

**Part-II (ii) For M.COM DEGREE  
(70 Questions)**

31. Which is not an assumption of Theory Y?
- Work is as natural as play
  - Motivation occurs at the societal, esteem and self actualizing levels as well as physiological and security levels
  - Most people have little capacity and creativity in solving organizational problems
  - People are self esteemed and creative at work
32. Management by exception includes:
- Selective, responsibility oriented reporting
  - Requirement of full reports on performance
  - Computation of actual in different spheres of performance
  - Reporting of significant variances
33. Hawthorne studies have underlined the significance of which of the following?
- System approach to management
  - Contingency approach to management
  - Modern approach to management
  - Human Relations approach to management
34. The company forfeited 2,000 shares of Rs.10 each (which are issued at par) held by Mr. John for non-payment of allotment money of Rs. 4 per share. The called-up value per share was Rs. 9. On forfeiture, the amount debited to share capital will be
- Rs. 10,000
  - Rs. 8,000
  - Rs. 2,000
  - Rs. 18,000
35. The following information pertains to X Ltd:
- Equity Share Capital called up : Rs. 5,00,000
  - Calls in arrear: Rs. 40,000
  - Calls in advance: Rs. 25,000
  - Proposed Dividend: 15%
  - The amount of dividend payable will be:
- Rs. 75,000
  - Rs. 72,750
  - Rs. 71,250
  - Rs. 69,000

36. In order to assess a company's ability to fulfill its long-term obligations, an analyst would most likely examine:
- Activity ratios
  - Liquidity ratios
  - Solvency ratios
  - Debt equity ratios
37. W Ltd. issued 20,000, 8% debentures of Rs.10 each at par, which are redeemable after 5 years at a premium of 20%. The amount of loss on redemption of debentures to be written off every year will be:
- Rs. 40,000
  - Rs. 10,000
  - Rs. 20,000
  - Rs. 8,000
38. Which of the following recognizes risk in capital budgeting analysis by adjusting estimated cash flows and employs risk-free rate to discount the adjusted cash flows?
- RADR
  - Certainty Equivalent Approach
  - Discounted Payback Period
  - All of the above
39. At the point of producer equilibrium
- Isoquant is tangent to the Isocost
  - $MRTS_{LK}$  equals  $P_L/P_K$
  - $MP_L/P_L = MP_K/P_K$
  - All of the above
40. The Engel curve for a giffen good is
- Negatively sloped
  - Positively sloped
  - Vertical
  - Horizontal
41. If there are constant returns to scale and if the quantity of labour used per unit of time is increased by 10% but the amount of capital remains constant, the output will:
- Increase by 10%
  - Decrease by 10%
  - Increase by more than 10%
  - Increase by less than 10%
42. \_\_\_\_\_ is used for people associated with and benefitted from computer system
- Software
  - Firmware
  - Liveware
  - Hardware

43. Internet Protocols comprise:
- Hypertext Transfer Protocol
  - File Transfer Protocol
  - Post Office Protocol
  - All of these
44. If sales are Rs.15,00,000; fixed cost is Rs.5,00,000 and P/V ratio is 40%, what would be profit?
- Rs.1,00,000
  - Rs.2,50,000
  - Rs.2,00,000
  - Rs.3,00,000
45. Cost volume profit analysis is based on several assumptions. Which of the following is not one of these assumptions?
- Sales mix of the products is constant
  - Inventory quantities change during the year
  - Behaviour of both cost and revenue is linear throughout the relevant range
  - Material prices and wage rates remain unchanged
46. The budgeted fixed overheads amounted to Rs.84,000. The budgeted and actual production amounted to 20,000 units and 24,000 units respectively. This means there will be:
- Under-absorption of Rs.16,800
  - Under-absorption of Rs.14,000
  - Over-absorption of Rs.14,000
  - Over-absorption of Rs.16,800
47. Which of the following should not be considered in a make or buy decision?
- Potential use of manufacturing capacity
  - Variable costs of production
  - Potential rental income from space occupied by production area
  - Unchanged fixed cost
48. Which among the following is not true with regard to merchant banker?
- It can accept deposit
  - It can advance loans
  - It can do other banking activities
  - It can be manager to a public issue
- (i), (ii) & (iii)
  - (ii), (iii) & (iv)
  - (i), (iii) & (iv)
  - (ii) & (iv)

49. What is Call Money?

- a) Money borrowed or lent for a day or overnight
- b) Money borrowed for more than one day but up to 3 days
- c) Money borrowed for more than one day but up to 7 days
- d) Money borrowed for more than one day but up to 14 days

50. Consider the following characteristics

- (i) High Risk, High Return Opportunity
- (ii) Small and Medium Sized Enterprise
- (iii) Private Equity Stakes in Startups
- (iv) Investment Fund

The above attributes are found in

- a) Mutual Fund
- b) Venture Capital Fund
- c) Qualified Institutional Buyers
- d) Domestic Institutional Investors

51. Arrange the following acts in the order in which they came into force

- 1. The Monopolies & Restrictive Trade Practices Act
  - 2. The Indian Contract Act
  - 3. The Sale of Goods Act
  - 4. The Foreign Exchange Management Act
- a) 2, 3, 1 and 4
  - b) 3, 1, 4 and 2
  - c) 1, 2, 3 and 4
  - d) 4, 3, 2 and 1

52. \_\_\_\_\_ error is committed when the hypothesis is true but test rejects it

- a) Type II
- b) Type I
- c) None of these
- d) Both 1 and 2

53. For the discharge of its functions efficiently, SEBI has been vested with the following powers

- (i) To approve bye-laws of stock exchange
- (ii) To direct the stock exchanges to amend their bye-laws
- (iii) Inspect the books of account and call for periodical returns from recognized stock exchanges
- (iv) Inspect the books of account of financial intermediaries
- (v) Registration of brokers

- a) (i), (ii), (iii) & (iv)
- b) (i), (iii), (iv) & (v)
- c) (ii), (iii), (iv) & (v)
- d) (i), (ii), (iii), (iv) & (v)

54. Which of the following are the instruments of money markets?
- (i) Call Money Market
  - (ii) Commercial Bill Market
  - (iii) Industrial Securities Market
  - (iv) Short-term Loans Market
  - (v) Treasury Bill Market
- a) (i), (ii), (iv) & (v)
  - b) (i), (ii) & (v)
  - c) (i), (ii), (iii), (iv) & (v)
  - d) (i), (ii), (iii) & (iv)
55. The IT Act, 2000 is applicable to the following:
- a) A negotiable instrument as defined in Section 13 of the Negotiable Instruments Act, 1881
  - b) Any contract for sale or conveyance of immovable property
  - c) Any trust defined in Section 3 of the Indian Trust Act, 1882
  - d) None of these
56. Where the paid-up share capital of a One Person Company exceeds \_\_\_\_\_ or its average annual turnover during the relevant period exceeds \_\_\_\_\_, it shall cease to be entitled to continue as a One Person Company.
- a) Rs.50 lakh; Rs.2 crore
  - b) Rs.50 lakh; Rs.1 crore
  - c) Rs.25 lakh; Rs.2 crore
  - d) Rs.25 lakh; Rs.1 crore
57. Following cost centre consists of a location or an item of equipment or group of these:
- a) Personal cost centre
  - b) Impersonal cost centre
  - c) Production cost centre
  - d) Service cost centre
58. Equivalent production is:
- a) Completed Units + (Number of units of work in progress)\*(Degree of incompleteness in %)
  - b) Completed Units + (Number of units of work in progress)\*(Degree of completion in %)
  - c) (Number of units of work in progress)\*(Degree of incompleteness in %)
  - d) (Number of units of work in progress)\*(Degree of completion in %)
59. Loss on sale of Capital Assets can be carried forward for how many assessment years and be set off against capital gains in those assessment years?
- a) 1 assessment year
  - b) 2 assessment years
  - c) 4 assessment years
  - d) 8 assessment years

60. Where the karta is not available, the return of wealth of an HUF can be signed by:
- Any adult member of the family;
  - Any adult coparcener of the family;
  - The male member who is next in seniority to the karta;
  - None of the above
61. In response to giant retailers and category killers, entrepreneurial retailers are building entertainment into stores with coffee bars, lectures, demonstrations, and performances. They are marketing \_\_\_\_\_ rather than a product assortment.
- Experience
  - customer value
  - customer delight
  - total service solution
62. Critics of sales promotions contend the increase in sales promotions is leading to a decrease in:
- retailer power
  - ad readership scores
  - brand equity
  - consumer primacy
63. According to whom, the decision making power in modern organization rests with “techno structure”?
- Peter F. Drucker
  - Joel Dean
  - John K. Galbraith
  - None of the above
64. Which of the following statement is incorrect?
- Assignment in insurance involves transfer of beneficial interest, rights and title under policy from assignee to assignor
  - Assignor must be a major
  - Assignment can be made only after acquiring a policy
  - Assignment can be done only for consideration
65. As per Sec 139(1) of Income Tax Act, 1961 a company shall have to file return of income
- When its total income exceeds Rs 50000
  - When its total income exceeds the maximum amount which is not chargeable to income tax
  - In all cases irrespective of any income or loss earned by it
  - None of the above
66. Unabsorbed depreciation which could not be set off in the same assessment year can be carried forward up to
- 4 years
  - 8 years
  - 10 years
  - Indefinite period

67. Which of the following are true in tax planning
1. It is futuristic in its approach
  2. It has limited scope compared to tax management
  3. The benefits arising from it are limited particularly in the short run
  4. Its main objective is to reduce the tax liability
- a) 1, 2 and 3  
b) 1 and 2  
c) 1 and 4  
d) 2, 3 and 4

68. Consider the following basic steps involved in the process of control:
1. Identifying the strategic control points
  2. Establishing the standards
  3. Measuring performance against standards
  4. Correcting deviations from the standards

The correct sequence of the above steps in the process of control is:

- a) 1,4,3,2  
b) 2,3,1,4  
c) 4,3,2,1  
d) 2,1,4,3
69. Which of the following assets would be taken into account for current ratio?
- i. Stock, ii. Creditor, iii. Mortgage, iv. Cash, v. Bills Payable, vi. Bank
- a) i, iv, and v  
b) i, iii, and v  
c) i, iv, and vi  
d) ii, iii, and v

70. Which of the following items is not an operating expense?
- a) Advertisement  
b) Depreciation of office equipment  
c) Salaries of the managerial staff  
d) Loss incurred on the sale of old motor vehicle

71. AS 26 is related with:
- a) Intangible Assets  
b) Tangible Assets  
c) Transfer Pricing  
d) None of the above

72. Business conglomerates have different names in different countries. Which country's conglomerates are called 'Chaebols'?
- a) Japan  
b) Germany  
c) China  
d) South Korea

73. Which one of the following institutions is promoted by the IFCI:
- Credit Analysis and Research Ltd (CARE)
  - Rashtriya Gramin Vikas Nidhi (RGVN)
  - Clearing Corporation of India Ltd (CCIL)
  - Small Industries Development Bank of India (SIDBI)
74. "Navratna" status is given to PSEs on the basis of
- Number of employees
  - Years of existence
  - Having comparative advantage and potential to become global player
  - Size, nature of activities and nature of organization
75. Which of the following statement is FALSE?
- ERP stands for Economic Resource Planning
  - Legacy system is a component of ERP
  - Warehousing is a function of ERP
  - All the above
76. Which of the following statement is FALSE?
- Compiler is a program which converts entire program into machine language at one time
  - Compiler is a program which translates one program instruction at a time into machine language
  - Interpreter is a program which converts entire program into machine language at one time
  - All the above
77. For testing of hypothesis  $H_0 : M_1 = M_2$  and  $H_1 : M_1 < M_2$ , the critical value of Z at 5% level of significance when size of sample is more than 30 is
- 1.96
  - 2.32
  - 1.645
  - 2.5758
78. The regression equation of profits (X) on sales (Y) of a firm is given as:  $3Y - 4X + 72 = 0$ . If the sales of the firm is Rs.20,000, the profit will be:
- Rs. 14,988
  - Rs. 14,282
  - Rs. 14,982
  - Rs. 14,986
79. Which of the following is the non-random method of selecting samples from a population?
- Quota Sampling
  - Stratified Sampling
  - Systematic Sampling
  - Cluster Sampling

80. Public limited companies cannot issue:
- Deferred Shares
  - Equity Shares
  - Preference Shares
  - Sweat Equity Shares
81. Which of the following sections (Companies Act 1956) deal with qualifications of the auditor?
- Section 224 (1) and section 224 (2)
  - Section 226 (1) and section 226(2)
  - Section 226 (3) and section 226(4)
  - Section 224(3) and section 224 (2)
82. Which of the following shows a variable cost structure?
- 4,6,8,12,14
  - 3,5,7,9,11
  - 5,10,17,20,25
  - None of the above
83. Flexible budget is a budget that:
- Remains unchanged with the varying level of production
  - A technique of controlling manufacturing overheads
  - Both (a) and (b)
  - Changes with the change in the production level.
84. If the total cost is Rs. 500 and the total variable cost is Rs. 100, what will be total fixed cost if output is (a) 100 units and (b) 200 units?
- Rs. 400 and Rs. 400
  - Rs. 400 and Rs. 500
  - Rs. 300 and Rs. 600
  - Rs. 300 and Rs. 400
85. Statement (S): Sales promotion has a strong impact on consumer behaviour in rural India.  
Reason (R): Rural people in India give utmost significance to sales promotion schemes.
- Statement (S) is correct but Reason (R) is incorrect.
  - Statement (S) is incorrect, but Reason (R) is correct.
  - Both Statement (S) and Reason (R) are correct.
  - Both Statement (S) and Reason (R) are incorrect.
86. Non-store marketing includes –
- Home Selling
  - VPP
  - Vending Machines
  - All of the above

87. Which of the following statement is FALSE?

- a) Setting of Price is based on Production
- b) Setting of Price is based on Cost analysis
- c) Setting of price is based on dealers' reaction
- d) None of the above

88. 'Piece Wages' provides:

- a) Encouragement to efficient hard workers
- b) Discouragement to efficient and hard workers
- c) Fair compensation to dull employees
- d) None of the above

89. According to Harvard model of HRM, which one from the following is not considered as HR outcome?

- a) Commitment
- b) Communication
- c) Congruence
- d) Cost Effectiveness

90. Which one of the following is not a criterion for effective HR strategy?

- a) Focused on staff employees
- b) Satisfying business needs
- c) Founded on detailed analysis and study as against wishful thinking
- d) Coherent and integrated

91. Set off of losses includes –

- a) Speculation losses
- b) Lottery losses
- c) Horse race losses
- d) All of these

92. Minimum Alternate Tax (MAT) is applicable to –

- a) Joint stock company
- b) Co-operative society
- c) Partnership firm
- d) Sole proprietary concern

93. Match the items of List – I with List – II:

**List – I**

**List – II**

- |                        |   |
|------------------------|---|
| I. Tax Planning        | 1. Making suitable arrangement of TDS             |
| II. Tax Avoidance      | 2. Understatement of Income                       |
| III. Tax Evasion       | 3. Availing deduction under Section 10A of IT Act |
| IV. Tax Administration | 4. Misinterpreting the provisions of the IT Act   |

- Codes:
- |    | <b>I</b> | <b>II</b> | <b>III</b> | <b>IV</b> |
|----|----------|-----------|------------|-----------|
| a) | 2        | 1         | 4          | 3         |
| a) | 1        | 4         | 3          | 2         |
| b) | 3        | 4         | 2          | 1         |
| c) | 4        | 1         | 3          | 2         |

94. Which of the following statement is FALSE?

- a) Noida is established as a Free Trade Zones (FTZs).
- b) No excise duty is levied on goods manufactured in FTZs provided it is made for export purpose.
- c) Customs duty is paid on imported raw material and components used in manufacturing of goods for export from FTZs.
- d) If entire production (produced at FTZs) is not sold outside the country, the unit has the provision of selling 25% within India.

95. Narsimham Committee made recommendations on financial reforms in 1991. Which of the following was not recommended by the committee?

- a) Branch licensing system for opening new bank branches should be abolished
- b) SLR for banks should be curtailed to the level of 10% within next 5 years
- c) Banks should be given more autonomy and the directed credit should be abolished
- d) Primary targets for credit should be redefined and such credit should be managed

96. Which one of the following does not fall within the purview of IRDA?

- a) Investment advocacy
- b) Issuing license to companies to operate
- c) Safeguard policyholders' interest
- d) Levying fees and other charges

97. BOLT system in the Indian Securities market is related to –

- a) National Stock Exchange
- b) Bombay Stock Exchange
- c) Over The Counter Exchange of India
- d) Multi Commodity Stock Exchange

98. Which one of the following statement is TRUE?
- a) Commercial Banks and merchant banks deal in debt and debt related finance.
  - b) Merchant banks deal with equity and equity related finance.
  - c) Commercial banks and merchant banks generally avoid risk.
  - d) All of the above.
99. Which one of the following statement is TRUE?
- a) The difference between lending and deposit rates is called Spread.
  - b) The risk that promised cash flows from loans and securities held by FIs may not be paid in full is called Credit Risk
  - c) The risk incurred from assets and liabilities in FIs trading book due to changes in interest rates, exchange rates and other prices is called Market Risk.
  - d) All the above
100. Which composition of firms is not part of BSE 30 (SENSEX)?
- a) BHEL, Tata Steel, Wipro, NTPC
  - b) ICICI Bank, HLL, L&T, Bajaj Auto
  - c) Bharti Airtel, Infosys, ACC, ONGC
  - d) GAIL, IOC, P&G, Idea

\*\*\*\*\*