

27. Which among the following is the objective of disinvestment?
 A) To reduce fiscal deficit
 B) To improve public finances
 C) To reduce financial burden on the government
 D) All of these
28. Which of the following is NOT a feature of mixed economy?
 A) Classless society
 B) Dual objectives
 C) Existence of economic planning
 D) Price mechanism
29. Which of the five year plan was based on the P. C. Mahalanobis model?
 A) First five year plan
 B) Second five year plan
 C) Both first and second five year plans
 D) None of these
30. Which of the following is NOT a dimension of Human Development Index?
 A) Knowledge
 B) Standard of living
 C) Social status
 D) Life expectancy
31. The structural reforms carried out in the country as part of macroeconomic reforms focused on which of the following areas?
 A) Financial sector
 B) Foreign trade and investment
 C) Industrial licensing and regulation
 D) All of these
32. Human Development Index is prepared by which agency?
 A) IMF
 B) World bank
 C) UNDP
 D) ADB
33. The total money value of all newly produced final goods and services in an economy in a given year is called:
 A) GDP
 B) GNI
 C) GNP
 D) GCC
34. Which among the following is a reason for promoting balanced regional development?
 A) To promote large employment opportunities
 B) To maintain political stability
 C) To develop and conserve resources
 D) All of these
35. Which of the following is NOT a feature of the Indian economy?
 A) Chronic unemployment
 B) Disguised employment
 C) Underemployment
 D) Full employment
36. Which of the following institutions was replaced by NITI Aayog?
 A) Planning Board
 B) Planning Commission
 C) Ministry of Planning
 D) National Sample Survey Organisation

55. For what purpose is a Receipts and Payments Account prepared by a non-trading concern?
 A) To find out the profits
 B) To find out the cash balance
 C) To find out the asset position
 D) To know the creditors and debtors

56. Cash discount is allowed on
 A) Purchases B) Sales C) Prompt payment D) All of these

57. Match the following:

List I	List II
a. Financial Statement Analysis	1. Debt collection period
b. ABC Analysis	2. Common Size profit and loss account
c. Fund Flow Analysis	3. Working Capital management
d. Management of Receivables	4. Inventory Control

Codes:

- | | | | | |
|----|---|---|---|---|
| | a | b | c | d |
| A) | 2 | 4 | 3 | 1 |
| B) | 1 | 2 | 3 | 4 |
| C) | 4 | 3 | 2 | 1 |
| D) | 2 | 3 | 4 | 1 |

58. To which account are 'Preliminary Expenses' transferred by the vendor company at the time of absorption?

- A) Purchasing Company's Account B) Realisation Account
 C) Equity Shareholders' Account D) None of these

59. State whether the following two statements are TRUE or FALSE

- I. Reconstruction necessarily involves liquidation of the company concerned.
 II. The balance in the Share Premium Account can be transferred to Capital Reduction Account.

- A) I and II are true B) I is true and II is false
 C) I is false and II is true D) I and II are false

60. Dividends are usually paid on:

- A) Authorised capital B) Issued capital
 C) Subscribed capital D) Paid up capital

61. A discrete distribution describing the results of a Bernoulli process is called:

- A) Normal Distribution B) Binomial Distribution
 C) Poisson Distribution D) None of these

62. Which among the following combinations are tests designed to test the equality of more than two means?
- A) Chi-square & t test
 B) Z test & Paired t test
 C) ANOVA & Kruskal Wallis test
 D) Mann-Whitney U test & Kolmogorov-Smirnov test
63. Which among the following describes a range of values within which a population parameter is likely to lie?
- A) Interval estimate
 B) Probability distribution
 C) Sampling error
 D) None of these
64. News boy problem is related to
- A) Queuing problem
 B) Inventory problem
 C) Replacement problem
 D) Linear Programming Problem
65. Probabilities revised using Bayes theorem is also known as:
- A) Inverse probability
 B) Posterior probability
 C) Prior probability
 D) Both A and B
66. The Poisson approximation to the binomial distribution will hold good in which of the following cases?
- A) n is less than or equal to 30 and p is less than or equal to 0.05
 B) n is less than or equal to 30 and p is greater than or equal to 0.05
 C) n is greater than or equal to 30 and p is greater than or equal to 0.05
 D) n is greater than or equal to 30 and p is less than or equal to 0.05
67. State whether the following two statements are TRUE or FALSE
- I. Internal validity of an experiment deals with the question of generalising the results of the experiment.
 II. History is a factor that affects the internal validity of an experiment.
- A) I and II are true
 B) I is true and II is false
 C) I is false and II is true
 D) I and II are false
68. Match the following:
- | | |
|-------------------------------|------------------------------|
| a. Longitudinal design | 1. Descriptive design |
| b. Solomons four group design | 2. True experimental design |
| c. One shot case study | 3. Executive summary |
| d. Research abstract | 4. Quasi experimental design |
- A) a-2, b-1, c-3, d-4
 B) a-4, b-2, c-1, d-3
 C) a-3, b-2, c-4, d-1
 D) a-1, b-3, c-2, d-4
69. The list of all the sources consulted by the researcher for conducting the research study is called:
- A) Footnotes
 B) Bibliography
 C) References
 D) All of these

79. An unbalanced transportation problem means:
- The number of rows and columns in the table are different
 - The row totals and column totals are different
 - The aggregate of the row totals is different from the aggregate of the column totals
 - All of these
80. State whether the following two statements are TRUE or FALSE
- Critical path is a chain of critical activities that connect the start node of the project to the terminal node.
 - Earliest Start Time is the time required to complete an activity if everything goes well.
- I and II are true
 - I is true and II is false
 - I is false and II is true
 - I and II are false
81. A firm has EBIT of ₹ 50,000. Market value of debt is ₹ 80,000 and overall capitalization rate is 20%. Market value of firm under NOI Approach is:
- ₹ 2, 50,000
 - ₹ 1, 70,000
 - ₹ 30, 000
 - ₹ 1, 30,000.
82. The difference between total current assets and total current liabilities is called:
- Gross working capital
 - Net working capital
 - Working capital ratio
 - None of these
83. The process of using debt capital to augment the returns of the equity shareholders is called:
- Trading on equity
 - Operating leverage
 - Financial leverage
 - Both A & C
84. Finance function includes:
- Profit allocation decision
 - Capital-mix decision
 - Short-term asset-mix decision
 - All of these
85. State whether the following two statements are TRUE or FALSE
- Optimum capital budget means the availability of funds to invest in all profitable projects so that NPV is maximized.
 - The optimum capital budget can be determined by relating the expected returns of the investment projects to the firm's weighted marginal cost of capital schedule.
- I and II are true
 - I is true and II is false
 - I is false and II is true
 - I and II are false
86. Under which approach the cost of debt and cost of equity are assumed to be independent to the capital structure?
- Traditional approach
 - Net income approach
 - Net operating income approach
 - None of these
87. Which among the following is NOT an assumption of the Gordon model?
- Perpetual earnings
 - Constant return
 - Constant retention
 - External financing

95. What is meant by Shareholders Wealth Maximisation?
- A) Maximising dividends to the shareholders
 B) Maximising profits of the company
 C) Maximising retained earnings of the company
 D) Maximising the net present value of a course of action to shareholders
96. State whether the following two statements are TRUE or FALSE
- I. Degree of operating leverage is defined as the percentage change in EPS due to a given percentage change in EBIT.
 II. Degree of financial leverage is defined as the percentage change in EBIT relative to a given percentage change in sales.
- A) I and II are true
 B) I is true and II is false
 C) I is false and II is true
 D) I and II are false
97. A marketing plan is composed of three basic components namely
1. Objective 2. Procedure 3. Policies 4. Decision 5. Programme 6. Command
- A) 1, 2 & 3 B) 1, 3 & 5 C) 1, 5 & 6 D) 1, 3 & 4
98. How many elements are there in the services marketing mix?
- A) Four B) Five C) Six D) Seven
99. If the product's performance exceeds the expectations of the customer, it is a case of:
- A) Customer satisfaction B) Customer delight
 C) Customer expectation D) None of these
100. Which among the following is the first step in the marketing process?
- A) Designing the product B) Segmenting the market
 C) Test marketing D) Identifying needs of customers
101. State whether the following two statements are TRUE or FALSE.
- I. If a stores ledger is being maintained, there is no need to maintain bin card.
 II. Periodical stock taking is an integral part of perpetual inventory system.
- A) I and II are true B) I is true and II is false
 C) I is false and II is true D) I and II are false
102. Which among the following is a method of measuring labour turnover?
- A) Flex Rate Method B) Separation Rate Method
 C) Replacement Rate Method D) All of these
103. Under which of the following incentives scheme is bonus equal to 30% of the time saved?
- A) Halsey plan B) Halsey-Weir Premium System
 C) Rowan plan D) Emerson's Efficiency System

Questions 113 to 115 are based on the following details of XYZ Co. Ltd:

EBIT ₹ 1,60,000; Net profit after taxes ₹ 64,000; Sales ₹ 7,20,000; Total assets ₹ 8,00,000; Owners equity ₹ 40,000; and Tax rate 50 %

113. What would be the return on assets of this company?
A) 10 % B) 12 % C) 14 % D) 20 %
114. What would be the assets turnover ratio of this company?
A) 0.5 times B) 0.9 times C) 1.3 times D) 1.9 times
115. What would be the returns on owners' equity?
A) 13 % B) 15 % C) 16 % D) 19 %
116. Which of the following is NOT a source of working capital in a funds flow statement?
A) Payment of cash dividend B) Sale of non-current assets
C) Bank borrowings D) Issuance of equity shares
117. State whether the following two statements are TRUE or FALSE
I. A cash flow statement is similar to the funds flow statement except that it focuses attention on cash instead of working capital
II. Increase in current liabilities decreases cash flow from operation while decrease in current liabilities increases it
A) I and II are true B) I is true and II is false
C) I is false and II is true D) I and II are false
118. How is payout ratio calculated?
A) PAT/Net worth B) PAT/No. of shares
C) Market value of shares/EPS D) Dividend per share/EPS
119. If fixed cost are ₹ 40,000; Variable costs ₹ 2/unit; and Selling Price ₹ 10; what will be the break-even point?
A) ₹ 50,000 B) ₹ 60,000
C) ₹ 75,000 D) ₹ 80,000
120. Which of the statement is not correct?
A) P/V ratio can be improved by reducing fixed cost
B) Contribution is also known as gross margin
C) P/V ratio can be improved by increasing the selling price
D) Margin of safety can be improved by reducing fixed cost
