

SAMPLE MULTIPLE CHOICE QUESTIONS

FYBAF SEMESTER I

BUSINESS ENVIRONMENT

1. **What does Ethics deal with?**
 - a. the wider community
 - b. business
 - c. profit
 - d. right or wrong
2. **The word Ethics is derived from the Greek word 'Ethikos' which means _____.**
 - a. casual or calm
 - b. custom or character
 - a. right and wrong
 - b. good or bad
3. **Ethics is a branch of _____.**
 - a. history
 - b. geography
 - c. philosophy
 - d. psychology
4. **Business can prosper on the basis of _____ ethical standard.**
 - a. good
 - b. effective
 - c. clear
 - d. straight
5. **Business ethics is nothing but application of ethics in _____.**
 - a. art
 - b. science
 - c. business
 - d. family
6. **Who said the word, 'Ethics deals with right action of individuals'?**
 - a. Peter Drucker
 - b. Henry Fayol
 - c. Rogene .A.Buchholz
 - d. John Stuart Mill
7. **Which one of them is not an importance of entrepreneur?**
 - a. Provides employment to the people
 - b. contributes towards research and development system
 - c. create wealth for the nation
 - d. provides self sufficiency
8. **Point out the quality in an entrepreneur.**
 - a. initiative
 - b. lack of experience
 - c. lack of confidence
 - d. lack of decision-making ability
9. **Which one is not function of an entrepreneur?**
 - a. turning ideas into action
 - b. feasibility study
 - c. resourcing

- d. shutting down the existing business
10. Who can start a business?
- only highly educated people
 - only an uneducated person
 - only rich person
 - anyone
11. While selecting a line of business, what must an entrepreneur keep in mind?
- profit
 - risk
 - profits
 - all of the above
12. My friend always goes to the nearest shop to buy goods because it is his basic right to _____.
- check the price
 - choose
 - check the quality
 - check the quantity
13. Consumer Protection Act is significant to
- immovable goods
 - movable goods
 - particular goods and services
 - all goods and services
14. In which forum is it compulsory to have a female member?
- National commission
 - State commission
 - district commission
 - all the commissions
15. Rights of consumer are protected under _____.
- Consumer protection 1986
 - Consumer protection 1990
 - Consumer protection 1982
 - Consumer protection 1991
- 16 Business risk is not likely to arise due to
- Changes in government policy
 - Good management
 - Employee dishonesty
 - Power failure
- 17
- The industries which provide support services to other industries are known as
- Primary industries
 - Secondary industries
 - Commercial industries
 - Tertiary industries
- 18 The occupation in which people work for others and get remunerated in return is known as
- Business
 - Profession
 - Employment

- (d) None of these
- 19 Which of the following does not characterize business activity?
(a) Production of goods & services
(b) Presence of risk
(c) Sale or exchange of goods and services
(d) Salary and wages
- 20 Economic activities may be classified into business, _____ and employment
(a) Profession
(b) occupation
(c) vocation
(d) work
- 21 Human activities are of _____ types
(a) One
(b) two
(c) three
(d) four
- 22 Following are the characteristics of business risks. One of them is not correct. Please identify it.
(a) Loss is the reward for risk bearing
(b) Business risks are due to uncertainties
(c) Risk is an essential component of every business
(d) Degree of risk depends mainly upon the nature and size of business
- 23 Commerce includes activities relating to trade and _____ to trade.
(a) Supporting
(b) subsidiaries
(c) auxiliaries
(d) none of these
- 24 Which one of the following may not be a factor behind starting a business?
(a) Routine workload
(b) size of the firm
(c) finance
(d) location of the business
- 25 Which of the following cannot be classified as an objective of business?
(a) Investment
(b) Productivity
(c) Innovation
(d) Profit earning
- 26 Which of the following cannot be classified as an auxiliary to trade?
(a) Mining
(b) Insurance
(c) Warehousing
(d) Transport
- 27 Which of the broad categories of industries covers oil refinery and sugar mills?
(a) Primary
(b) Secondary
(c) Tertiary
(d) None of these
- 28 Which of the following is not an example of non-economic activity?
(a) Patriotism
(b) teaching

- (c) sentiment
(d) sympathy
29. Transfer of interest exists in the case of
(a) Profession
(b) employment
(c) business
(d) none of these
30. 'Earning of profit is considered to be the subsidiary objective of the business.' The given statement is
(a) True
(b) false
(c) cannot say
(d) None
31. Name the two broad categories of business activities.
(a) Trade and commerce
(b) trade and industry
(c) industry and commerce
(d) none of these
32. India practices _____ economy.
A Capitalist
B Socialist
C Free market
D Global
33. India's exports of services are _____.
a. Decreasing
b. Increasing
c. Limited
d. Unlimited
34. Balance of _____ refers to the difference between the value of imports and Exports.
a. Trade
b. Payment
c. Business
d. Products
35. _____ constitute the most promising item of India's exports.
a. Textiles
b. Engineering goods
c. Cement
d. Gems and Jewellery
36. The exports of Indian Handicrafts is _____.
a. Increasing
b. Decreasing

- c.Limited
 - d.Constant
37. India's foreign trade scenario is _____.
- a.Satisfactory
 - b.Not satisfactory
 - c.Positive
 - d.Neutral
38. Primary products include _____.
- a.Ores and minerals
 - b.Tea and coffee
 - c.Readymade garments
 - d.Textiles
39. _____ countries constituting most promising export market for India.
- a.European
 - b.Asian
 - c.African
 - d.Middle East
40. India's foreign trade policy is announced for a period of _____ years.
- a.2
 - b.3
 - c.4
 - d.5
41. _____ of export trade means commodities exported to other countries.
- a.Direction
 - b.Composition
 - c.Merchandise
 - d.Volume
42. India's ranking in global exports is _____ as compared to China.
- a.Increasing
 - b.Higher
 - c.Lower
 - d.Remarkable
43. Share of developing countries in International exports is _____.
- a.Decreasing
 - b.Limited
 - c.Increasing
 - d.Constant

44. _____ is an important source of Financing for Indian economy.
- a.Loans
 - b.Advances
 - c.Debt
 - d.FDI
45. FDI allowed in multi-brand retail is _____.
- a.45%
 - b.50%
 - c.51%
 - d.55%
46. FDI permitted in single brand product retail trading is _____.
- a.75%
 - b 90%
 - c.95%
 - d100%
47. FDI allowed in the broadcasting sector is _____.
- a.74%
 - b.76%
 - c.78%
 - d.80%
48. The FDI limit allowed for Insurance sector is _____.
- a.45%
 - b.49%
 - c 55%
 - d.60%
49. _____ is not a positive effect of FDI inflows on Indian industries.
- a.FDI inflows in the industrial sector
 - b.Coverage of industrial sectors
 - c. FDI benefit to large projects
 - d Optimum utilisation of resources
50. _____ is not a negative implication of FDI inflows on Indian industries.
- A Not beneficial to industrial expansion
 - b.FDI benefits to large projects
 - c FDI not available to priority sectors
 - d. Benefits of inflow of foreign technology and professional skills

SAMPLE MULTIPLE CHOICE QUESTIONS

FINANCIAL ACCOUNTING

Q1] Which accounting concept satisfy the valuation criteria

A] Going concern, Realisation, Cost

b) Going concern, Cost, Dual aspect

c) Cost, Dual aspect, Conservatism

d) Realisation, Conservatism, Going concern.

Q2] A trader has made a sale of Rs.75,500 out of which cash sales amounted to

Rs.25,500. He showed trade receivables on 31-3-2014 at Rs.25,500.

Which concept is

followed by him?

a) Going concern

b) Cost

c) Accrual

d) Money measurement

Q3] In which of the following cases, accounting estimates are needed?

a) Employs benefit schemes

b) Impairment of losses

c) Inventory obsolescence

d) All of

the above

Q4] Deewali advance given to an employee is

a) Revenue Expenditure

b) Capital Expenditure

c) Deferred Revenue Expenditure

d) Not

an Expenditure

Q5] A firm has reported a profit of Rs.1,47,000 for the year ended 31-3-2014 after taking

into consideration the following items.

(i) The cost of an asset Rs.23,000 has been taken as an expense

(ii) The firm anticipated a profit of Rs.12,000 on the sale of an old furniture

(iii) Salary of Rs.7,000 outstanding for the year has not been taken into account.

(iv) An asset of Rs.85,000 was purchased for Rs.75,000 and was recorded in the books at

Rs.85,000.

What is the correct amount of profit to be reported in the books?

a) Rs.1,47,000

b) Rs. 1,51,000

c) Rs.1,63,000

d) Rs.1,41,000

Q6] The process of recording financial data upto trial balance is

a) Book keeping

b) Classifying

c) Summarising

d) Analyzing

Q7] Rohit carrying on real estate business sold a piece of land for

Rs.4,00,00,000 (cost

Rs.3,50,00,000) then the type of receipt is _____ nature and profit on sale is

a) Capital & transferred to capital reserve

b) Revenue & transferred to P & L a/c c)

Capital & transferred to P & L a/c

d) Revenue & transferred to general reserve

Q8] In income measurement & recognition of assets & liabilities

which of the

following concepts goes together ?

(a) Periodicity, Accrual, Matching

(b) Cost, Accrual, matching

(c) Going concern, cost, Realization

(d) Going concern, Periodicity, Reliability

Q9] Interpretation means

(a) Explanation of meaning and significance of the data in Financial Statements.

(b) Concerned with preparation and presentation of classified data

(c) Systematic analysis of recorded data

(d) Methodical classification of data given in Financial Statements.

Q10] A trader purchases goods for Rs. 2500000, of these 70% of goods were sold

during the year. At the end of 31st December 2009, the market value of such goods

were Rs. 500000. But the trader recorded in his books for Rs. 750000.

Which of the

following concept is violated.

(a) Money measurement

(b) Conservatism

(c) Consistency

(d) None of these

Q11] Which of the following is wrong?

(a) All real and personal accounts are transferred to balance sheet

(b) Nominal accounts are transferred to P & L account

(c) Each account is opened separately in ledger

(d) Rent is a personal account, outstanding rent is nominal account

Q 12] is root cause for financial accounting

(a) Stewardship accounting

(b) Social accounting

(c) Management accounting

(d) Human resource accounting

Q 13]If nothing is given in the financial statements about the three accounting

assumptions then it is to be treated as it

a) Is assumed that it is not followed

b) Is assumed to be followed

c) Is assumed to be followed to some extent

d) None of the above

Q14 Capital expenditure is ----- expenditure

- a. Abnormal
- b. Recurring
- c. Non-recurring
- d. wasteful

Q15 Expenditure on research is -----

- a. always treated as expenses when incurred
- b. treated as expenses if unsuccessful
- c. treated as deferred revenue expenditure
- d. treated as intangible asset

Q16 ----- expenditure means an expenditure carrying probable future benefit

- a. capital
- b. revenue
- c. deferred
- d. outstanding

Q17 Discount on issue of debenture

- a. may be treated as deferred revenue expenditure
- b. cannot be treated as deferred revenue expenditure
- c. are deducted from debentures
- d. increase the face value per debenture

Q18 Which one of these is a capital expenditure?

- a. purchase of goods
- b. cost of repair
- c. wages paid for installation of machinery
- d. rent of a factory

Q19 Which one of the following is not a capital receipt?

- a. compensation from Govt. For compulsory acquisition of land
- b. gift from proprietor's father deposited in business bank A/C
- c. insurance claim received for loss of machinery by fire
- d. bad-debts recovered during year

Q20 Installation of gas boiler to replace one suing coke

- a. revenue expenditure
- b. capital expenditure
- c. deferred revenue expenditure
- d. revenue receipt

Q21 New tyres to replace old tyres for delivery van

- a. revenue expenditure
- b. capital expenditure
- c. deferred revenue expenditure
- d. capital receipt

Q22 Revenue receipts -----

- a. decrease profits
- b. are recurring in nature
- c. decrease assets
- d. are shown in the balance sheet

Q23 Cost of hiring a refrigerator in a fish shop

- a. revenue expenditure
- b. capital expenditure
- c. deferred revenue expenditure

- d. capital receipt
- Q24. The cost of re-painting the exterior of office premises
 - a. revenue expenditure
 - b. capital expenditure
 - c. deferred revenue expenditure
 - d. capital receipt
- Q25. Amount paid to obtain a licence to start the factory
 - a. revenue expenditure
 - b. capital expenditure
 - c. deferred revenue expenditure
 - d. revenue receipt
- Q26. Interest on investment received from UTI
 - a. revenue expenditure
 - b. capital expenditure
 - c. deferred revenue expenditure
 - d. revenue receipt
- Q27. Amount received from IDBI as a medium term loan for working capital is -----
 - a. revenue expenditure
 - b. capital expenditure
 - c. deferred revenue expenditure
 - d. capital receipt
- Q28. Bad-debt recovered during the year is -----
 - a. revenue expenditure
 - b. capital expenditure
 - c. deferred revenue expenditure
 - d. revenue receipt
- Q29. The expired portion of capital expenditure is shown as -----
 - a. liability in the balance sheet
 - b. income in the profit and loss account
 - c. asset in the balance sheet
 - d. expenses in the profit and loss account
- Q30. Revenue expenditure means an expenditure
 - a. incurred only on goods or services
 - b. from which no benefit is expected
 - c. from which no future benefit can be expected
 - d. incurred only on fixed assets
- Q31. Addition of new wings to the factory Rs.40,000
 - a. revenue expenditure
 - b. capital expenditure
 - c. deferred revenue expenditure
 - d. revenue receipt
- Q32. Pulling down an old structure Rs.750 and rebuilding it Rs.10,500
 - a. revenue expenditure
 - b. capital expenditure
 - c. deferred revenue expenditure
 - d. revenue receipt
- Q33. Expenditure on training activities
 - a. treated as expenses when incurred
 - b. treated as an intangible asset
 - c. treated as a capital expenditure

- d. treated as a liability
- Q34 Carriage inward paid on the purchase of raw material is ----
- revenue expenditure
 - capital expenditure
 - deferred revenue expenditure
 - revenue receipt
- Q35 Expenses incurred for repairs of a car already in use is -----
- revenue expenditure
 - capital expenditure
 - deferred revenue expenditure
 - revenue receipt
- Q36 Discount allowed appearing in the trial balance are shown -----
- on the debit side of profit and loss account
 - on the debit side of trading account
 - on the asset side of balance sheet
- Q37 _____ is the purchase price if full payment is made immediately
- Market price
 - Cash price
 - Hire purchase price
 - Down payment
- Q38 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 of the article less interest.
 - the cash price of the article and the down payment.
 - the instalment and the interest.
- Q39 Total instalments in which the balance amount is payable is equal to
- the cash price of the article and interest.
 - Hire purchase price and the down payment.
 - Hire purchase price less down payment.
 - Hire purchase price less interest.
- Q40 The initial amount payable at the time of signing the hire purchase agreement is
- The cash price.
 - The down payment.
 - The Hire purchase price.
 - The interest.
- As soon as _____ payment is made the hirer gets possession of the article and can start using it immediately.
- 5
- Q41
- Down.
 - Full
 - Cash.
 - Last.
- Q42 Each HP instalment amount is made up of
- Part payment towards cash price only.
 - part payment towards interest only.
 - Part payment towards cash price plus interest.
 - Part payment towards hire purchase price plus interest.
- Q43 Under the hire purchase system depreciation is provided.
- by the hire purchaser on hire purchase price.
 - by the hire vendor, on hire purchase price.

C. by the hire purchaser on cash price.

D. by the hire vendor on cash price.

Q44 A hire purchase trader desiring to prepare a separate hire purchase trading account will follow

A sales method

B full cash price method

C stock method

D Asset accrual method

Q45 Under this method entries are made as if asset is purchased for full price on credit on the date of HP agreement itself.

A. Actual cash price method.

B. Full cash price method.

C. Asset accrual method

D. Interest method

Q46 Each HP instalment including down payment (if any) is treated as hire charges by the

A. Buyer

B. Seller

C. Distributor

D. Manufacturer

Q47 The hire purchaser can record the asset under the full cash price method at its

A. Hire purchase price.

B. Cash price.

C. Down payment

D. Interest.

Q48 Interest in a hire purchase transaction is charged on the cash price.

A. Outstanding.

B. Full cash price.

C. Down payment

D. Hire purchase price.

Q49 Under hire purchase system buyer becomes the owner of goods

A. immediately after the receipt of goods.

B. immediately after the down payment

C. immediately after the payment of last instalment.

D. at the end of the year

Q50 For each period interest is to be calculated on the balance of

A. cash price remaining unpaid

B. instalment price remaining unpaid

C. cash price minus the instalment paid

D. cash price + down payment

SAMPLE MULTIPLE CHOICE QUESTIONS

BUSINESS COMMUNICATIONS

1. Full form of PTO
 - a) Paid time of
 - b) page turn over
 - c) please turn over
 - d) paper time on

2. A barrier to communication which exists in the environment or is due to external causes, is _____.
 - a) Physical barriers
 - b) semantic barriers
 - c) socio-cultural barriers
 - d) Psychological barriers

3. Organizational communication is between the people on the _____ level in the managerial hierarchy of an organization.
 - a) different
 - b) same
 - c) external
 - d) outer

4. _____ refers to the information communication within an organization.
 - a) Upward communication
 - b) Grapevine Communication
 - c) Face – to - face
 - d) Oral Communication

5. Flow of information from the lower levels of the hierarchy to the higher levels of the hierarchy.
 - a) Upward communication
 - b) Down word Communication
 - c) Electronic communication
 - d) Oral Communication

6. To _____ means to propose or to put forward an idea for consideration.
 - a) suggestion
 - b) motivation
 - c) persuasion
 - d) communication

7. _____ is the response or reply which the receiver of a message gives back to the sender.
 - a. Encoding
 - b. Decoding
 - c. Feedback
 - d. Medium

8. Signs and ----- were used when language did not exist.

- a. Telephones
- b. Telegrams
- c. Symbols
- d. Letters

9. Message arises in the mind of the-----

- a) sender
- b) receiver
- c) symbols
- d) letter

10. Social media created----- communities using a computer.

- a) vicious
- b) virtual
- c) real
- d) vain

11. Know your----- for effective communication.

- a) Neighbor
- b) self
- c) audience
- d) colleagues

12. Forms of communication in which words are used to convey messages are referred to as-----

- a) Visual
- b) verbal
- c) non-verbal
- d) manual

13. A 'barrier' refers to-----

- a) a break
- b) An obstacle
- c) A bar carrier
- d) A road block

14. Semantic barriers are also called-----

- a. Language barriers
- b. Physical barriers
- c. Psychological barriers
- d. Cross-cultural barriers

15. A--- is a plan which shows the positions of different parts of the letter.

- a. Outline
- b. Graph
- c. Layout
- d. Pattern

16. Use of---- attitude in business correspondence enables visualizing the reaction of the reader.

- a) I
- b) You
- c) We
- d) No

17. The organization of the content in an E-mail should be-----friendly.

- a. Reader
- b. User
- c. Student
- d. Writer

18. The-----of an e-mail is that single thought or message conveyed by that e-mail.

- a) topic sentence
- b) hook
- c) attachment
- d) last sentence

19. -----Contains subject matter.

- a) Sign
- b) Enclosure
- c) Header
- d) Body of the letter

20. ----- letter appreciates employee's professionalism.

- a) memorandum
- b) testimonial
- c) appreciation
- d) confirmation

21. Letter of----- is written only when the employee is discontented with the employer.

- a) recommendation
- b) regret
- c) resignation
- d) acceptance

22. It is recommended that the ----- always have an Objective or Summary, to focus the reader.

- a) logical resume
- b) chronological resume
- c) conventional resume
- d) non-conventional resume

23. The ----- form of resume is appropriate for all types of applicant.

- a) conventional
- b) non-conventional
- c) acceptance
- d) resign

24. Financial assets that can be quickly converted to cash.

- a) Fixed assets
- b) current assets
- c) Liquid assets
- d) only fixed assets

25. Spending money on stocks, shares, and other securities, or on assets such as plants and machinery.

- a) Inventory
- b) Investment
- c) Invoice
- d) Insurance

26. Sentences in a ----- form a unit.

- a) Paragraph
- b) Essay
- c) Letter
- d) Debate

27. The key elements of a paragraph do not include ____.

- a) A topic sentence
- b) Supporting sentence
- c) Logical order
- d) Subject field

28. -----is a sentence that expresses the main idea of a paragraph.

- a) Supporting sentence
- b) logical order
- c) Topic sentence
- d) Transition

29. "Communication is the _____ by which information is transmitted between individuals and / or organizations.

- a) process
- b) feedback
- c) Persuasion
- d) motivation

30. Allness and _____ are related to each other.

- a. Halo effect
- b. Horn effect
- c. Closed mind
- d. Polarization

31. Which of these should be avoided in a paragraph?

- a) Courtesy
- b) Positive attitude
- c) Discriminatory
- d) Politeness

32. How many paragraphs should an article have?

- a) A minimum ten
 - b) At least five
 - c) No more than four
 - d) As many as there are separate thoughts that can be linked together
33. What should not be included in a good paragraph?
- a) Highlight the main idea
 - b) Support the main idea
 - c) Connect to the next point
 - d) Irrelevant ideas
34. Organizations have to make regular efforts to prevent -----.
- a) Communication
 - b) Miscommunication
 - c) Communication barrier
 - d) Understanding
35. Whose responsibility is to overcome barriers to communication?
- a) Sender
 - b) Receiver
 - c) Both sender and receiver
 - d) Nobodies
36. In which type of listening, we listen critically and analytically for considering the topic of the argument.
- a) Critical listening
 - b) Attentive listening
 - c) Appreciative listening
 - d) Empathic listening
37. Which one of the following is *not* a characteristic of integrity in employee?
- a) Cheating to customer
 - b) Honest
 - c) Trustworthy
 - d) Hardworking
38. How to demonstrate integrity at the workplace?
- a) Don't follow company policies
 - b) Be late for the work
 - c) Be accountable for your mistakes
 - d) Criticize to others
39. Which of the following do not conform to the principles of effective letter writing

- A Use of 'You Attitude' to keep the reader in mind
- B Each para should deal with a single topic
- C The communication should be legible
- D The letter should cover all the subjects that need to be communicated at one time.

40. Which of the following kinds of communication do students spend most time engaged in?

- a) Listening
- b) Speaking
- c) Reading
- d) Writing

41. Which of the following is not a step in the listening process?

- a) Comprehension of message
- b) Receiving
- c) Misinterpreting
- d) Responding

42. The main objective of communication is----

- a) Information and persuasion
- b) Personality development
- c) Control and management
- d) Need for organization

43. Gossip and rumour are part of -----communication.

- a) Formal
- b) Informal
- c) Horizontal
- d) Vertical

44. Which one is not an audio-visual communication?

- a) Cinema
- b) Television
- c) Drama
- d) Charts and graphs

45. Which of the following reflect ethical behavior at the workplace?

- A Utilizing free time in office to complete personal tasks
- B Using co-workers computer when they are not at the desk
- C Discussing business plan with friends from competitor's company
- D Going by company policies in closing a business deal

46. Documents sent along with the letter-----

- a) Postscript
- b) Enclosure
- c) Envelope
- d) minute book

47. The traditional resume is called the-----resume.

- a) chronological
- b) functional
- c) combined
- d) single

48. Listening, reading, speaking and writing are all types of ----

- a) Communication skills
- b) Emotional barriers
- c) Evaluation techniques
- d) Nonverbal communication

49. Body language is a form of what communication?

- a) For people with disabilities

- b) High function
- c) Verbal communication
- d) Non-verbal communication

50. Identify the statement representing computer ethics

A Freedom to post all and any kind of information in professional space

B Using authentic software for work

C Accessing co-workers data and presenting as your own

D Using cookies and spyware to access others data.

SAMPLE MULTIPLE CHOICE QUESTIONS
BUSINESS ECONOMICS

- 1 In Business Economics the central problem is:
 - a. Allocation
 - b. Consumption
 - c. Scarcity
 - d. Money

2. The concept of scarcity of resources
 - a. Implies that consumers wants will be satoisfied
 - b. Applies only to less developed countries
 - c. Do not applied to developed countries
 - d. Consumers wants will never be satisfied

3. The opportunity cost of watching a movie will be equal to
 - a. time lost while watching the show
 - b. pleasure that could have been enjoyed watching TV instead
 - c. the pleasure enjoyed by watching the show
 - d. the amount paid to buy the tickets

4. Which of the following is related to micro economics
 - a. inflation
 - b. national income
 - c. unemployment
 - d. personal income

5. The market supply curve illustrates how
 - a. quantity supplied increases as price decreases
 - b. quantity supplied increases as price increases
 - c. quantity supplied increases as technology improves
 - d. quantity supplied increases as resource price decreases

6. A -----is magnitude of interest that can be measured.
 - a. Variable
 - b. Function
 - c. Graphs
 - d. Curves

- 7 Expansion in supply refers to a situation when the producers are willing to supply

- a. Larger quantity of the commodity at an increased price
 - b. larger quantity of the commodity due to increased taxation on that commodity
 - c. Larger quantity of the commodity at the same price
 - d. larger quantity of the commodity at the decreased price
- 8 Increase in demand is shown by
- a. Movement along the same demand curve
 - b. Shifts of the demand curve
 - c. The highest point on the demand curve
 - d. Lowest point of the demand curve
9. Market equilibrium exists when _____ at the prevailing price.
- a. quantity demanded is less than quantity supplied
 - b. quantity supplied is greater than quantity demanded
 - c. quantity demanded equals quantity supplied
 - d. quantity demanded is greater than quantity supplied
- 10 A movement along the demand curve to the left may be caused by:
- a. . A decrease in supply.
 - b. A rise in the price of inputs.
 - c. A fall in the number of substitute goods.
 - d. A rise in income.
- 11 The quantity demanded of a product rises whenever
- a. The product's price falls.
 - b. Incomes increase.
 - c. Population increases.
 - d. The prices of substitute goods rise.
12. A normal good can be defined as one which consumers purchase more of it as?
- a) Incomes rise
 - b) prices rise
 - c) income fall
 - d) prices fall
- 13 The income effect of a price change?
- a) Is always positive.
 - b) Is always negative
 - c) May be positive or negative
 - d) Is caused by change in consumer tastes.

- 14 If goods is normal, than the demand curve for that goods must be?
- a) perfectly elastic
 - b) completely
 - c) upward sloping
 - d) Downward sloping
- 15 An inferior good?
- A) Must be a Giffen good
 - B) has a positively sloped demand curve
 - C) Can be a Giffen good but a Giffen good must always be an inferior good.
 - D) Giffen good is not always inferior
- 16 In case of Giffen goods?
- A) The positive substitution effect of a price change is smaller than the negative income effect
 - B) The positive substitution effect of a price change is same as the negative income effect
 - C) The negative substitution effect of a price change is larger than the positive income effect
 - D) The positive substitution effect of a price change is larger than the negative income effect
- 17 In the equation $D_x = a - b p_x$,?
- A) a is the quantity of X demanded when price is zero.
 - B) b is the quantity of X demanded when price is zero
 - C) a is the slope of the demand curve.
 - D) b is the elasticity of demand.
- 18 An elasticity of -1 means that?
- A) The demand curve is vertical.
 - B) The demand curve is horizontal
 - C) The relatively changes in price and quantity are equal
 - D) expenditure on the good would increase if price is reduced

19. If a rise in price increase TR, the producer is operating on
- A) The segment below the mid-point of the demand curve
 - B) The segment above the mid-point of the demand curve
 - C) The mid-point of the demand curve
 - D) The Y-intercept of the demand curve
- 20 Demand forecasts can help businesses to formulate appropriate?
- A) Price policy
 - B) Income policy
 - C) Making policy
 - D) Manufacturing
- 21 Regression methods is the most commonly used method of forecasting?
- A) Delphi methods
 - B) Survey methods
 - C) Regression methods
 - D) Trend methods
- 22 Which of the following would be an implicit cost for a firm?
- A. payment of wages and salaries of workers
 - B. payment to the supplier of raw materials
 - C. salary that the business owner would have earned by working elsewhere
 - D. interest to the bank for borrowed funds
- 23 LAC is used to determine _____.
- A. the lowest possible AC for producing various levels of output
 - B. the maximum output at lowest variable cost
 - C. The output at which fixed cost is minimized
 - D. the optimum firm size
- 24 Average fixed cost _____
- A. declines over a certain output range
 - B. declines over the entire output range
 - C. is a long -run concept only
 - D. is influenced by decreasing returns to scale
- 25 An iso-quant, representing equal level of output, cannot be concave to the origin because
- a) capital is reduced at an increasing rate for every unit of labour added.
 - b) capital is increased at an increasing rate for every Unit of labour added.
 - c) capital is reduced at a diminishing rate for every unit of labour added
 - d) labour is added at an increasing rate for every unit of labour added

- 26 If Average fixed cost is Rs. 40 and average variable cost is Rs. 80 for an output level of 10, then the total cost is_____.
- A. Rs. 1200
 - B. RS. 120
 - C. RS. 40
 - D. RS. 400
- 27 Negative marginal returns occur due to
- a) Relative abundance of variable factors
 - b) Relative abundance of fixed factors
 - c) Relative scarcity of variable factors
 - d) Scarcity of fixed and variable factors
- 28 Which is a true statement?
- a) Decreasing returns to scale and diminishing marginal returns are two ways of stating the same thing
 - b) Increasing returns to scale is a short-run concept, and diminishing marginal returns is a long-run concept.
 - c) Constant returns to scale is a short-run concept, and decreasing returns to scale is a long-run concept.
 - d) Increasing returns to scale is a long run concept and increasing marginal returns is a short run concept
- 29 A fixed proportion production function is
- a) one in which a given level of output can be produced by several alternative combinations of factors
 - b) represented by a right angle iso-quant
 - c) represented by an iso-quant that is convex to the origin
 - d) one where labour and capital are perfectly substitutable
- 30 In the short run, increasing marginal returns take place due to
- a) variability of all factors

- b) abundance of fixed factors
 - c) abundance of variable factors
 - d) economies of scale
- 31 Increasing marginal returns come to an end when
- a) AP intersects MP
 - b) TP begins to decline
 - c) TP begins to rise at a diminishing rate
 - d) MP becomes negative
- 32 The marginal product of labor curve shows the change in total product resulting from a:
- a) one-unit increase in the quantity of a particular resource used, letting other resources vary.
 - b) one-unit increase in the quantity of a particular resource used, holding constant other resources.
 - c) change in the cost of a variable resource.
 - d) change in the cost of a fixed resource.
- 33 When the total product curve is falling, the:
- a) marginal product of labor is zero.
 - b) marginal product of labor is negative
 - c) average product of labor is increasing.
 - d) average product of labor must be negative
- 34 An iso-quant, representing equal level of output, cannot be concave to the origin because
- e) capital is reduced at an increasing rate for every unit of labour added.
 - f) capital is increased at an increasing rate for every Unit of labour added.
 - g) capital is reduced at a diminishing rate for every unit of labour added

- h) labour is added at an increasing rate for every unit of labour added
- 35 Which of the following is the most competitive market structure?
- a. perfect competition
 - b. monopolistic
 - c. monopoly
 - d. oligopoly
- 36 At the shut down point, price is equal to average _____ cost.
- a. Fixed
 - b. Variable
 - c. Above
 - d. Below
- 37 If a few firms share most of an entire industry's revenues, the market structure is most likely
- a. perfect competition
 - b. monopolistic
 - c. monopoly
 - d. oligopoly
- 38 Which of the following statements is true for both monopolistically competitive and oligopolistic industries?
- a) It is impossible for new firms to enter the industries.
 - b) Collusion and the creation of cartels is common.
 - c) Producers cannot benefit from knowing other firms' plans.
 - d) Firms have some degree of control over prices.
- 39 Oligopolists prefer _____.

- a. Price competition to non-price (product differentiation) competition because consumers care more about price than other features.
 - b. To act independently in establishing their prices.
 - c. To compete in terms of product differentiation, because such changes are more difficult and take longer to match than price changes.
 - d. To compete in terms of product differentiation because these changes reduce costs and make consumer demand more elastic.
- 40 The break-even point is defined as occurring at an output rate at which
- A) total cost is minimized.
 - B) total revenue equals total opportunity cost.
 - C) economic profit is maximized.
 - D) marginal revenue equals marginal cost.
- 41 Assuming long-run external economies exist, when demand increases in a perfectly competitive market, in the long run the average total cost curve for a typical firm
- A) shifts upward.
 - B) shifts downward.
 - C) is no longer U-shaped.
 - D) stays the same.
- 42 When dumping is of a temporary nature it is called
- A. Persistent dumping
 - B. Predatory dumping
 - C. Sporadic dumping
 - D. Elasticity differs in different market
- 43 Under dumping a monopolist's demand curve in the world market is
- A. Downward sloping and less elastic
 - B. Perfectly elastic
 - C. a kinky demand curve

D. Elasticity differs in different market

- 44 Mark up on cost explains by ____ formula.
- A. $M = P - C / C$
 - B. $A = P - A / D$
 - C. $A = C - A / D$
 - D. $C = I - A / C$
- 45 Public undertakings for various reasons may follow a price policy based on the ____
- A. Marginal cost
 - B. Abnormal cost
 - C. General cost
 - D. Normal cost
- 46 To control monopoly or regulate the price charged by a _____ may impose a price based on marginal cost.
- A. Monopoly firm the client
 - B. Monopoly firm the government
 - C. Monopoly firm the business
 - D. Monopoly firm the sector
- 47 Cost plus pricing refers to _____.
- A. Price of a commodity should cover the cost of production of the goods and as a bring price of one goods on the other commodity.
 - B. different prices are charged in different market
 - C. Monopolist can charge different prices for the some good provided.
 - D. Goods sold in so pixilated or rich localities or sold in departmental stores may be charged higher prices.
- 48 Multiple product pricing refers to _____
- A. Price of a commodity should cover the cost of production of the goods and as a bring price of one goods on another commodity.
 - B. different prices are charged in different market

C. Monopolist can charge different prices for the some good provided.

D. Such goods are produced a firm needs to consider the effect of a change in the price of one goods on the other commodity.

49 Negligible price difference refers to as discrimination_____

A. Price discrimination is resorted, to but the difference in price too small

B. different prices are charged in different market

C. Monopolist can charge different prices for the some good provided.

D. Situated at sufficiently long distances then transfer of goods may not be economical.

50 Price quality link refers to _____

A. Due to irrationality or for any other reason consider higher price as an indicator of better quality.

B. different prices are charged in different market

C. Monopolist can charge different prices for the some good provided.

D. Situated at sufficiently long distances then transfer of goods may not be economical.

SAMPLE MULTIPLE CHOICE QUESTIONS

COST ACCOUNTING

1. Which of the following statement is false?
 - a) The limitations of Financial Accounting have led to the origin and evolution of Cost Accounting
 - b) Financial Accounts fail to give a product-wise break-up of profit or loss
 - c) Financial Accounts help to judge the efficiency or productivity of the concern
 - d) Cost Accounting Techniques helps the management in making decisions or planning for future

2. Cost Accounting is directed towards the need of
 - a) Government
 - b) External users
 - c) Internal users
 - d) Shareholders

3. Which of the following is not a function of Cost Accounting?
 - a) Cost ascertainment
 - b) Planning and control
 - c) Decision making
 - d) External reporting

4. Cost information facilitates many important decisions except
 - a) Introduction of a product
 - b) Whether to make or buy
 - c) Rate of dividend
 - d) Exploration of an additional market

5. Which of the following costs is not an example of a variable cost?
 - a) Straight-line depreciation on a machine expected to last five year
 - b) Piece-rate wages paid to manufacturing workers
 - c) Wood used to make furniture
 - d) Commission paid to sales personnel

6. Which of the following costs will vary directly with the level of production?
 - a) Total manufacturing costs
 - b) Total cost of sales
 - c) Variable selling costs
 - d) Variable product costs

7. If the level of activity increases.

- a) Variable cost per unit and total fixed costs increase
 - b) Fixed cost per unit and total variable cost increase
 - c) Total cost will increase and fixed cost per unit will decrease
 - d) Variable cost per unit and total cost increase
8. Costs that can be easily traced to a specific department are called _____
- a) Direct cost
 - b) Indirect cost
 - c) Overheads
 - d) Processing costs
9. The three major elements of product costs are all except _____
- a) Direct material
 - b) Factory overheads
 - c) Direct labour
 - d) Indirect labour
- 10 Indirect costs _____
- a) Can be traced to a cost object
 - b) Cannot be traced to a particular cost object
 - c) Are not important
 - d) Are always variable cost
- 11 Which of the following is considered to be a normal loss of material?
- a. Loss due to accidents
 - b. Pilferage
 - c. Loss due to careless handling of material
 - d. Loss due to breaking the bulk
- 12 The cost of goods acquired from suppliers including incoming freight or transportation costs are
- a. Purchasing costs
 - b. Ordering costs
 - c. Stock out costs
 - d. Carrying cost
- 13 The most important element of cost is
- a. Material
 - b. Labour
 - c. Overheads
 - d. Chargeable expenses
- 14 The function of purchase department is
- a. Purchase of material
 - b. Sale of scrap
 - c. Production of goods
 - d. Sale of goods
- 15 Purchase order is a
- a. Request to supplier to supply materials

- b. Request to the supplier to verify the stock
 - c. Acknowledgement of goods
 - d. Sale invoice
- 16 Goods received note is normally prepared in
- a. Six copies
 - b. Five copies
 - c. Four copies
 - d. Five copies
- 17 Material inspection note is signed by the
- a. Inspector
 - b. Stores keeper
 - c. Cost accountant
 - d. Manager
- 18 Goods received note is prepared by
- a. Purchase department
 - b. Stores department
 - c. Sales department
 - d. Finance department
- 19 Material transfer Note is prepared when
- a. Material is transferred from one department to another department
 - b. Material is returned by the department to stores
 - c. Material is returned to the supplier
 - d. Material received
- 20 Order should be placed with the supplier when the inventory touches
- a. Maximum level
 - b. Reorder level
 - c. Minimum level
 - d. Danger level
- 21 Maximum inventory locks up
- a. More working capital
 - b. Less working capital
 - c. Average working
 - d. No working capital
- 22 Average annual consumption of material is 20,000 kgs at a price of rupees 2 per kg. The holding cost is 16 % an ordering cost is rupees 50. How much should be EOQ?
- a. 2500 Kgs
 - b. 3000 kgs
 - c. 2000 kgs
 - d. 1000 kgs

- 23 The annual usage of the particular material is 200000 units. The EOQ is 20,000 units. Cost of placing an order is Rs 80. Invoice cost is rupees 500 per unit the average inventory is
- 10,000 units
 - 4000 units
 - 5000 units
 - 6500 units
- 24 In the method of pricing cost lag behind the current economic values
- LIFO
 - FIFO
 - Replacement price
 - Weighted average price
- 25 When prices fluctuate widely the method that will smooth out the effect of fluctuations is
- Simple average
 - Weighted average
 - FIFO
 - LIFO
- 26 _____ Card is placed at the entrance of the factory.
- Job Card
Clock Card
Credit Card
Debit Card
- 27 Time _____ is essential for costing purpose.
- Recording
Booking
Accounting
Wasting
- 28 _____ shows effective use of time.
- Time Allowed
Effective use of time
Idle Time Card
Job Card
- 29 Payslip is prepared for _____
- Individual Workers
Departmental Workers
Temporary Workers
All the Workers
- 30 Payroll accounting is concerned with _____
- Computation of wages
Appointment of workers
Termination of workers
Promotion of workers
- 31 _____ is turnover of workers.
- Labour Turnover
Stock Turnover

- Debtor's Turnover
Creditor's Turnover
- 32 Flux method is used to calculate _____.
Labour Turnover
Stock Turnover
Debtor's Turnover
Creditor's Turnover
- 33 _____ system brings down output.
Time Rate
Piece Rate
Rowan Plan
Halsey Plan
- 34 _____ system is suitable when quality of work is more important.
Time Rate
Piece Rate
Rowan Plan
Halsey Plan
- 35 Under _____ system time spent on job is not considered.
Time Rate
Piece Rate
Rowan Plan
Halsey Plan
- 36 _____ system reduces tendency of workers to go slow.
Time Rate
Piece Rate
Rowan Plan
Halsey Plan
- 37 In most of the service industries, the most important element of cost is
a) Direct material
b) Labour
c) Variable cost
d) Indirect material
- 38 Cost of packing material should be classified as
a) Fixed overhead
b) Variable overhead
c) Direct material
d) Direct expenses
- 39 Overtime increases _____.
Depreciation of Plant & Machinery
Productivity
Efficiency of the Organisation
Labour Cost
- 40 Machine setting time is _____ idle time.
Abnormal
Normal
Usual
Casual
- 41 The process of charging cost to cost unit is
absorption
allocation

Apportionment
allotment

- 42 In which of the following centre factory overhead cost is not incurred
- a) production centre
 - b) service centre
 - c) general cost centre
 - d) head office
- 43 Transportation is an example of
- a) production overhead
 - b) administration overhead
 - c) selling overhead
 - d) distribution overhead
- 44 Which of the following is a scientific and accurate method of absorption of factory overheads
- a) Percentage on prime cost
 - b) Percentage on direct labour cost
 - c) Machine hour rate
 - d) Labour hour rate
- 45 Warehouse expenses is an example of
- a) Production overhead
 - b) Selling overhead
 - c) Distribution overhead
 - d) Direct expenses
- 46 The distribution of overheads allotted to a particular department or cost centre over the units produced is called
- a) Allocation
 - b) Apportionment
 - c) Absorption
 - d) Departmentalisation
- 47 If an item of overhead expenditure is charged specifically to a single department this would be an example of
- a) Apportionment
 - b) Allocation
 - c) Re- apportionment
 - d) Absorption
- 48 Store keeping expenses are allocated on the basis
- a) Number of material requisitions
 - b) Area
 - c) Direct labour hours
 - d) Production
- 49 Salary of works manager is
- a) Office overheads

- b) Factory overheads
- c) Selling overheads
- d) Distribution Overheads

50

For Machine Hour Rate Insurance is a

- a) Fixed overheads
- b) Variable overheads
- c) Semi-variable overheads
- d) Direct Expenses

SAMPLE MULTIPLE CHOICE QUESTIONS

FINANCIAL MANAGEMENT

- Q.1 _____ is a part of financial management
- Hiring a employee
 - Production management
 - Quality control
 - Dividend decision
- Q.2 Financial management is concerned with _____.
- Maximization of production
 - Maximization of wealth
 - Maximization of welfare
 - Maximization of profit
- Q.3 Finance deals with _____.
- Acquisition of funds
 - Acquisition of manpower
 - Acquisition of market
 - Acquisition of organization
- Q.4 Finance begins where _____.
- Accounting ends
 - Auditing ends
 - Economics ends
 - Management ends
- Q.5 Financial management is concerned with
- Short term investment
 - Long term investment
 - Medium term investment
 - Finance management
- Q.6 Objective of financial management is
- To maximize profits
 - To maximize sales
 - To maximize production
 - To maximization of wealth
- Q.7 A successful finance manager should be
- Intelligent
 - Lazy
 - Dishonest
 - Inefficient
- Q.8 Financial management includes
- Tax management
 - Human resource management
 - Production management
 - Sales management

- Q.9 Financial objective of a firm is
- To increase return on investment
 - To increase efficiency of organization
 - To increase loyalty of the employees
 - To increase debt of the organisation
- Q.10 The modern approach to financial management view:
- Total requirement of funds
 - Assets acquisition
 - Pattern of financing
 - All wealth management
- Q. 11 Time value of money is based on the principle of _____.
- As you sow, so shall you reap
 - Hard work pays in the long run
 - A stich in time, saves nine
 - A bird in hand, is worth two in a bush
- Q. 12 Calculate Future value of the following, if you deposit Rs. 2,800 at 8% Simple interest for 5 years.
- 3,900
 - 3,920
 - 3,000
 - 3,500
- Q. 13 Present value of a Rupee is always _____.
- Less than its Future value
 - Equal to its Future Value
 - Greater than its Future Value
 - Is not related to its Future Value
- Q. 14 Tata Ltd. has invested in two projects. Project A with Rs. 1,20,000 and Project B with Rs. 1,70,000. The discounting factor is 15%. Following are the cash inflows for 5 years for Project A - 10000, 30000, 45000, 65000 and 45000. Calculate Net Present value for Project A
- Rs. 550
 - Rs. 600
 - Rs. 575
 - Rs. 535
- Q. 15 A type of preference shares which can be converted in to Equity shares.
- Participating preference shares
 - Cumulative preference shares
 - Secured preference shares

d. Convertible preference shares

- Q. 16 Each instalment at equal intervals will result in an _____.
- Compound interest
 - Future value annuity
 - Simple interest
 - Net Present value
- Q. 17 When bonds are purchased at a _____, the investor pays more than the face value upfront.
- discount
 - par
 - premium
 - market value
- Q. 18 _____ value is the end value of the fixed asset at the end of its useful life.
- Present
 - Terminal
 - Face
 - Market
- Q. 19 Present value is the current value of _____ amount.
- present
 - past
 - recurring
 - future
- Q. 20 Making one deposit today in order to be able to make several withdrawals later is called as _____.
- Present value
 - Annuity
 - Future value
 - Net present value
- Q.21. The most important ratio in case of granting of term loans is _____.
- EPS
 - P/E
 - Current Ratio
 - DSCR

- Q.22 Operating leverage examines _____
- The effect of the change in the quantity on EBIT
 - The effect of the change in EBIT on the EPS of the company
 - The effect of the change in output to the EPS of the company
 - The effect of change in EPS on the output of the company
- Q.23 Operating leverage helps in analysis of _____
- Business risk
 - Financing risk
 - Production risk
 - Credit risk
- Q.24 _____ of the following is studied with the help of financial leverage.
- Market risk
 - Internal risk
 - Foreign exchange risk
 - Financing risk
- Q.25 High degree of financial leverage means _____
- High debt proportion
 - Lower debt proportion
 - Equal debt & equity
 - No debt
- Q.26 Financial Leverage is ----
- EBIT/EBT
 - EBT/EBIT
 - C/EBT
 - C/EBIT
- Q.27 High operating & financial leverage implies
- High risk
 - Thin Interest
 - High Risk & Thin Risk
 - Low Risk
- Q.28 Ideal situation for profit maximization is
- Thin financial leverage
 - Law operating leverage
 - Law operating and high financial leverage

d. High financial leverage

Q.29 Leverage help in _____.

- a. Long term loans
- b. Designing capital structure
- c. Raising short term loans
- d. Raising median term loans

Q.30 Leverage analyses relationship between _____.

- a. Equity and debt
- b. Debentures and loan
- c. Financial & operating leverage
- d. Short term loan & equity

Q.31. The term 'redeemable' is used for

- A. Preference shares
- B. Commercial paper
- C. Equity shares
- D. Public deposits

Q.32. Debentures represent _____.

- A. Fixed capital of the company
- B. Permanent capital of the company
- C. Fluctuating capital of the company
- D. Loan capital of the company

Q.33. The maturity period of a commercial paper usually ranges from

- A. 20 to 40 days
- B. 60 to 90 days
- C. 120 to 365 days
- D. 90 to 364 days

Q.34. Internal sources of capital are those that are

- A. Generated through outsiders such as suppliers
- B. Generated through loans from commercial banks
- C. Generated through issue of shares
- D. Generated within the business

Q.35. Which is the source of mid-term finance?

- A. Micro Credit
- B. Specialized Financial Institution

- C. Collect Advances from Purchasers
- D. Discounting the Bills Receivable

- Q.36. Which of these is short term finance?
- A. Bank overdraft
 - B. Mortgage loan
 - C. Bank loan
 - D. Share capital
- Q.37. Finance sourced directly from a firm's activities is known as:
- A. Internal
 - B. External
 - C. Short term
 - D. Long term
- Q.38 The issue of share on the stock exchange for the first time is
- A. Equity withdrawal
 - B. Right issue
 - C. Dividend
 - D. Flotation
- Q.39 A key difference between bank loan and bank overdraft is the loan _____
- A. Is suitable for short term cash flow needs
 - B. Is treated as owner's capital
 - C. Has fixed repayment and interest
 - D. Does not have to be repaid
- Q.40 Which of the following cost of capital requires tax adjustment?
- (a) Cost of Equity Shares
 - (b) Cost of Preference Shares
 - (c) Cost of Debentures
 - (d) Cost of Retained Earnings
- Q.41 Which is ideally the least expensive source of funds?
- (a) New Equity Shares

- (b) New Preference Shares
- (c) New Debts
- (d) Retained Earnings

- Q.42 Marginal cost of capital is the cost of
- (a) Additional Sales
 - (b) Additional Funds
 - (c) Additional interest
 - (d) Additional charges
- Q.43 In case the firm is all equity financed. WACC would be equal to
- (a) Cost of Debt
 - (b) Cost of Equity
 - (c) Cost of debt + Cost of Equity
 - (d) Neither Cost of Debt nor cost of equity
- Q.44 If a company has issued debentures with interest rate of 10% at par and the tax rate is 40%, cost of debt will be:
- (a) 10%
 - (b) 40%
 - (c) 60%
- Q.45 Calculate cost of 10 years, 14% Debentures of ₹ 2,000, redeemable at par, with 5% floatation cost.
- (a) 14%
 - (b) 19%
 - (c) 9.85%
 - (d) 8.80%
- Q.46 Calculate cost of 10 years, 14% Preference shares of ₹ 100, redeemable at premium of 5% with 5% floatation costs and no corporate dividend tax.
- (a) 10%
 - (b) 14%
 - (c) 15%
 - (d) 16.40%
- Q.47 Calculate cost of 10 years, 14% Preference shares of ₹ 100, redeemable at premium of 5% with 5% floatation costs and 10% corporate dividend tax.
- (a) 10%
 - (b) 14%
 - (c) 15%
 - (d) 16.40%

- Q.48 An equity share selling at ₹ 50 and paying dividend of ₹ 6 per share, calculate cost of equity assuming no growth:
(a) 10%
(b) 12%
(c) 15%
(d) 17%
- Q.49 An equity share selling at ₹ 50 and paying dividend of ₹ 6 per share, calculate cost of equity assuming 5% growth:
(a) 10%
(b) 12%
(c) 15%
(d) 17%
- Q.50 Which item will be ignored while calculating cost of capital?
(a) Preference Shares
(b) Reserves
(c) Loan
(d) Bills payable

**SAMPLE MULTIPLE CHOICE QUESTIONS
FOUNDATION COURSE**

Sr.No QUESTIONS

- 1 The _____ Report measures the size of the gender inequality gap
 - a. Per capita Income
 - b. World Health Organisation
 - c. UNESCO
 - d. Global Gender Gap
- 2 The _____ attitudes in northern India are manifested by practices such as female Infanticide, neglect in terms of healthcare and food allocation and, more recently, as female foeticide.
 - a. Discriminatory
 - b. Emancipatory
 - c. Empowerment
 - d. Respect
- 3 Equality and _____ forms the pillars of Islam religion
 - a. Brotherhood
 - b. Justice
 - c. liberty
 - d. fraternity
- 4 Jainism is based on the teachings of the _____ Tirthankara.
 - a. 1st
 - b. 19th
 - c. 23rd
 - d. 24th
- 5 Tolerance and _____ are two vital words that should be borne in mind in a multi-religious
 - a. Society.
 - b. harmony
 - c. respect
 - d. fraternity
 - e. liberty
- 6 The Eight Schedule to the Constitution lists _____ official languages.
 - a. 21
 - b. 22
 - c. 23
 - d. 24
- 7 In Tripura though not listed in the Eighth Schedule is the official language.
 - a. Brahmi
 - b. Kokborok
 - c. Mizo
 - d. Khasi
- 8 The Official Languages Act, 1963 itself was amended in
 - a. 1965
 - b. 1966
 - c. 1967
 - d. 1968
- 9 The Dravidian languages of South India had a history dependent of
 - a. Austroasiatic

- b. Sanskrit
 - c. Sino – Tibetan
 - d. Hindi
- 10 The social and political forces that influence the growth of a human being are defined as
- a. Culture
 - b. Demography
 - c. Public policy
 - d. Religion
- 11 _____, this scheme has been notified by the Ministry of Finance to save girl child on 2 December 2014.
- a) Sukanya Samriddhi Account
 - b) Criminal Law amendment act
 - c) The National plan of action for the girl child
 - d) Jan dhan yojna
- 12 Whose efforts led to Widow Remarriage Act of 1856
- a) Ram Mohan Roy
 - b) Ishwar Chandra Vidyasagar
 - c) Pandita Ramabai
 - d) Jyotirao Phule
- 13 Which of the following divisions is unique to India?
- a) Gender division
 - b) Caste division
 - c) Economic division
 - d) Religious division
- 14 Which of the following schemes provide education to girls and their welfare?
- a) One Stop Centre Scheme
 - b) UJJAWALA
 - c) SWADHAR Scheme
 - d) Beti Bachao Beti Padhao
- 15 Which scheme helps in the prevention of trafficking and provides support for rescue, rehabilitation, reintegration and repatriation of women?
- a) Ujjawala scheme
 - b) STEP scheme
 - c) Priyadarshini Scheme
 - d) DWCRA
- 16 In India pre-natal sex determination of an unborn child is legally
- a) allowed when the woman already has two girl children
 - b) allowed when the woman is expecting twin children
 - c) allowed when foetal abnormalities and genetic defects are suspected
 - d) not allowed at all
- 17 The 2011 census report states that there are _____ females per 1000 males.
- a) 952
 - b) 940
 - c) 920
 - d) 910
- 18 Techniques such as _____ were introduced to identify any genetic abnormalities.
- a) Vulgarly
 - b) Undignified status

- c)Amniocentesis
d)Ultrasound
- 19 Section _____ of IPC protects women from domestic violence.
a)478 A
b)488 A
c) 498 A
d) 448 A
- 20 Domestic Violence Act was passed in the year _____.
a)2002
b) 2005
c)2004
d) 2007
- 21 _____ of the Indian Constitute states that Untouchability is abolished & its Practice in any form is forbidden
a. Article 17
b. Article 21
c. Article 22
d. Article 24
- 22 The Cast system is more prominent among the _____ than any other Community
a. Muslim
b. Hindu
c. Christians
d. Buddhism
- 23 The _____ Guaranteed equal access in several spheres such as the legal process, education & Public employment
a. Directive Principle
b. Fundamental Rights
c. Preamble
d. Duties
- 24 The _____ are guidelines to the central & State government for policy making & for achieving social, economic & political justice
a. Directive Principle
b. Fundamental Rights
c. Preamble
d. Duties
- 25 The _____ scheme has improved enrolment in government school
a. Free books
b. Mid-day meal
c. Free Uniform
d. Free Games
- 26 At times _____, leads to violence & lawlessness in the society.
a. Co – ordination
b. Co – operation
c. Conflict
d. Cooperative
- 27 _____ is a belief or an ideology of a social, political & religious group that their religion & practices are superior to those of other group
a. Communalism
b. Casteism
c. Secularism

- d. Linguism
- 28 Due to _____ there are conflict between upper caste and lower caste
- Communalism
 - Casteism
 - Secularism
 - Linguism
- 29 Communalism in the Indian context is _____ between any two religious groups.
- Tensions
 - Pressure
 - Co – ordination
 - Co – operation
- 30 The etymology of communalism is '_____' – to come together.
- Commune,
 - Conflicts
 - Issue
 - Co – operation
- 31 The _____ to the Constitution is called Preamble.
- Introductory note
 - Foot note
 - End note
 - General note
- 32 The word _____ envisages the goal of a 'Welfare State'.
- Sovereign
 - Secular
 - Socialist
 - Generalist
- 33 The word _____ means equal respect for all religions.
- Sovereigns
 - Secular
 - Socialist
 - Generalist
- 34 _____ means that there will be representative and responsible system of government.
- Republic
 - Liberty
 - Democratic
 - Social
- 35 _____ means the head of the state (President) will be periodically elected by the people.
- Republic
 - Liberty
 - Democratic
 - Social
- 36 _____ justice gives universal adult franchise, equal opportunity to all citizens and protection to minority.
- Social
 - Economic
 - Political
 - Liberal

- 37 _____ justice means that everyone must have sufficient opportunity to earn daily bread and satisfy basic needs.
- Social
 - Economic
 - Political
 - Liberal
- 38 _____ justice aims at setting up of a society where there is equal social status for all and there is no discrimination on any grounds.
- Social
 - Economics
 - Political
 - Liberal
- 39 _____ means that individual has freedom of thought, belief, expression, faith and worship.
- Liberty
 - Equality
 - Democratic
 - Regional
- 40 _____ of the individual means the personality of each individual should be recognized and respected.
- Liberty
 - Equality
 - Dignity
 - Regional
- 41 Political parties that contest local, state, national elections are required to register with the ___ of India.
- Election commission
 - Supreme court
 - President
 - State Government
- 42 Political parties recognized in _____ or more states are considered as national parties.
- Six
 - Five
 - Four
 - Three
- 43 The main aim of every political party is to promote ____
- Secularism.
 - Socialism
 - National interest
 - Integrity
- 44 Political parties which do not get a majority, play the role of ____ parties.
- Opposition
 - Ruling
 - Suppressing
 - Supporting
- 45 The election commission of India can ____ a political party when found that a party has registered through fraudulent means.
- Recognize
 - De-recognize

- c. Promote
 - d. Demote
- 46 The ___ governments enjoy greater degree of autonomy in decision-making.
- a. Union
 - b. State
 - c. Local
 - d. Municipality
- 47 The urban areas in India looked after by the__.
- a. Municipalities
 - b. State
 - c. Panchayat raj
 - d. Gram Panchayat
- 48 The municipal corporation of Greater Mumbai operates under the _____.
- a. State Government
 - b. Brihanmumbai municipal corporation
 - c. Unions Government
 - d. Thane municipal corporation
- 49 The councillor enjoys a terms of ___ years
- a. Two
 - b. Three
 - c. Five
 - d. One
- 50 The _____ is the first citizen of the city.
- a. President
 - b. Governor
 - c. Mayor
 - d. Prime Minister