

SAMPLE MULTIPLE CHOICE QUESTIONS

SUBJECT: MANAGEMENT ACCOUNTING

CLASS: SY.BBI

SEMESTER: III

1. In Vertical Revenue Statement interim dividend paid is classified as _____.
 - A. Finance expenses
 - B. Appropriation of profit
 - C. Selling expenses
 - D. Non-operational expenses
2. Management Accounting is _____.
 - A. Future oriented
 - B. Mandatory
 - C. Historical
 - D. Concurrent
3. In Balance Sheet, securities premium should be shown under _____.
 - A. Share Capital
 - B. Current Liabilities
 - C. Reserve & Surplus
 - D. Fixed Assets
4. Bank Overdraft is classified under _____.
 - A. Share Capital
 - B. Non-Quick Current Liabilities
 - C. Current Assets
 - D. Fixed Assets
5. _____ expenses refer to those expenses which the company has incurred, of which the benefits are yet to be realized.
 - A. Outstanding
 - B. Prepaid
 - C. Non-Cash
 - D. Cash
6. _____ information is used by top management to plan the objectives of the organization and to assess whether the objectives are being met in practice.
 - A. Operational
 - B. Tactical
 - C. Strategic
 - D. General
7. The focus of managementt accounting is on
 - A. Internal Reporting
 - B. External Reporting
 - C. Tax Planning
 - D. General Reporting
8. Strategic information is obtained from
 - A. Internal Sources
 - B. Internal and External Sources
 - C. External Sources
 - D. General Sources

9. Owner's Fund
- (a) Capital-Reserve and surplus -P&L A/c Dr. Balance – Misc .Expenditure not written off
 - (b) Capital + Reserve and surplus + P&L A/c Dr. Balance – Misc .Expenditure not written off
 - (c) Capital+ Reserve and surplus-P&L A/c Dr. Balance – Misc .Expenditure not written off
 - (d) Capital + Reserve and surplus-P&L A/c Dr. Balance + Misc .Expenditure not written off
10. In a Vertical Financial Statement, accumulated losses
- (a) Are added to the total of (a) Capital and (b) Reserve & Surplus
 - (b) Are deducted from the total of (a) Capital and (b) Reserve & Surplus
 - (c) Are shown under “Application of Funds”
 - (d) Are ignored
11. Short Term Investment are shown in the vertical financial statements as
- (a) Part of investment (b) part of loans and advances
 - (c) Part of current assets (d) Long term Investments
12. Depreciation on machinery
- (a) Is ignored in the vertical financial statements
 - (b) Is shown as non-operating expenditure in the vertical financial statements
 - (c) Is shown as administrative expenditure in the vertical financial statements
 - (d) Is shown as cost of goods sold in the vertical financial statements
13. The term 'owed funds' indicate _____
- (a) All short term debts (b) all long term debts
 - (c) Both short and long term debts (d) Share Capital + R & S
14. X Ltd., furnished the following information:
- | | |
|---------------------|---------------|
| Fixed assets | Rs. 30,00,000 |
| Current assets | Rs. 12,00,000 |
| Investments | Rs. 16,00,000 |
| Current liabilities | Rs. 8,00,000 |
| Secured loans | Rs. 4,00,000 |
- The total of 'Sources of funds' of X Ltd., is
- a) 50,00,000
 - b) 58,00,000
 - c) 42,00,000
 - d) 56,00,000
15. Y Ltd., furnished the following information:
- | | |
|------------------------|---------------|
| Cash balance | Rs. 4,00,000 |
| Stock | Rs. 1,20,000 |
| Short term Investments | Rs. 16,00,000 |
| Debtors | Rs. 8,00,000 |
| Secured loans | Rs. 4,00,000 |
- The total of 'Quick Assets' of Y Ltd., is _____
- a) 33,20,000
 - b) 29,20,000
 - c) 28,00,000

- d) 30,20,000
16. If Dividend received is ₹2,00,000, Interest received is ₹6,00,000, Commission received is ₹1,00,000, then total Non – operating income = _____
- 9,00,000
 - 6,00,000
 - 8,00,000
 - 1,00,000
17. Administrative Expense Ratio = _____
- [Administrative Expense/ Total Operating Expense]
 - [Administrative Expenses/ Net Sales] x100
 - [Sales& Distribution Expenses/ Total Operating Expenses]
 - [Finance Expenses – Total Operating Expenses]
18. Stock Turnover Ratio = _____
- [Opening stock / Closing stock Ratio]
 - [COGS/Average Stock]
 - [Sales/ Opening Stock]
 - [Opening stock – Closing Stock]
19. Return on Equity Capital = _____
- [Profit Before Interest & Tax /Capital Employed] x 100
 - [Gross Profit/ Capital Employed]x100
 - [Profit Available to equity shareholders / equity shareholders fund] x 100
 - [Retained Earning/ Capital Employed] x 100
20. While computing Proprietary Ratio, Total Assets are taken as equal to _____
- Capital Employed
 - Own Funds + Loans - Current Liabilities
 - Fixed Assets + Investments + Current Asset
 - Fixed Assets + Investments + Working Capital
21. When Current Ratio is 2:5, and the amount of current liabilities is Rs. 25,000, the amount of Current Assets is Rs. _____
- 10,000
 - 15,000
 - 30,000
 - 20,000
22. When net profit is Rs. 2,25,000, taxes Rs. 25,000 and net worth Rs. 10,00,000 The rate on shareholder's equity is _____%.
- 15
 - 35
 - 20
 - 42
23. Total Assets = Rs.15,00,0000
Current Liabilities = Rs. 6,00,000
Total Debts = Rs. 12,00,000
Calculate Debt – Equity Ratio
- 1:4
 - 2:1
 - 1:2
 - 4:3
24. Total Assets = Rs.15,00,0000
Current Liabilities = Rs. 6,00,000

Total Debts = Rs. 12,00,000
Calculate Debt – Equity Ratio

- a. 1:4
 - b. 2:1
 - c. 1:2
 - d. 4:3
25. Cost of goods sold is Rs. 5,40,000. Net Sales Rs. 6,00,00, Sales Returns Rs. 10,000. The G.P. ratio is
- A. 20%
 - B. 15%
 - C. 12%
 - D. 10%
26. Standard Liquid Ratio is _____.
- A. 1:1
 - B. 2:1
 - C. 1: 4
 - D. 1: 3
27. Current ratio is 2:5; Working Capital is Rs. 60,000 Current Assets will be _____.
- A. Rs. 1,00,000
 - B. Rs. 1,40,000
 - C. Rs. 50,000
 - D. Rs. 1,25,000
28. G. P. Rs. 1,00,000, Total sales Rs. 5,25,000 sales return Rs. 25,000 G.P. Ratio will be
- A. 25%
 - B. 21%
 - C. 20%
 - D. 28 %
29. Longer collection period indicates that
- A. Debtors are not prompt in payment
 - B. Short term financial position is good
 - C. Creditors are allowing longer period of credit
 - D. Long term position is good
30. Current ratio is a relationship between
- A. Fixed Assets and Current Assets
 - B. Current Assets and General Assets
 - C. Current Assets and Investment
 - D. Current Assets and Current Liabilities
31. Shortage of working capital may result in _____
- a. Poor credit standing
 - b. More cash discount
 - c. More trade discounts
 - d. More demand for the product
32. Which of the following cause an increase in operating cycle of a firm?
- a. Increase in raw material storage period
 - b. Decrease in average collection period
 - c. Increase in average payment period
 - d. Decrease in conversion period
33. Creditors = No. of units X _____ X No. of months
- a. Rate of wages

- b. Rate of overheads
- c. Selling price
- d. Raw material rate

From the given information, answer Q.34. to Q.42.

Production: 30,000 units p.a.

Selling Price ₹10

Raw material 60% of selling price

Direct wages $\frac{1}{6}$ th of Raw material

Overheads Twice of Direct wages

Material in hand 2 months requirement

Production time 1 month

Finished goods in stores 3 months

Credit for material 2 Months

Credit allowed to customers

Average cash balance ₹40,000

Wages and overheads are paid in the beginning of the next month.

All the material is charged initial stage and wages and overheads accrue evenly

34. Wage rate per unit = _____
- a. ₹1
 - b. ₹6
 - c. ₹2
 - d. ₹9
35. Stock of raw material = _____
- a. ₹15,000
 - b. ₹30,000
 - c. ₹60,000
 - d. ₹1,80,000
36. Stock of Work in progress = _____
- a. ₹1,16,250
 - b. ₹30,000
 - c. ₹18,750
 - d. ₹75,000
37. Stock of finished goods = _____
- a. ₹1,16,250
 - b. ₹30,000
 - c. ₹18,750
 - d. ₹75,000
38. Total Debtors = _____
- a. ₹30,000
 - b. ₹75,000
 - c. ₹1,16,250
 - d. ₹2,500
39. Total Creditors = _____
- a. ₹30,000
 - b. ₹75,000
 - c. ₹1,16,250
 - d. ₹2,500
40. Total Current assets = _____
- a. ₹2,00,000
 - b. ₹2,31,250
 - c. ₹1,93,750

- d. ₹2,30,000
41. Total Current liabilities = _____
- ₹30,000
 - ₹37,500
 - ₹40,000
 - ₹1,00,000
42. Net working capital = _____
- ₹2,00,000
 - ₹2,31,250
 - ₹1,93,750
 - ₹1,93,750
43. Which of the following statements is false?
- In a trading concern, the operating cycle does not involve items of raw materials and work-in-progress.
 - In a monopolistic concern selling only on cash basis, the operating cycle does not involve the item of debtors.
 - In a manufacturing concern, the operating cycle does not involve items of operating and closing stock.
 - Negative Working Capital indicates lack of liquidity and adverse solvency position of a concern.
44. If the net working capital is negative then it indicates that
- Long-term funds have been used for financing short-term assets.
 - Long-term funds have been used for financing long-term assets.
 - Short-term funds have been used for financing long-term assets.
 - Short-term funds have been used for financing short-term assets.
45. Which of the following will increase the duration of the net operating cycle?
- Increase in the raw material storage period.
 - Decrease in the average collection period.
 - Increase in the average payment period.
 - Decrease in the conversion period.
46. _____ are paid fixed rate of dividend
- Partly paid equity shareholders
 - Fully paid equity shareholders
 - Preference shareholders
 - Debenture holders
47. _____ is not a source of bonus shares issue
- Free reserves
 - Securities premium account
 - Capital redemption reserve account
 - Share capital
48. If the existing total share capital of X Ltd. ₹15,00,000, proportion of Equity capital to Preference Share Capital is 3:2, if bonus ratio is 1:1 _____ is the number of fresh bonus issue.
- 15,00,000
 - 6,00,000
 - 9,00,000
 - 20,00,000
49. Dividend payout ratio = _____
- PAT / Capital
 - DPS / EPS
 - Pref. Dividend / PAT

- d. Pref. Dividend / Equity Dividend
50. Bonus shares can be issued through capitalizing _____ from the below
- a. Share capital
 - b. Debentures
 - c. Free reserves
 - d. Sinking fund

SAMPLE MULTIPLE CHOICE QUESTIONS

SYBBI SEM III

ORGANIZATIONAL BEHAVIOUR

1. The word Personality is derived from the Latin word Persona meaning _____.
 - a) a face
 - b) culture
 - c) a mask
 - d) a value
2. _____ is one of the determinants of Personality.
 - a) Economic Factors
 - b) Monetary Factors
 - c) Biological Factors
 - d) Foreign Factors
3. People who are impatient, aggressive & highly competitive are termed as _____ personality.
 - a) Type B
 - b) Type A
 - c) Type C
 - d) Type D
4. _____ is a key process of human behaviour.
 - a) Good looking
 - b) English speaking
 - c) Mask
 - d) Learning
5. _____ decisions are more focused & rational as compared to group.
 - a) Individual
 - b) Foreigners
 - c) Two persons
 - d) Emotional
6. Each person is represented by the _____ through four quadrants or window panes.
 - a) Johari Model
 - b) Cultural Model
 - c) Social Model
 - d) Individual Model
7. Familiar examples of _____ are wealth, loyalty, independence, equality, justice, fraternity and friendliness.
 - a) Language
 - b) Religion
 - c) Caste
 - d) Values
8. _____ is a personality characteristic that makes an individual pay closer attention to a social situation so that they can change their behaviors to fit that situation.

- a) Self-Monitoring
 - b) Dual Monitoring
 - c) Group Monitoring
 - d) Non-Monitoring
9. _____ is an intellectual process of transforming sensory stimuli to meaningful information
- a) Selfishness
 - b) Cheating
 - c) Learning
 - d) Perception
10. _____ have lower interests in social engagement
- a) Introverts
 - b) Extroverts
 - c) Foreigners
 - d) Everyone
11. A _____ is a shared idea about how something is ranked in terms of desirability worth or goodness.
- a) Religion
 - b) Caste
 - c) Colour
 - d) Value
12. The _____ approach considers personality as a certain style peculiar to the individual.
- a) Sociological
 - b) Psychological
 - c) Cultural
 - d) Regional
13. The _____ is concerned with social rules and morals.
- a) Id
 - b) Ego
 - c) village go
 - d) Superego
14. _____ is also known as the power of knowledge.
- a) Expert power
 - b) Fresher power
 - c) Foreigner
 - d) Supplier
15. Lack of communication creates _____ among the subordinates.
- a) Understanding
 - b) Trust
 - c) Doubts
 - d) Nothing
16. _____ are diagrams in which answers to yes or no questions lead decision makers to address additional questions until they reach the end of the tree.
- a) Mango trees
 - b) Decision trees
 - c) Religious tree

- d) Personal tree
17. _____ is also called as personal power, charismatic power, and the power of personality
- a) Religious Power
 - b) Group Power
 - c) Buying Power
 - d) Referent Power
18. _____ means an organization formed by some people, having a separate entity and perpetual succession.
- a) Corporate Organization
 - b) Understanding
 - c) Sole trading concern
 - d) Partnership firm
19. _____ is the ability to get things done
- a) Power
 - b) Dance
 - c) Culture
 - d) Social
20. _____ is a process by which compromise or agreement is reached while avoiding argument and dispute.
- a) Politics
 - b) Social Exchange
 - c) Negotiation
 - d) Foreigner
21. _____ defines the degree of closeness that the members feel with the groups.
- a) Loneliness
 - b) Selfishness
 - c) Cohesiveness,
 - d) Language
22. The originator of Transactional analysis is _____
- a) Dr. Thomas Rule
 - b) Dr. Eric Berne
 - c) Dr. Thomas Harris
 - d) Dr. Guljarilal
23. An _____ is a third party with the authority to dictate an agreement.
- a) Organizer
 - b) Industrialist
 - c) Arbitrator
 - d) Aristocrat
24. _____ is the transmission of information between a business and another person or entity in the company's external environment.
- a) External corporate communication
 - b) Internal corporate communication
 - c) Arbitrator
 - d) Negotiation
25. _____ groups are formed to achieve a specific goal or objective, i.e., they are more task oriented by nature.

- a) Primary
 - b) Formal
 - c) Informal
 - d) Local
26. People with high _____ perceive themselves to be capable significant, and worthy.
- a) Selfishness
 - b) Social
 - c) self-esteem
 - d) anger
27. School experiences have an impact on the development of _____.
- a) Personality
 - b) Selfishness
 - c) Cohesiveness,
 - d) Language
28. _____ is a schedule of reinforcement in which reinforcement is given only after a fixed number of responses have been emitted.
- a) Current Ratio
 - b) Arbitrator
 - c) Fixed Ratio
 - d) Variable Ratio
29. _____ is a previously neutral stimulus that acquires the capacity to evoke a response by being paired with an unconditioned stimulus.
- (a) Conditioned stimulus
 - (b) Unconditioned stimulus
 - (c) Conditioned response
 - (d) Unconditioned response
30. The _____ is an action that the unconditioned stimulus automatically elicits.
- (a) Conditioned stimulus
 - (b) Unconditioned stimulus
 - (c) Conditioned response
 - (d) Unconditioned response
31. _____ is a favorable consequence that encourages repetition of
- (a) Positive reinforcement
 - (b) Negative reinforcement
 - (c) Punishment
 - (d) Extinction
32. _____ reality is what truly exists in the physical world
- (a) Objective
 - (b) Subjective
 - (c) Perceived
 - (d) Honest
33. _____ is the extent to which a person acts in the same way when he is in the same situation.
- (a) Repetitiveness

- (b) Consistency
 - (c) Consensus
 - (d) Distinctiveness
34. _____ is the extent to which other people behave in the same manner as the person we are judging.
- (a) Agreement
 - (b) Consistency
 - (c) Consensus
 - (d) Distinctiveness
35. Affect can be experienced in the form of _____ or moods.
- (a) Beliefs
 - (b) Emotions
 - (c) Attitude
 - (d) Thoughts
36. Emotions can't be _____
- (a) Positive
 - (b) Specific
 - (c) Neutral
 - (d) Negative
37. _____ creates a win-lose situation.
- (a) Distributive bargaining
 - (b) Integrative bargaining
 - (c) Avoiding intention
 - (d) Fix price
38. _____ is the first step in the negotiation process.
- (a) Definition of ground rules
 - (b) Clarification & justification
 - (c) Preparation & planning
 - (d) Bargaining and problem solving
39. _____ power is dependent on fear.
- (a) Coercive
 - (b) Reward
 - (c) Legitimate
 - (d) Expert
40. _____ power is the opposite of coercive power.
- (a) Coercive
 - (b) Reward
 - (c) Legitimate
 - (d) Expert
41. _____ communication is described as information flowing from lower levels to higher levels within an organization.
- (a) Upward
 - (b) Downward
 - (c) Lateral
 - (d) Grapevine
42. _____ is not one of the major functions of communication.
- (a) Control

- (b) Motivation
 - (c) Information
 - (d) Leadership
43. Moods are _____ in nature.
- (a) Cognitive
 - (b) Action oriented
 - (c) Neutral
 - (d) Negative
44. (5) Many researchers agree on _____ universal emotions.
- (a) Four
 - (b) Six
 - (c) Three
 - (d) Five
45. _____ factors can influence interpretations of emotions
- (a) Environmental
 - (b) Cultural
 - (c) Social
 - (d) Natural
46. People tend to be in their _____ moods late in the week.
- (a) Best
 - (b) Worst
 - (c) Positive
 - (d) Negative
47. Stressful daily events _____ affect moods.
- (a) Positively
 - (b) Negatively
 - (c) Do not
 - (d) Do
48. Emotions are usually accompanied by distinct _____ expressions.
- (a) Verbal
 - (b) Positive
 - (c) Facial
 - (d) Physical
49. Moods are feelings that tend to be _____ intense than emotions.
- (a) More
 - (b) Less
 - (c) Very
 - (d) Not
50. Feedback should be _____
- (a) Specific
 - (b) General
 - (c) Vague
 - (d) Spontaneous

SAMPLE MULTIPLE CHOICE QUESTIONS

CLASS: SYBBI - SEMESTER: III

SUBJECT: FINANCIAL MANAGEMENT – I

- 1 The investment decision of the firm is related to _____ decision.
 - a Capital Budgeting
 - b Issue of shares
 - c retained earnings
 - d issue of debentures

- 2 The financing decision of the firm is related to _____ decision
 - a Capital Budgeting
 - b Issue of shares
 - c retained earnings
 - d Dividend

- 3 The dividend decision of the firm is related to the _____ decision.
 - a retained earnings
 - b Capital Budgeting
 - c Issue of shares
 - d issue of debentures

- 4 Which of the following is the traditional functions of the finance manager?
 - a Determining total amount of fund required in the firm
 - b allocate the funds efficiently
 - c obtaining the best mix of funds
 - d raising funds required by the firm

- 5 _____ is also called as "Privileged Subscription"
 - a Right issues
 - b Bonus shares
 - c Equity shares
 - d Preference shares

- 6 _____ is intended for accepting the rights and applying for additional shares.
 - a Form A
 - b Form B
 - c Form C
 - d Form D

7 Which of the following form is used by the person in whose favour the rights have been renounced for making application?

- a Form A
- b Form B
- c Form C
- d Form D

8 _____ policy is adopted by the top management in regards to distribution of profits.

- a Bonus
- b Dividend
- c Investment
- d Financing

9 _____ it involves use of an asset without the desire to assume or intend to assume ownership.

- a Leasing
- b Hire Purchase
- c ICD
- d Lean

17 What is the most appropriate goal of the firm?

- a shareholders wealth maximization
- b Profit maximization
- c stakeholder's maximization
- d EPS maximization

18 The total annual profit after tax and preference shares dividend has be divided by the total number of shares outstanding in order to determine _____.

- a MPS
- b EPS
- c D/P Ratio
- d Ke

19 The profit before interest and tax divided by the debit and equity in order to determine _____.

- a Return on Capital Employed
- b MPS
- c EPS
- d D/P Ratio

20 _____ is calculated by deducting Cost of Capital Employed from Net Operating Profit after Taxes.

- a Return on Capital Employed
- b EVA
- c EPS

d MPS

21 Present value of a Rupee is always:

- a Equal to its future value
- b Greater than its future value
- c Less than its future value
- d Is not related to its future value

22 Time value of money is based on principle of:

- a A stich in time, save nine
- b A bird in hand; is worth two in bush.
- c As you sow; so, you reap
- d Hard work pays in the long run

23 Dividend declared between two Annual General Meeting is termed as _____.

- a Stock Dividend
- b Cash Dividend
- c Interim Dividend
- d Liquidation Dividend

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

- a Participating Preference Shares
- b cumulative preference shares
- c secured preference shares
- d Convertible Preference Shares

25 When the bonds are purchased at a _____, the investor pay less than the face value upfront.

- a Par
- b Premium
- c Discount
- d Face value

26 Seema has invested Rs.2,00,000 in a scheme @ 10% p.a. compounded half yearly. Find what will be the amount become end of one year.

- a 2,20,500
- b Rs.2,20,000
- c Rs. 2,00,000
- d Rs.2,10,000

27 An investor invest sum of Rs.24,000 for the period of 3 years at 10% compound interest per annum. How much money he gets back at the end of the three years.

- a Rs. 15900
- b Rs. 31,944
- c Rs. 32000
- d Rs. 34000

Q.28. Dividends are cash flows returned to the _____.

- a. Debenture holders
- b. Shareholders
- c. Company
- d. Insurer

Q.29. The cost of _____ capital is the highest.

- a. Equity
- b. Preference
- c. Debt
- d. International

Q.30. Dividend is distribution of _____.

- a. Profit Before Tax
- b. Income of the Company
- c. Profit After Tax
- d. Returns on Debentures

From the following data given. Assume Tax rate 50%

Particulars	Amount (Rs.)
10% Debentures	3,00,000
9% Preference shares	2,00,000
Equity shares (face value Rs. 100)	5,00,000

Dividend Rs. 9 per share a year has been paid on equity shares in recent years. Market price of Equity share is Rs. 102. **(Please answer from Q.31 to Q.35)**

Q.31. Calculate cost of Debentures from the above data given

- a. 12%
- b. 10%
- c. 6%
- d. 5%

Q.32. Calculate cost of Equity from the above data given

- a. 12.24%
- b. 10.2%
- c. 8.82%
- d. 7.5%

Q.33. Calculate WACC for Preference shares.

- a. 1.8%
- b. 1.7%
- c. 2.3%

d. 2.7%

Q.34. Calculate WACC for Equity shares.

- a. 1.5%
- b. 4.41%
- c. 5.2%
- d. 4.8%

Q.35. Calculate total WACC for all the source given.

- a. 10%
- b. 6.2%
- c. 7.71%
- d. 8.2%

Q.36. Decisions involving purchase of fixed assets are also termed as _____.

- a. Capital structure decision
- b. Capital Budgeting
- c. Capital Restructuring
- d. Capital Mix decision

Q.37. Inventories are also termed as _____.

- a. Stock
- b. Fixed asset
- c. Current asset
- d. Shares

Q.38. _____ shares are issued free of cost.

- a. Equity
- b. Rights
- c. Preference
- d. Bonus

Q.39. A shareholder invests in a Company's shares mainly _____.

- a. For capital appreciation
- b. To receive dividends
- c. To receive bonus and right shares
- d. To receive interest on investment regularly

Q.40. Dividend is distribution of _____.

- a. Profit before tax
- b. Profit after tax
- c. Income of the company

- d. Returns on debentures
- Q. 41 _____ are very risky.
- Short term decisions
 - Medium term decisions
 - Long term decisions
 - Corporate decisions
- Q. 42 The _____ of an investment project is required to compute its NPV, PI and Discounted payback period.
- Premium factor
 - Discount factor
 - Present value factor
 - Return factor
- Q. 43 Under IRR, NPV of the project is _____.
- Equal to 1
 - Less than 1
 - Zero
 - Negative

The initial cost of Investment is Rs. 50,000. Calculate payback period having uneven cash inflows.

Year	Cash inflows
1	10,000
2	15,000
3	20,000
4	25,000 (Please answer from Q.44 to Q.48)

- Q.44. Calculate cumulative frequency of cash inflow for year 2.
- 30,000
 - 20,000
 - 25,000
 - 35,000
- Q.45. Calculate cumulative frequency of cash inflow for year 4.
- 62,000
 - 70,000
 - 54,000
 - 68,000
- Q.46. Calculate the uncovered amount of investment.
- 4,000
 - 9,000
 - 6,000
 - 5,000

Q.47. What is the year before full recovery?

- a. 4 years
- b. 3 years
- c. 2 years
- d. 1 year

Q.48. Calculate payback period of project.

- a. 3.2 years
- b. 2.6 years
- c. 3.6 years
- d. 4.2 years

Q.49. _____ is a method under capital budgeting where you calculate the returns on your investments.

- a. NPV
- b. Payback period
- c. Profitability Index
- d. ARR

Q.50. ARR does not consider _____.

- a. Investment
- b. Time value of money
- c. Project selection
- d. Capital rationing

SAMPLE MULTIPLE CHOICE QUESTIONS

CLASS: SYBBI - SEMESTER: III

SUBJECT: FOUNDATION COURSE – III

- 1 The SBI Act was passed to take over the _____.
 - a. Imperial Bank of India
 - b. The Bank of Bengal
 - c. Allahabad Bank
 - d. Hindustan Bank

- 2 Who is the authority for payment and settlement system in India?
 - a. RBI
 - b. Central Government
 - c. Company Law Board
 - d. State Government

- 3 Which one is the time deposit?
 - a. Saving deposit
 - b. Current deposit
 - c. Mixed banking
 - d. Fixed deposit

- 4 Which one is Regional Rural Bank?
 - a. Canara Bank
 - b. IDBI
 - c. Assam Gramin Vikash Bank
 - d. SBI Bank

- 5 Overdraft facility is given on _____ account.
 - a. Recurring deposit
 - b. Fixed deposit
 - c. Saving deposit
 - d. Current deposit

- 6 _____ directly gives loan and advances to rural customers.
 - a. Regional Rural bank
 - b. NABARD
 - c. SEBI
 - d. IDBI

- 7 There are _____ parties to bill of exchange.
 - a. Two
 - b. Four
 - c. Three
 - d. Four

- 8 In 1969, _____ banks were nationalised.
- 15
 - 19
 - 10
 - 14
- 9 In _____ presidency banks were merged to form Imperial Bank of India.
- 1935
 - 1921
 - 1911
 - 1940
- 10 Which is one of the services of virtual banking?
- Smart card
 - Safe Locker
 - Deposits
 - Instructor
- 11 Under Bills of Exchange, drawer and _____ can be same person.
- drawee
 - maker
 - payee
 - instructor
- 12 _____ defines a Banking companies as a company which transact the business of Banking in India.
- Banking Regulation Act
 - Reserve Bank of India
 - State Bank of India
 - SEBI
- 13 RBI stated that initial paid up capital should be _____ within 3 years of commencement of business.
- Rs. 100 to 200 crores
 - Rs. 100 to 300 crores
 - Rs. 150 to 500 crores
 - Rs. 200 to 300 crores.
- 14 _____ of BOD must consist of people having knowledge in agriculture, banking etc.
- 60%
 - 55%
 - 50%
 - 51%
- 15 Every company should maintain cash, gold or approved securities. It should be not less than 25% of _____.
- Time deposits

- b. Demand deposits
 - c. Time and Demand deposits
 - d. Mutual funds
- 16 Basel I Accord was adopted in India in _____.
- a. 1995
 - b. 1991
 - c. 1990
 - d. 1999
- 17 In case of Foreign bank, business situated in Mumbai or Kolkata or both Rs. _____ is required.
- a. 20 lakhs
 - b. 10 lakhs
 - c. 25 lakhs
 - d. 30 lakhs
- 18 In case of Indian bank, minimum paid up capital should be _____ lakhs for commencing banking business.
- a. 2
 - b. 4
 - c. 5
 - d. 10
- 19 Under Promissory note, _____ is a person who makes payment.
- a. Pledge
 - b. Payee
 - c. Maker
 - d. Drawer
- 20 _____ is a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand”.
- a. Draft
 - b. Bills of Exchange
 - c. Cheque
 - d. Promissory note
- 21 _____ is a banking in which all necessities of general public are coordinated to satisfy the customer.
- a. retail bank
 - b. merchant bank
 - c. cooperative
 - d. government
- 22 NPA stands for _____.
- a. Non-Performing Assets
 - b. Non-Parameter Asset
 - c. Non-Performing Art

- d. Non-Parameter Art
- 23 Advisory Service is a _____ service.
- Non financial
 - Financial
 - Durable
 - Non Durable
- 24 Corporate Bank is also known as _____.
- Wholesale
 - Retail
 - cooperative
 - government
- 25 _____ is a traditional finance service offered by Corporate banking.
- Term loan
 - Syndication Loan
 - Letter of Credit
 - Working Capital
- 26 _____ is the process of involving a group of lenders in funding various portions of a loan for a single borrower.
- Loan syndication
 - Project Finance
 - Consortium Finance
 - Investment
- 27 _____ takes place when two or more banks jointly participate in financing a corporate borrower.
- Consortium Finance
 - Loan syndication
 - Project Finance
 - Investment
- 28 _____ was constituted in 1955.
- SBI
 - RBI
 - IDBI
 - CBI
- 29 A _____ as representative or correspondent for on customer and accepts bills of exchange in return for a commission.
- Banker acts
 - Commercial Banks
 - RBI
 - SEBI

- 30 A _____ renders a number of usual services known as general utility services.
- Commercial Banker
 - Schedule banks
 - Banking services
 - SEBI
- 31 Dematerialization was introduced through the depository ordinance _____.
- 1996
 - 1995
 - 1994
 - 1993
- 32 Paperless script was introduced in the year _____.
- 1996
 - 1995
 - 1994
 - 1993
- 33 Paperless script is also known as _____.
- Dematerialization
 - Mutual Fund
 - Investment
 - Beneficiaries
- 34 Replacement of traditional system of banking system is known as _____.
- Depository Services
 - Demat Services
 - Commercial Banker
 - Retail Banker
- 35 _____ signifies conversion of a share certificate from its physical form to the electronic form.
- Dematerialization
 - Depository Services
 - Portfolio management
 - Loan Syndication
- 36 NSDL stands for _____.
- National Securities Depository Limited
 - Notional Securities Depository Limited
 - National Service Depository Limited
 - Notional Service Depository Limited
- 37 _____ combines both financial planning and specialized financial service.
- wealth management
 - deposit management

- c. MFM
 - d. Venture capital
- 38 _____service is tailor made professional service offered to cater the investments objective of different investor clauses.
- a. Portfolio Management
 - b. wealth management
 - c. deposit management
 - d. Credit Management
- 39 The banks have to obtain prior approval of _____ for acting as composite corporate agent.
- a. IRDA
 - b. SEBI
 - c. RBI
 - d. BSE
- 40 _____ means a person resident outside India who is a citizen of India.
- a. NRI
 - b. Indian
 - c. Foreigner
 - d. Local
- 41 NRI has to open _____ account.
- a. NRO
 - b. Current
 - c. Savings
 - d. Recurring
- 42 The Canara bank debit card used by a customer in Canara bank's ATM is known as _____.
- a. Red Label ATM
 - b. Yellow Label ATM
 - c. Green Label ATM
 - d. White Label ATM
- 43 Full form of PMJDY
- a. Pradhan Mantri Jal DhamYojna
 - b. Pura Mitro Jan DhanYojna
 - c. Pradhan Mantri Jan DhanYojna
 - d. Pura Maharashtra Jal DhanYojna
- 44 The General Credit Card limit is up to Rs. _____
- a. 5,000/-
 - b. 10,000/-
 - c. 25,000/-
 - d. 50,000/-
- 45 The banks are advised to provide banking services in every unbanked village

- having a population of over ____ by March 2012
- 2,000
 - 20,000
 - 2,00,000
 - 20,00,000
- 46 Stand Up India Scheme for Green field is made for
- SC and ST caste people
 - SSC
 - HSC
 - Graduate
- 47 Pradhan Mantri Mudra Yojana gives loan upto Rs. 50,000/- under scheme called as ____
- Shishu
 - Shikha
 - Shiksha
 - Suraksha
- 48 Pradhan Mantri Mudra Yojana gives loan upto Rs. 50,000/- to Rs. 5,00,000/- under scheme called as ____
- Kumar
 - Kishor
 - Karta
 - Kavya
- 49 Pradhan Mantri Mudra Yojana gives loan upto _____ to _____ under scheme called as Tarun
- Rs. 50,000/- upto Rs. 10,00,000/-
 - Rs. 5,00,000/- upto Rs. 10,00,000/-
 - Rs. 15,00,000/- upto Rs. 100,00,000/-
 - Rs. 5,000/- upto Rs. 1,00,000/-
- 50 Pradhan Mantri Mudra Yojana was launched on ____
- 8th April, 2015
 - 8th April, 2017
 - 8th April, 2019
 - 8th April, 2020

S.Y.B.B.I SEM-III

FINANCIAL MARKETS

SAMPLE QUESTIONS FOR WEBSITE

1. Find the Odd man out:
 - a. Commercial Paper
 - b. Share Certificate
 - c. Certificate of Deposit
 - d. Treasury Bill
2. The Reserve Bank of India was established in the year, _____.
 - a. 1935
 - b. 1934
 - c. 1949
 - d. 1948
3. T-Bills are issued by _____.
 - a. R.B.I
 - b. S.E.B.I
 - c. F.M.C
 - d. N.S. E
4. The direct sale of security to investors is called _____.
 - a. Private Placement
 - b. Public Placement
 - c. Self-Group
 - d. Government Placement
5. Industrial revolution was brought under the leader ship of Prime Minister Mr. _____.
 - a. Manmohan Singh
 - b. V.P.Singh
 - c. P.V.Narsimha Rao
 - d. Jawaharlal Nehru
6. The Central Banking Function in India is performed by _____.
 - a. S.E.B.I
 - b. S.B.I
 - c. R.B.I
 - d. Central Government
7. _____ acts as an intermediary in case of issue of capital by the company.
 - a. Commercial Bank
 - b. Merchant Bank
 - c. Co-operative Bank
 - d. Central Bank
8. _____ deals with short term claims with a maturity of less than a year.
 - a. Capital Market
 - b. Money Market
 - c. Commodity Market
 - d. Debt Market
9. _____ is a way of reducing the potential financial loss and hardships.
 - a. Banking
 - b. Speculation

- c. Insurance
 - d. Gambling
10. There is high amount of risk in _____ financial service.
 - a. Hire Purchase
 - b. Leasing
 - c. Loan Syndication
 - d. Venture Capital
 11. RBI has been given the statutory function of _____ on a monopoly basis.
 - a. Treasury Bills
 - b. Note Issue
 - c. Promotional Activities
 - d. RRB's
 12. In the _____ market, there are no standardized rules & regulations governing their financial dealings.
 - a. Organized
 - b. Un-organized
 - c. RRB's
 - d. Un-structured
 13. The _____ is the queen bee of the Indian financial system which influences the commercial bank's management.
 - a. R.B.I
 - b. S.E.B.I
 - c. NABARD
 - d. S.B. I
 14. Primary market is also known as _____ market.
 - a. Money
 - b. Financial
 - c. New Issue
 - d. Secondary
 15. Banking Regulation Act, 1949 conferred wide powers upon _____ to supervise and control the affairs of banking companies in India.
 - a. Commercial Banks
 - b. Co-operative Banks
 - c. Foreign Banks
 - d. Reserve Bank of India
 16. _____ means a bank which is not included in the second schedule of the Reserve Bank of India Act, 1934.
 - a. Schedule
 - b. Non- Schedule
 - c. Co-operative
 - d. Commercial
 17. _____ funds have the fixed date of redemption.
 - a. Open ended
 - b. Close ended
 - c. Diversified
 - d. Mutual
 18. A _____ is a financial institution which accepts deposit from public for the purpose of giving Loans and advances.
 - a. Insurance
 - b. Mutual Fund Company
 - c. Bank

- d. Merchant Bank
19. Merchant Banks are regulated by the _____.
- Reserve Bank of India
 - Securities and Exchange Board of India
 - State Bank of India
 - Forward Market Commission
20. _____ is a lease where the asset is given on lease for long period of time, covering the majority term of the life of the asset.
- Operating Lease
 - Financial Lease
 - Leveraged Lease
 - Lease Rentals
21. NHB is wholly owned by _____.
- SEBI
 - SBI
 - RBI
 - UTI
22. In _____ type of factoring, if the customer refuses to pay the amount on maturity, factor will recover the amount from the client.
- With Recourse
 - Without Recourse
 - Domestic
 - International
23. _____ is an amount borrowed or lent on demand for a very short period.
- Commercial Bill Market
 - Call Money
 - Treasury Bill Market
 - Repo Transaction
24. Every recognised stock exchange is required to furnish to _____ with a copy of the Annual Report.
- BSE
 - NSE
 - SEBI
 - RBI
25. SBTS stands for _____.
- Screen Based Trading System
 - System Based Trading System
 - System Based Traffic System
 - Social Based Trading System
26. The 'BSE Sensex' or 'Bombay Stock Exchange' is value - weighted index composed of _____ stocks.
- 50
 - 30
 - 20
 - 100
27. Whenever a company issues new shares or debentures, it is known as _____.
- IPO
 - NFO

- C) FPO
D) Right Issue
28. _____ refers to the work of investigation, analysis and processing of new project proposals
A) Origination
B) Securitization
C) Factoring
D) Forfeiting
29. The IPO process is ultimately regulated by the _____ since the end state is the sale of common stock in the company "going public".
A) BSE
B) NSE
C) SEBI
D) RBI
30. SEBI was constituted on _____.
A) April, 1988
B) March, 1982
C) July, 1992
D) Dec. 1974
31. _____ is an unsecured instrument issued in the form of promissory note.
A) Commercial Banks
B) Commercial Paper
C) Money Bills
D) Treasury Bills
32. The _____ consists of indigenous bankers who pursue the banking business on traditional lines.
A) Unorganised Sector
B) Organised Sector
C) Banking Sector
D) Non - Banking Sector
33. A _____ is a tradable instrument issued by the central government or the state governments.
A) Commercial Banks
B) Commercial Paper
C) Certificate of Deposit
D) Government Security
34. _____ statement is true.
A) RBI introduced Repos & Reverse Repos in 1992
B) RBI Introduced Repos in 1992 & Reverse Repos in 1996
C) RBI introduced Repos & Reverse Repos in 1996
DRBI introduced Repos & Reverse Repos in 1964
35. _____ is correct regarding "progressive Tax".
A) Surcharge levied on taxes for development works
B) rate of tax increased for increased value or volume
C) getting burden of tax passed on to general customers
D) Nominal Rate levied

36. _____ organisations provide a guarantee to the exporters.
- [A\) Exim Bank](#)
- B) Export Credit Guarantee Corporation (ECGC)
- C) Director General Foreign Trade
- D) Reserve Bank in India
37. In the parlance of economy/commerce, what is “gilt-edged” market?
- a) Gold and silver market
- b) Industrial securities market
- c) Market for safe (such as government) securities
- d) Market for software technology/ service products
38. Nifty was established _____.
- A) 1996
- B) 1952
- C) 1965
- D) 1999
39. SEBI is a regulator of _____.
- A) capital market.
- B) money market
- C) commodity market.
- D) overseas market
40. ___ is a source of financing to meet very short-term fund requirements of commercial banks with a provision of renewal.
- A) Treasury Bill
- B) Commercial Paper
- C) Certificate of Deposit
- D) Call Money
41. The first computerised online stock exchange in India was _____.
- A) NSE
- B) OTCEI
- C) BSE
- D) MCX
42. MCX is started in the year _____.
- A 2010
- B 2009
- C 2010
- D 2003
43. NCDEX headquarter Is located in _____.
- A Mumbai
- B Kolkata
- C Chennai
- D Pune
44. Central Government has formed a body called forward market commission under section _____ of the Act, to regulate forward trading.

- A 4
 B 6
 C 8
 D 3
45. _____ is a person who purchase and sale goods in two different market to make profit.
 A Arbitragers
 B Hedgers
 C speculators
 d Brokers
46. Which one of the following is not the participant in Commodity market?
 a Arbitragers
 b Hedgers
 c speculators
 d Brokers
47. Under _____ contract there is physical delivery on expiry of contracts tenure.
 a Cash and delivery settlement
 b Cash settlement
 c Discount settlement
 d Open account settlement
48. A market in which goods are sold for cash and delivered immediately is called as _____.
 a Virtual Market
 b Physical market
 c Stock Market
 d NSE
49. Forward Market Commission comes under _____ tier of the authority hierarchy of commodity market
 a third
 b First
 c Second
 d Fourth
50. The spot market is fundamentally traded on _____ market.
 a Secondary market
 b BSE
 c NSE
 d OTC

SAMPLE QUESTIONS

SUBJECT: INFORMATION TECHNOLOGY IN BANKING & INSURANCE-I

CLASS : SYBBI

SEM III

MULTIPLE CHOICE QUESTIONS

1. Which of the following describes e-commerce?
 - a. Doing business electronically
 - b. Doing business
 - c. Sale of goods
 - d. Marketing
2. Which segment is eBay an example?
 - a. B2B
 - b. C2B
 - c. C2C
 - d. B-G
3. Which products are people most likely to be more uncomfortable buying on the Internet?
 - a. Books
 - b. Furniture
 - c. Movies
 - d. Home Appliances
4. Digital products are best suited for B2C e-commerce because they:
 - a. Are commodity like products
 - b. Can be personalized
 - c. More complex to buy
 - d. Time Consuming
5. The solution for all business needs is
 - a. EDI
 - b. ERP
 - c. SCM
 - d. OAS
6. What are materials used in production in a manufacturing company or are placed on the shelf for sale in a retail environment?

- a. Direct materials
 - b. Indirect materials
 - c. EDI
 - d. EFT
7. Which of the following statements accurately reflect the impact of technology
- a. Technology has caused buyer power to increase
 - b. Technology has lessened the entry barriers for many industries
 - c. Technology has increased the threat of substitute products and services
 - d. Technology has increased the threat
8. Which type of add appears on an e-commerce web page?
- a. pop-under ad
 - b. Pop-up ad
 - c. Banner ad
 - d. Discount ad
9. For carrying out B2C e-Commerce the following infrastructure is essential
- a. World Wide Web
 - b. Corporate network
 - c. Electronic Data Interchange standards
 - d. Secure Payment Services
- 10.** EDIFACT is a standard
- a. for representing business forms used in e-Commerce
 - b. for e-mail transaction for e-Commerce
 - c. for ftp in e-Commerce
 - d. protocol used in e-Commerce
11. Which of the following involves exchanges among customers, business partners and the vendor?
- a. E-Business
 - b. E-Commerce
 - c. Internet

d. WWW

12. Which of the following is/are not basic e-business model(s)?

a. B2B.

b. B2C.

c. C2G

d. C2B.

13. The dimension of e-commerce that enables commerce across national boundaries is called

_____.

a. Interactivity

b. global reach

c. richness

d. ubiquity

14. You have a credit limit of Rs.50,000 on your credit card, you have purchased readymade garments of Rs. 40,000 in the current month. How much more money can you use for purchasing from your credit card:

A. Rs. 10,000

B. Rs. 5,000

C. Rs. 50,000

D. Rs. 1000

15. In credit card what is the grace period of payment?

A. 10-15 days

B. 15-20 days

C. 15-45 days

D. 1-2 days

16. Asymmetric key cryptography is also known as:

A. Public key technique

B. Private key technique

C. Solo key technique

D. Unique Technique

17. What does EFTPOS stand for?

A. Electronic finance transfer at payment of sale

B. Electric finance transfer at payment of sale

C. Electronic funds transfer at point of sale

D. Electronic funds transfer at payment of sale

18. Which is not an advantage of electronic banking systems?
- A. Less cash on hand
 - B. Better internal control
 - C. Fee charged for use
 - D. Saves time required for processing cheques
19. One of the items is not related with e-banking
- A. Demand draft
 - B. SPMS
 - C. ECS
 - D. ATM
20. What is the main driver of electronic payment growth?
- A. Consumer demand for new methods
 - B. Government regulation
 - C. Technology development
 - D. Business demand
21. How much was worth a single bitcoin in the beginning of 2015?
- A. 157
 - B. 269
 - C. 357
 - D. 243
22. . NEFT STANDS FOR _____.
- A. NET ELECTRONIC FUNDS TRANSFER
 - B. NET ELECTRIC FUNDS TYPE
 - C. NATIONAL ELECTRONIC FUND TRANSFER
 - D. NATIONAL ELECTRIC FUND TYPE
23. _____ is also known as Electronic Payments Association.
- A. NCH
 - B. NPH
 - C. NACHA
 - D. NPCHA
24. This machine is required to read the information stored on a cheque.
- A. Barcode scanner
 - B. OCR

- C. OMR
- D. MICR

25. Payments can be made in the future.

- A. Debit Card
- B. Credit Card
- C. Stored Value Card
- D. Safe card

26. What is a disadvantage of using a credit card?

- A. It is easy to use.
- B. You can spend more than you have.
- C. It can be used in emergencies.
- D. Banks sometimes give rewards on credit cards.

27. This allows you to manage your money from a computer with internet access.

- A. electronic funds transfer
- B. checking account
- C. debit card
- D. online banking

28. RESERVE BANK OF INDIA ACT WAS PASSED IN THE YEAR

- A. 1935
- B. 1934
- C. 1949
- D. 1950

29. A _____ Identifies a location or selection of text that you name and identify for future reference.

- A. Bookmark
- B. SmartArt
- C. Template
- D. Hyperlink

30. Which of the following can be used to navigate documents?

- A. Frames
- B. Web Toolbar
- C. Mail Merge
- D. Hyperlinks

31. _____ function of MS-Excel displays the current system time.

- A. Sys ()
- B. Time ()
- C. Today ()
- D. Now ()

32.) How many columns are there in old version of MS Excel?

- (A) 250
- (B) 256
- (C) 265
- (D) 269

33. Answer of= ABS (-7.9) is _____.

- A. -7
- B. 7
- C. 7.9
- D. -63

34. _____ Returns the interest payment for a given period for an investment based on periodic, constant payments and a constant interest rate.

- A. PPMT ()
- B. IPMT ()
- C. PMT ()
- D. NPER ()

35. Which one is not a Function in MS Excel ?

- A. SUM
- B. AVG
- C. MAX
- D. MIN

36. What is the name of the IT law that India is having in the Indian legislature?

- A. India's Technology (IT) Act, 2000
- B. India's Digital Information Technology (DIT) Act, 2000
- C. India's Information Technology (IT) Act, 2000
- D. The Technology Act, 2008

37. Download copy, extract data from an open system done fraudulently is treated as _____

- A. cyber-warfare
- B. cyber-security act
- C. data-backup
- D. cyber-crime

38. A/An _____ is a piece of software or a segment of command that usually take advantage of a bug to cause unintended actions and behaviors.

- A. malware
- B. trojan
- C. worms
- D. exploit

39. It is very important to block unknown, strange and _____ within the corporate network.

- A. Infected Sites
- B. Programs
- C. Unwanted Files
- D. Important Folders

40. One must isolate payment systems and payment processes from those computers that you think are used by _____ or may contain _____

- A. Strangers, Keyloggers
- B. Strangers, Antivirus
- C. Unknown, Firewalls
- D. Unknown, Antivirus

41. The practice of making a transmission appears to come from an authorized user.

- A. Hacking

B. Spoofing

C. Spamming

D. spamdexing

42. _____ scammers pretend that there is a problem with your computer and then try to convince you to pay them to fix it.

A. Text message spam

B. Subpoena scams

C. Service members or veteran scams

D. Tech support scams

43. _____ information should be available wherever and whenever requirement within time limit specified.

A. Confidential

B. Authenticity

C. Auditability

D. Availability

44. _____ also has a review policy and the reporting an enforcement center gives the users options to report a privacy violation, abusive content or even a legal complaint.

A. You Tube

B. Twitter

C. Instagram

D. Facebook

45. Security bugs are also known as _____

A. security defect

B. security problems

C. system defect

D. software error

46. Answer of= CEILING (18,4) is _____.

A. 10

B. 20

C. 16

D. 72

47. Answer of= ROUNDUP (63.5, -1) is _____.

A. 60

B. 70

C. 63

D. 64

48. A small rectangle box at the bottom right corner of a cell is called as _____.

A. Active Cell

B. Fill Handle

C. Range

D. Function

49. In mail merge field names are enclosed with _____.

A. <>

B. {}

C. []

D. << >>

50. The SAVINGS account comes with a

A. credit card

B. debit card

C. cheque book

D. free gift

SYBBI: SEMESTER III
DIRECT TAX

- Q1 Income Tax is charged in –
- a) Financial Year
 - b) Assessment Year
 - c) Previous Year
 - d) Accounting Year
- Q2 A person includes:
- a) Only Individual
 - b) Only Individual and HUF
 - c) Individuals, HUF, Firm, Company only
 - d) Individuals, HUF, Company, Firm, AOP or BOI, Local Authority, Every Artificial Juridical Person
- Q3 As per section 2(31), the following is not included in the definition of 'person'
- a) An individual
 - b) A Hindu undivided family
 - c) A company
 - d) A minor
- Q4 Every assessee is a person, and
- a) every person is also an assessee
 - b) every person need not be an assessee
 - c) an individual is always an assessee
 - d) A HUF is always an assessee
- Q5 The year in which the income is earned is known as
- a) Previous year
 - b) Financial year
 - c) Assessment Year
 - d) Accounting Year
- Q6 Income-tax extends to
- a) All union territories
 - b) Whole of India excepting Jammu and Kashmir
 - c) Whole of Maharashtra only
 - d) Whole of India
- Q7 Assessment year is the period of 12 months commencing from

- a) a) The first day of March each year
- b) b) The first day of January each year
- c) c) Financial year immediately preceding the previous year
- d) d) The first day of April each year

Q8 Shivaji University is

- a) a) A company
- b) b) An association of persons
- c) c) A body of individuals
- d) d) An artificial judicial person

Q9 Life Insurance Corporation is treated under the Income-tax laws as

- a) a) A company
- b) b) An association of persons
- c) c) A body of individuals
- d) d) An artificial judicial person

Q10 Mumbai University is treated under the Income tax laws as

- a) a) A company
- b) b) An association of persons
- c) c) A body of individuals
- d) d) An artificial judicial person

Q11 A person by whom any tax, interest, penalty etc. is payable is known as

- a) a) A defaulter
- b) b) A resident
- c) c) A citizen
- d) d) An assessee

Q 12 The rates of Income-tax are laid down by

- a) a) The Income-tax Act
- b) b) The Income-tax rules
- c) c) The Finance Act passed by the parliament each year
- d) d) The Commodities and Patents Act

Q13 Income received in India

- a) a) Is taxable only for a resident
- b) b) Is not taxable for a non-resident.
- c) c) Is taxable for a resident, a resident and ordinarily resident and non-resident
- d) d) Is exempt in all cases

Q14 Income which accrues in India from a business controlled in India

- a) a) Is taxable only for a resident
- b) b) Is not taxable only for a non- resident

- c) Is taxable for a resident, a resident and ordinarily resident and non-resident
- c) resident
- d) Is exempt in all cases

- Q15 .Income accruing in Austria and received there is taxable in the hands of
- a) Resident and ordinarily resident only
 - b) Both resident and ordinarily resident and resident but not ordinarily resident
 - c) Both resident and non-resident
 - d) Non-resident

- Q16 Deductions available to government employees for entertainment allowance is
- a 20% Basic
 - b Rs. 5,000 p.a.
 - c Lower of a, b or amount received
 - d Nil

- Q17 Deductions available to non- government employees for entertainment allowance is
- a 20% Basic
 - b Rs. 5,000 p.a.
 - c Lower of a, b or amount received
 - d Nil

- Q18 Interest credited to Recognized Provident Fund is exempt upto
- a 9.50%
 - b 9.75%
 - c 9.25%
 - d 9%

- Q19 Commuted pension received by a government employee is
- a Fully taxable
 - b ½ taxable
 - c Fully exempt
 - d 1/3rd exempt

- Q20 Uncommuted pension received by a government employee is
- a Fully taxable
 - b ½ taxable
 - c Fully exempt
 - d 1/3rd exempt

- Q21 Mr. Mohits salary was increased from Rs. 27,000 to Rs. 35,000 p.m. on 1-6-2019 with retrospective effect from 1-5-2017, his taxable salary for P.Y. 2019-20 will be
- a Rs. 420,000
 - b Rs. 500,000
 - c Rs. 564,000
 - d Rs. 604,000

- Q22 Mr. Rahul is working for INC Ltd. on monthly salary of Rs. 35,000, he took 3 months' advance salary with the salary of February, his income from salary during P.Y. 2019-20 will be Rs.4,20,000
- a Rs. 420,000
 - b Ra. 525,000
 - c Rs. 490,000
 - d Rs. 455,000

- Q23 Mr. Shashi is working for HML Ltd. on monthly salary of Rs. 25,000, he took advance against salary of Rs. 75,000 in the month of February 2020, his income from salary during P.Y. 2019-20 will be
- a Rs. 375,000
 - b Rs. 300,000
 - c Rs. 225,000
 - d Rs. 325,000

- Q24 Salary received by partners from partnership firm is taxable ____ heading
- a Income from salary
 - b Income from other sources
 - c Profits and gains from business & profession
 - d Income from capital gains

- Q25 Salary received by MPs & MLAs is taxable _____ heading
- a Income from salary
 - b Income from other sources
 - c Profits and gains from business & profession
 - d Income from capital gains

- Q26 Dr. Jagdish is employed with Fortex Hospital Pvt. Ltd. as a senior Cardiac surgeon, amount received by him from the hospital will be taxable as _____
- a Salary Income
 - b Income from other sources
 - c Profits and gains from business & profession
 - d Income from capital gains

- Q27 Leave travel concession received for vacation to Varanasi (Uttar Pradesh) is ____ in the hands of employees.
- a Fully exempt
 - b Fully taxable
 - c Exempt up to 1st class rail fare
 - d Exempt for economy class air fare
- Q28 Salary is taxable on ____ basis.
- a Net
 - b Gross
 - c Net or Gross
 - d Total
- Q29 Bonus is taxable on ____ basis.
- a Receipt
 - b Due
 - c Receipt or due basis whichever is earlier
 - d Cash
- Q30 Salary is taxable on ____ basis.
- a Receipt
 - b Due
 - c Receipt or due basis whichever is earlier
 - d Cash
- Q31 Payment received by a College lecturer from University for setting question papers
- a Salary
 - b Income from other sources
 - c Income from business
 - d Exempt income
- Q32 Municipal valuation of the house is Rs. 100,000, fair rent RS. 120,000, standard rent Rs. 110,000 and actual rent received or receivable is Rs. 140,000. The gross annual value in this case shall be
- a Rs. 110,000
 - b Rs. 120,000
 - c Rs. 140,000
 - d Rs. 150,000
- Q33 Municipal valuation of the house is Rs. 120,000, fair rent RS. 140,000, standard rent Rs. 130,000 and actual rent received or receivable is Rs. 125,000. The gross annual value in this case shall be
- a Rs. 130,000

- b Rs. 125,000
- c Rs. 140,000
- d Rs. 150,000

Q34 Salary, bonus, commission or remuneration due to or received by a working partner from the firm is taxable under the head

- a Income from salaries
- b Other sources
- c Business income
- d Income from house property

Q35 Value of any perquisite arising from business is

- a Exempt from tax
- b Taxed as profits and gains of business
- c Taxed as income from other sources
- d Taxed as salary

Q36 Salary received by a partner from firm, allowed to be deducted from the firm's income under section 40(b) is

- a Taxed as profits and gains of business in the hands of the partner
- b Exempt from tax in the hands of the partner
- c Taxed as income from other sources in the hands of the partner
- d Taxed as salary in the hands of the partner

Q37 Receipt by a retiring partner from firm for agreeing not to carry on a similar business after retirement is

- a Exempt from tax in the hands of the partner
- b Taxed as profits and gains of business in the hands of the partner
- c Taxed as income from other sources in the hands of the partner
- d Taxed as capital gains in the hands of the partner

Q38 Income from illegal business e.g. smuggling is

- a Wholly exempt from tax
- b Taxed as income from other sources
- c Taxed as profits and gains of business
- d Taxable only in case of non- residents

Q39 Income from sale of household furniture is _____.

- a Taxable capital gain
- b Not taxable as capital gain
- c Short term capital gain
- d Long term capital gain

- Q40 Listed shares held for 15 months are _____.
- a Long term capital asset
 - b Short term capital asset
 - c Exempted capital asset
 - d Excluded from definition of capital asset
- Q41 Indexation is applicable to _____.
- a Sale of short term capital assets
 - b Sale of long term debentures
 - c Sale of depreciable capital assets
 - d Sale of long term capital assets which are not depreciable assets
- Q42 Dividends declared by Unit Trust of India is _____.
- a Fully exempt in the hands of unit holders
 - b Fully taxable in the hands of unit holders
 - c Not considered as income from other sources
 - d allowed as deduction
- Q43 Winnings from card games is _____.
- a fully taxable
 - b fully exempt
 - c partly taxable
 - d partly exempt
- Q44 Employee's contribution to provident fund to be considered as _____.
- a Income from salary
 - b Income from business
 - c Income from capital gains
 - d Income from other sources
- Q45 Scholarships received to meet cost of education is _____.
- a fully taxable
 - b fully exempt
 - c ignored
 - d partly taxable partly exempt
- Q46 Salary received by a partner from a firm engaged in agriculture is _____.
- a Agricultural income
 - b Sundry income
 - c Business income
 - d Non-agricultural income

- Q47 The meaning of exempted income is _____.
- a) Not included in total income
 - b) Agricultural income
 - c) Not taxable under income tax
 - d) exempted income
- Q48 Deduction u/s 80C is not available, where the amount paid by an individual for insurance, is on the life of _____
- a) His/ her spouse
 - b) Dependent parents
 - c) Independent son
 - d) Married daughter
- Q49 Deduction u/s 80CCD is allowed to an individual assessee who is employed by either any employer or _____
- a) A Central government employee, employed before 01.04.2004
 - b) A Central government employee, employed before 01.04.2003
 - c) A Central government employee, employed on or after 01.01.2004
 - d) A state government employee
- Q50 Maximum limit for the deduction of Life insurance premia from the gross total income is _____
- a) 2,00,000
 - b) 1,50,000
 - c) 1,00,000
 - d) 1,25,000