature of Supply and the type of tax leviable (CGST, SGST and IGST)

Supplier and his location	Location of the buyer (third person)	Recipient and his location	Place of delivery of the goods
Mr. Satish, Indore	Mr. Prakash, Indore	Mr. Sony, Surat	Surat
Mr. Satish, Indore	Mr. Sony, Surat	Mr. Prakash, Indore	Indore
Mr. Satish, Indore	Mr. Rakesh, Mumbai	Mr. Sony, Surat	Surat
Mr. Satish, Indore	Mr. Sony, Surat	Mr. Dev, Surat	Surat

14) Raman Ltd. registered supplier in Mumbai (Maharashtra) supplying goods and services, has supplied goods to Sahil Traders and Jaggi Motors Ltd. located in Ahmednagar (Gujarat) and Pune (Maharashtra) respectively. Raman Ltd. has furnished the following details for the current month:

Particulars	Sahil Traders (₹)	Jaggi Motors Ltd. (₹)
1. Price of the goods (excluding GST)	20,000	15,000
2. Packing charges	600	
3. Commission	400	
4. Weighment charges		1,000
5. Discount for prompt payment (record in the invoice)		500

Items given in points (1) to (5) have not been considered while arriving at price of the goods given in point (1) above.

15) Compute the GST liability [CGST and SGST and ISGT, as the case may be] of Raman Ltd. for the given month. Assume the rates of taxes to be as under:

Particulars	Rate of Tax
Central tax (CGST)	9%
State tax (SGST)	9%
Integrated tax (IGST)	18%

Make suitable assumptions, wherever necessary.

Note: The supply made to Sahil Traders is an inter-state supply.

16) Candy Blue Ltd. Mumbai, a registered supplier, is manufacturing chocolates and biscuits. It provides the following details of taxable inter-state supply made by it for the month of October 2019.

Particulars	₹
List price of goods supplied inter-state	12,40,000
Items already adjusted in the price given in (i) above:	
1. Subsidy from Central Government for supply of biscuit to Government School	1,20,000

2. Subsidy from Trade Association for supply of quality biscuits	30,000
Items not adjusted in the price given in (i) above:	
3. Tax levied by Municipal Authority	24,000
4. Packing charges	12,000
5. Late fee paid by the recipient of supply for delayed payment of invoice	5,000

Calculate the value of taxable supply made by M/s Candy Blue Ltd. for the month of October 2019.

17) Quantum Plans Private Limited. Delhi supplies plastic granulation machine to Capscom Ltd. Delhi.

It furnishes the following details in respect of such supply:

Particulars	₹
List price of the machine (exclusive of taxes and discounts)	1,00,000
Corrugated boxes used for packing the machine (not included in price above)	1,000
Subsidy received from Delhi Government on sale of such machine (consider in price above)	5,0000

Discount @ 2% is offered on list price of the machine
(recorded in the invoice for the machine)
Determine the value of taxable supply made by Quantum Plast Private Limited.

18) Mr. X a registered supplier in Kochi (Kerala State) has provided the following detail in respect of his supplies made within intra-state for the month of March 2020:

Particulars	₹
1. List price of goods supplied intra-state (Exclusive of item given below from 2 to 5)	3,30,000
2. Swachh Bharat cess levied on sale of goods	12,500
3. Packing expenses charges separately in the invoice	10,800
4. Discount of 1% on the list price of the goods was provided (recorded in the invoice of goods)	
5. Subsidy received from State Government for encouraging women entrepreneurs	5,000

Compute the value of taxable supply and the gross GST liability of Mr. X for the month of March 2020 assuming rate of CGST to be 9% and SGST be 9%. All the amounts given amounts given above are exclusive GST.

19) A manufacturer of machinery supplied a special machine to Modern Furnishers. Following details are provided in relation to amounts charged:

Particulars	₹
1. Price of Machinery excluding taxes (before cash discount)	5,00,000
Additional charges not included above:	
2. Freight	13,0000
3. Packing charges	10,000
4. Charges for designing the machine	17,000

Other information furnished is:

a) Cash Discount @2% on price of machinery has been allowed to the customer at the time of supply and also recorded in invoice.

20) Kanchan Started business in April, 2019. Find out from which month she will be liable for registration and to pay GST as per the provides of GST Act. Given reasons.

Month/ Year	Purchase	Sales

2019	Taxable	Tax-Free	Taxable	Tax-Free
April to June	3,50,000	1,35,000	2,50,000	14,00,000
July	2,500	24,000	2,00,000	2,60,000
August	3,500	52,000	1,00,000	6,50,000
September	3,000	25,000	4,00,000	2,80,000
October	4,500	72,000	2,50,000	7,50,000
November	6,000	2,25,000	4,500	3,26,000
December	9,000	75,000	7,000	84,000

21) Mr. Rohit supplies Goods and Services from Kolhapur. He provides the following details retaining t the business for the month of January 2019. Determine his eligibility for registration under relevant Goods and Service Tax Laws.

Sr. No.	Particulars	Amount (₹)
1	Service charge within the state	3,00,000
2	Intra-state Goods Taxable @ 18% (Exclusive of GST)	3,00,000
3	Export made to Singapore	5,00,000
4	Intra-state Goods Taxable @ 5% (Exclusive of GST)	6,00,000
5	Intra-State Services Taxable @12% (Exclusive GST)	4,00,000
6	Intra-state Goods wholly exempt under GST	2,00,000

22) Mr. Pawan resident of Assam provides you following information regarding supplies made by him. Determine his eligibility for registration under relevant Goods and Services Tax Law.

Sr. No.	Particulars	Amount (₹)
1	Agricultural produce cultivated by family member	1,00,000
2	Intra-state Goods taxable @ 18% (Exclusive of GST)	95,000
3	Intra-state Goods Wholly exempted under GST	80,000
4	Export made to USA	1,35,000
5	Intra-State Goods table @5% (Exclusive of GST)	8,80,000
6	Intra-state Service Taxable @12% (Exclusive of GST)	2,40,000

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Business Communication 1

Subjective Questions

1. Need and Importance of communication?
2. Explain grapevine chain of operation and its advantages and disadvantages?
3. Explain characteristics of verbal communication?
4. Explain oral communication advantages and disadvantages?
5. Explain nonverbal communication and its characteristics?
6. Explain feedback and its types?
7. Impact of Technology advancement on communication
8. Explain various channels of organisational communication?
9. Explain Download downward communication its advantages and disadvantages?
10. Explain business etiquettes and its types?
11. Discuss Advantages of computer internet and email in modern business communication?
12. Discuss advantages and disadvantages of telephonic communication?
13. Advantages of effective listening?
14. Importance of good listening in communication?
15. Characteristics of good listener?
16. Obstacles of effective listening and how to overcome them?
17. Importance of business ethics?
18. Explain corporate social responsibility?
19. Discuss ethics and that should govern the user of the computer and internet?
20. Write in brief types of written communication?
21. Write in brief you attitude in a business letter?

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Business Communication 1

MCQ

Communication is a _____

A. one way process.

B. two way process.*

C. three way process.

D. four way process.

The information the receiver gets is called _____

A. message.*

B. output.

C. input.

D. source.

On the _____ it is possible to get immediate feedback

A. letter.

B. telephone.*

C. e-mail.

D. fax.

The most important part of the letter is

A. the heading.

B. date.

C. body of the letter.*

D. post script.

An _____ report can be denied at any time

A. oral.*

B. written.

C. special.

D. informal.

Informal communication is otherwise known as _____ communication.

A. grapevine.*

B. lateral.

C. visual.

D. horizontal.

The downward communication flow from

A. a subordinate to a superior.

B. a subordinate to a subordinate.

C. a superior to a superior.

D. a superior to a subordinate*

Communication means _____ information, feeling and thoughts, with others.

A. to receive.

B. exchange of.*

C. conveying.

D. all the above.

Facial expressions and gestures are known as _____

A. face to face communication.

B. oral communication*.

C. both 1 & 2.

D. Multimedia communication.

_____ is usually indicated if anything is to be attached to a letter.

A. appendix.

B. annexures.

C. index.

D. enclosures.*

Gestures is an example for

A. body language.*

B. grammar.

C. speeches.

D. written.

_____ is the set of instructions given to the computers.

A. hardware.

B. software.*

C. human ware.

D. firmware.

The letter should be based on _____

A. I attitude.

B. you attitude.*

C. we attitude.

D. my attitude.

Bio-data is enclosed with the following letter _____

A. sales letter.

B. application letter.*

C. complaint letter.

D. collection letter.

Pictures, slides, films fall under

A. body languages.

B. audio-visual communication.*

C. reporting.

D. visual communication

_____ in communication increases credibility of the sender of message

A. Clarity

B. Correctness

C. Concreteness*

D. Consideration

_____ refers to mental disturbances

A. Coherence

B. Notion

C. Distraction*

D. Psychological noise

Advantage of written communication

A. Save time.

B. Save money.

C. Permanent record.*

D. Neat.

All the following are principles of business letter writing, except:

A. Consideration

B. Correctness

C. Conciseness

D. Concurrency*

Communication is derived from a Latin word "Communis" which means

A. Community

B. Share

C. Common*

D. Marxist

Communication through news papers and television are known as:

A. Group communication

B. Interpersonal communication

C. Mass communication*

D. None of these.

Down ward communication and Upward communication are:

A. Vertical communication*

B. Horizontal communication

C. Diagonal communication

D. None of these

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QUESTION BANK-21-22

Subject: Business Mathematics **Semester: II**

CLASS: FYBAF **Faculty: Pranjalee Kurundkar**

Solve the following

1. A bookseller paid Rs. 765 for a parcel of 50 books on which he had been given a discount of 15%. Find the list price of a book.
2. A merchant pays his agent 8% ordinary commission and 3% del credere. If the agent sells goods worth Rs. 5,300, find the amount which the merchant receives from the agent.
3. Define agent and commision
4. A flat sold through Mr. Patel who charged 1.5% commission for the seller and got 2.5% commission from the buyer. Thus, he earned a total amount of Rs. 15,000. Find the sales price of the flat, the total amounts paid by the buyer and received from the seller.
5. Anurag took a loan of Rs. 60,000 with 10% interest per month, to be repaid in 5 months. Calculate the EMI using reducing balance. Also calculate the interest and the principal repayment components for each EMI.
6. Viren invested Rs. 28,000 in a Mutual fund on 07-04-2008 with NAV of Rs.270.1425. He received a dividend @ Rs. 8 per unit on 18-07-2008. He redeemed all units on 07-11-2008 with total gain of Rs.9,342.58. Find NAV at which he redeemed the units by considering 2.25% entry load and 1% exit load.
7. Find the mean proportional between 6 and 150
8. Shyam and Radha have their salaries in the ratio 8:9. If Radha's salary is Rs. 22,500, what is Shyam's salary?
9. A salesman gets 5% commission on the first 20,000, 8% on the next Rs.20,000 and 12% on the excess. He also receives an incentive at the rate of 3% on total sales, if it exceeds Rs 50,000. Find the total earnings of two salesmen with total sales worth of Rs. 44,000 and Rs. 58,000.
10. An amount of Rs. 35,000 resulted into Rs.52,500 after a certain period, at 10% p.a. rate of simple interest. Find the period.
11. A firm allows 20% discount on list price and 5% discount for cash payment. What is the net price of an article which is marked Rs.240?
12. Bhoomi invested Rs. 45,000 in a Mutual fund on 02-02-08 with a NAV of Rs. 85.92 and received a dividend @8.50 per unit on 04-05-2008. She redeemed all the units on 21-08-08 when NAV was Rs. 107.54. Find her total gain and rate of return after considering 2.25% entry load and 1% exit load.
13. If the sum of three numbers is 249 and the ratio between first and second is 3:4, ratio between second and third is 5: 12, find the numbers.

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14. Pratik owned 300 shares of a company with a face value of Rs. 10 each. Find his annual dividend if the company declares a 12% dividend.
15. Define following terms
    i) Loss ii) Commission iii) broker
    iv) invoice price v) trade discount
16. The time to complete a project varies inversely with the number of students working on it. If 3 students can complete a project in 7 days, find the time taken by 7 students to complete it.
17. There are two numbers with ratio 16:9 and 24 is mean proportional between them. Find the numbers.
18. Rahul purchased 500 shares of Rs.100 of company A at Rs 700. After 2 months, he received a dividend of 25%. After 6 months, he also got 1 bonus share for every 4 shares held. After 8 months , he sold all his shares at Rs 610 each. The brokerage was 2% on both purchases and sales. Find his percentage return on the investment.
19. Pratik owned 300 shares of a company with a face value of Rs. 10 each. Find his annual dividend if the company declares a 12% dividend.
20. Mihir took a loan of Rs. 50,000 from a company for a period of 1 year at 12% p.a Find the EMI, using a reducing balance method . Find the interest component and the principal component for the first five months..

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Objective Questions

1	If a, b, c, d are in proportion, then (a+b)/(a-b) = _____ a. (c-d) / (c+d) **b. (c+d) / (c-d)** c. (c+d) / c d. (c+d) / d
2	**A student is appearing in an examination secures 438 marks out of 600, then the percentage of marks secured by the student is** a. 71 b. 72 **c. 73** d. 74
3	When two given quantities are so related to each other that if one of them is multiplied by any constant, the other is also multiplied by same constant then they are in _____ proportion. **a. Direct proportion** b. Indirect Proportion c. Inverse Proportion d. None of these
4	Mean proportional between 6 and 150 is a. 20 **b. 30** c. 40 d. 50
5	The sub-triplicate ratio of 1:27 is **a. 1:3** b. 1:9 c. 1:81 d. 1:27
6	If a : b = c : d then (a + b) : a = (c + d) : c is a. Invertendo b. Alternendo **c. Componendo** d. Dividendo
7	A positive fraction is converted into percentage by **a. Multiplying it by 100** b. Dividing it by 100 c. Adding it with 100 d. Subtracting it from 100
8	A, B, C, D are four numbers such that A : B = 3 : 4, B : C = 8 : 11, C : D = 33 : 40 then A : B : C : D is a. 3 : 8 : 33 : 40 **b. 18 : 24 : 33 : 40** c. 4 : 11 : 33 : 40 d. None of these

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9	In the ratio x : y , x is called as **a. Antecedent** b. Consequent c. Ratio d. None of these
10	Percentage Profit is equal to **a. (Profit × 100) / CP** b. (Profit × 100) / SP c. Profit / CP d. Profit / SP
11	The cash discount is calculated on a. Net Selling Price b. Cost Price **c. Discounted List Price** d. Selling Price
12	If the net selling price exceeds the cost price then there is **a. Profit** b. Loss c. No profit no loss d. None of these
13	An agent who guarantees the collection of dues from the customer is called a. Factor **b. Del credere** c. Guarantor d. None of these
14	The brokerages from buyer and seller are ____ while calculating total brokerage in a deal of the broker **a. Added** b. Subtracted c. Multiplied d. None of these
15	The commission received by a broker is called a. Rate of discount **b. Brokerage** c. Discounted list price d. None of these
16	Which of the following statement is true **a. The buyer has to pay the seller and the broker both** b. The brokerage for a seller is to be added in the sales value while calculating total amount the seller receives. c. The list price cannot be calculated if only the rates of discounts and the net selling price are given. d. The net percentage profit is calculated on total sales.
17	To express any percentage into fraction, we a. Multiply by 100 **b. Divide by 100** c. Add by 100

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	d. Subtract from 100
18	The situation where cost equals net selling price is called a. Profit b. Loss **c. Break-even point** d. None of these
19	The compound interest for an amount of Rs. P at r % p.a. after 4 years is calculated by the formula a. P ×n ×r b. P(1+r/100)^4 **c. P(1+r/100)^4-P** d. None of these
20	_____is the smallest unit of the capital of a company. a. Face value **b. Share** c. Total dividend d. Brokerage
21	**If (a/4) = (b/5) = (c/7), find the value of (a+b+c)/3c** **a. 16/21** b. 17/21 c. 18/22 d. 17/22
22	**The volume V of a gas , at a constant temperature varies inversely as pressure P. What will be the volume when the pressure is 30 kgs per square meter? (Constant of proportionality k=360)** **a. 12 cubic cm** b. 11 cubic cm c. 10 cubic cm d. 13 cubic cm
23	Which of the following statement is false a. The cash discount is calculated on the discounted list price. b. An agent may charge commission for purchasing a commodity in bulk. **c. The brokerage for a seller is to be added in the sales value while calculating the total amount the seller receives.** d. The break even point occurs when cost equals sales.
24	Which of the following option is false a. EMI consist of two parts- interest part and the principal part **b. The EMI increases if the total payment period is increased** c. The EMI decreases if the total payment period is increased d. The loan, taken from banks or any financial institution is repayed in EMI over the time period of loan.
25	A fee levied on an investor at the time of selling units is called a. Entry load **b. Exit load** c. (a) or (b)

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	d. None of these
26	A, B, C, D are 4 numbers such that A:B=2:5, B:C=15:16 then A:C=___ a. 2:16 b. 5:15 c. 2:15 **d. 3:8**
27	Percentage loss is equal to **a. (Loss × 100) / CP** b. (Loss × 100) / SP c. Loss / CP d. Loss / SP
28	A broker may receive commission from _____ a. Buyer b. Seller **c. Both of the above** d. None of the above
29	Match the following In compound interest maturity amount is

a. Interest compounded yearly	1. A= P1+r2×1002n
b. Interest compounded half-yearly	2. A= P1+r12×10012n
c. Interest compounded quarterly	3. A= P1+r100n
d. Interest compounded monthly	4. A= P1+r4×1004n

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

30	A share of face value Rs.150 has a market price of Rs.10 below par means its market price is------- a. 160 b. 150 **c. 140** d. 130
31	If 14,16,35 and k are in proportion, then the value of k is a. 42 b. 45 **c. 40** d. 46

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Subject teacher

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Name of the Faculty- Mahesh Kandalkar

Class-S.Y.BAF

Subject-Financial Market Operations

Subjective Questions

1) Explain the function of Financial System.
2) Explain Inflation and types of Inflation.
3) Explain in detail the various Constituents of Indian Financial System.
4) Explain classification of Financial Market.
5) Elaborate Money Market and its instruments.
6) Explain Primary Market in brief and its advantages and disadvantages.
7) Explain Financial Instrument and its Characteristics.
8) Explain Derivative and types of derivative contract.
9) Explain Classification of Financial Instrument in details.
10) Explain the Mutual Funds and its Advantages.
11) Explain Credit Card & its process.
12) Explain in detail various constituents of India financial System
13) Explain various functions of financial Intermediaries.
14) Explain in detail various financial services offered in the financial system
15) What is money Markets and Explain the Instruments of money Markets.
16) Explain characteristics of capital market?
17) What are the various types of bonds?
18) Explain the status of debt markets in India?
19) Explain various sources of capital in an organization?

20) Explain characteristics of financial Instruments?

21) Explain how Derivatives are used?

22) Explain forward v/s futures contract

23) What is inflation and its causes?

24) Explain an overview of Indian Financial System with reference to savings and investmentin India.

25) Explain securities market in detail. What are the functions of securities market?

26) Explain meaning of Bond market and explain the structure of Indian Bond Markets indetail.

27) Explain classification of financial instruments in detail

28) What is Derivative market? What are the benefits of derivative markets with reference toIndia?

29) What is financial services? Explain its features and importance

30) Explain in detail about progress and scope of merchant banking in India

Subject teacher



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Question Bank

Class - S.Y.BAF, Subject - Financial Markets Operations, Semester - 3

SR.NO	Questions	Option 1	Option 2	Option 3	Option 4
1	The _____ deals in a new financial claim, therefore it is called new issue market	Money Market	Primary Market	Seconadary Market	Capital Market
2	The BSE sensex consists of a basket of _____ stocks	30	50	100	66
3	_____ is the function of financial system	Nationalization of financial	Establishment of	Intermediaries Control	Saving Function
4	Stock Holding Corporation of India was set up in Year _____	1985	1986	1987	1988
5	The central banking functions in india are performed by the _____	Central bank of India	Reserve Bank of India	State Bank of India	Punjab National Bank
6	_____	IPO	Fresh Issue	Issue	Public Issue
7	SEBI Securities exchange Board of india was established in the year _____	1990	1993	1988	2000
8	In the _____ there are no standardized rules and regulations govering their financial dealing	Fresh Issue	Unorganized Markets	Organised Markets	Secondary Markets
9	A _____ is a promissory note issued by the RBI to meet the short term requirement of funds	Treasury Bills	Commercial Banks	Commercial Paper	RRB's
10	_____ is an unsecured instrument issued in the form of promissory note	Development Banks	Reserve Bank of India	Commercial Banks	Commercial Paper
11	_____ is chairman of central board of directors of RBI	Finance Minister	Governor	President	Prime Minister

12	The central co-operative bank works at the _____ level	Base	First	Co-operative	Apex
13	_____ means a bank included in the second schedule of the Reserve bank of India Act, 1934	Schedule	Non- Schedule	Co - Operative	Commercial
15	_____ serve the rural areas and agricultural sectors with basic banking and adequate financial services	RRB	NABARD	SIDBI	RBI
16	Who controls the money market _____	Reserve Bank of India	State Bank of India	Non Banking Financial	Discount and Financial
17	A markets for borrowing and leading of funds for a very short period is _____	Cash Loan	Call Loan	Certificate of Deposits	Debenture
18	_____ is an amount borrowed or lent on demand for a very short period	Call Money	Commercial Papers	Certificate of Deposits	Treasury Bill
19	_____ market deals with short term lending and borrowing	Capital Markets	Money Markets	Treasury Bill	Commercial Paper
20	_____ are transactions or short term loans in which two parties agree to sell and repurchase the same security	Commercial papers	Call Money	Reverse REPO	REPO
21	SBTS stands for_____	Screen Based Training System	Traditional System	Based Trading	Technology System
22	The external factor that affects the industry as a whole is termed as _____ risk in capital market analysis	Systematic	Finance	Marketing	Human Resource
23	The _____ securities market is termed as the market for equities and debenture of companies of the corporate sector	Mutual Funds	Equity	Industrial	Preference
24	_____ are instruments issued by companies to raise capital and it represents the title to the ownership of a company	Preference Share	Equity Share	Corporate Debt	Bonds
25	_____ are debt instruments that are issued by companies or government to raise funds for financing their capital requirements	Mutual Funds	Preference Share	Bonds	Equity Share
26	_____ is the oldest stock exchange in india	Bombay Stock Exchange	National Stock Exchange	S & P CNX Nifty	OTCEI
27	The NSE is value weigthed index composed of _____ stocks	30	20	50	60
28	_____ of securites refer to the sanction of the right to trade the securities on the stock exchange	Listing	Delisting	Trading	Fundamental Ananlysis

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29	_____ analysis is the study of economic, industry, and company condition in an effort to regulate the value of a company's stock	Technical	Fundamental	Open	Line
30	Over the Counter Exchange of India was incorporated in _____	1995	1985	1980	1990
31	_____ are additional shares given to the current shareholders without any additional cost	Rigth issue	ESOP	Preference Shares	Bonus Share
32	ESOP stands for _____	Employee Stock Ownership Plan	Equity Stock Ownership	Earning Stock	Employer Stock
33	Book buliding is a method of determination of _____ for issue of new securities	Time	Weight	Quality	Price
34	_____ is the issue of securities of a company direct to one investor or small group of investors	Private Placement	IPO	Secondary Market	Primary Market
35	The clearing corporation of india limited (CCIL) was set up in _____	1995	2001	2005	2010
36	The _____ committee recommended that the government must borrow at market related rates	Narasimham	CV Raman	Chakraborthy	Nehru
37	_____ evaluates the financial condition and credit worthiness of the issuer of debt in india	CRISIL	Moody's	SEBI	RBI
38	_____ comprises of investor like banks RBI, insurance, Mutual funds and financial institutions	Wholesale Debt Market	Retails Debt Market	Foreign Exchange	Money Market
39	_____ are money market instruments, i.e short term debt instruments issued by the government of india, and are issued in three tenures 91 days,	Debt	Money Bill	Treasury Bills	Capital Market
40	_____ bonds are securities that do not have a fixed coupon rate	Fixed Rate	Floating Rate	Zero Coupon	Capital Indexed
41	sell commodities	Derivatives	Commodity	Forex	stock Market
42	_____ is a person buys or sells the commodity by just predicting the market movement in future	Hedgers	Arbitragers	Speculators	Broker
43	_____ demands the simultaneous sale and purchase of the same commodities in different markets	Speculators	Hedger	Arbitrage	Broker
44	_____ is a professionally managed online multi commodity exchange promoted by large national level institutions, large public sector bank and	ICEX	MCX	NMCE	NCDEX
45	_____ are trader with genuine exposure to the underlying commodities	Speculators	Hedgers	Arbitragers	Stock Broker
46	_____	1975	1775	1875	1885
47	asset	Commodity	Exchange	Derivative	Security
48	Diversification can reduce _____	Risk	Uncertainity	Probability	Loss

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49	An _____ contract is an agreement between two parties to buy or to sell an asset (a stock) at a fixed price and at a fixed date in the future	Derivatives	Future	Forward	Option
50	_____ was the first exchange to take up the issue of differential treatment of speculative loss	NCDEX	NMCE	ICEX	MCX
51	RBI was nationalized in _____	1950	1951	1949	1955
52	_____ has been set up in july 1988 as an apex institution to mobilse resources for the housing sector and to promote housing finance	Reserve Bank of India	Export- Import Bank of India	Industrial Investment	National Housing Bank
53	price by paying cash	Underwriter	Banker	Factoring	Forfeiting
54	_____ is a system where there is exchange of funds or transfer of money from the area of surplus to the area of deficit	Financial System	Primary Markets	Commonly Markets	Derivatives Markets
55	Industrial Finance Corporation of India was in the Year _____	1947	1948	1949	1950
56	_____	Banks	Banks	Banks	RRB's
57	Primary market is also known as _____ market	Markets	Stock Markets	Markets	New issue
58	requirement of cash	Short Money	Call Money	Put Money	Instruments
59	_____ is the nodal agency to regulate the capital market and other related issues in india	RBI	RRB's	SEBI	Promotional Activties
60	Reseve Bank of India has been given the statutory function of _____ on a monopoly basis	Note Issue	Treasury Bills	Promotional Activities	RRB's
61	_____ funds have fixed date of redemption	funds	funded	funds	Capital
62	but operating in india	Private Banks	Public Bank	Bank	Bank
63	The _____are been set up to supplement the efforts of cooperative and commercial banks to provide credit to rural sector	Schedule Bank	Non Schedule Bank	Regional Rural Banks	Foreign Bank
64	_____ is a process by which a firm can obtain the use of a certain fixed assets for which it must pay a series of contractual, periodic, tax	Leasing	Hire Purchase	Venturing Capital	Depository
65	A _____ is an institution which accept deposits from the public and in turn advances loans by creating credit	SEBI	Bank	Government of India	RBI
66	_____	T - Bills	CD's	Repo	CP's
67	Which of the following is an example of a non banking financial institution _____	Commercial Bank	Reserve Bank of India	Co-operative Banks	Life Insurance Corporation of
68	Which of the following is not a money market instrument_____	Paper	Treasury Bills	Debenture	Bill
69	Financial instruments are useful for _____	Creating benefits for	Providing credit creation	Mobilisation of savings	For creating direct
70	value	Share	Treasury Bills	Paper	Deposits
71	_____ market simply refer to a market for long term funds	Money	Capital	Debenture	Stock

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72	The _____ market is the market for the government and semi government securities, which carry fixed interest rates and backed by RBI	Primary	Secondary	Industrial Securities	Gilt - Edged
73	The entire pre - issue share capital, other than locked in as promoter's contribution, shall be locked in for a period of _____	One Year	Two Year	Three Year	Four Year
74	_____ are instruments issued by government of india to raise money	Bonds	Mutual Funds	Securities	Gilt - Edged
75	The capital market act as a _____ between savers and investors	Chain	Link	Block	Diversified
76	names	Jobbers	Brokers	Sub Brokers	Arbitrageurs
77	Bombay Stock Exchange was established in which year _____	1990	1875	1995	1890
78	basis	T + 1 day	T + 3 day	T + 2 day	T + 4 day
79	_____ analysis is the process of examining a security's historical prices in an effort to determine probable future prices	Technical	Fundamental	Economic	Industry
80	A company's _____ ratio is a liquidity ratio calculated by dividing current assets by current liabiliites	Net Profit	Inventory	Debt	Current
81	_____ is a prospectus which does not have facts of either price or number of shares beings, offered or the amount of issue	Prospectus	Red Herring Prospectus	Book Buliding	Draft
82	_____ are intermediaries who undertake all activities connected with new issue management	Stock Broker	Sub - Broker	Registrars	Jobbers
83	_____refers to the work of investigation, analysis and processing of new projected proposals	Delisting	Initial Public Offer	Fellow on public	Origination
84	According to Section 26 of the companies Act, 2013, _____ prospectus means a memorandum containing the silent features of fee	Red Herring	Shelf	Abridged	Deemed
85	When an issue of securities is made by an issuer to its shareholders prevailing as on particular date fixed by the issuer it is called a _____	Rights issue	Private Placement	Tender Method	Bonus Shares
86	Yield to maturity _____	Is current price of a bond	Is coupon payment of a	Is related to price of a	Is historical Price of a
87	promissory note	Bank	Treasury Bills	Paper	Management
88	_____ markets supply long term funds for the growth of the infrastructure or other sectors to fulfil long term investment needs	Equity	Debt	Internationa l	Financial
89	_____ are the most dominant category of debt markets and from a major part of the market in terms of outstanding issues, market capitalization,	Debt	Capital Market	Treasury Bill	Governemnt Securities
90	_____ are long term securities that carry a fixed or floating coupon, which is paid on the face value, payable at fixed times periods	Dated Government	State Development	Cash Managemen	Zero Coupon Bonds
91	There are _____ types of participants in a commodity market	Two	Three	Four	Five

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92	_____ has been given with higher aurthority to control FMC as well as exchanges	State Government	Central Government	Central and state	Foreign Goverment
93	churning of funds	Speculators	Investors	Hedgers	Stock Broker
94	_____ is the first listed exchange of india	ICEX	NCDEX	NMCE	MCX
95	An _____ swap can be used to transform a floating rate loan into a fixed rate loan or vice versa	Interest Rate	Swaption	Warrants	Baskets
96	_____ options provide the buyer the right to sell the underlying assets	Debenture	Equity	Call	Put
97	A _____ contract is an agreement to buy or sell an asset on a specifies date for a definite price	Future	Swaps	Forward	Option
98	A _____ option gives the option holder the right but not the obligation to buy an underlying asset	Put	Call	Swap	Warrants
99	_____ contract involves two parties thus there is exposure of counter party risk wherein one party can defraud the other	Tarding	Bilateral	Counter Party Risk	Standardised
100	A _____ contract is an agreement among two parties to buy or sell an asset at a certain time in the future at certain price	Bilateral	Forward	Future	Swaps

Faculty

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SYBAF SEM-IV
FC- Introduction To Management
Objective Questions

1. Management is_____ getting things done from people.
   a. tactic
   b. attitude
   c. art
   d. struggle
2. Co-ordination is the essence of management because_____
   a. it creates harmony between various departments
   b. it gives one clear direction to whole business unit
   c. both(a) and (b)
   d. neither (a) or (b)
3. Management is referred to as dynamic because_____
   a. it remains static
   b. it changes with situation
   c. it cannot adjust to challenges
   d. it is not influenced by the external environment
4. Management is_____
   a. tangible
   b. intangible
   c. unorganized
   d. visible
5. Management is pervasive since because it is_____
   a. applicable to all organizations
   b. applicable to business organizations only
   c. applicable to non business organizations only
   d. pertaining to profits only.

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6. Management is an_____ process
   a. individual
   b. integrated
   c. inspirational
   d. isolated.
7. Management process is considered as iterative because_____
   a. all managerial functions are separate from each other
   b. all functions must follow an order
   c. it involves only one managerial function at a time
   d. all functions can be a sub-function of each other.
8. Planning is done in order to_____
   a. To decide what has to be done
   b. To decide who and how it is to be done
   c. both (a) and (b)
   d. None of these
9. _____reduces risk of uncertainty.
   a. Organizing
   b. Directing
   c. Planning
   d. Controlling
10. _____refer to assumptions about the future.
    a. Forecast
    b. Intuition
    c. Objectives
    d. Planning Premises
11. _____provides a sense of direction to organizations.
    a. Organizing
    b. Directing
    c. Planning
    d. Controlling

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12. _____is not a limitation of planning.
    a. Time consuming
    b. Lack of accuracy
    c. Rigidity
    d. right direction

13. A manager may take hundreds of decisions consciously and _____
    a. intentionally
    b. illogically
    c. irrationally
    d. subconsciously

14. _____is not an advantage of decision making.
    a. Inefficiency
    b. Innovation
    c. Business Growth
    d. Achievement of Objectives

15. _____refers to careful study of a problem,
    a. Defining a problem
    b. Diagnosing a problem
    c. Solving a problem
    d. Avoiding a problem

16. _____is undertaken to see whether a decision is properly implemented or not.
    a. Exam
    b. Test
    c. **Follow** up
    d. Experiment

17. _____is not a demerit of Formal Organization.
    a. Systematic Working
    b. Delay in Action
    c. Emphasis on Work Only
    d. Limited Flexibility

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18. _____is an advantage of Informal Organization.
    a. Spreads Rumors
    b. Power politics
    c. Resistance to change
    d. Fast Communication
19. _____is not a factor affecting span of Control.
    a. Degree of Decentralization
    b. Job satisfaction
    c. Capacity of superior
    d. Time available to superviso
20. The Staffing function is related to_____
    a. manpower
    b. production
    c. finance
    d. marketing
21. _____implies upgrading of an employee to a higher post involving increase in rank, prestige or status and responsibilities.
    a. Transfer
    b. Training
    c. Appraisal
    d. Promotion
22. _____is the process of choosing the right person for the right job.
    a. Selection
    b. Placement
    c. Recruitment
    d. Manpower planning
23. _____is a systematic description of employees' job relevant strengths and weaknesses.
    a. Training
    b. Development
    c. Performance Appraisal
    d. Placement

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24. _____ is a source of external recruitment.
    a. Transfers
    b. Campus interviews
    c. Promotion
    d. Employee referrals
25. In the _____ type of employment test, the applicant is asked to demonstrate his ability to do the job.
    a. Intelligence
    b. Performance
    c. Knowledge
    d. Aptitude
26. _____ is not an element of Directing
    a. Supervision
    b. Leadership
    c. Motivation
    d. Cooperation
27. _____laid out four principles of effective co-ordination
    a. Mary Parker Follett
    b. Theo Haimann
    c. George Terry
    d. Henri Fayol
28. _____principle in Co-ordination, states that all factors in a given
    a. Continuity
    b. Reciprocity
    c. Early beginning
    d. Specialization
29. _____leadership style is also known as delegator leadership.
    a. Participative
    b. Paternalistic
    c. Laissez faire
    d. Situational

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30. _____leadership refers to the leader or manager of an organization must adjust his style to fit the development level of the followers he is trying to influence.
    a. **Situational**
    b. Flexible
    c. Sociocratic
    d. Autocratic
31. _____the process of ensuring the actual activities are conned to the planned activity.
    a. Planning
    b. Coordinating
    c. Organizing
    d. **Controlling**

State whether following statement is True or False:

32. Management is the art of getting things done from subordinates. **True**
33. Management is applicable only in business organizations. **False**
34. Management is not a profession. **False**
35. Management is a continuous process. **True**
36. Management depends on group efforts. True
37. Management is not a social process. **False**
38. Management is not universal in nature. **False**
39. Management is separate from ownership. **True**
40. Optimum utilization of resources is one of the benefits of Management **True**
41. The term 'POSDCORB' was coined by Henri Fayol. **False**
42. Planning bridges the gap between where we are and where we want to go. **True**
43. Planning is concerned only with selection of objectives to be achieved. **False**
44. Planning is a pervasive function **True**
45. Planning is a static process because there is no scope for change once plan is made. **False**
46. The first step of Planning Process is Evaluation of alternatives. **False**
47. Planning is a future oriented activity. **True**
48. Decision-making is the selection based on some criteria from two or more. **True**
49. Identification of a problem is the last step in the process of decision making. **False**
50. In Screening of alternatives, the ideas which seem suitable are eliminated. **False**
51. Follow up is the last step in the decision making process. **True**

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52. Programmed decisions are not repetitively taken by top executives. **False**
53. Policy decisions are taken by top level management to change the rules, procedures, organizational structure. **True**
54. Operational decisions are taken by low level management and have a long term effect. **False**
55. A manager's major job is irrational decision-making. **False**
56. When an alternative is selected, it should be communicated to the Employees **True**
57. The span of control can be increased whenever the work is routine in nature. **True**
58. In functional departmentalization, departments are segregated i.e. separated from each other based on type of product produced by company. **False**
59. Delegation is a process wherein the manager assigns responsibility to the subordinate but not the authority to accomplish the task. **False**
60. Under decentralization, the important and key decisions are taken by top management and the other levels are into implementations directions of top level. **False**
61. Staffing involves only recruitment of employees. **False**
62. Placement refers to fitting the right person at the right place of work. True
63. Usually transfer takes place between jobs paying approximately the same salaries. **True**
64. Selection does not include rejecting unfit candidates. **False**
65. Recruitment is defined as the process through which potential job applicants are attracted from available labor force. **True**
66. Promotion is an external source of recruitment. **False**
67. Exit interview is conducted to ensure that the employee leaves the company. **False**
68. Selection takes place after Recruitment. **True**
69. Direction is only concerned with telling people what to do. **False**
70. Supervision is not an element of Directing. **False**
71. Co-ordination is an act to harmonize all the activities of a concern so as facilitate its working and its success. **True**
72. Coordination is similar to Co-operation. **False**
73. Leadership is an attempt to force people to work as per the leader's demands. **False**
74. Optimism in a leader enables him/her to think negatively. **False**
75. An autocratic leader considers the opinions of his employees in decision making. **False**
76. Bureaucratic leaders rely strictly on rules and regulations. **True**
77. In a consultative leadership style, the superior does not take the responsibility of the decision. **False**

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78. Participative leadership is a managerial style where employers invite employees to take a part in organizational decision-making. **True**
79. In Laissez-faire leadership style, leaders constantly supervise the work of the employees. **False**
80. In Paternalistic style, the Leader is more of a fatherly figure rather than a Boss. **True**

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SYBAF SEM-IV
FC- Introduction To Management
Subjective Questions

Answer in brief:

1. What are the characteristics of Management?
2. What is Management Process? State its features.
3. Explain the significance of Management.
4. What, according to you, will be the future of Management?
5. Explain Nature of Planning.
6. What is the significance of Planning?
7. Enumerate the steps in the Planning Process.
8. State the limitations of Planning.
9. What is decision making and what are its benefits?
10. Explain the steps in decision making process.
11. Enumerate the different types of decisions.
12. Explain the characteristics of Organizing.
13. Elaborate on the significance of Organizing.
14. Describe the process of Organizing.
15. What are the principles of Organizing?
16. What are the features of a Formal Organization?
17. Explain the merits and demerits of a formal organization.
18. What is an Informal Organization? What are its characteristics?
19. State the Pros and Cons of Informal Organizations.
20. Distinguish between Centralization and Decentralization.
21. Define Departmentation and state its types.
22. Define Delegation and explain the process of delegation of authority.
23. List out the barriers to Delegation.
24. Elaborate on the Principles of Effective Delegation.
25. Define Staffing and State its characteristics.
26. What are the benefits of Staffing?
27. Explain the process of Staffing.
28. Explain the various sources of Recruitment.
29. Distinguish between Recruitment and Selection.
30. Enumerate the different Employment Tests
31. Elaborate on the variety of Interviews.

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32. What is the flow of the Selection Process?
33. Explain the characters of Directing.
34. Enumerate the significance of Directing
35. Explain the elements of Directing.
36. Enlist the Principles of Directing.
37. What are the characteristics of the Co-ordinating function?
38. Explain the importance of Co-ordination.
39. Enlist the Principles of Co-ordination.
40. State the significance of Motivation for an organization.
41. Explain the steps in the Control Process.



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FYBAF SEM-I
Business Environment
Objective Questions

Select the correct answer from the options given below.

1. Business means state of being _____.
   a. Lazy
   b. Alert
   c. Busy
2. Business objectives are_____.
   a. Mutually Supportive
   b. Conflicting with each other
   c. Opposite to each other
3. Objectives offer_____ justification for the existence of a company
   a. Financial
   b. Economic
   c. Social
4. To earn profit is one_____ objective of business.
   a. Economic
   b. Organic
   c. Financial
5. The economic objective is____.
   a. Reasonable profit making
   b. Raising social welfare
   c. Business expansion
6. Three fold objectives of business are ____growth and innovation
   a. Profit
   b. Survival
   c. Selling
7. Basic objectives of business is____
   a. Profit maximisation
   b. Buying and selling
   c. Profiteering
8. Business environment is____
   a. Dynamic
   b. Static
   c. Simple to understand
9. Business helps in____ of employment opportunities

a. Creation
b. Bridging
c. Objecting

10. Business objectives are concrete and____
a. General
b. Specific
c. Lengthy

11. Business objectives provide for ____performance appraisal
a. Guidelines
b. Policies
c. Standards

12. Business environment is____
a. One-dimensional
b. Multifaceted
c. One shaped

13. Business and policies are___
a. Separable
b. Inseparable
c. Interlinked

14. People makeup_____.
a. Production
b. Markets
c. Marketing

15. Natural environment creates new problems and_____
a. Blessing
b. Opportunities
c. Solutions

16. _____in a factor affecting environmental analysis
a. Political stability
b. Festival
c. Selling

17. PESTLE analysis studied environmental _____on the business
a. Criteria
b. issue
c. influence

18. Impact of economic environment on business is_____.
a. nil
b. limited
c. considerable

19. Scanning of prevailing environment is necessary for_____



a. profit making
b. information purpose
c. adjusting business policies

20. SWOT analysis is used at_____ intervals.
a. regular
b. irregular
c. frequent

21. PESTLE analysis identifies_____ factors.
a. internal
b. external
c. administrative

22. The purpose of monitoring is to_____data.
a. forecast
b. assemble
c. record

23. PESTLE analysis and SWOT analysis can work_____.
a. jointly
b. together
c. hidden

24. PESTLE analysis is created by_____.
a. Peter Drucker
b. Lawrence Harvey
c. Francis Aguilar

25. External environment offers opportunities and_____
a. Strengths
b. weaknesses
c. threats

26. Environmental analysis is synonymous with environmental_____.
a. review
b. feedback
c. scanning

27. Environmental analysis is an_____ process.
a. analytical
b. exploratory
c. assessment

28. _____stability ensures sound environmental analysis.
a. Economic
b. Social
c. Political

29. _____is a technique of environmental analysis.
a. Appraisal

b. Evaluation
c. Monitoring

30. Environmental analysis does not_____ future uncertainty.
a. Mention
b. Eliminate
c. Indicate

31. _____covers functional areas of management.
a. Strategy
b. Plan
c. Policy

32. PESTLE analysis suffers from_____
a. over-simplification
b. over-estimation
c. over-spending

33. SWOT analysis conducts_____ analysis to equip the company.
a. Operational
b. Gap
c. assessment

34. _____is a negative factor to analyse.
a. Union militancy
b. Low productivity
c. Political instability

35. Ethics is a _____ science.
a. Physical
b. abstract
c. moral

36. Only _____ethical standard exists in the society.
a. one
b. two
c. three

37. _____refers to a code of conduct to be followed by business.
a. Culture
b. Business Ethics
c. Issue

38. Corporate culture exert powerful influence on_____.
a. Society
b. managers
c. competitors

39. Corporate culture is_____.
a. Separate
b. joint

c. collective

40. Good ethics is_____ for business.
    a. good
    b. better
    c. best

41. Ethics_____ profit making.
    a. favours
    b. criticizes
    c. condemns

42. Ethical principles need to_____ .
    a. announce
    b. compromise
    c. reject

43. Members of the organisation_____corporate culture.
    a. enjoy
    b. disfavour
    c. share

44. Study of ethics is a part of _____.
    a. social science
    b. history
    c. economics

45. Ethics deal with _____in the business.
    a. punishment
    b. morality
    c. conviction

46. If it is_____ it is ethical too.
    a. demographic
    b. physical
    c. legal

47. Consumers oppose unethical business practices_____ and Collectively
    a. Individually
    b. Jointly
    c. separately

48. Ethical dilemma brings about_____conflict.
    a. Regular
    b. Regulatory
    c. mental

49. _____will guide a consumer to make ethical decision.
    a. Impulse
    b. Institution
    c. Incapacity

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50. Corporate culture_____ over a period of time.
    - **a. develops**
    - b. shows
    - c. presents

51. Corporate culture is_____.
    - a. Opposed
    - b. Favoured
    - **c. Symbolic**

52. Corporate culture earns_____reorganization.
    - a. Financial
    - b. Economic
    - **c. Social**

53. Ethical_____ covers internal environment of the organisation
    - a. practice
    - b. response
    - **c. climate**

54. Entrepreneurship is a _____.
    - **a. practice**
    - b. theory
    - c. science

55. Business in India was _____
    - a. product-based
    - **b. community based**
    - c. money based

56. No business is established unless _____ analysed
    - **a. capital**
    - b. machine
    - c. market

57. India practices _____economy.
    - a. protection
    - b. socialist
    - **c. free market**

58. _____is shifting from one setting to another
    - **a. social mobility**
    - b. transportation
    - c. social networking

59. _____is stubborn and follows a fixed procedure
    - a. Retreatist
    - **b. Ritualist**
    - c. Reformist

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60. Recession is an economic _____
    a. prosperity
    b. growth
    c. slowdown
61. Opportunity conditions relate to_____ of funds.
    a. lack
    b. adequacy
    c. overflow
62. In manufacturing sector, micro enterprise has investment upto_____
    a. Rs. 10 lakh
    b. Rs. 20 lakh
    c. Rs. 25 lakh
63. Entrepreneur has desire to be his own_____
    a. servant
    b. master
    c. owner
64. Entrepreneur is the person who undertakes the_____ of new enterprise.
    a. risk
    b. profit
    c. none
65. National Consumer Redressal Commission is headed by a_____judge.
    a. sitting
    b. new
    c. retired
66. _____profession is covered by Consumer Protection Act, 1986,
    a. Medical
    b. Civil activist
    c. Dancing
67. Strong consumer movement is_____ in India,
    a. present
    b. absent
    c. not necessary
    d. not useful
68. To honour rights of consumers is the responsibility of business towards_____
    a. government
    b. consumers
    c. shareholders
    d. employee
69. Consumer Rights day is celebrated on _____of every year,
    a. February 15
    b. March 15

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c. April 15

70. Consumerism flourishes in_____ economy.
    a. democratic
    b. capitalist
    c. free market

71. Consumerism_____ against consumer exploitation,
    a. speaks
    b. fights
    c. writes

72. Indian consumers suffer from_____ gap.
    a. financial
    b. educational
    c. **information.**

73. Consumer guidance need_____ support.
    a. police
    b. social
    c. media

74. The motto of CGSI is _____at fair price,
    a. service
    b. guidance
    c. quality

75. _____ is a member of International Organisation of Consumer Union.
    a. CGSI
    b. MGP
    c. CERC

76. Consumer Protection Act 1986 covers deficiency in_____ service
    a. entertainment
    b. medical
    c. maintenance

77. Consumers can submit complaints in_____ language
    a. English
    b. Hindi
    c. Any

78. Corporate social responsibility is a_____ aspect of business management
    a. conservative
    b. dynamic
    c. out-dated
    d. old

79. Attention to corporate social responsibility_____ financial performance of a company.
    a. improves

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b. reduces
c. creates
d. negative

80. Corporate social responsibility creates_____ public image
a. unfavourable
b. favourable
c. negative
d. adverse

81. Audit committee meetings should be_____
a. as per need
b. at regular intervals
c. once in a year
d. at any time

82. There is_____ about corporate governance in corporate sector.
a. growing awareness
b. growing anger
c. growing opposition
d. growing ignorance

83. Progressive companies_____ CSR as their business philosophy
a. need not adopt
b. should adopt
c. should avoid using
d. should oppose

84. Business_____ accept certain obligations towards different social groups
a. need not
b. must
c. can refuse to
d. can forget to

85. Business has to earn _____profit for survival and growth
a. reasonable
b. huge profit
c. minimum
d. abnormal

86. Consumer rights are _____to business enterprises
a. not important
b. important
c. unimportant
d. irrelevant

87. To pay taxes honestly and regularly is the responsibility towards_____
a. consumers
b. government

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c. itself
d. dealers

88. Business has to make the business _____of the nation.
a. an asset
b. a liability
c. as a burden
d. a profit-making agency

89. Social responsibility concept is_____.
a. universally accepted
b. accepted in India only
c. not accepted in India
d. anti-social

90. Expectations of social groups from businessmen are_____
a. decreasing
b. increasing
c. stable
d. limited

91. Social responsibility constitutes _____on business
a. social obligation
b. social liability
c. unnecessary burden

92. Social audit is _____balance sheet of a company
a. social
b. legal
c. financial
d. marketing

93. Social audit is_____in India.
a. voluntary
b. binding
c. optional
d. compulsory

94. Social audit reporting should be made _____in India
a. compulsory
b. voluntary
c. legally Binding
d. optional

95. _____audit is a systematic checking of books of accounts of the company
a. Marketing

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b. Social
c. Commercial
d. Personnel

96. _____audit determines social performance of an organisation.
a. Social
b. Commercial
c. Personal

97. Coca-Cola is an example of _____company
a. Large
b. multinational
c. TNC
d. none of above

98. MNCs are _____to developing countries
a. helpful
b. harmful
c. helpful and harmful
d. none of these

99. MNCs facilitate _____in developing countries
a. FDI
b. Loans
c. Bank finance

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- **State whether following statements is True or False.**

1. Business activities are less risky but certain **False**
2. Objectives should be defined in quantitative terms **True**
3. Business firms without objective is journey without destination **True**
4. Business objectives need not to be multiple **False**
5. Profit and profiteering are identical terms **False**
6. Objectives provide the basis for strategic decision making **True**
7. Business and objectives are interdependent **True**
8. The primary objective of any business is to earn profit **True**
9. Business and objectives are depend at on each other **True**
10. Business objectives are mutually supporting **True**
11. To earn profit is one of the social objective of business **False**
12. Impact of economic environment on business is limited **False**
13. Socio cultural factors change gradually **True**
14. Well defined objective gives clear direction to the activities of company **True**
15. Business has limited capacity to influence environment **True**
16. No skilled personnel are needed to conduct environmental analysis. **False**
17. PESTLE analysis exerts internal environmental factors on the business. **False**
18. Political uncertainty and economic prosperity go together. **False**
19. Business and its environment are not interdependent. **False**
20. Environmental analysis develops linkage between organisation and its environment. **True**
21. Environmental scanning comprises information processing. **True**
22. SWOT analysis is useful to match organisation's resources with the environment. **True**
23. Ethics distinguishes between bad and worst. **False**
24. Ethics needs willing acceptance. **True**
25. Ethical climate is unspoken understanding. **True**
26. Corporate culture is static. **False**
27. Internal politics weakness corporate culture. **True**
28. Ethical dilemma is a simple situation. **False**
29. In ethical dilemma there is a choice to be made. **True**
30. Unethical business practices are acceptable in the society. **False**
31. Intuition solves ethical dilemma. **True**
32. The maximum compensation sought is up-to Rs. 5 lakh on filling a complaint before the district forum. **True**
33. Consumer rights are essentially for agitation. **False**
34. Right to health and safety are violated by the manufacturers. **True**
35. Consumer movement motivates consumers to fight for their rights. **True**
36. Consumerism is a socio-political movement. **False**

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37. Consumer movement is an evolutionary concept. **True**
38. Anti-consumer activities go unpunished. **False**
39. Consumer courts award delayed justice. **True**
40. CSR makes business accountable for its actions.
41. Philanthropy is not within the scope corporate social responsibility
42. Corporate governance is against profit making in business.
43. Corporate governance is beyond the realm of law.
44. Corporate governance leads to fair and ethical business.
45. Clause 49 of the listing agreement was introduced by SEBI.

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Department of Accounting and Finance

Class: TY B.Com (Accounting and Finance)

Subject : Security Analysis and Portfolio Management **Semester : VI**

Name of Teacher: Ranjana Mhalgi

Theory Question Bank

Unit 1

1) Explain the investment process in detail
2) What are the factors affecting the investment process
3) What are the various investment avenues to park surplus funds
4) Elaborate the various participants in the capital market
5) What is the role of investment banker
6) What are the different market indices and their role
7) What are the benefits of Depositary settlement
8) What are the advantages of online trading
9) Explain Investment Process
10) Investment vs Speculation vs Gambling
11) Explain Any 5 Investment Avenues.

Unit 2

1) What are the different types of risk
2) Numerically on Risk, SD, Variance, Co-efficient of variation, weighted returns, Beta

Unit 3

1) Explain the portfolio management process
2) What are the objectives of portfolio management
3) What are the approaches and principles for portfolio construction
4) What is fundamental and technical analysis (Fundamental vs technical)
5) What are the different types of charts and uses of them
6) Use of moving averages and oscillators
7) Numerical on ratios

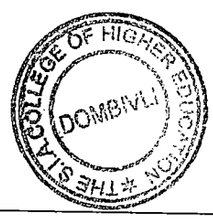
Unit 4

1) Elaborate some theories on portfolio constructions
2) What is Security market line and what are the assumptions of the CAPM model
3) Numericals on CAPM and portfolio evaluation

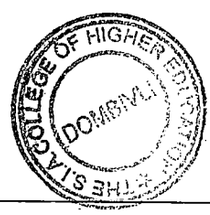
MCQS Question Bank

Subject : Security Analysis and Portfolio Management

1. _____ is the employment of funds with the aim of getting return on it.
   a. Investment
   b. Risk
   c. Gambling
   d. All of the above
2. _____ is a reward for waiting for money.
   a. Investment
   b. Risk
   c. Gambling
   d. All of the above
3. _____refers to the loss of principal amount of an investment.
   a. Debt
   b. Risk
   c. Gambling
   d. Speculation
4. _____ refers to the expected rate of return from an investment.
   a. Investment
   b. Risk
   c. Return
   d. All of the above
5. _____refers to the protection of investor principal amount and expected rate of return.
   a. Investment
   b. Risk
   c. Safety
   d. All of the above
6. _____refers to an investment ready to convert into cash.
   a. Speculation
   b. Risk
   c. Liquidity
   d. All of the above
7. _____refers to buying and selling of securities in market.
   a. Liquidity
   b. Marketability
   c. Investment
   d. Speculation
8. _____refers to appreciation of investment.
   a. Liquidity
   b. Risk
   c. Capital growth
   d. All of the above
9. _____investment represent ownership in a running company.
   a. Debt



9. _____investment represent ownership in a running company.
   a. Debt
   b. **Equity**
   c. Preference share
   d. All of the above
10. _____ are long term investment options with a fixed stream of cash flows depending on the quoted rate of interest .
   a. **Debentures**
   b. Equity
   c. Preference share
   d. All of the above
11. A _____ is a professionally managed investment scheme usually run by an asset management company that brings together a group of people and invest their money in stocks, bonds and other securities.
   a. **Mutual fund**
   b. Debt
   c. Equity
   d. All of the above
12. The _____ is a saving cum tax saving instrument in India introduced by the national saving institute of the ministry of finance in 1968.
   a. Mutual fund
   b. Bond
   c. NSC
   d. **Public provident fund**
13. _____ are the shares which are preferred over common or equity share in payment of surplus or dividend .
   a. Right shares
   b. Equity shares
   c. **Preference shares**
   d. All of the above
14. The _____ Account is the deposit scheme offered by the department of post on which fixed interest is paid.
   a. **Post office savings**
   b. Fixed deposit
   c. Current
   d. Savings
15. _____ refers to the unsecured deposits invited by companies from the public mainly to finance working capital needs.
   a. **Public deposit**
   b. Fixed deposit
   c. Current deposit
   d. Corporate deposit
16. A _____ is a interest bearing deposit bank product offered to corporate banking customers by banks and accredited financial institutions .
   a. **Public deposit**
   b. Fixed deposit
   c. Current deposit
   d. Corporate deposit
17. A _____ is an insurance plan where the premium paid is invested in equity, debt, or money market instrument.
   a. **ULIP** LIC Mutual funds All of the above



18. Section ____ is the most widely used section for claiming income tax deductions .
    a. **80C**
    b. **70C**
    c. **60C**
    d. All of the above
19. The maximum deduction which can be claimed under sec80C is Rs _____
    a. 100000
    b. **150000**
    c. 125000
    d. 75000
20. _____ investor is conservative .
    a. **Type A**
    b. Type B
    c. **Type D**
    d. All of the above
21. _____ investor is moderately conservative .
    a. Type A
    b. **Type B**
    c. Type D
    d. All of the above
22. _____ is an activity quite contrary to its literal meaning in which a person assumes high risk, often without regard for the safety of his invested principal to achieve large capital gains.
    a. Investment
    b. **Speculation**
    c. Gambling
    d. All of the above
23. _____ is the wagering of money or something of value on an event with an uncertain outcome with the primary intent of winning money or material goods.
    a. Investment
    b. Speculation
    c. **Gambling**
    d. All of the above
24. _____ is one attractive tax sheltered investment scheme for middle class and salaried persons.
    a. Mutual fund
    b. Bond
    c. NSC
    d. **Public provident fund**
25. A _____ is a type of debt instrument that is not secured by physical assets or collateral .
    a. Debenture
    b. Equity
    c. Preference share
    d. All of the above
26. _____ is an Indian government saving bond primarily used for small savings and income tax saving investments in India.
    a. **Mutual fund**
    b. **Bond**
    c. **NSC**
    d. **Public provident fund**
27. This type of risk is avoidable through proper diversification .
    a. Portfolio risk
    b. Systematic risk
    c. **Unsystematic risk**
    d.total risk

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28. A statistical measure of the degree to which two variable move together.
    a. Coefficient of variation
    b. Variance
    c. Covariance
    d. Certainly equivalent
29. An aggressive common stock would have a beta .
    a. Equal to zero
    b. Greater than one
    c. Equal to one
    d. Less than one
30. A line that describe the relationship between an individual security return and returns on the market portfolio.
    a. Characteristic line
    b. Security market line
    c. Capital market line
    d. Beta
31. According to the CAPM a security is expected return is equal to the risk free rate plus a premium.
    a. Equal to security beta
    b. Based on the security risk of the society
    c. Based on total risk of the security
    d. None of the above
32. The risk free security has a beta equal to, while the market portfolio beta is equal to.
    a. One and more than one
    b. Ones and less than one
    c. Zero and one
    d. Less than zero and more than zero
33. Carrie has a certainty equivalent to a risky gamble expected value that is less than the gamble expected value . Carrie shows
    a. Risk aversion
    b. Risk preference
    c. Risk indifference
    d. None of the above
34. Beta is slope of .
    a. The security market line
    b. The capital market line
    c. Characteristic line
    d. CAPM
35. A measure of risk per unit of expected return
    a. Standard deviation
    b. Coefficient of variation
    c. Correlation and coefficient
    d. Beta
36. The greater the beta the of the security involved
    a. Greater the unavoidable risk
    b. Greater the avoidable risk
    c. Less the unavoidable risk
    d. Less the avoidable risk
37. The oldest approach to common stock selection is .
    a. Fundamental analysis
    b. Technical analysis
    c. Random walk analysis
    d. Value analysis



38. Technical analysis reflects the idea that stock prices :
    a. Move upward over time
    b. Move inversely over time
    c. Move in trends
    d. Move randomly

39. One of the most popular tools used by technical analysis is :
    a. P/E ratio
    b. Book-to-market-value ratio
    c. Moving averages
    d. Growth rate to dividends
e. Both (i) and (ii)

40. A bar chart is used to illustrate :
    a. High, low and closing stock prices on a daily basis
    b. Reversal in the direction of stock prices without consideration of time
    c. High, low opening and closing prices on a daily basis
    d. Advances and declines of stock prices
    e. The candlestick line

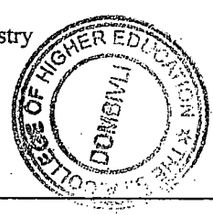
41. According to the Dow Theory, daily fluctuations and secondary movements in the stock market are used to identify the :
    a. Primary trend
    b. Short-term trend
    c. Moving average
    d. Intermediate trend
    e. Seasonal patter n

42. Which of the following indicates a sell signal to technical analysts?
    a. The advance-decline line is rising in a falling market
    b. The amount of short selling done by specialists is high
    c. The resistance level is broken
    d. The majority of stock market newsletters are bearish
    e. Both (ii) and (iv)

43. Which of the following indicates a buy signal to technical analysts?
    a. The advance-decline line is falling in a rising market
    b. The support level is broken
    c. The stock breaks through the moving average line from below
    d. Both the Dow Jones industrial average and the Dow Jones transportation average are moving down
    e. Odd-lot buying exceeds odd-lot selling

44. When odd-lot selling exceeds odd-lot buying, this is considered a :
    a. Neutral signal
    b. Bullish signal
    c. Signal to switch from stock to bonds
    d. Bearish signal
    e. Bearish signal by some technical analysts and as a bullish signal by another technical analysts

45. When technical analysts say a stock has good relative strength, they mean the :
    a. Ratio of the price of the stock to a market index has trended upwards
    b. Recent trading volume in the stock has exceeded the normal trading volume
    c. Ratio of the price of the stock to a market index has trended downwards
    d. Total return on the stock has exceeded the total return on other stocks in the same industry
    e. Stock has performed well compared to other stocks in the same industry



46. A basic assumption of technical analysis in contrast to fundamental analysis is that :
a. A technical analyst would evaluate the amount of short selling, the volume of trading, and the P/E ratio of a stock
b. A stocks price will approach its intrinsic value overtime
c. Security prices move in patterns, which repeat over long periods
d. Financial statements provide information crucial in valuing a stock
e. The stock market is inefficient

47. A resistance level is the price range at which technical analysts would expect the :
a. Demand of a stock to decrease substantially
b. Demand of a stock to increase substantially
c. Supply of a stock to increase substantially
d. Supply of a stock to decrease substantially
e. Both (ii) and (iv)

48. Which of the following terms represents an upper price limit for a stock, based on the quantity of willing sellers?
a. Support
b. Channel
c. Trend line
d. Resistance

49. The daily high prices represented on a candlestick chart by the :
a. Trend line
b. Channel
c. Real body
d. Shadow

50. The daily opening price is represented on a candlestick chart by the :
a. Trend line
b. Channel
c. Shadow
d. Real body

51. Which of the following do technical analysts believe is a lower bound on a stocks price?
a. Shadow
b. Moving average
c. Trend line
d. Resistance
e. Support

52. Which of the following is a sentiment indicator?
a. Trend line
b. Relative strength ratio
c. Advance-decline line
d. Odd-lot trading

53. Which of the following is a breadth?
a. Odd-lot trading
b. Advance-decline line
c. Put/call ratio
d. Channel

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54. On which of the following does a hammer sometimes appear?
a. Candlestick chart
b. Moving average chart
c. Point-and-figure chart
d. Bar chart

55. The number of stocks hitting new 52-week highs is a(n) :
a. Primary trend indicator
b. Breadth indicator
c. Sentiment indicator
d. Intermediate trend indicator

56. Which type of chart includes daily high price, low price, opening price, and closing price?
a. Candlestick chart
b. Point-and-figure chart
c. Moving average chart
d. Bar chart

57. Which of the following contains the real body?
a. Candlestick chart
b. Point-and-figure chart
c. Bar chart
d. Moving average chart

58. Which type of chart has no time horizon?
a. Moving average chart
b. Point-and-figure chart
c. Candlestick chart
d. Bar chart

59. Which type of chart is formed using only closing price data?
a. Point-and-figure chart
b. Advance-decline chart
c. Candlestick chart
d. Bar chart

60. Which of the following is most closely associated with the terms "primary trend", "intermediate trend" and "short-term trend"?
a. Channel
b. Candlestick chart
c. Bar chart
d. Dow Theory

61. Which of the following is not breadth indicator?
a. Volume
b. New high/new low indicator
c. Odd-lot trading
d. Advance-decline line
e. Relative changes in trading volume

62. When technical analysts say that a stock has "good relative strength", they mean that :

a. The recent trading volume in the stock has exceeded the normal trading volume
b. The total return on the stock has exceeded the total return on other stocks in the same industry
c. The ratio of the price of the stock to a market index has trended upward
d. The stock has performed well compared with other stocks in the same risk category as measured by beta

63. Which of the following is not part of the bar chart?
a. Opening price
b. Closing price
c. High price
d. Low price
e. Both the third and fourth answers

64. Which of the following is not a part of the candlestick chart?
a. Shadows
b. Closing price
c. Real body
d. Volume of trading
e. Opening price

65. According to the Dow Theory, the primary trend represents a cycle lasting approximately :
a. To 3 ½ years
b. To 4 ½ years
c. To 12 months
d. 3 to 6 weeks
e. 3 to 6 months

66. Which of the following is not a basic tenet of the Dow Theory?
a. The financial market has three distinct types of movements : the primary trend, the intermediate trend, and short-term trends
b. There is usually a positive relationship between a trend and the volume of shares traded
c. A bear market is established when the Dow Jones industrial Average is moving down
d. The intermediate trend has a duration of three weeks to six months
e. No additional information is needed for the stock market outside of data on stock indexes

67. Which of the following is not part of technical analysis?
a. Put/call ratio
b. Support level
c. Trendline
d. Channels
e. P/E ratio

68. The opportunity line is the :

a. Set of all portfolios with the same expected rate of return but different standard deviations

b. Set of portfolios among which the investor is different

c. Set of investment opportunities made available by mixing a risky asset and a risk free asset

d. Set of investment opportunities made available by mixing two risky assets

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69. Consider a graph with standard deviation on the horizontal axis and the expected return on the vertical axis. The line that connects the risk free rate and the optimal risky portfolio is called:

a. The security market line

b. The characteristics line

c. The capital market line

d. The indifference curve

70. Market risk is also called:

a. Unique risk and non-diversifiable risk

b. Non-diversifiable risk and systematic risk

c. Systematic risk and diversifiable risk

d. Systematic risk and unique risk

80. Suppose you estimate the characteristic line for stock X. You find that the standard deviation of X's error term is 7%, X's beta is 1.4 and the standard deviation of the market is 12%. What is the total standard deviation for Stock X ?

a. 19.0 %
b. 18.2 %
c. 30.5 %
d. 15.8 %
e. 23.8 %

81. The risk-free rate for the next year is 3% and the market risk is premium is expected to be 10%. The beta of Acme's stock is 1.5. If you believe that Acme's stock will actually return 18.2 % over the next year, then according to the CAPM you should:

a. Buy the stock because it is under priced.
b. sell the stock because it is underpriced
c. Sell the stock because it is overpriced
d. Be indifferent between buying and selling the stock
e. Buy the stock because it is overpriced

82. Which one of the following is true?

a. Alpha is the slope of the characteristic line
b. Alpha is the slope of the opportunity line
c. Beta is the slope of the capital market line
d. Beta is the slope of the security market line
e. All of the above are false

83. The market risk premium is 15% and the risk-free rate is 5%.The beta of Asset Dis 0.2. What is Asset D's expected returnUnder the CAPM?

a.20%
b. 30%
c. 7%
d. 3%
e. 8%



84. According to the CAPM, overpriced securities have:

a. Negative alphas
b. zero alphas
c. negative betas
d. Positive alphas
e. Zero betas

85. The beta of the risk-free asset is:

a. -1.0
b.2.0
c.1.0
d. 0
e.0.5

86.Stock A has a beta of 1.0 and very high unique risk. If the Expected return on the market is 20%, then according to the:

a.More than 20% because of Stock A's very high unique risk
b.At least 20% if the investor holds only Stock A
c. The answer cannot be found without knowing Stock A's correlation Or covariance with the market
d. Exactly 20

87.The beta of the market portfolio is:

a.0.5
b. 0
c. -1.0
d.1.0

88. If an asset's expected return plots above the security market Line, the asset is:

a. **Under priced**
b. Overpriced
c. Fairly priced
d. If it has an Unusually large amount of unique risk
e. Both the first and third answers

89.The market risk premium is the slope of
a. the capital market line
c. the Characteristic line
d. The opportunity line
e. the security market line

90. Capital asset pricing theory asserts that portfolio returns are best explained by:

a. specific risk
b. diversification
c. economic factors
d. systematic risk

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91. The market portfolio has a beta of:
a. -1.0
b 2.0
c. 1.0
d.0.5

92. According to security market line, the expected return of any security is a function of

a. Total risk
b. systematic risk
c. Unsystematic risk
d. diversifiable risk
e. Unique risk

93. Accordingccording to the capital market line, the expected return of any

a. systematic risk
b. unsystematic risk
c. total risk
d. beta

94. Which of the following statements about the market portfolio is False?

a.The market portfolio contains both systematic and unsystematic risk
b.The market portfolio lies on the capital market line
c. The market portfolio lies on the security market line
d. The market portfolio includes all risky assets in the world
e. The market portfolio is on the efficient frontier

95. Fundamental analysis is a method of finding out the ____ price of a security

a. Intrinsic
b. Past
c. Recent
d. Market

96. When the fim takes advantage of borrowed funds to increase the ROI, it is termed as

a. Trading on equity
b. Over Capitalization
c. overtrading
d. Capital Gearing

97.Investors have to _____ review and revise their portfolios.

a. Regularly
b. Quarterly
c. Yearly
d. Daily

98.The primary purpose of investment is to _____

a. Gain
b. Loose
c. Win
d. Appreciation



100. According to CAPM, investors are ___

a. Risk averse

b. Risk Neutrals

c. Risk Takers

d. None of the above.

101. According to CAPM, the correct measure of risk is termed as _____

a. Business risk
b. Financial Risk
c. Beta-Coefficient
d. Systematic Risk

102. ____ is a money market security.

a. Debenture
b. Commercial paper
c. Gold and Silver
d. Mutual fund

103 Which of the following is a tax saving investment?

a. Gold
b. Post office monthly income scheme
c. Company Debentures
d NSC

104. ____ is a market where short term funds are borrowed and lent.

a. Money Market
b. Capital Market
c. Bank

105. _____ is a good investment alternative for high-tax paying investors

a. Equity shares
b. T-Bills
c. **PPF**

Subject Teacher

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Department of Accounting & Finance

Class: TY B.Com (A&F)

Subject : Cost Accounting

Semester : V

Name of Teacher: Ranjana Mhalgi

Theory Question Bank

Unit -1 - Uniform Costing and Inter-Firm Comparison

1) Define Uniform costing. What are the essential requisites for the installation of a uniform costing system?
2) Write a short note on uniform costing.
3) State the essential pre-requisites for the installation of uniform costing system in an industry?
4) What are the requisites for installation of a Uniform Costing System?
5) Explain in brief the advantages and limitations of uniform costing.
6) Write notes on points on which uniformity is essential before introducing uniform costing.
7) Enumerate the points on which uniformity is essential before introducing uniform costing system?
8) Explain, what do you understand by uniform costing?
9) Write short notes on Uniform Cost Manual.
10) Write a short note on 'Inter Firm Comparison'.
11) What is meant by 'Inter-firm comparison'? Describe the requisites to be considered while installing a system of inter-firm comparison.
12) What are the pre-requisites of an inter firm comparison system?
13) Discuss the role of ratios in inter-firm comparison.
14) Write four limitations of inter-firm comparison.

Unit -2 - Integrated System and Non Integrated System of Accounts

1) Explain 'Non-integrated costing system'.
2) Explain the advantages of cost accounting system.
3) Explain need for a cost accounting system.
4) Explain basic documents used in a cost accounting system in recorded.
5) Explain features of a non-integrated system.
6) Explain subsidiary ledgers and their corresponding control accounts.
7) Define – Cost coding costing system.
8) Explain Control accounts.
9) Explain Cost ledger control account.
10) SHORT NOTES:

1. Need for Cost Accounting System
2. Basic documents used in Cost Accounting
3. Features of Non-Integrated System
4. Cost Ledger Control Account
5. General Ledger Adjustment Account
6. Work-in-Progress Control Account
7. Overhead Suspense Account
8. Advantages of Cost Control Account

Unit – 3 Operating Costing

1) Explain which types of undertaking uses Operating Cost System
2) Explain Operating Costing
3) What statistics should a Transport Operating Company keep in respect of each vehicle to get correct operational and maintenance costs ?
4) Explain Composite Cost Unit.
5) State main features of Hospital costing.

Unit – 4 - Process Costing

1) Explain Cost Accounting procedure in process industries.
2) Explain the following :
   a. Normal Wastage and Abnormal Wastage.
   b. Treatment of losses in process.
   c. Waste, Spoilage, Salvage, Rectification, Scrap.
   d. Equivalent production.
   e. Inter Process Profits.
3) What do you mean by a process?
4) What do you mean by process costing?
5) What do you mean by process cost?
6) which are the industries in which process costing is applicable.
7) Explain whether process costing can be employed in an oil refinery.
8) Enumerate any 4 advantages of process costing.
9) Explain any one disadvantages of process costing.

Unit – 5 - Activity Based Costing System

1) Describe the drawbacks of traditional costing which led to the development of ABC.
2) Define and explain the following terms - ABC, Activity, Resource, Cost Pool and Cost driver.
3) What is activity based costing?
4) When is ABC suitable and unsuitable?
5) Discuss the different stages in the Activity-based Costing.
6) Explain in brief the different categories of activities under the ABC System.
7) Give two examples for each of the following categories in activity based costing:
   (a) Unit level activities
   (b) Batch level activities
   (c) Product level activities
   (d) Facility level activities.
8) Explain and illustrate Cost Drivers.
9) Explain the concept of cost drivers. Indicate what you will consider as cost drivers for the following business function: Research & development; and Customer service.
10) Give three examples of Cost Drivers of following business functions in the value chain:
   (a) Research and development
   (b) Design of products, services and processes
   (c) Marketing
   (d) Distribution
   (e) Customer service (CA Inter, May 2000)
11. Enumerate the advantages and disadvantages of ABC.



MCQs Question Bank

Q1.The use by several undertakings of the same costing principles and/or practices._____,

(a) **Unit costing** (b) Uniform costing (c) Standard costing (d) Differential costing.

Q.2. Uniform Costing helps an individual firm in_____,

(a) Ascertainment of cost (b) **Cost control and cost reduction**

(c) Allocation of costs (d) apportionment of costs

Q.3. Inter-firm comparison is one of the aims of_____,

(a) Unit costing (b) **Uniform costing** (c) Standard costing (d) Marginal costing

Q.4. Inter-firm comparison is_____,

(a) A method of costing (b) A method of allocation of overheads

(c) A technique of evaluating the performance of firms in an industry

(d) Related to marginal costing

Q.5._____Accounts is the name given to a system whereby cost and financial Accounts are kept in the same setof books.

(a) **Integrated** (b) Non integrated (c) Operating costing (d) PROCESS COSTING

Q.6. In Entry under Integrated System for Credit purchase of materials for stock, Stores LedgerControl_

_____

(a) **Debited** (b) credited (c) No entry (d) None of the above

Q.7. In Entry under Integrated System for Cash purchase of materials for stock_____, Account is debited.

(a) **Stores Ledger Control** (b) General Ledger Adjustment (c) WIP (d) Finished Goods

Q.8. In Entry under Integrated System for Cash purchase of Special Materials for direct use in job_____, Account is debited.

(a) **Stores Ledger Control** (b) General Ledger Adjustment (c) Work-in-Progress (d) None

Q.9. In Entry under integrated System for Abnormal spoilage_____Account is debited.

(a) Store A/c (b) **Costing P/L A/c** (c) Abnormal Loss A/c (d) WIP

Q.10. In Entry under Integrated System for Absorption for Administration Overhead, is debited._____,

(a) Store A/c (b) Costing P/L A/c **(c) Finished Goods A/c** (d) None of the above

Q.11. In Entry under Integrated System for Absorption of Selling and Distribution Overhead, Account is debited.

(a) Store A/c (b) Costing P/L A/c (c) Abnormal Loss A/c (d) **Cost of Sales**

Q.12. In Entry under Integrated System for Materials returned to suppliers from stock, Account is debited.

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(a) **Creditors** (b) Costing P/L A/c (c) Abnormal Loss A/c (d) Cost of Sales

Q.13. in Entry under Integrated System for Recording of Depreciation on Machinery, Account is credited.
Account

(a) Store A/c (b) **Factory** (c) Depreciation (d) Cost of Sales

Q.14. Entry under Integrated System for Materials returned from Production, Credited to_____,

(a) Store A/c (b) Factory **(c) WIP** (d) Cost of Sales

Q.15. Entry under Integrated System for issues of Direct Materials for production,

(a) Work in Progress Dr.
Stores Control Cr

(b) Work in Progress Control Dr
Stores Control Cr

(c) Factory Overhead Control Dr
Stores Control Cr

(d) No entry

Q.16. Entry under Integrated System for issues of Direct Materials for Factory,

(a) Work-in-Progress Dr.
To Stores Control

(b) Work in Progress Control Dr
To Stores Control Cr.

(c) Factory Overhead Control DrTo
Stores Control Cr.

(d) No entry

Q.17. Entry under Integrated System for Transfer of goods completed from production to finished goods.

(a) Work in Progress Dr.
Finished Goods Control Cr

(b) Finished Goods Control Dr
Work-in-Progress Cr

(c) Work-in-Progress Control Dr
Store Control A/c

(d) No entry

Q.18. Purchase of raw materials of 1000 on credit. Under Integrated Accounts, the transaction appear as

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(a) Stores Ledger Control A/C

To Creditors A/C

(b) Stores Ledger Control Ale Dr.

To General Ledger Adjustment Ale

(C) Purchases AVC Dr

To Creditors A/C

(d) Cost Ledger Control A/C Dr.To

Creditors A/C

Q.19. Materials Requisition Note_____

(a) Authorises and records the issue of Materials for use (b) Records the return of unused materials

(c) Records the transfer of materials from one store to another

(d) A classified record of materials, issues, returns and transfers

Q.20. Materials Transfer Note_____

(a) Authorizes and records the issue of materials for use (b) Records the return of unused materials

(c) Records the shifting of materials from one store to another

(d) A classified record of materials, issues, returns and transfers

Q.21. A document which is a classified record of material issues, returns and transfers

(a) Materials Requisition Note (b) Materials Return Note (c) Materials Transfer Note

(d) Materials Issue Analysis Sheet

Q.22. This is essential to make the cost ledger 'self-balancing_____,

(a) General Ledger Adjustment Account (b) Stores Ledger Control Account

(c) Work-in-Progress Ledger (d) Finished Goods Control Account.

23. This is debited with all purchases of materials for the stores and credited with _____

(a) General Ledger Adjustment Account (b) Stores Ledger Control Account

(c) Work-in-Progress Ledger (d) Finished Goods Control Account

Q.24. In this, cost of materials, wages and overheads of each job undertaken is posted._____

(a) General Ledger Adjustment Account (b) Stores Ledger Control Account

(c) Work-in-Progress Ledger (d) Finished Goods Control Account

Q.25. This represents the total value of finished goods in stock._____

(a) General Ledger Adjustment Account (b) Stores Ledger Control Account

(c) Work-in-Progress Ledger **(d) Finished Goods Control Account**



Q.26. Material amounting to 58,300 is purchased on credit_____, The entry in Cost Ledger under non-integrated System is

(a) Purchases A/C Dr.

To Sundry Creditors

(b) Stores Ledger Control A/c Dr.

To General Ledger Adjustment Ac

(c) Purchases ledger adjusts Ac Dr.

To Cost Ledger Control Ac

(d) Work-in-Progress Control A/c Dr. To

General Ledger Adjustment A/c

Q.27. Salaries and wages amounting to 262,100 gross and earned by the employees, and deductions 58,300 of 5,400 as ovident fund, 22,400 as ESIC and 4,300 as Income Tax are made from the gross amount The entry inCost Ledger under non-integrated System is

(a) Salaries and Wages Control A/C Dr. 62,100To

General Ledger Adjustment A/c 62,100

(b) Salaries and Wages Control Alc Dr. 62,100To

General Ledger Adjustment Alc 62,100

(c) Salaries and Wages Control Alo Dr. 62,100To

Cost Ledger Adjustment Alc

(d) Salaries and Wages Control Alc Dr. 62,100To

Provident Fund Alc 5.400

To E.S.I.C. A/C 22400

To General Ledger Adjustment Alo 261000To

Income tax Ala 4300

Q.28. What is a cost ledger control account_____,

(a) An account in the cost ledger to record financial accounting items

(b) An account in the financial ledger to record cost accounting items

(c) An account that summarises outstanding payables balances

(d) An account that summarises outstanding receivables balances

Q.29. The advantages of maintaining cost control accounts include the following:

(a) Facilitate prompt preparation of costing profit and loss account

(b) Help management in policy formulation (c) Facilitate internal check **(d) all of the above**



Q.30. The Work-in-Progress Control Account is not debited with:

(a) Direct materials and direct labour (b) Direct expenses

c) Production overheads (recovered) (d) **Selling and distribution overhead**

Q.31. The application of factory overheads usually would be recorded as an increase

(a) Cost of goods sold **(b) Work-in-progress control** (d) Finished goods control

(C) Factory overheads control

Q.32. The debit balance of the overheads adjustment account may be transferred to

(a) Cost of sales account (b) **Profit and loss account** (c) Finished goods account (d) WIP Account

Q.33. Materials lost in stores due to fire is_____,

(a) A part of normal loss and hence part of cost (b) Capitalized

(c) **A part of abnormal loss and hence excluded from cost** (d) Transferred to the next period

Q.34. A credit to Work in Process Inventory represents_____

(a) Work still in process (b) Raw material put into production

(c) The application of overhead to production

(d) The transfer of completed items to Finished Goods Inventory

Q.35. A journal entry includes a debit to Work in Process Inventory and a credit to Raw Material InventoryThe explanation for this would be that

(a) Indirect material was placed into production (b) raw material was purchased on account

(c) **Direct material was placed into production** (d) direct labour was used for production

Q.36. Non-integrated cost accounting system follows the principles of-_____

(a) **Double** (b) Single (c) Mixed (d) none

Q.37. _____Ledger Control Account is debited with purchases of materials,

(a) **Store** (b) CLC (c) WIP (d) Finished goods

Q.38._____Ledger Control Account is credited with issue of materials.

(a) **Store** (b) CLC (c) WIP (d) Finished goods

Q.39. On sale of goods, cost of such goods is credited to_____,

(a) Store (b) CLC (c) WIP (d) **Sales A/c**

Q.40. The balance of Costing Profit and loss Account. Transfer to_____,

(a) Store **(b) CLC** (c) WIP (d) Sale A/c



Q.41. Wages Control Account is debited with_ (a)Factory Cr **(b) CLC Cr** (c) WIP Cr (d) None

Q.42. Administration overhead recovered is debited to_____, Control Account

(a) **Finished goods** (b)WIP (c) Profit and loss (d) none of the above

Q.43. Selling overhead recovered is credited to_____Ac

(a) **Cost of Sales** (b) Finished Goods Control (c) CLC (d) Profit and loss

Q.44. Paseenger transport_____

(a) **Per Passenger Seat** (b) Per Passenger Day (c) Per Ton day (d) Per Passenger hour

Q.45. Goods transport_____,

(a) Per Ton Day **(b) Per Ton Kms** (c) Per Passenger hour (d) none

Q.46._____Costing is the method used to ascertain the cost of providing a service such as transport, hotel,hospital, gas or electricity.

(a) **Operation** **(b) Operating** (c) Process (d) Job

Q.47. Operating Costing uses the methods of_____Costing when ascertaining the cost of supply of electricity, steam etc.

(a) Operation (b) Marginal (c) Process (d) Job

Q.48. Operating Costing uses the methods of_____costing when costing a particular trip by a bus.

(a) Operation (b) Standard Costing (c) Process **(d) Job**

Q.49. In Road Maintenance Industry, Per K. M. of Road maintained is a_____,

(a) **Simple** (b) Composite (c) Average (d) None

Q.50. In Water Supply Industry, Per Kilo Litre of Water Supplied is a_____,

(a) **Simple** (b) Composite (c) Average (d) None

Q.51. For a hospital, the composite cost unit is_____,

(a) Patient –day (b) Visitor – day (c) **Bed –day** (d) none

Q.52. For a Passenger transport, the composite cost unit is_____,

(a) Patient –day (b) Visitor – day (c) Bed –day **(d) Passenger -kms**

Q.53. In case of passenger transport, Carriage capacity is in terms of_____,



(a) **Seat** (b) Visitor (c) Bed (d) kms

Q.54. In case of_____transport, Carriage capacity is in terms of Tonnes.

(a) Seat **(b) Goods** (c) Bed (d) km

Q.55. Normal Loss is equal to

(a) Normal Output - Actual Output (b) Actual Output - Normal Output

(c) **Input x % of Normal Loss** (d) None of the above

Q.56. Normal Output is equal to

(a) Input - Abnormal Loss (b) **Input - Normal Loss** (c) Input - Abnormal Gains (d) output - loss

Q.57. Unit Cost is equal to_____,

(a) Normal Cost - Normal Output **(b) Total Cost / Normal Output** (c) Normal Cost Total Output

(d) Total Cost Total Output

Q.58. Abnormal Loss is equal to_____,

(a) Input - Actual Output (b) Actual Output - Normal Output (c) **Normal Output - Actual Output**

(d) Actual Output – Input

Q.59. Abnormal Gains are equal to _____,

(a) **Actual Output - Normal Output** (b) Normal Output - Actual Output

(c) Actual Output – Input (d) Input - Actual Output

Q.60. Which of the following does not use process costing?

(a) Oil refining **(b) Distilleries** (c) Sugar (d) Aircraft manufacturing

61. Process Cost is based on the concept of _____,

(a) **Average Cost** (b) Marginal Cost (c) Standard Cost (d) Differential Cost

Q.62. Process costing is applied when_____,

(a) Small number of different products are manufactured

(b) Large number of different products are manufactured

(c) Large number of identical products are manufactured

(d) Fixed costs exceed variable costs

Q.63. The following statements relate to process costing_____,

(1) The higher the net realisable value of normal losses the lower will be the cost per unit of normal output.



(2) The higher the abnormal losses the higher will be the cost per unit of normal output.Are the statements true or false?

Statement 1

Statement 2

(a) False, False

(b) False , True

(c) True, False

(d) True , True

Q.64. Consider the following statements relating to process costing:

Statement 1: normal losses are credited to the process account at the cost per unit incurred on normal production. Statement 2: abnormal gains are debited to the process account at the cost per unit incurred on normal production,Which statement(s) are true?

(a) Both statements are true

(b) Neither statement is true

(c) Statement 1 only is true

(d) Statement 2 only is true

Q.65. When FIFO method is used in process costing, the opening stock costs are:

(a) kept separate from the costs of the new period

(b) added to new costs

(c) subtracted from the new costs

(d) averaged with other costs to arrive at total costs

Q.66. Traditional Costing allocates overheads on the basis of_____,

(a) **Volume** (b) activities (c) Events (d) job

Q.67. ABC allocates overheads on the basis of_____,

(a) Volume **(b) activities** (c) Events (d) job

Q.68. ____costing is defined as "Cost attribution to cost units on the basis of benefits received from indirect activities i.e. ordering, setting-up, assuring quality etc.

(a) ABC **(b Target** (c) Joint Cost (d) job

Q.69_____. are elements that are used for performing the activities?

(a) ABC (b) Target (c) Joint Cost (d) Resources

Q.70 A cost_____is a term used to indicate grouping of costs incurred on a particular activity which drives them

(a) Pool **(b) Drive** (c) Joint Cost (d) job



Q.71 ABC is suitable when there is a_____range of products

(a) **Wide** (b) narrow (c) Average (d)job

Q 72 ABC is suitable when the operations are____,

(b) Complex **(b) simple** (c) Easy (d) batch

Q 73 ABC is suitable when the overheads form a_____proportion of the total costs.

(c) **high** (b) low (c) average (d) job

Q 74 Producing parts specifications is a/an_____level activity

(d) **Facility** (b) Custody (c) Product (d) none

Q75 Plant security is a/an_____,

(e) Facility **(b) Custody** (c) both (d) none

Q 76 The use by several undertakings of the same costing principles and / or practices is know as_____

(a) Inter-firm comparison (b) **uniform costing** (c) process costing (d) operating costing

Q 77 Uniform costing helps an individual firm in cost_____

(a) Control (b) Ascertainment (c) reduction (d) Allocation of cost

Q 78 Inter-firm comparison is on of the aims of _____

(a) Standard costing **(b) uniform costing** (c) marginal costing (d) Contract costing

Q 79 Inter-firm comparison is a_____

(a) Method **(b) technique** (c) formula (d) ratio

Q 80) Give the Journal Entry for recording Sale Value of Abnormal Loss.

Subject Teacher

Convener



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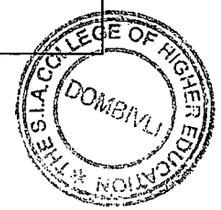
Introduction to Cost Accounting -- SEmester I

Sr.No	Questions	A	B	C	D
1	Cost accounting is an important system developed for	share holders	Government	**Management**	Financial institution
2	The resources that have been used for attaining a particular objective is	revenue	**Cost**	profit	investment
3	cost accounting is a ____ reporting system	**internal**	external	government	financial
4	Cost ascertainment involves	**ascertainment of cost**	control of cost	estimation of cost	fixation of price
5	Notional cost is also known as	**Imputed cost**	Opportunity cost	Out of pocket cost	Variable cost
6	Cost which doesnot require current cash payment is	**Book cost**	Product cost	Cash cost	Opportunity cost
7	The cost which remains constant irrespective of output upto capacity limit is	**Fixed cost**	product cost	Variable cost	sunk cost
8	Variable cost is also known as	**Product cost**	Period cost	Indirect cost	Semi fixed cost
9	The cost which is directly chargeable to the product is	Indirect cost	**Direct cost**	Overheads	Period cost
10	Primary packaging is	**Direct materials**	Indirect material	OVerheads	Selling cost
11	Cost of gresase and oil is a	**Indirect expenses**	Packaging cost	Indirect material	Indirect labour
12	The cost which does not involve any cash outlay	Sunk cost	Relevant cost	**Imputed cost**	Book cost
13	Raw material directly identifibale with the product is	**Direct materials**	Indirect material	Process materials	Production materials
14	Royalty paid on use of patents is called as	**Direct expenses**	Indirect expenses	Production expenses	Distribution expenses
15	Cost which is unaffected by the change in output is called as	**Fixed cost**	Variable cost	Period cost	None of the above
16	goods received note is normally prepared in	**six copies**	five copies	four copies	five copies
17	eoq also known as	**ecnomic size of order**	economic order to be placed	maximum level of stock to be fixed	re order level
18	the objective of material control is	**adequacy of inventory**	use of space	effective storage	Not adequate
19	purchase order is prepared generally in	4 copies	**5 copies**	7 copies	2 copies

20	material requisition is signed	production department	purchase department	**foreman**	accountant
21	material inspection note is signed by the	**inspector**	storeskeeper	cost accountant	auditor
22	goods received note is prepared by	purchase department	**stores depatment**	sales department	finance department
23	material transfer note is prepared when	**material is transferred from one department to another department**	material sold	Material issued	Material not issued
24	average inventory is	opening inventory	closing inventory	**opening inventory + closing inventory /2**	no inventory
25	abc analysis is a technique developed for	inventory management	**inventory control**	wip control	finishing stock control
26	BIN card is	a inspection note	**a continuous record of stock stored**	a statement of delivery materials	a statement of issue of material
27	A store ledger is	An evidence of delviery of materials	a ledger of the supplier	**a ledger which shows movement of each item of mateials**	a statement of issue of material
28	When prices fluctuate widely the method that will smooth out the effect of fluctuation is	Simple average	FIFO	**Weighted Average**	LIFO
29	Issue of material under ___method is from oldest lots	**FIFO**	LIFO	Average	Weighted Average
30	During the period of rising prices of the issue will be at more recent price under	**LIFO**	FIFO	Average	Replacement
31	FIFO method is	**Logical**	Illogical	Reasonable	Not reasonable
32	Under perpetucal inventory system stock is ascertained	Periodically	**Continuously**	At the beginning of every year	Between the year
33	Under Peridodic inventory system stock is ascertained	**Periodically**	Continuously	At the beginning of every year	Between the year
34	The objective of time keeping is of	**preparation of payroll**	working in factory	working in office	working at home
35	Piece worker are paid wages on	**piece rate basis**	time rate basis	payroll basis	job card basis
36	The card which shows time spent by a worker on eveyr order or job is	**Job card**	Job analysis	Job methods	Job evaluation
37	Payroll accouting is concerned with	**Computation of wages**	Allocation of workers	Allocation of jobs	Salaries
38	Payroll shows	**Deductions**	Job card	Job analysis	Job methods
39	Payslip is prepared for	**Individual worker**	All workers	Casual worker	Temporary workers
40	Labour turn over is caused by	**Absenteeism**	Over time	Scientific selection	friends

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41	Labour turn over is calculated by	**Flux method**	Turnover method	Scientific method	Taylor method
42	Cost of welfare services	**Preventive cost**	Turnover method	Scientific method	Taylor method
43	Cost of accident is	**Replacement cost**	Preventive cost	Turn over cost	Sales cost
44	Unavoidable cause of labour turn over may be	**Death**	Appointment	No death	No appointment
45	Labour turn over can reduced by	**Exit interview**	Payroll	Replacement	Preventive
46	Under Halsey premium method __% of time saved is shared by employer	110	**50**	100	150
47	The method which differentiate between efficient and inefficient worker	Time rate method	**Piece rate**	Halsey plan	Rowan
48	Under Taylor differential piece rate plan efficient workers are paid	100% normal rate	**120% normal rate**	150% normal rate	180% normal rate
49	Taylor differential plan rate penalises	efficient workers	Poor workers	**inefficient workers**	Average workers
50	Efficiency of workers is measured on the basis of	**Time taken**	Time allowed	Time misused	Standard time
51	Travelling time from one job to another job is	**Normal idle time**	Abnormal idle time	overtime	No time
52	Machine break down time is	Normal idle time	**Abnormal idle time**	overtime	No time
53	Power failure is	Normal idle time	**Abnormal idle time**	overtime	No time
54	Power is allocated on the basis of	**H.P.of machines**	cost of machines	machine hours of machine	labour hours
55	Employee welfare expenses are alloacted on the basis of	**number of employees**	machine hours	cost of machine	prime cost
56	Eectricity is allocated on the basis of	**number of light points**	machine hours	cost of machine	prime cost
57	Charging overheads is allocated on the basis of	allocation	apportion	**absorption**	collection
58	Direct expenses are also known as	**chargeable expenses**	prime cost	Varibale cost	period cost
59	The process of arranging items into groups according to their degree of similarity is called	**classification**	Analysis	identification	ascertainment
60	The cost directly attributable to a department is called	allotment	**allocation**	recovery	charging
61	The process of re - distribution of overheads of support department to production department is called as	**secondary distribution**	primary distribution	repeat distribution	recurring distribution
62	The process by which cost items are charged direct to cost unit is called	Absorption	apportionment	**allocation**	allotment

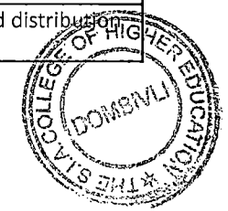


63	a common absorption rate used through out the following for all jobs and units of output irrespective of dpeartment in which they were produced is called	**machine hour rate**	department absorption rate	overall absorption rate	blanket absorption rate
64	Machine hour rate is calculated by the equation	**Overheads / Machine hours**	Direct materials / Machine hours	Direc labour /Machine hours	Machine / Machine hours
65	___ doesnot facilitate the prompt preparation of cost sheet	**Actual overhead**	Pre - determined overhead	Blanket overhead	Overhead
66	___overheads is also known as recovery overheads	Allotment	allocation	**Absorption**	Consumption
67	Depreciation of office building will be allocated on the basis of	Value of building	**Floor area of building**	Premises	Outspace
68	___overhead can be done on reciprocal and non reciprocal basis	Primary distribution	**Secondary distribution**	Notional distirbution	Depreication
69	Exchange of services among the service department is known as	**Reciprocal method**	Non reciprocal method	Plant wide method	Trial mehtod
70	____basis considers only one directional service flow from a serive cost centre to other production cost centre	Reciprocal method	**Non reciprocal method**	Plant wide method	Trial mehtod
71	Example of non reciprocal method	Trial and error method	Simultaneous equation method	**Step down method**	Repeated distribution method
72	Trial and error mehtod is ___basis	**Reciprocal method**	Non reciprocal method	Plant wide method	Trial mehtod
73	___method is continued till teh figures remaining undistributed in the service cost centres are negligibly small	Trial and error method	Simultaneous equation method	Step down method	**Repeated distribution method**
74	____method is followed when the question of distribution of service cost centre which are interlocked among themselves	**Trial and error method**	Simultaneous equation method	Step down method	Repeated distribution method
75	____method is adopted to take care of secondary distribution of cost of service cost centres toproduction cost centres with the help of mathematical formulation and solution	Trial and error method	**Simultaneous equation method**	Step down method	Repeated distribution method
76	Step distribution method is also known as ___method	Trial and error method	Simultaneous equation method	**Ladder method**	Repeated distribution method

Subject Teacher

Kavitha

Kavitha Nadar



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Question Bank

Cost Accounting - Semester I

1. **Features of Cost Accounting**
2. **Classification of Cost on basis of behaviour, Time, Management**
3. **Elements of Cost Accounting**
4. **Distinguish between Financial Accounting & Cost Accounting**
5. **Classification of cost by Nature**
6. **Explain Cost Structure**
7. **Explain Coding**
8. **Explain Principles of Material Cost**
9. **Explain procedure of Purchase Requisition**
10. **Explain Continuous Stock Verification**
11. **Explain ABC Classification**
12. **What do you mean by Inventory turn over ratio? What are the objectives?**
13. **Inspection of goods**
14. **Time keeping & Time booking**
15. **Job Card**
16. **Piece rate wages**
17. **Halsey Premium Plan**
18. **Idle Time & Abnormal Idle Time**
19. **What are the causes of labour turnover**
20. **Blanket overhead and department overhead rate**
21. **Machine hour rate**
22. **Primary Distribution of Overheads**
23. **Standing charges v/s Running charges**
24. **Secondary Distribution of overheads**
25. **Actual v/s Pre - Determined of overhead absorption**

Question Bank
Sums
Cost Sem-I
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Material Cost

Sum no 1.

2. The following information is provided by S Ltd .for the fortnight at April , 2014 . Stock on 1-4-2014 of material X 100 units @Rs.5

PURCHASES	**UNITS**
05/04/2014	300@
08/04/2014	500@
12/04/2014	600@
SALES	**UNITS**
06/04/2014	250
10/04/2014	400
14/04/2014	500

Calculate value of closing stock and material consumed(cost of goods sold) using FIFO method and weighted average method.

Sum no 2.

Prepare a stores ledger on FIFO method :

1st may opening stocks is 400 units at rs. 4 per unit 4th may purchased 600 units at rs. 6 per unit
8th may issued 800 units
16th may purchased 600 units at rs. 8 per unit 20th may issued 700 units
25th may returned from factory 10 units issued on 20 may 28th may returned to vendors 12 units purchased on 16 may.

Sum no 3.

From the following details find out closing stock of Bharat Industrial LTd as per FIFO method.

Date	Purchase	Sales	Price per
1st November	40	-	14

2nd November	30	-	15
4th November	20	-	15
5th November	-	40	18.5
10th November	-	10	19
17th November	30	-	16
20th November	-	25	20
28th November	50	-40	13
30th November	-		16

On 29th November two units were found damaged and had to be discarded.

Sum no 4.

From the following data for the year end 31st December 2018 calculate inventory turn over ratio and give comments.

Particulars	Material	Material Y
Opening stock	20,000	18,000
Purchases	1,04,000	54,000
closing stock	12,000	22,000

Sum no 5.

Two components A and B are used as follows:

Normal usage 50 units per week each

Minimum usage 25 units per week each

Maximum usage 75 units per week each

Re - order quantity A : 300 units

B : 500 units

Re - order period A : 4 to 6 weeks

B : 2 to 4 weeks

Calculate Maximum level, Minimum Level, Re - order level and Average level



Sum no 6.

KL Ltd produces product M which has a quarterly demand of 8000 units. The product requires 3 kg quantity of material X. for every finished unit of product. the other information are as follows: cost of material X is Rs. 20 per kg cost of placing an order is Rs. 1000 per order carrying cost 15% per annum of average inventory calculate: EOQ for material X should company accept an offer of 2% discount by the supplier, if he wants to supply the annual requirement of material X in 4 equal quarterly instalments?

Sum no 7

A firm is able to obtain quantity discounts on its orders
of materials as follows:

price per kg	**KGs**
8	Less than 250
7.9	250 and less than 500
7.8	500 and less than 1000
7.6	1000 and less than 2000
7.5	2000 and above

The annual demand for a material is 2000 kg.
Stock holding cost are 20% of material cost per annum
the delivery cost per order is Rs. 8
Minimum ordering quantity is 200
You are required to calculate best quantity to a order.

Labour Cost

Sum no 1.

From the following particulars calculate the earnings of workers X and Y
for a day under Straight Piece Rate system and Taylor Differential Piece
Rate system.
Standard Production - 20 units per hour Normal time rate - Rs. 5 per hour Differential to be applied :
80% of piece rate below standard 120% of piece rate above standard Hours of the day = 8
Output X = 150 units Output Y = 200 units

Sum no 2.

In a manufacturing concern the daily wage rate is Rs. 5.The standard output
in a 6 day week is 200 units representing 100% efficiency. The daily wage rate is paid
without bonus to those workers who show upto 66 2/ 3 % of the efficiency standard.
Beyond this there is a bonus payable on a graded scale as below: 80% efficiency - 5% bonus
90 % Efficiency - 9% bonus
100 % efficiency - 20% bonus



Further increase of 1% for every 1 % further rise in efficiency.

In a 6 day week A produced - 180 units, B produced - 150 units, C produced - 200 units
D prodcued - 208 units and E produced - 130 units

Sum no 3

In a manufacturing concern the daily wages guaranteed for workers is Rs. 5. the standard output for the month is 4,000 articles representing 100% efficiency. The rate of wages is paid without bonus those workers who show up to 66 2/3 % efficiency. Beyond this bonus is payable on graded scale

Efficiency	**Bonus**	**Bonus**
90%		10%
100%		20%

further increase 1% on bonus for every 1% further rise in efficiency calculate total earnings of A, B, C and D who have worked 26 days in a month. A's output - 2,000 articles B's output - 3,600 articles C's output - 4,000 articles and D's output - 4,800 articles

Sum n o 4

XYZ co. employs its workers for a single shift of 8 hours per day for 25 days in a month.the company has recently fixed standard output of 80 units per day per worker for a mass production item and introduced an incentive scheme to boost output. Details of wages payable to the workers are as follows:

Basic wages Rs. 6 unit subject to a guaranteed minimum wages of RS. 160 per day worked

dearness allowance : Rs. 80 per day worked

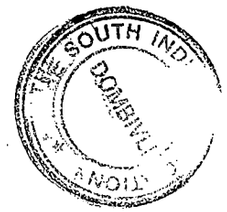
incentive bonus

Upto 80% efficiency - Nil

For efficieny above 80% Rs. 100 for every 1% increase above 80%

the details of performance of 2 workers for a particular month are as follows:

Workers	No.of days worked	Output (units)
A	25	1640



B	18	1000

Sum no 5

Calculate the earnings of A and B from the following particulars for the month and allocate the labour cost to

	A	B
Basic wages	100	160
D.A.	50%	50%
Contribution to PF	8%	8%
Contribution to	2%	2%
overtime 10 hours		

The normal working hours for the month are 250

Overtime are paid at double the total of normal wages and dearness allowance employers and employees contribution to PF and ESI are at equal rates

The two workers were employed on job X, Y

The normal working hours for the month are

	Job X	Job Y	JOB Z
Worker A	40%	30%	30%
Worker B	50%	20%	30%

Overtime was done on job Y at the request of the customers.

Sum no 6.

from the following particulars work out the earnings for the week of a worker under:

straight piece differential piece rate halsey premium plan rowan plan

number of working hour per week - 48 wages per hour - Rs. 7.5

normal output per week - 120 pieces actual output per week - 150 pieces

time allowed for actual production - 60hours

differential piece rate 80% of the piece rate when output is below standard and 120% above standard



Overheads Sum no 1.

KVD LTd has five departments P, Q, R and S are production department and S-1 is a service department

Particulars
Supervision
Insurance on stock
Lighting
Employer liability
Repairs
Rent
Depriciaiton

The following information is also available in respect of five departments

Particulars	Q	R	S	S-1
Area (Sq ft)	1,200	1,100	900	400
No. of workers	300	100	100	50
Total wages	80,000	50,000	50,000	20,000
Value of Plant	1,80,000	1,60,000	1,00,000	60,000
No. of Light points	40	35	30	25
Value of Stock	1,00,000	50,000	20,000	Nil

Sum no 2

Cadila Co. Ltd has three production departments A, B, C and two service department D and E.
The following figures are extracted from the records of the company.

Particular	E
Rent and Rates	500
Indirect wages	5
Depreciation of	500
General Lighting	
Power	5,000
Sundries	



The following figures are extracted from the records of the company.

Particulars	A	B	C	D

Floor space (sq ft)	2,000	2,500	3,000	0	
Light points (nos.)	10	15	20	10	
Direct wages	3,000	2,000	3,000	1,500	
Horse power of	60	30	50	10	C
Value of	60,000	80,000	1,00,000	5,000	350
Apportion the cost to various departments on					Nil
the most equitable basis					Nil
Sum no 3					Nil
Radha enterprises has three production departments A,B and C and one s					280

The following fighures are available for one month of 25 working days of 8 hours each day
All departments worked all these days with full attendance.

Particulars	**total**	**S**	**A**	**B**
Power and	1,100	300	200	250
Supervisor salary	1,500	Nil	Nil	Nil
Rent	600	Nil	Nil	Nil
Canteen expenses	500	Nil	Nil	Nil
Others	1,100	140	210	470

The following additional information is available:

Particulars	**S**	**A**	**B**	**C**
Supervisor salary	20%	20%	30%	30%
Floor area in sq ft	400	350	450	300
Number of	10	15	15	10
Service rendered		20%	30%	50%

You are required to calculate the labour hour rate of
each of the department A, B and C.



Sum no 4

Calcuate the comprehensive machine hour from the following Cost of machine Rs. 45,000
Installation charges Rs. 5,000 Life of machine 5 years Working hours per year 2,500
Repair chargse 75 % of depreciation
Electric power consumed 10 units per hour @ 15 paise per unit Lubricant oil Rs. 4 per day of 8 hours
Consumable stores @ Rs. 10 per day of 8 hours

Wages of machine operator @ Rs. 8 per day of 8 hours

Sum no 5.

Compute a comprehensive machine hour rate for a machine in production department 'A' of factory from the following details Machine:
Cost including installation charges Rs. 20,00,000 Estimated useful life 20 years
Estimated salvage value 10% Working hours:
No. of working days 300 No.of shift per day 2
Effective working hours per shift 7
Stoppages for repairs and maintenance 200 hours Operating and other costs
Wages of two ooperators (one for each shift)@ 5,000 per month
Salary of a supervisor (one for each shift) @ Rs. 7,500 (Only 1/5th of the supervisor time devoted to this machine)
Electric power: 20 units per hour, each unit costing Rs. 3.20 Insurance charges : Rs. 5,000 per annum
Repairs and mainenance (estimated) Rs. 12,500 per month
Rent, rates and taxes (allocated) : Rs. 10,000 per annum General lighting
Other facoty overheads (allocated) rs. 1,40,000 per annum

Y
10%
0

Sum no 6.

PH Ltd is a manufacturing companyhaving three produciton departments A, B and C and two service dpeartment X and Y the following is the total of overheadsas per primary distribution
A - 4,100 B - 2,700 C- 6,200 X - 4,200 & Y - 5,300
A technical assessment for apportionment of service department is as under

Departments	A	B	C	X
X	45%	15%	30%	0
Y	60%	35%	0	5%

You are required to prepare secondary distribution summary under trial and error mehtod and arrive at the overhead finally charged to each production department



Sum no 7

The following particulars relate to a manufacturing company with three production departments A, B and C and two service departments S1 and S2. The following are details c
the department as per primary distribution summary.

S2
10%

Department A	6,300
Department B	7,400
Department C	2,800
Department S1	4,500
Department S2	2,000

The service department costs are shared as follows:

Particulars	A	B	C	S1	Q
S1	40%	30%	20%	_	Q
S2	30%	30%	20%	20%	1,000

Find out the overheads of production department on the basis of :-

Simultaneous equation method, Trial and Error method, Repeated distrib

Q
15%
_

Sum no 8

In a factory there are two service department P and Q and three production departments A, B and C

In April 2020 the department expenses were:

Department	A	B	C	P
Amount	6,500	6,000	5,000	1,200

The service department expenses are allotted on a percentage basis as follows:

Department	A	B	C	P
P	30%	40%	15%	_
Q	40%	30%	25%	5%

Prepare statement sjowing distribution of two service department expenses of the three production department by REpeated distribution method, Step method, Trial and error method & Simultaneous equation mehtod



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Near Balaji Mandir, Dombivli (East), 421203.

Class: SYBAF

Subject: BUSINESS LAW-II

Semester -III

Subject Teacher: MRS. SUNITA SIDHANI

Subjective Questions

1. Define partnership. Explain its essentials.
2. How will you determine whether a partnership does or does not exist between a group of persons? "Sharing of profits is not the real test of partnership". Discuss.
3. Explain the procedure for registration of firms. What are the consequences of non- registration?
4. What constitutes property of the firm?
5. Explain the circumstances with examples, where there is sharing of profit, yet no relation of partnership.
6. Define partnership. Explain its types.
7. Mutual Agency is a true test of partnership? Explain.
8. Write short notes on:
    a. Non-partnership interest.
    b. Partnership deed.
    c. Types of partners.
    d. Types of partnership.
    e. Nominal partner.
    f. Actual or Ostensible partner.
    g. Holding out.
9. Discuss the mutual rights and duties of partners.
10. What constitutes partnership property? Explain
11. Write note on: (a) Goodwill of the firm

12. Explain the circumstances under which a firm is compulsorily dissolved.
13. What is dissolution of a firm? Under what circumstances can a court dissolve the firm? Explain.
14. Explain the rights and liabilities of a partner on dissolution of a firm?
15. Explain in detail the rules regarding public notice under the partnership law.
16. "Dissolution of the partnership need not result in the dissolution of the firm." Comment.
17. What is dissolution of a firm? Explain the grounds of dissolution of firm by court?
18. Explain the salient feature of the LLP Act, 2008.
19. Discuss the advantages and disadvantages of LLP.
20. Write short note on Designated Partners.
21. Who can be partners in a LLP?
22. "LLP on registration is a body corporate". Comment.
23. Discuss the characteristics of LLP.
24. Explain the procedure for registration of LLP.
25. Who is a designated partner? Explain in detail the incorporation of LLP
26. Define LLP. Discuss the nature of LLP.
27. What is the advantage of LLP? Distinguish between 'LLP' and 'Partnership firm.
28. Distinguish between:
    (a) LLP, 2008 and Indian Partnership Act, 1932.
    (b) LLP and Company.
29. Discuss the extent and liability of Partner in an LLP.
30. Discuss the extent of liability of the LLP.
31. Discuss all about contribution of a partner towards the LLP.
32. Define contribution. Explain its provision under LLP Act.
33. What is the provision of contribution under LLP Act?
34. Explain the procedure and consequence of conversion of a firrn to LLP.
35. Can a private company be converted to LLP? If so explain the procedure and impact of such conversion.
36. Discuss the rules regarding conversion of a unlisted public company to LLP together with the effect of the conversion.
37. Write briefly on effect of registration of firm/private company/unlisted public company as LLP.
38. What is the meaning of winding up of a LLP and dissolution of a LLP? Explain when a LLP can be declared defunct?
39. Explain the procedure for voluntary winding up of LLP?
40. Under what circumstances can the Tribunal order for winding up of a LLP? Discus the procedure to be followed.

41. Short note on winding up of LLP.
42. Define following terms:
    (a) Factory
    (b) Manufacturing process
    (c) Workers
43. Explain safety measures as per the factory act.
44. Explain health measures as per the Factory Act.
45. Explain welfare measures as per the factory act.
46. What are the provisions for working hours and holidays of adults in the factories?
47. What are the provisions for working hours and holidays for child workers in the factory?
48. What are the general duties of Occupier?
49. Write short notes on:
    (a) Restriction of employment of women
    (b) Working hours for children
    (c) Welfare measures
    (d) Health measures
    (e) Occupier
    (f) Hazardous Process

Subject Teacher

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P-88, MIDC Residential Area Dombivli Gymkhana Road,
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Class: FY BAF

Subject: Foundation Course-I

Semester -I

Subject Teacher: Mrs. Sunita Sidhani

Subjective Questions

1. Characteristics of Indian culture
2. Multi-cultural society
3. Multi-religious society
4. Religion wise population of India
5. Caste wise population of India
6. Gender ratio of Indian population
7. Concept of Linguistic diversity
8. Characteristics of Indian rural population
9. Characteristics of Indian urban population
10. Tribal characteristics
11. Any two aspects of diversity in Indian culture
12. Discuss the pluralistic nature of Indian society
13. Explain the status of women from the Vedic period to the modern times.
14. Explain the interplay of tradition and modernity in respect of women status in India.
15. What measures would you recommend to solve women's problems in India?
16. Explain the factors responsible for declining gender ratio (female foeticide) in India.
17. Explain the causes and effects of violence against women.
18. Write a note on Women and Mass Media.

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19. Enlist and explain the socio-economic problems faced by women in India.
20. Write a detailed note on visually challenged persons.
21. Explain the various issues relating to auditorily challenged persons.
22. Write a note on mentally challenged persons.
23. Explain the various issues relating to orthopedically challenged persons.
24. Examine the types of physical disabilities.
25. Explain the services available to handicapped persons in India.
26. Discuss in detail the problems faced by socially handicapped persons.
27. What steps should be taken to prevent violence against women in India?
28. Explain the manifold problems faced by the disabled in the country.
29. Discuss the causes for gender disparity and violence against women in India.
30. Discuss the reasons for gender disparity in India and give reasons to combat the same.
31. Write short notes on:

    (a) Status of women in the Vedic period.
    (b) Types of deafness
    (c) Different types of violence against women
    (d) Representation of women by the Indian media.
    (e) Inequalities against people with physical disability
    (f) Special provisions for people with disabilities
    (g) Causes of declining sex ratio

32. Explain the features of political parties in India
33. Explain the concept of urban local self-government
34. Explain the concept of Panchayati Raj in India
35. Bring out the role and significance of women in politics
36. Major features of 74th Amendment Act 1992
37. Explain the concept of rural local self-government
38. Major features of 73rd Amendment Act 1992
39. Explain the characteristics of political parties in India
40. Explain the inequalities generated due to caste system in India
41. Discuss the inequalities caused by the caste system.
42. Explain the consequences of caste conflicts in India.
43. Discuss the causes and consequences of communalism in India.
44. What are the measures to overcome the problem of communalism and casteism?

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45.Discuss the inter-group conflicts caused due to caste inequalities

46.Indian society. Suggest measures to eradicate caste conflicts,

47.Write a note on linguistic conflicts in India.

48.Discuss the problems of regionalism.

49.What are the measures to resolve linguistic conflicts in India?

50.Define communalism. Describe the causes of communalism.

51.What is regionalism? Examine the causes of regional conflicts in India.

52.Explain the various issues related to regional conflicts in India.

53.Write a note on regional conflicts in India. Substantiate with examples.

54.Explain the various causes of Regionalism in India with suitable examples.

55.Explain the term caste. What are the inequalities caused by caste system in India?

56.Discuss the reasons for communal violence in modern India.

57."Issues related to regionalism are integral to India" Comment.

58.Define communalism and explain the factors responsible for the growth of communalism in India.

59.Discuss linguism as a basis for inter-group conflict and suggest measures to resolve linguistic conflicts in India.

60.Comment on various issues regarding communalism in India.

61.Discuss the reasons for communal violence in modern India. Suggest measures to overcome the problems of communalism.

62.Write short notes on:

(a) Inequalities caused by caste system in India
(b) Causes of linguistic conflicts
(c) Caste conflicts in India
(d) Linguistic conflicts in India.

Subject Teacher

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Convenor

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CLASS	FYBAF	Subject	Foundation Course-I
SEM	I	Teacher	Mrs. Sunita Sidhaui

SR NO	QUESTIONS	A	B	C	D
1	The term _____ refers to a state of intellectual development or manners.	**culture**	religions	languages	None of the above
2	_____ is defined as the study of the size, growth, age and geographical distribution of human population.	geography	**demography**	diverse	None of the above
3	Tamil, Telugu, Kannada and Malayam are _____ languages.	northern	central regions	**Dravidian**	None of the above
4	Ethnic groups in Assam and other parts of eastern India speak _____ languages.	Sino-Tibetan	Brahmi	**Austro-Asiatic**	None of the above
5	People in Northern Himalayas and near the Burmese border speak _____ languages.	Dravidian	**Sino-Tibetan**	Austro-Asiatic	None of the above
6	The written forms of language and script come from an ancient Indian script called _____.	**Brahmi**	Austro-Asiatic	Dravidian	None of the above
7	_____ has the federal status of associate / subsidiary official language.	Marathi	**English**	Tamil	None of the above
8	The Indian constitution uses the term _____ instead of language or dialect.	**mother tongue**	*language*	*dialect*	None of the above
9	_____ means all religions and citizens irrespective of their faith would be treated impartially.	religions	citizens irrespective	**secular state**	None of the above
10	_____ and _____ are two important words that should be borne in mind in a multi-religious society.	**tolerance and respect**	multi-religious	atmosphere	None of the above

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11	The Sanskrit word for caste is _____ which means colour.	Vaishya	**varna**	Shudra	None of the above
12	The caste stratification of the Indian society had its origin in the _____ system.	Vedic period	caste	**chaturvarna**	None of the above
13	_____ and _____ have been the bases of varna vyavastha.	Varna Vyavstha	**purity and pollution**	Varna Dharma	None of the above
14	Gender study is carried out in relation to _____.	number of males	number of females	**sex-ratio**	None of the above
15	_____ is defined as the number of females per thousand males.	**sex-ratio**	males	females	None of the above
16	India is the _____ largest country by area in the world.	**fourth**	tenth	seventh	First
17	The eighth schedule of Indian constitution enumerates _____ languages.	**22**	26	29	24
18	A system of structured inequality which rates and ranks members of a society based on definite criteria	**Social stratification**	Demography	Diversity	Unity
19	an established system of classifying groups, based on caste, economic status, etc.	**Social stratification**	Demography	Diversity	Unity
20	Caste system is _____ a form of stratification	political	economic	**social**	Democratic
21	_____ opposed the practice of sati.	**Raja Rammohan Roy**	Mahatma Phule	Sardar Vallabhai Patel	Mahatma Gandhi
22	Denial of share in property is a _____ form of violence.	**domestic**	psychological	spiritual	criminal
23	Dr. Ambedkar burnt Manu Smriti symbolically in 1927 to destroy _____ and caste discrimination	child marriage	**untouchability**	child labour	dowry
24	_____ is the main reason of female foeticide.	**Preference for male child**	Unemployment	Globalisation	All of the Above
25	The major cause of declining sex ratio is _____.	**poverty**	pollution	smoking	population
26	Gender is a _____ concept.	**sociological**	economic	biological	scientific
27	Pre-Conception and Pre-Natal Diagnostic Techniques Act (PCPNT) is aimed at preventing _____	**female foeticide**	child marriage	maternal mortality	domestic voilence
28	The traditional Hindu society was divided into _____ Varnas.	one	three	**four**	six

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29	_____ has the lowest child (0-6 age group) sex ratio in India.	Punjab	**Haryana**	Meghalaya	Bihar
30	_____ are persons below the age of 18 years who commit socially undersirable acts.	Victims	Destitutes	**Delinquents**	Dyslexia
31	_____ is a defect due to extra chromosome.	Cretinism	Microcephalus	**Down's Syndrome**	Dyslexia
32	In — system, a person's social position was determined by ownership, occupation and heredity status.	class	caste	**estate**	None of above
33	The ancient Hindu scriptures depict women as _____ where references are made to Goddess Kali.	Prakriti	Sati	**Shakti**	All of the Above
34	_____ is the only State where females out number males.	Mizoram	**Kerala**	Maharashtra	Goa
35	Every caste or sub-caste insists that its members should _____ within the group.	Mr. Nesfield	Prof. Ghurye	**Marry**	None of the above
36	Each caste or a group of allied castes was traditionally associated with a particular _____.	specific occupation	skilled activity	**Occupation**	None of the above
37	55 per cent of SC population are still deprived from _____ regarded as the basic and essential component of human development.	sub-castes	**Education**	Caste System	None of the above
38	According to census definition a worker is categorized as '_____' if she/he has worked for 6 months or more.	**Main worker**	total workers	marginal workers	None of the above
39	Inter-caste conflicts arise when higher castes _____ the lower castes,	**Exploit**	features of caste	caste system	None of the above
40	With the passing of political power to the people, castes have become _____ groups	small segments	single caste category	**Pressure**	None of the above
41	A caste is 'dominant' when it wields _____ and political power.	caste is crucial	**Economic**	lower_castes	None of the above
42	The _____ of the upper castes has always been to consolidate and maintain their high social status.	high caste	lower castes	**Attitude**	None of the above
43	The MCC collects a levy called _____ tax from contractors and big landlords to meet its day-to-day expenses.	individual annihilation	**Rangdari**	caste enemies	None of the above

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44	The best examples of these caste conflicts due to exploitation, economic grievances and deprivation are found in _____.	**Bihar**	lower castes	intermediate	None of the above
45	Anti–Hindi agitations took place in _____ India.	Northern	**Southern**	Western	None of the above
46	Dr. Ambedkar burnt Manu Smriti symbolically in 1927 to destroy _____ and caste discrimination.	Child Marriage	**Untouchability**	Child Labour	None of the above
47	Endogamy is the essence of Caste System.	**True**	False		
48	Caste system does not enforce any restriction with regard to inter – dining and inter – marriage.	True	**False**		
49	For what period does the Vice President of India hold office ?	**5 years**	Till the age of 65 years	6 years	2 years
50	The President gives his resignation to the	Chief Justice	Parliament	**Vice President**	Prime Minister
51	The Governor of a State is appointed by the President on the advice of the	**Prime Minister**	Vice- President	Chief Minister	Chief Justice
52	The total number of members nominated by the President to the Lok Sabha and the Rajya Sabha is	16	18	**14**	12
53	Who appoints the Prime Minister of India ?	Vice-President	**President**	Parliament	Citizens of India
54	Who was the first Prime Minister of India ?	**Jawaharlal Nehru**	Mrs. Indira Gandhi	Dr. Rajendra Prasad	Mahatma Gandhi
55	Chief Minister of a State is responsible to	Prime Minister	Rajya Sabha	**Legislative Assembly**	Governor
56	Which of the following is described as the 'Soul of the Constitution'?	Fundamental Rights	Fundamental Duties	Directive Principles of State Policy	**Preamble**
57	The term 'We' in Preamble means	Indian Government	Supreme Courts	Indian Parliament	**The People of India**
58	Indian Constitution ensures 'Justice' in which of the following form	Social	Economic	Political	**All of the above**

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59	Preamble has been amended by which Amendment Act?	27th Constitutional Amendment	**42nd Constitutional Amendment**	44th Constitutional Amendment	40th Constitutional Amendment
60	As per Preamble, date of adoption of the Constitution is	26th January 1950	**26th November 1949**	11th December 1946	(a) None of the above
61	The correct sequence of the following words in the Preamble is	Sovereign, Democratic, Socialist, Secular, Republic	**Sovereign, Socialist, Secular, Democratic, Republic**	Sovereign, Socialist, Democratic, Secular, Republic	None of these
62	Dr. Ambedkar burnt Manu Smriti symbolically in 1927 to destroy _____ and caste discrimination.	Child Marriage	**Untouchability**	Child Labour	None of the above
63	A caste is 'dominant' when it wields _____ and political power.	caste is crucial	**Economic**	lower castes	None of the above
64	Political parties that contest local, state, national elections are requiredto register with the_____of India.	**Election Comission**	Supreme Court	**President**	High court
65	Political parties recognized in_____or more States are consideredas national parties.	Six	Five	**Four**	Two
66	The political parties which do not get a majority, plays the role of _____parties	**Opposition**	ruling	suppressing	winning
67	The_____governments enjoy greater degree of autonomy in decision-making	Union	state	**local**	None of above
68	The urban areas in India are looked after by the_____	**Muncipalities**	State	Panchayati Raj	Zilla parishad
69	The Municipal Corporation of Greater Mumbai operates under the _____	State government	**Brhanmumbai Muncipal Corporation**	Union Government	Local government
70	The Councillor enjoys a term of_____years.	two	three	**five**	six
71	The_____is the first citizen of the city.	President	Governor	**Mayor**	Ward member
72	_____is formed according to the 74th constitutional amendment.	Nagar Parishad	**Nagar Pachayat**	Panchayati Raj	Union Government

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73	The rural local self-government in India is described as_____	Nagar Parishad	Nagar Parishad	**Panchayati Raj**	State government
74	_____was the first State to establish Panchayati Raj system in India.	**Rajasthan**	Maharastra	Gujarat	Shimla
75	_____is the apex institution in the Panchayati Raj system in India.	**Zilla Parishad**	Pachayat samiti	Gram Pachayat	Nagar Parishad
76	_____is the head of the Gram Panchayat.	President	Chairperson	**Sarpanch**	Mayor
77	Empowerment of women in politics means the participation of women in political_____process.	**decision making**	formation	alliance	decenteralisation
78	73rd Amendment of the Indian Constitution is related to_____	indipendent judiciary	**Pachayat Raj**	parlimentary system	Local government

Subject Teacher

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FYBAF - BC SEM II QUESTIN BANK

Explain the principles of effective presentation.

What preparation does a candidate do for an interview?

What is Public Relations? State the primary responsibilities of Public Relations Department.

Discuss the advantages and disadvantages of a Conference.

What is a committee? State its types.

How does public relations department maintain relations with internal public?

What are the necessary points to be considered for a meeting?

Explain the stages in an interview

Define Interview. Explain steps involved in interviewing process in detail.

Discuss in detail pre conference activities

List out the functions of Public Relations.

Discuss the role of Chairperson in a meeting.

SHORT NOTES

Appraisal interview

Skype

Video conferencing

Disadvantages of committees

Disadvantages of committees

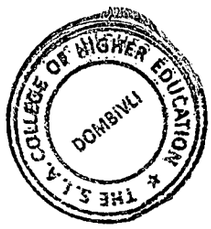
Grievance interview

What is a press release? How to write a press release.

Advantages of forming a committee

Preparation by interviewee.

Types of meetings.



AIDA Formula.

Crisis Management.

Appraisal Interview.

Webinar



FYBAF - AUDITING SEM II QUESTION BANK

Define Errors and explain its types
Explain the advantages of Auditing
Explain the Principles of Auditing
Define Interim Audit and explain its advantages
Define Audit Programme and explain its contents
What are the essentials of good Audit Evidence
Explain the different techniques of Auditing
Explain the contents of Permanent Audit File
Distinguish between Test Checking and Routine Checking
Explain the advantages of Statistical Sampling
Distinguish between Internal Audit & Statutory Audit
Explain the disadvantages of Audit Programme
Explain the limitation of Internal Control
Explain Internal Control for Debtors
Define Fraud and explain its types
Explain the disadvantages of Auditing
Explain the Principles of Auditing
Define Final Audit and explain its disadvantages
Define Audit Programme and explain its advantages
Explain the classification of Audit Procedures
Explain the different Auditing Techniques
Explain the contents of Current Audit File
Define Internal Check and explain auditor's duty regarding Internal Checks
Explain the functions of Internal Audit
Distinguish between Test Checking and Routine Checking
Explain the factors to be considered while designing the Audit Sample
Explain the features of Internal Control
Explain Internal Control for Creditors
Define the term Auditing and explain the basic Principles of Auditing.
Explain the difference between Internal Audit and Statutory Audit.
What is Audit Programme and explain the advantages of Audit Program.
What are the Pre-audit considerations ?
Write the steps to design an internal control system for salaries and wages.
How does an auditor select the audit samples?
What is Continuous Audit and explain the advantages of Continuous Audit
Write the contents of Working Papers.
Explain the different qualities of an Auditor
What do you mean by Final Audit ? Explain the advantages of Final Audit.
Define Audit Sampling and explain the methods of selecting sample items.
What is Test check? Write the advantages of Test check.
Write the steps to design an internal control system for debtors.
Write the distinguish between Auditing and Accounting

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FA SEM II FYBAF QUESTION BANK

You are given a) The Balance Sheet of Prince as on 31st March, 2014 b) A cash account for the year ended 31st March, 2015 and c) Additional Information

You are required to prepare Trading and Profit and Loss A/c for the year ended 31st March, 2015 and Balance Sheet as on that date.

Balance Sheet as on 31st March, 2014

Liabilities	Amt	Assets	Amt
Creditors	108000	Cash Balance	27000
Bills Payable	216000	Bank Balance	54000
Capital	540000	Billls Receivable	108000
		Debtors	135000
		Stock	108000
		Furniture	54000
		Plant	378000
	864000		864000

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Cash and Bank Account for the year ended 31st March, 2015

Receipts	Amt	Payments	Amt
To Balance b/d	81000	By Drawings	64800
To cash Sales	186000	By Wages	108000
To Collection from Debtors	432000	By payment to creditors	186000
To Bills Receivable	405000	By Bills Payable	324000
		By Sundry Exps	162000
		By Rent, Rates and Taxes	108000
		By Balance c/d	151200
	1107000		1107000

Additional Information :

1. Debtors as on 31st March, 2015 - 216000
2. Creditors as on 31st March, 2015 - 135000
3. Bills Receivable as 31st March, 2015 - 162000
4. Bills Payable as on 31st March, 2015 - 270000
5. Stock as on 31st March, 2015 - 162000
6. Discount Allowed - 5400
7. Discount Received - 10800
8. Bills Receivable Endorsed - 81000
9. Bills Receivable in Hand dishonoured during the year - 27000
10. Bills Receivable as endorsed dishonoured - 10800
11. Bills Payable dishonoured - 10800

Armstrong of Beed on 1st January, 2015, 1600 Hard disk costing Rs. 3000 per piece to Tom of Delhi. Freight charges incurred on the consignment were Rs. 51000. On 1st January, 2015 Armstrong drew a bill on Tom for Rs. 900000 payable on 31st March, 2015 which was duly accepted by Tom. The bill was discounted by Armstrong with his

bankers on the same day at 12 % p.a discount to be treated as consignment expenses. Tom rendered account to Armstrong on 31st March, 2015 showing cash sales of 600 Hard Disks at Rs. 3400 per disk and credit sales of 1000 hard disk at Rs. 3600 per hard disk. He incurred selling expenses of Rs. 88160. Tom was entitled to a commission of 10 % and additional 2 % as Del Credere Commssion. On 31st March, 2015, Tom remitted to Armstrong the amount due to him. You are required to prepare Consignment Account and Tom A/c in the books of Armstrong.

Moon Corporation of Mumbai has a branch at Pune. The head office invoice goods to branch at cost plu . The branch transfers all cash received to head office daily. All branch expenses are paid from t head office.

From the following information prepare Branch Stock, Branch Debtors A/c, Branch Adjustmtent , and Branch Profit and Loss A/c.

Particulars	Amt
Branch Stock (01/01/2015) at IP	160000
Branch Debtors (01/01/2015)	40000
Petty Cash (01/01/2015)	4000
Cash Sales	60000
Discount allowed to Branch Debtors	8000
Bad Debts Written off	6000
Returns from customer	3000
Collection from Debtors	240000
Goods sent to Branch (IP)	400000
Goods Returned to H.O (IP)	32000
Credit Sales	300000
Closing Stock (31/12/2015 at IP)	200000
Cheques recd from HO for Expenses	
Salaries	24000
Rent and Taxes	12000
Advertising	10000
Petty Cash	6000
Actual petty expenses incurred by branch	8000

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On 17th June, 2018, due to a fire in the warehouse of Badluck Ltd. The greater part of the stock were destroyed. The business books and records were saved, and the stocks of the value of Rs. 8460 was salvaged.

The following particulars were ascertained :

Particulars	Amt
Stock at cost as on 31/03/2017	43200
Stock as on 31/03/2018	47100
Purchases for the year ended 31/03/2018	91800
Sales for the year ended 31/03/2018	150000
Purchases from 01/04/2018 to 17/06/2018	37500
Sales from 01/04/2018 to 17/06/2018	53400

In valuing the stock as on 31st March, 2018 Rs. 900 was written off a particular line of goods which were originally purchased at Rs. 1800 and actually sold in April 2018 for Rs. 1500. Except for this transaction the Gross Profit remains the same.

You are required to calculate the claim to be presented to the Insurance Company in respect of stocks destroyed by fire.

M/s Mitran Steel Suppliers does not maintain double entry books of accounts. They have furnished you with the following information :

Particulars	01/04/2015	31/03/2016
Sundry Debtors	287040	268560
Stock	72480	125080
Sundry Creditors	251280	290840
Furniture	130000	?
Machinery	200000	?
Cash and Bank Balance	50700	?

Summary of Cash Transactions for the year 2015-16

Particulars	Amt
Cash Sales	50000
Received from Debtors	1380760
Paid to Creditors	980520
Wages paid	65120
Salaries paid	88760
Printing and Stationary Exps paid	24720
Drawings	24000
Machinery Purchased on 1st Oct, 2015	100000
Additional Capital introduced	70000
Commission received in cash	105200
Cash purchases	84300
General Exps paid	38900



Discount Allowed was Rs. 5300 and discount received was Rs. 5060. Bad Debts written off were Rs. 8240. Depreciation is to be provided on Furniture @ 10 % p.a and on Machinery @ 20 % p.a. Wages outstanding Rs. 11000.

Prepare Trading, Profit and Loss A/c of M/s Mitran Steel Suppliers for the year ended 31st March, 2016 and Balance Sheet as on that date.

Amy of Kolkata consigned on 01/01/2013 goods at invoice value of Rs. 37500 which was made up by adding 25% on cost. To Jackson of Chennai. Amy paid Rs. 900 as freight and Rs. 600 as insurance on these goods.

On 30/06/2013 Amy received a remittance of Rs. 21000 with an account sales from Jackson showing that he had :

1. Sold 3/5th of goods for Rs. 27000
2. Paid Rs. 450 as landing charges and Rs. 750 as selling expenses.
3. Retained his commission of 10 % on gross sales.

You are required to write up
Consignment A/c and Jackson A/c in the books of Amy. For the period ended on 30/06/2013 which is the end of his accounting year.

Mumbai soap mills Ltd has branch at Surat. Goods are invoiced to branch at cost plus 50 %. Branch remits all cash received to the head office and all expenses are met by Head Office. From the following particulars prepare Branch Stock A/c, Branch Debtors A/c, Branch Profit and Loss A/c, Branch Expenses A/c and Branch Adjustment A/c

Particulars	Amt
Stock as on 1st April, 2017 at IP	186000
Debtors as on 1st April, 2017	136000
Goods Invoiced to Branch at cost	680000
Sales at branch	
Cash sales	500200
Credit sales	620000
Collection from debtors	608000
Goods returned by debtors	24000
Goods returned by branch to Head Office	3000
Shortage of Stock	9000
Discount allowed to customers	4000
Expenses at Branch	108000

On 30th March, 2014 fire occurred in the premises of M/s BadKismat Brothers. The concern had taken an insurance policy of Rs. 120000 which was subject to average clause. From the books of accounts, the following particulars are available relating to the period 1st January, to 30th March, 2014
Stock as per Balance Sheet as at 31st December, 2013 - 191200
Purchases (including Purchases of Machinery costing Rs. 60000) - Rs. 340000
Wages (including wages Rs. 6000 for installation of Machinery) - Rs. 100000
Sales - Rs. 536800
Gross Profit Ratio is 20 % of sales
The value of salvage goods was Rs. 24600
You are required to compute the amount of the claim to be lodged with the insurance company.

Mr. Virat does not maintain proper books of accounts. He produces following information:

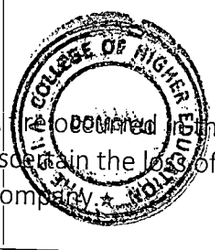
Particulars	Rs.
Receipts:	
From Debtors (cash)	30,000
Capital introduced (Bank)	15,000
Loan From (Bank)	10,000
Cash Sales	12,000

Payments:	
To Creditors (Bank)	12,500
For Expenses (Cash)	6,000
Salaries (Cash)	9,000
Drawings (Cash)	18,000
Cash Purchases	9,000

Additional Data:

Particulars	*1-4-18* *Rs.*	*31-3-19* *Rs.*
Bank Balance (O/D)	1,000	?
Cash on Hand	800	2,800
Debtors	8,600	6,800
Creditors	3,000	3,600
Stock	6,000	8,400
Plant	20,000	20,000

Note: Depreciation plant @ 20% p.a. Prepare Final Accounts.



A fire occurred in the premises of Miss Dipti on 14-10-2019. From the following particulars ascertain the loss of stock and prepare a statement of claim to be lodged with insurance Company.

Particulars	Rs.
Stock as on 1-1-2018	61,200
Purchases from 1-1-2018 to 31-12-2018	2,44,000
Sales from 1-1-2018 to 31-12-2018	3,60,000
Stock as on 31-12-2018	54,000
Purchases from 1-1-2019 to 14-10-2019	2,94,000
Sales from 1-1-2019 to 14-10-2019	3,00,000

The stocks were always valued at 90% of cost price. Salvage was Rs.36, 000. The amount of policy was Rs.1, 26,000.
The claim was subject to average clause.

The Mumbai Motors Ltd. Consigned to their agent in Pune two motor cars costing Rs. 48,000 each for sale. Commission was payable ordinary 8% and del-credere commission 2%. The agent was to bear all expenses in Patna which amounted to
Rs.6, 500. The agent sold one car for Rs.65, 000 and remitted Rs.52, 000 on account. The second car was sold for Rs. 71,500 but out of this a sum of Rs.13, 000 became bad debt. Open the necessary accounts in the books of both consignor and consignee.

Ajay sold goods on behalf of Vijay on consignment basis. On January1, 2019, he had with him a stock of Rs.20, 000 on consignment.
Ajay had instruction to sell the goods at cost plus 25% and was entitled to a commission of 4% on sales, in addition to 1% Del credere commission on total sales for guaranteeing collection of all the sales proceeds.
During the year ended 31st December, 2019 cash sales were Rs.1, 20,000, credit sales Rs.1, 05,000 and Ajay's expenses relating to the consignment Rs.3, 000 being salaries and insurance. Bad debts were Rs. 3,000 and goods sent on consignment Rs.2, 00,000.
From the above, prepare consignment Account and consignee's Account in the books or Vijay and important Ledger accounts in the books of Ajay

Following Information is given to you from the books of Kalyan Law Agency for its branch at Virar for the financial year 2018-19. Prepare Virar Branch A/c in the books of Kalyan Law Agency.

Particulars	*Rs.*	*Particulars*	*Rs.*
Balance as on 1-4-2018	-	Transactions during 2013-19	
- Branch Debtors	1,200	- Goods sent by H.O.	7,800
- Stock	600	- Cash sent by H.O. for petty cash	2,000
- Cash	100	- Goods lost at branch	750
Balance as on 31-3-2019		- Credit Sales	3,600
- Branch Debtors	?	- Insurance claim received by branch	600
- Cash	600	- Cash received from debtors	2,400
- Stock	1,000	- Discount allowed	480
		- Bad debts	520
		- Goods returned by debtors	100
		- Branch Exp. Paid by H.O.-Salary	320
		- Advt.	780
		- Amount remitted by branch to H.O.	8,460

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From the following details relating to the Delhi Branch for the year ending on 31st March 2019, prepare the Branch Account in the books of the Head office.

Particulars	*Rs.*	*Particulars*	*Rs.*
Stock as on 1-4-2018	25,000	Cash received from Debtors	65,000
Debtors as on 1-4-2018	10,000	Cash paid by Debtors	
Furniture as on 1-4-2018	6,000	Directly to H.O.	5,000
Petty Cash as on 1-4-2018	1,000	Stock as on 31-3-2019	15,000
Insurance Pre-paid as on 1-42018	300	Goods returned by Branch	2,000
Salaries outstanding as on 1-4-2018	4,000	Goods returned by Debtors	1,000
Goods sent to Branch during 2018-19	2,00,000	Cash sent to Branch for Expenses:	
Cash sales during the year	2,70,000	- Rent (Rs.800 p.m.)	9,600
Total Sales	3,50,000	- Salary (Rs.4, 000 p.m.)	48,000
Petty Cash Expenses	2,200	- Petty Cash	2,000
Discount allowed to Debtors	500	Insurance (up to June, 2019)	1,200

Goods costing Rs.2, 500 were damaged in transit and a sum of Rs.2, 000 was recovered from the insurance company in full settlement of the claim. Depreciate the Furniture @ 10% p.a.

Long answers

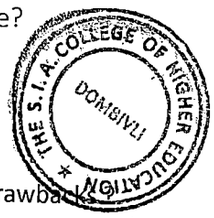
Distinguish between Single Entry and Double Entry System.

What are the different types of commission on consignee?

what do you mean by consignment ? Explain its features ?

Explain in brief Memorandum Trading A/c ?

what do you mean by single entry system? Enumerate its drawba



Distinguish Between Debtors Method and Stock and Debtors Method

short note

Valuation of Consignment Stock

Stock and Debtor System

Memorandum Trading Account

Goods in Transit

Conversion Method – Double Entry System.

Note on Conversion method

Del-Credere Commission

Note on Dependent Branch

Branch Adjustment A/c

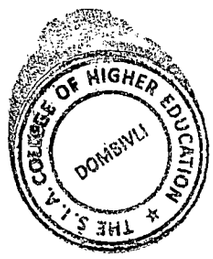
Note on Memorandum Trading A/c

Note on Conversion method

Del-Credere Commission

Note on Dependent Branch

Branch Adjustment A/c



ECS SEM II QUESTION BANK

Explain the various parts of General Reports.

Draft an internal circular informing the employees of extra working hours for the next one month increase in order received from a foreign supplier.

Explain the essential parts of a letter.

What is a press release? How can you write a good press release.

Draft a letter of complaint for shortage in quantity of goods received.

You have applied for a passport 3 months ago and haven't heard from the department so far. Wri RTI letter asking for the reason for delay.

Explain the qualities required for an efficient copywriter.

Explain the parts of Ad Copy.

What are the principles of editing?

How does one achieve clarity in an article?

How do graphs and charts help in interpreting data.

Write a report on the misappropriation of funds in Moodwin Jewellers.

Give the essentials of a notice.

You are the Chairperson of a Committee in the Electricity Board. The Chairman of the Electrici Board, Dombivli Branch has asked you to submit a report on the irregularities in his branch.

What is a notice. What are the essentials of a notice.

Draft a letter of complaint for goods not received as per your specification.

What is publicity? Explain the types of publicity or advertising

Discuss the importance of publicity in today's world.

Describe the tools of print and electronic media.

Explain the principles of copywriting.

Write a report on the Spread of Corona Virus in Mumbai

Heavy rainfall has blocked the major routes of the city. Write a news report.

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Discuss importance of publicity in today's world.

How do graphics illustrations such as graphs, charts, tables etc, help us to understand the content better.

Write a letter under RTI Act to passport office asking them the reason for delay in issuing your passport.

Describe the various types of news report.

Describe tools of print and electronic media.

Write a complaint letter to "Samsung Company for the late delivery of L.E.D T.V.

Write a letter to the editor of a newspaper drawing attention to a civic problem in your area.

Explain the concepts

E-mail

Sales letter

Notice

Punctuation

Paraphrasing

Precis writing

Copy writing

Circulars

RTI

AIDA

Press Release

Health reporting

Hard news

Press release

Body copy

Plagarism



Notice

RTI

Copywriting

Plagiarism

Circulars

Political Reporting

Press Release

Short Notes

Synopsis

Headlines

e-mail

Advertising spot

Soft news

Circular

Write a Jingles of 4 – 6 lines

Punctuation

Soft news and hard news

Body copy

RTI

Types of report

Magazine Editing.

FC SEM II QUESTIO BANK - FYBAF / BMM

Define migration. Explain Types and effects of migration.

Answer the following questions
Discuss globalization and changes in agrarian sector.

Define UDHR. Explain the characteristics of UDHR.

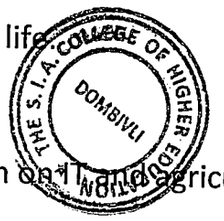
Answer the following questions
Discuss guidelines of Sustainable development.

Explain impact of environmental degradation on human life.

Answer the following questions

What are stress. Explain organization stressors.

What is globalization? Explain the impact of globalization on IT and agriculture.



Explain the term Migration. Give its causes and effects.

Explain the evolution of Human Rights

Discuss Cultural and Educational Rights and Right against Exploitation as described in the Indian Constitution

"Environment enhances quality of human life". Justify.

Explain the causes of Agression & Violence in society and measures to resolve them.

Explain Maslow's extended theory with a diagrammatic representation and example.

Short note

Significance of values in individual development

Maslow's Theory of Self –Actualization.

Types of migration.

Reasons for farmers suicide.

Globalization

Family as an agent of socialization

Values

Ecology

First steppers

LAW SEM II QUESTION BANK

Explain agency by holding out and agency by exception.

Define bailment. Give the essentials of bailment.

Explain the rules as to delivery of goods.

Define Goods. Give its type with examples.

What is an auction? Explain the procedure of an auction sale.

What are the rights and duties of the buyer.

Give the meaning of the term 'Holder' and state the rights of holder in due course.

What is a negotiable instrument? Give the characteristics of negotiable instruments.

What is a Bill of Exchange? Give the difference between a Bill of Exchange and a Promisory Note.

Under the Consumer Protection Act, who is a consumer & who is not a consumer

What is a consideration? Give the essentials of a consideration.

When is Consent not said to be Free. Explain.

Explain the term bailment. Give its essentials.

What is consideration? State the essentials of consideration.

Explain the various rights of an unpaid seller

Explain how an agency is created.

Elaborate on the rules as to Delivery of Goods.

Distinguish between Sale and Agreement to Sell.

What is a Promisory Note? How does a promisory note differ from a Bill of Exchange.

Draw and explain the different types of crossing

What are the ways in which the liability of a party to a negotiable instrument comes to an end?

Write in detail regarding Maturity of an Instrument.

Define contract distinguish between agreement and contract

Distinction between coercion and undue influence

"No consideration no contract" discuss and state exceptions to the rule.

Define bailment and state it's essential elements

Who can be appointed as an agent and a principal?

Distinguish between sale and hire purchase agreement

Write a note rights and duties of the buyer under sale of goods act 1930

Define negotiable instrument ? What are their special features ?

Distinguish between promissory note and Bill of exchange

Distinguish between Cheque and Bills of exchange

Define and explain the essential elements of bills of exchange

Short Notes

Mistake

Minor

Unfair trade practice

Hire purchase agreement

Buyer beware

Goods

Types of bailment

Auction sale

Manufacturer

Contract of Guarantee

Defect in goods

Dishonour of Cheque

Classification of contract

Unfair trade practices

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The S.I.A. College of Higher Education
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P-88, MIDC Residential Area Dombivli Gymkhana Road,
Near Balaji Mandir, Dombivli (East), 421203.

BAMMC QUESTION BANK

2023 -24

FYBMM

FUNDAMENTALS OF MASS COMMUNICATION

(8 marks questions)

1. Is there any impact of Mass Media on Women & Culture? How
2. Describe the impact of Mass Media on Youth & Development.
3. Differentiate between mass communication and the mass media.
4. Explain in detail Laswell model of communication.
5. Which medium according to you is the most impactful and why?
6. Write a short history of "Films in India" and explain any two decades of Hindi Cinema.
7. Public Relation is all about public and communication. Explain with reference to PR in India
8. Who according to you is a good social communicator? Explain by giving instances in which s/he connected with the masses
9. What is convergence of media? Explain cultural convergence with reference to any one channel providing space to the audience to create content.
10. What has been the impact of media on our culture?
11. What is the code of broadcast for AIR and Doordarshan?
12. What is convergence of Media? Explain Cultural Convergence with reference to any one channel providing space to the audience to create content.
13. What has been the impact of media on our culture?
14. Explain the code of conduct for advertisers in India.

15. What is the impact of mass media on Indian Society?

16. Discuss the impact of mass media with reference to any recent event

17 .where media intervention changed the situation.

18. List the advantages of social media and give examples for the same

19. Explain the linear model of communication

20. Discuss the positive and negative impact of mass media on Education

21. What is information super high way and information economy?

22. Explain the HUB Model in detail

23. Differentiate between mass communication and the mass media.

24. What is the impact of mass media on our culture? Explain with examples

25. What is communication? Explain its process with diagrams.

26. Explain the barriers of communication with examples.

FYBMM

FUNDAMENTALS OF MASS COMMUNICATION

(7 marks questions)

1. What is the impact of Mass Media on Education & Children?
2. What was the role of Sant Gadge Maharaj as a mass communicator?
3. Discuss the role of Narendra Modi as a mass communicator
4. Write a short note on any one model of Communication
5. Write short note of various barriers to communication
6. Write short note on various types and importance of Traditional & Folk Media
7. Write short note on the impact of social media on Mass Communication
8. Differentiate between group communication and public communication.
9. How is broadcasting different from print as a mass medium.
10. Discuss the undesirable effects of mass media on children.
11. What is nonverbal communication? Explain its relevance with the help of examples. What is the significance of Gate Keeping model of communication?
12. Explain the evolution of Television in India with specific reference to Doordarshan.
13. List the advantages of social media and give examples for the same.
14. Do you think mass media only creates negative impact on children and youth? Discuss with reference to media consumption of children.

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15. Write a brief note of Traditional & Folk Media.
16. Advertising and Public relations as a tools and means of mass communication.
17. How Mass Media contribute in social development? Give some suitable examples
18. Discuss with examples how newspapers serve the functions of mass communication. Discuss benefits and drawbacks
19. Discuss the objectives/ functions of Mass Communication.
20. Discuss the growth and evolution of radio as a mass medium in India.
21. What effect did the Gutenberg printing press have on society and communication?
22. Discuss the difference between magazines and newspapers
23. Discuss the elements of the communication process using examples from either radio or television
24. Explain the importance of the Internet as an interactive medium
25. What is the nature of Mass Communication and state its difference from Mass Media
26. What is Laswell's formula of communication?
27. Explain Gerbner's model
28. Differentiate between group communication and public communication.
29. How is broadcasting different from print as a mass medium.
30. Explain traditional and folk media in detail with examples.
31. State the barriers to effective listening.
32. How newspaper played an important role in Mass Communication
33. Explain the functions of Mass Communication in detail.



FYBMM

FUNDAMENTALS OF MASS COMMUNICATION

(5 marks questions)

1. Write short note on the impact of mass media on any one of the following
   Children
   Education
   Development
   Youth
   Culture
   Write a short note on the importance of feedback in communication.
2. Explain the terms Information Economy and Information Society.
3. Write short notes on
   i. Verbal Communication
   ii. b) Hub Model
   iii. c) Broadcast code of Doordarshan
4. Explain Digital Media.
5. What is the importance of folk media in the present times?
6. Explain Gerber's model in detail
7. Discuss Mass Media and Education
8. Explain growth of Cultural and economic development and impact on Mass communication
9. Short note on any one of the following
   a. Media and role of Culture

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FYBMM

FUNDAMENTALS OF MASS COMMUNICATION

(5 marks questions)

1. Write short note on the impact of mass media on any one of the following
   Children
   Education
   Development
   Youth
   Culture
   Write a short note on the importance of feedback in communication.
2. Explain the terms Information Economy and Information Society.
3. Write short notes on
   i. Verbal Communication
   ii. b) Hub Model
   iii. c) Broadcast code of Doordarshan
4. Explain Digital Media.
5. What is the importance of folk media in the present times?
6. Explain Gerber's model in detail
7. Discuss Mass Media and Education
8. Explain growth of Cultural and economic development and impact on Mass communication
9. Short note on any one of the following
   a. Media and role of Culture

b. Information Super Highway

c. Social Media and Mass Communication

d. Types of Newspapers

e. Broadcast Media

f. Internet as media

i. Media and Development"

ii. Media and culture

****



FYBMM

FUNDAMENTALS OF MASS COMMUNICATION

(15 marks questions)

1. Write with examples the difference between Mass Communication & Mass Media?
2. Describe the barriers in communication with suitable examples
3. Discuss the tools of mass communication.
4. What is the contribution of electronic media in mass communication?
5. Explain with Diagram the process of communication and its various elements.
6. Explain with examples various forms of Communications.
7. Discuss the scope of any two of the following tools of mass communication :
   (a) Books, Newspapers, Magazines
   (b) Radio
   (c) Television
   (d) Films
   (e) Internet
8. What is Media Convergence? Explain with examples its technological dimension, economic dimension, socio-cultural dimension and its implications to 'Mass Communication'.
9. With specific example explain Portrayal of women in Indian Cinema
10. How is Mass Communication different from other forms of communication? Explain in detail with the help of examples.
11. Explain the term 'Gatekeeping'? Explain the Gatekeeping Model.
12. With the help of a case study, explain how mass communication can be used for social and political causes.
13. Explain the term Convergence. In what ways do you think convergence is going to impact the traditional mass media?

14. Critically examine mass media's portrayal of women. How can such portrayal impact women?

15. Explain the Laswell Model of Communication with diagram.

16. What is the code of broadcast for AIR and Doordarshan.

17. Write a short history of 'Films in India' and explain any two decades of Hindi cinema.

18. Public Relation is all about public and communication. Explain with reference to PR in India.

19. Who according to you is a good social communicator? Explain by giving instances in which s/he connected with the masses

20. Describe various tools of Traditional & Folk Media with suitable examples

21. Elaborate the concept of communication with various definitions and explain various forms of communication.

22. Discuss the use of television as a means of mass communication in India. Describe its advantages and disadvantages, uses and potential with examples.

23. Discuss with examples how newspapers serve the functions of mass communication. Discuss benefits and drawbacks

24. Discuss the objectives/ functions of Mass Communication.

25. Discuss barriers to mass communication with examples.

26. Discuss the growth and evolution of radio as a mass medium in India.

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27. Define Barriers to Communication with special reference to Socio-Psychological barrier and Cultural barriers.

28. Write a short history of 'Films in India' and explain any two decades of Hindi cinema.

29. Discuss the process of communication with reference to any mass medium

30. What do you mean by 'barriers to communication'? Do you agree that barriers are created by the media?

31. Do political communicator's speech style create an impact? Explain it with reference to your favourite political communicator

32. Do you think that mass media only creates negative impact on children and youth? Discuss.

33. What has been the impact of media on our culture? Discuss with relevant examples.

34. Comment on 'Media Convergence and its technological dimension with impact on mass Communication'.

35. Elaborate on Group Communication using Traditional and Folk Media

36. Impact of New Media on Women and Children and their development.

37. Communication is a process whereby reality is produced, maintained, repaired and transformed. Explain the concept with the help Gerber's model and the barriers involved in the process of mass communication.

38. Describe Interpersonal, Public, Satellite and Interactive forms of communication and role of culture in mass communication with suitable examples.

39. Communication used to inform, to build an image and to influence public opinion. Explain the nature of mass media with role of Advertising and Public relations.

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40. Outline the difference between Traditional Folk media and Modern mass or Electronic media.
41. Elaborate the conceptual framework of Media Convergence and its implications to mass communication.
42. Explain the significance of Gatekeeping model of Communication
43. Write a short history of films in India and explain any two decades of Hindi Cinema.
44. What is Mass Media? What are the different types of Mass Media? List and explain the merits and demerits of each medium.
45. Explain and illustrate two communication models
46. What is traditional and folk media? Name and explain some of the traditional media.
47. What is the purpose of using traditional media in mass communication?
48. Analyse the impact of media on youth and children. Justify giving examples.
49. How is Mass Communication different from other forms of communication? Explain in detail with the help of examples.
50. With the help of a case study, explain how mass communication can be used for social and political causes.
51. Public Relation is all about Public and Communication. Explain with reference to PR in India.
52. Explain the different types of appeals in advertising. Give example of one product which uses advertising and how it has changed over the years.
53. What is 'Convergence of Media'? Explain the impact of New Media convergence and Socio - Cultural dimension of convergence.
54. What are different types of Communication? Explain each with importance.
55. What are different types of Mass Communication Media? Explain its importance in today's World?
56. Discuss the impact of new technology on mass media with reference to media convergence and information super highway.

Mass Media Research QUESTION BANK

Q.1. (a) Explain the central tendency of data. Calculate mode, median, and range of the following

5	4	9	15	25	8	9	6	10

What is standard deviation, skewness, and kurtosis?

What is quantitative and qualitative research? Explain with examples.

What is research? Why is research important in mass media?

What are the different types of primary data collection methods? Explain

What is sampling? Explain probability and non-probability sampling

What are the different types of secondary data collection? Explain.

Explain the process of interview in data collection method.

What are the different types of secondary data collection? Explain

What are the points to remember when making a questionnaire?

What are the different types of research design? Explain

Explain the concept of semiology. Give examples relevant to media

What is tabulation? What are the steps in tabulation?

What are the steps involved in research? Explain

Explain Barthes primary and secondary level of signification

What is research design? Explain its importance in research

Explain the steps in content analysis

What are surveys? Explain its various types

Explain what are independent and dependent variables with suitable examples

Explain the observation method of data collection

What are different types of attitude measurement scales

What is data tabulation. Explain its importance?

Explain various types of probability methods of sampling

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What is the difference between qualitative and quantitative method?

Explain the semoitic approach to the construction of meaning?

Explain the qualitative and quantitative approach to content analysis?

When is exploratory research conducted?

Explain various methods for secondary data collection

What is descriptive and causal research. Explain with examples

Explain various types of attitude measurement scales

Explain different types of primary data collection

What are projective techinques? Explain its types

What is literature review ? How it is conducted ?

What is a focus group interview ? Explain its characteristics

Explain the various methods of non-probability sampling

Explain the types and basics of a questionnaire

Explain the content analysis and its uses in research?

Explain the structure of research report in brief



PRINT PRODUCTION & POTOGRAPHY QUESTION BANK

Write in brief about zoom lens

Explain parameters of light

What is focusing?

What is image capturing

Compare Camera with Human eye

What is bokeh? How to get nice bokeh?

What is motion blur?

Discuss lens basics

Explain ISO

Explain Shallow DoF

Explain Degree of blur with diagram

How shutter speed and Aperture correlate?

Define 'Depth-of-Field'. Use Diagram to Explain

What are the essential parts of camera ?

What is Motion Blur? Explain creative aspects

Explain lens basics in brief

Explain Compressed Perspective

Discuss CTP technology

What is Enhanced Perspective ?

Define 'One Point Perspective' with the help of diagram

Discuss Journalism & Forced Perspective

The factors that affect perspective in brief

What is photography? Explain its elements & describe various types of photography.

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What are the essentials components of a camera? Write in details any 2 types of camera highlighting these essentials.

Describe major landmark in history of printing technology.

Explain " Three Lighting Principle & concept."

What is white balance? Explain its need.

What are the parameters of light. Explain each in details?

What are the different types of lenses? Describe with examples.

Explain the process of plate making in screen printing.

Explain in detail process of offset printing & letter press.

Describe digital printing in detail.

What is depth of field? How does it work?



FYBAMMC – SEM II JOURNALISM QUESTION BANK

Discuss growth and contribution of Indian Press in freedom movement.

Explain Citizen Journalism

Explain the elements of news.

What is inverted pyramid? How it is useful while writing a news?

Explain scope and limitations of blogs.

What are the responsibilities of an Editor in Chief?

Explain the types of lead in detail.

Explain the principles of Journalism

What are the objectives of Press Council of India?

Explain difference between Newspaper and Magazine

Explain Investigative Journalism.

Explain impact of technology on Journalism.

Explain the impact of Printing Press on the reformation in Europe.

Explain the effect of emergency on Indian Press.

Distinguish between Mainstream Media and Citizen Journalism.

Explain the various sources of news.

Explain the types of lead in detail.

Describe Code of Ethics for journalists.

Explain in detail the types of news.

Write advantages and disadvantages of Inverted Pyramid.

Write a note on Crime Beat and Business Beat.

Explain the significance of Data Journalism.

Explain different departments of News Organisation.



Explain the various types of career in Journalism.

What is the impact of technology on Print Media?

What are the tools that are used for News gathering?

Write about the various stages of Indian Media.

Is Social Media a blessing or a curse?

How has technology impacted the Media?

What are the traits of a good Journalist?

Write a note on General Beat and Crime Beat.

What is Data Journalism and why is it important in today's times?

What is News? What is the importance of News?

What makes a good story?

What are the different types of News Stories?

What are the key elements of a News Story?

Examine the Delhi Assembly Elections.
Examine the Union Budget 2020

Explain the concepts

Journalism

Electronic Media

Media Conglomerate

Editorials

Feature

Indian Press

Magazine Boom

Photo journalism



Reporting

Public Relations

AFP

Murdochism

Dainik Bhaskar

Digital Media

Internet Publishing

Photography

Reporting

Digital Media

New Media

Feature Writers

News Story

SHORT ANSWERS

Johannes Gutenberg

Indian Express

Dainik Jagran

E – Newspapers

Amrit Bazar Patrika

Reuters

Associated Press

Print Journalism

Print Media



Wireless Sound Transmission

Broadcast Radio

Print Journalism

Data Journalism.
Lok Satta
OP-ED



Media Gender & Culture SEM II QUESTION BANK

What is Feminism? Explain the Waves of Feminism in detail.

Explain the Features of Culture Studies.

Discuss Ulrich Beck's Theory of Technoculture and Risk.

Explain Stuart Hall's theory of Circuit of Culture in detail.

Discuss the Social Construction of Culture with suitable examples.

What is Economic Construction of Culture? Discuss with examples.

Discuss the growth of Popular Culture with examples.

What is Commodification of Culture?

What is Media Imperialism?

Explain the Impact of Globalization on Culture.

Discuss the Evolution and Need of Culture Studies in detail.

What is Acculturation? Explain the stages of Acculturation with examples.

What is Cultural Shock? Explain with examples.

Discuss John Fiske's theory of Culture and Industry.

Discuss Political Construction of Culture with suitable examples.

Explain Religious Construction of Culture with examples.

Write a note on Meme Culture.

Discuss the Impact of Popular Culture on mainstream media.

Explain the depiction of Gender in Indian Cinema and Advertisements.

Discuss the recent trends of Digital Media Culture.

Discuss the "Black is Beautiful" Campaign.

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Explain features of cultural studies

How media is playing an effective role for developing Indian culture

What do you mean by Cyber culture?

Explain the role of media in political construction of culture

How Globalization affected on culture? Explain.

What is media commodification?

Explain stereotypical representation of women in Indian cinema.

Explain #Me Too Movement.

Explain impact of global culture and its relevance in media.

Discuss the concept of media imperialism

SHORT NOTES:

Culture

Culture and Power

Corporatization

Patriarchy

Cultural Relativism

Conglomerates

Gender Equality

Encoding and Decoding

Acculturation

Women in Indian Cinema

Memes

Technoculture and Risk

Enculturation

Cyber Culture

Social Constructs

Circuit of Culture



Political Culture

Gaze Theory

Professionalization

Culture

Localization

Post Feminism

Yellow Journalism

Creolization

Technoculture.

Gender Discrimination

Media Globalization.

Popular culture

Acculturation

Privatization

Ethnocentrism

Feminism

Political culture

Masculinity

Memes

Gender Stereotyping



ADVERTISING QUESTION BANK

What are the unethical forms of advertising? Elaborate any 3 with the help of examples.

Explain what are the various functions of Advertising?

Explain the importance of pretesting. What are the methods of pretesting the advertisements.

Explain the key elements of Creative Brief.

Describe what is advertising and elaborate on the growth and development of advertising in India?

Explain the characteristics of advertising?

What is concept testing? Explain the key elements of Concept Testing

Describe in detail the Evolution of Advertising in India with Examples

Describe in Detail the Structure of an Advertising Agency?

List Down 6 Different forms of media with examples

What are the steps of an advertising strategy?

What is IMC? Define 4 Key tools of IMC used by brands with examples?

Discuss the Communication Process with a diagram

Describe how do you write a Copy for TV media

Explain the importance of pretesting. What are the methods of pretesting the advertisements

Explain the key elements of a marketing brief?

Elaborate on the following departments of an ad agency:

- Account Planning and Account Management
- Creative team
- Media team

Outline the steps in making an advertising strategy

Define what is IMC and list down the key tools of IMC with Examples

List Down 6 Different forms of media with examples

Explain the objectives of Advertising.

Explain the criticism of advertising.



State the structure of AD Agency.

Explain the essentials of a good copy.

Describe the role of advertising in marketing mix elements.

What are the Principles of effective Layout.



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Advertising Question Bank

1. Evolution of Advertising,
2. Importance of advertising
3. Scope of advertising
4. Features of advertising
5. Benefits of advertising
6. Five M's of Advertising
7. Types of Advertising
8. Stimulus Theory
9. AIDA
10. Hierarchy Effects Model
11. Means – End Theory,
12. Social, cultural and Economic Impact of Advertising,
13. the impact of ads on Kids,
14. Women and Advertising
15. Ethics and Laws in Advertising
16. Public Service Advertising,
17. Corporate Advertising,
18. Advocacy Advertising
19. Evolution of IMC, Reasons for Growth of IMC.
20. Promotional Tools for IMC
21. IMC planning process
22. Types of newspaper advertising
23. Advantages and disadvantages of magazine advertising
24. Out-of-home Advertising
25. On- premise advertising
26. Transit advertising
27. Radio advertising Advantages and Disadvantages of Radio advertising
28. Television advertising **and its** Advantages and Disadvantages
29. Film advertising and Product placement - Advantages and Disadvantages
30. Types of public relations
31. Difference between public relations and advertising
32. Difference between Publicity and Advertising
33. Advantages and Disadvantages of Public Relations
34. Advantages and Disadvantages of Publicity
35. Growth and Types of Sales promotion, Advantages and Disadvantages
36. Growth of Direct marketing and its tools Advantages and disadvantages
37. Departments of Advertising Agencies
38. Types of Advertising Agencies
39. Selection criteria for Advertising agency
40. Maintaining Agency–client relationship
41. Agency Compensation.

42. definition and importance of creativity
43. creative process ,
44. execution styles of presenting ads.
45. Role of different elements of ads
46. Elements of Advertisement copy
47. Principles of Copywriting for print,
48. essentials of good copy,
49. Types of Copy,
50. Rural and Urban Advertising,
51. Digital Advertising,
52. Content Marketing (Advertorials),
53. retail advertising,
54. Lifestyle advertising,
55. Ambush Advertising,
56. Global Advertising



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Visual Communication Question Bank

1. History and development of Visuals
2. Need and importance of visual communication
3. Visual Communication as a process
4. Visible concepts
5. Invisible concepts
6. Gestalt
7. Constructivism
8. Ecological
9. Sensual Theories
10. Semitics
11. Cognitive
12. Perceptual Theories
13. Color theory
14. Psychological implications of color
15. Colors and visual pleasure
16. Elements of Design
17. Principles of design
18. Painting
19. Photography
20. Film & Television
21. Documentaries
22. Script writing & visualization
23. Comics & Cartoons
24. Digital Images, Animation & VFX
25. News Papers
26. Advertisements
27. Photo Journalism
28. Folk & Performing Arts , Theatre
29. Ethics
30. Impact of Language and culture
31. Images and messages
32. Signs & Symbols (GIF, etc.)
33. Audience Behavior
34. Citizen Journalism
35. Going Viral
36. Visual stereotyping in social media

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Media Studies Question bank

1. Media Participant theory
2. Social Responsibility theory
3. Era of Mass Society and Culture
4. Development media theory
5. **Propaganda and propaganda theory**
6. **Hypodermic needle theory**
7. **Harold lasswell theory**
8. Scientific perspectives to limited perspectives
9. Paul Lazarsfeld-Two step flow theory
10. Carl Hovland and Attitude Change theory
11. Toronto school (McLuhan)
12. Schools- Birmingham(Stuart Hall)
13. Frankfurt- Theodor Adorno and Max Horkheimer
14. Raymond Williams- Technological Determinism
15. Harold Innis- Bias of Communication
16. **Media and Identity** (India examples
17. Media effect theories
18. Agenda Setting Theory
19. Cultivation Theory
20. Politics and Media studies-media bias
21. Media decency
22. Media consolidation
23. Spiral of Silence
24. Meaning making perspectives
25. Cultural Perspective
26. New media
27. Henry Jenkins-Participatory culture
28. Internet as Public sphere-Habermas to Twitter
29. McLuhan 's concept of Global village in the age of Netflix
30. Uses and Gratification in the age of Internet

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Electronic Media II Question Bank

1. Evolution and growth of Radio:
2. Satellite Radio – The Evolution and Growth
3. AIR and Community Radio- Developmental and Educational Role
4. Internet Radio and Private FM Channels broadcast on Internet.
5. Evolution and growth of Television
6. Evolution and growth of Private and Satellite channels:
7. Growth of Private International, National and Regional TV Networks and fierce.
8. Competition for ratings.
9. Satellite television broadcast-Television channels for niche audiences — entertainment, news, sports, science, health and life style. HDTV telecast
10. Proliferation of DTH services
11. Rise of regional channels and Importance of Regional Channels in India and Globally
12. Trends in regional radio and Television channels.
13. Breaking news on television and the TRP race:
14. How panel discussions can make the public opinion
15. Radio and Television Interview techniques
16. Qualities of a good anchor
17. Voice modulation
18. Characteristics of Radio Jockey
19. Scripting for Interviews/Documentary/Feature/Drama/Skits on Radio and TV.
20. Preparing Audio and Video briefs
21. 24/7 news broadcast
22. Convergence and Multi-media
23. Emerging Trends in Electronic media
24. Digital storytelling /Features

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Agency Management Question Bank

a. Agencies role
b. Functions
c. Organization and Importance
d. Different types of ad agencies
e. Role of account planning in advertising
f. Role of Account Planner
g. Account Planning Process
h. The Client – Agency Relationship
i. The Gaps Model of service Quality
j. Stages in the client-agency relationship
k. How Agencies Gain Clients
l. Why Agencies Lose Clients
m. Means-End chaining and the Method of Laddering as guides to Creative Advertising Formulation
n. Entrepreneurship Functions,
o. Need and Importance.
p. b. Entrepreneurship-As Innovation, risk taking and problem solving.
q. c. Social Entrepreneurship
r. Sources of capital for startup Company
s. Creating and Starting the Venture
t. Various Stages in setting up a new Agency
u. Various stages of marketing plan
v. Traditional Response Hierarchy Models: AIDA
w. Communications Objectives
x. DAGMAR:
y. Various methods of Agency Remunerations
z. The Scope and Role of Sales Promotion
aa. Reasons for the Increase in Sales Promotion
bb. Types of sales promotion

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Social Media Marketing

1. What is the E-marketing? The changing marketing landscape.
2. E- marketing strength and application,
3. Communication modes
4. Emarketing and Consumer segmentation
5. E- marketing and Sales and Trade promotions
6. types of Digital Marketing
7. Types E- mail marketing,
8. Types Internet marketing
9. Types of Mobile marketing
10. Generation Y Expectation and influence
11. Implication of Digital change ,
12. Emerging consumer segmentation in India
13. Meaning , Importance ,
14. Myths about Social media marketing,
15. Brief History Characteristics of Social
16. Media marketer and Careers in Social media marketing
17. .Content Strategy For Social Media Marketing
18. 10- step framework for creating successful SMM strategy,
19. Creating content for Multiple platforms Marketing
20. What is Face book marketing ? Facebook page best practices,
21. Face book ad campaign Objectives and targeting and Content creation and sharing .
22. Optimizing Instagram profile,
23. Creating content strategy,
24. Influencer marketing and Instagram Ads
25. LinkedIn for personal branding,
26. Brand marketing for LinkedIn,
27. Ads on LinkedIn
28. 7.Pinterest Marketing
29. Leveraging Rich Pins
30. How to build foundation for your Youtube channel,
31. Usage of free resource ,
32. Optimize organic traffic by selecting key words for videos
33. Optimization of advertisements
34. Social Media Marketing Plan
35. What is SMM plan?
36. Social Media Marketing cycle,
37. 5 stages, Setting Social Media Marketing goals and objectives (Exposure,
38. Engagement, Influence , Impact and advocacy) ,
39. Eight C's of strategy development Uses of
40. keywords, hashtags, and emoji in targeting branded posts ,
41. Evaluating Social media marketing success

42. What is campaign management?
43. How to use campaign management for Facebook, Twitter etc, Sentiment mining,
44. Using Corporate blog as a
45. CRM tool.
46. How Companies use blogs for effective
47. campaign management?
48. Ethics Code of ethics ,
49. 9 Rules of engagement for Social Media Marketing
50. Careers in Social media marketing



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Department of Management Studies

Subject. ~~Retailing~~ and Merchandising

Semester: V I

SNO	Question	Option 1	Option 2	option 3	Option 4	Correct Option
1	Retail is the end or final stage of any _____ .	Economic activity	Trading	Manufacturing	Wholesaler	Answer1
2	_____ is a process of promoting greater sales and customer satisfaction by gaining a better understanding of the consumers of goods and services produced by a company.	Stock Management	Design Management	Location Management	Retail Management	Answer4
3	A major _____ activity performed by retailers is holding inventory so that the products will be available when consumers want them.	Time consuming	Place utility	Value-providing	Design	Answer3
4	When a part of a department in a retail store is leased or rented to an outside party, it is termed as a _____.	Chain Retailer	leased departme	independent retailer	Consumer Co-operatives	Answer2
5	A _____ refers to a store that stocks a particular type of merchandise or a single product of durable goods like furniture,	specialty store	independent	Chain Retailer	Consumer Co-operatives	Answer1
6	In this method, unique _____ is given to every product to give identification along with the human readable numbers.	bar code	RFID	EDI	CCTV	Answer1
7	_____is a technology that allows an object or person to be identified at a distance by means of radio waves.	bar code	RFID	EDI	CCTV	Answer2
8	____ is transforming the way business is conducted and monitored across supply chain	Radio frequency Identification	Electronic label	Surveillance	bar code	Answer1
9	_____ is a non-store format in which products or services are stored in a machine & dispensed to customer.	Kiosks	Catalogue	Internet	Vending Machine	Answer4
10	_____ is the use of electronic and digital equipment for monitoring retail stores in the form of CCTV equipment.	Electronic Surveillance	Radio tags	Bar coding	Frisking	Answer1
11	_____ store is a large retail store offering wide variety of products under one roof separated by different departments.	Speciality	Departmental	Convenience	fair price	Answer2
12	A _____ is a large self service retail food store.	kirana	ntal	supermarket	hypermarket	Answer3

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13	Big Bazaar has used 15th August & _____ as days for giant sale.	1st May	January	2nd November	1st January	Answer2
14	Hyper Market	Stocks only a particular type of	Combination of a	Sahakari bhandar	Sales person interacts with	Answer2
15	visual merchandising is not associated with	overall look up store	placement of	differentiate themselves	Insurance of products	Answer4
16	Organized retail in India stands at around _____ out of the total retail market	3%	4%	5%	6%	Answer1
17	_____ impact how consumers shop and what goods they purchased.	Store locations	Social factors	Personal factors	Cultural characteristics	Answer4
18	Prior goal of CRM was to establish _____ and perfect relationships.	Customer preference	Customer experienc	Customer loyalty	Customer reaction	Answer3
19	The acquisition of a new customer costs_____ times more than maintaining an existing customer.	10 to 20 times	20 to 25 times	5 to 10 times	30 to 40 times	Answer3
20	_____ means a retailer builds customer loyalty by developing a clear and distinctive image of its retail offering and consistently reinforcing	Retail brands	Positioning	Loyalty program	Retail program	Answer2
21	_____ are coupons that can be printed on a customer's home computer and printer and taken to a brick and mortar store.	Coupon code	Promotion code	Printable coupons	Discount code	Answer3
22	A _____ is a refund of part of an items purchase price.	Cash back	Discount	Coupons	Rebate	Answer4
23	_____ are retail outlets that are owned and operated by consumer for their mutual benefit.	Franchise organisation	Service retailing	Consumer cooperative	Self selection retailing	Answer3
24	_____ are small selling spaces located in malls offices airports etc.	shopping center	kiosks	location	vending machines	Answer2
25	_____ is not a psychological element which influence a consumer buying behaviour	gender	perception	belief	learning	Answer1
26	_____ includes the activities associated with receiving storing and discriminating inputs to the product	inbound logistics	outbound logistics	operations	call center	Answer1
27	_____ offer various incentives and rewards to consumers on the basis of cumulative purchases from a given provider, be it store , a	Point Of Sale	Frequent Shopper	Product	Customer Retention	Answer2
28	_____ provide the ways to gather lead contact information, house it, use it communication purposes and run reports on the data	Point Of Sale	Customer Analytics	Campaign	inventory	Answer2
29	_____is the growth that the retailer seeks by developing new products for new markets.	diversification	market developm	market penetration	product development	Answer1
30	Central business districts	traffic during the	malls	store	Seasonal demand	Answer1
31	Destination Location	Seasonal demand	within a	necessities	Shopping malls	Answer4
32	Free standing stores refers to_____	shopping mall	store	isolated stores	malls	Answer3
33	Freeform layout	Shopping malls	ise is	Innercity	Operations	Answer2
34	Primary activities of value chain are_____	procurement	y	logistics	firm infrastructure	Answer3

35	The _____ shift in population have an implication for retailers	artificial	hic	geographic	real	Answer2
36	There should be _____ and convenient parking place for customer.	Sufficient	Narrow	Congested	broad	Answer1
37	_____ measures how well the brand is regarded and respected.	Knowledge	Esteem	Relevance	Differentiation	Answer2
38	in Freight on Board origin of geographical strategy.	Purchaser	ent	Supplier	Manufacturer	Answer1
39	_____ usually offers discounts in the form of a percentage or certain amount off a certain item.	Coupons	Rebates	Results	Tickets	Answer1
40	_____ pricing uses high prices to convey a distinct image for the products.	Reference	Prestige	Mark-up	Skimming	Answer2
41	_____ is always illegal since it suppresses competition and often raises the cost to the customers.	Horizontal Price Fixing	Predatory Pricing	Discount Pricing	Vertical Price Fixing	Answer1
42	____ enjoy popularity for a limited period of time and usually generate a high level of sales for a short time	Fads	Staples	necessities	fashion	Answer1
43	_____ is the smallest unit available for inventory control	assortment	category	unit	specialty	Answer3
44	_____is the combination of all products made available in a store and a set of products offered within a product category.	Merchandise	Category	Stock keeping unit	Assortment	Answer4
45	Basing point pricing is _____ strategy.	Promotional	d	Geographical	Psychological	Answer3
46	In Young and Rubicam Brand Asset Valuator Model _____ measures the breadth of a brands appeal.	Differentiation	Esteem	Knowledge	Relevance	Answer4
47	Private labeling is not applicable to ____ categories.	Vegetables	items	Cosmetics	Beverages	Answer1
48	_____ them for their overall development .	acquaint	train	motivate	authorise	Answer2
49	The exterior store design is a function of the location of the _____.	building	store site	campaign	layout	Answer2
50	An example of Graphics is _____.	photo panel	signboard	digital signage	posters	Answer1



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Agency Management – Question Bank

1. AAAA defines as ____
a) Association of advertising agencies of America
b) Association of agency agencies of America
c) Association of account of America
d) Association of analysis of America

2. ____ is a service organization comprising of the team of experts, who create, plan & handle advertising
a) Client
b) Ad agency
c) Aviation
d) Research department

3. IMC means ____
a) Integrated marketing communication
b) Internal marketing communication
c) Individual marketing communication
d) Independent marketing communication

4. Areas of Agency evaluation ____
a) Expertise /objectivity / dedication / staffing & management
b) Expertise / staffing & management
c) Expertise /objectivity
d) Expertise / dedication / staffing & management

5. Marketing strategy is the long term plan designed to achieve ____ objectives of client's firm
a) Advertising
b) Marketing
c) Communication
d) Financial

6. Three stages of buyer behavior ___
a) Cognitive /Affective / Conviction
b) Motivate/ affective/buying
c) Awareness/desire/buying
d) Cognitive/desire/conviction



7. ____ is implemented when there is relatively low demand & low brand loyalty
a) Pull strategy
b) Push strategy
c) Pull + push strategy

d) Communication strategy

8. _____ is a process that involves research and information gathering about the client's products and services
a) Account Planning
b) Planning
c) Creating an image
d) Public Relations

9. _____ can be a job, process, or a way of approaching business planning.
a) Account Planning
b) Creativity
c) Designing
d) Marketing

10. What does the creative process involve the development of?
a) Central theme
b) Finance
c) Public relation
d) Marketing

11. _____ influences the entire creative development process except for production.
a) Public relation
b) Business planning
c) Account planning
d) Research

12. Budget for a communication campaign is decided by
a) The marketer
b) The agency
c) The consumer
d) The retailer



13. Segmentation on the basis of lifestyle would NOT include:
a) Hobbies,
b) Recreational pursuits,
c) Entertainment, vacations
d) Climate

14. VALS is a segmentation
a) Values & lifestyle
b) Demographics & psychographics
Geography & lifestyle
d) Life stages &behavior

15. ----------starts with identifying opportunity and scope of business.
a) The process of concept development
b) The process of growth and development
c) The participation of business parties
d) The process of building a team

16. The internal environment consists of any two of the following.
a) Management Philosophy and Human Resource.

b) Management Members and Client Members.
c) Management and Entrepreneurs
d) Management and External Resource.

17. The study of internal environment helps to find out the _____ within the firm.
a) Loopholes.
b) Weakness.
c) Strength
d) Co – operation.

18. _____ should deal with optimal visibility of the business and marketing goals.
a) Marketing Plan.
b) Commercial Plan
c) Logistic Plan.
d) Progressive Plan.

19. Which of the following are important aspects of sales promotion?
a) Extra incentives
b) Likelihood of product
c) Cost effective
d) Creating desire

20. Use of _____ techniques help to differentiate your products from those of your competitors.
a) Sales promotion
b) AIDA
c) DAGMAR
d) Advertising

21. One of the major objectives of consumer franchise building is _____.
a) Increased shelf life of products
b) Sudden acceleration of sales
c) Contests and sweepstakes
d) communicate distinctive brand attributes

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22. POP is known as ____.
a) Pay of point
b) Point of purchase
Popular of products
d) Purchase of products

23. Which was the first agency in the USA, with a status for creative work in Advertising?
a) Lord & Thomas
b) Maccann Erickson
c) Rediffussion
d) Mudra Communication

24. _____ provides incentive reactions by stimulating customers to submit entries into draws of chance that are tied to product or service awareness wherein the featured prizes are given away by client companies.
a) Coupons
b) Premiums
c) Sweepstakes
d) Contest

25. Which one is not a Consumer – Oriented Sales Promotion Vehicle.
a) Samples
b) Refunds
c) Price – off Deals
d) Trade Shows

26. Advertising agencies provide a valuable resource for any enterprise seeking to ____
a) Increase its customer base or its sales
b) Increase its manpower
c) Increase assests
d) Increase wealth

27. Promotional services include ____
a) Consumer demand analysis
b) Sales promotion / PR activities
c) Sales forecasting
d) Media buying

28. Market research service include ____
a) Consumer demand analysis
b) Content for tvc
c) Caltalogue
d) Brand audit

29. Stages in Client –Agency relationship ___
a) Pre-relationship stage / developing stage/maintenance stage/termination stage
b) Pre-relationship stage / maintenance stage/termination stage
Pre-relationship stage / termination stage
d) Pre-relationship stage / developing stage

30. Means-End Value chain ___
a) Attribute – functional consequences - psychosocial consequences – values
b) Attribute – psychosocial consequences – values
c) Functional consequences – psychosocial consequences – values
d) functional consequences – psychosocial consequences

31. A ___ is a written document that summarizes what marketer has learned about the market place & indicates how the firms plan to reach its marketing objectives
a) Marketing plan
b) Advertising plan
c) Copy plan
d) Media planning plan

32. Product objectives ____
a) To grow the company
b) To increase market share
c) To launch a new product
d) To increase brand awareness



33. STP stands for ___
a) Segmenting – targeting – placing
b) Segmenting – targeting – positioning
c) Segmenting – targeting – pricing

d) Segmenting – targeting – product

34. DAGMAR is defined as ___
a) Defining advertising goals measured advertising results
b) Defining advertising gains measured advertising results
c) Defining accounting goals measured advertising results
d) Defining action goals measured advertising results

35. ____ is a comprehensive document prepared by entrepreneur that consists of the vital information in regards of internal & external factors required to be considered,while starting new venture
a) Business plan
b) Marketing plan
c) Copy plan
d) Ad plan

36. _____ is the method where agency is paid a fixed commission by media on media bill for media space bought by agency
a) Fee system
b) Agency commission
c) Service charge
d) Aor

37. Consumer sales promotion includes ____
a) Sampling /coupons etc
b) Pop
c) Trade allowance
d) Trade shows

38. ____ is based on lucky draw concept
a) Sweepstakes
b) Premiums
c) Bonus
d) Pop

39. _____ have to work with the clients and the creative teams within the agency.
a) Copywriter
b) Designer
c) Business Development Manager
d) Account planner

40. Distribution objectives ____
a. Availability of the products in the market
b. Making product available at cheaper rate
c. To grow the company
d. To design logo



41. ____ comprises of free gifts,prizes,etc
a. Premiums
b. Pop
c. Frequency programs
d. Trade allowances

42. Advertising account planning is about keeping the _____ at the centre of the marketing.
a. Customers
b. Sales
c. Public relations
d. Selling

43. _____ is one of the most important skill an account planner must posses.
a. A good tie
b. Punctuality
c. Communication skills
d. A college degree

44. The _____ may be based on the resources available to the company.
a. Advertising objectives
b. Hiring of employees
c. Budget
d. Research

45. What is the last stage in the account planning process?
a. Evaluation
b. Creation
c. Execution
d. Designing

46. Account planners are part of the account-management team and work as equal partners with _____.
a. Account executives
b. Business development manager
c. Copywriter
d. Retailers

47. The following is not a P of marketing
a. Product
b. Price
c. Promotion
d. Pace

48. The product does not include one element listed in the following, identify the same
a. Logo & branding
b. Packing & packaging
c. Quality & variety
d. Payment & credit terms

49. Price would not include:
a. Payment terms
b. Credit period
c. Margins of retailer
d. Quality

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50. Meeting with others and participating in organized group and considering each and every idea in the group and discussing together can lead to ----------
a. Full fledge agency
b. Calculating ideas
c. Relation building
d. Brain storming ideas

51. _____ provides actual sales results which indicate the acceptance level of consumers.
a. Test Marketing Stage.
b. Sales Marketing Stage.
c. Product Demographic Analysis.
d. Product Marketing Stage

52. _____ is the prerequisite to establish connection between entrepreneurs, Labour & machine.
a. Finance
b. Business.
c. Organizations.

Establishments
53. Managing the manpower planning, recruitment policies,training& development of the agencies is looked by _____
a. Human Resource Plan.
b. Administrative Plan.
c. Receptionist Plan.

Executive Plan
54. Which of the following is an important use of sales promotion for new brand introduction?
a. Obtaining trial and repurchase
b. Increase consumption
c. Increase Loyalty
d. Incentive

55. ____ are responsible for body copy of the ad or slogan,etc
a) Art directors
b) Media planners
c) Copywriters
d) Accountants

56. ____ is the type of agency completely owned by advertiser with the aim to secure complete control over advertising
a) In-house agency
b) Full service agency
c) Modular agency
d) Mega agency

57. Awareness – knowledge – liking-preferences-conviction-purchase defines ____ model



a) Aida
b) Hierarchy
c) Innovative
d) Adoption

58. ____ is the method where agency appoints a single agency to buy a space & time for all their brands
a) Agency on record (AOR)
b) Fee system
c) Agency commission
d) Service charge

59. According to Philp Kotler, ____ consists of a diverse collection of incentive tools to stimulate purchase of goods/service
a) Sales promotion
b) Public relation
c) Logo designing
d) Copywriting

60. CFB stands for ___
a) Consumer franchisee building
b) Customer franchisee building
c) Consumer franchisee brand
d) Customer franshisee brand

61. ____ means repayment of a part of money paid for the purchase
a) Refund
b) Rebate
c) Sweepstake
d) Coupons

62. Account planning includes gathering information about the client's products, services, brand, and _____.
a) TV commercial
b) Consumers
c) Marketing
d) Employees of the company

63. What has increased the need for research?
a) Planning
b) Account planning
c) Lower sales
d) The rise of the information age

64. An _____ works with the clients to establish their aims and objectives.
a) Copywriter
b) Account planner
c) Designer
d) Writer



65. _____ is the first step in the account planning process.

a) Creating designs
b) Defining the product or service
c) Creating the copy
d) Going in the market

66. The planner's primary role is to champion the _____ point of view.

a) Consumer's
b) Copywriter's
c) Marketer's
d) Advertiser's

67. The IMC (integrated marketing communication is also the ..... P of marketing

a) Product
b) Price
c) Promotion
d) Place

68. Place does not include one element listed in the following, identify the same

a) Location
b) Coverage
c) Logistics
d) Sales promotion

69. SWOT stands for

a) Strengths/ weakness/ opportunity/ threats
b) Strengths/ weakness/ others/ tiers
c) Strengths/ weakness/ opponent/ trial
d) Speakers/ witnesses / occurrences/ triggers

70. An_____ is a kind of a service organization that is committed to planning, creating, designing and executing advertising for its client.

A. Account planner
B. marketing department
C. Communication department
D. advertising agencies

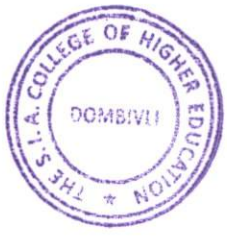


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Media Planning and Buying Question Bank

1. Meaning of Media & Features of Media,
2. Meaning of Media Planning ,
3. Scope of Media planning ,
4. Media Planning Elements,
5. Role of Media in Business,
6. Media Planning Process,
7. Impact of Marketing Objectives on Media Planning,
8. Factors Influencing Media Planning Decisions,
9. Role and Importance of Media in Consumer Buying Decision,
10. Role of Media Planner,
11. Challenges of Media Planning,
12. Organization Structure of Media Company,
13. Regulatory Framework and Legal Aspects in Media Planning
14. Meaning, Role and Importance
15. Sources of Media Research
16. Need for Media Mix,
17. Identifying Audience for Mass Media ,
18. Factors Affecting Media Mix Decision,
19. Types of Media Mix Decisions
20. Factors Affecting Selection of Print Media Decisions ,
21. Types of Print Media, Advantages and Limitations
22. Factors Affecting Selection of Television Media Decisions, Advantages and Limitations
23. Factors Affecting Selection of Radio Media Decision, Advantages and Limitations
24. Types of OOH, Advantages and Limitations
25. Factors Affecting OOH Planning Decision,
26. Online, Mobile, Gaming, In flight, In Store, Interactive Media
27. Need for Media Strategy, Situation Analysis for Media Strategy and its Component
28. Steps in Formulating Media Strategies:
29. Factors to be considered while Framing a Budget
30. Importance of Media Budget.
31. Methods of Setting Media
32. Role of Media Buyer,
33. Objectives of Media Buying,
34. Media Buying Process
35. Concept & Elements of Buying Brief,
36. Art of Media Buying

37. Negotiation in Media Buying,
38. Criteria in Media Buying
39. Factors Affecting Scheduling:
40. Scheduling Patterns
41. Scheduling Strategies for Creating Impact
42. Reach, Cumulative/Frequency Reach,
43. Discrete & Cumulative distribution,
44. Average Opportunity to See (AOTS),
45. Effective frequency/Reach
46. Dairy v/s Peoplemeter,
47. TRP,/TVR, Program Reach & Time Spent,
48. Stickiness Index, Ad Viewership
49. Arbitron Radio Rating
50. Circulation,
51. Average Issue Readership (AIR), Total or Claimed Reader, Sole or Solus reader.
52. Traffic Audit Bureau (TAB)
53. Gross Rating Points (GRP), Gross Impressions (GI),
54. Share of Voice (SOV).
55. Cost Per Rating Point(CPRP),
56. Reach Delivered by the Buy,
57. Visibility Spots,
58. Bonus Percentage,
59. Upgrades and Spot Fixing,
60. Sponsorships
61. Discount on Rate Card, Negotiated Rate,
62. Cost Per Thousand (CPT),
63. Market Share Incentives,
64. Readership v/s Circulation Track,



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Media Planning and Buying

1. Media literacy means the ability to
a. Read and write
b. Create professional media
c. Understand and use media
d. Prepare for a career in media
2. Good media criticism should always
a. Reveal negative aspects of media
b. Offer analysis based on reason
c. Warn us that ads sell us things we don't need
d. Condemn our emotional reactions to media
3. In media studies "converging" refers to the coming together of
a. Two or more people, in public
b. Different professional ideas about media
c. Computer, telephone, and mass media technologies
d. Mass media and mass communication
4. Economies of scale save a company money because they enable the company to
a. Make a large variety of products
b. Make many copies of a product
c. Scale down the size of their products
d. Charge higher prices than their competitors
5. In terms of media/government relationships in the world today, the media in most countries are
a. Government owned and operated
b. Privately owned and government controlled
c. Privately owned and free from government control
d. Mixed in terms of government and private ownership and control
6. What is ABC?
a. American business circle
b. American business corporation
c. Audit Bureau of circulation
d. None

Question Bank On Media Planning and Management with Answers
Prepared by : Darshana Bande from various sources available online

7. A person (or group) who has control over what information is disseminated to the audience is known as:
a. Newscaster
b. Reporter
c. Regulator
d. Gatekeeper
8. The news of important public events appearing in the front sections of a newspaper, is called:
a. Soft-news
b. Hard-news
c. Feature News
d. Investigative news
9. The famous communication Model SMCRE was devised by:
a. Schramm

b. Roger
c. Lasswell
d. Osgood
10. The communication based on purchased time or space is called:
a. Propaganda
b. Publicity
c. Advertising
d. None of these
11. UPI is the abbreviation of:
a. United Press of India
b. United Press of Indonesia
c. United Press International
d. None of these
12. Communication without words:
a. Mass communication
b. Visual Communication
c. Non-Verbal communication
d. None of these
13. OB stands for:
a. Outside Broadcast
b. Outdoor Broadcast
c. Official Beat
d. None of these
Question Bank On Media Planning and Management with Answers
Prepared by : Darshana Bande from various sources available online
14. The Internet is:
a. An integral part of the Information Superhighway
b. An indirect product of the Cold War
c. A global network of interconnected computers
d. All of the above
15. ---------- in advertising. is a series of decisions involvin g the delivery of message to the targeted audience.
a. Market Analysis
b. Media Objective
c. Media Planning
d. Media Strategy
ANSWER: C
16. Every media plan begins with the----------
a. media objective
b. market analysis
c. mediamix
d. media strategy
ANSWER: B
17. The ---------- of target audience help s media planner to understand the media consumption habbits, and accordingly choose the most appropriate media mix.
A) analysis
B) identification
C) selection
D) classification
ANSWER: D
18. ---------- describes what you want the media plan to accomplish.
A) Media Objective
B) Media analysis
C) Mediamix
D) Media strategy
ANSWER: A

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19. ---------- refers to the number of people that will be exposed to a media vehicle at least once during a given period of time.
A) Frequency
B) Reach
C) CPM
D) CPP
ANSWER: B
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Prepared by : Darshana Bande from various sources available online
20. ----------refers to the average number of times an individual within target audience is exposed to a media vehicle during a given period of time.
A. Frequency
B. Reach
C. Continuity
D. CPM
ANSWER :A
21. An effective media strategy requires a degree of ---------- _
A. continuity
B. mediamix
C. flexibility
D. discontinuous
ANSWER: C
22. ------covers two broad decisions selectionof media class, and selection of media vehicle with in media class.
A. Media mix
B. Media strategy
C. Media objective
D. Media selection
ANSWER: D
23. The implementation of media plan requires ------- _
A. Media slot
B. Mediamix
C. Media buying
D. Media selection
ANSWER C
24. Media Buying refers to buying ------ in the selected media.
A. slot
B. space
C. vehicle
D. time and space
ANSWER: D
25. .....is a way of describing audience based on factors such as age, gender, education level, town class, income etc.
A. Demographic
B. Psycho graphic
C. Socio-economic
D. infographics
answer a
Question Bank On Media Planning and Management with Answers
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26. ------- is away of describing audience based on the their life style, attitudes, aspirations, habits etc.
A. Demographics
B. Psycho graphics
C. Socio-economic

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D. Infographics
ANSWER B
27. Media--------- is a primary goal of advertising media planning and media buying.
A. frequency
B. efficiency
C. flexibility
D. reach
ANSWER: B
28. Scheduling in ---------- can help avoid the irritation factor and can keep an advertising campaign fresher for a longer time.
A. continuity
B. random
C. waves
D. avails
ANSWE-R: C
29. A magazine ---------- starts with its circulation and grows as original readers pass an issue along to other readers.
A. sub scribe
B. reader
C. audience
D. publisher
ANSWER: C
30. The average magazine draws half of its revenue from ------- and half from circulation.
A. marketing
B. audience
C. subscribers
D. advertising
ANSWER: D
Question Bank On Media Planning and Management with Answers
Prepared by : Darshana Bande from various sources available online
31. ----- -------is ahighly negotiable medium when it comes to pricing.
A. News paper
B. Radio
C. Television
D. Internet
ANSWER: B
32. A large amount of ---------- advertising is for retailers, local businesses used for promotions.
A. newspaper
B. magazines
C. radio
D. television
ANSSWER: C
33. The ---------- should be the formal summation of the advertising task that the media planner will take on to a solution.
A. media brief
B. media expansion
C. media buying
D. media selling



ANSWER A
34. Companies are exploring the -------- for communicating their advertising message because of its several attractive features and advantages.
A. television
B. newspaper
C. radio
D. new media
ANSWER D
35. The advertising industry is passing through a transition phase with the emergence of the---------- media.
A. television

B. online
C. interactive
D. information
ANSWER B
36. New media is very cost-effective when compared to the traditional media and is highly----------
A. reliable
B. requited
C. resourceful
D. result-oriented
ANSWER D
37. The ---------- is the biggest possible medium and has the quickest and the deepest reach throughout the globe.
A. web
B. TV
C. radio
D. outdoor
ANSWER A
40. Digit al technology is changing the way------ relate to products and markets.
A. manufactures
B. consumer
C. dealers
D. industry
ANSWER B
41. Cyber consumers are not ---------- _
A. active
B. passive
C. homogeneous
D. heterogeneous
ANSWER C
Question Bank On Media Planning and Management with Answers
Prepared by : Darshana Bande from various sources available online
42. Media ---------- is a primary goal of advertising media planning and buying.
A. flexibility
B. expansion
C. frequency
D. efficiency

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ANSWER D
43. Frequency of describes the number of times that your advertisement appears in the media.
A. continuity
B. exposure
C. repetition
D. insertion
ANSWER D
44. . Advertising media do not operate in a vacuum: they must be part of the overall and advertising plans.
A. marketing
B. media
C. corporate
D. campaign
ANSWER A
45. Advertisers use many factors other than the----------in their media analyses and plans.
A. activities
B. audience
C. attributes
D. influential
ANSWER B
46. ------ technology is changing the way consumers relate to products and markets.
A. Information
B.New
C. Digital
D. Cyber

ANSWER: C
47. Cyber consumers are not _
A. Heterogeneous
B. segmented
C. mass
D. homogeneous
ANSWER: D
48. e-Tailingwill have to co-exist with --------- retailing.
A. e-Commerce
B. traditional
C. mobile
D. integrated
ANSWER: B
49. ------- the appropriate market segment has become ever more imp ort ant when carrying out e-branding campaigns.
A. Segmenting
B. Positioning
C. Targeting
D. Implementing
ANSWER: C
50. Creating and securing a brand name in the physical world requires



extensive marketing.----------
A. Research
B. strategy
C. effort
D. media
ANWWER: A



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Advertising MCQS

1. **Advertising** is paid form of providing information through media.

   (Advertising, Publicity, Salesmanship, Sponsorship)

2. Positioning is an element of **IMC**. (IMC, Selling, Distribution, Demand)

3. Just dial services is a form of **direct** marketing.(direct, Indirect, Personal, Non personal)

4. Advertising helps to develop Brand **Image** (Image, Fatigue, Disrespect, Respect)

5. Trade mark was a form of advertising in **preprinting** stage.(preprinting, post printing, global, digital)

6. 1st American Ad. Agency was started by **Volney Palmer** (Volney Palmer, Philip Kotler, George O'Well, Peter Drucker)

7. 1st Indian Ad. Agency was **B. Dattaram** (S. Ayyangar, B. Dattaram, K. Mathur, H. Balsunder)

8. Printing Press was invented by **Gutenberg** (Gutenberg, Marconi, Baired, Kotler)

9. 1st Indian Newspaper was. **Bengal gazette** (Bengal gazette, Shimla Gazette, Darpan, Mashal)

10. 1st radio commercial was published in the year **1992**.

11. ABC was set up in India in the year, **1961** (1948. 1957, 1955, 1961)

12. **ASCI** is a self-regulatory body.(ABC, INS, IMRB,ASCI)

13. , **Product** is not an active participant in Advertising. (Media, Advertiser, Government, Product)

14. **introductory** stage is second stage in PLC .(Introductory, Growth, Maturity, decline)

15. **decline** stage is 4th stage in PLC(Introductory, Growth, maturity, decline)

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16. Retentive advertising is released during **decline** stage PLC(***Introductory***, Growth, maturity, decline)

17. Primary advertising is for **Branded** product. (Branded, Unbranded, Fake, Harmful)

18. Buy today n save Rs. 200/ is an example of **Direct action** advertising.

(Direct action, indirect action, Primary, Secondary)

19. Car cards is **printed** form of advertising. (Indoor, outdoor, printed

20. Electronic advertising is also called **digital** advertising.(Broadcasting, digital, Audio, Conventional)

21. 1st Handbill was brought out by, **William Caxton** .(William Caxton, Gutenberg, Baired, Taylor)

22. Advertising is an element of **Promotion**, mix(Promotion, Product, Price, Place)

23. **Town criers** is ancient form of advertising.

(Town criers, Radio, Newspaper, TV)

24. **Brand Image** is the perception of the product in the mindset of customers.(Brand Image, Brand Positioning, Brand Equity, Brand Fatigue)

25. , **Institutional** advertising is done by trade associations or cooperative groups.

(Primary, Secondary, Institutional, Service)

26. Advertising is an element of **Promotion** –mix.(Promotion, Price, Place, Product)

27. **Advertising** refers to the paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor. (Advertising, Publicity, Sponsorship, Personal selling)

28. Audience are **Buyers** (Sellers, Vendors, Buyers,Manufacturers)

29. **B. Dattaram & Company** is the oldest ad agency in India.

B. Dattaram & Company, S Minakshi & Co., P. Sawlaram & Co., ABC Co. ltd.)

30. **Bengal Gazette** is the first newspaper in India.(Bengal Gazette, Mumbai Gazette, Chennai Gazette, Gujarat Gazette)

31. Brand image is the **Perception** of the brand in the minds of target customers.(Perception, Goodwill, Look out, knowledge)

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32. **Creativity** is the foundation of advertising. (Creativity, Media, Photographer, Art director)

33. Detailed information about the product can be given in **print** advertising.(print, TV, Radio, Poster)

34. **Direct-action** Advertising is undertaken to obtain immediate response of the target audience. (Direct-action, In direct action, Service, Product)

35. Antidrug campaign as an example of **Social** advertising. (Social, Product, Service, Institutional)

36. **Government** maintains transparency and keeps companies free from disputes. (IMC, Product, Service, **Government**)

37. IMC unifies all **marketing** communication tools. (marketing, personal, non-personal, mass)

38. Ad. Agency works on behalf of advertiser. (Ad. Agency, Media, Govt.,Company)

39. **Media** relations is the jest of Ad. Agency. (Media relations, Creativity, Productivity, Punctuality)

40. Art director is the head of **Creative**, department.(Creative, Media, Administrations, Contact)

41. Traffic dept. of Ad agency looks after **Schedule** .(Schedule, road traffic, signal system, creative work)

42. **Modular** agency provides services on piece meal basis. (Full service, Modular, Creative Boutique, Global)

43. Creative Boutique provides **Specialized** services.(Specialized, General, Normal, All)

44. **In house,** agency is a part of Advertiser's Organization. (In house, creative boutique, Local ,Mega)

45. Ad. Agency is the **Intermediary** ,between client and the media.(Intermediary, Client, Rival, Friend)

46. Mega agency is the result of **Global** of many agencies.(Mega, Local, Specialist, Global)

47. **In house** is the combination of Ad. agency and Ad. department (In house, Media buying, Creative boutique, Global agency)

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48. (**Client turnover** means no. of clients who leaves an agency. And join another.

(Client turnover, Labour turnover, Creditor turnover, Debt. Turnover)

49. **A Full service** agency provides all services including marketing services(A Full service, Modular, specialist, Mega)

50. **B2B** agency is a type of agency working along with e commerce.

(Full service, B2B, In house, Mega)

51. **Commission** is a traditional method of paying compensation to Ad. agency.

(Commission, Charges, Cost plus system, Fees)

52. **Mutual trust** is the base of agency client relationship.(Mutual trust, Non transparency, Informal relations, Friendship)

53. Dissatisfaction is the main reason for **Client turnover**, .

(Getting Client , Client payment, Client turnover, Client relations)

54. **Referrals** is a mean of getting clients. (Referrals, Turnover, Budget, Investments)

55. **Creative pitch** is the presentation by Ad. Agency to a client.

(Creative pitch, Creative Brief, Creative Copy, Creative Layout)

56. Copy writers and Art directors should have mainly **conceptual** skills.

(Conceptual, Operative, Communication, Sress releasing)

57. **Visualization** refers to imaginative power advertiser.

(Client relations, Visualization, media connection, controlling Ad. agency)

58. **Production house** undertakes the job of editing, recording, dubbing etc.

(Production house, Ad. agency, Camera man, Art director, Copy writer)

59. **Animation** refers to computerized games, video technology etc.

(Animation, printing, Market research, Modelling)60. **Free lancing** refers to self-employment.(Free lancing, Copy writing, Creativity, managing Ad. agency)

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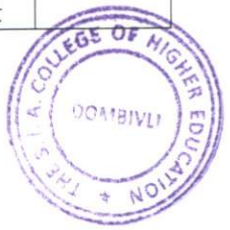
	Social Media Marketing					
1	**To develop a brand that is focused on genuine business, you should (i) be thinking about the messages you want to send and naturally what you want to accomplish (ii) target your audience by interacting with them (iii) use lens of your organization or the brand you are aiming to promote (iv) learn from your consumers**	**3**	**i and ii**	**ii and iii**	**i and iii**	**i and iv**
2	**The best way to learn about your audience is to spend some time _____**	**1**	**listening**	**interacting**	**impressing**	**filtering**
3	**The rule of thirds states (i) sharing-offering expert advices, guidance and suggestions (ii) make yourself visible (iii) conversing and interacting (iv) service promotion**	**2**	**i,ii,iii**	**i,iii,iv**	**i,ii,iv**	**ii,iii,iv**
4	**To appear as genuine person for your audience, you should _____**	**4**	**sociable**	**does not sound like robots**	**be yourself**	**all of the above**
5	**Make yourself visible to you audience means to**	**1**	**make the process as simple as possible for your audience to find them**	**ask questions**	**initiate conversations**	**caring about the customers**



6	_____ is a prerequisite and crucial to achieve your business goals	3	engagement	being sociable	consistency	promotion
7	_____ can be a source of inspiration and gives an opportunity to learn from your consumers	2	Listening	Criticism	Caring	Consistency
8	_____ helps in building communities	1	Sharing	Transparency	Social responsibility	Analysis
9	By implementing the _____ into your social media strategy you will be able to produce content that is relevant, timely and engaging for your audience	2	Campaign management	Rule of thirds	Organization roles	None of the above
10	Service promotion includes_____	4	Blogs	Press coverage and Career resources	Testimonials	all of the above
11	_____ reviews, analyses and contributes to activities on websites like Facebook, Twitter, YouTube, Flickr, Google plus, Pinterest and Instagram on a daily basis	1	Social Media Marketing Manager	Social Media Marketing Executive	Social Media Marketing Analyst	Social Media Marketing Specialist
12	The _____ needs to create, edit, publish and share the content daily that helps in building meaningful connections and encourages the managers to take action	2	Social Media Marketing Manager	Social Media Marketing Executive	Social Media Marketing Analyst	Social Media Marketing Specialist
13	The planning, execution, tracking, and analysis of a marketing project, often centered around a new product launch or an event is known as _____	2	social media marketing	campaign management	B2B marketing	digital marketing
14	Even the most innovative and well thought out marketing efforts can _____ if they are not properly implemented and analysed.	1	fail	succeed	reduce	none of the above



15	Managing all deliverables within the digital marketing campaign, from strategy development through implementation, is critical to the initiative's overall success is normally the responsibility of the _____	3	digital marketing manager	social media manager	campaign manager	none of the above
16	Communication is one of the most important aspects of every effective digital marketing campaign; _____ communication with the whole team responsible for the campaign's implementation is critical	1	internal	external	stakeholders	none of the above
17	The campaign manager, often known as the _____ is both sides accountability partner	2	social media manager	account manager	digital marketing manager	none of the above
18	Laying out all the duties at the start of the campaign is a significant step towards _____; that could prevent the campaign from being completed on time	3	minimizing risk and awareness	minimizing profits and success	minimizing confusion and delays	none of the above
19	A _____ is contract between service provider and service user/ a customer.	1	service level agreement (SLA)	goal	objectives	none of the above
20	The service provider and the service user _____ on specific characteristics of the service, such as quantity, quality, availability and responsibility	3	comment	disagree	agree	none of the above
21	SLA sets tone for the business relationship and acts _____ in the event something goes wrong throughout the campaign	1	documentation	map	source	none of the above
22	Slack, Teamwork and Trello are _____ application	2	profit mechanism	project management	portfolio management	none of the above



23	**Which of the following best describes LinkedIn?**	**1**	**A professional networking site**	**A social network used for connecting with family and friends**	**A website to share videos of any length**	**A photo-sharing app**
24	**On LinkedIn, your profile most closely resembles a _____.**	**2**	**photo gallery**	**resume**	**digital scrapbook**	**dating profile**
25	**Which of the following is not a way to build a personal brand on LinkedIn?**	**4**	**Building a community**	**Connecting with potential clients**	**Reaching out to Journalist and Editors**	**Having anonymous identity**
26	**Which of the following is a way to build a personal brand on LinkedIn?**	**3**	**Having an anonymous identity**	**Withholding your skills and work experience**	**Connecting with potential clients**	**Verified accounts**
27	**How can LinkedIn serve the company aside from social network marketing?**	**1**	**Job openings can easily be dispersed to qualified candidates on Linked In**	**Company pictures can be posted to the profile**	**Negative press about the competition can be easily spread**	**Pricing lists can be posted (check)**
28	**_____is an online tool that lets you visualize and analyze LinkedIn network**	**4**	**Cytoscape**	**Gephi**	**Commetrix**	**Socilab**
29	**Social networks are organized primarily around _____.**	**2**	**brands**	**people**	**discussions**	**interests**
30	**Which social network is considered the most popular for business to business marketing?**	**4**	**Facebook**	**Orkut**	**Ryze**	**Linked In**

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31	**Social networks have an enormous information sharing capacity. As such, they are a great distribution channel for _____.**	**4**	**custom er feedba ck**	**viral content**	**exclusi ve coupon s**	**marketi ng message s**
32	**What feature does LinkedIn offer for pay accounts?**	**1**	**Increa sed abilitie s to connec t directl y and send messag es to people**	**Ability to post pictures**	**Ability to post in Groups and create a Group**	**Ability to block users**
33	**Which of the following is most likely to get attention on Facebook?**	**2**	**GIFs**	**Photos**	**Text pitches**	**Faceboo k page shares**
34	**What symbol allows users to 'tag' other users or companies?**	**2**	**Greate r than**	**at the rate of**	**hashta g**	**asterix**
35	**What symbol does Facebook use to mark verified pages?**	**3**	**The letters OK**	**A star**	**A check mark**	**A thumbs-up**
36	**What is CTR?**	**2**	**Cost Throug h Rate**	**Click Through Rate**	**Click Table Rate**	**Cost Throug h Rates**
37	**What is a Call To Action?**	**1**	**A line, usually at the end of a content post, asking the reader to take an action (visit a page, submit a comme nt, etc.)**	**A global rallying cry, sparked socially online, that can mobilize like-minded individu als to make substant ial, real world ch ange**	**A weekly (or daily) theme or goal a compa ny profile places for itself, achieva ble via Facebo ok traffic metrics**	**When a compan y sparks an increase d focus on social media engage ment, starting or cleaning up their im age and accessib ility on multiple social platfor ms.**



38	What's 'frequency' a measurement of?	1	The amount of times a Facebook user sees your individual ad	The amount of people your ad reaches	The amount of people that share your ad	Another word for impressions
39	What icon can one attach to in-store flyers, posters, etc. to direct mobile consumers to their Facebook page?	1	QR codes	Instagrams	Hyperlinks	EdgeRank
40	What days of the week are statistically highest for FB engagement?	4	Tuesday & Wednesday	Monday & Friday	Saturday & Sunday	Thursday & Friday
41	Facebook users spend the most time (40%) on which page?	3	Collective Friend's Profiles	Chat Windows	News Feed	Own Profile
42	What is the name of Facebook's analytic package?	1	Insights	Discovery	Princeps	GlassDoor
43	Social networks are organized primarily around?	Option 2	Interest	People	Discussion	Brands
44	Blogs with limited individual posts, limited by character count typically is called as?	Option 3	Macro Blogging	Post	Micro Blogging	Branding
45	Which social network analytic package is known as 'Insights'?	Option 1	Facebook	Twitter	Flicker	Snapchat
46	The best way to improve search engineranking_____	Option 4	Power Point	Video	url share	Blog

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47	**What is social media optimization?**	**Option 1**	**Creating content which easily creates publicity via social networks**	**Writing clear content**	**Creating short content which is easily indexed**	**Hiring people to create content for social networks**
48	**What is social media marketing?**	**Option 2**	**Hardware**	**communicate with customers on social media platforms to improve performance**	**Software**	**All of the above**
49	**Which social network is considered most popular for social media marketing?**	**Option 4**	**Instagram**	**Pinterest**	**Twitter**	**Facebook**
50	**What ways of social media marketing should a company always use?**	**Option 3**	**Blogging**	**Video**	**Depends on the company, its product and audience**	**Blogging and sharing**
51	**What are the 4 P's of marketing?**	**Option 1**	**Product, price, place, promotion**	**People, price, promotion, placement**	**Price, popularity, people, placement**	**Popularity, product, price, people**
52	**Which from the following is most popular for business marketing?**	**Option 3**	**Telegram**	**Orkut**	**LinkedIn**	**Facebook**

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53	**Which of the following is not a facebook campaign objective under consideration category?**	**Answer 1**	**Reach**	**traffic**	**Engagement**	**Messages**
54	**Which of the following is a facebook campaign objective under awareness?**	**Answer 3**	**Traffic**	**Lead Generation**	**Reach**	**Messages**
55	**Which of the following is not a facebook campaign under conversion?**	**Answer 3**	**Catalogue Sales**	**Store Traffic**	**Engagement**	**Conversions**
56	**_____ objectives of Facebook are designed for low-intent actions so the percentage of people in your target audience who are likely to take one of these actions will be fairly high.**	**Answer 1**	**Consideration**	**Conversion**	**Awareness**	**Reach**
57	**_____ objective allows you to add a contact form to your Facebook ad**	**Answer 4**	**Store Traffic**	**Catalogue Sales**	**Traffic**	**Lead Generation**
58	**The _____ campaign objective optimizes for impressions.**	**Answer 2**	**Consideration**	**Brand Awareness**	**Conversions**	**Lead Generation**
59	**_____ are the number of times a post from your page is displayed.**	**Answer 1**	**Impressions**	**traffic**	**Reach**	**Engagement**



60	**Your _____ rate tallies up the total number of likes, reactions, comments and shares on your Facebook post**	**Answer 1**	**Engagement**	**Impressions**	**traffic**	**Reach**
61	**____ is the number of unique views your post receives.**	**Answer 3**	**Impressions**	**Engagement**	**Reach**	**Conversions**
62	**Which of the following is not an ideal content creation strategy for facebook?**	**Answer 2**	**Posting variety of content**	**Spamming**	**Ending the post with a question**	**Using contests**



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Electronic Media II

Q.NO.	QUESTION	OPTION 1	OPTION 2	OPTION 3	OPTION 4	CORRECT OPTION NUMBER
1	His equations theorized that electricity, magnetism and even light are all manifestations of the same phenomenon: the electromagnetic field.	James Maxwell	Reginald Fessenden	Heinrich Hertz	Lee De Forest	1
2	He Proved Maxwell's theories, Identified Electromagnetic waves	Reginald Fessenden	Heinrich Hertz	Lee De Forest	James Maxwell	2
3	He invented Wireless telephony: transmitted voice and sound	Heinrich Hertz	Lee De Forest	Reginald Fessenden	James Maxwell	3
4	He invented Wireless telephony: amplified sound	Reginald Fessenden	Heinrich Hertz	James Maxwell	Lee De Forest	4
5	Full form of AIR is	All India Radio	Any Indian Radio	Any internal Radio	All internal Radio	1
6	AIR is oficially known as Akashwani since	1985	1965	1975	1995	2
7	In Britsh India broadcasting started in	1946	1956	1936	1996	3
8	Full form of IBS is	Indian broadcasting Company	Internal Braodcasting Company	Indian Big Company	International Broadcastie	1

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					ng Company	
9	According to an agreement IBS was authorised to operate two staions in	Bombay & Delhi	Bombay & Madras	Delhi &Calcutta	Bombay & Calcutta	4
10	When India became Independent in 1974 the AIR network had howmany stations	1	2	5	6	4
11	The VividhBharati serviceof AIR wasconceptualised Radio Ceylon in	1957	1967	1977	1987	1
12	Prasar Bharati was established on	November 24, 1997	November 25, 1997	November 23, 1997	November 22, 1997	3
13	The parliament of India passed an act to grant the autonomy ofPrasar Bharati in	1991	1990	1998	1996	2
14	Full formof CBS is	Complete Broadcasting services	Commercial Bombay Servies	Commercial Broadcasting Services	Commercial Broadcasting Sales	3
15	AIR was named as	Akashwani	Prasar Bharati	Vividh Bharati	Air India Radio	1
16	Bombay Radio stationof Indian Broadcasting Company started in	Jun-27	Mar-27	Apr-27	Jul-27	4
17	15th July 1927-1st radio programme journal was started named	Radio Station	Radio Times	Regular Radio	Regular Station	2
18	AIR was named Akashwani in	1927	1987	1957	1967	3
19	Madras Radio Station started in	1938	1978	1968	1948	1
20	Akashwani was started in 1935 in	Madras	Mysore	Mumbai	Delhi	2

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21	_____ is the Editor of ABP Maza.	Rajiv Khandekar	Mahesh Mhatre	Nikhil Waghale	Uday Nirgudakar	1
22	Ghe Bharari is a popular program of _____	Zee 24 Tas	ABP Maza	Saam TV	News 18 Lokmat	2
23	_____ was launched on 13th April 1993.	Sun TV	ABP Maza	Zee 24 Tas	News 18 Lokmat	1
24	_____ is the first Kannada satellite channel in India.	Gemini	Udaya News Channel	Sun News	Sun Network	2
25	Gemini News is a _____ language News Channel.	Malayalam	Telugu	Tamil	Kannada	2
26	_____ is owned by Shri Adhikari Brothers.	Mi Marathi	Colors Marathi	Saam TV	DD Sahyadri	1
27	In 2015 Viocom 18 rebranded the _____ channel.	Mi Marathi	Zee Yuva	ETV Marathi	Zee Marathi	3
28	Krishidarshan is a popular show telecasted on _____	Star Pravah	Mi Marathi	DD Sahyadri	Zee Marathi	3
29	Saam Marathi owned by _____	Sakal Media Group	Viocom 18	Lokamat	Indian Express	1
30	Asmita Channel is available on _____KHz frequency.	558	559	1044	7240	1
31	FM Gold and FM RAINBOW transmitters are located in _____Mumbai	Worli	Fort	Thane	Mahim	1
32	Akashwani Mumbai Gold was launched on 15th August _____	2001	2002	2004	2005	1
33	_____ is a 24 hours Marathi movie channel.	Zee Marathi	Zee Talkies	Sangeet Marathi	9X Zakas	2
34	Surabhi is a 24 hours _____ radio Channel.	Marathi	Telugu	Kannada	Sanskrit	1

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35	Which following statement is not correct?	DD Sahyadri's Mission is 'To inform, Educate and Entertain Marathi knowing people in their language, idiom & Culture'	DD Sahyadri was launched as separate channel as RLSS Marathi (DD 10) throughout India	In 1994 a new studio for DD Sahyadri was inaugurated	In 2000 DD 10 was renamed DD Sahyadri	3
36	_____is an Indian general entertainment pay television channel that was launched on 24 November 2008.	Star Pravah	Zee Marathi	Colors Marathi	Zee Yuva	1
37	_____ launched DD Direct Plus in December 2004 with the modest capacity of 33 channels.	Prasar Bharati	Dish TV	Aircel	DD Sahyadri	1
38	Sahara India pariwar launch a 24 hours national Hindi new channel Sahara Samay in _____	2002	2001	2003	2006	3
39	India Today group launch a 24 hours Hindi new channel _____in December 2000	Sahara Samay	Aaj Tak	IBN	Star News	2
40	_____ was the first Hindi satellite channel which started in India.	Zee TV	Zee5	Star TV	Colors TV	1
41	From content to genre, regional channels reaped benefits of _____.	localization	Regionalization	Nationalization	Globalization	1
42	Full form of BARC _____.	Bombay Audience Research Centre Ltd.	Broadcast Audio Research Council of India	Broadcast Audience Research	Broadband Audience Research Council of India	3

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				Council of India		
43	2018 saw the launch the first regional sports channel _____ .	Star Sports 1 Kerala	Star Sports 1 Tamil	Star Sports 1 Kannada	Star Sports 1 Telgu	2
44	Among the Hindi Speaking Market - Regional languages, maximum growth has been driven by _____ .	Odia	Assamese	Marathi	Bhojpuri	4
45	In the regional news space, especially _____ , has a plethora of news channels dedicated to their own languages and cultures.	South India	North India	East India	West India	1
46	_____ is the biggest news market among regional sectors.	Karnataka	Kerala	Andhra Pradesh	Tamil Nadu	4
47	As per 2019 Dynamic Pricing & Revenue Managements Trends In Media, _____ has enjoyed a six-fold leap in the past eight years.	Audio Streaming	Video Streaming	Audio Video Streaming	Live Streaming	1
48	Traditional media sellers should be prepared to sell offers across	Single platform	double platform	tripple platform	multiple platforms	4
49	Data privacy issues aside, consumers are increasingly willing to provide _____ information about themselves in exchange for a more personalized content experience.	personal	primary	secondary	secret	



50	Few of these companies have made the necessary investments in their people, processes and _____ to be able to effectively mine their data at the necessary operational scale	finance	inventory	technology	authority	3
51	Report states that _____ is the next natural frontier for programmatic buying and selling.	audio	video	Audio Video	digital	1
52	Research conducted by Wide Orbit states that of nearly 9,000 _____ industry professionals indicated a threefold rate of growth.	Television	radio	Online	Digital	2
53	Regional audiences are vastly _____ in terms of language, dialects, culture, ethnicity, regional and social affiliations.	homogeneous	heterogeneous	Co-relative	Parallel	2
54	Local Broadcasting platform & attract consumer eyeballs for their locally customized content. Because our population at large 'think in their _____'.	National-tongue	Native-tongue	mother-tongue	Father-tongue	3
55	_____ broadcasters compete with broadcasters at the local level, with localized content that audiences enjoy with the same kind of packaging and quality as the national channels.	Local	State	National	International	1

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56	Kalanithi Maran's Sun TV is the most watched channel in India for the last three years. But _____ pushed it down to number two during the lockdown when it aired an old favourite, Ramayana.	DD National	DD Sun	DD Bharati	DD India	1
57	Regional TV channels are growing in India but one category that's shown exceptional growth is regional _____ television.	music	news	movie	comedy	2
58	_____ channels present a 77% share in the overall ad volumes with all top advertisers & brands	local	regional	national	international	2
59	BARC report states that contrary to the popular perception TV viewership is highest among _____ even in the digital age.	kids	youth	middle aged	elderly	2
60	Events such as _____ result in a spike in news television viewership.	elections	riots	calamities	foreign delegates visit	1

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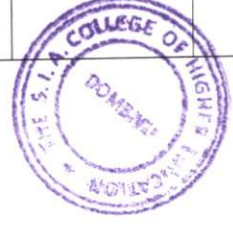
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Media Studies

	Question	Option 1	Option 2	Option 3	Option 4	Correct Option
1	_____ means dispersal or scattering of people.	Diaspora	Cross Culturism	Ethic Groups	Discourse	1
2	Media Diaspora can be studied in _____ forms	4	2	3	1	3
3	_____ is also called "social learning", "observational learning", or "modelling"	Hyporderm ic Needle theory	Magic Bullet Theory	Propagand a Theory	Social Cognitive Theory	4
4	Cognitive, Affective, and Biological events depends comes under which factor?	Social	Personal	Environme ntal	Behavior	2
5	Children take media at _____	Face Value	Time Value	Market Value	Space Vlaue	1
6	What was the main Focus of Agenda Setting Theory?	Election	Schools	Governmen t	Media Firms	1
7	If we want to measure WHY people use certain media or media tools, we would conduct the following:	Tracking Research	Framing Research	Cultivation Analysis	Uses and Gratificati on Research	4
8	Paul Lazarsfeld and his researcher colleagues	Activation theory	Two-step flow theory	Crystallizat ion effect	Influencer model	2

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	concluded in the People's Choice Study that content from the mass media moved to opinion leaders and then to those whom the opinion leaders influenced. This phenomenon is known as:					
9	Social Cognitive Theory Depend on _____ Factors.	2	1	4	3	4
10	The famous study having children watch films of adults beating and verbally abusing a "Bobo" doll basically told us that	Bobo dolls are effective research tools	Children have a significant and delayed reaction when observing adult behavior in a non-mediated environment	Children will generally imitate the behavior of adults as seen through a mediated lens	Children are non responsive	3
11	The Medium is the message' and the electronic media have transformed the world into a 'global village' are theories of whom?	Jeffrey Cole	George Gerbner	Max McCombs	Marshall McLuhan	4
12	Which theory says that we use media only to meet personal needs, especially psychological needs?	Reception Analysis	Magic Bullet	Uses and Gratifications	Cognitive Dissonance	3
13	In two-step flow theory, media influence passes from _____	Opinion leaders	Powerful elites	Opinion makers	Media Firms	1



	opinion followers:					
14	Agenda-setting is a theory that argues that:	Media do not tell us what to think, but what to think about	Reality is a social constructio n	Cultures attribute meaning to symbols which then control behaviour	Media is influencing	1
15	What is one of the big differences between traditional media and social media?	Participator y production.	Social media reaches only a few people at a time.	The manageme nt structure of the companies.	Traditiona l media offers no way for audiences to communic ate with media producers.	1
16	Which is the era of Limited effects Perspertive?	1850 - 1940	1940 - 1950	1950 - 1960	1960 - 1980	3
17	_____ is a rational explanation of cause-and-effect relationship among a group of observed phenommenon.	Theory	Ideology	Diaspora	Discourse	1
18	_____ is a conscious act to damage a certain group of people.	Inferential Racism	Overt Racism	Ideology	Dissonance	2
19	_____ ownership means ownership of media assets by corporate houses aound the world	Ethnic Media	Diasporic Media	Paid Media	Transnatio nal Media	4
20	Social Cognitive Theory Was Developed By whom?	McCombs	Maslow	Albert Bandura	Mcluhan	3
21	The oldest theory of the press is the _____.	Soviet	Authoritar ian	Libertarian	Social Responsibi lity	2
22	McLuhan suggests that each medium is	Reflection	Simulation	Extension	Divertion	3

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	a(n) _____ of our senses					
23	Marshall McLuhan is famous for coining the phrase:	15 minutes of fame	Don't go there	Talk to the hand	Global village	4
24	_____ is a discipline and field of study that deals wuth the content, History and effects of various media; in particularr, the mass media.	Media Studies	Media Effects	Media Knowledge	Media Literacy	1
25	Which is the era of mass society theory?	1850 - 1940	1940 - 1950	1950 - 1960	1960 - 1980	1
26	Who gave the uses and Gratification Theory?	McCombs and Shaw	Katz and Lazarfeld	Blumer and Katz	Foucault	3
27	Who gave two step flow theory?	McCombs and Shaw	Katz and Lazarfeld	Blumer and Katz	Foucault	2
1	_____ theories focus on how individuals and social groups use media to create and foster forms ofculture that structure everyday life.	Microscopic Interpretative	Macroscopic Structural	Political Economy	Critical Theory	Microscopic Interpretative
2	Microscopic interpretative theories are also referred as _____ theory	Hegemonic Culture	Cultural Studies	Political Economy	Critical Theory	Cultural Studies
3	_____ ____ theories focus on how media insittutions are structured within capitalist economies	Microscopic Interpretative	Macroscopic Structural	Political Economy	Critical Theory	Macroscopic Structural

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4	Macroscopic structural theories argue that elites use media to propogate _____ as means of maintaining their dominant position in social order.	Hegemonic Culture	Cultural Studies	Political Economy	Critical Theory	Hegemonic Culture
5	_____ _ theories directly challenge the status quo by exposing elite manipulation of media and criticizing both hegemonic culture and cultural commodities.	Hegemonic Culture	Cultural Studies	Political Economy	Critical Theory	Political Economy
6	_____ _ raises questions about the way things are and provides alternate ways of interpreting the social role of mass media	Hegemonic Culture	Cultural Studies	Political Economy	Critical Theory	Critical Theory
7	_____ ___ school combined Marxist critical theory with hermeneutic theory.	Frankfurt	Birmingha m	Toronto	Harold Innis	Frankfurt
8	Frankfurt school theorists were trained in humanistic disciplines but adopted _____ theories as a basis for analyzing culture and society.	Marxist	Neo marxist	Hegemonic Culture	Cultural Studies	Marxist

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9	Frankfurt School writings identified and promoted various forms of _____ such as symphony music, great literature, and art.	high culture	mass culture	culture industries	grand social theories	high culture
10	members of the Frankfurt School viewed high culture as having its own integrity and inherent value and thought that it should not be used by _____ to enhance their personal power.	critics	elites	marxist	mass	elites
1	Which of the theory states society consists of complex set of inter related activities?	Structuralism	Social Cognitive theory	Functionalism	Agenda Setting theory	Functionalism
2	Which among the following is an example of dysfunction for obese children?	Fast food chain Ad	Images	Music	Graphs	Fast food chain Ad
3	Narcotizing Dysfunction cannot be explained by which of following example-	Coronavirus Pandemic	Kangana Ranaut Vs BMC	Economic Fraudulence	Sushant Singh Rajput Case	Economic Fraudulence
4	Which of the following is feature of Functional Analysis?	Value Neutrality	Objectivity	Ethical	Dysfunction	Value Neutrality
5	Which of the following is not an example of Media Effects theory?	Agenda Setting Theory	Cultivation Analysis theory	Mass Entertainment theory	Symbolic Interaction theory	Symbolic Interaction theory

6	Who created misconceptions about television's entertainment function according to Harold Mendelsohn?	Folk Culture theorists	Mass Society theorists	High culture theorists	Pop culture theorists	Mass Society theorists
7	Which is strength of Mass Entertainment theory?	Rejects Catharsis	Dysfunctions balance Functions	Media's pro-social influence	Overly accepting status quo	Media's pro-social influence
8	Which of the following is an example for relaxation and harmless escapism according to Mendelsohn?	Debates	Social Media	Books	Television	Television
9	_____ and studies provides variety of perspectives.	Media theories	Functional theory	Symbols	Ideology	Media theories
10	Newspapers and Broadcast media have been used as mechanism for _____ since World War-I	Imitation	Perspectives	Propaganda	Ideology	Propaganda
11	Who proposed 'paradigm for functional analysis'?	Robert Merton	Harold Mendelsohn	C.H. Cooley	Albert Bandura	Robert Merton
12	____ is acquiring new patterns of behaviour by simply watching representations.	Reinforcement	Observational learning	Influencing	Cumulation	Observational learning
13	Cultivation occurs through resonance and _____.	Mainstreaming	Bias	Distortion	Propaganda	Mainstreaming
14	Which is the strength of Agenda Setting theory?	Situational specific news	Audience interaction with media	Assumes homogeneity	Roots in mass society theory	Audience interaction with media
15	_____ bias is when stories are selected or deselected sometimes on	Sensationalism	Corporate	Partisan	Gatekeeping	Gatekeeping



	ideological grounds.					
1	Which of them is a proper measure of securing social networking account?	Never keep your password with any relevant names	Keep written records of your passwords	records of your password in audio format in your personal cell-phone	Passwords are kept smaller in size to remember	A
2	_____an opposing concept to consumer culture	Solicited Culture	Religious Culture	Participatory Culture	Society Culture	C
3	_____Culture creates strong support for creating and sharing one's creations with others	Solicited Culture	Religious Culture	Participatory Culture	Society Culture	C
4	_____literacies include the traditional literacy that evolved with print culture	New Media	Television	Radio	Writte	A
5	In participatory culture not every member must contribute, but all must _____that they are free to contribute	Disagree	Believe	Demotivate	Disbelieve	B
6	An idealized conversational "space" in which people discuss and debate mutual interests and political issues is known as the	Discourse space	Networked society	Debating club	Public sphere	D
7	What well-known company censored itself to gain access to the Chinese market?	Google	New York Times	BBC	Apple	A

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8	The disparity that results from one group's access to digital technology and another group's lack of access is known as the	Internet inequality	Web inequity	Technological imbalance	Digital divide	D
9	Which geographic region has the highest number of Internet users?	North America	Europe.	Asia	South America	C
10	Media hegemony refers to which of the following?	Media companies tend to control more and more of the Internet.	Media companies are owned by the ruling class, who propagate their worldviews to the general public.	The media environment accommodates a wide variety of different media types to match everyone's interests.	Media does not simply report on politics, but actually secretly controls politics.	B
11	____ are the methods of interactive communication that rely upon computer or mobile device with internet access.	New Media	Traditional Media	Letter	Television	A



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Visual Communication

1	The feel or shape of a surface or substance is called _____	texture	Cross-hatching	Value	Key	1
2	Which of these are NOT complementary colours?	red and green	yellow and purple	orange and blue	red and orange	4
3	What color can not be made by mixing any other color?	Yellow	Green	Purple	Grey	1
4	The choice of colors used in a design plan is called a _____.	colour spectrum	colour wheel	colour scheme	colour mix	3
5	Colour different in lightness and darkness are said to be _____.	light in value	dark in value	bright and intense	contrasting	4
6	_____ is another word for brightness of colour.	Value	Hue	Intensity	Complementary	3
7	What are the tertiary colours?	Green, orange, and purple	White, black, gray, and brown	Red, blue, and yellow	Red-orange, red-purple, yellow-orange, yellow-green, blue-green, and blue-purple	4
8	Which colours will you give the greatest contrast?	Red and blue	Blue and Green	Red and Green	Green and Yellow	3
9	Orange, green and violet are _____ colors.	primary	analogous	secondary	complementary	3
10	____ is the direct, specific or literal meaning we get from a sign.	Connotation	Denotation	Index	Symbol	2
11	Which of these is NOT a secondary colour?	Orange	Violet	Green	Red	4

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12	When white is added to a pure colour, you get a _____.	Shade	Tint	Tone	Colour wheel	2
13	When black is added to a pure colour, you get a _____.	Shade	Tint	Tone	White	1
14	_____ is the concept relating to how an object seems smaller the farther away it gets.	Highlight	Transitional light	Linear Perspective	Intensity	3
15	Colour is the result of light _____ from an object to our eyes.	reflecting	refracting	absorption	pigmentation	1
16	_____are representation Allah objects made through the perspective of one individual depending on their perception.	graphs	objects	models	maps	3
17	_____pictorial representations of statistics which makes data simple to remember.	graphs	objects	models	maps	1
18	_____gives us a visual direction to location.	graphs	objects	models	maps	4
19	maps gives us a _____ to location.	visual directions	visual images	visual picture	symbols	1
20	_____are used a great deal in visual communication due to their potential.	graphs	photograph	models	maps	2
21	In the _____centuries of mass communication from print to internet 7 areas have been focused besides plans and organisational charts and chronologies.	eight	seven	five	six	2

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22	_____are simply moving images from cartoon 2 cinema	videos	presentation	photographs	objects	1
23	_____entel using almost all of the multimedia format accompanied by verbal communication.	photographs	videos	presentation	graphs	3
24	some objects are too _____for speaker to bring with them.	small	large	tiny	micro	2
25	_____are used to visualise relationship between different quantities.	graphs	objects	maps	photograph	1
26	_____are columns and rows that organised word, symbols and data.	diagrams	tables	photographs	objects	2
27	_____is the science of arranging events in their order of occurrence in time.	events	chronology	planning	visual	2
28	the fundamental problem of chronology is to_____events .	synchronise	asynchronous	sequence	disorganised	1
29	_____as and academic subject is a field of study that generally includes some combination of cultural studies.	non visual culture	visual culture	social culture	economic culture	2
30	one of the most important piece of the visual communication puzzle is_____	aesthetics	perspective	interdisciplinary	scientific	1
31	_____are good example of the artistic perspective.	drawing	advertisements	photographs	tables	2

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32	"beauty is in the_____of the" beholder.	eye	nose	movie	heart	1
33	according to professor Albert mehrabian communication model says____% of meaning is in the words that are spoken.	38	7	55	10	2
34	according to professor Albert mehrabian communication model says _____%of meaning in paralinguistic.	38	7	55	10	1
35	according to professor Albert mehrabian communication model says _____%of meaning is in facial expression.	38	7	55	10	3
36	_____is an ancient term for what now typically is called communication.	rhetoric	metaphoric	symbolic	juxtaposition	1
37	Ritual rhetoric like all communication is a system of_____	picture	signs	graphs	maps	2
38	The audience need not be_____ to the communicator.	external	internal	mediator	familiar	1
39	Studies of _____ used for rhetorical purposes generally concentrate on advertising.	visual rhetoric	visual metaphors	visual perspective	visual picture	2
40	Types of communication channels are:	formal	informal	unofficial	all of the above	4
41	What is formal communication channel?	transmits information such as goals, policies, and procedures	casual chat with office collegeue about recently	rumours spread about the corona	none of the above	1

		of an organization	watched movie			
42	What is informal communication channel?	casual chat with office collegeue about recently watched movie	rumours spread about the corona	official meeting with client	none of the above	1
43	Mediums of visual communication that are broadly categorised as follows:	Fine arts	Mass Media	Stage fine art	all of the above	4
44	Script writing, films, television, documentaries supported by digitalimages, animation and VFX falls, under _____ medium of visual communication	Fine arts	Mass Media	Stage fine art	print media	2
45	Photography and painting, falls under _____ medium of visual communication	Fine arts	Mass Media	Stage fine art	print media	1
46	Newspaper, Photo journalism, advertisements, falls under _____ medium of visual communication	Fine arts	Mass Media	Stage fine art	print media	4
47	Folk & performing arts, conventional theatre, falls under _____ medium of visual communication	Fine arts	Mass Media	Stage fine art	print media	3

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48	Special effects and Digital effects are primary division of _____	movies	visual effects	photojournalism	Stage fine art	2
49	_____ _____ is a method in which pictures are manipulated to appear as moving images	Fine arts	Mass Media	animation	print media	3
50	Traditional animation is also called as	cel animation	tradigital animation	computerbased animation	none of the above	1
51	Traditional animation is also called as	tradigital animation	computer based animation	hand-drawn animation	none of the above	3
52	What is tradigital animation ?	Cel animation uses significantly computer technology	Done by using only computer	Done by using only hand drawings	none of the above	1
53	Who patented the technique of Rotoscoping?	Walt Disney	Max Fleischer	Shyam Benegal	none of the above	2
54	What is Rotoscoping?	The Physical movement of image parts through simple mechanism of like using moving images inmagic lantern show	The technique where animators trace live action movement, frame by frame	Cel animation uses significantly computer technology	none of the above	2
55	Stop-motion animation, Puppet animation,clay animation, strata cut animation, model animation,silhouette animation, etc. are the different types of _____ _____.	Fine arts	animation	Stage fine art	all of the above	2

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Question Bank

Class : TYBAMMC – Advertising

Subject : Retailing and Merchandising

1. What is Retail Management? Explain the significance of Retail management
2. What are the factors responsible for growth of organised retail in India?
3. Explain the different types of retail formats in India
4. What is multi-channel retailing? Explain the advantages and disadvantages.
5. List down the types of Multi-Channel retailing in India
6. Define Consumer behaviour. ZExplain the factors affecting consumer behaviour
7. Explain the steps in developing retail market strategy.
8. Explain the factors that are influencing the retail market strategy
9. What are the social factors that are affecting consumer behaviour?
10. Enumerate on the steps involved in consumer buying decision process.
11. List and explain the types of pricing strategies
12. What are the advantages and disadvantages of competitive pricing strategy?
13. What is discount Store? State its features
14. List down the advantages and disadvantages of a discount store
15. What is off price retailing? What are the types?
16. List down the objectives of Retail communication.
17. Explain the tools of IMC
18. Describe the process of designing an effective Marketing communication strategy
19. Explain in detail Paid Impersonal communications and Paid personal communication
20. Describe unpaid impersonal and personal communications in detail
21. What are Graphics. State the essentials for keeping graphics effective
22. Explain Signages. List down the characteristics of signages
23. What is RFID? State its advantages and disadvantages
24. What are barcodes? How do barcodes work?
25. Define Retail ERP and explain its components.
26. State and explain the top innovations in retail
27. Define Merchandising and state its types
28. State the advantages and disadvantages of Merchandising
29. What are the roles and responsibilities of Merchandiser
30. Explain the strategies in merchandising mix
31. Describe the types of assortment management
32. List down the assortment strategies in detail

33. Define Merchandise display. What are its forms?
34. Explain the importance of Merchandise display
35. Define space management. What are the elements of space management?
36. What are the steps involved in space management?
37. Define Planogram and state its benefits.
38. Explain the various formats based on merchandise selection
39. Define Visual Merchandising. Explain its elements
40. What are the advantages and disadvantages of visual merchandising?
41. What is Non-Store Merchandising? Explain its types.
42. Write short note on
    a. TV retailing
    b. Automatic Vending
43. What is online retailing? State its elements
44. Define catalogue Management. What are the types of catalogues?
45. List down and explain the trends and innovations in Merchandising.

