Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
Adam smith is referred as the	Father of Economics	Father of concepts	Father of tool	Father of Sooilogy	Eco
The term the "rise over run" is related to	Slope	Analyse	Labour	Terms	Eco
Functions can be bothand	Explicit and Implicit	Arbitrary and Implicit	Procurement and	Outside and Inside	Eco
			Arbitrary		
Economics is considered as both positive and	Social	Marginal	Friction	Normative	Eco
Revenue function is an important factor on theside.	Supply	Inferior	quality	veblen	Eco
If the price of orange juice falls the demand for apple juice	Increase	Decrease	Remain the same	Become negative	Eco
will	Increase	Decrease	Remain the same	become negative	ECO
Which of the following is not a complementary good for pen and	Refill	Paper	Notebook	Rice	Eco
The state of the			, resource		
Total Cost =	Quantity x Variable Cost	Price x Cost	Price x Variable	Quantity x Price	Eco
A theory may contain all but NOT one of the following	An unorganised collection of facts	A set of definitions of	A set of assumptions	One or more hypotheses	Eco
	about the real world	the terms used			
Business Economics is generally in nature.	Normative	Positive	Neutral	Descriptive	Eco
The quantity DD of a commodity increases from 6,000 Units to 8,000	-3.8	-1.2	1	6	Eco
Units due to increase in advertisement expenditure from Rs46,000 to					
Rs 42,000 Calculate Promotional elasticity of demand.(EA)					
Initial price is Rs 5000 and 10,000 units are demanded . New Price is Rs	1	5	0.5	15	Eco
1000 and 1500 units are demanded. Calculate price elasticity of			0.5		
demand,					
The elasticity in relation to the change of the price of other goods and	Price	Income	Cross	Promotional	Eco
services is called as elasticity of demand.					
If two commodities are not related to each other, then cross elasticity	positive	negative	zero	infinite	Eco
of demand will be					
When goods demanded are used for more than one purpose is	Joint Demand	Composite Demand	Derived	Direct	Eco
demand.					
Calculate quantity demanded for Mango at Rs. 5 when Qm = 100-2Pm	90	80	60	20	Eco
Average Total Cost =	AFC +AVC	TCn-TCn-1	TVC/Q	TFC/Q	Eco
is not a luxurious good	Smart TV	Diamond	Car	Wheat	Eco
In the equation, Dx= f (Y, Px, Py, A, U), U refers to	Unemployment	Other determinants	Explanatory variables	Low cost variables	Eco
in the equation, Dx- 1 (1, Fx, Fy, A, O), O leters to	Onemployment	Other determinants	Lypianatory variables	LOW COST VALIABLES	LCO

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
is the total quantity of the commodity produced by using	Average product	Total product	Marginal product	Total utility lines	Eco
fixed and variable factors of production.					
If the LAC curve falls as output expands, this is due to	Law of diminishing returns	Economics of scale	Law of variable	Diseconomies of scale	Eco
			proportion		
If Total cost (TC) is 100, 140, 190, 210 and Total Fixed Cost (TFC) is 100	200, 240, 290, 310`	0, 40, 90, 110	10, 50, 100, 140	50, 60, 70, 90,	Eco
then, what is Total Variable cost (TVC)?					
Return to scale is a	Short-run phenomenon	Medium-run	Timeless phenomenon	Direction less	Eco
		phenomenon		phenomenon	
The downward slope of LAC curve is subject to the	internal economies	economics and	internal diseconomies	external diseconomies	Eco
		diseconomies			
Break-even analysis is used to determine how much quantity of its product it must sale to	Make profit	No Profit No loss	Maximise profit	No profit	Eco
Internal economies are also termed as economies of	Large scale production	Economies of benefit	economies of	economies of	Eco
			distribution	distribution	
The Cost incurred on hire factor of production.	Explicit and Implicit	Explicit	Implicit	Sunk Cost	Eco
is the cost of producing an additional unit of	Variable	Fixed	Additional Cost	Incremental Cost	Eco
output.					
Which of the following is not correct under the dominant-firm price	all firms except the dominant firm	the dominant firm acts	the demand curve	All are Price maker	Eco
leadership model?	are price takers.	as the residual	faced by the dominant		
		monopolistic supplier.	firm is flatter than the		
		' ''	market demand curve.		
In perfect Competition , Price of commodity' X' is Rs 40.What will be	30	50	40	20	Eco
the MR?					
There is no consumer surplus in price	First degree	Second degree	Third degree	Local discrimation	Eco
discrimination.					
pricing refers to prices of certain goods fixed by the	Skimming	Dumping	Management	Administered	Eco
government.					
is the cost incurred on producing an additional unit of a	Additional Cost	Incremental Cost	Marginal Cost	Fixed Cost	Eco
commodity.					
Public undertakings producing essntial public goods may charge	Higher	Lower	similar	extra	Eco
price equal to MC.					

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
Commodities purchased by higher income group are priced higher than	total cost	Marginal cost	Transfer cost	Average cost	Eco
Monopolistic Competition was introduced by	J.M.Keynes	Adam Smith	Milton Friedman	Edward Chamberlin	Eco
Public utilities give rise to monopoly	Natural	Legal Sources	Technicla Knowledge	Business reputation	Eco
isoquants are to the origin	Perpendicular	Convex	Concave	Straight Line Downward sloping	Eco
Technological economies of scale can only be feasible for a business if	Banks lend money for the	Capital equipment is	There is an economic	There is sufficient	Eco
·	purchase of highly expensive	capable of producing	boom	market demand for the	
	technology	mass units of a product		product	
		in a short time			
Kink demand curve is a unique feature of	Oligopoly	Monopoly	Monopolistic	Perfect Competition	Eco
To regulate monopoly price, Government imposes a price based on	Average cost	Total cost	Marginal cost	Transfer cost	Eco
Multiple product producing firm must consider the of change in	quantity	Impact	quality	volume	Eco
the price of one brand on the other.					
is used to ensure quality & to prevent competition.	skimming	Tying	Penetration	Prestige pricing	Eco
Administered pricing is implemented by Government	To make profit	to check inflation	To reduce cost	To impress	Eco
Charges are less for cotton and high for iron is due to	Two tariff pricing	Nature of product	Price lining	Peak load pricing	Eco
A firm may use to avoid taxes.	Transfer Pricing	Marginal Pricing	Production pricing	Constant Pricing	Eco
The for a commodity is determined in the	unit of output	Price	Competition	Advertising	Eco
market by the market demand & market supply.					
is a form of non-price competition.	Opportunity Value	Instrinsic Cost	Discounts	Value for the product	Eco
A company producing interrelated products adopt pricing.	Multiple product	Transfer	Marginal cost	Mark-up	Eco
are taxes one country imposes on the goods and	Income Tax	GST	Tariffs	Professional tax	Eco
services imported from another country.					
	Γ .	T .	Τ	T	
The word 'computer' is derived from the word 'computare' which	Latin	French	Greek	Japanese	ВС
means to calculate.					
is another important component that enables a computer to	Gigabyte	Memory	Input	Output	ВС
store, at least temporarily,data and programs.					
are a way of collating & distributing news from	Sharing	Upload	Newsfeed	tagging	BC
different sources.					

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
PDF stands for	Portable document file	Planned Document file	Porting Document file	Portable document	ВС
				format	
is the quickest means of transmitting messages.	Fax	Email	Post	telegram	ВС
A is a website that someone is writing publicly, reflecting	Fax	Status	Blog	Letter	ВС
his/her own views and interests.					
service closed forever at 9pm in India on 14th	Fax	Courier	Post	Telegram	ВС
July,2013.					
communication refers to representation, storage,	Multimedia	Video Conferencing	Tele Conferencing	Extranet	ВС
retrieval & dissemination of text, graphics, images, audio & video.					
is a voluntary, co-operative undertaking which is not owned	Internet	Telephone	Email	Fax	ВС
by any one individual,organisation or government.					
A is something or person acting as a substitute, put in place of	CSR	IPR	Organisational Pattern	Surrogate	ВС
the original.					
It is a proven fact that the GDP of villages after electrification has at	Tripled	Quadrupled	Doubled	Halved	ВС
least					
Policy against child labour is a part of corporate social	Normal	Abnormal	Special	Subnormal	ВС
responsibility.					
Medical waste management should be a major concern and	Metallic	Healthcare	FMCG	Financial	ВС
responsibility of organisations.					
CSR agenda involves the co-operation among a wide variety of	Institutional Investors	Creditors	Consumers	Stakeholders	ВС
to be addressed effectively.					
involves the protection of privacy and intellectual property	Piracy	Computer Ethics	Organisational Pattern	Business Ethics	ВС
rights for software.					
can be said to evolve from religion, spirituality, law and social	Principles	Rules	Ethics	Manners	ВС
relations.					
In the Chambers Dictionary, 'ethics' is a code of behaviour considered	Correct	Incorrect	Best	Better	ВС
·					
The combination of responsible market-oriented behaviour and social	CSR	IPR	Copyright	Meetings	ВС
concerns can be called					
Law does not allow people to profit by	Business	Insurance	Service	Patents	ВС
is direct advertising.	Step Advertising	Surrogate advertising	adopted advertising	Foster advertising	ВС
is an exclusive right granted be a sovereign state for an	Patent	Surrogate	Copyright	Creative right	ВС
invention.					

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
Developed countries often dump their in developing	Human Resources	Minerals	Raw materials	E-waste	BC
countries.					
means stealing.	Piracy	Copyright	Intellectual rights	Property patents	BC
Peak and Peek. These are two words with same pronunciation but	homonyms	homographs	homophones	homology	ВС
different meaning and spelling. They are called as					
Sun and Son. These are two words with same pronunciation but	homonyms	homographs	homophones	homology	ВС
different meaning and spelling. They are called as					
The is the complimentary greeting with which the writer	Mailing notation	Salutation	Complimentary-close	Letter	ВС
opens his letter					
in the business letter makes a record on the copy which	Reference line	Inside Address	Subject line	Date line	ВС
serves to indentify the letter for filing purposes.					
The appearance of business letter takes the place of a and	Salesman	Director	Manager	Profit	ВС
represents the firm sending it.					
A mean of exchange of information idea or opinions between person	Business like	Business	Business formalities	Business matters	ВС
while undertaking business activities is known as		correspondence			
is the most modern letter style.	Modified-block	Full-block	Simplified	Block	ВС
A good business letter is simple and straightforward without being	Panoramic	Paternal	Patriotic	Patronizing	BC
simplistic or					
helps reader to know the purpose of the letter immidiately	Date	Subject line	Letterhead	Closing paragraph	BC
Reference of Unsolicited letter is source	Indirect	Direct	Newspaper	Media	BC
highlights applicant's strong points	CV	Letter	Resignation letter	Memo	BC
There are basic types of resumes	One	Two	Three	four	BC
resume includes elements of chronological and functional format	Clear	Combined	Functional	Bio-data	ВС
writes recommendation letter	Boss	Applicant	Seller	Referee	ВС
provides opportunity to talk with admission committee	CV	Statement of purpose	Resume	Resignation letter	ВС
Every Sentence must begin with a letter.	Small	Large	Capital	Hypertext	BC
directs people to their destinations.	Tables	Pie Charts	Google maps	Bar Diagrams	BC
voice is most important in oral communication.	Neighbor's	Outsider's	Organizer's	Speaker's	ВС
The comma is used to indicate in the sentence.	The End	Pause	Start	Infinity	ВС
is a letter of warning given by the management to an	Waring	Memo	Notice	Agenda	BC
employee who has failed in the duties					

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
are those who settle their accounts on time	Creditors	Investors	Prompt pay customers	Loyal customers	ВС
Suggestions schemes are methods by which the of an	CEO	Workers	Investors	Shareholders	BC
organisation can make suggations to their seniors					
is a transaction by which land or any other property may be	Mortgage	Investment	Holding	Loan	ВС
given as security for repayment of a loan					
The stage which involves turining ideas into sentences is called as	Reading	Brainstorming	Writing	Speaking	BC
involves checking your paragraphs for mistakes and	Writing	Self Editing	Pre - writing	Reading	BC
corrections		John Editing	i i c wiiting	incading .	
is one of the purpose of paragraph	To create conflicts	To create confusion	To create ambiguity	To explain an idea	ВС
One of the characteristics of paragraph is	Connect	Well - developed	Confusion	Conflicts	ВС
	1			1	
The Eighth Schedule of the Indian Constitution lists	10	20	22	15	FC
languages as of today.					
Which group of the following religions orginated in India?	Hinduism, Christianity, Islam and	Christianity, Hinduism,	Buddhism,	Jainism, Budhhism,	FC
	Jainism	Jainism and Buddhism	Zorostraniasm,	Hinduism and Sikkhism	
			Hinduism and		
			Jainism		
Which one of the following states does not have the worst sex	Punjab	Haryana	Gujarat	Maharashtra	FC
ratio in India according to the 2011 census report?					
Which one of the following is not a reason for the lower sex	better educational facilities for	violence against	poor nourishment to	male domination over	FC
ratio in India ?	women	women	girl children	women	
means linquistic diversity.	More peoplespeaking a language	More people speaking	Number of language	Language of different	FC
		two language	spoke by the people	countries.	
The constitution of India has approved of languages	50	30	22	33	FC
many languages and dialects are spoken by people all over	6000	7000	4000	1000	FC
the world					
is the language with the richest vocabulary.	English	Hindi	French	German	FC
population is liviong below poverty line in India.	63%	28%	0.5	0.26	FC
The following is the method to estimate the poverty line in	Investment method	Income method	Human method	Income method	FC
India					
is the state with the highest energy consumption in	Andhra Pradesh	Maharashtra	Tamil Nadu	West Bengal	FC
India.					
Majority of the tribals follow	Islam	Sikhism	Hinduism	Christianity	FC

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
Rural areas face the problem of	seasonal unemployment	traffic	high population	slums	FC
			density		
Which of the following statements is untrue?	Rural population has a much lower	The village communities	Rural people have	The rural people are in	FC
	literacy rate as compared to urban	are heterogeneous in	intimate relationships	close contact with	
	population.	nature.	with each other.	nature.	
A is a geographical area constituting a city or a town.	rural area	taluka	urban	gram Panchayat	FC
Which of the following statements is untrue?	The density of population in urban	Nuclear families are	In urban community	People in urban areas	FC
	areas is greater than in rural	more popular in urban	there is emphasis on	are conservative	
	community.	areas	rationality.		
Urbanity and density are	positively correlated	negatively correlated	inversely correlated	diagonally correlated	FC
The social and political forces that influence the growth of a human are	religion	demography	culture	public policy	FC
defined as					
In estate system, the performed religious duties.	Aristocrats	clergy	serfs	Class	FC
Mar Weber identified dimensions of social stratification.	Three	Four	five	six	FC
The Varna system classifies Hindus into main castes	Three	Four	five	six	FC
The reservation policy accepted by the government	Manmohan Singh	R.P.Singh	Sindhu singh	V.P.Singh	FC
has brought in it's wake a lot of social unrest.	S				
Casteism violates the right to equality as well as the	economic	fundamental	social	fundamental duties	FC
democratic principles of our constitution.					
The social status and education of the backward castes is still an issue	upper castes	lover castes	middle caste	tribles	FC
due to the narrowminded approach of the					
A person may be sceptical about ideas and practices of	social	economic	religious	political	FC
people belonging to other religions.					
India is a nation where several religions co-exist different	secular	democratic	religious	political	FC
in nature.				·	
diversity is the quality of diverse or different cultures, as	Financial	Economical	Cultural	Technological	FC
opposed to monoculture					
For the purpose of Census, literate is any person who can	talk	read or write in any	give speeches on	speak English	FC
·		language	economical issues		
A gender-selective abortion where a female fetus is illegally terminated	Female foeticide	Infanticide	Miscarriage	Claustrophobia	FC
solely based on the reason that the fetus is a girl.					

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
Type of domestic violence against women:	Bride burning	Sexual harassment at workplace	Dowry harassment	Eve teasing	FC
Type of Social violence against women:	Bride burning	Dowry harassment	Maltreatment of women	Sexual harassment at workplace	FC
Which of the following is NOT the type of victimiser of violence against women.	Psychopaths	Calm, composed person	Sociopaths	Victims of childhood violence	FC
Mass media portray positive role towards women by:	Depicting poor taste in women	Publicising derogatory remarks against women	Providing social support to women	Dramatising women relted violent programmes	FC
Violence against women may happen due to:	male dominance mentality	consideration of women as a Shakti	affection towards women	respect towards women	FC
First female doctor in India:	Sarla Thakral	Anandibai Gopal Joshi	Shivangi Singh	Kiran Bedi	FC
Agatha Sangma, Ambika Soni, Supriya Sule are examples of:	women pilot	female politicians	national athletes	female news reporters	FC
Bride burning is a type of violence against women	criminal	social	domestic	workplace	FC
Raja Rammohan Roy opposed the pratice of	Sati pratice	Sexual harassment at workplace	Eve teasing	Dowry harassment	FC
The major cuses of declining sex ratio is	Poverty	Pollution	Somoking	Unemployment	FC
According to census definition a worker is categorized as '' if she/he has worked for 6 months or more.	Main worker	total workers	marginal workers	Regular worker	FC
The of the upper castes has always been to consolidate and maintain their high social status.	high caste	lower castes	Attitude	Value	FC
Anti–Hindi agitations took place in India.	Northern	Southern	Western	eastern	FC
enforce any restriction with regard to inter – dining and inter – marriage.	Caste system	sub -caste	lower castes	upper caste	FC
Preamble is the soul of the	regional	constitution	politics	nation	FC
The Wordmeans equal respect for all religions	soverign	secular	socialist	liberity	FC
means that there will be representative and responsible system of government		Liberty	Democratic	Fratenity	FC
	Political	Social	Economic	Republic	FC
of the individual means the personality of each individual should be recognized and respected	Dignity	Liberty	Equality	Monopoly	FC
There are Schedules in the structure of the Indian constitution that indicate the policy of the Government	22	12	32	46	FC

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
The Constitution of India came into effect on1950	26th November	26th January	26th December	26th August	FC
According to the Indian Constitution there aretypes of	two	three	four	five	FC
emergency					
Every citizen of India completing years of age and above is	20	21	18	16	FC
entitled to vote					
Political justice gives universal adult franchise, equal opportunity to all	protection	social	meaning	obligation	FC
citizens andof minority					
Rights and duties are term.	correlated	combined	coincident	mixed	FC
The main aim of the Women Reservation Bill is to reserve	33	50	75	100	FC
percent seats in Lok Sabha and all state legislative					
assemblies for women.					
The fundamental Duties are general guidelines meant for the	good Conduct	discipline	peace	confidence	FC
of the citizens					
The are general guidelines meant for the good conduct	fundamental Duties	religious Duties	welfare Duties	public Duties	FC
of the citizens.					
In Fundamental Duties, to uphold and protect the and	sovereignty	harmony	fraternity	integrity	FC
integrity of India					
According to Samuel Goldwyn, "90 percent of the art of living consist of	One cannot stand	we love	who have beautiful	with whom we share	FC
getting on with people,			mind	close bond	
Tolerance helps to develop:	good conduct	strong immunity	cordial relations	discipline among citizens	FC
Communal harmony means creating peace among a	religion	region	community	caste	FC
Peace and communal harmony helps to reduce	regional differences	communal conflicts	social conflicts	caste differences	FC
Peace and harmony enables the people to be more in the	tolerant	intolerant	patriotic	friendly	FC
society.					
is the chief architect of the Indian Constitution.	Dr Babasaheb Ambedkar	Dr Rajendra Prasad	Dr S Radhakrishnan	Dr Durga Das Basu	FC
Before 74th Constitutional amendment government	Union	State	Central	Local	FC
were free to manage their local bodies as they wished.					
India, the world's largest democracy has a system.	Local-party	Multi-party	Social-party	Mid-party	FC
is the apex insititution in the Panchayati Raj system in India	Panchayati Samiti	Zilla Parishad	Gram Panchayat	Nagar Parishad	FC
The members of the Zilla Parishad enjoys a term ofyears	2	3	4	5	FC

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
Committee recommended Panchayati Raj system in India	Balwant Rai Mehta	Singhvi	Ashok Mehta	G V K Rao	FC
	1	1	1		
is the acronym for Strengths, Weaknesses	SWOT	SCOT	WOTS	ETOP	B_ENV
,Opportunities and Threats.					
Business and its environment are	Unrelated	Inseparable	Separable	Detached	B_ENV
environment refers to factors such as economic	Demographic	Economic	Social	Legal	B_ENV
conditions, economic policies and economic system.					
refers to the regulatory framework within which the	Legal	Cultural	Natural	Demographic	B_ENV
business firms have to conduct their activities.					
capability relates to human resources and skills.	Operational	Personnel	Financial	Marketing	B_ENV
Environment consists of suppliers, customers , market	Internal	Micro	Macro	Natural	B_ENV
intermediaries and public.					
Theenvironment consists of the larger societal factors	Internal	HR	Micro	Macro	B_ENV
that affect the working of a firm.					
Technology is ancomponent for competitive	internal	ignorable	unrelated	important	B_ENV
advantage.					
Which one of the following is not an economic objective of business?	Return on investment	Expansion of market	Cost reduction	Social justice	B_ENV
		share			
The element of risk isin business.	Very high	Ignorable	Very Low	Irrelevant	B_ENV
The moral principles, standards of behaviour, or set of values that	Office place ethics	factory place ethics	behavioural ethics	work place ethics	B_ENV
guide a person's actions in the workplace is called					
Which of the following factors encourage good ethics in the	Transparency	fair treatment to the	both (a) and (b)	bribe	B_ENV
workplace?		employees of all levels			
Which legislations relates to the concept of business ethics?	Fredom of Information Act	Food Act	Business Act	Companies Regulations	B_ENV
According to Adam Smith, is the best way to promote collective	Through individuals forgoing their	Through Government	Through everyone	Through everyone	B_ENV
Most companies bring the process of establishing organisation ethics	Ethics training programs	Codes of Conduct	Ethics enforcement	Hidden agendas	B_ENV
programs by developing			Mechanisms		

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
Which of the following is NOT one of the primary elements of a strong organizational compliance program?	A written code of conduct	An ethics officer	Significant financial expenditures	A formal ethics training program	B_ENV
For referent power to be effective, what must exist between individuals in the relationship?	Antipathy	Rivalry	History	Empathy	B_ENV
The ability to interpret and adapt successfully to different national, organizational, and professional cultures is called:	national competitiveness.	stakeholder sensitivity	global development	cultural intelligence.	B_ENV
The social economy partnership philosophy emphasizes:	cooperation and assistance.	competition.	profit maximization	restricting resources and support.	B_ENV
Which of the following alone can ensure effective ethics programme in a business enterprise?	Publication of a code	Code of Conduct	Involvement of employees	Establishment of compliance mechanisms	B_ENV
The protocol allows these projects to be constructed and credited in advance of the trading priod.	joint implementation	UNFCCC	kyoto	carbon	B_ENV
Theprotocol provides for three mechanisms that enable countries or operators in developed countries.	kyoto	joint implementation	UNFCCC	carbon	B_ENV
Undera developed country with relatively high cost of domestic greenhouse reduction would set up a project in another developed country.	clean development mechanism	kyoto	carbon	joint implementation	B_ENV
Undercountries can trade in the international carbon credit market to cover their shortfall in assigned amount units.	UNFCCC	international emissions trading	carbon trading	joint implementation	B_ENV
Carbon projects can be created by agovernment or by an operator witin the country.	district	state	national	domestic	B_ENV
The quantity of the initial assigned amount is denominated in individual units, called	assigned amount units	assets amount units	aggregated amount units	adopted amount units	B_ENV

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
gas emissions are capped and then markets are used to	greenhouse	redhouse	bluehouse	yellowhouse	B_ENV
allocate the emissions among the group of regulated sources.					
growth should move in well planned manner.	market	industrial	society	bank	B_ENV
Business should take measures to avoidand adverse effect	pollution	profit	demand	supply	B_ENV
of industrial growth.					
It is not only responsibility of to protect environnment	government	supplier	customer	marketer	B_ENV
rather business house.					
MNC has head quarters at one country which is called as	host	home	third	any	B_ENV
country.					
MNCs have access to many markets in countries.	host	home	special	general	B_ENV
developed by MNCs from developed countries does not fully	technology	culture	tradition	design	B_ENV
fit in the needs of developing countries.					
The MNCs from developed countries are for their	appreciated	evaluated	criticised	diagnosed	B_ENV
interference in the political affairs of developing nations.					
MNCs work towards their rather than working for the	special	self	multiple	dedicated	B_ENV
development of host country.					
MNCs are financially very strong and adopt to sell their	passive	active	aggressive	neutral	B_ENV
products.					
MNCs create demand by making extensive use of the	real	simple	complex	artificial	B_ENV
advertising and sales promotion.					
Transnational Corporation and MNCs are traditionally	same	equal	different	related	B_ENV
TNCs can have access to new development.	skilled	unskilled	qualified	unqualified	B_ENV
General quality of life can be improved is considered as of	advantage	disadvantage	problem	hurdle	B_ENV
TNCs.			_		
Trade liberalisation helps in	centralisation	promoting growth	†	promoting imbalance	B_ENV
Trade liberalisation helps in	centralisation	decentralisation		promoting imbalance	B_ENV
The share of developing nations in our exports is	not important	not relevant	increasing	decreasing	B_ENV
Gems and Jewellery is identified as in Indias export	traditional Items	Hand items	old items	negative items	B_ENV
India imports a large quantity of	gems	petrolium	agricultural items	handicraft items	B_ENV
India is the largest exorter of serices in the world	6th	8th	7th	3rd	B_ENV
The aim Foreign trade is to promote in India	FDI	Bank loan	credits	finance	B_ENV
One of the objectives of foreign trade in India is to reduce import by	growth	stabalisation	substitution	finance	B_ENV

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
The term OPEC stands for	Organisation of Petrolium	Organisation of Oil	Oil and Pertolium	Oil and Pertolium	B_ENV
	exporting countries	producing countries	exporting countries	Exports Council	
The term OECD stands for	Organisation for European co-	Organisation for	Organisation for	Organisation for	B_ENV
	operation and development	Economic co-operation	Economic Capability	Economic Cartel	
		and development	Development	Denomination	
	•				
The guidance and regulation by executive action of the costs of	Operating costing	Cost reduction	Cost control	Accounting	Cost
operating an undertaking is known as					
Cost Accounting covers	The preparation of statistical data	The application of cost	The ascertainment of	The preparation of	Cost
		control methods	the profitability of	statistical data, The	
			activitieis carried out	application of cost	
			or planned	control method, The	
				ascertainment of the	
				profitability of activitieis	
				carried out or planned	
				'	
Which of the following statements is true?	The word "cost" has the same	Different cost concepts	All organizations incur	Costs incurred in one	Cost
	meaning in all situations in which	and classifications are	the same types of	year always useful in the	
	it is used	used for different	costs	following year(s)	
		purposes			
Which of the following would not be considered a fixed cost?	Rent	Depreciation	Cost of bottles used in	Property taxes	Cost
			the production of soft		
			drinks		
Which of the following costs will vary directly with the level of	Total manufacturing costs	Total cost of sales	Variable selling costs	Variable product costs	Cost
production?					
If the level of activity increases,	Variable cost per unit and total	Fixed cost per unit and	Total cost will increase	Variable cost per unit	Cost
	costs increase	total variable cost	and fixed cost per unit	and total cost increase	
		increase	will decrease		
Costs which are ascertained after they have been incurred are known	Imputed costs	Sunk costs	Historical costs	Opportunity costs	Cost
as					
Indirect costs are known as	Variable costs will total Rs.	Fixed costs	Overheads	Accounting	Cost
	1,20,000				

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
A functional classification of costs would classify "depreciatioin on	Product cost	Administrative expense	Selling expense	Variable cost	Cost
office equipment" as a					
Direct material is a	Manufacturing cost	Administration cost	Selling and	Any of the above	Cost
			distribution cost		
A particular cost is classifieid as being semi-variable. What is the effect	Stays the same	Decreases by less than	Increases by 20%	Increases by less than	Cost
on the TOTAL COST if activity increases by 20%?		20%		20%	
You are given the cost and volume information below: Volume Cost,	Fixed cost	Variable cost	Step cost	Mixed cost	Cost
1 uint Rs. 15, 10 units Rs. 150, 100 units Rs. 1,500, What type of a					
cost is given?					
Which of thhe following statements regarding graphs of fixed and	Variable costs can be represented	Fixed costs can be	Fixed costs are zero	Variable costs are zero	Cost
variable costs is true?	by a straight line where costs are	represented by a	when production is	when production is	
	the same for each data point	straight line startinng at	equal to zero	equal to zero	
		the origin and continuing			
		through each data point			
Which of the following is an accounting record?	Bill of Materials	Bin card	Stores ledger	Purchase Requisition	Cost
				Note	
The storekeeper should initiate a purchase requisition when stock	Minimum level	Maximum level	Re-order level	Average level	Cost
reaches					
The storekeeper should initiate a when stock reaches Reorder	Attendance sheet records	Purchase Requisition	Bin Card	Bill of Materials	Cost
level					
A written request to a supplier for specified goods at an agreed upon	Purchase order	Receiving report	Purchase requisition	Materials requisition	Cost
price is called a:				form	
The initial sanction of the total quantity in materials) of job or contract	Bill of lading	Bin card	Purchase requisition	Bill of materials	Cost
is made through a document known as					
A purchase requisition is raised	to intimate to the supplier the	when the stock of raw	when goods are	to let the accounts	Cost
	quantity and quality of new	material has fallen to the	received from a	department know that	
	material required	reorder level	supplier	an invoice should be	
				expected from a supplier	
Which of the following methods of stock control aims at concentrating	Perpetual inventory system	Materials turnover	Maximum, Minimum	ABC analysis	Cost
efforts on selected items of materials?			and re-order level		
			setting		
In ABC analysis, category of items are about 10% of items	Α	В	C	None of the above	Cost
having 70% of value.					

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
Following are the details of Product X . Minimum consumption 100	2000	2200	2250	2275	Cost
units per day; Maximum consumption 150 units per day; Normal					
consumption 120 units per day; Re-order period 10 to 15 days; Re-					
order Quantity 1500 units; Normal Re-order period 12 days. Calculate					
Reordering level					
The Maximum stock level of component Q is 9200 units . The	3400	3150	2500	5600	Cost
minimum stock level is 2000 units . Find out the average stock level in					
units					
The Maximum stock level of component Q is 5300 units . The	3400	3150	2500	3800	Cost
minimum stock level is 2300 units . Find out the average stock level in					
units					
weighted average cost method can be used under	only the periodic system of	both the system of	only the perpetual	Neither the periodic nor	Cost
	inventory	inventory-periodic and	systems of inventory	the perpetual system of	
		perpetual		inventory	
an inventory costing method that assumes that those items which have	last in first out	specific identification	average	first in first out	Cost
been first in inventory are sold first.					
if the inventory at the end of the year in overstated by ₹ 7,500, the	overstatement of cost of goods	understatement of gross	overstatement of net	understatement of net	Cost
error will cause	sold for the year by ₹ 7,500	profit for the year by ₹	income for the year by	income for the year by ₹	
		7,500	₹ 7,500	7,500	
refers to the time for which wages are paid without	Overtime	Idle Time	Under time	Excess Time	Cost
any production.					
is a statutory requirement under Labour laws.	Human Resources	Time Booking	Time Keeping	Engineering	Cost
card shows the aggregate labour cost of the job or the	Clock	Time & Job	Labour Cost	Attendance Records	Cost
product.					
is mechanized method of time recording.	Clock Cards	Disc Method	Pay roll	Human Resources	Cost
Department to summarise overtime payments and	Pay roll	Time Keeping	Time Booking	Engineering	Cost
incentive payments wherever applicable.					
According to Taylor's Differential plan, the worker is paid according to	Degree of Efficiency	Degree of Understanding	Degree of Flexibility	Degree of Loyalty	Cost
his					
Under Haley Premium Plan, Total Earnings = Time wages + [of	0.333333333	0.75	0.6666	0.5	Cost
Time Saved x Time Rate]					
When standard output is 10 units per hour & actual output is 12 units	0.8	1	1.2	0.12	Cost
per hour, the efficiency is					
Which of the following is a personal cause of Labour Turnover?	Change in Plant location	Lack of recreational and	Change in job for	Low wages and	Cost
		medical facilities	betterment	allowances	

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
Which of the following is an avoidable cause of Labour Turnover?	Seasonal Nature of Business	Change in the plant location	Disability making a worker unfit for work	Dissatisfaction with job	Cost
Mr. Ram produced 64 units in a 40 hour week. The guaranteed time rate is Rs.5 per hour and piece rate is Rs.2 per unit. Calculate his earnings under Straight Piece Rate System.	Rs. 128	Rs. 80	Rs. 200	Rs. 320	Cost
Mr.Anil produces 150 units in 8 hours. He is paid at the rate of Rs.7 per hour. He is also paid a Dearness Allowance of Rs.15 for 8 hours work. His total earnings under Time wage rate are Rs	Rs.1215	Rs.71	Rs. 176	Rs. 3300	Cost
Rate per hour = Rs. 1.5; Time allowed for the job = 16 hours; Time taken = 12 hours; Calculate the total earnings of the worker under Halsey Premium Plan.	Rs. 24.00	Rs. 26.00	Rs. 19.00	Rs. 21.00	Cost
Which of the following is not a method of cost absorption?	Percentage of direct material cost	Machine hour rate	Labour hour rate	Repeated distribution method	Cost
Service departments costs should be allocated to:	Only Service departments	Only Production departments	Both Production and service departments	Administration department	Cost
Most suitable basis for apportioning insurance of machine would be:	Floor Area	Value of Machines	No. of Workers	No. of Machines	Cost
Which of the following is NOT a selling overhead?	Insurance to cover sold goods while in transit	Royalty on sales	Legal cost on debt realization.	Distribution of samples	Cost
When the actual overhead is more than absorbed overhead it is known as	over absorption	under absorption	equal absorption	major absorption	Cost
Depreciation of plant can be apportioned on the basis of	plant value.	plant size	working days	output produced	Cost
Number of worker employed is used as basis for the apportionment of	rent	canteen expenses	PF contribution	rate and tax	Cost
The process of grouping of costs according to some common characteristics .	absorption	primary distribution	secondary distribution	classification	Cost
Repeated distribution method is a method ofmethod	Direct re-distribution method	Step distribution method	Reciprocal Distribution method	Non- Reciprocal Distribution Method	Cost
The rate is computed by dividing the overheads by the aggregate of the productive hours of direct workers.	Machine Hour Rate		direct labour hour	Prime cost percentage rate	Cost
Under or over absorption of overheads arises only when overheads are absorbed by	Normal rate	Machine Hour Rate	Direct Material cost percentage rate	predetermined overheads rates	Cost

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
				•	
Accounting policies	Change from concern to concern	Are same for all	Are laid down by law	Are prescribed by AS 1	FA-1
		concerns			
Rent and rates are apportioned to different departments on the basis	Floor area occupied	Number of workers	Sales of each	Value of the assets kept	FA-1
of			department		
In the books of Mr. Salman, if Profit & Loss a/c is debited &	Hirer	Seller	Hire Vendor	Creditor	FA-1
Depreciation a/c is credited then, Mr. Salman is a					
A concern should select an accounting policies which enable it to	show good profits	pay the proper amount	present a true and fair	calculate the connect	FA-1
		of income-tax	value of its state of	amount of cash in hand	
			affairs and profit or		
			loss		
The interest on capital is debited to	Trading account and profit & loss	Balance sheet	partners capital	Profit & loss A/C	FA-1
	account		account		
Hire Purchase is between hire purchaser & hire vendor.	An Agreement	A Promise	A Relation	A Friendship	FA-1
Inventories should be generally valued at lower of cost or	Fair market Value	Replacement Value	Present Value	Net Realisable Value	FA-1
·					
Beta Stores rents a office space for ₹ 1,46,700 per year. There are four	35208	55746	32274	23472	FA-1
departments within the stores. The area occupied by the departments					
are: Department M: 7,200 sq. ft.; Department N: 9,900 sq. ft;					
Department R: 17,100 sq. ft; Department S: 10,800 sq. ft. Rent					
allocated to Department M is .					
Which Accounting Standard deals with recognition of revenue	AS 1	AS 10	AS 11	AS 9	FA-1
X Ltd. purchased a car from Y Ltd. on hire purchase basis. Cash price is `	` 10,000	` 20,000	` 40,000	` 50,000	FA-1
50,000 Initial payment `10,000, balance in four instalments with 10%					
interest.The down payment is					
Revenue Expenditure is in nature	recurring	non-recurring	unproductive	wasteful	FA-1
For a general stores, the sales, gross profit, and total operating	0.19	0.13	0.24	0.17	FA-1
expenses for the current year were: Sales : Dept. B: ₹ 2,40,000, Dept.					
H: ₹ 1,60,000, Dept. I: ₹ 1,50,000, Dept M: ₹ 2,50,000 ; Gross profit:					
Dept. B: ₹ 84,000, Dept. H: ₹ 48,000, Dept. I: ₹ 52,000, Dept M: ₹					
76,000 ; Operating expenses: Dept. B: ₹ 26,400, Dept. H: ₹ 20,800,					
Dept. I: ₹ 23,500, Dept M: ₹ 43,500. The net profit of Dept. M is					
of sales.					

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
Provision For taxation for the curent year is	Deducted from profit before tax	Deducted from profit	Deducted from profit	Deducted from	FA-1
		after tax	available to	operating profit	
			shareholder		
Under Method, revenue is recognised in proportion to the	Completed Service Contract	Proportionate	Revalued	Restructured	FA-1
degree of completion of service under a contract.		Completion			
Cash price is the purchase price payable if full payment is made	within a month	Within a year	in one day	immediately	FA-1
IASB stands for	Indian Accounting Standards	Indian Accounting	International	International Accounting	FA-1
	Board	Standards Bulletin	Adccounting	Standards Boards	
			Standards Bulletin		
Which of the following is not debited to Departmental Profit and loss	Carriage outward	Salaries	Rent and Rates	Commission received	FA-1
account?					
Gross Profit is transferred to A/C	Profit and Loss A/C	Balance sheet	trading account	Manufacturing Account	FA-1
The seller of goods on Hire purchase can be called as	Buyer	Seller	Customer	Hire vendor	FA-1
shown the financial position of the business at the end of the	Liabilities Account	Assets account	trading account	Balance sheet	FA-1
year.					
Which of the following expenses is an indirect expenses in	Rent	Carriage inward	Sales	Purchases	FA-1
departmental accounting?					
Apart from FIFO and WAM, AS 2 allows other methods of	1	4	2	3	FA-1
cost measurement .					
The ICAI constituted ASB in	1987	1997	1977	1967	FA-1
Net loss is transferrred to the of the capital Account	credit	Debit	Debit & credit	Ignore	FA-1
Revenue from sale of products, is generally, realized in the period in	Cash is collected	Sales is made	Products are	Ready for Sales	FA-1
which			manufactured		
The feature of hire purchase is	User ultimately become the owner	Instalment include a	User does not pay any	No Credit purchase	FA-1
		principal only	interest		
If Closing Stock A/c alreadyappears in the trial balance, the amount is	Liabilities Account	trading account	balance sheet	profit & loss	FA-1
shown only in the					
When goods are transferred from department X to department Z, the	debited	credited	added	deducted	FA-1
trading account of department Z is with the amount of goods					
received.					
For a shirt factory, cotton is	Finished goods	Work- in - progress	raw materials	Assets	FA-1
Costs of abnormal wastage is while computing cost for stock	omit	included	leave out	excluded	FA-1
valuation					

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
Under hire purchase system becomes the owner of goods on	Hire Vendor	Hirer	Both Hire Vendor &	Lawer	FA-1
payment of last Instalment.			Puchaser		
Which of the following is not debited to Departmental Profit and loss	Carriage inward	Salaries	Rent and Rates	Electricity	FA-1
account?					
Purchase of a building is a	Revenue expenditure	Capital expenditure	Deferred revenue	Capital Receipt	FA-1
			expenditure		
Sales of scrap is-	Shown on Debit of the	Shown of the profit &	shown on credit of the	Shown on credit of the	FA-1
	manufacturing Account	loss	profit & loss account	manufacturing account	
Cost of goods sold is equal to	Opening stock + purchases - Direct	Opening stock +	Opening stock +	Opening stock -	FA-1
	Expenses - Closing Stock	purchases + Direct	purchases +Direct	purchases + Direct	
		Expenses - Closing Stock	Expenses + Closing	Expenses - Closing Stock	
			Stock		
NRV stand for	Not Realisable Value	Net Realisable Value	Net Real Value	Net Revenue Value	FA-1
Under inflationary conditions , method will show highest value of	FIFO	LIFO	Weighted Average	Specific identification	FA-1
closing stock					
Discount Allowed appearing in the Trial balance are shown	On the debit side of trading	On the credit side of	on the Assets side of	Will be shown on credit	FA-1
	Account	trading A/C	the Balance sheet	of manufacturing A/C	
Hire purchase price is equal to down Payment plus	Instalments	Cash Price	Interest	Market Price	FA-1
Arihant Engineers have three departments- Mechanical, Chemical and	48000	80000	104000	56000	FA-1
Electrical. The office space used by the three departments solely for					
there business is: 30%, 40% and 20% respectively. The remaining is the					
common area which is used by them equally. The total rent, rates and					
taxes incurred during the year is Rs. 2,40,000. The rent, rates and taxes					
allocated to Electrical department is					
Business Activities give rise to	Revenue Expenditure	Capital Expenditure	Capital Receipts	Deferred revenue	FA-1
				expenditure	
Purchase of typewriter for re-sale	Revenue Expenditure	Capital Expenditure	Capital Receipts	Revenue Receipts	FA-1
The last instalment in hire purchase includes	Principal Amount only	Interest only	Principal Amount plus	Total cash price	FA-1
			interest		

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
A Bad/Doubtful debt provision is to be made when	Revenue is recognised and there	Revenue is recognised	Revenue is not	Revenue is not	FA-1
	is risk of non-payment.	and there is no risk of	recognised since the	recognised since the	
		non-payment	revenue cannot be	revenue is not collectible	
			measured		
₹ 20,000 received on issue of equity shares	Revenue receipt = ₹ 10,000 ;	Capital Receipt = ₹	Deferred revenue exp	Revenue Receipt = ₹	FA-1
	Capital receipt = ₹ 10,000	10,000	= ₹ 10,000 ; Capital	10,000	
			receipt = ₹ 10,000		
method is known as credit purchase method.	Stock	Asset Accrual	Actual Cash	Full Cash Price	FA-1
A's Trial balance show the Opening stock Rs.50,000; it will be	Debited to the Manufacturing	Debited to the Profit &	Deducting from the	Deducted from profit	FA-1
	Account	Loss Account	closing stock in the	after tax	
			Balance sheet		
Sales of Department X is ₹ 10,95,900, Department Y ₹ 14,02,350 and	0.5813	0.2691	0.372	0.4643	FA-1
Department Z ₹ 23,37,250. The purchases cost of the three					
departments are ₹ 8,01,000 ; ₹ 5,87,100 and ₹ 14,67,750 respectively.					
What is the gross profit percentage of department Y?					
Freight inward appearing in Trial Balance sheet	On the debit side of profit & loss	On the debit side of	On the liabilities side	Fictitious Assets	FA-1
	Account	manufacturing Account	of the balance Sheet		
Down Payment is the amount wihich is payment.	a fast	an initial	credit	Discounted	FA-1
Power is allocated on the basis of of each department.	No. of light points	Number of employees	Floor area	Horse power of	FA-1
				equipment's installed	
The formula for the Capital Asset Pricing Model (CAPM)	Ke = Rf + b (Rf – Rm)	Ke = Rf + b (Rm – Rf)	Ke = R + b (R – M)	Ke= R + b (R – R)	FM
is .	Re - Ri + D (Ri - Rill)	Ke - Ki + D (Kiii - Ki)	Ke - K + D (K - WI)		1 101
Calculate cost of debt after tax, if 10% Debenture is Rs.10,00,000 and	0.05	0.06	0.055	0.07	FM
tax is 50%?					
cost of Debts is denoted by	Kd	Kw	Ke	Кс	FM
Earning per share is Rs.25. Current market price of share is Rs.340.	0.25	0.1	0.1735	0.0735	FM
Expected growth rate of earnings is 10%. Cost of equity will be					
Remo Ltd. issued 12% Debentures of Rs.100 each at par with 7%	Rs.12	Rs.88	Rs.7	Rs.93	FM
floatation cost on issue price. The net proceeds will be					
loans requires no collateral security	Unsecured	Secured	Mortgage	Hypothecated	FM

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
reflects the amount of fund received by a company in lieu of	Deferred Income	Accrued Expenses	Overdraft	Public Deposit	FM
goods and services to be provided in the future					
Party issuing bill of exchange is known as	Drawer	Drawee	Payee	Receiver	FM
Money obtained by issue of shares is known as	Debts	Share Capital	Loans	Reserve Funds	FM
Operating leverage exists if there is operational cost	interest	fixed	variable	semi variable	FM
Financial leverage refers to the use of to acquire additional	equity & debt	debt	equity	short term loans	FM
assets.					
Financial leverage arises because of	fixed cost of production	variable cost	interest cost	semi variable cost	FM
If EBIT is Rs.15,00,000, interest is Rs.2,50,000, tax rate is 40%, degree	1.11	1.2	1.31	1.41	FM
of financial leverage is					
Sales of a firm are Rs.74 Lakh, variable costs Rs.40 Lakh, fixed cost Rs.8	1.48	1.78	1.31	2.42	FM
Lakh. Operating leverage of the will be					
The earning after tax is, tax rate is 50% then earning before tax	90000	45000	180000	120000	FM
is 90,000					
Dividend per share = Equity dividend /	Total no. of debentures	Total no. of preference	total no. of Equity	Rate of interest	FM
		shares	shares		
Discounting factor at the end of 4th year at 10% is	0.683	0.751	0.909	0.826	FM
is the fund created for specific purpose by way of	Annual fund	Sinking fund	Reserve fund	Additional fund	FM
periodical payments over the period of time.					
Find the terminal value of Rs.6,000 for 3 years at 9% compounded semi-	7813.56	8813.56	9813.56	10813.56	FM
annually.					
If rate of interest is 12% and compounding is done on quarterly basis,	12.55	11.55	13.05	12.36	FM
the effective rate of interest will be					
is used to find future value.	Compounding	Discounting	Addition	Multiplication	FM
Capitalisation of Reserves is also termed as:	Bonus Issue	Right Issue	Private Issue	Debenture Issue	FM
Find the terminal value of Rs.6,000 for 3 years at 9% compounded	7836.3	8836.3	9836.3	10836.3	FM
quqrterly.					
If the first deposit of annuity is made immediately, it is called	annuity due	ordinary annuity	present value	future value	FM
Financing decision involve the most appropriate mix of	Current and Fixed Assets	Debt and Equity	Debt only	Equity only	FM
Issue of Shares ,Debentures is relevant to decision.	Investment	Financing	Dividend	Evaluation	FM
Financial objectives of a firm is	to increase return on investment	to increase efficiency of	to increase loyalty of	to increase sales	FM
		organisation	the employees		

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
risk is also known as Default risk.	Industry	Liquidity	Credit	Interest Rate	FM
If you invest Rs.10,000 in a bank at simple interest of 7% p.a. what will	12100	12000	11200	11000	FM
be the total amount at end of the three years?					
If Principal is Rs.100 and Interest is 10%, after 2 year future value will	121	211	112	212	FM
be					
If project having positive net present value the it should be	accepted	rejected	exchanged	completed	FM
<u> </u>					
Variable Cost + Contribution =	Sales	Total Cost	Contribution	Profit	FM
Financial Leverage helps in analysis of	Business Risk	Financing risk	Production risk	Credit Risk	FM
If operating Leverage is 2 and financial leverage is 5 then Combined	10	20	3	7	FM
leverage will be					
The limitation of operating leverage is	higher risk	profitability	liquidity	cost effective	FM
It depends upon composition of capital structure	EPS	EBT	EBIT	DPS	FM
Which one of the following is a correct statement regarding a firm's	An increase in the market risk	A reduction in the risk	A 5 percent increase	The WACC can be used	FM
weighted average cost of capital (WACC)?	premium will tend to decrease a	level of a firm will tend	in a firm's debt-equity	as the required return	
	firm's WACC	to increase the firm's	ratio will tend to	for all new projects with	
		WACC.	increase the firm's	similar risk to that of the	
			WACC.	existing firm.	
Regardless of the type of asset being acquired, the appropriate	the after tax cost of debt	the required rate of	the weighted average	the cost of equity capital	FM
discount rate is		return	cost of capital		
The common stock of a company must provide a higher expected	There is less demand for stock	There is greater demand	There is more	There is a market	FM
return than the debt of the same company	than for bonds.	for stock than for bonds.	systematic risk	premium required for	
because			involved for the	bonds.	
			common stock.		
Calculate Price Earning Ratio if rate of return on retained earnings is	2	2.67	6	1.67	FM
60%.					
B Ltd. Issued 2000, 15% Debentures of Rs.100 each at a discount of	0.15	0.1125	0.25	0.3	FM
5%. Tax rate is 25%. Calculate cost of debentures.					
Monjo Ltd. Issued Equity share of Rs.10 each at a discount of 5%.	Rs.8.5	Rs.9.5	Rs.11	Rs.8	FM
Floatation cost 10% on face value. Net proceeds will be					

Question	Answer 1	Answer 2	Answer 3	Answer 4	Subj
Madhu Ltd. Issues equity shares of Rs. 100 each at par. Rate of	0.1	0.25	0.3	0.28	FM
dividend is 25%. Current market price of share is Rs.250. Calculate cost					
of capital.					
Priya Ltd. Issued 8% Debentures of Rs 100 each. Tax rate is 50%. Cost of	0.08	0.04	0.5	0.12	FM
debenture will be					
The cost of new preferred stock is determined	by the cost of debt because they	by the cost of common	Dp/Kp = P- F	Dp/Kp = Pp	FM
	are similar	stock			
WACC Stands for	Weighted Annual Cost of Capital	Weighted Average Cost	Weighted Annual Cost	Weighted Average Cost	FM
		of capital	of Commodity	of Commodity	
The cost which equates the Present value of cash inflow with the	explicit cost	historical cost	future cost	Implicit Cost	FM
Present value of cash outflow is					
Cost of obtaining another rupee of new capital is	Marginal cost	average cost	specific cost	explicit cost	FM
Dividend distribution tax affects the cost of	Preference Shares	Capital	Dividend	Debenture	FM
Weighted average cost of capital is denoted by	Ka	Kw	Ко	Кс	FM