

COMMERCE

PAPER – II

Note : This paper contains **fifty** (50) multiple-choice questions, each question carrying **two** (2) marks. Attempt **all** of them.

- The annual GDP growth rate which was merely 3.6 percent during the first plan period has reached during 2002 - 03 to :
(A) 7.5 percent (B) 8.0 percent (C) 6.0 percent (D) 9.5 percent
- Liberalisation means :
(A) Reducing the number of reserved industries from 17 to 8
(B) Liberating the economy, trade and industry from unwanted restrictions
(C) Opening up of the economy to the world market by attaining international competitiveness
(D) Free determination of interest rates
- Match the following :

(a)	The Indian Contract Act	(1)	1948
(b)	The Indian Partnership Act	(2)	1930
(c)	The Sale of Goods Act	(3)	1932
(d)	The Indian Factories Act	(4)	1872

(A)	(a)	(b)	(c)	(d)
(B)	1	2	3	4
(C)	4	3	2	1
(D)	2	1	3	4
(E)	3	2	4	1
- In which year has the Government of India introduced Export and Import Policy (EXIM policy) for the first time ?
(A) 1977 (B) 1985 (C) 1988 (D) 1990
- The popular route of privatisation of public enterprises in India has been :
(A) Disinvestment (B) Initial public offer
(C) Outright sale (D) Sale to strategic partner
- If goodwill at its full value is raised in the books of a partnership firm at the time of retirement of a partner is to be written off, then the capital accounts of the remaining partners are debited in :
(A) Gaining ratio (B) Old profit and loss sharing ratio
(C) New profit and loss sharing ratio (D) Capital ratio
- Capital deficiency of an insolvent partner at the time of dissolutions is to be distributed in :
(A) The ratio of capitals after adjusting accumulated profits and losses but before adjusting realisation gains or losses
(B) The ratio of capitals after adjusting realisation gains or losses
(C) The ratio of fluctuating capitals before making any adjustments
(D) The profit sharing ratio unless there is an agreement to the contrary

8. Amount spent on advertisement campaign the benefit of which is likely to last for 3 to 4 years is :
- (A) Capital expenditure (B) Revenue expenditure
(C) Deferred revenue expenditure (D) Deferred capital expenditure
9. Cash flows arising from interest paid in the case of a financial enterprise is a cash flow from :
- (A) Operating activities (B) Financing activities
(C) Both (A) and (B) (D) Investing activities
10. Share Premium money can be used for :
- (A) Payment of Dividend (B) Writing off Goodwill
(C) Issue of fully paid bonus shares (D) None of the above
11. **Statements :**
- (I) The Law of Demand always operates in the case of superior goods.
(II) The substitution effect is always positive
- (A) Both correct (B) Both incorrect
(C) I correct, II wrong (D) I wrong, II correct
12. Which of the following firms witnesses kinked demand curve ?
- (A) Monopoly firm (B) Oligopoly firm
(C) Perfectly competitive firm (D) Duopoly firm
13. **Statements :**
- (I) Penetration price covers all costs
(II) The objective of skimming price policy is to penetrate the market with the lowest possible price
- (A) Both correct (B) Both wrong
(C) I correct, II wrong (D) I wrong, II correct
14. Cobb - Douglas production - function in its initial form has the following properties :
- (a) Power function (b) Constant returns to scale
(c) Elasticity of substitution as unity (d) Elasticity of substitution as constant and unity
- (A) a, b, d (B) a, c, d (C) a, b, c, d (D) a, b, c
15. Which one of the following is not a common property of an indifference curve ?
- (A) Downward sloping (B) Convex to the origin
(C) Two indifference curves can intersect each other (D) None of the above
16. If a sample is taken at random from a population, it is likely to possess almost the same characteristics as that of the population. Which one of the following laws states the above theme ?
- (A) Law of Inertia of Large numbers (B) Law of Statistical Regularity
(C) Law of persistence of Small Numbers (D) Law of Optimisation

17. Which one of the following factors causes non - sampling errors ?
 (A) Inappropriate statistical units (B) Inadequate sampling frame
 (C) Faulty process of selection (D) All of the above
18. **Statements :**
 (I) Non - sampling errors can occur in any survey, whether it be a complete enumeration or sampling
 (II) Sampling errors are present both in a census as well as a sample survey
 (A) Both correct (B) Both wrong
 (C) I correct, II wrong (D) I wrong, II correct
19. Karl Pearson's coefficient of correlation between X and Y variables measures :
 (A) Covariance between the two (B) Inverse of the products of their standard deviations
 (C) Product of A and B (D) None of the above
20. E-Business means :
 (A) Doing business through electronic media
 (B) Ordering for goods through telephones
 (C) Buying and selling of goods and services through electronic media
 (D) None of the above
21. **Statements :**
 (I) Hygiene factors are the intrinsic part of job carried out by an individual
 (II) Theory 'Y' represents the optimistic view about the human nature
 (A) Both correct (B) Both incorrect
 (C) I correct, II incorrect (D) I incorrect, II correct
22. The term organisation is usually understood in terms of :
 (A) Structure (B) Process
 (C) Structure as well as process (D) Function
23. Match the items in List I with the items in List II.
- | | List I | | | List II | | |
|-----|-----------------------------------|-----|-----|----------------|-------------|--|
| (a) | Unity of command | | | (1) | F.W. Taylor | |
| (b) | Bureaucratic Theory of Management | | | (2) | Max Weber | |
| (c) | Scientific Management | | | (3) | Henry Fayol | |
| | (a) | (b) | (c) | | | |
| (A) | 1 | 2 | 3 | | | |
| (B) | 2 | 1 | 3 | | | |
| (C) | 3 | 2 | 1 | | | |
| (D) | 2 | 3 | 1 | | | |

24. Match the items in List I with the items in List II.

List I			List II
(a)	Autocratic Leader		(1) Makes and announces decisions
(b)	Participative Leader		(2) Seeks ideas before making decisions
(c)	Democratic Leader		(3) Decides with group on one and one basis
	(a)	(b)	(c)
(A)	1	2	3
(B)	1	3	2
(C)	3	2	1
(D)	2	3	1

25. In vertical communication, the communication flows :

- (A) Upward only (B) Downward only
(C) Upward as well as downwards (D) None of the above

26. The most important component of promotion mix to be used for industrial goods is :

- (A) Personal selling (B) Advertisement
(C) Sales promotion (D) Publicity

27. The most appropriate concept to be adopted for physical distribution of goods is :

- (A) Marketing concept (B) Total cost concept
(C) Selling concept (D) System concept

28. The process of dividing a potential market into distinct sub sets of consumers and selecting one or more segments as a target to be reached with a distinct marketing mix is :

- (A) Marketing (B) Positioning (C) Targeting (D) None of the above

29. In the line and staff form, the function of the marketing manager is to :

- (A) Obey the line (B) Serve the line
(C) Inform the line (D) Advise the line

30. According to the marketing concept, the different functional areas of the firm should blend their efforts in order to maximise :

- (A) Profit (B) Sales (C) Market share (D) Customer satisfaction

31. Statements :

- (I) The greater is the likely level of EBIT than the financial indifference point, the stronger is the case for issuing levered financial plans to maximize the EPS.
(II) The financial break - even point is found at that level of EBIT where the EPS is zero for a particular financial plan.
- (A) Both correct (B) Both incorrect
(C) I correct, II incorrect (D) I incorrect, II correct

32. Which of the following investment appraisal methods is not based on DCF approach ?
- (A) NPV (B) IRR
(C) Pay Back Period (D) None of the above
33. The discount rate which equates the present value of the cash inflows that are incremental to the taking of the financing opportunity with the present value of its incremental cash out flows defines :
- (A) Implicit cost of capital (B) Explicit cost of capital
(C) Incremental cost of capital (D) None of the above
34. The estimated requirement of total funds for working capital should be met from long-run sources is known as :
- (A) Matching approach (B) Aggressive approach
(C) Conservative approach (D) None of the above
35. Who has given the following formula for determining dividend policy :
- $$P = \frac{D + \frac{r}{K_e} (E - D)}{K}$$
- (A) Modigliani Miller (B) James E. Walter
(C) Myron Gordon (D) David Durand
36. Which of the following techniques of performance appraisal is least susceptible to personal bias ?
- (A) 360 Degree Appraisal system (B) Forced - choice method
(C) Ranking method (D) Check - list
37. In Job - evaluation, the key jobs are designated as ones :
- (A) Which are more in number in the organisation
(B) Which are most important for the survival of the organisation
(C) Which are most secure
(D) Which represent different levels of each compensable factors
38. **Statements :**
- (I) Employee development is more future oriented and more concerned with education than employee training.
(II) Apprenticeship programme is one of the widely used off - the job training method.
- (A) Both correct (B) Both incorrect
(C) I correct, II incorrect (D) I incorrect, II correct

39. Match the items in List I with the items in List II.

List I		List II	
(a)	Brain storming	(1)	A free wheeling group discussion
(b)	Business game	(2)	A development activity in which one's action is guided by others
(c)	Role playing	(3)	A technique in which one assumes different identities
	(a)	(b)	(c)
(A)	1	2	3
(B)	2	1	3
(C)	1	3	2
(D)	2	3	1

40. **Statements :**

- (I) Fringe benefits, now-a-days are a significant component of compensation.
 (II) Under piece-rate plan, employees are paid at a stipulated rate per hour of work done by the employee
- (A) Both correct
 (B) Both wrong
 (C) I correct, II wrong
 (D) I wrong, II correct

41. Which one of the following is the apex institution in financial sector of India ?

- (A) IDBI (B) NABARD (C) NHB (D) RBI

42. Chalapathi Rao Committee was meant for restructuring of :

- (A) State financial corporations in India
 (B) Commercial banks in India
 (C) Co-operative banks in India
 (D) Regional Rural Banks in India

43. Match the items in List I with the items in List II.

List I		List II		
(a)	Khusro Committee	(1)	To look into customer services in banks in India	
(b)	Goporia Committee	(2)	To review the agriculture credit situation in India	
(c)	Ghosh Committee	(3)	To examine the adequacy of institutional credit to SSI and other related aspects	
(d)	Nayak Committee	(4)	To enquire into the various aspects of frauds and malpractices in the banks	
	(a)	(b)	(c)	(d)
(A)	2	4	1	3
(B)	3	1	4	2
(C)	2	1	4	3
(D)	4	2	1	3

44. State Bank of India is a :
- | | |
|------------------------|-----------------------------|
| (A) Public Sector Bank | (B) Private Sector Bank |
| (C) Joint Sector Bank | (D) Non - Nationalised Bank |
45. On which of the following banks, the Reserve Bank of India depends largely for the success of its monetary policy :
- | | |
|------------------------|--------------------------|
| (A) Co-operative Banks | (B) Regional Rural Banks |
| (C) Commercial Banks | (D) Development Banks |
46. Interest payments on loans borrowed abroad are recorded in :
- | | |
|---------------------------------|------------------------------|
| (A) Capital Account | (B) Current Account |
| (C) Errors and omission section | (D) Official Reserve Account |
47. The main objective of International Monetary Fund (IMF) was to :
- | | |
|------------------------------------|--|
| (A) Promote international trade | (B) Help economically backward countries |
| (C) Maintain stable exchange rates | (D) Promote international liquidity |
48. Which one of the following theories says that “to export was good and to be encouraged but to import was bad and to be discouraged”.
- | | |
|-----------------------------|--------------------------------------|
| (A) Comparative Cost Theory | (B) The Theory of Absolute Advantage |
| (C) Factor Endowment Theory | (D) Mercantilist Theory |
49. NAFTA is an example of :
- | | |
|------------------------|---------------------|
| (A) Common Market | (B) Customs Union |
| (C) Economic Community | (D) Free Trade Area |
50. **Statements :**
- | | |
|--|-----------------------------|
| (I) No gain from trade is shared between countries in accordance with their relative strength of demand. | |
| (II) The terms of trade are against the primary producer unless it has a monopoly or the product has an inelastic demand abroad. | |
| (A) Both correct | (B) Both incorrect |
| (C) I correct, II incorrect | (D) I incorrect, II correct |

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PAPER – II

Note : This paper contains **fifty** (50) objective type questions, each question carrying **two** (2) marks. Attempt **all** of them.

1. In Budget estimates 2005-06 which sector has been given maximum amount of plan outlay :
(A) Energy (B) Social Services
(C) Rural Development (D) Transport
2. The Twelfth Finance Commission was appointed by :
(A) President of India (B) Prime Minister of India
(C) Parliament (D) Council of Ministers
3. VAT is a modern, simple and transparent tax system that will replace the existing :
(A) Corporate Tax (B) Exise Duty
(C) Sales Tax (D) Service Tax
4. Consider the following :
1. Irrigation 2. Roads 3. Water supply
4. Housing 5. Rural Electrification 6. Rural Telecom connectivity
Which of these are components of 'Bharat-Nirman' ?
(A) 1 - 2 - 3 - 4 - 5 (B) 1 - 2 - 3 - 4 - 6
(C) 2 - 3 - 4 - 5 - 6 (D) 1 - 2 - 3 - 4 - 5 - 6
5. A Task Force has recommended the creation of a National Fund for Strategic Agriculture. Who headed this Task Force ?
(A) M.S. Swaminathan (B) Sharad Pawar
(C) P. Chidambaram (D) None of the above
6. Transportation expenses incurred to bring a machine from the place of purchase to the place of installation is :
(A) a revenue expenditure (B) a capital expenditure
(C) deferred revenue expenditure (D) none of the above

7. Match the items from List-I with the items in List-II :

List-I		List-II	
(a)	Working-capital ratio	(i)	Cash Flow Statement
(b)	Cash equivalents	(ii)	Break-even Analysis
(c)	Margin of safety	(iii)	Liquidity
(d)	R O I	(iv)	Solvency
		(v)	Responsibility centres

Codes :	(a)	(b)	(c)	(d)
(A)	(iii)	(iv)	(ii)	(v)
(B)	(ii)	(iii)	(v)	(iv)
(C)	(iii)	(i)	(ii)	(v)
(D)	(iii)	(i)	(ii)	(iv)

8. Bottom-line growth refers to growth in :

- (A) Sales (B) Turnover (C) Assets (D) Profit

9. If total assets = Rs. 12,00,000, sales = Rs. 24,00,000, total expenses = Rs. 21,40,000, and normal rate of return = 12%, find out residual income :

- (A) Rs. 1,44,000 (B) Rs. 2,60,000 (C) Rs. 1,16,000 (D) 2,16,000

10. X, Y and Z are three partners sharing profits and losses in the ratio, 10 : 6 : 2. A was admitted for 1/10th share. The new profit sharing ratio will be :

- (A) 10 : 6 : 2 : 1 (B) 5 : 3 : 2 : 1 (C) 5 : 3 : 1 : 1 (D) 10 : 6 : 2 : 4

11. Which of the following is correct statement ?

- (A) Under perfect competition, a firm determines its price where AR = MR
 (B) In perfect competitive industry, a firm is in equilibrium in the short run only when its AC = AR = MR = MC
 (C) The short-run supply curve has a negative slope
 (D) A firm is price-taken under perfect competition

12. A consumer attains equilibrium at a point on the indifference curve where :

- (A) $MRS_{xy} = \frac{P_x}{P_y}$ (B) $MRS_{xy} > \frac{P_x}{P_y}$
 (C) $MRS_{xy} < \frac{P_x}{P_y}$ (D) $MRS_{xy} = P_x P_y$

13. In Oligopoly market kinked demand curve explains :

- (A) Collusion among rival firms (B) Average variable cost curves
 (C) Short run average cost curve (D) Long run average cost curve

14. Opportunity cost means :
- (A) Cost of a Homogeneous product (B) Cost of the last unit
 (C) Cost of next best alternative (D) Cost of all units produced
15. A normal profit :
- (A) is part of economic cost
 (B) has to be above economic cost in order to encourage output
 (C) is not a part of the economic costs that a firm incurs
 (D) is irrelevant to the production division of a firm
16. Chi-square test is a :
- (A) Parametric Test (B) Non-parametric Test
 (C) Small Sample Test (D) None of the above
17. β -error in hypothesis testing refers to :
- (A) Type-I error (B) Type-II error
 (C) Both Type-I and II errors (D) None of the above
18. Convenience sampling is a :
- (A) Probability sampling (B) Non-probability sampling
 (C) Random sampling (D) None of the above
19. We can measure the cause and effect relationship by the help of :
- (A) Time series analysis (B) Cross-sectional analysis
 (C) Correlational analysis (D) Regression analysis

20. Match the items from List-I with the items in List-II :

List-I		List-II		
(a)	Indirect oral interview	(i)	Non-probability sampling	
(b)	Bi-variate Analysis	(ii)	Variance test	
(c)	F-ratio	(iii)	Primary data	
(d)	Quota sampling	(iv)	Factor Analysis	
		(v)	Correlation	
Code :	(a)	(b)	(c)	(d)
(A)	(iii)	(v)	(ii)	(i)
(B)	(iii)	(v)	(ii)	(iv)
(C)	(i)	(v)	(ii)	(iii)
(D)	(iii)	(ii)	(iv)	(i)

21. Which is the oldest type of organisation ?
 (A) Line (B) Line and Staff (C) Functional (D) Matrix
22. Managerial decisions which increase the importance of subordinates are linked with :
 (A) Centralised authority (B) Decentralised authority
 (C) Both (A) and (B) (D) None of the above
23. Which of the following is not the example of only upward Communication ?
 (A) Reports (B) Interviews (C) Grapevine (D) Circulars
24. The main purpose of the Control function is to :
 (A) Oversee work (B) Take remedial action
 (C) Punish defaulters (D) Meet targets
25. In a formal organisational structure authority flows :
 (A) Upward (B) Downward
 (C) Horizontal (D) None of the above
26. Which of the following is not a case of related diversification ?
 (A) A refrigerator manufacturer started manufacturing air conditioners
 (B) A washing powder manufacturer started manufacturing washing machines
 (C) A bath soap trader enters washing soap market
 (D) A Television manufacturer started manufacturing VCRs.
27. Life style is one of the major _____ basis of segmenting a market.
 (A) Socio-economic (B) Demographic
 (C) Psychographic (D) None of the above
28. What stage of the product Life-cycle are pricing decisions most complex ?
 (A) Introductory (B) Growth (C) Maturity (D) Decline
29. A company is planning to develop a new packaging for its consumer product. In order to ensure that the packaging is attractive and easy to handle, the company must conduct _____ test.
 (A) Association (B) Engineering (C) Dealer (D) Inquiry
30. The most important component of promotion mix to be used for industrial goods is :
 (A) Personal Selling (B) Advertisement
 (C) Sales promotion (D) Publicity

31. A Firm produces 1,00,000 units and sells at Rs. 10 per unit. The cost of manufacturing is Rs. 6,00,000 per annum and depreciation is Rs. 1,00,000 per annum. The depreciation tax shield will be _____ if the rate of corporate taxation is 30%.
- (A) Rs. 20,000 (B) Rs. 25,000
(C) Rs. 30,000 (D) Rs. 1,60,000
32. In capital budgeting, the main aim is to find the project whose _____ of future cash flows is greater than the cost of the project.
- (A) Terminal value (B) Present value
(C) Cumulative value (D) None of the above
33. Financial risk is connected with :
- (A) Debt capital (B) Nature of Investment
(C) Type of employees (D) Location of factory
34. The Balance sheet of a business reveals _____ .
- (A) Financial position of a business on a particular day
(B) Financial position of the business for a particular period
(C) Both of the above
(D) None of the above
35. The shares issued to existing shareholders when reserves are capitalised are :
- (A) Right Issue (B) Bonus shares
(C) Preference shares (D) All the above
36. Safety and accident prevention should concern managers for all the following reasons except :
- (A) Criminal Liability
(B) Human suffering of the injured workers
(C) Retaliatory actions by workers
(D) Work-related accident figures are staggering
37. During the formulation of plans, HR can :
- (A) provide details regarding competitors' incentive plans
(B) provide moral support
(C) provide information on competitor's diversity
(D) provide empowerment strategies
38. Providing employees with basic background information about the firm is :
- (A) Education (B) Employee orientation
(C) Colleges and Universities (D) Required by Law

39. An enterprise gets more output and mutual cooperation from its subordinate staff by adopting :

- (A) motivation by leadership (B) motivation by participation
(C) motivation by goals (D) motivation by challenge

40. The concept of Human Relations was developed by :

- (A) Robert Owen (B) V.V. Giri
(C) Elton Mayo (D) Edwin B. Filippo

41. Match the following :

I-Name of the Mergin Entity		II-Name of the Merged entity			
(a)	20th Century Finance Company	(i)	ICICI Bank		
(b)	Bareilly Corporation Bank	(ii)	Centurian Bank		
(c)	Sikkim Bank	(iii)	HDFC Bank		
(d)	Times Bank	(iv)	Bank of Baroda		
(e)	Bank of Madura	(v)	Union Bank of India		
Codes :	(a)	(b)	(c)	(d)	(e)
(A)	(ii)	(iv)	(v)	(iii)	(i)
(B)	(iii)	(iv)	(i)	(iii)	(v)
(C)	(v)	(iv)	(iii)	(ii)	(i)
(D)	(v)	(ii)	(i)	(iii)	(iv)

42. Inter-institutional group comprises of :

- (A) IDBI, IDFC, ICICI Bank
(B) SBI, LIC
(C) Bank of Baroda and Punjab National Bank
(D) All of the above

43. With reference to the Micro Finance Institutions consider the following statements :

1. At present Micro Finance Institutions (MFIs) obtain finance from banks according to RBI guidelines
2. MFIs provide small scale credit to low income households and small informal businesses.

Which of these statements is/are correct ?

- (A) Only 1 (B) Only 2 (C) Both 1 and 2 (D) Neither 1 nor 2

44. Which one is not the part of, Migration to new capital adequacy framework based on the three pillar approach, namely :
- (A) Minimum capital requirements (B) Supervisory review
(C) Market Discipline (D) Book keeping
45. In India the basic objectives of Monetary Policy is/are :
- (A) Price stability and Adequate credit flow
(B) Price control and command on Economy
(C) Price Reduction and Credit Reduction
(D) All of the above
46. The trade theory of absolute advantage was developed by :
- (A) Haberler (B) David Ricardo
(C) Adam Smith (D) Alfred Marshall
47. Which of the following is not matched against its name :
- (A) WTO : Generally refuses quantitative restrictions on Trade
(B) IMF : To remove unfavourable Balance of Payment and provides Financial assistance
(C) SAARC : Encourages Trade between South Asian Countries
(D) ASEAN : Economic Organisation of all Asian Countries
48. Physical delivery of foreign exchange has to take place in case of :
- (A) Forward Market (B) Spot Market
(C) Futures Market (D) Options Market
49. A letter of credit means :
- (A) A bank agreeing to accept and pay on due date
(B) A letter containing conditions of credit purchase or sale
(C) A letter sent by exporter to importer sanctioning credit deal
(D) A letter sent by importer to exporter sanctioning credit deal
50. Which of the following is a document of the title of sale of goods ?
- (A) Certificate of Origin (B) Letter of Credit
(C) Bill of Lading (D) Bill of Entry

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COMMERCE

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Note : This paper contains **fifty** (50) objective-type questions, each question carrying **two** (2) marks. Attempt **all** of them.

1. _____ is a permanent inter-governmental body governing and regulating international trade in goods and services.
(A) G.A.T.T. (B) EXIM Bank (C) W.T.O. (D) I.M.F.
2. Fiscal deficit in the Union Budget means :
(A) The sum of budgetary deficit and net increase in internal and external borrowings
(B) The difference between current expenditure and current revenue
(C) The sum of monetised deficit and budgetary deficit
(D) Net increase in Union Government borrowings from the Reserve Bank of India
3. The objective of _____ is to achieve “growth with equity”.
(A) The Ninth Plan (B) The Tenth Plan
(C) The Eighth Plan (D) The Seventh Plan
4. The significant development in the sphere of foreign exchange was the introduction of _____ .
(A) Foreign Exchange Regulation Act (FERA)
(B) Foreign Exchange Management Act (FEMA)
(C) The Export-Import Policy, 2005-06
(D) EXIM Bank
5. The term ‘industrial policy’ refers to :
(A) the rules and regulations relating to the establishment of industrial undertakings and their expansion
(B) remove the structural, financial, fiscal, administrative, infra structure related impediments to the efficient functioning of a market oriented economy
(C) the culmination of liberalisation programme
(D) increase the efficiency of public sector undertakings
6. Who are the customers of cost and management accounting ?
(A) Managers (B) Creditors (C) Lenders (D) Consumers
7. Which of the following is an efficiency ratio ?
(A) Price-Earning Ratio (B) Debt-Equity Ratio
(C) Acid-Test Ratio (D) Average collection period

8. What do you mean by 'cash equivalents' ?
 (A) Bank balance (B) Short -term highly liquid securities
 (C) Investments (D) Investment in debentures
9. The profits calculated by marginal costing and absorption costing are different because of :
 (A) Capital and revenue (B) Opening stock
 (C) Valuation of stock (D) Closing stock

10. Match the items from List-I with the items in List-II :

List - I	List - II
(a) Error of Principle	(i) A purchase of Rs. 1000/- has not been recorded
(b) Error of Commission	(ii) Treating repair charges as addition to assets
(c) Error of Omission	(iii) A sale of Rs. 563 was posted as Rs. 653
(d) Compensatory error	(iv) Sales book is undercast by Rs. 1000/- and return inward book is overcast by Rs. 1000
	(v) Return inward book is undercast by Rs. 1000/- and purchase book is overcast by Rs.1000/-

Codes :

	(a)	(b)	(c)	(d)
(A)	(ii)	(iii)	(i)	(iv)
(B)	(ii)	(iii)	(iv)	(v)
(C)	(iv)	(ii)	(i)	(iii)
(D)	(ii)	(iii)	(i)	(v)

11. Which of the following is not the method of forecasting demand ?
 (A) Collective opinion method (B) Total outlay method
 (C) Expert opinion method (D) Controlled opinion method
12. When marginal utility is negative then total utility ?
 (A) increases (B) decreases (C) is zero (D) is negative
13. Which of the following is a correct statement ?
 (A) Decrease in input prices causes a leftward shift in the supply curve
 (B) The desire for a commodity backed by ability and willingness to pay is demand
 (C) When income increases, the demand for essential goods increases more than proportionately
 (D) The demand for a commodity is inversely related to the price of its substitutes

14. When goods in the domestic market are sold at a high price and in the foreign market at a low price, it is a situation of :
- (A) Dumping (B) Perfect competition
(C) Oligopoly (D) Duopoly
15. Average revenue curve will not touch 0 - X axis because it cannot be :
- (A) Positive (B) Zero
(C) Negative (D) None of the above
16. 'Parameter' refers to the characteristics of the :
- (A) Population (B) Sample
(C) Mean (D) None of the above
17. The median of 10, 12, 14, 16, 18 will be :
- (A) 12 (B) 16 (C) 15 (D) 14
18. Probability sampling and random sampling are :
- (A) Anonymous (B) Different terms
(C) Synonymous (D) None of the above
19. 'F' ratio refers to :
- (A) ratio between two means (B) ratio between two standard deviations
(C) ratio between two correlations (D) ratio between two variances
20. Match the items from List-I with the items in List-II.
- | List - I | List - II |
|--------------------------|-----------------------------|
| (a) t-test | (i) secondary data |
| (b) Regression test | (ii) systematic sampling |
| (c) Published sources | (iii) hypothesis test |
| (d) Probability sampling | (iv) quota sampling |
| | (v) multi-variable analysis |
- Code :**
- | | (a) | (b) | (c) | (d) |
|-----|-------|-------|-----|------|
| (A) | (v) | (ii) | (i) | (iv) |
| (B) | (v) | (iii) | (i) | (iv) |
| (C) | (iii) | (v) | (i) | (ii) |
| (D) | (v) | (ii) | (i) | (iv) |
21. The Plan for meeting the challenges of the competitors is called a :
- (A) Programme (B) Mission
(C) Derivative Plan (D) Strategy

22. The chief contribution of Henry Fayol to management is that he :
- (A) provided a conceptual frame-work
 - (B) formulated the management process approach
 - (C) evolved two principles of management
 - (D) stressed the need for management education based on management
23. Which type of managerial decision correspond to “basic decisions” ?
- (A) Mechanical decision and analytic decision
 - (B) Judicious decision and adoptive decision
 - (C) Judicious decision, adoptive decision and analytic decision
 - (D) All of the above
24. The process of combining the main industrial unit with all other related units is called :
- (A) Divergent Lateral combination
 - (B) Convergent Lateral combination
 - (C) Horizontal combination
 - (D) Vertical combination
25. The lack of faith and confidence of managers in subordinates is an important barrier of :
- (A) Effective leadership
 - (B) Effective control
 - (C) Effective delegation
 - (D) Effective direction
26. Post purchase dissatisfaction in marketing is known as :
- (A) Caveat emptor
 - (B) Cognitive dissonance
 - (C) Brand III loyalty
 - (D) None of the above
27. Needs for goods and services are more homogenous in :
- (A) Industrial market
 - (B) Consumer market
 - (C) Domestic market
 - (D) None of the above
28. Marketing concept means :
- (A) Firms should produce only what their pre-determined consumers would be willing to buy
 - (B) Firms should persuade customers to buy what they have produced
 - (C) The consumers will buy the products which offer them the highest quality
 - (D) All of the above
29. The process of dividing a potential market into distinct subsets of consumers and selecting one or more segments as a target to be reached with a distinct marketing mix means :
- (A) Marketing
 - (B) Positioning
 - (C) Targeting
 - (D) None of the above

30. What is the basis for segmenting vitamin market ?
 (A) Age (B) Place of distribution
 (C) Formulation (D) All of the above
31. Financial Risk means :
 (A) Risk of Technical insolvency (B) Magnify the fluctuation in EBT
 (C) Both (A) and (B) (D) None of the above
32. The financial management is concerned with the :
 (A) Procurement of funds and their effective utilisation
 (B) Raising of funds from the market
 (C) Management of Working Funds only
 (D) Investing funds in the most appropriate assets
33. M.M. Approach is similar to _____ approach.
 (A) Net Income Approach (B) Net Operating Income Approach
 (C) Both (A) and (B) (D) None of the above
34. If the sales are Rs. 6000, variable cost Rs. 3600 and fixed cost Rs. 2000, the Break-even point will be :
 (A) 5000 units (B) 5400 units (C) 6000 units (D) 4000 units
35. Which is an incorrect statement ?
 (A) The issue of Bonus shares is subject to sanction from the SEBI
 (B) The prior approval of capitalisation of reserves upto Rs. 1 crore is totally exempted
 (C) Bonus issues beyond the ratio of 1:1 is not permitted
 (D) Partly paid equity shares are issued as bonus shares
36. Job analysis provides information used for writing :
 (A) Organisation chart (B) Policy
 (C) Job Description (D) Procedure
37. Recruitment and selection involves the following except :
 (A) Building a pool of candidates
 (B) Completing application forms by applicants
 (C) Reduction of the work force
 (D) Employment planning and forecasting

38. _____ is the process of deciding how to fill th company's most important executive positions.
- (A) Succession Planning (B) Organisational Restructuring
(C) Self-directed Teams (D) Corporate Downsizing
39. Which of the following is not necessary for promotion from within ?
- (A) Job posting (B) Advertisements
(C) Personnel Records (D) Performance Appraisal Form
40. Performance appraisal means evaluating an employee's performance relative to :
- (A) Established goods (B) Fellow employees
(C) Job description requirements (D) Performance standards
41. A _____ card is basically a payment mechanism which allows the holder of the card to make purchases without any immediate cash payment.
- (A) ATM (B) CREDIT (C) DEBIT (D) KISAN CREDIT
42. Which of the following is a measure of selective credit control ?
- (A) Bank rate policy (B) Moral suasion
(C) Statutory cash reserve ratio (D) Open market operations
43. Which of the following sentence is false ?
- (A) Nationalisation of commercial banks has achieved its objectives
(B) Prior to nationalisation, commercial banks in India were generally concerned with profit maximisation only
(C) Nationalisation has enhanced the efficiency of commercial banks
(D) Bank nationalisation in India was prompted by the necessity of credit facilities reaching the rural sector and weaker sections of the society
44. Which of the following statement is true ?
- (A) The currency notes issued by RBI are legal tender throughout the world
(B) The treasury bills are sold by the RBI for raising its working capital
(C) All commercial banks, including those owned by Government, need a licence from the RBI to do banking business.
(D) The RBI is a banker to both central and state governments

45. M. Narasimham headed :
- (A) The working group constituted by the Government of India in July 1975 for the establishment of Regional Rural Banks
 - (B) The committee on the financial system, 1991
 - (C) The committee on Banking Sector Reforms, 1997
 - (D) All of the above
46. The gains from two nations depend on :
- (A) Domestic barter rates
 - (B) Difference in the domestic barter rates of the two countries
 - (C) Terms of trade
 - (D) Degree of absolute advantage
47. The trade theory of comparative advantage was developed by :
- (A) Haberler
 - (B) Adam Smith
 - (C) Alfred Marshall
 - (D) David Ricardo
48. Which items are included in the negative list of imports out of the combination given below :
- (1) Canalised items
 - (2) Banned items
 - (3) Restricted items
 - (4) Items of open General Licence
- (A) 1, 3 and 4
 - (B) 2, 3 and 4
 - (C) 1, 2, 3 and 4
 - (D) 1, 2 and 3
49. If a country has deficit in balance of current account, balance of capital account will be :
- (A) Zero
 - (B) Surplus
 - (C) Deficit
 - (D) None of the above
50. When custom duty is levied according to weight of goods it is known as :
- (A) Excise duty
 - (B) Ad-valorem duty
 - (C) Revenue duty
 - (D) Specific duty

- o O o -

COMMERCE

PAPER – II

Note : This paper contains **fifty** (50) objective-type questions, each question carrying **two** (2) marks. Attempt **all** of them.

1. No planning can start without setting :
(A) Budget (B) Objectives
(C) Powers (D) None of the above
2. Forms of mixed Economy consists of
(A) Public Sector (B) Private Sector
(C) Co-operative Sector (D) None of the above
3. According to which of the following accounting principles, the owners of the business are considered as creditors ?
(A) Money Measurement (B) Cost
(C) Dual Aspect (D) Separate Entity
4. Under how many headings, the cash flow statement shows the flow of cash & cash equivalents ?
(A) 1 (B) 2 (C) 3 (D) 4
5. All the following curves are U-shaped : except
(A) AVC Curve (B) AFC Curve
(C) AC Curve (D) MC Curve
6. The Cobb-Douglas production function $Q=4 K^{0.6} L^{0.3}$ Exhibits.
(A) Constant returns to scale (B) Increasing returns to scale
(C) Decreasing returns to scale (D) None of the above
7. Multistage stratified random sampling is :
(A) Probability Sampling (B) Selective Sampling
(C) Non-Probability Sampling (D) None of the above

8. Which of the following are considered output units of a computer ?
(A) Floppy Disk, Dat, CD Etc (B) Printers
(C) Video Display Unit (D) Micro-film
9. Process of delegation of authority involves
(A) Transfer of authority
(B) Transfer of responsibility
(C) Transfer of authority and responsibility
(D) Transfer of key management functions
10. SWOT Analysis is used in which of the following managerial function ?
(A) Organising (B) Decision Making
(C) Motivating (D) Directing and Controlling
11. Which of the following is the function of distribution channel ?
(A) Fixing prices (B) Communication of decisions
(C) Promotional activities (D) All of the above
12. Product Lines Cover :
(A) General retailer (B) One price retailer
(C) Departmental Stores (D) All of the above
13. Which one of the following is not a leverage ratio ?
(A) Total debt ratio (B) Debt-Equity ratio
(C) Interest Coverage ratio (D) Quick ratio
14. Pay-back period method is also called as :
(A) Pay-out method (B) Pay-off method
(C) Pay-back method (D) All of these
15. Human relations approach of Management is associated with :
(A) Abraham Maslow (B) Elton Mayo
(C) Peter Drucker (D) Frederick Herzberg

16. Attrition is related to :
- (A) Job description (B) Job Evaluation
(C) Resignation/ Termination (D) Promotion
17. The nationalised New Bank of India was later merged with :
- (A) Central Bank of India (B) Bank of Baroda
(C) Punjab National Bank (D) Canara Bank
18. The first Financial Institution set up in India :
- (A) IDBI (B) ICICI
(C) IRBI (D) IFCI
19. Which section is not of balance of payment ?
- (A) Current Account (B) Capital Account
(C) Official Reserve Account (D) Loss Accounts
20. Which conference had given birth to International Monetary Fund ?
- (A) Uruguay Round Conference (B) Round Table Conference
(C) Brettonwoods Conference (D) Simla Conference
21. Which one of the following pairs is not correctly matched ?
- (A) Installation of a Machine : Installation Cost A/c
(B) Relevant Cost : Decision Making
(C) Valuation of Share : Purchase of a company
(D) Break-even Analysis : Margin of Safety

22. Which of the following is not a form of organisation ?
- (i) Line Organisation (ii) Staff Organisation
(iii) Functional Organisation (iv) Committee Organisation

Code :

- (A) (i), (ii), (iii) and (iv) (B) (i), (ii) and (iv)
(C) (i), (iii) and (iv) (D) Only (ii)
23. For profit maximization of a firm we must have
- (i) $MC=MR$
(ii) Marginal Cost Curve cuts the average cost curve from below
- (A) only (i) is true (B) Only (ii) is true
(C) Both (i) and (ii) are wrong (D) Both (i) and (ii) are true
24. Analysis of variance technique is normally used when
- (i) Number of samples are more than two
(ii) All the samples follow Independent normal distribution with equal variance
- (A) only (i) is true (B) only (ii) is true
(C) Both (i) and (ii) are true (D) Neither (i) nor (ii) is true
25. Which of the following Economic Systems occurred first
- (A) Laises - Fare System (B) Socialism
(C) Communism (D) Capitalism
26. Arrange the following events in the order of their occurrence :
- (i) Companies Act
(ii) Partnership Act
(iii) Formation of ICAI
(iv) Accounting Standard 3 (revised)
- (A) (i) (ii) (iii) (iv)
(B) (ii) (iii) (iv) (i)
(C) (iii) (ii) (i) (iv)
(D) (ii) (iii) (i) (iv)

27. National Income may be determined through :
- (A) Income Approach (B) Expenditure Approach
(C) Productivity Approach (D) All of the above
28. Standard Error of Mean is defined as,
- (A) Standard deviation of the sampling distribution of Mean
(B) Average of sampling distribution of Mean
(C) Inter-Quartile range of sampling distribution of mean
(D) Correlation co-efficient between the sampling distribution of mean and population mean
29. Which one of the following is not involved in the characteristics of Business Ethics ?
- (A) Business ethics is a dynamic philosophy
(B) Business ethics is based on moral value
(C) Business ethics influenced by Socio-Cultural value
(D) Business ethics is not inspired by Social Welfare
30. Management of Sales force involves :
- (A) Selection of Salesman (B) Remuneration to sales man
(C) Training of Salesman (D) All of the above
31. Working Capital cycle involves the following
- (i) Acquisition of raw materials
(ii) Finished goods
(iii) Receivables
(iv) Cash
(v) Work-in-progress
- Which of the sequence is correct ?
- (A) (iv) (iii) (i) (v) (ii)
(B) (i) (ii) (iii) (iv) (v)
(C) (i) (v) (ii) (iii) (iv)
(D) (iv) (i) (ii) (iii) (v)
32. Which of the following needs comes last in the Maslow's need hierarchy theory ?
- (A) Safety needs
(B) Self Actualisation
(C) Belongingness & Love needs
(D) Self-esteem needs

33. Arrange the following banks in order in which they were established

- (i) IDBI (ii) IFCI
(iii) SIDBI (iv) IIBI
(A) (ii) (i) (iii) (iv)
(B) (ii) (i) (iv) (iii)
(C) (i) (ii) (iii) (iv)
(D) (i) (ii) (iv) (iii)

34. Arrange the following Acts in the order in which they came into force :

- (i) The Monopolies & Restrictive Trade Practices Act
(ii) Indian Contract Act
(iii) The Sale of Goods Act
(iv) The Foreign Exchange Management Act

Code :

- (A) (ii) (iii) (i) (iv)
(B) (iii) (i) (iv) (ii)
(C) (i) (ii) (iii) (iv)
(D) (iv) (iii) (ii) (i)

35. Match the following

List-I

(Industry)

- (a) Small Scale Enterprise
(b) Tiny Enterprise
(c) SME Sector Enterprise
(d) Export Oriented Small Scale Enterprise

List-II

(Investment limit)

- (i) Rs. 25 Lakhs
(ii) Rs. 10 crores
(iii) Rs. 5 crores
(iv) Rs. 1 crore

Code :

- (a) (b) (c) (d)**
(A) (iv) (i) (iii) (ii)
(B) (iv) (i) (ii) (iii)
(C) (iv) (ii) (i) (iii)
(D) (iv) (ii) (iii) (i)

36. Match the following

List-I

- (a) Fixed Capital A/c
- (b) Deferred Revenue Expenditure
- (c) Responsibility Centre
- (d) Combination Movement

List-II

- (i) Residual Income
- (ii) Amalgamation
- (iii) Current A/c
- (iv) Advertisement for a new product

Code:

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (A) | (iv) | (iii) | (i) | (ii) |
| (B) | (iii) | (iv) | (i) | (ii) |
| (C) | (iii) | (iv) | (ii) | (i) |
| (D) | (iii) | (i) | (iv) | (ii) |

37. Match the following

List-I

- (a) Average Total Cost
- (b) Average fixed Cost
- (c) Average Variable Cost
- (d) Marginal Cost

List-II

- (i) Variable Cost \div Quantity of Output
- (ii) Total Cost \div Quantity of Output
- (iii) Fixed Cost \div Quantity of Output
- (iv) The increase in total cost that arises from extra unit of production

Code:

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (A) | (iii) | (i) | (ii) | (iv) |
| (B) | (i) | (ii) | (iii) | (iv) |
| (C) | (ii) | (iii) | (i) | (iv) |
| (D) | (iii) | (iv) | (ii) | (i) |

38. Match the following

List-I

- (a) Variable
- (b) Discrete variable
- (c) Continuous Variable
- (d) Sample

List-II

- (i) A quantitative characteristic of an elementary unit measured on at least an interval scale and has value within fixed finite interval
- (ii) Any portion drawn from a population
- (iii) A quantitative characteristic of an elementary unit that may vary from unit to unit
- (iv) A variable whose values are restricted to integer values only

Code:

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (A) | (i) | (ii) | (iii) | (iv) |
| (B) | (iv) | (iii) | (ii) | (i) |
| (C) | (i) | (iii) | (iv) | (ii) |
| (D) | (iii) | (iv) | (i) | (ii) |

39. Match the following **List I** with **List -II**

List-I (Management Thinker)	List-II (Books)
(a) Schneidher, Arnold E	(i) Organisational Communication
(b) Koehter J. W.	(ii) Organisational Communication Behavioural Perspective
(c) Bassett, Glenn A	(iii) The New Face of Communication
(d) Berlo David K.	(iv) The Process of Communication

Code:

	(a)	(b)	(c)	(d)
(A)	(i)	(ii)	(iii)	(iv)
(B)	(i)	(iii)	(ii)	(iv)
(C)	(iv)	(iii)	(i)	(ii)
(D)	(ii)	(iii)	(i)	(iv)

40. Match the following **List I** with **List -II**

List-I	List-II
(a) Purchase	(i) Purchasing Criteria
(b) Situational	(ii) New Markets
(c) Personal	(iii) Risk Factor
(d) Physical	(iv) Location

Code :

	(a)	(b)	(c)	(d)
(A)	(i)	(ii)	(iii)	(iv)
(B)	(ii)	(iii)	(i)	(iv)
(C)	(iii)	(i)	(ii)	(iv)
(D)	(iv)	(ii)	(iii)	(i)

41. Match the following

List-I	List-II
(a) ARR	(i) Present value of Cash inflow – Present value of cash outflow
(b) Pay-back method	(ii) Yield on investment
(c) NPV	(iii) $\frac{\text{Average Income}}{\text{Average Investment}}$
(d) IRR	(iv) $\frac{\text{Investment}}{\text{Annual Cash Flow}}$

Code:

	(a)	(b)	(c)	(d)
(A)	(iii)	(iv)	(ii)	(i)
(B)	(iii)	(iv)	(i)	(ii)
(C)	(iv)	(iii)	(ii)	(i)
(D)	(iv)	(iii)	(i)	(ii)

42. Match the following

List-I

- (a) Personality Test
- (b) Achievement Test
- (c) Aptitude Test
- (d) Situational Test

List-II

- (i) Skill Test
- (ii) Job knowledge test
- (iii) Group Discussion
- (iv) Projective test

Code:

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (A) | (iv) | (ii) | (i) | (iii) |
| (B) | (iv) | (ii) | (iii) | (i) |
| (C) | (ii) | (iv) | (i) | (iii) |
| (D) | (i) | (iii) | (iv) | (ii) |

43. Match the following

List-I

(Financial Institutions)

- (a) ECGC
- (b) GIC
- (c) HUDCO
- (d) ICICI Bank

List-II

(Nature of activity)

- (i) Re-insurance
- (ii) Housing Development
- (iii) A private bank
- (iv) Trade

Code:

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (A) | (iv) | (i) | (iii) | (ii) |
| (B) | (iv) | (ii) | (i) | (iii) |
| (C) | (i) | (iv) | (ii) | (iii) |
| (D) | (iv) | (i) | (ii) | (iii) |

44. Match the following

List-I

- (a) IBRD
- (b) WTO
- (c) ADB
- (d) IDA

List-II

- (i) Uruguay Round
- (ii) ECAFE
- (iii) Bretton Wood
- (iv) Established by World Bank

Code:

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (A) | (iii) | (i) | (ii) | (iv) |
| (B) | (iii) | (i) | (iv) | (ii) |
| (C) | (i) | (iii) | (ii) | (iv) |
| (D) | (i) | (ii) | (iii) | (iv) |

AGRICULTURAL INSURANCE SCHEME

More than half a dozen farm insurance schemes have been tried out in the past two and a half decades, but no one has worked. Successive insurance models proved unsustainable because they were neither economically viable, nor suited to cover the varied risks that beset crop farming. The implementing insurance companies have invariably ended up paying compensation several times the premium collected. The existing National Agricultural Insurance Scheme (NAIS), which is now sought to be replaced with its fresh avatar, has had to cope with claims of over Rs. 5,730 crore, more than three times the premium income of Rs. 1,700 crore. The parallel farm “income insurance’ scheme, aimed at covering risks ranging from a drop in yield to poor prices, tried out on a pilot basis in the last few crop seasons, has also not worked.

What needs to be realised is that agricultural insurance is an inherently complicated business because of the many risks involved in farming. The formidable functional and practical problems that ensue relate to the extent of area that should constitute the unit for assessing damage, and the bench-mark for assessing the loss incurred, on the basis of the income that might have accrued to the farmer in the absence of yield-reducing factors like adverse weather, pest, disease, or natural disasters

45. Which scheme is going to be replaced by the new insurance scheme ?
- (A) Crop insurance scheme
 - (B) Agricultural insurance scheme
 - (C) NAIS
 - (D) None of the above
46. How many times of the premium income was paid as insurance claims by the existing NAIS Scheme ?
- (A) 1 (B) 2 (C) 3 (D) 4
47. Farm Income Insurance Scheme is aimed at covering the risk of
- (A) Natural Calamities
 - (B) Drop in yield and poor prices
 - (C) Seed failure
 - (D) None of the above

48. Which of the following factor(s), is/are a yield reducing factor ?
- (A) Adverse weather
 - (B) Natural disaster
 - (C) Pest and disease
 - (D) All of the above
49. Why the Farm Insurance Schemes are unsustainable ?
- (A) Not covering the varied risks
 - (B) Farmers not paying premium
 - (C) No support from Government
 - (D) None of the above
50. Which of the following is the criteria for bench marking the Agricultural Insurance Scheme ?
- (A) Area
 - (B) Out put
 - (C) Yield per acre
 - (D) Normal Income

- o O o -

COMMERCE

PAPER—II

Note : This paper contains **fifty** (50) objective-type questions, each question carrying **two** (2) marks. Attempt **all** of them.

1. What is the target of GDP growth rate envisaged in the 10th Five year plan ?
(A) 10% (B) 9% (C) 8% (D) 11%
2. Kyoto Protocol is relating to :
(A) Competition (B) Consumer Protection
(C) Environment Protection (D) Atomic Energy generation
3. Which of the following should be achieved by a business firm at the earliest ?
(A) Budgeted sales (B) Break-even Point
(C) ROI (D) Market share
4. What does the lower Debtor-Turnover Ratio indicate ?
(A) Quick recovery (B) Delay in recovery
(C) High Debtors (D) None of the above
5. Price discrimination policy helps in increasing profits in case of :
(A) Perfect competition (B) Monopolistic Competition
(C) Monopoly (D) Oligopoly
6. The nature of Cross-price elasticity of demand in case of complementary products will be :
(A) Positive (B) Negative
(C) (A) and (B) both (D) Zero
7. Depiction of relationship present between two variables is called :
(A) Correlation (B) Regression
(C) Dispersion (D) Location
8. RAM stands for :
(A) Random Access Memory (B) Readable Access Memory
(C) Read A Machine (D) Read A memory

9. According to David C. McClelland, an individual's major motive to work include the need for :
- (A) Achievement (B) Affiliation
(C) Power (D) All of the above
10. In the line and staff form, the function of staff is to :
- (A) Obey the line (B) Serve the line
(C) Inform the line (D) Advise the line
11. Branding decisions are based on :
- (A) Market Research (B) Assessment of customer needs
(C) Cost of the product (D) (A) and (B) above
12. Which element of the promotion mix do wholesalers primarily rely on to achieve their promotional objectives ?
- (A) Advertising (B) Trade Promotion
(C) Personal Selling (D) Direct marketing
13. What are the Considerations in designing capital structure of a corporate ?
- (A) Trading on Equity (B) Cost of Capital
(C) Profitability (D) All of the above
14. Which of the following methods of inventory valuation results in lower valuation of inventory and low income when inflation is on the rise ?
- (A) LIFO (B) FIFO
(C) Simple average method (D) Weighted average method
15. HRM is concerned with :
- (A) Workers (B) Managers
(C) Field staff (D) All employees
16. The sum total of emotional and informational behaviour is called :
- (A) Motivation (B) Talent (C) Intuition (D) Attitude
17. NABARD has been established on the recommendation of :
- (A) Talwar Committee (B) Tandon Committee
(C) CRAFI CARD (D) James Raj Committee

18. Reserve Bank of India is :
- (A) an extension wing of Ministry of Finance, Government of India.
 (B) a body Corporate, having perpetual succession and a Common Seal.
 (C) an institution owned by Indian Banks Association.
 (D) a Private Sector Company.
19. A Derivative is a :
- (A) Derived asset (B) Derived financial asset
 (C) Derived from net assets (D) None of the above
20. Intellectual Property Rights are pertaining to :
- (A) Medicines already patented
 (B) Matters published on or before 1990
 (C) Import of goods and services
 (D) None of the above
21. Which one of the following pairs is not correctly matched ?
- (A) Capital Expenditure : Transportation costs of a machine
 (B) Funds Flow Statement : Working Capital
 (C) Reduction of Share Capital : Reconstruction
 (D) Contribution : Sales — Cost
22. Consumer attains equilibrium when he maximises his utility, given his income and market prices of two products of :
- (I) Marginal rate of substitution be equal to the ratio of commodity prices i.e.
- $$MRS_{xy} = \frac{MU_x}{MU_y} = \frac{P_x}{P_y} .$$
- (II) Indifference curve is convex to the origin.
- (A) Only (I) is true
 (B) Both (I) and (II) are true
 (C) Only (II) is true
 (D) Neither (I) nor (II) is true
23. **Assertion (A) :** Chi-Square test is used to measure the Association between two attributes.
Reason (R) : We apply Non-parametric tests like Chi-Square test for data measured on week scale like Nominal Scale or Ordinal Scale.
- (A) (A) is true but (R) is wrong
 (B) (A) is wrong but (R) is true
 (C) Both (A) and (R) are wrong
 (D) Both (A) and (R) are true

24. **Assertion (A)** : A Manager delegates authority.
Reasoning (R) : Manager wants to shrink his responsibility.
- (A) Both assertion and reasoning are correct.
 (B) Assertion is wrong but reasoning is correct.
 (C) Assertion is correct but reasoning is wrong.
 (D) Both assertion and reasoning are wrong.
25. Arrange the following concepts/acts in the order in which they came into force :
- (i) Competition Act.
 (ii) Foreign Exchange Management Act.
 (iii) Consumer Protection Act.
 (iv) Securities and Exchange Board of India Act.
- Code :**
- (A) (iii) (iv) (ii) (i)
 (B) (iv) (iii) (i) (ii)
 (C) (i) (ii) (iv) (iii)
 (D) (ii) (i) (iii) (iv)
26. How are the following items arranged in the liability side of the Balance Sheet of a Company ?
- (i) Current Liability and Provisions
 (ii) Secured Loans
 (iii) Share Capital
 (iv) Unsecured Loans
 (v) Reserve and Surplus
- Code :**
- (A) (i) (ii) (iii) (iv) (v)
 (B) (iii) (i) (ii) (iv) (v)
 (C) (iii) (v) (ii) (iv) (i)
 (D) (iii) (v) (ii) (i) (iv)
27. Elasticity is commonly stated in the form of :
- (A) 1% change (B) 5% change
 (C) 5% (D) All of these
28. Which test we normally apply for Qualitative data ?
- (A) 't' test (B) 'F' test
 (C) χ^2 chi-square test (D) 'z' test

29. Consider the following steps of process of decision - making and select the correct sequence :

- (i) Defining the problem.
- (ii) Selection of best alternatives and implementation.
- (iii) Considering limiting factors.
- (iv) Considering alternatives.

Code :

- (A) (i) (ii) (iii) (iv)
- (B) (iii) (i) (iv) (ii)
- (C) (i) (iv) (iii) (ii)
- (D) (i) (iii) (iv) (ii)

30. A marketing concern generally taps sources for financing its activities from :

- (A) Owned Capital
- (B) Bank Credit
- (C) Trade Credit
- (D) All of the above

31. Consider the following steps in the process of Capital Budgeting :

- (i) Identification of investment proposals.
- (ii) Fixing priorities.
- (iii) Evaluation of various proposals.
- (iv) Selection and preparation of Capital Budgets.
- (v) Implementation.
- (vi) Performance Review.

Which of the sequence of these steps is correct :

- (A) (i) (ii) (iii) (iv) (v) (vi)
- (B) (ii) (i) (iii) (iv) (v) (vi)
- (C) (i) (iii) (ii) (iv) (v) (vi)
- (D) (i) (iv) (iii) (ii) (v) (vi)

32. Arrange the following in the order in which they are practised :

- (i) Promotion
- (ii) Performance appraisal
- (iii) Recruitment
- (iv) Training and Development

Code :

- (A) (iii) (ii) (iv) (i)
- (B) (iii) (ii) (i) (iv)
- (C) (iii) (i) (iv) (ii)
- (D) (iii) (iv) (ii) (i)

33. E-banking is synonymous with :
- (A) Tele - Banking (B) Internet Banking
(C) Euro Banking (D) None of the above

34. Arrange the following in the order of their inception :
- (i) WTO
(ii) World Bank
(iii) SAFTA
(iv) ADB

Code :

- (A) (ii) (iv) (i) (iii)
(B) (iii) (i) (iv) (ii)
(C) (iv) (iii) (ii) (i)
(D) (i) (iv) (iii) (ii)

35. Match the following :

List - I

- (a) Capital Market
(b) Monetary Policy
(c) Telecom
(d) Insurance

List - II

- (i) IRDA
(ii) SEBI
(iii) RBI
(iv) TRAI

Code :

- (a) (b) (c) (d)
(A) (ii) (iii) (i) (iv)
(B) (ii) (iii) (iv) (i)
(C) (ii) (iv) (iii) (i)
(D) (ii) (i) (iv) (iii)

36. Match the following :

List - I

- (a) Matching Principle
(b) Materiality Principle
(c) Conservatism Principle
(d) Cost Principle

List - II

- (i) Ignores future profit estimations
(ii) Normal basis for valuing assets
(iii) Revenues and expenses of a particular period
(iv) Relates to relative size or importance of item or event

Code :

- (a) (b) (c) (d)
(A) (i) (iv) (ii) (iii)
(B) (ii) (iii) (iv) (i)
(C) (iii) (iv) (i) (ii)
(D) (iv) (iii) (ii) (i)

37. Match the following :

Group - I (Products)		Group - II (Market Structure)	
(a)	Food Grain	(i)	Monopoly
(b)	Air-Lines	(ii)	Pure Competition
(c)	Railway	(iii)	Monopolistic
(d)	Cars	(iv)	Oligopoly

Code :

	(a)	(b)	(c)	(d)
(A)	(i)	(ii)	(iii)	(iv)
(B)	(ii)	(iv)	(i)	(iii)
(C)	(iii)	(i)	(iv)	(ii)
(D)	(iv)	(ii)	(iii)	(i)

38. Match the following :

Group - I		Group - II	
(a)	Simple Random Sampling	(i)	Hetrogenous
(b)	Stratified Random Sampling	(ii)	Homogenous
(c)	Cluster Sampling	(iii)	Chronological list of units
(d)	Systematic Sampling	(iv)	Forest Tree type units

Code :

	(a)	(b)	(c)	(d)
(A)	(i)	(ii)	(iii)	(iv)
(B)	(iii)	(i)	(iv)	(ii)
(C)	(ii)	(i)	(iv)	(iii)
(D)	(iv)	(iii)	(ii)	(i)

39. Match **List - I** with **List - II** and select the correct answer using the codes given below the lists :

List - I (Propounder's Name)		List - II (Theories)	
(a)	Maslow	(i)	Hygene Theory
(b)	Herzberg	(ii)	X and Y Theories
(c)	L.G. Urwick	(iii)	Need Hierarchy
(d)	Mc. Gregor	(iv)	Z Theory

Code :

	(a)	(b)	(c)	(d)
(A)	(i)	(ii)	(iii)	(iv)
(B)	(ii)	(i)	(iv)	(iii)
(C)	(iv)	(iii)	(ii)	(i)
(D)	(iii)	(i)	(iv)	(ii)

40. Match the following :

Part - A

(Market Segmentation)

- (a) Psychographic
- (b) Demographic
- (c) Behavioural
- (d) Geographical

Part - B

(Factors of Segmentation)

- (i) Personality groups
- (ii) Occupation
- (iii) Brand Loyalty
- (iv) Population Size

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (A) | (i) | (ii) | (iv) | (iii) |
| (B) | (ii) | (i) | (iii) | (iv) |
| (C) | (i) | (ii) | (iii) | (iv) |
| (D) | (ii) | (i) | (iv) | (iii) |

41. Match the following :

Part - I

- (a) Total Debt Ratio
- (b) Debt - Equity Ratio
- (c) Total Capital - Equity Ratio
- (d) Interest Coverage Ratio

Part - II

- (i) $\frac{\text{Total Debt}}{\text{Capital Employed}}$
- (ii) $\frac{\text{Total Debt}}{\text{Net Worth}}$
- (iii) $\frac{\text{Capital Employed}}{\text{Net Worth}}$
- (iv) $\frac{\text{EBIT}}{\text{Interest}}$

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (A) | (i) | (ii) | (iii) | (iv) |
| (B) | (ii) | (i) | (iii) | (iv) |
| (C) | (i) | (ii) | (iv) | (iii) |
| (D) | (i) | (iii) | (iv) | (ii) |

42. Match Items from **List - I** with the Items in **List - II** :

List - I	List - II
(a) Psychoanalytical Theory	(i) Strong inter linkages
(b) Scientific Management Approach	(ii) Personality
(c) Subsystems of HRM	(iii) Task
(d) Basic elements of a Job	(iv) F.W. Taylor

Code :

	(a)	(b)	(c)	(d)
(A)	(ii)	(iv)	(i)	(iii)
(B)	(ii)	(iii)	(i)	(iv)
(C)	(i)	(iii)	(ii)	(iv)
(D)	(ii)	(iv)	(iii)	(i)

43. Match the following :

List - I (Name of the Bank)	List - II (Year of Establishment)
(a) SBI	(i) 1990
(b) SIDBI	(ii) 1955
(c) NABARD	(iii) 1981
(d) EXIM BANK	(iv) 1982

Code :

	(a)	(b)	(c)	(d)
(A)	(ii)	(i)	(iii)	(iv)
(B)	(i)	(ii)	(iv)	(iii)
(C)	(ii)	(iii)	(iv)	(i)
(D)	(ii)	(i)	(iv)	(iii)

44. Match the following :

List - I (Export Processing Zones)	List - II (Location in City)
(a) Uttar Pradesh	(i) Noida
(b) Tamil Nadu	(ii) Chennai
(c) West Bengal	(iii) Falta
(d) Andhra Pradesh	(iv) Visakhapatnam

Code :

	(a)	(b)	(c)	(d)
(A)	(iii)	(ii)	(iv)	(i)
(B)	(ii)	(i)	(iii)	(iv)
(C)	(i)	(ii)	(iii)	(iv)
(D)	(i)	(ii)	(iv)	(iii)

Read the following passage and answer the questions from 45 to 50.

“Full Convertibility”

The Prime Minister feels that the rupee’s full Convertibility is an idea whose time has come, and since these things are unstoppable, we might as well prepare a road map for it. This is salutary. Of course, a road map to Convertibility is quite different from Convertibility itself. A committee headed by Dr. C. Rangarajan had prepared one such road map in 1997. The road map lost its way, thanks to the Asian financial crisis that soon broke out. As India successfully warded off the contagion, policy-makers thanked the absence of full convertibility. Things have changed significantly since then. It’s not just that our forex reserves have ballooned to a size that should reassure the most worry-prone of central bankers on the count of perceived adequacy. India is now recognized by the World as an economy that will sustain high growth. The combined fiscal deficit of the Centre and the States is on the way down, along a path marked by milestones of deficit reduction mandated by law. This grants the central bank the flexibility it needs in monetary policy in a regime of uncontrolled cross - border capital movements. Import duties have come down significantly, forcing companies to acquire genuine international competitiveness, and domestic tax reform lends a hand to the process. The rupee’s movement against major currencies is no longer steadfastly downwards. A couple of scams and their backlash have greatly enhanced the quality of capital market regulation. All these favour Convertibility. But that is not enough. Since one economic agent’s external exposure impacts another’s, the system must allow the consequences of such exposure to work its way through, fast. Financial reporting must improve, the market for corporate control must work and redeployment of the assets of failed firms via liquidation must happen fast. Reconstructing bad assets cannot remain shuffling paper from one agency to another. The RBI needn’t twiddle its thumbs while these needed changes get instituted. Preparing for the prospect of any Tom, Dick or Hari buying stocks on NSE means shedding its allergy to FII sub-accounts right now.

45. Why was the road map to Convertibility lost its way ?
- (A) Low foreign exchange reserve
 - (B) Ineffective regulatory frame work
 - (C) High fiscal deficit
 - (D) Asian Financial Crisis

46. Which of the following factors contribute to full Convertibility ?
- (A) Economy is prepared to sustain high growth.
 - (B) Tax reforms and low fiscal deficit.
 - (C) Good Forex reserves and an efficient Central Bank.
 - (D) All of the above.
47. What we need for full Convertibility ?
- (A) Political will
 - (B) A Committee of Experts
 - (C) More Institutional Strength
 - (D) Financial reforms
48. "Financial Reporting must improve". It refers to :
- (A) Indian Economy
 - (B) R B I
 - (C) F I I
 - (D) Companies
49. Selling of doubtful debts to a third party for collection of the debts is called :
- (A) Factoring Service
 - (B) N P A Service
 - (C) F I I Service
 - (D) Restructuring Service
50. Which of the following factors has enhanced the quality of SEBI regulations ?
- (A) Financial Sector Reforms
 - (B) Tax Reforms
 - (C) Capital Market Scams
 - (D) Increasing Foreign Exchange Reserve

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COMMERCE

PAPER – II

Note : This paper contains **fifty** (50) objective-type questions, each question carrying **two** (2) marks. Attempt **all** of them.

1. Small and Medium Enterprise is one which has investment in plant and machinery not exceeding :
(A) Rs. 10 crore (B) Rs. 1 crore
(C) Rs. 50 lakhs (D) Rs. 5 crore
2. FEMA signifies :
(A) Free Export Management Act
(B) Foreign Exchange Management Act
(C) Foreign Exchange Monitoring Act
(D) Free Export Marketing Act
3. Planning commission proposed to target _____ percent yearly growth rate during the 11th Five-year plan.
(A) 8 percent (B) 9 percent (C) 10 percent (D) 8.5 percent
4. The market for long-term loanable funds is a :
(A) Money Market (B) Capital Market
(C) Bond Market (D) None of the above
5. The pre-liberalisation era of Indian economy was under the grip of :
(A) Unemployment
(B) Under-employment
(C) Fiscal Deficit
(D) Unfavourable and alarming balance of payments
6. Insurance expense paid to bring the machine from the place of purchase to the place of installation is :
(A) Capital Expenditure (B) Revenue Expenditure
(C) Deferred Revenue Expenditure (D) None of the above
7. Which financial statement can be compared with a still photograph ?
(A) Income statement (B) Balance sheet
(C) Cash - Flow statement (D) Funds - Flow statement

8. The working capital ratio is :
- (A) $\frac{\text{Working Capital}}{\text{Sales}}$ (B) $\frac{\text{Working Capital}}{\text{Total Assets}}$
- (C) $\frac{\text{Current Assets}}{\text{Sales}}$ (D) $\frac{\text{Current Assets}}{\text{Current Liabilities}}$
9. An investment centre can be evaluated by :
- (A) Profit (B) Return on sales
- (C) ROI (D) None of the above
10. Which cost is taken into consideration for 'make or buy' decisions ?
- (A) Prime cost (B) Total cost
- (C) Cost of production (D) Relevant cost
11. Which of the following is not the feature of monopolistic competition ?
- (A) Fairly large number of firms
- (B) Co-existence of efficient and inefficient firms
- (C) Product homogeneity
- (D) Independent price-output policy
12. Which of the following is not a condition for successful price-discrimination ?
- (A) Different elasticity of demand for different consumers
- (B) Seller should be an MNC
- (C) Location of markets at distant places
- (D) Consumers ignorance and prejudices
13. Which of the following does not influence the individual demand for a product ?
- (A) Price of product
- (B) Price of close substitute
- (C) State of production technology
- (D) Change in climatic conditions
14. What is the nature of Elasticity of Demand for luxury items like high-class furnitures ?
- (A) Unit elastic (B) Highly elastic
- (C) Fairly elastic (D) Zero elastic

15. The % change in demand for a product A divided by the % change in price of product B indicates the degree of :
- (A) Price Elasticity of Demand
 (B) Cross Elasticity of Demand
 (C) Income Elasticity of Demand
 (D) Advertising Elasticity of Demand
16. t-test is a :
- (A) Parametric Test (B) Non - parametric Test
 (C) Large sample test (D) None of the above
17. The causal relationship is indicated by :
- (A) Correlation (B) Regression
 (C) Association (D) None of the above
18. Systematic sampling belongs to :
- (A) Quota sampling (B) Non-probability sampling
 (C) Probability sampling (D) None of the above
19. Match the items from List - I with the items in List - II :
- | <i>List - I</i> | <i>List - II</i> |
|---------------------------------|--------------------------|
| (a) Chi-square test | (i) Secondary data |
| (b) Annual Reports of companies | (ii) Information system |
| (c) Multi-variate | (iii) Hypothesis testing |
| (d) Data processing | (iv) Factor analysis |
- Codes :**
- | <i>(a)</i> | <i>(b)</i> | <i>(c)</i> | <i>(d)</i> |
|-------------------------|------------|------------|------------|
| (A) (iv) (ii) (i) (iii) | | | |
| (B) (iii) (i) (iv) (ii) | | | |
| (C) (iii) (iv) (i) (ii) | | | |
| (D) (iv) (i) (iii) (ii) | | | |
20. E - Commerce relates to :
- (A) B - to - B (B) C - to - C
 (C) B - to - C (D) All of the above

21. Who is the father of principles of management ?
- (A) Fleming (B) Bavnard
(C) F.W. Taylor (D) Henry Fayol
22. What is M.B.O. ?
- (A) Management by Organization (B) Multiple Business Organization
(C) Management by Objectives (D) Multiplicity of Business Operations
23. The tool adopted to change corporate culture is :
- (A) Managerial Grid (B) Hierarchy
(C) Span of Control (D) Seven 's' Framework
24. What does Maslow Theory of Motivation convey to management ?
- (A) Satisfied need is a motivator
(B) Satisfied need is no more a motivator
(C) Needs are not motivators
(D) Needs need not be considered
25. Ethics is derived from :
- (A) Bible (B) Bhagabat Geetha
(C) Quoran (D) From all of the above
26. Who propounded 4Ps of marketing ?
- (A) Philip Kotler (B) Kelker
(C) McAurthy (D) Peter F. Drucker
27. What is cognitive dissonance ?
- (A) Buying Behaviour (B) Pre-purchase Behaviour
(C) Post-purchase Behaviour (D) Buying indifference
28. Product(s) which defied PLC concept :
- (A) Amrutnan (B) Horlicks
(C) Hairpins (D) All of the above

29. Skimming price relates to :
- (A) Charging competitive price (B) Charging high initial price
(C) Charging low initial price (D) None of the above
30. Promotion-mix includes :
- (A) Advertising and personal selling (B) Personal promotion
(C) Product improvement (D) None of the above
31. Cost of capital does not mean :
- (A) Cut off rate decided by management
(B) Rate of interest
(C) Expectations of investors for dividend
(D) Money paid to SEBI for permission to acquire capital
32. Financial Leverage is intended to :
- (A) Increase return on capital employed
(B) Increase net equity return
(C) Decrease volatility in return
(D) Increase return on capital employed and net equity
33. Budget which is directed towards long-term strategic goals is known as :
- (A) Zero - base Budget (B) Capital Budget
(C) Rolling Budget (D) Master Budget
34. Which of the following is not very much relevant in dividend decision ?
- (A) Availability of disposable profit
(B) Investors' expectations for dividend
(C) Capital market conditions
(D) Industry practice
35. Which of the following is not an application of working capital ?
- (A) Day - to - day expenditure of business
(B) Current obligations for payment
(C) Expenditure in the usual course of business
(D) Expenditure to acquire capital

36. Human Resource Management emphasises :
- (A) Development of people (B) Punishment of people
(C) Adoption of people (D) None of the above
37. Induction means :
- (A) Training (B) Promotion
(C) Incentives (D) Introduction
38. Workers participation in management in any organization is :
- (A) Voluntary (B) Institutional
(C) Democratic (D) All of the above
39. Employee morale relates to :
- (A) Productivity (B) Attitude (C) Empathy (D) Skills
40. Glass ceiling relates to :
- (A) Ergonomics (B) Gender Bias
(C) Recruitment (D) Promotion
41. Which bank was incorporated as one of the public sector banks in India during 2004 - 05.
- (A) ICICI Bank Ltd (B) Yes Bank Ltd
(C) IDBI Bank Ltd (D) UTI Bank Ltd
42. The short-term money market comprises :
- (A) The call money market
(B) The inter-bank deposit market
(C) The bills re-discounting market
(D) All of the above
43. Annual Report on Currency and Finance is published by :
- (A) SIDBI (B) RBI
(C) Ministry of Finance (D) None of the above

44. Bank deposit refers to :
- (A) The amount of money standing to the credit of a customer of a bank
 - (B) A term used by the Federal Reserve to refer to the total deposits of member banks
 - (C) The amount of money standing to the debit of a customer of a bank
 - (D) All of the above
45. Which of the following is the latest buzzword among bankers ?
- (A) Social Banking
 - (B) Financial inclusion
 - (C) Mass Banking
 - (D) None of the above
46. The balance of payments account is conventionally divided into :
- (A) Current Account and Capital Account
 - (B) Visible Account and Invisible Account
 - (C) Long-term Capital Account and Short-term Capital Account
 - (D) None of the above
47. What is Euro - III ?
- (A) European Currency
 - (B) Group of European Countries
 - (C) European Film Festival
 - (D) Pollution Control Scale
48. The Comparative Cost Theory of International Trade was developed by :
- (A) David Ricardo
 - (B) Haberlar
 - (C) Adam Smith
 - (D) Alfred Marshal
49. Which institution is known as the 'soft loan window' of World Bank ?
- (A) IMF
 - (B) IFC
 - (C) IDA
 - (D) None of the above
50. The 21st member to join the G - 20 is :
- (A) Sri Lanka
 - (B) Uzbekistan
 - (C) Myanmar
 - (D) Uruguay

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COMMERCE

PAPER – II

Note : This paper contains **fifty** (50) objective-type questions, each question carrying **two** (2) marks. Attempt **all** of them.

1. The objective of the 11th Five-year Plan approach paper is to achieve :
(A) Inclusive growth (B) Inclusive finance
(C) Growth with equity (D) Social justice
2. The sector owned by State or Central Government is called :
(A) Private sector (B) Public sector
(C) Joint sector (D) Co-operative sector
3. Balanced growth means :
(A) The state of an economy in which there is a constant relationship between the components of aggregate national income.
(B) The effect upon the national income of equal changes in Government expenditure and revenue.
(C) A situation in which the Government's planned expenditure equals its expected income.
(D) None of the above
4. The country that is not a developing country but has not yet achieved the status of the advanced country is :
(A) Malaysia (B) South Korea
(C) Singapore (D) None of these
5. The draft Five-year Plan in India is approved by :
(A) National Development Council (B) Planning Commission
(C) Cabinet Committee (D) President of India
6. Which accounting principle differentiates between owners and management ?
(A) Going Concern (B) Dual Aspect
(C) Separate Entity (D) Conservatism
7. Reducing the capital of a company is called :
(A) Internal Reconstruction (B) External Reconstruction
(C) Consolidation (D) None of these

8. P/V ratio shows :
- (A) Profit and Volume (B) Profit Earning Capability
(C) Safety Margin (D) None of the above
9. The meaning of 'cash' as per AS - 3 (revised) is :
- (A) Cash in hand
(B) Cash at Bank
(C) Cash in hand and demand deposits in banks
(D) None of the above
10. Match the items of *List - I* with the items in *List -II* :
- | <i>List - I</i> | <i>List - II</i> |
|-------------------------------|---|
| (a) Cash Equivalents | (i) Efficiency of managing an asset |
| (b) Average Collection Period | (ii) Controlling Government Expenditure |
| (c) Zero-Base Budgeting | (iii) Liquid Securities |
| (d) Responsibility Centre | (iv) Residual Income |
- Codes :**
- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (A) | (iii) | (i) | (ii) | (iv) |
| (B) | (iv) | (ii) | (iii) | (i) |
| (C) | (i) | (ii) | (iii) | (iv) |
| (D) | (ii) | (i) | (iii) | (iv) |
11. In the short period, monopolist firm's equilibrium is at :
- (A) Break-even point (B) $AR > AC$
(C) $AR < AC$ (D) All of these
12. Price-discrimination is profitable and possible if the two markets have :
- (A) Equal Elasticity of Demand (B) Different Elasticity of Demand
(C) Inelastic Demand (D) Highly Elastic Demand
13. Laws of increasing and constant returns are temporary phases of :
- (A) Law of Variable Proportion (B) Law of Diminishing Return
(C) Law of Proportionality (D) Law of Diminishing Utility
14. A firm producing a large number of products will follow the pricing strategy known as :
- (A) Cost-plus pricing (B) Differential pricing
(C) Product-line pricing (D) Price leadership

15. Cartels under oligopoly do not survive for long because of :
- (A) Inter-firm rivalry (B) Low profits
(C) High cost of marketing (D) Heavy losses
16. F-test is a :
- (A) Probability test (B) Variance test
(C) Factor analysis (D) None of the above
17. Regression analysis is a measure of :
- (A) Degree and direction of relationship
(B) Degree of association
(C) Cause and effect relationship
(D) None of the above
18. Schedules help us in collecting :
- (A) Secondary Data (B) Qualitative Data
(C) Primary Data (D) None of the above
19. Match the items from *List - I* with the items in *List - II* :
- | <i>List - I</i> | <i>List - II</i> |
|------------------------|----------------------------|
| (a) Random sampling | (i) Structured |
| (b) Hypothesis testing | (ii) Parametric test |
| (c) Questionnaire | (iii) Probability sampling |
| (d) t - test | (iv) β - error |
- Codes :**
- | <i>(a)</i> | <i>(b)</i> | <i>(c)</i> | <i>(d)</i> |
|------------------|--------------|-------------|-------------|
| (A) <i>(iv)</i> | <i>(iii)</i> | <i>(i)</i> | <i>(ii)</i> |
| (B) <i>(iii)</i> | <i>(iv)</i> | <i>(ii)</i> | <i>(i)</i> |
| (C) <i>(iii)</i> | <i>(i)</i> | <i>(iv)</i> | <i>(ii)</i> |
| (D) <i>(iii)</i> | <i>(iv)</i> | <i>(i)</i> | <i>(ii)</i> |
20. The process of arranging records within a file is called :
- (A) Ordering (B) Arranging
(C) Sequencing (D) Sorting
21. Who is the father of Scientific Management ?
- (A) Peter F. Drucker (B) Henry Fayol
(C) F.W. Taylor (D) Charles Babbage

22. What are K.R. As. ?
 (A) Key Result Areas
 (B) Key Recruitment Agencies
 (C) Key Real Assets
 (D) Key Resourceful Areas
23. The modern organization structure usually recommended is :
 (A) Tall (B) Flat
 (C) Floating (D) Circular
24. Which of the following relates to interpersonal communication ?
 (A) Johari Window (B) Formal
 (C) Body language (D) All of the above
25. Who is an independent director ?
 (A) Financial Institution (B) Shareholder of the Company
 (C) Nominee of Outside Agency (D) None of the above
26. Who propounded Mega-marketing ?
 (A) Mc Aurthy (B) Philip Kotler
 (C) Sheth (D) Peter F. Drucker
27. On-line marketing is associated with :
 (A) Segmentation (B) Product Life Cycle
 (C) Distribution (D) Packing
28. Relationship marketing relates to :
 (A) One-time purchase (B) Two-time purchase
 (C) Repeat purchase (D) Continuous purchase
29. Modern marketing concept emphasizes on :
 (A) Sales maximisation (B) Customer satisfaction
 (C) Profit maximisation (D) Wealth maximisation
30. Penetration price is :
 (A) Charging high price (B) Charging low price
 (C) Charging competitive price (D) None of the above

31. Right shares enjoy preferential rights as regards :
- (A) Payment of retained earnings
 - (B) Payment of dividend
 - (C) Repayment of capital in the event of winding up of the company
 - (D) None of the above

32. Non-performing Advance means :
- (A) Non-functional assets
 - (B) Obsolete assets
 - (C) Assets transferred to company liquidator
 - (D) Loans becoming overdue beyond 90 days

33. Match the items of *List - I* with the items in *List -II* :

<i>List - I</i>	<i>List - II</i>
(a) Capital gearing ratio	(i) Profitability
(b) Fixed assets turnover	(ii) Short-term solvency
(c) Return on equity	(iii) Activity
(d) Acid test	(iv) Long-term solvency

Codes :

- | | <i>(a)</i> | <i>(b)</i> | <i>(c)</i> | <i>(d)</i> |
|-----|--------------|--------------|--------------|-------------|
| (A) | <i>(iv)</i> | <i>(iii)</i> | <i>(i)</i> | <i>(ii)</i> |
| (B) | <i>(iv)</i> | <i>(iii)</i> | <i>(ii)</i> | <i>(i)</i> |
| (C) | <i>(iii)</i> | <i>(iv)</i> | <i>(i)</i> | <i>(ii)</i> |
| (D) | <i>(iv)</i> | <i>(i)</i> | <i>(iii)</i> | <i>(ii)</i> |

34. Capital structure designing has nothing to do with :
- (A) Profitability
 - (B) Solvency
 - (C) Flexibility
 - (D) Transferability

35. Which of the following is the source of short-term finance ?
- (A) Trade Credit
 - (B) Bank Credit
 - (C) Short-term Borrowings
 - (D) All of the above

36. What is the operative function of Human Resource Management ?
- (A) Controlling
 - (B) Organizing
 - (C) Procurement
 - (D) None of the above

37. Selection means :
- (A) Elimination (B) Testing
(C) Recruitment (D) None of the above
38. What is the method used to determine wage differentials ?
- (A) Merit rating (B) Job design
(C) Job evaluation (D) None of the above
39. Social security benefit include :
- (A) Annual bonus (B) Non-financial incentives
(C) Old age pension (D) None of the above
40. Performance appraisal relates to :
- (A) 360 degrees appraisal (B) Open-door method
(C) Autocratic method (D) All of the above
41. In 2005 - 06, which of the following banks earned the highest return on assets ?
- (A) Private Sector Banks (B) Foreign Banks
(C) Public Sector Banks (D) Scheduled Commercial Banks
42. Which of the following provides financial aid to the developing countries of Asia :
- (A) Association of South East Asian Nations
(B) International Development Association
(C) Asian Development Bank
(D) None of the above
43. The merger of _____ and _____ was the first M and A activity after liberalization.
- (A) Times Bank and HDFC Bank
(B) New Bank of India and Punjab National Bank
(C) ICICI and ICICI Bank
(D) GTB and Oriental Bank of Commerce
44. The first Development Bank IFCI was established in :
- (A) 1948 (B) 1947 (C) 1949 (D) 1950
45. The number of approved stock exchanges in India is :
- (A) 24 (B) 21 (C) 18 (D) 15

46. "Happiness Index" or "Happy Planet Index" has been evolved jointly by the "New Economic Foundation" and "Friends of Earth". Both are located in :
- (A) U.K. (B) U.S.A. (C) Australia (D) Europe
47. The amount of gold, reserve currencies and special drawing rights available for the finance of international trade is known as _____.
- (A) International Liquidity (B) Special Drawing Rights
(C) International Monetary Fund (D) None of the above
48. The Double Taxation Avoidance Convention (DTAC) pact was signed between :
- (A) India and China (B) India, Serbia and Montenegro
(C) Australia and China (D) None of the above
49. 'International Trade Theory' was the contribution of :
- (A) Bertic Ohlin (B) Arthur Okun
(C) Adam Smith (D) None of the above
50. Which of the following is not matched against its name ?
- (A) ASEAN : Economic co-operation amongst all Asian Countries
(B) IMF : To remove unfavourable balance of payment and to provide financial assistance
(C) WTO : Does not allow quantitative restrictions on trade
(D) SAARC : Encourages trade between South Asian Countries

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COMMERCE

PAPER – II

Note : This paper contains **fifty** (50) objective-type questions, each question carrying **two** (2) marks. Attempt **all** of them.

1. The choice of distribution channel is affected by :
(A) Market consideration (B) Product consideration
(C) Middle man consideration (D) All of the above

2. Who is the custodian of monetary reserves in India ?
(A) SBI (B) SIDBI (C) NABARD (D) RBI

3. Who is the fiscal agent and advisor to government in monetary and financial matters in India ?
(A) SBI (B) IDBI (C) ICICI (D) RBI

4. During the depression, it is advisable to :
(A) Lower Bank Rate and purchase securities in the market
(B) Increase Bank Rate and purchase securities in the open market
(C) Decrease Bank Rate and sell securities in the open market
(D) Increase Bank Rate and sell securities in the open market

5. Nationalization of banks aimed at all of the following except :
(A) Removal of control by a few
(B) Provision of control by a few
(C) Provision of adequate credit for agriculture, small industry and export units
(D) Encouragement of a new class of entrepreneur

6. The portion of total deposits of a commercial bank which it has to keep with RBI in the form of cash reserves is termed as :
(A) CRR (B) SLR
(C) Bank Rate (D) Repo Rate

7. The emphasis of Human Resource Management is :
- (A) Development (B) Punishment
(C) Promotion (D) Demotion
8. The purpose of Job evaluation is :
- (A) Training (B) Promotion
(C) Wage fixation (D) Transfer
9. Induction means :
- (A) Training (B) Orientation
(C) Introducing the employee (D) Certification
10. Labour productivity means :
- (A) output is greater than input
(B) output is less than input
(C) output is equal to input
(D) output is negative
11. Which of the following relates to performance appraisal ?
- (A) Task method (B) Price method
(C) M.B.O. (D) Link method
12. Capital structure represents :
- (A) Ratio between different forms of capital
(B) All liabilities
(C) All assets
(D) Assets and liabilities
13. The item, closing inventory, is shown in the balance-sheet under :
- (A) Fixed Assets (B) Current Assets
(C) Current Liabilities (D) Miscellaneous Expenditure

14. Trading on Equity means :
- (A) Trading on arrears funds (B) Trading on borrowed funds
(C) Trading on family funds (D) Trading on friends funds
15. Marketing process involves :
- (A) Time utility (B) Place utility
(C) Right utility (D) All of the above
16. Which of the following activities are covered under physical distribution ?
- (A) Inventory (B) Packaging
(C) Transportation (D) All of the above
17. Which of the following step comes first in the selection process ?
- (A) Test (B) Application blank
(C) Screening (D) Medical examination
18. M - M Theory in perfect market suggests that dividend payment :
- (A) has a positive impact on the value of a firm
(B) has no impact on the value of a firm
(C) has a negative impact on the value of a firm
(D) has negligible impact on the firm
19. To manage “ is the forecast and plan, to organise, to command, to co-ordinate and to control”. These are the words of :
- (A) Koontz and O'Donnel (B) Henry Fayol
(C) F.W. Taylor (D) Peter F. Drucker
20. Chunk sampling is known as :
- (A) Quota sampling (B) Convenience sampling
(C) Judgement sampling (D) Cluster sampling

21. The first electronic computer system was developed in :
(A) 1920 (B) 1930 (C) 1935 (D) 1940
22. When management pays attention to more important areas looked after by lower level of management, this is known as :
(A) MBO (B) Management by exception
(C) Unity of command (D) Critical path method
23. Policy making is an important part of the process of :
(A) Planning (B) Coordinating
(C) Organising (D) Motivating
24. Which of the management functions are closely related ?
(A) Planning and organization (B) Staffing and control
(C) Planning and control (D) Planning and staffing
25. "Grapevine" is a term used in relation to :
(A) formal
(B) informal communication
(C) both formal and informal communication
(D) this term is not used in relation to communication
26. The function of "staff" in an organisation is :
(A) take advice from the line
(B) advice the line
(C) hold authority and responsibility
(D) fix responsibility for performance of tasks in a definite manner upon certain individuals
27. Break-Even analysis deals with :
(A) relationship between cost and cost mix
(B) relationship between cost, output and profits
(C) relationship between cost and sales
(D) relationship between profit and sales

28. Dissolution of firm takes place :
- (A) By the death or insolvency of any one partner
 (B) The retirement of any one partner
 (C) By the expiry of term
 (D) By the insolvency of all but one partner
29. X Ltd. purchased land and building worth Rs. 28,80,000 and in lieu issued debentures of Rs. 100 each at a discount of 4%. What are the number of debentures issued ?
- (A) 28,800 (B) 30,000 (C) 32,000 (D) 34,000
30. X, Y and Z are partners in the ratio of $\frac{1}{2} : \frac{2}{5} : \frac{1}{10}$ what will be new ratio of the remaining partners if X retires :
- (A) 2 : 1 (B) 4 : 1 (C) 5 : 1 (D) 3 : 1

31. Match items in *List-I* with items in *List-II*.

<i>List-I</i>	<i>List-II</i>
(a) Mega Marketing	(i) Advertising
(b) Skimming Price	(ii) Post Purchase Behaviour
(c) Promotion mix	(iii) High Price
(d) Customer dissonance	(iv) Philip Kotler

Codes :

- | | <i>(a)</i> | <i>(b)</i> | <i>(c)</i> | <i>(d)</i> |
|-----|--------------|--------------|--------------|-------------|
| (A) | <i>(iv)</i> | <i>(iii)</i> | <i>(i)</i> | <i>(ii)</i> |
| (B) | <i>(i)</i> | <i>(ii)</i> | <i>(iii)</i> | <i>(iv)</i> |
| (C) | <i>(iii)</i> | <i>(i)</i> | <i>(iv)</i> | <i>(ii)</i> |
| (D) | <i>(ii)</i> | <i>(iv)</i> | <i>(iii)</i> | <i>(i)</i> |

32. Match the following :

List-I

- (a) Merchandise exports
- (b) Merchandise imports
- (c) Investment Income
- (d) Balance of Payments Deficits

List-II

- (i) Purchase of foreign goods
- (ii) Sales of goods abroad
- (iii) Largely caused by excess of imports over exports in merchandise
- (iv) Dividends, interest etc. received from abroad

Codes :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (A) | (i) | (ii) | (iii) | (iv) |
| (B) | (ii) | (iii) | (iv) | (i) |
| (C) | (ii) | (i) | (iv) | (iii) |
| (D) | (iii) | (iv) | (ii) | (i) |

33. Match items in **List-I** with items in **List-II** :

List-I

- (a) ABC analysis
- (b) ROI
- (c) Contribution Margin
- (d) NPV

List-II

- (i) Profitability
- (ii) Inventory control
- (iii) Project evaluation
- (iv) B/E analysis

Codes :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (A) | (iii) | (ii) | (i) | (iv) |
| (B) | (ii) | (i) | (iv) | (iii) |
| (C) | (iv) | (ii) | (i) | (iii) |
| (D) | (i) | (iii) | (ii) | (iv) |

34. Match the following :

List-I

- (a) Going Concern Concept
- (b) Consistency
- (c) Cost principle
- (d) Materiality

List-II

- (i) The same accounting method used by a firm from one period to another
- (ii) Relates to the relative size or importance of an item or event
- (iii) An inappropriate assumption for a firm undergoing bankruptcy
- (iv) The normal basis used to account for assets

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (A) | (i) | (ii) | (iii) | (iv) |
| (B) | (iv) | (iii) | (ii) | (i) |
| (C) | (iii) | (ii) | (iv) | (i) |
| (D) | (iii) | (i) | (iv) | (ii) |

35. Match the following :

List-I

- (a) Smoothed Frequency Curve
- (b) Histogram
- (c) Bar diagram
- (d) Ogives

List-II

- (i) To determine and portray the number of proportions of cases
- (ii) It is one dimensional
- (iii) It is two dimensional
- (iv) Can be drawn through various points of polygon

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (A) | (i) | (ii) | (iii) | (iv) |
| (B) | (ii) | (iii) | (iv) | (i) |
| (C) | (iii) | (iv) | (ii) | (i) |
| (D) | (iv) | (iii) | (ii) | (i) |

36. Match the following :

List-I

- (a) Merchandise Inventory
- (b) Comparability Quality
- (c) Net Realisable Value
- (d) Raw Materials Inventory

List-II

- (i) Prevents arbitrary changes from one accounting or measurement approach from one period to another
- (ii) Inventory of a retailer of wholesaler
- (iii) Item acquired by purchase, growth or extraction of natural sources for further processing
- (iv) Estimated selling price of product in the ordinary course of business

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (A) | (i) | (ii) | (iii) | (iv) |
| (B) | (ii) | (i) | (iv) | (iii) |
| (C) | (iii) | (ii) | (i) | (iv) |
| (D) | (iv) | (i) | (ii) | (iii) |

37. Match the following :

List-I

- (a) Maxi-min principle
- (b) Mini-max principle
- (c) Max-max principle
- (d) Min-min principle

List-II

- (i) take minimum pay-off of each action and whichever is minimum is best action
- (ii) take maximum pay-off of each action and whichever is maximum is best action
- (iii) take maximum pay-off of each action and whichever is minimum is best action
- (iv) take minimum pay-off of each action and whichever is maximum is best action

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (A) | (i) | (ii) | (iii) | (iv) |
| (B) | (ii) | (iii) | (iv) | (i) |
| (C) | (iii) | (iv) | (i) | (ii) |
| (D) | (iv) | (iii) | (ii) | (i) |

38. The hypothesis testing consists of following steps :
- (i) Establish a level of significance, prior to sampling
 - (ii) Defining the rejection or critical regions
 - (iii) State the hypothesis
 - (iv) Determination of a suitable test statistic
- Which of the sequence is correct ?
- (A) (ii), (iii), (iv), (i) (B) (iii), (i), (iv), (ii)
 (C) (iii), (ii), (iv), (i) (D) (iv), (iii), (ii), (i)
39. Which of the following liabilities are taken into account for acid test ratio ?
- (i) Trade Creditors
 - (ii) Bank Overdraft
 - (iii) Bills Payable
 - (iv) Outstanding Expenses
 - (v) Redeemable debentures
- (A) (i), (ii), (iii), (iv) and (v) (B) (i), (ii), (iii) and (iv)
 (C) (i) and (ii) only (D) (i), (iii) and (iv)
40. **Statements :**
- (i) Employee development is more future oriented and more concerned with education than employee training.
 - (ii) Apprenticeship programme is one which is widely used off the job training.
- (A) Both correct (B) Both incorrect
 (C) (i) correct, (ii) incorrect (D) (i) incorrect, (ii) correct
41. For profit maximization of a firm we must have :
- (i) $MC = MR$
 - (ii) Marginal cost curve cuts the average cost curve from below.
- (A) Only (i) is correct (B) Only (ii) is correct
 (C) Both incorrect (D) Both correct
42. **Statements :**
- (i) Fringe benefits, now-a-days are a significant component of 'compensation.'
 - (ii) Under piece-rate plan, employees are paid at a stipulated rate per hour of work done by the employee.
- (A) Both are correct (B) Both are incorrect
 (C) (i) incorrect, (ii) correct (D) (i) correct, (ii) incorrect

43. Statements :

- (i) The objective of Finance function is Wealth maximisation.
- (ii) The objective of Finance function is Profit maximisation
- (A) Both correct (B) Both incorrect
- (C) (i) correct, (ii) incorrect (D) (i) incorrect, (ii) correct

44. Statements :

- (i) Dividends can be paid only when there are profits.
- (ii) Dividends can be paid when there are losses
- (A) Both are correct (B) Both are incorrect
- (C) (i) is incorrect, (ii) is correct (D) (i) is correct, (ii) is incorrect

45. Statements :

- (i) The greater a firms degree of operating leverage, the more its EBIT will vary with respect to fluctuations in sales.
- (ii) The greater a firms degree of operating leverage, the less its EBIT will vary with fluctuations in sales.
- (A) Both correct (B) Both incorrect
- (C) (i) correct, (ii) incorrect (D) (i) incorrect, (ii) correct

The Indian insurance industry has come a long way. From being providers of tax planning instruments to introducing concepts of retirement planning, wealth creation etc., customers are strengthening their ties with this industry every passing day. Today life insurance is among the fastest growing industries in India. Inspired by tremendous growth in the life insurance sector, many comparisons - product features, charge structures, returns etc - have been drawn between life insurance and other financial services, mostly mutual funds. These comparisons resulted in emergence of ULIPs as a preferred product and in fact they display some similarities with MFs.

The individual policy holders or retail customers by the product when he or she wants systematically provide towards a specific important goal. They take money regularly out of their monthly or annual income to make contribution for their goal = children education, health etc. Thus investment policies of life insurance companies are designed to enable policy holders meet their respective financial goals, while ensuring that the government is adequately funded for long term projects

46. Which of the following products are provided by Indian insurance industry ?

- (A) Tax Planning (B) Wealth-Creation
- (C) Retirement Planning (D) All of the above

47. Who is the majority investor in insurance companies ?
- (A) Individual Policy-Holder or Retail Customer
 - (B) Corporate Sector
 - (C) Government Sector
 - (D) Semi-Government Sector
48. Which of the following is the primary objective of insurance companies to invest savings of customers ?
- (A) Steady increments
 - (B) Risky investments
 - (C) Short-term investments
 - (D) Medium-term investments
49. Which type of customer-behaviour is observed for making investment in insurance companies ?
- (A) One-time savings
 - (B) Regular small-savings
 - (C) Savings on sudden-gain
 - (D) Retirement-savings only
50. Insurance Companies and Mutual Funds both provides to customers :
- (A) Insurance Policies only
 - (B) ULIPs
 - (C) Bonds
 - (D) Loans

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COMMERCE

PAPER – II

Note : This paper contains **fifty** (50) objective-type questions, each question carrying **two** (2) marks. Attempt **all** of them.

1. Job analysis provides information used for :
 - (A) Organisation chart
 - (B) Policy
 - (C) Procedure
 - (D) Promotion

2. In functional organisation :
 - (A) The organisation is divided according to the type of work involved.
 - (B) The authority flows from the man at the top to the lowest man vertically.
 - (C) Each worker serves only one supervisor
 - (D) The organisation is divided according to the skill required to perform a work.

3. Which of the following relates to training workers ?
 - (A) Job rotation
 - (B) Induction
 - (C) Vestibule
 - (D) Task

4. 360 degree method relates to :
 - (A) Performance appraisal
 - (B) Organisation climate
 - (C) Employees morale
 - (D) Retrenchment method

5. Human relations approach of management is associated with :
 - (A) Abraham Maslow
 - (B) Peter F. Drucker
 - (C) Elton Mayo
 - (D) Herzberg

6. Attrition is related to :
 - (A) Job description
 - (B) Resignation/Termination
 - (C) Job evaluation
 - (D) Merit rating

7. The economic reforms have failed to :
- (A) Keep fiscal deficits to the targeted levels.
 - (B) Fully implement industrial deregulation.
 - (C) Fully open the economy to trade.
 - (D) All of the above
8. Which of the following developments was *not* noticed during 1991 (economic reforms) ?
- (A) National debt was nearly 60 percent of the GNP of India.
 - (B) Inflation crossed double digits.
 - (C) Foreign reserves were maintained at a very high level.
 - (D) None of the above.
9. Which of the following statement is *incorrect* ?
- (A) Even monopolistic can earn losses.
 - (B) Firms in a perfectly competitive market are price takers.
 - (C) It is always beneficial for a firm in a perfectly competitive market to discriminate prices.
 - (D) Kinked demand curve is related to an oligopolistic market.
10. Which of the following is the best general definition of the study of economics ?
- (A) Inflation and unemployment in a growing economy.
 - (B) The best way to invest in the stock market.
 - (C) Business decision making under foreign competition.
 - (D) Individual and social choice in the face of scarcity.
11. Which of the following statements is *correct* ?
- (A) Under zamindari system, farmers directly paid land revenue to the state.
 - (B) At present, income tax revenues from the agriculture sector are negligible.
 - (C) Commercial banks are providing loans to the agriculture sector at zero interest rate.
 - (D) None of the above.
12. Which of the following statements is *incorrect* ?
- (A) About 80 per cent of agricultural area has irrigation facilities.
 - (B) About two third area is rain-fed in India.
 - (C) Productivity per worker in agriculture is much lower than that in industry.
 - (D) Cropping pattern is quite skewed in India.

13. Abolition of intermediaries and tenancy reforms are both parts of :
- (A) Industrial reforms in India.
 - (B) External sector reforms in India.
 - (C) Land reforms in India.
 - (D) Banking reforms in India.
14. Which of the following is *not* a measure of dispersion ?
- (A) Skewness
 - (B) Mean Deviation
 - (C) Standard Deviation
 - (D) Quartile Deviation
15. The immediate solvency ratio is :
- (A) Current Ratio
 - (B) Quick Ratio
 - (C) Debtors Turnover Ratio
 - (D) Stock Turnover Ratio
16. The Foreign Exchange Management Act (FEMA) was implemented in the year :
- (A) 1996
 - (B) 1997
 - (C) 1998
 - (D) 1999
17. SEZ Policy in India is motivated by the experience of :
- (A) Japan
 - (B) China
 - (C) USA
 - (D) Germany
18. In order to control credit :
- (A) CRR should be increased and Bank Rate should be decreased.
 - (B) CRR should be decreased and Bank Rate should be decreased.
 - (C) CRR should be increased and Bank Rate should be increased.
 - (D) CRR should be decreased and Bank Rate should be increased.
19. In order to control credit in the country, the RBI may :
- (A) Buy Securities in the open market.
 - (B) Sell Securities in the open market.
 - (C) Reduce CRR.
 - (D) Reduce Bank Rate.

20. Which bank is called the 'Bank of Issue' ?
- (A) RBI (B) SBI
(C) IDBI (D) ICICI
21. In order to encourage investment in the country, the RBI may :
- (A) Reduce CRR
(B) Increase CRR
(C) Sell Securities in the open market
(D) Increase Bank Rate
22. The term 'funds' as used in 'funds flow statement' means :
- (A) Cash
(B) Current Assets
(C) Current Liabilities
(D) Current Assets minus Current Liabilities
23. What is the "Fundamental Premise of Economics" ?
- (A) Individuals are capable of establishing goals and acting in a manner consistent with achievement of those goals.
(B) Natural resources will always be scarce.
(C) Individuals choose the alternative for which they believe the net gains to be the greatest.
(D) No matter what the circumstances, individual choice always involve a trade-off.
24. The consumer is in equilibrium at a point where the budget line :
- (A) Is below an indifference curve
(B) Is above an indifference curve
(C) Is tangent to an indifference curve
(D) Cuts an indifference curve
25. Which of the following statements is *correct* concerning the relationships among the firm's functions ?
- (A) $TC = TFC - TVC$
(B) $TVC = TFC - TC$
(C) $TFC = TC - TVC$
(D) $TC = TVC - TFC$

26. In perfect competition in the long run there will be no_____.
- (A) Normal profits
 - (B) Supernormal profits
 - (C) Production
 - (D) Costs
27. An indifference curve slopes down towards right since more of one commodity and less of another result in :
- (A) Same satisfaction
 - (B) Greater satisfaction
 - (C) Maximum satisfaction
 - (D) Decreasing expenditure
28. Which of the following results in the flow of funds ?
- (A) Creditors issued bills payable
 - (B) Loss on the sale of machinery
 - (C) Transfer to general reserve
 - (D) Building sold on credit
29. If net profit is Rs. 25,000/- after writing off preliminary expenses of Rs. 5000/- then the funds from operation will be :
- (A) Rs. 25,000/-
 - (B) Rs. 30,000/-
 - (C) Rs. 20,000/-
 - (D) Rs. 10,000/-
30. Which of the following is a non-current liability ?
- (A) Bills payable
 - (B) Sundry creditors
 - (C) Bank overdraft
 - (D) Long term loans

31. Match the followings :

List - I

- (a) Indira Awas Yojana
- (b) Sampoorna Grameen Yojana
- (c) Pradhan Mantri Gram Sadak Yojana
- (d) Swaran Jayanti Gram Swarozgar Yojana

List - II

- (i) This programme was launched in 2001. This programme aims at providing wage employment in rural areas and food security to the people.
- (ii) This is a major scheme for construction of houses to be given to the poor, free of cost.
- (iii) This was introduced in April 1999 as a result of restructuring and combining the Integrated Rural Development Programme.
- (iv) This was introduced in December 2000 to provide road-connectivity through good all weather roads to unconnected villages.

Code :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (A) | (ii) | (i) | (iv) | (iii) |
| (B) | (i) | (ii) | (iv) | (iii) |
| (C) | (iii) | (iv) | (ii) | (i) |
| (D) | (iv) | (iii) | (ii) | (i) |

32. Match the following :

List - I

- (a) WTO
- (b) RBI
- (c) IMF
- (d) IBRD

List - II

- (i) Provides loans to address short-term balance of payments problems.
- (ii) Multilateral trade negotiating body.
- (iii) Facilitating lending and borrowing for reconstruction and development.
- (iv) Central Bank of India.

Code :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (A) | (ii) | (iv) | (i) | (iii) |
| (B) | (iv) | (iii) | (ii) | (i) |
| (C) | (iii) | (ii) | (iv) | (i) |
| (D) | (i) | (ii) | (iii) | (iv) |

33. Match the items in *List - I* with items in *List - II* :

<i>List - I</i>	<i>List - II</i>
(a) Margin of Safety	(i) Earning Power
(b) ROI	(ii) Cash Flow statement
(c) Current Ratio	(iii) Break Even analysis
(d) Cash Equivalents	(iv) Solvency

Code :

	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>
(A)	(ii)	(iii)	(i)	(iv)
(B)	(iii)	(i)	(iv)	(ii)
(C)	(iv)	(ii)	(iii)	(i)
(D)	(i)	(ii)	(iii)	(iv)

34. Match the items in *List - I* with items in *List - II* :

<i>List - I</i>	<i>List - II</i>
(a) Theory X	(i) Participative
(b) Theory Y	(ii) Autocratic
(c) Theory Z	(iii) Democratic

Codes :

	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>
(A)	(i)	(ii)	(iii)
(B)	(ii)	(iii)	(i)
(C)	(iii)	(i)	(ii)
(D)	(ii)	(i)	(iii)

35. Match the items in *List - I* with items in *List - II* :

<i>List - I</i>	<i>List - II</i>
(a) Peter F. Drucker	(i) Unity of command
(b) Henry Fayol	(ii) Achievement Motivation
(c) McAurthy	(iii) M.B.O.
(d) McLeland	(iv) 4 Ps of marketing

Code :

	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>
(A)	(i)	(ii)	(iii)	(iv)
(B)	(ii)	(iii)	(iv)	(i)
(C)	(iv)	(i)	(ii)	(iii)
(D)	(iii)	(i)	(iv)	(ii)

36. Match the following :

List - I

(Decisions regarding branding)

- (a) Diversification
- (b) Quality
- (c) Variety
- (d) Packing

List - II

(Explanation)

- (i) Preservation of product
- (ii) Production of one or more products
- (iii) Finding of new products in same line
- (iv) Various product

Code :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (A) | (ii) | (iv) | (i) | (iii) |
| (B) | (iii) | (ii) | (iv) | (i) |
| (C) | (iii) | (i) | (iv) | (ii) |
| (D) | (iv) | (iii) | (ii) | (i) |

37. **Statements :**

- (i) Overcapitalisation is desirable
- (ii) Undercapitalisation is more desirable
- (A) Both are Correct
- (B) Both are incorrect
- (C) (i) is correct (ii) is incorrect
- (D) (ii) is correct (i) is incorrect

38. **Statements :**

- (i) High morale leads to high productivity
- (ii) High morale need not necessarily lead to high productivity
- (A) Both are correct
- (B) Both are incorrect
- (C) (i) is correct (ii) is incorrect
- (D) (i) is incorrect (ii) is correct

39. **Statements :**

- (i) Maslows theory conveys hygiene factors
- (ii) Maslows theory conveys satisfied need is no more a motivator
- (A) (i) is correct (ii) is incorrect
- (B) (ii) is correct (i) is incorrect
- (C) Both are correct
- (D) Both are incorrect

40. **Statements :**

- (i) Agency theory relates to the relationship between management and employees.
- (ii) Agency theory relates to middlemen.
- (A) Both are correct
- (B) Both are incorrect
- (C) (i) is correct (ii) is incorrect
- (D) (ii) is correct (i) is incorrect

41. **Statements :**

Assertion - (A) : Demand for a commodity refers to quantity of the commodity demanded at a certain price during any particular period of time.

Reason - (R) : Contraction of demand is the result of increase in the price of the good concerned.

- (A) Both **(A)** and **(R)** are correct
- (B) Both **(A)** and **(R)** are incorrect
- (C) **(A)** is correct but **(R)** is incorrect
- (D) **(A)** is incorrect but **(R)** is correct

42. A leader uses the following methods :

- (i) Uses criticism
- (ii) Encourages growth
- (iii) Sets objectives
- (iv) Gives orders and directions

Which of these methods are used by a democratic leader ?

- (A) (i) and (ii)
- (B) (iii) and (iv)
- (C) (ii) and (iii)
- (D) (i), (ii) and (iv)

43. In the technique of MBO :

- (i) Overall objectives are set at the top of the organisational hierarchy
- (ii) Individual objectives coincide with objectives of the organisation
- (iii) Performance should be evaluated periodically
- (iv) Objectives are decided at the subordinate level
- (A) (i) and (ii)
- (B) (i), (ii) and (iii)
- (C) (i) and (iii)
- (D) (i), (ii), (iii) and (iv)

47. The balance-sheet is related to the income statement in the same way that :
- (A) A point in time is related to a period of time
 - (B) A period of time is related to a point in time
 - (C) A point in time is related to another point in time
 - (D) A period of time is related to another period of time
48. The properties own by a business enterprise are called :
- (A) Assets
 - (B) Liabilities
 - (C) Capital
 - (D) Owner's Equity
49. Which of the following is an important reason for studying accounting ?
- (A) The information provided by accounting is useful in making many economic decisions.
 - (B) Accounting plays an important role in society
 - (C) The study of accounting could lead to a challenging career.
 - (D) All of the above.
50. Statement of changes in financial position shows :
- (A) Sources and uses of funds
 - (B) Assets and Liabilities
 - (C) Income and Expenses
 - (D) Losses and Gains.

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COMMERCE

PAPER – II

Note : This paper contains **fifty** (50) objective-type questions, each question carrying **two** (2) marks. Attempt **all** of them.

1. Which of the following is **not** an objective of competition Act 2002 ?
(A) Prohibition of abuse of dominant position
(B) Prohibition of Restrictive Trade Practices
(C) Prohibition of Anti Competitive Agreements
(D) Regulation of combinations

2. Consumers have the right :
(i) to be protected against goods and services that are hazardous to life and property.
(ii) to assured , wherever possible, access to a variety of goods and services at notional prices.
Code :
(A) Both (i) and (ii) are correct
(B) Both (i) and (ii) are wrong
(C) Only (i) is correct
(D) Only (ii) is correct

3. Which of the following is **not** an element of the micro environment of business ?
(A) Suppliers (B) Competitors
(C) Trade Policy (D) Publics

4. Match the following legislations with the year of their enactment :
(a) Industries (Development and Regulation) Act (i) 1969
(b) Foreign Exchange Management Act (ii) 1951
(c) Securities Exchange Board of India Act (iii) 1999
(d) Monopolies and Restrictive Trade Practices Act (iv) 1992
Codes :
(a) (b) (c) (d)
(A) (i) (iii) (iv) (ii)
(B) (i) (iv) (iii) (ii)
(C) (ii) (iii) (iv) (i)
(D) (ii) (iii) (i) (iv)

5. Which of the following is **not** an instrument of monetary policy ?
(A) Deficit financing (B) Statutory Liquidity Ratio
(C) Cash Reserve Ratio (D) Open Market Operations

6. A and B are partners sharing profits in the ratio of 2:3. They admit C for $\frac{1}{4}$ th share in the business. The sacrificing ratio of A and B is :
 (A) 3:1 (B) 1:4 (C) 2:3 (D) 1:1
7. Premium on redemption of debenture is :
 (A) Personal Account (B) Real Account
 (C) Nominal Account (D) None of the above
8. If profit and fixed cost are Rs. 80,000 and Rs 2,80,000 respectively, the total variable cost and break-even sales are :
 (A) Rs. 5,40,000 and Rs. 9,00,000 (B) Rs. 5,40,000 and Rs. 7,00,000
 (C) Rs. 4,20,000 and Rs. 7,00,000 (D) Rs. 4,20,000 and Rs. 9,00,000
9. The extent to which an organization uses fixed cost in its cost structure is called :
 (A) Overall leverage (B) Fixed leverage
 (C) Financial leverage (D) Operating leverage
10. Direct costs are :
 (A) Traceable to the cost object (B) Allocated to cost object
 (C) Total cost of the cost object (D) None of the above
11. In a typical demand schedule, quantity demanded :
 (A) Varies directly with price (B) Varies proportionately with price
 (C) Varies inversely with price (D) Is independent of price
12. Opportunity cost is a term which describes :
 (A) A bargain price for a factor of production
 (B) Cost related to an optimum level of production
 (C) Average variable cost
 (D) None of the above
13. The principle which states that an input must be so allocated between various uses that the value added by the last unit of input is the same in all its uses is called :
 (A) Marginal Principle (B) Incremental Principle
 (C) Equal-marginal Principle (D) Discounting Principle
14. An example of derived demand is :
 (A) Money (B) Car
 (C) Cigarette (D) Mobile phone

15. "Kinked Demand curve approach " is concerned with :
- (A) Price Discrimination (B) Price Flexibility
(C) Price Rigidity (D) Dual Pricing
16. Karl Pearson's coefficient of correlation between two variables X and Y is equal to :
- (A) the covariance between two variables
(B) the product of their standard deviations
(C) the square root of product of two regression coefficients.
(D) None of the above
17. "Parameter " refers to the characteristic of the :
- (A) Population (B) Sample
(C) Both (D) None of these
18. If the probability of inclusion of every unit of the population in the sample is equal, it is called :
- (A) Simple Random Sampling (B) Stratified Random Sampling
(C) Systematic Sampling (D) None of these
19. For 3×2 contingency table, the degrees of freedom for testing the hypothesis is :
- (A) 6 (B) 2 (C) 3 (D) 4
20. The "word length" of a computer is measured in :
- (A) Bytes (B) Millimeters (C) Meters (D) Bits
21. 'Motivation Hygiene Theory ' was propounded by :
- (A) Herzberg (B) Maslow
(C) Mc Gregor (D) Peter F Drucker
22. 'Grapevine' communication is a type of :
- (A) Formal communication (B) Informal communication
(C) Written communication (D) Vertical communication
23. 'Span of control' refers to :
- (A) Controlling technique
(B) Number of units under a company
(C) Number of subordinates under a manager
(D) Supply area of a company

24. A written statement of main duties and responsibilities which a particular job entails is called :
- (A) Job evaluation (B) Job analysis
(C) Job description (D) None of the above
25. Elton Mayo is main contributor to :
- (A) Classical approach (B) Bureaucracy
(C) Modern Theory of Management (D) Human relations approach
26. Which one of the following is an example of non-store retailing ?
- (A) Limited Line Stores (B) Discount Stores
(C) Tele Marketing (D) Super Markets
27. Promotional efforts directed primarily at end users so that they will ask middle men for the product, is called :
- (A) Pull strategy (B) Push strategy
(C) Single segment strategy (D) Penetration strategy
28. A product line strategy where in a company adds a lower priced products to a line to reach a market that cannot afford higher priced items, is called :
- (A) Trading up (B) Trading down
(C) Product Line Extension (D) Life cycle extension
29. Which is the step following the 'test marketing' in the process of new product development ?
- (A) Idea Screening (B) Prototype Development
(C) Business Analysis (D) Commercialisation
30. Which of the following is *not* a demographic basis of market segmentation ?
- (A) Income (B) Life Style
(C) Occupation (D) Family Life Cycle
31. Taffler's (1995) Z score does *not* include :
- (A) Current ratio (B) Acid test ratio
(C) Stock turnover (D) None of the above

32. Approximately, *IRR* is inverse of :
- (A) Pay back period
 - (B) *NPV*
 - (C) Adjusted Accounting Rate of Return
 - (D) None of the above
33. Auction pricing is a superior method of price discovery because :
- (A) All can participate
 - (B) None can participate
 - (C) It Leads to speculation
 - (D) None of the above
34. Cost of leasing is lower than :
- (A) Cash credit
 - (B) Hire purchase
 - (C) Bank Loan
 - (D) None of the above
35. Market Efficiency is dependent on :
- (A) Information
 - (B) Accounts
 - (C) Technology
 - (D) Management
36. The process of integrating the employees' needs and aspirations with organisational needs is called :
- (A) Organisational Planning
 - (B) Human Resource Planning
 - (C) Career Planning
 - (D) Succession Planning
37. Productivity means :
- (A) An act of increasing the knowledge and skills of an employee for doing a particular job
 - (B) Using the minimum amount of resources needed to produce goods and services
 - (C) One's skills, abilities in meeting the needs of the job which one is holding currently
 - (D) The ratio of an organisation's output to its inputs
38. Human Resource Department is :
- (A) Line Department
 - (B) Functional Department
 - (C) Authority Department
 - (D) Service Department
39. Business Plans designed to achieve the organisation's objectives is called :
- (A) Human Resource Planning
 - (B) Human Resources forecasts
 - (C) Strategic Plan
 - (D) Corporate Development Plan

40. A performance Appraisal System can be used for the following except :
- (A) Human Resource Planning
 - (B) Tone up performance
 - (C) Identify individuals with high potential
 - (D) Discipline employees
41. Banking in India has its origin as early as _____ period.
- (A) Vedic
 - (B) Moughal
 - (C) British
 - (D) None of the above
42. The maturity period of Treasury Bill is :
- (A) 91 days
 - (B) 364 days
 - (C) (A) and (B) both
 - (D) None of the above
43. " Blue Card" denotes :
- (A) A Credit Card
 - (B) A Debit Card
 - (C) A Proposition by EU to attract highly qualified professionals from other countries
 - (D) None of the above
44. "Repo Rate" refers to the rate at which :
- (A) RBI borrows short term money from the market
 - (B) Banks keeps the money with RBI
 - (C) Bills are discounted by RBI
 - (D) Forex is purchased by RBI
45. 'Retail Banking' means :
- (A) Credit facilities extended to retail traders
 - (B) Providing personal banking services directly to the consumers
 - (C) Collection of large number of dividend/interest warrants
 - (D) Providing services to the employees of large organisations

46. *NOSTRO* Account :
- (A) Refers to a current account denominated in a foreign currency maintained by a bank in the currency of home country
 - (B) Carries no interest
 - (C) Provides for nominal interest on over night investments
 - (D) All of the above
47. Which of the following is not a mode of foreign capital inflow to India ?
- (A) *FDI*
 - (B) *FII*
 - (C) *NRI* Accounts
 - (D) None of the above
48. *IMF* has raised the quota and voting share of India which places India at the _____ place among 184 members of the organisation.
- (A) 10th
 - (B) 11th
 - (C) 12th
 - (D) 13th
49. Foreign Trade Policy 2008–09 forecasts the share of India's trade in World Trade at :
- (A) 1.2 %
 - (B) 1.3 %
 - (C) 1.4 %
 - (D) 1.5 %
50. On the basis of the size and composition of external debt, World Bank has classified India as a :
- (A) heavily indebted country
 - (B) moderately indebted country
 - (C) less indebted country
 - (D) severely indebted country

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COMMERCE
Paper – II

Note : This paper contains **fifty (50)** objective type questions, each question carrying **two (2)** marks. Attempt **all** the questions.

1. If the amount claimed by a consumer as compensation is Rs. 89 lacs, the case under The Consumer Protection Act shall be filed with
 - (A) District Consumer Redressal Forum
 - (B) State Consumer Disputes Redressal Commission
 - (C) National Consumer Disputes Redressal Commission
 - (D) Supreme Court

2. Which of the following does not fall within the jurisdiction of MRTP Commission ?
 - (A) Prevention of Monopolistic Trade Practices.
 - (B) Prevention of Restrictive Trade Practices.
 - (C) Prohibition of Unfair Trade Practices.
 - (D) Regulation of Combinations.

3. Which of the following is not a part of the economic environment of business ?
 - (A) Competitive Environment
 - (B) Economic System
 - (C) Changes in Patent Laws
 - (D) None of these

4. Laissez faire policy is adopted in
 - (A) Socialistic economic system
 - (B) Capitalistic economic system
 - (C) Mixed economic system
 - (D) Communist economic system

5. Relaxing the restrictions and controls imposed on business and industry means
 - (A) Liberalisation
 - (B) Privatisation
 - (C) Globalisation
 - (D) None of these

6. A variable such as activity that causes cost over a given time is
 - (A) Cost Driver
 - (B) Cost Behaviour
 - (C) Cost Centre
 - (D) None of the above

7. The concept of budget that requires all levels to work from scratch is
 (A) Flexible Budget (B) Total Budget
 (C) Master Budget (D) Zero Base Budget
8. Accounting Standard on the “Effect of Changes in Foreign Exchange Rates” is
 (A) AS 11 (B) AS 13
 (C) AS 18 (D) None of the above
9. Land is not depreciable asset because
 (A) Its value always increases
 (B) There is no maintenance required
 (C) Life of land is unlimited
 (D) None of the above
10. The sales at which a firm would earn profit after tax @ 8% of sales, if fixed cost is Rs. 45,000 ; selling price Rs. 50 per unit, variable cost Rs. 30 per unit and tax rate 20% :
 (A) Rs. 90,000 (B) Rs. 1,50,000
 (C) Rs. 1,68,000 (D) None of the above
11. The elasticity of demand for luxury goods is
 (A) Infinite (B) More than one
 (C) Less than one (D) Equal to one
12. Profits are maximised at a point where
 (A) $MR = MC$ (B) $MR < MC$
 (C) $MR > MC$ (D) $AC > MC$
13. The concept of “consumer surplus” was introduced and developed by
 (A) E.A.G. Robinson (B) J.M. Keynes
 (C) Lionel Robbins (D) Alfred Marshall
14. In Law of Variable Proportions, initially when MP rises
 (A) TP rises at a decreasing rate.
 (B) TP rises at an increasing rate.
 (C) AP rises less than proportionately.
 (D) AP rises more than proportionately.

15. Which one of the following statements is correct ?
- (A) Monopolist charges the maximum possible price.
 - (B) Monopolist always makes (economic) profit.
 - (C) Monopolist operates on an inelastic demand curve.
 - (D) None of the above
16. The Central Processing Unit of a computer consists of
- (A) Input, Output and Processing.
 - (B) Control Unit, Primary Storage and Secondary Storage.
 - (C) Control Unit, Arithmetic-logic Unit and Primary Storage.
 - (D) None of the above.
17. If the sample size increases, the sampling error
- (A) Decreases
 - (B) Increases
 - (C) Remains constant
 - (D) None of the above
18. Goodness of fit of a distribution is tested by
- (A) t-test
 - (B) Chi-square test
 - (C) F-test
 - (D) None of these
19. Probability of rejecting the null hypothesis when it is true, is called
- (A) Type-II-error
 - (B) Type-I-error
 - (C) Standard error
 - (D) None of these
20. Standard error of mean is defined as
- (A) standard deviation of the sampling distribution of mean.
 - (B) standard deviation of data.
 - (C) inter-quartile range of the data.
 - (D) none of these.
21. Who first propounded the principle of 'unity of command' ?
- (A) F.W. Taylor
 - (B) Elton Mayo
 - (C) Peter F. Drucker
 - (D) Henry Fayol

22. Which element is not necessary in each objective under MBO Approach ?
- (A) Time element (B) Cost element
(C) Human Relation element (D) Measurable element
23. Techniques of managerial control are useful in
- (A) selection of plant location.
(B) identifying appropriate technology
(C) profit planning
(D) conducting shareholders' meeting
24. The function of attracting, acquiring, retaining and developing human resources in an organisation is called
- (A) recruitment (B) induction
(C) training and development (D) staffing
25. In terms of Blake-Mouton's managerial grid approach, a production oriented leader will be one who adopts
- (A) 1.1 style (B) 9.1 style
(C) 9.9 style (D) 5.5 style
26. The strategy of introducing a product with high introductory price is called
- (A) penetration strategy (B) skimming strategy
(C) pull strategy (D) push strategy
27. The concept of four P's as elements of marketing mix was given by
- (A) Philip Kotler (B) W.J. Stanton
(C) E.J. McCarthy (D) Bruce J. Walker
28. Which out of the following is not a type of non-store retailing ?
- (A) Limited line stores (B) Automatic vending
(C) Direct selling (D) Telemarketing

29. A product line strategy wherein a company adds a higher priced product to a line in order to attract a broader market which helps the sale of its existing lower priced products is called
- (A) Trading up (B) Trading down
(C) Life cycle extension (D) Product line extension
30. Which of the following is not a tool of sales promotion ?
- (A) Sales contests (B) Free gifts
(C) Point of purchase display (D) Public Relations
31. Use of fixed interest securities in the capital structure is called
- (A) operating leverage (B) financial leverage
(C) overall leverage (D) none of the above
32. If NPV is positive, the IRR will be
- (A) Positive (B) $K = R$
(C) $K < R$ (D) None of the above
33. According to Walter, firm should pay 100% dividend if
- (A) $r > k$ (B) $r = k$
(C) $r < k$ (D) none of the above
34. Sensitivity analysis is performed to
- (A) Ascertain risk
(B) Determine profitability
(C) Build scenario for risk profile
(D) None of the above
35. Right shares enjoy preferential rights with regard to
- (A) Payment of dividend (B) Payment of retained earnings
(C) Repayment of capital (D) None of the above
36. The Industrial Disputes Act, 1947 provides the following industrial relations machinery for resolution of conflicts except
- (A) Conciliation (B) Arbitration
(C) Negotiations (D) Adjudication

37. Job evaluation is a technique which aims at
- (A) Establishing fair and equitable pay structure.
 - (B) Analysing requirement of updating technology.
 - (C) Assessing safety requirement of jobs.
 - (D) Improving productivity.
38. Induction is an integral part of
- (A) Training
 - (B) Selection
 - (C) Recruitment
 - (D) None of the above
39. PIP test seeks to measure
- (A) IQ
 - (B) Personality, Interest and Preferences
 - (C) Quality of a product
 - (D) Preferred Investment Plans
40. The Government of India introduced “The Workers’ Participation in Management” Bill in Parliament in
- (A) 1983
 - (B) 1988
 - (C) 1990
 - (D) 1981
41. The features of the Commercial Paper are
- (A) It is an unsecured money market instrument issued in the form of promissory note.
 - (B) The highly rated corporate borrowers can raise short term funds through this instrument.
 - (C) It is an additional instrument to the investing community.
 - (D) All of the above
42. Banking ombudsman may reject the complaint
- (A) immediately after receipt.
 - (B) after hearing both parties.
 - (C) at any stage.
 - (D) none of the above
43. Which of the following entities provide “Take out Finance” to banks engaged in financing of infrastructure projects ?
- (A) ICICI
 - (B) SIDBI
 - (C) IDFC
 - (D) RBI

44. Currency chest balance will be periodically verified by
(A) Bank's own officials (B) RBI officials
(C) Both (A) and (B) (D) Officials of AG's office
45. SEBI is
(A) Regulatory Authority (B) Statutory Authority
(C) Both (A) and (B) (D) None of these
46. The International Monetary Fund has estimated India's contribution to World Gross Domestic Product in Purchasing Power Parity (PPP) terms for 2007
(A) 4.6 percent (B) 6.4 percent
(C) 7.1 percent (D) 8.9 percent
47. The World Bank is known as
(A) IMF (B) IDA
(C) IFC (D) IBRD
48. "De-coupling" denotes
(A) Indian market may be cut off from global markets so that it may not be affected by global volatility.
(B) separating the birds affected by bird-flu.
(C) that markets are independent.
(D) None of the above
49. Which of the country's banking have been brought under "Sanctions by U.S.A. recently" ?
(A) Iraq (B) North Korea
(C) Pakistan (D) Iran
50. How many member countries are there in the "World Customs Organisation" ?
(A) 160 (B) 162
(C) 172 (D) 180

COMMERCE
Paper – II

Note : This paper contains **fifty (50)** objective type questions, each question carrying **two (2)** marks. Attempt all the questions.

1. The concept of Small Scale Industries (SSIs) was brought to fore by the
 (A) Industrial Policy Resolution, 1948
 (B) Industrial Policy Resolution, 1956
 (C) Industrial Policy Statement, 1977
 (D) None of the above
2. Which combination of the following factors has driven globalisation in the recent past ?
 I. Growth of multinational corporations.
 II. Internationalisation of finance.
 III. Increased international trade.
 (A) I and II (B) I and III
 (C) II and III (D) I, II and III
3. **Assertion (A) :** Privatisation process leads to change in management with change in ownership.
Reason (R) : Change in management is not a necessary condition for the process of privatisation.
 Which one of the following is correct combination ?
Codes :
 (A) Both (A) and (R) are correct.
 (B) (A) is correct, but (R) is incorrect.
 (C) (A) is incorrect, but (R) is correct.
 (D) Both (A) and (R) are incorrect.

4. Match the following two lists of statements.

List – I

List – II

- | | |
|---|---|
| I. When one company purchases another one.

II. Merger between two companies having no common business areas.

III. Merger between two companies that sell the same products in different markets.

IV. Two companies are bought and combined under new entity. | 1. Conglom-eration merger

2. Consolida-tion merger

3. Purchase merger

4. Market extension merger |
|---|---|

Codes :

- | | I | II | III | IV |
|-----|---|----|-----|----|
| (A) | 1 | 2 | 3 | 4 |
| (B) | 2 | 3 | 1 | 4 |
| (C) | 3 | 1 | 4 | 2 |
| (D) | 3 | 4 | 1 | 2 |

5. In which of the industrial policies were the following major changes introduced ?
- Liberalisation of licensed capacity.
 - Relaxation of industrial licensing.
 - Industrialisation of backward areas.
- (A) Industrial Policy Resolution, 1956.
 (B) Industrial Policy Statement, 1977.
 (C) Industrial Policy of 1980.
 (D) Industrial Policy of 1991.
6. Which of the following is not an Accounting concept ?
- (A) Matching concept
 (B) Dual Aspect concept
 (C) True and Fair concept
 (D) Going concern concept
7. Deficiency/Surplus Account in liquidation of a company is called
- (A) List – C (B) List – D
 (C) List – G (D) List – H
8. Which of the following 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.
9. In the context of Standard Costing; Basic Standard is established for
- (A) short period
 (B) current period
 (C) indefinite period
 (D) pre-defined period
10. Read the following statements :
- (i) Marginal costing and Absorption costing are the same.
 (ii) For decision making, absorption costing is more suitable than marginal costing.
 (iii) Cost-volume-profit relationships also denote break-even point.
 (iv) Marginal costing is based on the distinction between fixed and variable costs.
- Which of the following combinations gives true statements with regard to above ?
- (A) (i) & (ii) (B) (ii) & (iii)
 (C) (iii) & (iv) (D) (iv) & (ii)
11. A consumer consuming two goods will be in equilibrium, when the marginal utilities from both goods are
- (A) maximum possible positive
 (B) minimum possible positive
 (C) equal
 (D) zero
12. Total production will be maximum when
- (A) Marginal production is maximum.
 (B) Average production is maximum.
 (C) Marginal production is zero.
 (D) Average production is equal to the marginal production.

13. Which one of the following is not matched properly ?

List – I

List – II

- | | |
|--|-------------------------|
| I. High initial price to be lowered later | 1. Product line pricing |
| II. Prices to be proportional to cost | 2. Differential pricing |
| III. Prices to be increased for providing profit | 3. Pioneer pricing |
| IV. Prices to be different in different markets | 4. Incremental pricing |
- (A) I and 3 (B) II and 1
(C) III and 4 (D) IV and 2

14. As per indifference curve and price line, a consumer will not be in equilibrium when

- (A) Ratios of marginal utilities and prices of the respective goods are equal.
- (B) Ratio of marginal utilities of the two goods is equal to the ratio of their respective prices.
- (C) The marginal rate of substitution is equal to the ratio of prices of the two goods.
- (D) The marginal rate of substitution is decreasing.

15. Under kinked demand model, the demand curve for the firm's product is drawn on the assumption that

- (A) All rivals charge the same price which is charged by the oligopolist.
- (B) All rivals charge a price independent of the price charged by the oligopolist.
- (C) All rivals follow the oligopolist upto certain price but beyond that they do not.
- (D) All oligopolists charge the price as independent sellers.

16. A graph of a cumulative frequency distribution is called

- (A) Ogive
- (B) Frequency polygon
- (C) Pie diagram
- (D) Histogram

17. Which of the following tests is used to test the significance of the coefficient of association ?

- (A) Z-test (B) t-test
- (C) χ^2 -test (D) F-test

18. The total area of a normal distribution between average value ± 1.96 of standard deviation is

- (A) 95.45 % (B) 95 %
- (C) 99 % (D) 68.34 %

19. Which of the following is a relative measure of dispersion ?

- (A) Standard deviation
- (B) Variance
- (C) Co-efficient of variation
- (D) None of the above

20. ERP includes (i) SAP, and/or (ii) Resource Planning.
 (A) Both (i) and (ii)
 (B) Only (i)
 (C) Only (ii)
 (D) None of the above

21. Which one of the following was not main contribution of F.W. Taylor ?
 (A) Scientific management
 (B) Time and motion studies
 (C) Differential wage plan
 (D) Modern management

22. Match the items of List-I with items of List-II.

List – I	List – II
I. Hygiene theory	1. Abraham H. Maslow
II. Theory of ‘X’ and ‘Y’	2. Victor Vroom
III. Expectancy Theory	3. Fredrick Herzberg
	4. Doughlas Mcgregor

Codes :

	I	II	III
(A)	3	4	2
(B)	1	4	2
(C)	3	2	4
(D)	1	2	4

23. Which of the following combinations consists of correct statements ?
 (i) Control and planning are interlinked.
 (ii) Control is not meant for men, but for activities.
 (iii) Control is a circular movement.
 (A) (i) and (ii)
 (B) (i) and (iii)
 (C) (ii) and (iii)
 (D) (i), (ii) and (iii)

24. Staffing includes
 (i) Training (ii) Appraisal
 (iii) Placement (iv) Directing
 Which of the following is correct ?
 (A) (i) and (iii)
 (B) (i), (ii) and (iii)
 (C) (ii) and (iii)
 (D) (i), (ii), (iii) and (iv)

25. **Assertion (A) :** Management is a continuous process involving the integration of all functions.

Reason (R) : Managers first plan, then organise and finally perform the function of controlling.

Read the above statements and select the correct answer from the code below :

Codes :

- (A) Both (A) and (R) are correct; and (R) is correct explanation of (A).
 (B) Both (A) and (R) are correct, but (R) is not a correct explanation of (A).
 (C) (A) is correct, but (R) is incorrect.
 (D) (A) is incorrect, but (R) is correct.

26. Exchange concept of marketing deals with
 (A) Exchange of products between sellers and buyers covering distribution and price aspects.
 (B) Mere appendage to production.
 (C) Achieving marketing success through product attributes.
 (D) Aggressively promote and push the products.

27. Who coined the expression "Marketing Mix" ?
- (A) Henry Fayol
 (B) James Culliton
 (C) Peter Drucker
 (D) Abraham Maslow

28. Road blocking advertisement refers to
- (A) Advertising a product by blocking the road.
 (B) Creating big blocks for advertising a product.
 (C) Advertising a product on multiple TV channels at the same time.
 (D) None of the above.

29. Match the following :

List – I

List – II

- | | |
|-------------------------|--|
| 1. Market segmentation | i. Pricing high of a new product initially. |
| 2. Skimming price | ii. Process of disaggregating a market into a number of sub-markets. |
| 3. Multilevel marketing | iii. Translation of the marketing plan into marketing performance. |
| 4. Sales management | iv. Modified version of direct marketing. |

Codes :

- | | | | | |
|-----|-----|----|-----|-----|
| | 1 | 2 | 3 | 4 |
| (A) | ii | i | iv | iii |
| (B) | iii | i | ii | iv |
| (C) | i | ii | iii | iv |
| (D) | iv | ii | iii | i |

30. Which of the following buying process sequence is correct ?

1. Adoption 2. Legitimization
 3. Attitude 4. Awareness

- (A) 4, 3, 2, 1
 (B) 2, 3, 4, 1
 (C) 1, 2, 3, 4
 (D) 3, 4, 2, 1

31. Discounted cash flow criteria for investment appraisal does not include

- (A) Net present value
 (B) Benefit-cost ratio
 (C) Accounting rate of return
 (D) Internal rate of return

32. Working capital represents the portion of current assets financed through long term funds. This indicates (1) net working capital and/or (2) gross working capital.

- (A) (1) is correct
 (B) (2) is correct
 (C) Both (1) and (2) are correct
 (D) Neither of the two is correct

33. Dividend policy of a company mainly concerns with

- (i) dividend payout and/or
 (ii) stability of dividend.
 (A) Only (i) is correct.
 (B) Only (ii) is correct.
 (C) Both (i) and (ii) are correct.
 (D) Both (i) and (ii) are incorrect.

34. Match the following :

List – I	List – II
I. The presence of fixed cost in the cost structure of a firm.	1. Super-leverage
II. The presence of fixed return funds in the capital structure of a firm.	2. Operating leverage
III. Impact of changes in sales on the earnings available to shareholders.	3. Financial leverage

Codes :

	I	II	III
(A)	1	2	3
(B)	2	3	1
(C)	3	2	1
(D)	1	3	2

35. Which one of the following is not used to estimate cost of equity capital ?

- (A) External yield criterion
- (B) Dividend plus growth rate
- (C) Equity capitalisation approach
- (D) Capital asset pricing model

36. Which of the following is not a Central Trade Union in India ?

- (A) B.M.S.
- (B) I.L.O.
- (C) INTUC
- (D) AITUC

37. Sequence the following in which they are practised :

- (i) Promotion
 - (ii) Performance appraisal
 - (iii) Recruitment
 - (iv) Training and Development
- (A) (iii), (ii), (iv) (i)
 - (B) (iii), (ii), (i), (iv)
 - (C) (iii), (i), (iv), (ii)
 - (D) (iii), (iv), (ii), (i)

38. Which one of the following purposes is not served by performance evaluation ?

- (A) Decisions about promotions, transfers and terminations.
- (B) Centralisation and decentralisation of decision making authority.
- (C) Identification of training and development needs.
- (D) Criterion against which selection and development programmes are validated.

39. Who has introduced the “Seven Point Plan” for taking the best interview method ?

- (A) Milton L. Blum
- (B) F. E. Burt
- (C) Prof. A. Rozar
- (D) Filippo

40. The last stage in a grievance redressal procedure is handled by

- (A) Union
- (B) Voluntary Arbitrator
- (C) H.R. Department
- (D) Grievance Committee

41. The Commercial Banks in India are governed by

- (A) Reserve Bank of India Act, 1934
- (B) Indian Companies Act, 1956
- (C) Indian Banking Regulation Act, 1949
- (D) Securities and Exchange Board of India Act, 1992

42. Which of the following limits the power of credit creation by Commercial Banks ?

- (A) Fiscal Policy
- (B) Banking Laws
- (C) Business Pessimism
- (D) None of the above

43. Match the following with the years of establishment/nationalisation.

- | List – I | List – II |
|--|-----------|
| (a) Reserve Bank of India | i. 1975 |
| (b) Nationalisation of 14 Major Commercial Banks | ii. 1935 |
| (c) Nationalisation of 6 Commercial Banks | iii. 1969 |
| (d) Regional Rural Banks | iv. 1980 |

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|-----|-----|-----|-----|
| (A) | i | iii | ii | iv |
| (B) | iii | ii | iv | i |
| (C) | iv | iii | i | ii |
| (D) | ii | iii | iv | i |

44. Capital adequacy norm helps to Banks

- (i) For strengthening capital base of Banks.
 (ii) For sanctioning more loans.
 (A) Both (i) and (ii) are correct.
 (B) Both (i) and (ii) are incorrect.
 (C) (i) is correct, but (ii) is incorrect.
 (D) (i) is incorrect, but (ii) is correct.

45. Which one of the following is the main objective of Unit Trust of India ?

- (A) To mobilize the savings of high income groups.
 (B) To mobilize the savings of low and high income groups.
 (C) To mobilize the savings of corporates.
 (D) To mobilize the savings of low and middle income groups.

46. Which of the following is the basic objective of the World Bank ?

- (A) To provide social services
 (B) To provide financial assistance
 (C) To promote economic growth
 (D) To eradicate poverty

47. Which of the following is not an International Financial Institution ?

- (A) I.C.I.C.I. (B) I.M.F.
 (C) I.D.A. (D) World Bank

48. In balance of payment accounts, all goods exported and imported are recorded in _____.

- (A) Capital Account
 (B) Visible Account
 (C) Invisible Account
 (D) Merchandise Account

49. The devaluation of currency of a country is done when _____.

- (i) It has adverse balance of payments.
 (ii) It has favourable balance of payments.
 (A) Both (i) and (ii) are correct.
 (B) Both (i) and (ii) are incorrect.
 (C) Only (i) is correct.
 (D) Only (ii) is correct.

50. Match the following with the year of establishment :

- | List – I | List – II |
|---------------------------------------|-----------|
| (a) World Trade Organisation | i. 1993 |
| (b) Uruguay Round Negotiation | ii. 1995 |
| (c) W.T.O. – Trade Policy Review Body | iii. 1997 |
| (d) The Patents (Amendment) Act. | iv. 1999 |

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|-----|-----|-----|-----|
| (A) | i | iii | iv | ii |
| (B) | i | iv | iii | ii |
| (C) | ii | i | iii | iv |
| (D) | iv | ii | i | iii |

COMMERCE
Paper – II

Note : This paper contains **fifty (50)** objective type questions, each question carrying **two (2)** marks. Attempt all the questions.

1. India abolished the quantitative restrictions on imports of 1429 items in 2000 and 2001 as per the commitment to which of the following ?
- (A) South Asian Free Trade Association (SAFTA)
- (B) General Agreement on Tariffs and Trade (GATT)
- (C) World Trade Organisation (WTO)
- (D) Non-Aligned Movement
2. Globalization is a term used to describe the process of removal of restrictions on which of the following ?
- (A) Foreign Trade
- (B) Investment
- (C) (A) and (B) above
- (D) None of the above
3. When a company takes over another one and clearly becomes a new owner, the action is called
- (A) Merger
- (B) Acquisition
- (C) Strategic Alliance
- (D) None of the above

4. Match the following two lists of statements.

List – I

List – II

- | | |
|---|-----------------------|
| I. Rate at which RBI gives loans to Commercial Banks by discounting bills | 1. Bank rate |
| II. Rate at which RBI borrows from Commercial Banks | 2. Repo rate |
| | 3. Prime lending rate |

Codes :

- | | | |
|-----|---|----|
| | I | II |
| (A) | 3 | 1 |
| (B) | 2 | 1 |
| (C) | 1 | 2 |
| (D) | 3 | 2 |

5. The MRTP Act, 1969 was abolished in
- (A) 1991
- (B) 2002
- (C) 2006
- (D) None of the above
6. Read the following statements :
- (i) Financial statements are only interim reports.
- (ii) Financial statements are prepared on the basis of realizable values.
- (iii) The preparation of financial statements is not an ultimate aim.
- (iv) Certain assumptions are necessary to prepare financial statements.
- Which of the following combinations consists of all true statements ?
- (A) (i), (ii) and (iii)
- (B) (ii), (iii) and (iv)
- (C) (i), (iii) and (iv)
- (D) (i), (ii) and (iv)

7. Which of the following is not a subsidiary book ?
- Purchase Book
 - Sales Book
 - Bills Receivables Book
 - Assets Book
8. Which of the following are the application of funds ?
- Redemption of Preference share capital.
 - Payment of Dividend.
 - Increase in working capital.
- only (i) and (ii)
 - only (ii) and (iii)
 - only (i) and (iii)
 - (i), (ii) and (iii)
9. Accounting concepts are based on
- Certain assumptions
 - Certain facts and figures
 - Certain accounting records
 - Government guidelines
10. The main purpose of Cost Accounting is to
- assist management in decision making.
 - maximise profits and minimise losses.
 - comply norms issued by the Government of India from time to time.
 - prepare cost accounts in line with the accounting standards.
11. The various degrees of price elasticity of demand can be shown on a single demand curve as per which one of the following ?
- Total outlay method
 - Proportional method
 - Arc method
 - Geometrical method
12. Which one of the following is not correct about the price discrimination by a monopolist, who intends to
- maximise the sales/profit
 - share the consumer's surplus
 - increase the welfare of masses
 - reduce the welfare of masses
13. Returns to scale involve variations in the quantities of the various factors of production
- Simultaneously, and/or
 - Proportionately
- Both (1) and (2) are correct
 - (1) is correct and (2) is incorrect
 - (1) is incorrect and (2) is correct
 - Both (1) and (2) are incorrect.
14. The firm under perfect competition will be in short-run equilibrium when
- Rising marginal cost is equal to the minimum average cost
 - Marginal revenue is equal to rising marginal cost.
 - Average revenue is equal to average cost
 - Marginal revenue is equal to the falling marginal cost.

15. Match the following :

List – I	List – II
(i) Law of demand is fully applicable	(1) Giffen goods
(ii) Law of demand is not applicable at all	(2) Veblen goods
(iii) Law of demand is partly applicable	(3) Normal goods

Codes :

	(i)	(ii)	(iii)
(A)	1	2	3
(B)	2	3	1
(C)	3	1	2
(D)	2	1	3

16. **Statement – I :** The heading for columns and rows are called caption and stub respectively.

Statement – II : Sturge's Rule is used to decide the nature of manifold classification

Which of the following is correct ?

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

17. F-test is used to test the significance of the differences between

- (A) Co-efficient of correlation between two sample groups.
- (B) Co-efficient of correlation among more than two sample groups.
- (C) Averages between two sample groups.
- (D) Averages of more than two sample groups.

18. Co-variance between two variables is

- (A) The average of the product of deviations taken from their averages.
- (B) A is further divided by the product of their standard deviations.
- (C) A is further divided by the product of their arithmetic averages.
- (D) None of the above

19. **Statement – A :** Standard error of the mean is the standard deviation of the sampling distribution of mean.

Statement – B : Simple random sampling is non-probability sampling method.

Which of the following combination is correct ?

- (A) Both A and B are true.
- (B) Both A and B are false
- (C) A is true and B is false.
- (D) A is false and B is true.

20. Which of the following has RDBMS ?

- (i) Access
- (ii) Excel
- (A) (i) and (ii)
- (B) only (i)
- (C) only (ii)
- (D) None of the above

21. In which type of organization is 'grapevine' communication used ?

- (A) Informal organization
- (B) Formal organization
- (C) Departmental organization
- (D) Matrix organization

22. In management science “Grid” refers to
 (A) Diverse managerial styles
 (B) Co-ordination
 (C) Communication
 (D) Motivation
23. “SWOT” is used for
 (A) Planning (B) Organising
 (C) Motivating (D) Controlling
24. Which of the following pairs is not matched ?

List – I

List – II

- | | | |
|------------------------|---|-----------------------|
| (A) Frederick Herzburg | – | Scientific Management |
| (B) Henry Fayol | – | Modern Management |
| (C) Max Weber | – | Bureaucracy |
| (D) Philip Kotlar | – | Marketing |

25. Which one of the following is not covered under corporate governance ?
 (A) Corporate social responsibility
 (B) Business ethics
 (C) Role of independent directors
 (D) Government monitoring
26. Market gridding means
 (A) establishing and running a web marketing facility
 (B) a method of survey of expert’s opinion.
 (C) managing brands and developing brand equity
 (D) an analytical technique which facilitates dividing a market into segments.

27. Trade Mark is :
 (A) a name, term, symbol or design which is intended to identify the goods and services of a seller.
 (B) a brand that has been given legal protection.
 (C) giving protection to the product and adding to it’s aesthetics and sales appeal.
 (D) providing written information about the product.

28. Which of the following is not a part of strategic planning ?
 (A) Purposes and mission
 (B) Objectives
 (C) Choice of businesses
 (D) Social responsibility

29. Attitude means
 (A) Impulses, desires and considerations of the buyer, which induces him to purchase a product
 (B) A sum total of the individuals’ faith and feelings towards a product.
 (C) The customer turning to his environment/world of information around him.
 (D) Creating some relentness in the mind of an individual.

30. Match the following :

List – I	List – II
(a) Supply chain management	(i) putting the product in the mind of the prospective buyer
(b) Product positioning	(ii) the process of gathering, filtering and analysing information relating to the marketing environment.
(c) Marketing environment analysis	(iii) improving the performance of dealers through sharpening of their sales skills and product knowledge
(d) Dealer training	(iv) larger in scope than both physical and marketing logistics

Codes :

- (a) (b) (c) (d)
 (A) (i) (ii) (iii) (iv)
 (B) (iv) (i) (ii) (iii)
 (C) (ii) (iv) (iii) (i)
 (D) (iii) (iv) (i) (ii)

31. Over capitalization may not be as a result of which one of the following ?

- (A) Promotion of a company with inflated assets
 (B) Application of low capitalization rate
 (C) Shortage of capital
 (D) Liberal dividend policy

32. Which one of the following is not matched ?

List – I	List – II
(a) Interest is a deductible expense	(i) Cost of debt capital
(b) Realised-yield approach	(ii) Cost of equity capital
(c) Extended yield approach	(iii) Retained earnings
(d) Dividend capitalization approach	(iv) Cost of preference share capital

Codes :

- (A) (a) and (i)
 (B) (b) and (ii)
 (C) (c) and (iii)
 (D) (d) and (iv)

33. The rate of discount at which NPV of a project becomes zero is also known as

- (A) Average Rate of Return
 (B) Internal Rate of Return
 (C) Alternate Rate of Return
 (D) None of the above

34. The dividend irrelevance theorem to share valuation was propounded by

- (A) James E. Walter
 (B) Myron Gordon
 (C) Modigliani and Miller
 (D) None of the above

35. **Assertion (A)** : Management of working capital refers to the management of current assets and current liabilities.

Reason (R) : But the major thrust of course, is on the management of current assets ; because current liabilities arise in the context of current assets.

Codes :

- (A) Both (A) and (R) are incorrect.
- (B) (A) is correct and (R) is incorrect.
- (C) Both (A) and (R) are correct.
- (D) (A) is incorrect, but (R) is correct.

36. Business plans designed to achieve the organizational objectives is called

- (A) Human Resource Planning
- (B) Human Resource Forecasting
- (C) Strategic Plan
- (D) Corporate Development Plan

37. "360" degree method relates to

- (A) Performance appraisal
- (B) Organization climate
- (C) Employees morale
- (D) Retrenchment

38. Match the following :

List – I

List – II

- | | |
|-------------------|--------------------------------|
| (a) Adam Smith | (i) Subsistence Theory |
| (b) Karl Marx | (ii) Wages Fund Theory |
| (c) John Davidson | (iii) The Surplus Value Theory |
| (d) David Ricardo | (iv) Bargaining Theory |

Codes :

- (a) (b) (c) (d)
- (A) (ii) (iii) (iv) (i)
- (B) (i) (ii) (iii) (iv)
- (C) (iv) (i) (ii) (iii)
- (D) (iii) (iv) (i) (ii)

39. **Assertions :**

- (i) High morale leads to high productivity.
- (ii) High morale need not necessarily lead to high productivity.
- (A) Both (i) and (ii) are correct.
- (B) Both (i) and (ii) are incorrect.
- (C) (i) is correct and (ii) is incorrect.
- (D) (i) is incorrect and (ii) is correct.

40. **Statements :**

- (i) Fringe benefits, now-a-days, are a significant component of "compensation".
- (ii) Under Piece-rate plan, employees are paid at a stipulated rate per hour of work done by them
- (A) Both (i) and (ii) are correct.
- (B) Both (i) and (ii) are incorrect.
- (C) (i) is incorrect and (ii) is correct.
- (D) (i) is correct and (ii) is incorrect.

41. Which one of the following is not an instrument of credit control in the banking system ?

- (A) Open market operations
- (B) Moral suasion
- (C) Cash Reserve Ratio
- (D) Tax rates

42. Match the following with their year of establishment :

- | | |
|------------|------------|
| (a) IDBI | (i) 1982 |
| (b) IFCI | (ii) 1964 |
| (c) NABARD | (iii) 1948 |
| (d) ICICI | (iv) 1955 |

Codes :

- (a) (b) (c) (d)
- (A) (iii) (i) (iv) (ii)
- (B) (iv) (ii) (i) (iii)
- (C) (ii) (iii) (i) (iv)
- (D) (i) (iii) (iv) (ii)

43. Which of the following is not a function of a Rural Bank ?
 (A) To accept deposits
 (B) To waive loans
 (C) To grant advances
 (D) To supply inputs to farmers
44. From which date have all Banks started sharing their ATM free of cost for transactions ?
 (A) January 1, 2009
 (B) April 1, 2009
 (C) July 1, 2009
 (D) September 1, 2009
45. Which of the following is not the fund based business of commercial banks ?
 (A) D.P. Operations
 (B) Loans
 (C) Deposits
 (D) Discounting of Bills
46. Foreign Exchange and foreign currencies in India are governed by
 (A) SCRA Act
 (B) Banking Regulation Act
 (C) FEMA Act
 (D) SEBI Act
47. The balance of payments of a country on Current Account is equal to
 (A) Balance of trade plus short term capital flows.
 (B) Balance of trade plus net invisible exports.
 (C) Balance of payments minus capital flows.
 (D) Balance of invisible trade plus imports.

48. The following table shows cost per unit of production of two goods, wheat and cloth in two countries X and Y with no transportation cost and free trade :

	X	Y
	Rs.	Rs.
Wheat	50	350
Cloth	100	500

Which one of the following will take place ?

- (A) No trade will take place.
 (B) X will export wheat and import cloth.
 (C) X will export cloth and import wheat.
 (D) There is no enough information to comment.
49. A debit balance of payments occurs due to
 (i) Low imports and high exports
 (ii) High imports and low exports.
 (A) Both (i) and (ii) are correct.
 (B) Both (i) and (ii) are incorrect.
 (C) Only (i) is correct.
 (D) Only (ii) is correct.
50. Match the following economic institutions with the year of their establishment :
- | | |
|---------------------------------------|------------|
| (a) World Bank | (i) 1946 |
| (b) International Finance Corporation | (ii) 1956 |
| (c) International Development Agency | (iii) 1960 |
| (d) Asian Development Bank | (iv) 1966 |
- Codes :**
 (a) (b) (c) (d)
 (A) (i) (ii) (iii) (iv)
 (B) (i) (iii) (iv) (ii)
 (C) (ii) (i) (iv) (iii)
 (D) (iii) (i) (ii) (iv)

COMMERCE
Paper – II

Note : This paper contains **fifty (50)** objective type questions, each question carrying **two (2)** marks. Attempt **all** the questions.

1. Match the following components of Business Environment :
- | | |
|---------------------------|-----------------------------------|
| (a) Economic Environment | (i) Exim Policy |
| (b) Social Environment | (ii) Customs |
| (c) Political Environment | (iii) Social Values |
| (d) Legal Environment | (iv) Business Law and Banking Act |
- (a) (b) (c) (d)
(A) (i) (ii) (iii) (iv)
(B) (iii) (iv) (ii) (i)
(C) (iii) (i) (ii) (iv)
(D) (i) (ii) (iv) (iii)
2. Planning is a _____ process.
- (A) Goal oriented
(B) Flexible
(C) Time bound
(D) All of the above
3. Which among the following have not been opened for private sector participation ?
- (A) Power Sector
(B) Telecommunication Sector
(C) Education Sector
(D) Railways
4. VAT is imposed
- (A) Directly on consumers
(B) On final stage of production
(C) On all stages from production to final sales
(D) None of the above
5. In which of the following countries the Industrial Revolution took place first ?
- (A) France (B) Germany
(C) England (D) U.S.A.
6. Accounting Standards Board of India was established in the year
- (A) 1970 (B) 1972
(C) 1973 (D) 1977
7. X and Y are partners in a firm. They withdrew @ ₹ 1,500 and ₹ 1,000 respectively on 15th day of every month for all the twelve months during 2009. Interest on drawings is chargeable @ 10% per annum. What would be the interest on drawings respectively ?
- (A) ₹ 1,800 and ₹ 1,200
(B) ₹ 900 and ₹ 600
(C) ₹ 18,000 and ₹ 12,000
(D) ₹ 150 and ₹ 100
8. If the purchase consideration is calculated by adding the various payments to be made, the method is called
- (A) Lump-sum method
(B) Net-worth method
(C) Net-payments method
(D) Value of shares method

9. The following relate to the shares of a company. What is the correct order ?
- (A) Issue, Application, Call and Forfeiture.
 (B) Application, Call, Forfeiture and Issue.
 (C) Call, Issue, Application and Forfeiture.
 (D) Forfeiture, Application, Issue and Call.
10. The final accounts of a manufacturing company generally include the following statements :
- (i) Balance Sheet
 (ii) Manufacturing Account
 (iii) Profit and Loss Account
 (iv) Trading Account
 (v) Profit and Loss Appropriation Account
- The correct sequence in which the statements are prepared is :
- (A) (i), (ii), (iii), (iv), (v)
 (B) (ii), (iv), (iii), (v), (i)
 (C) (v), (ii), (iv), (iii), (i)
 (D) (i), (iv), (iii), (ii), (v)
11. The theory of Revealed Preference was propounded by
- (A) A. Marshall
 (B) P.F. Drucker
 (C) Paul Samuelson
 (D) J.R. Hicks
12. Which of the following concepts is considered as a myth ?
- (A) Oligopoly
 (B) Perfect competition
 (C) Monopoly
 (D) Imperfect competition

13. A perfectly competitive market in the short run will be in equilibrium where
- (A) $MC = AC$
 (B) $MC = MR$
 (C) $MC = \text{Zero}$
 (D) None of the above
14. Match the following :
- | | |
|------------------------------|--------------------------------|
| (a) Perfect competition | (i) No control |
| (b) Monopolistic competition | (ii) Some Control |
| (c) Oligopoly | (iii) Practically Some Control |
| (d) Monopoly | (iv) Usual control |
- (a) (b) (c) (d)
 (A) (i) (ii) (iii) (iv)
 (B) (ii) (iii) (iv) (i)
 (C) (iii) (ii) (iv) (i)
 (D) (iv) (iii) (ii) (i)
15. **Statement (A) :** The demand for the product of a firm under Oligopoly is at prices higher than the prevailing market prices.
- Reason (R) :** The Oligopolistic firm faces a kinked demand curve.
- (A) Both (A) and (R) are false.
 (B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
 (C) (A) is true, but (R) is false.
 (D) (A) is false, but (R) is true.

16. In a factory, there are 1000 workers consisting of 400 A-Grade workers and 600 B-Grade workers. In A-Grade, 300 are male workers; and in B-Grade, only 200 are male workers. How many female workers are there in the factory ?
- (A) 300 (B) 400
(C) 500 (D) 600
17. When a population is heterogeneous, it is divided into groups, so that there is homogeneity within the group and heterogeneity between the groups, and some items are selected at random from each group. It is a case of
- (A) Cluster Random Sampling
(B) Systematic Random Sampling
(C) Quota Sampling
(D) Stratified Random Sampling
18. Which one among the following is a small sample ?
- (A) 5
(B) 10
(C) 29
(D) All the above
19. Which one of the following softwares is used for Research Analysis ?
- (A) SAP (B) ERP
(C) SPSS (D) TALLY
20. Which one of the following is a DataBase Management System ?
- (A) MS Access
(B) MS Excel
(C) MS Outlook
(D) None of the above
21. Match the following :
- (a) Maslow (i) Hygiene Theory
(b) Herzberg (ii) X and Y Theory
(c) Ouchi (iii) Need Hierarchy Theory
(d) McGregor (iv) Z Theory
- (a) (b) (c) (d)
(A) (i) (ii) (iii) (iv)
(B) (ii) (i) (iv) (iii)
(C) (iv) (iii) (ii) (i)
(D) (iii) (i) (iv) (ii)
22. Consider the following steps in the decision making process; and select the correct sequence :
- (i) Defining the problem
(ii) Considering alternatives
(iii) Considering limiting factors
(iv) Selection of the best alternative and implementation
- (A) (i), (ii), (iii), (iv)
(B) (iii), (i), (iv), (ii)
(C) (i), (iv), (iii), (ii)
(D) (i), (iii), (iv), (ii)
23. “Unity of Objectives” principle states that there should be
- (A) Only one objective
(B) Pre-determined objectives
(C) Coordination among objectives
(D) None of the above
24. The concept of M.B.O. originally came from
- (A) F.W. Taylor
(B) A. H. Maslow
(C) Henry Fayol
(D) Peter F. Drucker

25. Which one is the most important principle of Business Ethics ?
- (A) Principle of unity of direction.
 (B) Principle of proportional judgement.
 (C) Principle of scalar chain.
 (D) Principle of span of control.

26. Match the following statements with their authors :

- (a) "Marketing is the delivery of standard of living." (i) Peter F. Drucker
- (b) "Marketing comprises both buying and selling activities." (ii) Philip Kotler
- (c) "Marketing is human activity directed at satisfying needs and wants through exchange process." (iii) Paul Mazur
- (d) "Marketing is a process which converts a resource, distinct knowledge into a contribution of economic value in the market place." (iv) Pyle

- (a) (b) (c) (d)
- (A) (iv) (iii) (i) (ii)
 (B) (iv) (ii) (iii) (i)
 (C) (iii) (iv) (ii) (i)
 (D) (i) (ii) (iv) (iii)

27. Which one of the following is not the mode of Direct Distribution System ?
- (A) Trading mediators
 (B) Vending machines
 (C) Own sales depot
 (D) Franchise shops

28. Which one of the following is matched correctly ?

- (A) Consumer Promotion – Sales Meetings
 (B) Dealer Promotion – Display Allowance
 (C) Internal Sales Promotion – Free Samples
 (D) None of the above

29. **Statement (A) :** "The Electronic Media has a strong impact on consumers' behaviour in India."

Reason (R) : "Most of the Indian consumers take their decision with the help of Electronic Media."

- (A) Statement (A) is correct, but Reason (R) is false.
 (B) Reason (R) is correct, but Statement (A) is false.
 (C) Both Statement (A) and Reason (R) are false.
 (D) Both Statement (A) and Reason (R) are correct.

30. Road blocking advertisement is
- (A) Advertising a product by blocking a road.
 (B) Putting an advertisement on a blocked road.
 (C) A technique of gathering potential customers on the road.
 (D) Advertising a product on all similar TV/Radio channels at the same time.

31. Read the following statements :

(i) “Working Capital is the amount of funds necessary to cover the cost of operating the enterprise.”

(ii) “Circulating capital means current assets of a company that are changed in the ordinary course of business from one form to another.”

(A) (i) and (ii) both are correct.

(B) (i) and (ii) both are false.

(C) (i) is correct, but (ii) is false.

(D) (i) is false, but (ii) is correct.

32. Examine the following statements :

(i) Pay Back Period method measures the true profitability of a project.

(ii) Capital Rationing and Capital Budgeting mean the same thing.

(iii) Internal Rate of Return and Time Adjusted Rate of Return are the same thing.

(iv) Rate of Return Method takes into account the time value of money.

(A) (i), (ii) and (iii) are correct.

(B) (ii) and (iii) are correct.

(C) Only (iii) is correct.

(D) All (i), (ii), (iii) and (iv) are false.

33. Which one of the following is correct ?

(i) A ratio is an arithmetical relationship of one number to another number.

(ii) Liquid ratio is also known as acid test ratio.

(iii) Rule of thumb for current ratio is 2 : 1.

(iv) Debt equity ratio is the relationship between outsiders' fund and shareholders' fund.

(A) All (i), (ii), (iii) and (iv) are correct.

(B) Only (i), (ii) and (iii) are correct.

(C) Only (ii), (iii) and (iv) are correct.

(D) Only (ii) and (iii) are correct.

34. The basic objective of Financial Management is

(A) Maximization of profits.

(B) Profit Planning of the organization.

(C) Maximization of shareholders' wealth.

(D) Ensuring financial discipline in the organization.

35. Which of the following term is used to represent the proportionate relationship between debt and equity ?

(A) Cost of Capital

(B) Capital Budgeting

(C) Assets Structure

(D) Capital Structure

36. HRM is amalgam of
- (A) Job analysis, recruitment and selection.
 - (B) Social behaviour and business ethics.
 - (C) Organizational behaviour, personnel management and industrial relation.
 - (D) Employer and employees.
37. Recruitment is concerned with the process of
- (A) Selection of right candidate.
 - (B) Developing a pool of potential employees.
 - (C) Inviting applications for jobs.
 - (D) None of the above.
38. The mechanism to identify employees growth potentials is done through
- (A) Job enrichment
 - (B) Job evaluation
 - (C) Job assessment centre
 - (D) Position description
39. An interview conducted at the time of an employee leaving the organization is called
- (A) Exit interview
 - (B) Feedback interview
 - (C) Convincing interview
 - (D) Directed interview

40. **Statement (A) :** A Manager delegates authority.
- Reason (R) :** The Manager wants to shirk his responsibility.
- (A) Both Statement (A) and Reason (R) are correct.
 - (B) Both Statement (A) and Reason (R) are false.
 - (C) Statement (A) is correct, but Reason (R) is false.
 - (D) Statement (A) is false, but Reason (R) is correct.
41. Match the following :
- | | |
|----------------------------|------------|
| (a) Unit Trust of India | (i) 1921 |
| (b) Banking Regulation Act | (ii) 1949 |
| (c) Imperial Bank of India | (iii) 1964 |
| (d) NABARD | (iv) 1982 |
- | | | | | |
|-----|-------|-------|-------|-------|
| (A) | (i) | (iii) | (ii) | (iv) |
| (B) | (iv) | (i) | (ii) | (iii) |
| (C) | (ii) | (iv) | (iii) | (i) |
| (D) | (iii) | (ii) | (i) | (iv) |
42. Capital Adequacy Norms declared in the year, 1996, is applicable to
- (A) Foreign Banks
 - (B) Co-operative Banks
 - (C) Private Sector Banks
 - (D) Nationalized Bank
43. Which one of the following is used for International Money Transfer ?
- (A) RTGS
 - (B) NEFT
 - (C) SWIFT
 - (D) None of the above

44. In order to control credit and investment, the Central Bank of a country should
- (A) Sell securities in the open market and hike the Cash Reserve Ratio.
 - (B) Buy securities from the open market and lower the Cash Reserve Ratio.
 - (C) Buy securities from the open market and hike the Cash Reserve Ratio.
 - (D) Sell securities in the open market and lower the Cash Reserve Ratio.
45. India has been witnessing high rate of inflation because
- (A) Public expenditure and money supply both are continuously increasing.
 - (B) The agricultural and industrial sectors have not performed adequately.
 - (C) Both agricultural and administered prices have been hiked.
 - (D) All of the above.
46. In India _____ has a pre-dominant share in the debt market.
- (A) Government Securities
 - (B) Corporate Deposits
 - (C) Corporate Equities
 - (D) Global Depository Receipts
47. Which type of elasticity plays a crucial role in determining international trade ?
- (A) Elasticity of demand
 - (B) Price elasticity of demand
 - (C) Income elasticity of demand
 - (D) Cross elasticity of demand
48. DFEC stands for
- (A) Direct Foreign Exchange Control
 - (B) Direct Finance Exchange Control
 - (C) Duty Free Export Credit
 - (D) Duty Free Exchange Credit
49. Suppose a Canadian firm imports bananas of \$ 1000 and sells them for \$ 2000. The effect on GDP would be
- (A) The GDP will decrease by \$ 3000
 - (B) The GDP will increase by \$ 3000
 - (C) The GDP will increase by \$ 2000
 - (D) The GDP will increase by \$ 1000
50. In independent India, the first major foreign exchange crisis occurred in the year _____.
- (A) 1955
 - (B) 1956
 - (C) 1969
 - (D) 1991

COMMERCE
Paper – II

Note : This paper contains **fifty (50)** objective type questions, each question carrying **two (2)** marks. Attempt **all** the questions.

1. By which Act, the government checks restrictive trade practices ?

- (A) FEMA - 1999
- (B) Consumer Protection Act, 1986
- (C) Industrial Policy Act, 1991
- (D) None of the above

2. In which year the new Industrial Policy was announced ?

- (A) 1997
- (B) 1951
- (C) 1991
- (D) 1998

3. The Narasimham Committee made separate recommendations for the reforms of _____

- (A) Manufacturing sector
- (B) Banking sector
- (C) Agriculture sector
- (D) Insurance Sector

4. **Assertion (A) :** Disinvestment tends to arouse opposition from employees.

Reason (R) : It may increase the cost of Production.

- (A) Both (A) and (R) are true.
- (B) (A) is true, but (R) is false.
- (C) Both (A) and (R) are false.
- (D) (A) is false, but (R) is true.

5. Match the following :

Books	Authors
a. India and Economic Reforms	i. Bhagwati. J.
b. Development planning : The Indian Experience	ii. Chakravarty. S.
c. India : Economic Development and Social Opportunity	iii. Drenz, J and Amartya Sen
d. Fiscal Policy of Underdeveloped countries.	iv. Chelliah, R.J.

Codes :

	a	b	c	d
(A)	i	ii	iii	iv
(B)	ii	iii	iv	i
(C)	iii	iv	ii	i
(D)	i	iv	iii	ii

6. Which of the following accounting equations is not correct ?

- (A) Assets – Liabilities = Equity
- (B) Assets – Equity = Liability
- (C) Assets + Liabilities = Equity
- (D) Liabilities + Equity = Assets

7. Which one of the following statements is correct ?
- (A) Increases in liabilities are credits and decreases are debits.
- (B) Increases in assets are credits and decreases are debits.
- (C) Increases in capital are debits and decreases are credits.
- (D) Increases in expenses are credits and decreases are debits.
8. A and B are partners in a firm sharing profit and loss in the ratio of 3 : 2. They admit C into partnership for $\frac{1}{4}$ share and the new ratio between A and B is 2 : 1. The sacrificing ratio is
- (A) 1 : 1
- (B) 2 : 1
- (C) 3 : 1
- (D) 2 : 3
9. Arrange the following liabilities in the order of company balance sheet.
- (i) Bank Overdraft
- (ii) Bank Loan
- (iii) Share Capital
- (iv) Provision for Taxation
- (A) i, ii, iii, iv
- (B) iv, iii, ii, i
- (C) iii, ii, i, iv
- (D) iii, ii, iv, i
10. Intrinsic value of a share is given by
- (A) $\frac{\text{Total net assets}}{\text{No. of shares}}$
- (B) $\frac{\text{Total assets}}{\text{No. of shares}}$
- (C) $\frac{\text{Share capital}}{\text{No. of shares}}$
- (D) $\frac{\text{Market capitalisation}}{\text{No. of shares}}$
11. When demand curve is rectangular Hyperbola, the elasticity of demand will be
- (A) Perfectly elastic
- (B) Unit elastic
- (C) Perfectly inelastic
- (D) Highly elastic
12. Opportunity cost is a term which describes :
- (A) A bargain price for a factor of production.
- (B) Cost related to an optimum level of production.
- (C) Average variable cost.
- (D) The cost of forgone opportunities.
13. Arrange the following books in order (year) in which they appeared.
- a. Economic Theory and Operations Analysis by W.J. Baumol.
- b. An introduction to positive Economics by R.G. Lipsey.
- c. Economics by P. Samuelson.
- d. Managerial Economics by Joel Dean.
- (A) a, b, c, d (B) d, c, a, b
- (C) b, d, a, c (D) c, d, b, a
14. Marginal revenue is _____ at the quantity that generates maximum total revenue and negative beyond that point.
- (A) zero (B) + 2
- (C) + 1 (D) - 1

15. **Assertion (A)** : “Utility will be maximised when the marginal unit of expenditure in each direction brings the same increment of utility.”

Reason (R) : A consumer will try to maximise his utility.

- (A) Both (A) and (R) are true.
- (B) Both (A) and (R) are false.
- (C) (A) is true, but (R) is false.
- (D) (A) is false, but (R) is true.

16. In a predominantly illiterate area consisting of 10,000 population, data has to be collected from 10% of them. The appropriate technique for data collection would be

- (A) Questionnaire
- (B) Schedule
- (C) Interview
- (D) All the above

17. In a unimodal and symmetric distribution, the relationship between averages is like this.

- (A) mean > median > mode
- (B) mean < median < mode
- (C) mean = median = mode
- (D) mean > median < mode

18. Given the following tests :

- (i) ‘Z’-test (ii) ‘t’-test
- (iii) ‘F’-test (iv) ‘ χ^2 ’-test

The concept of degrees of freedom is associated with

- (A) (i) and (ii)
- (B) (ii) and (iii)
- (C) (iii) and (iv)
- (D) (ii), (iii) and (iv)

19. Which one of the following is not an accounting software ?

- (A) Tally (B) Miracle
- (C) Profit (D) SPSS

20. E-marketing is _____

- (A) Buying and selling of goods and services through internet.
- (B) Buying of goods through internet.
- (C) Selling of goods through internet.
- (D) All of the above.

21. Match the items in List-I with items in List-II.

List – I

List – II

- | | |
|---------------------|----------------------------|
| a. Peter F. Druker | i. M.B.O. |
| b. F.W.Taylor | ii. Scientific Management |
| c. Henri J. Fayol | iii. Industrial Psychology |
| d. Hugo Munsterberg | iv. Functional Theory |

Codes :

- | | | | | |
|-----|-----|-----|-----|-----|
| | a | b | c | d |
| (A) | i | ii | iii | iv |
| (B) | i | ii | iv | iii |
| (C) | iv | iii | ii | i |
| (D) | iii | i | iv | ii |

22. The main advantage of functional organization is

- (A) Simplicity
- (B) Specialisation
- (C) Experience
- (D) Authority

23. Which of the following is the most democratic form of organisation ?

- (A) Line
- (B) Line and Staff
- (C) Functional
- (D) Committee

24. Plan made in the light of a competitor's plan is known as

- (A) Policy
- (B) Procedure
- (C) Strategy
- (D) Under-cover plan

25. A proposed organizational change may create _____.

- (A) Emotional Turmoil & Tension
- (B) Problem of social displacement
- (C) Fear of unknown
- (D) All of the above

26. Match the following statements with their authors :

- a. "Marketing mix is a pack of four sets of variables, namely; product variables, price variables, promotion variables and place variables".
 - b. "The marketing mix is the set of marketing tools the firm uses to pursue its marketing objectives in the target market."
 - c. "Marketing is the managerial process by which products are matched with markets and through which transfers of ownership are affected."
 - d. "Marketing is concerned with all the resources and activities involved in the flow of goods and services from producer to consumer".
- i. Wheeler
 - ii. Cundiff, Still & Govoni
 - iii. Mc Carthy
 - iv. Philip Kotler

Codes :

- | | a | b | c | d |
|-----|-----|-----|----|-----|
| (A) | ii | iv | i | iii |
| (B) | i | ii | iv | iii |
| (C) | iv | iii | i | ii |
| (D) | iii | iv | ii | i |

27. Which one of the following is not the mode of Direct Distribution system ?
- (A) Multiple shops
(B) Door to door selling
(C) Broking agent
(D) Direct mail order
28. Which one of the following is not matched correctly ?
- (A) Sales – Internal Sales Portfolio Promotion
(B) Merchandise – Dealer Allowance Promotion
(C) Count and – Consumer Recount of Promotion Stock
(D) Advertising – Market Promotion
29. **Assertion (A) :** “Advertising plays a vital role in selling products/services.”
Reason (R) : “Sales promotion is incomplete without a good advertising plan.”
- Codes :**
- (A) (A) is correct, but (R) is false.
(B) (A) is false, but (R) is correct.
(C) Both (A) and (R) are correct.
(D) Both (A) and (R) are false.
30. Which one of the following contains the three elements of service marketing triangle ?
- (A) Management, Marketing Agency and Consumer.
(B) Marketing Agency, Government and Consumer.
(C) Management, Employees and Marketing Agency.
(D) Management, Employees and Consumer.

31. Read the following statements :
- (i) “The rate of return on investment increases with the shortage of working capital.”
(ii) ‘Net working capital is the excess of current assets over current liabilities.’
(iii) “Greater the size of the business unit, larger will be the requirement of working capital.”
(iv) “Working capital is also known as circulating capital.”
- Which one of the following consists of the correct statements ?
- (A) (i), (ii) and (iii)
(B) (ii), (iii) and (iv)
(C) (iii), (iv) and (i)
(D) (i), (ii) and (iv)
32. Match the following :
- | | |
|----------------------------------|-----------------------------------|
| (a) Capital Budgeting | (i) Time adjusted rate of return |
| (b) Profitability Index | (ii) Irreversible |
| (c) Internal rate of return | (iii) Benefit/cost of return |
| (d) Capital investment decisions | (iv) Planning capital Expenditure |
- Codes :**
- | | | | |
|----------|-------|-------|-------|
| (a) | (b) | (c) | (d) |
| (A) (iv) | (iii) | (ii) | (i) |
| (B) (i) | (iv) | (ii) | (iii) |
| (C) (iv) | (iii) | (i) | (ii) |
| (D) (ii) | (i) | (iii) | (iv) |

33. Which one of the following is correct ?
- (i) Liquidity ratios measure long term solvency of a concern.
 - (ii) Inventory is a part of liquid assets.
 - (iii) Rule of thumb for acid test ratio is 2 : 1.
 - (iv) The amount of gross assets is equal to net capital employed.
- (A) (i), (ii) and (iv)
 - (B) (ii), (iii) and (iv)
 - (C) (i), (ii), (iii) and (iv)
 - (D) None of the above
34. According to which of the following, the firm's market value is not affected by capital structure ?
- (A) M-M Hypothesis
 - (B) Net Income approach
 - (C) The Traditional view
 - (D) None of the above
35. Modigliani and Miller's dividend policy of a firm is
- (A) Relevant
 - (B) Irrelevant
 - (C) Unrealistic
 - (D) None of the above
36. The concept of Quality circles is a brain child of
- (A) Karou Ishikawa
 - (B) Munchu
 - (C) Japanese Union for Scientists & Engineers
 - (D) None of the above
37. Performance appraisal is
- (A) Morale boosting
 - (B) Training and Development Activity
 - (C) Job Analysis
 - (D) None of the above
38. The mechanism to identify employee's growth potentials is done through
- (A) Job enrichment
 - (B) Job evaluation
 - (C) Assessment centre
 - (D) Position Description
39. Statements :
- (i) High morale always leads to high productivity.
 - (ii) High morale need not necessarily lead to high productivity.
- (A) (i) is correct, (ii) is incorrect.
 - (B) (i) is incorrect, (ii) is correct.
 - (C) Both are correct
 - (D) Both are incorrect
40. Arrange the following in order :
- (i) Promotion
 - (ii) Performance appraisal
 - (iii) Recruitment
 - (iv) Training and Development
- (A) (iii), (iv), (ii), (i)
 - (B) (iii), (ii), (i), (iv)
 - (C) (i), (ii), (iii), (iv)
 - (D) (iii), (iv), (ii), (i)

41. Find out the odd one out of the following :
- (A) State Bank of India
 (B) Reserve Bank of India
 (C) Union Bank of India
 (D) Central Bank of India
42. SIDBI was set up in _____ as a wholly owned subsidiary of _____
- (A) 1985 – EXIM
 (B) 1969 – RRBS
 (C) 1975 – IFCI
 (D) 1990 – IDBI
43. The most important reason for an investor to prefer a Bank deposit is
- (A) The credit worthiness of the Bank.
 (B) The Bank does not invest in the securities.
 (C) The Bank offers a guarantee.
 (D) All of the above.
44. Main objectives of CRR and SLR is to ensure :
- (i) Liquidity position of Bank
 (ii) Financial position of Bank.
 (iii) Profit position of Bank
- (A) Only (i) is correct.
 (B) Only (ii) is correct.
 (C) Only (iii) is correct.
 (D) All are correct.
45. NABARD has taken over the entire functions of
- (A) ARDC
 (B) ACD of RBI
 (C) RPCD of RBI
 (D) All of the above
46. Which of the following is the best example of Agreement between oligopolists ?
- (A) GATT (B) OPEC
 (C) WTO (D) UNIDO
47. Factor Endowment Theory of International Trade was propounded by
- (A) David Ricardo
 (B) Bertil - Ohlin
 (C) J.S. Mill
 (D) C.P. Kindleberger
48. **Assertion (A) :** The British established and developed Indian Railways.
- Reason (R) :** The British are keenly interested in India's economic development.
- (A) Both (A) and (R) true.
 (B) Both (A) and (R) are false.
 (C) (A) is true, but (R) is false.
 (D) (A) is false, but (R) is true.
49. Which of the following is also known as World Bank ?
- (A) IMF (B) IBRD
 (C) ADB (D) IFC
50. Special Economic Zones (SEZ) have been created first time in the
- (A) EXIM Policy – 2000
 (B) EXIM Policy 2005
 (C) Industrial Policy – 1956
 (D) Industrial Policy – 1991

COMMERCE
Paper – II

Note : This paper contains **fifty (50)** objective type questions, each question carrying **two (2)** marks. Attempt **all** the questions.

1. Which of the following denote the structural changes in Indian economy ?
(A) Primary sector contribution has gone down.
(B) Service sector contribution has gone up.
(C) Secondary sector has not changed much.
(D) All of the above
2. Broad Money has to be sensitized through :
(A) CRR
(B) SLR
(C) Repo Rate
(D) All of the above
3. Which one is not an element of legal environment ?
(A) Act of Parliamentarians in Lok Sabha
(B) Indian Contract Act, 1872
(C) Indian Partnership Act, 1932
(D) Negotiable instruments Act, 1881
4. Out of the following, which are four dimensions of Human Development Index ?
(i) Life Expectancy
(ii) Literacy Level
(iii) Success Rate of Marriages
(iv) Standard of Living
(v) Crime Rate
(vi) Corruption Level
(vii) Economic Entitlement
(viii) Foreign Visits
Codes :
(A) (i), (ii), (vi) and (viii)
(B) (i), (ii), (iv) and (vii)
(C) (ii), (iii), (vi) and (vii)
(D) (iii), (v), (vii) and (viii)
5. Public Enterprise is defined as
(A) An organisation run by joint efforts of Centre and State Governments.
(B) An organisation which caters to the needs relating to public utilities.
(C) An organisation in which capital is invested by public.
(D) An organisation owned and managed by public authorities for definite set of public purposes.
6. Match List-I with List-II and select the correct answer :

List – I	List – II
(i) Measurement of income	(a) Accrues to the equity of owners
(ii) Recognition of expense	(b) Recognition of revenue
(iii) Basis of realization	(c) Matching revenue with expenses
(iv) Identification of revenue	(d) Accounting period

Codes :
(i) (ii) (iii) (iv)
(A) (a) (b) (c) (d)
(B) (b) (a) (c) (d)
(C) (c) (d) (a) (b)
(D) (c) (d) (b) (a)
7. Consider the following items :
(i) Debentures
(ii) Prepaid rent
(iii) Interest accrued
(iv) Bank overdraft
Which of them are current liabilities ?
(A) (i), (ii), (iii) and (iv)
(B) (iv)
(C) (ii), (iii) and (iv)
(D) (i), (ii) and (iii)

8. Conversion cost is the sum of
- (A) Indirect wages and factory overhead
 - (B) Direct wages, direct expenses and factory overhead
 - (C) Direct material cost and indirect wages
 - (D) Prime cost and selling & distribution overhead

9. (A) **Assertion :** Premium received on issue of shares is credited to share premium account but not to Profit and Loss account.

(R) **Reasoning :** Since share premium is not a trading profit, it is not distributed to shareholders.

- (A) Both (A) and (R) are true but (R) is not correct explanation to (A).
- (B) (A) is false but (R) is correct.
- (C) Both (A) and (R) are true and (R) is correct explanation of (A).
- (D) (A) is correct but (R) is false.

10. Consider the following :

- (i) Basic defensive and interval ratio
- (ii) Current ratio
- (iii) Superquick ratio
- (iv) Quick ratio

Arrange these ratios in sequence to reflect the liquidity in descending order.

- (A) (ii), (iv), (iii) and (i)
- (B) (i), (ii), (iv) and (iii)
- (C) (iv), (ii), (iii) and (i)
- (D) (iii), (iv), (i) and (ii)

11. Normally Demand curve slopes

- (A) Upward
- (B) Downward
- (C) Horizontal
- (D) Vertical

12. Which of the following refers to Perfect Competition ?

- (i) There are restrictions on buyers and sellers
- (ii) There are no restrictions on movement of goods
- (iii) There are no restrictions on factors of production

Correct one is

- (A) only (i) and (ii)
- (B) only (ii) and (iii)
- (C) only (i) and (iii)
- (D) only (i)

13. **Assertion (A):** Total utility will be maximum when marginal utility to price of respective products are equal.

Reason (R) : Deviation from this situation leads to reduction in maximum utility.

- (A) (A) and (R) are not correct.
- (B) (A) is correct but (R) is not correct.
- (C) (A) and (R) are correct.
- (D) (A) is incorrect, (R) is correct.

14. Match List-I with List-II and select the correct answer.

List – I	List – II
(i) Survival	(a) Economic Objective
(ii) R.O.I	(b) Natural Urge
(iii) Growth	(c) Business Purpose
(iv) Innovation	(d) Primary Objective

Codes :

- (a) (b) (c) (d)
- (A) (ii) (iii) (iv) (i)
- (B) (ii) (i) (iii) (iv)
- (C) (i) (ii) (iii) (iv)
- (D) (iv) (iii) (ii) (i)

15. Consider the oligopoly models :
- Sweezy's kinked demand curve model
 - Newman and Morgenstern Game Theory model
 - Cournot's duopoly model
 - Baumol's sales maximisation model
- Arrange them in correct sequence as per order of evolution.
- (iv), (iii), (ii), (i)
 - (ii), (i), (iii), (iv)
 - (iii), (i), (ii), (iv)
 - (i), (iii), (ii), (iv)
16. Which of the following is not a restricted random sampling technique ?
- Stratified sampling
 - Simple random sampling
 - Systematic sampling
 - Multistage sampling
17. Classification of respondents only on the basis of gender is an application of
- Ordinal scale
 - Nominal scale
 - Interval scale
 - Ratio scale
18. Karl Pearson's co-efficient of correlation between two variables is
- the product of their standard deviations
 - the square root of the product of their regression co-efficients
 - the co-variance between the variables
 - None of the above
19. Statistical software packages for research in social sciences include
- SPSS
 - STATA
 - MiniTab
 - All of the above

20. F-test is used to test the significance of the differences between/among
- Two sample mean
 - More than two samples mean
 - Variance of two samples
 - (B) and (C)
21. Match the following
- | List-I | List-II |
|--|---------------------|
| (i) The Practice of Management | (a) Henry Fayol |
| (ii) Philosophy of Management | (b) F.W. Taylor |
| (iii) Scientific Management | (c) Oliver Sheldon |
| (iv) General and Industrial Administration | (d) Peter F Drucker |
- Codes :**
- (i) (ii) (iii) (iv)
 - (A) (a) (b) (c) (d)
 - (B) (d) (c) (b) (a)
 - (C) (d) (c) (a) (b)
 - (D) (c) (d) (b) (a)
22. Identify the correct sequence of steps involved in planning :
- Selecting the best course of action
 - Establishing the sequence of activities
 - Establishment of objectives
 - Evaluating alternative courses
 - Determining alternative courses
- (i), (ii), (iii), (iv) and (v)
 - (iii), (v), (iv), (ii) and (i)
 - (v), (iv), (iii), (ii) and (i)
 - (iii), (v), (iv), (i) and (ii)
23. **Assertion (A) :** One can be sure about future course of actions by making good plans.
- Reasoning (R) :** Planning brings certainty in future course of actions of an organisation.
- (R) is correct but (A) is not correct.
 - (A) is correct but (R) is not correct.
 - Both (A) and (R) are correct.
 - Both (A) and (R) are not correct.

24. According to Kieth Devis, which one is not a barrier of communication ?
- (A) Physical Barriers
 - (B) Technological Barriers
 - (C) Personal Barriers
 - (D) Linguistic Barriers
25. While establishing relation between Maslow's and Herzberg's theories, which Needs of Hierachy Theory will fall under the Hygiene Factors ?
- (A) Self actualisation, esteem and social needs
 - (B) Esteem, social and safety needs
 - (C) Social, safety and physiological needs
 - (D) Only social needs
26. Howard-Sueth model of consumer behaviour is popularly known as
- (A) Machine Model
 - (B) Human Model
 - (C) Marketing Model
 - (D) Purchase Model
27. To generate and facilitate any exchange intended to satisfy human needs or wants such that the satisfaction of these wants occur with minimal detrimental impact on the natural environment is known as
- (A) Aggressive marketing
 - (B) Operating marketing
 - (C) Green marketing
 - (D) All of the above
28. All the activities involved in selling goods or services directly to final consumers for personal non-business uses are done by
- (A) Wholesalers
 - (B) Retailers
 - (C) Mediators
 - (D) Commission Agents
29. To manage a business well is to manage its future and to manage the future is to manage information is termed as
- (A) Management information system
 - (B) Marketing information system
 - (C) Future information system
 - (D) General information system
30. DAGMAR approach in marketing is used to measure
- (A) Public relations
 - (B) Advertising results
 - (C) Selling volume
 - (D) Consumer satisfaction
31. Which one is not an important objective of Financial Management ?
- (A) Profit Maximisation
 - (B) Wealth Maximisation
 - (C) Value Maximisation
 - (D) Maximisation of social benefits
32. Which one refers to cash inflow under payback period method ?
- (A) Cash flow before depreciation and taxes
 - (B) Cash flow after depreciation and taxes
 - (C) Cash flow after depreciation but before taxes
 - (D) Cash flow before depreciation and after taxes

33. The concept of present value is based on the :

- (A) Principle of compounding
- (B) Principle of discounting
- (C) (A) and (B)
- (D) None of the above

34. Cost of capital from all the sources of funds is called

- (A) Specific cost
- (B) Composite cost
- (C) Implicit cost
- (D) Simple Average cost

35. Match the following with most suitable option :

- | | |
|--|---------------------------------|
| (a) Modigliani-Miller Approach | (i) Commercial papers |
| (b) Net Operating Income Approach | (ii) Working Capital Management |
| (c) Short term Money Market Instrument | (iii) Capital Structure |
| (d) Factoring | (iv) Arbitrage |

Codes :

- | | | | |
|-----------|-------|------|------|
| (a) | (b) | (c) | (d) |
| (A) (iv) | (iii) | (i) | (ii) |
| (B) (iii) | (iv) | (i) | (ii) |
| (C) (iii) | (ii) | (i) | (iv) |
| (D) (iii) | (ii) | (iv) | (i) |

36. Which four are the factors influencing the Human Resource Management of an organisation ?

- (i) Size of workforce
 - (ii) Employee Expectations
 - (iii) Composition of workforce
 - (iv) Political influence
 - (v) Changes in technology
- (A) (i), (ii), (iii) and (iv)
 - (B) (i),(ii), (iii) and (v)
 - (C) (i), (ii), (iv) and (v)
 - (D) (i), (iii), (iv) and (v)

37. **Assertion (A) :** One can not be sure about the quality of appraisal on the basis of length of service.

Reasoning (R) : Initial appraisal and promotional appraisal are done separately and differently since the length of service is different.

- (A) (R) is correct but (A) is not correct.
- (B) (A) is correct but (R) is not correct.
- (C) (A) and (R) both are correct.
- (D) (A) and (R) both are not correct.

38. Which of the following are covered under the scope of Human Resource Management ?

- (i) Forecasting Human Resource Needs
 - (ii) Replacement Planning
 - (iii) Human Resource Dynamics
 - (iv) Human Resource Development Planning
 - (v) Human Resource Audit
- (A) (i), (iii), (v)
 - (B) (i), (ii), (iii), (iv)
 - (C) (iii), (v)
 - (D) (i), (ii), (iii), (iv), (v)

39. On which of the following, at the initial stage, the Indian IT companies relying more for getting good IT professionals ?

- (A) Job Portals
- (B) Placement Agencies
- (C) Campus Placement
- (D) All of the above

40. **Statement (i) :** Labour always get a major share of productivity gains.

Statement (ii) : Partial stoppage of work by workers amounts to strike.

- (A) Statement (i) is true but (ii) is false.
- (B) Statement (ii) is true but (i) is false.
- (C) Both statements are true.
- (D) Both statements are false.

41. Imperial Bank was established on January 27, 1921 on the advise of

- (A) J. M. Keynes
- (B) Lord Illingworth
- (C) King George V
- (D) Winston Churchill

42. Read the following events :

- (i) Allowing convertibility of rupee at the market rate in the current account
- (ii) Nationalisation of general insurance business
- (iii) Establishment of IDBI
- (iv) Nationalisation of life insurance business
- (v) Capital adequacy norms for commercial banks

Arrange the events in the ascending order of their occurrence :

- (A) (iv), (iii), (ii), (i), (v)
- (B) (v), (iv), (iii), (ii), (i)
- (C) (i), (ii), (iii), (v), (iv)
- (D) (i), (v), (ii), (iv), (iii)

43. In India, the Commercial Banks are given license of operation by

- (A) The Government of India
- (B) The Ministry of Finance
- (C) Reserve Bank of India
- (D) Banking Companies Regulation Act, 1949

44. The provisions of General Reserve in Banking Companies are made keeping in view the provisions of

- (A) Indian Companies Act, 1956
- (B) Banking Companies Act, 1949
- (C) SEBI Act, 1992
- (D) Statutory Auditor

45. Which among the following is not true with regard to merchant banker ?

- (i) It can accept deposits.
- (ii) It can advance loans.
- (iii) It can do other banking activities.
- (iv) It can be manager to a public issue.

- (A) (i), (ii) and (iii)
- (B) (ii), (iii) and (iv)
- (C) (i), (iii) and (iv)
- (D) (ii) and (iv)

46. Balance of Payments can be made favourable if

- (A) Exports are increased
- (B) Imports are increased
- (C) Devaluation of money
- (D) (A) and (C)

47. Which one is not an objective of IMF ?

- (A) To promote international monetary co-operation
- (B) To ensure balanced international trade
- (C) To finance productive efforts according to peace-time requirement
- (D) To ensure exchange rate stability

48. EPCG denotes

- (A) Export Potential and Credit Guarantee
- (B) Earning Promotion and Credit Guarantee
- (C) Export Promotion and Credit Guarantee
- (D) Export Potential and Credit Goods

49. Which one of the following matches correspond to the Member and Observer countries of the SAARC ?

- (i) India, Pakistan, Bangladesh, Bhutan, Nepal, Sri Lanka, Afghanistan, Maldives
 - (ii) Iran, China, Japan, USA, South Korea, European Union
 - (iii) Pakistan, Nepal, India, Bangladesh, Iran
 - (iv) UK, USA, North Korea, South Africa
- (A) (iii) and (iv)
 - (B) (ii) and (iv)
 - (C) (i) and (ii)
 - (D) (ii) and (iii)

50. Which one is not an international organisation ?

- (A) SAARC
- (B) ASEM
- (C) ASEAN
- (D) CBOT

**COMMERCE
PAPER – II**

Note : This paper contains **fifty (50)** objective type questions, each question carrying **two (2)** marks. Attempt **all** the questions.

1. GDP at factor cost is
 - (A) $P(Q) + P(S)$
 - (B) $GDP - IT - S$
 - (C) $GDP + DT + S$
 - (D) $GDP - DT + S$
2. Which one is not the main objective of fiscal policy in India ?
 - (A) To increase liquidity in the economy.
 - (B) To promote price stability.
 - (C) To minimize the inequalities of income and wealth.
 - (D) To promote employment opportunities.
3. Which one is not an element of internal environment ?
 - (A) Marketing capability
 - (B) Operational capability
 - (C) Money and Capital market
 - (D) Personnel capability
4. Out of the following, which four benefits are available to host countries from MNCs ?
 - i. Transfer of technology
 - ii. Learning of business mannerism
 - iii. Strategic information sharing
 - iv. Creation of jobs
 - v. Entertainment
 - vi. Better utilisation of resources
 - vii. Enhancing social contacts
 - viii. Improved competition in local economy
 - (A) i, iii, v, vii
 - (B) ii, iv, vi, viii
 - (C) i, iv, vi, viii
 - (D) iii, vi, vii, viii
5. Environmental degradation does not consist of
 - (A) Land degradation and soil erosion
 - (B) Problem of overgrazing and ecological degradation
 - (C) Floods
 - (D) None of the above
6. Which one of the following concepts is used as fund in the preparation of Funds Flow Statement ?
 - (A) Current Assets
 - (B) Working Capital
 - (C) Cash
 - (D) All Financial Resources
7. Window dressing is prohibited due to
 - (A) Conservative Convention
 - (B) Convention of Disclosure
 - (C) Convention of Materiality
 - (D) Arrear of book accounts
8. **Assertion (A) :** Ratio analysis is one of the tools employed to know the financial health of a concern.
Reason (R) : Ratio analysis is not the only technique available to take investment decision.
Codes :
 - (A) Both (A) and (R) are true and (R) is the correct explanation of (A).
 - (B) Both (A) and (R) are true, but (R) is incorrect explanation of (A).
 - (C) (A) is true, but (R) is false.
 - (D) (A) is false, but (R) is true.

9. Which of the following relate to measures of non-financial performance of a concern ?

- i. Customer satisfaction
- ii. Business process improvement
- iii. Economic value added
- iv. Learning organisation

Choose the right combination.

- (A) i, iii, ii, iv
- (B) ii, iv, iii
- (C) iv, i, iii
- (D) i, ii, iv

10. Consider the following parties :

- i. Secured creditors
- ii. Unsecured creditors
- iii. Partners who have granted loans
- iv. Partners who have contributed over and above profit sharing ratio.

Arrange them in correct sequence in the event of dissolution of a firm.

- (A) ii, i, iii, iv
- (B) i, ii, iii, iv
- (C) i, ii, iv, iii
- (D) ii, i, iv, iii

11. Which kind of economics explains the phenomenon of cause and effect relationship ?

- (A) Normative
- (B) Positive
- (C) Micro
- (D) Macro

12. Assertion (A) : Marginal cost and differential cost do not convey the same meaning in all the circumstances.

Reason (R) : Differential cost increases or decreases due to change in fixed cost.

Codes :

- (A) (A) is true but (R) is false.
- (B) (A) is false, but (R) is true.
- (C) (A) and (R) are correct and (R) is correct explanation of (A).
- (D) Both (A) and (R) are correct, but (R) is not the correct explanation of (A).

13. Consider the following :

- i. Pricing objectives
- ii. Pricing methods
- iii. Pricing strategies
- iv. Pricing decisions

Arrange them in correct sequence :

- (A) i, iii, ii, iv
- (B) i, iv, iii, ii
- (C) ii, i, iv, iii
- (D) iv, ii, iii, i

14. A commodity is used for multiple purposes, then the demand for it is known as

- (A) Joint Demand
- (B) Composite Demand
- (C) Direct Demand
- (D) Autonomous Demand

15. Match List – I with List – II and select the correct answer.

List – I	List – II
1. Administered price	a. Landed cost of imports
2. Parity pricing	b. Liberalized economy
3. Competitive price	c. Public enterprise
4. Discriminating price	d. Fixed by Government

Codes :

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

16. Sample design involves the following :

- i. Sampling unit
- ii. Size of samples
- iii. Type of universe
- iv. Source list
- v. Sampling procedure

Which one of the following sequence is correct ?

- (A) i, ii, iii, iv, v
- (B) iii, iv, i, ii, v
- (C) iii, i, iv, ii, v
- (D) iii, v, i, iv, ii

17. Which one of the following is not a measure of dispersion ?

- (A) Quartile
- (B) Range
- (C) Mean Deviation
- (D) Standard Deviation

18. If $b_{xy} = 0.25$ and $b_{yx} = 0.64$, correlation coefficient is

- (A) 0.16
- (B) 0.40
- (C) 0.89
- (D) 0.30

19. Sturge's rule is used to find out directly

- (A) Number of classes in a continuous distribution
- (B) Size of class limits
- (C) Direction of the classification
- (D) None of the above

20. Which of the following software has applications in both Mathematics and Statistics ?

- (A) SPSS
- (B) SAS
- (C) R
- (D) None of the above

21. Match the following :

a. The Practice of Management	1. Henry Fayol
b. Philosophy of Management	2. F.W. Taylor
c. Scientific Management	3. Oliver Sheldon
d. General and Industrial Administration	4. Peter F. Drucker

Codes :

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

22. **Assertion (A) :** All decisions taken through mental process are rational.

Reason (R) : Decision making is a mental process.

Codes :

- (A) (R) is correct, but (A) is not correct.
- (B) (A) is correct, but (R) is not correct.
- (C) Both(A) and (R) are correct.
- (D) Both(A) and (R) are not correct.

23. Who among the following developed the technique of Management by Exception ?

- (A) Joseph L. Massie
- (B) Lester R. Bittel
- (C) L.F. Urwick
- (D) Peter F. Drucker

24. Which among the following are parts of job description ?

- i. Duties performed
- ii. Job summary
- iii. Job identification
- iv. Supervision given
- v. Delegation of authority

- (A) i, ii, iii and iv
- (B) ii, iii, iv and v
- (C) i, iii, iv and v
- (D) i, ii, iii and v

25. Appointment of independent Directors is the part of Corporate Governance as per the

- (A) SEBI
- (B) Indian Companies Act
- (C) Government of India
- (D) RBI

26. A method for achieving maximum market response from limited marketing resources by reorganising differences in the response characteristics of various parts of the market is known as

- (A) Market targeting
- (B) Market positioning
- (C) Market segmentation
- (D) Market strategy

27. Who plays their significant role in distribution of goods when they do not sell to ultimate users or consumers ?

- (A) Retailer
- (B) Wholeseller
- (C) Mediator
- (D) Commission agent

28. In Marketing Mix, which four P's are covered ?

- (A) Product, Price, Place, Promotion
- (B) Product, Price, Power, Promotion
- (C) Product, Price, Penetration, Promotion
- (D) Product, Price, Positioning, Promotion

29. Which research includes all types of researches into human motives when it refers to qualitative research designed to uncover the consumer's subconsciousness or hidden motivations ?

- (A) Motivational Research
- (B) Marketing Research
- (C) Managerial Research
- (D) Price Research

30. False and misleading claims and vulgarity in advertisements do not match with

- (A) Aggressive advertising
- (B) Ethics in advertising
- (C) Mass level of advertising
- (D) Sales promotion

31. Arrange the following steps involved in capital budgeting in order of their occurrence :

- i. Project selection
- ii. Project appraisal
- iii. Project generation
- iv. Follow up
- v. Project execution

- (A) ii, iii, i, v, iv
- (B) iii, ii, i, v, iv
- (C) i, iii, ii, v, iv
- (D) i, ii, iii, v, iv

32. Which method does not consider the time value of money ?

- (A) Net Present Value
- (B) Internal Rate of Return
- (C) Average Rate of Return
- (D) Profitability Index

33. Which formula is used to measure the degree of Operating leverage ?

- (A) $\frac{EBIT}{Sales}$
- (B) $\frac{C}{EBIT}$
- (C) $\frac{EBIT}{EBT}$
- (D) $\frac{EBIT}{C}$

34. Which one is more appropriate for cost of retained earnings ?

- (A) Weighted Average Cost of Capital.
- (B) Opportunity cost to the firm.
- (C) Expected rate of return by the investor.
- (D) None of the above.

35. Match the following with the most suitable option.

List - I

List - II

- | | |
|---------------------------------------|----------------------|
| a. Modigliani-Miller approach | 1. Commercial paper |
| b. Net Operating income approach | 2. Working capital |
| c. Short term money market instrument | 3. Capital structure |
| d. Factoring | 4. Arbitrage |

Codes :

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

36. During which plan was the National Apprenticeship Training Scheme introduced ?

- (A) 1st Five Year Plan
- (B) 2nd Five Year Plan
- (C) 4th Five Year Plan
- (D) Annual Plans

37. Match the following :

List - I	List - II
a. An ordinary person does not want to work on his own.	1. Hierarchy Theory
b. An individual is willing to work on his own.	2. Hygiene Theory
c. Motivational Factors	3. X-Theory
d. Esteem Needs	4. Y-Theory

Codes :

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

38. Arrange the following staffing procedures in the correct sequence :

- Determining sources of Personnel supply.
- Preparing personnel specifications.
- Selection of personnel.
- Determining personnel characteristics.

- (A) ii, i, iv, iii
(B) i, ii, iii, iv
(C) ii i, iii, iv
(D) ii, iii, i, iv

39. Which among the following is not a voluntary method for prevention and settlement of disputes ?

- (A) Collective Bargaining
(B) Standing Orders
(C) Joint Consultation
(D) Works Committee

40. **Statement - I** : It is no better to pay employees for little than to pay too-much.

Statement - II : Competent employees will remain competent forever.

- (A) Statement I is true, but II is false.
(B) Statement II is true, but I is false.
(C) Both Statements I and II are true.
(D) Both Statements I and II are false.

41. Match the following :

a. Credit Control	1. MCA
b. Corporate Control	2. SEBI
c. IPO Control	3. IRDA
d. ULIP Control	4. RBI

Codes :

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

42. Which one among the following has not started Commercial Banking ?

- (A) SIDBI
(B) IDBI
(C) ICICI
(D) UTI

43. What is OTP in credit card transactions ?

- (A) Odd Transaction Password
(B) Owner's Trading Passcode
(C) One Time Password
(D) One Time Pincode

44. The powers of Controller of Capital Issues of India is now shifted to
- Ministry of Finance
 - SEBI
 - AMFI
 - Ministry of Corporate Affairs
45. The success of E-banking depends upon :
- Multi-layer Security System
 - Risk and Surveillance Management
 - Updated Flawless Softwares
 - Stringent Legal Frame-work
- i and ii
 - i, ii and iii
 - ii, iii and iv
 - i, ii, iii and iv
46. International liquidity comprises which four of the following ?
- Gold held by Central Banks.
 - Gold held by families.
 - Forex Reserve held by Commercial Banks.
 - Mineral wealth.
 - SDRs
 - Borrowing facilities.
 - NRIs FDRs
 - Credit facilities available under SWAP
- i, ii, iii, iv
 - ii, iii, iv, viii
 - i, iii, v, viii
 - iii, iv, vii, viii

47. Which among the following are important bodies of WTO ?
- Dispute Settlement Body.
 - NAFTA
 - Trade Policy Review Body
 - ASEAN
 - Council for Trade in Goods
 - IBRD
 - Council for Trade related aspects of Intellectual Property Rights.
 - GATT
- An appropriate combination is
- i, ii, iii, iv
 - ii, iii, iv, v
 - i, iii, v, vii
 - iv, v, vi, viii
48. Which one is not the source of External Finance ?
- WTO Funds
 - World Bank Group
 - Export Credit
 - Foreign Direct Investment
49. Which one is called Bretton-Wood Twins ?
- IBRD and IDA
 - IMF and IFC
 - IMF and IBRD
 - IDA and IFC
50. UNCTAD stands for
- United Nations Committee on Tariff and Development.
 - United Nations Conference on Trade and Deficit.
 - United Nations Conference on Trade and Development.
 - Union of Nations Cause for Trade and Development.

COMMERCE
Paper – II

Note : This paper contains **fifty (50)** objective type questions, each question carrying **two (2)** marks. **All** questions are compulsory.

1. Direct supervision over depositories and mutual funds is undertaken by
(A) NBFCs
(B) RBI
(C) SEBI
(D) All of the above
2. In the call/notice money market, which of the following participants is allowed to trade ?
(A) All Banks, Primary Dealers and Mutual Funds
(B) All Corporates
(C) Only Commercial Banks
(D) All of the above
3. Match the items of List-I with the items of List-II and select the correct answer :

List – I	List – II
(i) Private ownership and Free Enterprise.	(a) Secondary Market
(ii) Government ownership and Central Authority.	(b) Capitalism
(iii) The market for the sale and purchase of previously issued securities.	(c) Primary Market
(iv) The market for new long term capital.	(d) Socialism

Codes :

(A)	(B)	(C)	(D)
(i)	(ii)	(iii)	(iv)
(b)	(d)	(a)	(c)
(a)	(b)	(c)	(d)
(b)	(d)	(c)	(a)
(a)	(c)	(b)	(d)
4. The apex consumer court in India is referred to as
(A) The Consumer Education and Research Centre.
(B) The Consumer Unity and Trust Society.
(C) National Consumer Disputes Redressal Commission.
(D) None of the above
5. Who is Chairman of 13th Finance Commission ?
(A) Dr. C. Rangarajan
(B) Mr. Vimal Jalan
(C) Dr. Vijay C. Kelkar
(D) None of the above
6. Insurance expenses paid to bring an equipment from the place of purchase to the place of installation is a type of
(A) Revenue expenditure
(B) Capital expenditure
(C) Deferred revenue expenditure
(D) Operating expense
7. ABC Ltd was incorporated with an authorised Share Capital of ₹ 1,00,000 equity shares of ₹ 10 each. The Board of Directors of the company decided to allot 10,000 shares credited as fully paid to the promoters of the company for their services. Which account should be debited in the books of ABC Ltd. ?
(A) Promoters' Account
(B) Services Account
(C) Goodwill Account
(D) Share Capital Account

8. In a reconstruction scheme, the reduction of capital may take the form of
- (A) Reducing the liability of the shareholders in respect of any unpaid amount on the shares held by them.
- (B) Paying-off any paid-up share capital which is in excess of its requirement.
- (C) Cancelling any paid-up share capital which is lost or unrepresented by available assets.
- (D) All of the above.
9. While determining the normal rate of return for the valuation of shares in Market Value Method, which of the following should be taken into consideration ?
- (A) The degree of risk involved.
- (B) The current rate of interest on gilt-edged securities.
- (C) Weighted average cost of capital.
- (D) All of the above.
10. Master budget is a
- (A) Functional Budget
- (B) Operating Budget
- (C) Summary Budget
- (D) Financial Budget
11. **Assertion (A) :** Want-satisfying power of a commodity is called its utility.
- Reason (R) :** Utility may not have the characteristic of morality.
- Codes :**
- (A) Both (A) and (R) are correct.
- (B) (A) is correct, but (R) is not correct.
- (C) Both (A) and (R) are not correct.
- (D) (R) is correct, but (A) is not correct.

12. Match the items of List-I with those in List-II and select the correct code for the answer :

List – I	List – II
(a) Contraction of Demand	(i) Non-Price change effect
(b) Decrease in Demand	(ii) Demand curve remains the same
(c) Increase in Demand	(iii) Price change effect
(d) Expansion of Demand	(iv) Shifts the Demand curve

Codes :

- (a) (b) (c) (d)
- (A) (iii) (i) (iv) (ii)
- (B) (iv) (iii) (ii) (i)
- (C) (i) (ii) (iii) (iv)
- (D) (ii) (iv) (i) (iii)

13. **Assertion (A) :** As the proportion of one variable factor in a combination with fixed factor is increased, after a point the marginal product of the factor will diminish.

Reason (R) : Beyond the level of optimum combination of inputs leads to this.

Codes :

- (A) (R) is appropriate reason of (A).
- (B) (R) is not appropriate reason of (A).
- (C) (A) and (R) are not related with each other.
- (D) (A) is independent of (R).

14. Match the items of List-I with the items of List-II and select the correct answer.

List – I	List – II
(a) Indifference Curve	(i) Slopes downward to the right
(b) Demand Curve	(ii) $P=AR=MR=d$
(c) Perfect Competition	(iii) Oligopoly
(d) Price Leadership	(iv) Convex to the origin

Codes :

- | | | | |
|-----------|-------|-------|-------|
| (a) | (b) | (c) | (d) |
| (A) (ii) | (iii) | (iv) | (i) |
| (B) (iii) | (iv) | (i) | (ii) |
| (C) (iv) | (i) | (ii) | (iii) |
| (D) (i) | (ii) | (iii) | (iv) |

15. Price, Marginal Revenue and Elasticity are related to each other. When $e = 1$, then :

- (A) $MR > 0$
 (B) $MR < 0$
 (C) $MR = 0$
 (D) $MR = 1$

16. Consider the following statistical tests :

- (i) 'F' test
 (ii) 't' test
 (iii) 'z' test
 (iv) 'Chi-square' test

Which of these are parametric tests ?

- (A) (i), (ii) and (iv)
 (B) (i), (iii) and (iv)
 (C) (i), (ii) and (iii)
 (D) (ii), (iii) and (iv)

17. The difference between sample statistic and its corresponding population parameter is

- (A) Sampling error
 (B) Measurement error
 (C) Coverage error
 (D) Non-response error

18. Match the items in List-I with items in List-II.

List – I	List – II
(i) Level of significance	(a) Sample mean is equal to population mean
(ii) Standard deviation of sampling distribution	(b) Parameters
(iii) Numerical value that describes the characteristics of the population	(c) Type-I error
(iv) Normally-distributed population	(d) Standard error

Codes :

- | | | | |
|---------|------|-------|------|
| (i) | (ii) | (iii) | (iv) |
| (A) (d) | (c) | (a) | (b) |
| (B) (c) | (d) | (b) | (a) |
| (C) (c) | (b) | (d) | (a) |
| (D) (d) | (b) | (c) | (a) |

19. Kendall's co-efficient of concordance is used to

- (A) Test the difference among two or more sets of data.
 (B) Test the relationship between variables.
 (C) Test the variations in the given data.
 (D) Test the randomness of samples.

20. Which of the following softwares are used for data processing ?

- (i) EXCEL
- (ii) ACCESS
- (iii) SPSS
- (iv) STAR
- (v) PASW

Codes :

- (A) (i), (ii), (iii) and (v)
- (B) (ii), (iii), (iv) and (v)
- (C) (iii) and (iv)
- (D) (i), (iii) and (iv)

21. Match the items of List-I with the items of List-II and select the correct answer.

List – I

List – II

- | | |
|----------------------|------------------------|
| (i) Grapevine | (a) Task group |
| (ii) Formal group | (b) Field force theory |
| (iii) Informal group | (c) Gossip |
| (iv) Kurt Lewin | (d) National group |

Codes :

- (i) (ii) (iii) (iv)
- (A) (c) (a) (d) (b)
- (B) (d) (c) (b) (a)
- (C) (a) (b) (c) (d)
- (D) (b) (a) (d) (c)

22. Who has suggested that achievement motivation among individuals and nations can be developed through training courses ?

- (A) McClelland
- (B) Alderfer
- (C) Maslow
- (D) Herzberg

23. **Assertion (A) :** When span of control is wide co-ordination and control becomes difficult.

Reason (R) : In a narrow span, levels of authority reduces.

Codes :

- (A) Both (A) and (R) are true and (R) is the correct explanation of (A).
- (B) Both (A) and (R) are true, but (R) is not a correct explanation of (A).
- (C) (A) is true, but (R) is false.
- (D) (A) is false, but (R) is true.

24. The general pattern of behaviour, shared belief and values that members have in common is known as

- (A) Organisation climate
- (B) Organisation culture
- (C) Organisation effectiveness
- (D) Organisation matrix

25. Which of the following is not a principle of management according to Henri Fayol ?

- (A) Subordination of individual interest over the organisational interest
- (B) Esprit de corps.
- (C) Unity of Managers
- (D) Unity of Direction

26. Which of the following concepts is based on development, design and implementation of marketing programmes, processes and activities that recognise their breadth and interdependence ?

- (A) Product concept
- (B) Sales concept
- (C) Societal marketing concept
- (D) Holistic marketing concept

27. The concept of marketing-mix, consisting of the 4 P's of marketing, was developed by
- (A) E. Jerome McCarthy
 (B) Peter F. Drucker
 (C) Philip Kotler
 (D) William J. Stonton
28. The selling concept is most likely to be used by firms which sell
- (A) Convenience goods
 (B) Shopping goods
 (C) Speciality goods
 (D) Unsought goods

29. Match the items of List-I with those of List-II and select the correct answer from the codes given below :

List – I	List – II
(a) Everitt M. Rogers	(i) Service Quality Model
(b) J.D. Power	(ii) Three types of marketing for services
(c) Parasuraman, Zeithaml and Berry	(iii) Quality rating of automobiles
(d) Gronroos	(iv) Diffusion of innovation

Codes :

- (a) (b) (c) (d)
 (A) (iii) (ii) (i) (iv)
 (B) (i) (ii) (iii) (iv)
 (C) (ii) (i) (iv) (iii)
 (D) (iv) (iii) (i) (ii)

30. Consumer attitudes and beliefs about diet, health and nutrition are influenced by
- (A) Economic environment
 (B) Cultural environment
 (C) Social environment
 (D) Natural environment
31. Positive NPV in project appraised by a firm may not occur an account of
- (A) Economics of scale
 (B) Market reach
 (C) Product differentiation
 (D) Intangible benefits
32. In case the projects are divisible under capital rationing an appropriate project appraisal method is
- (A) Net Present Value Method
 (B) Profitability Index Method
 (C) Internal Rate of Return Method
 (D) Payback Period Method
33. Permanent working capital is generally financed through
- (A) Long term Capital Funds
 (B) Government Assistance
 (C) Internal Financing
 (D) Short term loans from Banks
34. The appropriate ratio for indicating liquidity crisis is
- (A) Operating ratio
 (B) Sales turnover ratio
 (C) Current ratio
 (D) Acid test ratio

35. Who proposed a model to apply economic order quantity concept of inventory management to determine the optimum cash holding in a firm ?
- (A) Keith V. Smith
 (B) Miller and Orr
 (C) William J. Baumol
 (D) J.M. Keynes
36. Which of the following is not included in the model of the systems approach to Human Resource Management ?
- (A) Human Resource Planning
 (B) Recruitment and Selection
 (C) Performance appraisal
 (D) Departmentation
37. It is generally easy to measure the performance of the
- (A) Industrial Relations Manger
 (B) Research and Development Manager
 (C) Sales person
 (D) All of the above
38. Which one of the following is not a monetary incentive to sales people ?
- (A) Bonus
 (B) Staff meeting
 (C) Travelling allowance
 (D) Both (B) and (C)

39. **Statement (i) :** Sound industrial relations are essential to achieve individual, team goals and organizational goals.
- Statement (ii) :** Congenial labour management relations create an atmosphere of harmony and low rate of absenteeism.
- (A) Statement (i) is true, but (ii) is false.
 (B) Statement (ii) is true, but (i) is false.
 (C) Both statements are true.
 (D) Both statements are false.
40. Out of the following, which are the schemes of Social Security ?
- (i) Provident Fund Scheme
 (ii) Health Insurance Scheme
 (iii) Job Guarantee Scheme
 (iv) Maternity Benefit Scheme
 (v) Merit Promotion Scheme
 (vi) Compulsory and Voluntary Social Insurance Scheme
 (vii) Child Insurance Scheme
- Codes :**
- (A) (i), (ii), (iv) and (vi)
 (B) (ii), (i), (v) and (vii)
 (C) (iii), (v), (iv) and (vi)
 (D) (iv), (vii), (iii) and (ii)
41. RBI ensures that banks operate within the set norms by conducting _____ inspections and _____ monitoring.
- (A) on site, off site
 (B) off site, on site
 (C) on site, field
 (D) field, on site

42. Under Section 37 of the Banking (Regulation) Act, a moratorium order can be issued by the High Court for a maximum total period of
- (A) One month
 - (B) Six months
 - (C) One year
 - (D) One and a half year
43. Bonds or debentures issued by Securitization company should bear interest not less than
- (A) Bank Rate
 - (B) Prime Lending Rate
 - (C) 1.5% over the Bank Rate
 - (D) 1.5% over the Saving Rate
44. Section 131 of the Negotiable Instruments Act extends protection to the _____
- (A) Collecting Banker
 - (B) Paying Banker
 - (C) Advising Banker
 - (D) Confirming Banker
45. When a customer, by a letter has advised the bank not to honour/pay a particular cheque, such letter is called _____
- (A) Cancellation letter
 - (B) Garnishee letter
 - (C) Mandate
 - (D) None of the above
46. Flow of foreign loans and investments affect
- (A) Trade balance
 - (B) Current Account balance
 - (C) Capital Account balance
 - (D) None of the above
47. Concessions mainly multinational in character come under the principle of
- (A) Non-discrimination
 - (B) Reciprocity
 - (C) Market Access
 - (D) Fair Competition
48. From the following identify the one which is not a commercial counter trade ?
- (A) Classical barter
 - (B) Counter purchase
 - (C) Pre-compensation
 - (D) Buy-back agreement
49. If the spot price is higher than the strike price in a call option, it is referred to as
- (A) At-the-money
 - (B) In-the-money
 - (C) Out-of-the-money
 - (D) Premium
50. Identify the item which does not include under Current Account transaction.
- (A) Services
 - (B) Non-monetary movement of gold
 - (C) Unilateral transfer
 - (D) Investment income

COMMERCE
Paper – II

Note : This paper contains **fifty (50)** objective type questions, each question carrying **two (2)** marks. **All** questions are compulsory.

1. Government regulation of business is basically intended to
 - (A) make sure all business units have the opportunity to be successful.
 - (B) warn consumers against unfair business practices
 - (C) make sure business firms are socially responsible.
 - (D) protect the public from the negative consequences of business behaviour.

2. What is not the advantage of SEZ ?
 - (A) Improvement of infrastructure in the hinterland.
 - (B) Diversion of large tracts of farm land.
 - (C) Attracting foreign investment.
 - (D) All of the above.

3. Which type of the complaints are not to be entertained by Consumer Forums under the Consumer Protection Act, 1986 ?
 - (A) A defective product purchased 1½ years back.
 - (B) Misleading advertisement in a newspaper.
 - (C) Services provided free of cost.
 - (D) Tie in sales.

4. Which of the following is a WTO procedure to promote globalisation ?
 - (A) Promotion of free trade.
 - (B) Reduction of budgetary subsidies.
 - (C) Reduction in shipping costs.
 - (D) Promotion of foreign portfolio investment.

5. Match the following regarding disinvestment in India :

List – I	List – II
(a) Disinvestment Policy by the Chandrashekhar Government	I. 1999
(b) Rangarajan Committee on disinvestment in public sector enterprises	II. 1996
(c) Strategic and nonstrategic classification of public enterprises for disinvestment	III. 1991-92
(d) Formation of Disinvestment Commission	IV. 1993

Codes :

	I	II	III	IV
(A)	(c)	(d)	(a)	(b)
(B)	(a)	(b)	(c)	(d)
(C)	(c)	(b)	(a)	(d)
(D)	(a)	(d)	(c)	(b)

6. When a partnership is dissolved and the following claims need to be met out piece-meal of the cash released, which is the correct sequence in which these claims have to be met ?
 - (a) Any partner's loan
 - (b) Capital and Current account balances
 - (c) Expenses of dissolution
 - (d) Outsider's claim (both payable and accrued)

Codes :

(A)	(c), (d), (a), (b)
(B)	(b), (c), (a), (d)
(C)	(a), (b), (d), (c)
(D)	(a), (b), (c), (d)

7. In practice, accountants consider revenue from sales if a transaction meets the following condition(s) :
- (A) The seller has passed the legal or economic ownership of the goods to the buyer.
- (B) The seller and the buyer have agreed on the price of the goods.
- (C) The buyer has paid the price of the goods or it is certain that he will pay the price.
- (D) All of the above.
8. The main difference between marginal costing and absorption costing lies in the treatment of
- (A) Direct cost
- (B) Fixed overhead
- (C) Variable overhead
- (D) Semi-variable overhead
9. Which of the following items is not an appropriation of profit for a limited company ?
- (A) Corporate tax payable
- (B) Ordinary dividend payable
- (C) Debenture interest payable
- (D) Preference dividend payable
10. Which of the following is not applicable to responsibility accounting ?
- (A) Accounting Centre
- (B) Cost Centre
- (C) Investment Centre
- (D) Profit Centre
11. Which one of the following is not the basic assumption of Cardinal Utility analysis ?
- (A) Rationality of Consumer.
- (B) Utility cardinally measurable.
- (C) Diminishing marginal utility of money.
- (D) Hypothesis of independent utilities.

12. Which one of the following is not a property of indifference curve ?
- (A) Negatively sloping.
- (B) Convex to the point of origin.
- (C) Indifference curves necessarily have to be parallel.
- (D) Two indifference curves do not intersect each other.

13. Find the correct matching between items of List-I and the items of List-II.

List – I	List – II
(a) Increase in demand	(i) Leftward movement along the demand curve.
(b) Contraction of demand	(ii) Rightward shift of the demand curve.
(c) Cross demand	(iii) Demand of more than one commodity to satisfy one specific want.
(d) Joint demand	(iv) Demand of one commodity with changes in the prices of another related commodity

Codes :

- (i) (ii) (iii) (iv)
- (A) (b) (a) (d) (c)
- (B) (a) (b) (c) (d)
- (C) (b) (a) (c) (d)
- (D) (a) (b) (d) (c)

14. According to the Law of Variable Proportions, the second stage of production ends when
- Marginal productivity of the variable input becomes maximum.
 - Both marginal productivity and average productivity of the variable input are equal.
 - Marginal productivity of the variable input becomes zero and average productivity is positive.
 - Marginal productivity of the variable input is negative but average productivity is positive.
15. Total Revenue (TR) function and the Total Cost (TC) function of a perfectly competitive market firm are as follows :
- $$TR = 480 Q - 8 Q^2$$
- $$TC = 400 + 8 Q^2$$
- The profit maximizing output would be :
- 60
 - 15
 - 50
 - None of the above
16. From a population with mean of 220 and standard deviation of 30, a sample of 36 was drawn at random. Calculate the standard error of the sampling distribution and choose the correct answer from the following options.
- 7.3
 - 6.2
 - 6.0
 - 5.0
17. A committee of six people is to be formed from a group of seven men and four women. What is the probability that the committee will have exactly two women ?
- 0.456
 - 0.803
 - 0.962
 - None of the above

18. From the following Anova table, calculate the 'F' value and select the correct answer from the options given below :

ANOVA Table

Sources of Variation	Sum of Squares	Degrees of Freedom
Between columns	100	3
Between rows	24	16
Total	124	19

- 22.2
 - 31.5
 - 33.3
 - 36.2
19. For a hypothesis test, alpha (α) is 0.05 and beta (β) is 0.10. The power of this test is
- 0.95
 - 0.90
 - 0.80
 - 0.15
20. Which one(s) of the following statements is (are) correct with respect to Decision Support System (DSS) ?
- It (DSS) is used by middle level management.
 - DSS applies to mostly structured problems.
 - DSS relies on mathematical models for analysis.
 - DSS is largely heuristics based.
- Codes :**
- (i) and (ii) are correct.
 - (i) and (iii) are correct.
 - (i), (ii) and (iii) are correct.
 - All the four are correct.

21. Given below are two statements, one labelled as Assertion (A), and the other labelled as Reason (R). Select the correct answer using the code given below :
- Assertion (A) :** Strategies necessarily need to be changed over time to suit environmental changes.
- Reason (R) :** To remain competitive, organisations develop those strategies that create value for customers.
- Codes :**
- (A) (A) is correct, but (R) is incorrect.
 (B) Both (A) and (R) are correct.
 (C) (A) is incorrect, but (R) is correct.
 (D) Both (A) and (R) are incorrect.
22. Which of the following is not true about proactive planning ?
- (A) Way of thinking about managing the future risks.
 (B) Anticipating future contingencies.
 (C) Reacting to external events.
 (D) Getting ready with alternative routes for unforeseen situations.
23. Which of the following is not a characteristic of non-programmed decisions ?
- (A) Problems are unique and novel.
 (B) There are no pre-established policies or procedures to rely on.
 (C) The conditions for non-programmed decisions are highly certain.
 (D) These are the responsibility of top-management.
24. Which of the following is an ethical behaviour of a manager ?
- (A) Trading stocks on the basis of inside information.
 (B) Padding expense accounts.
 (C) Not divulging trade secrets to competitors.
 (D) Being severely critical of competitors.
25. Which of the following is suggested by Blake and Mouton as the best leadership behaviour ?
- (A) Low concern for people but high concern for production.
 (B) Low concern for both people and production.
 (C) High concern for both people and production.
 (D) High concern for people and low concern for production.
26. Which segmentation approach is the most compatible with the spirit of the marketing concept ?
- (A) Benefit sought
 (B) Income
 (C) Social class
 (D) Family size
27. Which of the stages of new product development process can be skipped ?
- (A) Business analysis
 (B) Idea screening
 (C) Product testing
 (D) Test marketing
28. The price-setting method which most closely corresponds to the concept of product positioning is
- (A) cost-plus pricing
 (B) going-rate pricing
 (C) perceived value pricing
 (D) psychological pricing
29. The most important retail marketing decision a retailer has to make is to
- (A) select the product assortment.
 (B) identify its target market.
 (C) choose the desired service level.
 (D) develop an effective store atmosphere.

30. Which element of the promotion mix do wholesalers primarily use ?

- (A) Advertising
- (B) Personal selling
- (C) Public relations
- (D) Trade show

31. Out of the following alternative methods of project evaluation and selection used in capital budgeting, which one of the combinations in the code corresponds to discounted cash flow methods ?

- (i) Internal Rate of Return
- (ii) Pay Back Period
- (iii) Profitability Index
- (iv) Net Present Value

Codes :

- (A) (i), (ii), (iii)
- (B) (i), (iii), (iv)
- (C) (ii), (iii), (iv)
- (D) (i), (ii), (iii), (iv)

32. When the expected level of EBIT exceeds the indifferent point for two alternative financial plans, (Equity-financing and Debt-financing), then

- (A) The use of debt financing would be advantageous to increase EPS.
- (B) the use of equity financing would be advantageous to maximize EPS.
- (C) the use of debt-financing would reduce EPS.
- (D) the use of equity financing would keep the EPS constant.

33. Which one of the following is not the assumption of the Modigliani-Miller Irrelevance Theory of Dividend Policy ?

- (A) No personal or corporate income taxes.
- (B) Dividend policy has its effect on firm's cost of equity.
- (C) Capital investment policy is independent of its dividend policy.
- (D) Stock floatation or transaction cost does not exist.

34. Match the items of List-I with the items of List-II.

- | List – I | List – II |
|------------------------------------|---|
| (i) Financial Break-even-point | (a) Rate of discount at which NPV is zero. |
| (ii) Cost-Volume-Profit Analysis | (b) Cost of capital remains the same for different degrees of financial leverage. |
| (iii) Internal Rate of Return | (c) Analysis to study relationship among fixed costs, variable costs, sales volume and profits. |
| (iv) Net Operating Income Approach | (d) The minimum level of EBIT needed to satisfy all fixed financial charges. |

Codes :

- | | | | | |
|-----|-------|-------|-------|-------|
| | (a) | (b) | (c) | (d) |
| (A) | (iii) | (iv) | (ii) | (i) |
| (B) | (i) | (ii) | (iii) | (iv) |
| (C) | (iv) | (iii) | (i) | (ii) |
| (D) | (i) | (ii) | (iv) | (iii) |

35. Assertion (A) : The focus of working capital management revolves around managing the operating cycle of the working capital.

Reason (R) : It is because the concept is useful to ascertain the requirements of cash to meet the operating expenses of a going concern.

Codes :

- (A) Both (A) and (R) are true, but (R) is not the explanation of working capital management.
 - (B) Both(A) and (R) are false.
 - (C) (A) is true, but (R) is false.
 - (D) (A) is false, but (R) is true.
- 36.** Which of the following terms, includes the task, duties and responsibilities of a particular job ?
- (A) Job Evaluation
 - (B) Job Enrichment
 - (C) Job Analysis
 - (D) Job Enlargement

37. Match the following lists and indicate the correct pairing :

List – I	List – II
1. Simple Ranking	a Evaluation by Superiors, Peers and Subordinates.
2. Paired Comparison	b Order of rating from best to worst.
3. 360-Degree Appraisal	c Standardised quantitative rating.
4. Graphic Rating	d Comparing ratings to one another.

The correct pairing is

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

38. In which method of performance appraisal, the evaluator keeps a written record of significant events and how difficult employees behaved during such events ?

- (A) Field Review Method
- (B) BARS Method
- (C) Critical Incidents Method
- (D) Assessment Centre Method

39. In connection with HRD, what is incorrect ?

- (A) It is a reactive function.
- (B) It develops total organisation.
- (C) It focuses on autonomous work groups.
- (D) It is an integrated system.

40. In which method of training, job conditions are duplicated with equipments and machines which are identical with those used at the work place ?

- (A) On the job training
- (B) Apprenticeship training
- (C) Vestibule training
- (D) Internship training

41. Which one of the following techniques is used by the Commercial Banks in India to measure the risk arising from trading activity ?

- (A) Network Analysis
- (B) Sensitivity Analysis
- (C) Value at risk methodology
- (D) E.V.A.

42. Which of the following schemes introduced by NABARD is intended to provide credit to farmers ?

- (A) Rural Infrastructure Development Fund
- (B) Kisan Credit Card
- (C) Micro-Finance
- (D) Co-Operative Development Fund

43. Which one of the following is a recent E-Banking initiative in Commercial Banks in India ?

- (A) RTGS
- (B) NEFT
- (C) NECS
- (D) NET Banking

44. Which of the following fee-based services are provided by IDBI ?

- (i) Credit syndication
- (ii) Corporate trustee services
- (iii) Custodial services
- (iv) Foreign services

Identify the correct code :

Codes :

- (A) (i), (ii) and (iv)
- (B) (i) and (ii)
- (C) (ii), (iii) and (iv)
- (D) (iii) and (iv)

45. SIDBI provides financial assistance in the following forms :

- (i) Bills financing
- (ii) Project financing
- (iii) Re-finance assistance
- (iv) Resource support to institutions

Which of the following sequence is correct ?

- (A) (i), (iii), (iv) and (ii)
- (B) (ii), (iv), (i) and (iii)
- (C) (iii), (i), (iv) and (ii)
- (D) (iv), (i), (iii) and (ii)

46. BOP problems in India cannot be attributed only to

- (A) Large trade deficit
- (B) Increase in invisible surplus
- (C) Sensitive behaviour of foreign creditors, including NRI foreign-currency depositors.
- (D) The declining role of concessional external finance.

47. Arrange the stages in anti-dumping investigation process in right sequence.

- (i) Initiation
- (ii) Preliminary screening
- (iii) Rejection of unsubstantiated information
- (iv) Provisional findings
- (v) Final findings and measures
- (vi) Permitting the exporting country to modify the practices

Codes :

- (A) (i), (ii), (iii), (iv), (vi), (v)
- (B) (i), (ii), (iv), (iii), (vi), (v)
- (C) (ii), (iv), (iii), (i), (vi), (v)
- (D) (ii), (iii), (i), (vi), (iv), (v)

48. A situation where any advantage given by one member of the WTO to another member is extended to all WTO members is referred to as

- (A) Trade Diversion
- (B) Inter Regional Principle
- (C) Most Favoured Nation
- (D) Least Traded Nation

49. The collapse of which of the following systems is related to the Triffin Paradox ?

- (A) Gold Standard
- (B) Exchange rate mechanism (in 1992)
- (C) Bretton Woods
- (D) None of the above

50. Which of the following is/are the assumptions of the Law of One Price ?

- (i) Restriction on the movement of goods between countries.
- (ii) No transportation costs.
- (iii) No tariffs
- (A) Both (i) and (ii)
- (B) Only (i)
- (C) Both (ii) and (iii)
- (D) (i), (ii) and (iii)

COMMERCE
Paper – II

Note : This paper contains **fifty (50)** objective type questions of **two (2)** marks each. **All** questions are compulsory.

- | <p>1. Who is the fiscal agent and advisor to Government in monetary and financial matters ?
(A) NABARD
(B) SBI
(C) RBI
(D) None of the above</p> <p>2. Match the items of List – I with the items of List – II :</p> <table border="0" style="width: 100%; margin-left: 40px;"> <thead> <tr> <th style="text-align: left; width: 50%;">List – I</th> <th style="text-align: left; width: 50%;">List – II</th> </tr> </thead> <tbody> <tr> <td>(a) National Manufacturing Competitive-ness Council (NMCC)</td> <td>(i) Industrial Licensing Policy</td> </tr> <tr> <td>(b) National Investment Fund (NIP)</td> <td>(ii) Eleventh Five Year Plan</td> </tr> <tr> <td>(c) The Industries (Development and Regulation) Act (IDRA), 1951</td> <td>(iii) The Competition Act, 2002</td> </tr> <tr> <td>(d) Increase in Employment</td> <td>(iv) Public Sector Undertakings</td> </tr> </tbody> </table> <p>Codes :</p> <table border="0" style="width: 100%; margin-left: 40px;"> <tr> <td style="width: 25%;">(a)</td> <td style="width: 25%;">(b)</td> <td style="width: 25%;">(c)</td> <td style="width: 25%;">(d)</td> </tr> <tr> <td>(A) (iv)</td> <td>(i)</td> <td>(ii)</td> <td>(iii)</td> </tr> <tr> <td>(B) (iii)</td> <td>(iv)</td> <td>(i)</td> <td>(ii)</td> </tr> <tr> <td>(C) (i)</td> <td>(ii)</td> <td>(iii)</td> <td>(iv)</td> </tr> <tr> <td>(D) (iv)</td> <td>(iii)</td> <td>(ii)</td> <td>(i)</td> </tr> </table> <p>3. Kyoto Protocol pertains to
(A) Capital formulation
(B) Globalisation
(C) Environmental protection
(D) Unemployment reduction</p> | List – I | List – II | (a) National Manufacturing Competitive-ness Council (NMCC) | (i) Industrial Licensing Policy | (b) National Investment Fund (NIP) | (ii) Eleventh Five Year Plan | (c) The Industries (Development and Regulation) Act (IDRA), 1951 | (iii) The Competition Act, 2002 | (d) Increase in Employment | (iv) Public Sector Undertakings | (a) | (b) | (c) | (d) | (A) (iv) | (i) | (ii) | (iii) | (B) (iii) | (iv) | (i) | (ii) | (C) (i) | (ii) | (iii) | (iv) | (D) (iv) | (iii) | (ii) | (i) | <p>4. Uruguay Round pertains to
(A) WTO
(B) IMF
(C) GATT
(D) World Bank</p> <p>5. Which of the following are outside the scope of the Consumer Protection Act, 1986 ?
(A) Newspaper industry
(B) Services provided under contract of personal service
(C) Banking industry
(D) Both (A) and (B)</p> <p>6. Which of the following is ‘true’ regarding the Prudence Principle of Accounting ?
(A) Taking care of the future losses
(B) Taking care of the future profits
(C) Taking care of bad debts
(D) Taking care of inventory and depreciation</p> <p>7. Which of the following is a non-operating expense ?
(A) Salary of Managing Director
(B) Depreciation
(C) Advertisement expenditure
(D) Interest on loan</p> |
|---|---------------------------------|-----------|--|---------------------------------|------------------------------------|------------------------------|--|---------------------------------|----------------------------|---------------------------------|-----|-----|-----|-----|----------|-----|------|-------|-----------|------|-----|------|---------|------|-------|------|----------|-------|------|-----|---|
| List – I | List – II | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) National Manufacturing Competitive-ness Council (NMCC) | (i) Industrial Licensing Policy | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (b) National Investment Fund (NIP) | (ii) Eleventh Five Year Plan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (c) The Industries (Development and Regulation) Act (IDRA), 1951 | (iii) The Competition Act, 2002 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (d) Increase in Employment | (iv) Public Sector Undertakings | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (a) | (b) | (c) | (d) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (A) (iv) | (i) | (ii) | (iii) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (B) (iii) | (iv) | (i) | (ii) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (C) (i) | (ii) | (iii) | (iv) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (D) (iv) | (iii) | (ii) | (i) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

8. A and B are partners sharing profits in the ratio of 3 : 2. Their books showed goodwill at ₹ 3,000. C is admitted with $\frac{1}{4}$ th share of profits and brings ₹ 10,000 as his capital. But he is not able to bring in cash for his share of goodwill ₹ 3,000. How will you treat this ?
- (A) Goodwill is raised by ₹ 12,000
 (B) C will remain as debtor for ₹ 3,000
 (C) C's A/c. is debited for ₹ 3,000
 (D) Goodwill is raised by ₹ 9,000
9. If there is mutual indebtedness between the transferor company and the transferee company in business combination, which of the following is correct ?
- (A) No adjustment is required in the books of the transferor company.
 (B) Adjustment is required in the books of the transferor company.
 (C) No adjustment is required in the books of the transferee company.
 (D) None of the above
10. Improvement of profit-volume ratio can be done by
- (A) Increasing selling price
 (B) Altering sales mixture
 (C) Reducing variable cost
 (D) All of the above
11. Business Economics is a subject which
- (A) studies economic relationships
 (B) studies economic activities at the aggregate level
 (C) deals with the tools of economics used for decision making in business
 (D) studies optimum allocation of limited resources

12. Match List – I with List – II and select the correct code for the answer :

List – I	List – II
(a) Cross elasticity is zero	(i) Price = AVC
(b) Shut-down point	(ii) Two commodities are independent
(c) Slutsky theorem	(iii) Trans-formation line
(d) Production Possibility Curve	(iv) Substitution effect

Codes :

- (a) (b) (c) (d)
 (A) (ii) (iv) (i) (iii)
 (B) (iii) (ii) (iv) (i)
 (C) (i) (iii) (ii) (iv)
 (D) (ii) (i) (iv) (iii)

13. **Assertion (A):** The demand curve has negative slope showing inverse relationship between price and the quantity demanded.

Reason (R) : This applies only to Giffen goods.

Codes :

- (A) Both (A) and (R) are true.
 (B) (A) is true, but (R) is false.
 (C) (A) is false, but (R) is true.
 (D) Both (A) and (R) are false.

14. The consumer is said to be in equilibrium when he plans his expenditure on x , y and z commodities in such a way that he ultimately attains :

- (A) $MU_x = MU_y = MU_z$
 (B) $\frac{MU_x}{P_x} = \frac{MU_y}{P_y} = \frac{MU_z}{P_z}$
 (C) $\frac{MU_x}{P_x} = \frac{MU_y}{P_y} = \frac{MU_z}{P_z} = MU_m$
 (D) $\frac{MU_x}{P_x} < \frac{MU_y}{P_y} < \frac{MU_z}{P_z} < MU_m$

15. Match the items in List – I with those in List – II and select the correct code for the answer :

List – I	List – II
(a) Monopoly	(i) Price Taker
(b) Monopolistic competition	(ii) Homogeneous product's price maker
(c) Perfect competition	(iii) Heterogeneous product
(d) Oligopoly	(iv) Price Rigidity

Codes :

	(a)	(b)	(c)	(d)
(A)	(ii)	(iii)	(i)	(iv)
(B)	(i)	(ii)	(iv)	(iii)
(C)	(iii)	(iv)	(ii)	(i)
(D)	(iv)	(i)	(iii)	(ii)

16. Match the following items in List – I with most suitable options in List – II :

List – I	List – II
(a) Fisher	(i) Inverse probability
(b) Karl Pearson	(ii) Normal Distribution
(c) Thomas Baye's	(iii) Correlation Coefficient
(d) Karl Gauss	(iv) Index Numbers

Codes :

	(a)	(b)	(c)	(d)
(A)	(iv)	(iii)	(ii)	(i)
(B)	(iv)	(iii)	(i)	(ii)
(C)	(iv)	(ii)	(iii)	(i)
(D)	(iv)	(ii)	(i)	(iii)

17. The law of statistics, which says 'Moderately large number of items chosen at random from a large group possess the characteristics of the large group', is referred to as :
- (A) The Central Limit Theorem
 (B) The Law of Statistical Regularity
 (C) The Law of Inertia of Large Numbers
 (D) None of the above

18. A distribution, where the value of arithmetic mean is maximum as compared to median and mode, is
- (A) Normal distribution
 (B) Positively-skewed distribution
 (C) Negatively-skewed distribution
 (D) None of these

19. The most appropriate average to be used to compute the average rate of growth in population is
- (A) Arithmetic mean
 (B) Median
 (C) Geometric mean
 (D) Harmonic mean

20. "The life expectancy of people in Kerala is more than that of Tamil Nadu." This statement is an example of
- (A) Descriptive Hypothesis
 (B) Causal Hypothesis
 (C) Correlational Hypothesis
 (D) None of the above

21. Match the items of List – I with the items of List – II and choose the correct answer :

List – I	List – II
(a) Intrapersonal communication	(i) Information sharing
(b) Element of a communication event	(ii) Development of 'will' to work
(c) Objective of organisational communication	(iii) Thinking
(d) Goals of organisational communication	(iv) Purpose

Codes :

	(a)	(b)	(c)	(d)
(A)	(i)	(ii)	(iii)	(iv)
(B)	(iii)	(iv)	(ii)	(i)
(C)	(ii)	(iii)	(i)	(iv)
(D)	(iv)	(iii)	(ii)	(i)

22. According to the Boston Consulting Group, a business which has a high growth rate but a weak market share is referred to as a
- (A) Cash Cow
 - (B) Dog
 - (C) Question Mark
 - (D) Star
23. 'No ideas are ever criticized' and 'the more radical the ideas are the better' – are the rules of which decision making process ?
- (A) Programmed decision-making
 - (B) Non-programmed decision making
 - (C) Brainstorming
 - (D) Group discussion
24. According to McClelland's Needs Theory, which of the following is not a motivating need ?
- (A) Need for Power
 - (B) Need for Security
 - (C) Need for Achievement
 - (D) Need for Affiliation
25. In the managerial grid, developed by Blake and Mouton, a manager who has high consideration for production but little concern for people is known as
- (A) 1.1 Management
 - (B) 1.9 Management
 - (C) 9.1 Management
 - (D) 5.5 Management
26. Which of the following is not the major component of holistic marketing ?
- (A) Relationship marketing
 - (B) Integrated marketing
 - (C) Customer satisfaction
 - (D) Socially-responsible marketing
27. Which of the legislations listed below do not form part of the marketing environment of India ?
- (A) The Drugs and Cosmetics Act, 1940
 - (B) The Prevention of Food and Adulteration Act, 1954
 - (C) The Monopolies and Restrictive Trade Practices Act, 1969
 - (D) Both (B) and (C)
28. The set of all actual and potential buyers of a product is known as
- (A) Customer group
 - (B) Industry
 - (C) Market
 - (D) None of the above
29. In the model of consumer behaviour given by Philip Kotler, what constitutes the marketing stimuli ?
- (A) Marketing environment
 - (B) Four P's of marketing
 - (C) Consumer needs and wants
 - (D) None of the above
30. The factor that exerts the broadest and deepest influence on consumer behaviour is
- (A) Culture
 - (B) Sub-culture
 - (C) Social class
 - (D) Income

31. Which one of the following is not among the assumptions of the Modigliani-Miller model ?
 (A) Perfect capital market
 (B) Equivalent risk classes
 (C) Unity for dividend payout ratio
 (D) Absence of taxes
32. The most suitable coverage ratio for deciding the debt capacity of a firm is
 (A) Interest Coverage Ratio
 (B) Cash Flow Coverage Ratio
 (C) Debt Service Coverage Ratio
 (D) Fixed Assets Coverage Ratio
33. Which one of the following is the most popular method for estimating the cost of equity ?
 (A) Capital asset pricing model
 (B) Dividend yield method
 (C) Gordon's dividend discount model
 (D) Earnings yield method
34. Which one of the following is not the internal factor affecting the weighted average cost of capital of a firm ?
 (A) Investment policy of the firm
 (B) Capital structure of the firm
 (C) Dividend policy followed
 (D) Market risk premium for the firm
35. Most common approach for analysing the capital structure of a firm is
 (A) Ratio Analysis
 (B) Cash Flow Analysis
 (C) Comparative Analysis
 (D) Leverage Analysis
36. Who propounded "Theory Z" ?
 (A) William Ouchi
 (B) Peter F. Drucker
 (C) Joseph H. Jurau
 (D) Douglas McGregor
37. Another name for MATRIX organisation is
 (A) Flexible organisation
 (B) Geographic organisation
 (C) Project organisation
 (D) None of the above
38. Which of the following are methods of on-the-job training ?
 (i) Coaching
 (ii) Vestibule training
 (iii) Demonstration
 (iv) Role-playing
 (v) Apprenticeship training
 Select the right answer from the following codes :
 (A) (i), (ii), (iii), (iv)
 (B) (i), (iii), (v)
 (C) (ii), (iii), (iv)
 (D) (i), (ii), (iii), (iv), (v)
39. The idea that a manager tends to be promoted to the level of his incompetence is referred to as
 (A) The advancement principle
 (B) The Parkinson's law
 (C) The Peter principle
 (D) The job design principle

40. **Assertion (A):** The emphasis in industrial psychology has shifted from the studies of the isolated individual and the physical environment to the consideration of motivation and morale.

Reason (R) : A motivated employee with a high morale will always give high productivity.

Codes :

- (A) Both (A) and (R) are correct, and (R) is the right explanation of (A).
- (B) (A) is correct, but (R) is not correct.
- (C) Both (A) and (R) are incorrect.
- (D) Both (A) and (R) are correct, but (R) is not the right explanation of (A).

41. Match the following items of List – I and List – II in terms of functions of commercial banks :

List – I	List – II
(a) Letter of reference	(i) Advancing loans
(b) Sale of gold coins	(ii) Receiving deposits
(c) Recurring Account	(iii) Non-banking function
(d) Overdrafts	(iv) Agency function

Codes :

- | | | | |
|----------|-------|-------|------|
| (a) | (b) | (c) | (d) |
| (A) (i) | (ii) | (iii) | (iv) |
| (B) (iv) | (iii) | (ii) | (i) |
| (C) (iv) | (ii) | (iii) | (i) |
| (D) (i) | (iii) | (ii) | (iv) |

42. Which of the following are included under representation functions of a bank ?

- (i) Payment of cheques and bills
- (ii) Providing remittance facilities
- (iii) Underwriting of securities
- (iv) Advancing clean credit
- (v) Allowing overdrafts on current account
- (vi) Purchase and sale of securities

Codes :

- (A) (i), (ii), (iii) and (iv)
- (B) (iii), (iv), (v) and (vi)
- (C) (i), (ii), (iii) and (vi)
- (D) (ii), (iii), (v) and (vi)

43. Call money rate is applicable for a very short period to

- (A) Inter bank advances
- (B) Bank to Reserve Bank advances
- (C) Reserve Bank to Bank advances
- (D) Commercial Banks to Industrial Banks advances

44. Match the following List – I with List – II :

List – I (Name of Securities)	List – II (Type of Securities)
(a) Bonds of Land Development Banks	(i) Semi-Government Securities
(b) Treasury Bills	(ii) First Order Securities
(c) Shares of a Public Ltd. Co.	(iii) Personal Securities

Codes :

- | | | |
|-----------|-------|-------|
| (a) | (b) | (c) |
| (A) (i) | (ii) | (iii) |
| (B) (ii) | (i) | (iii) |
| (C) (iii) | (ii) | (i) |
| (D) (i) | (iii) | (ii) |

45. Reserve Bank of India controls the activities of some of the following banks in India :

- (i) Commercial Banks
- (ii) Cooperative Banks
- (iii) Foreign Banks
- (iv) Rural Banks

Codes :

- (A) (i), (ii) and (iii)
- (B) (i), (iii) and (iv)
- (C) (ii), (iii) and (iv)
- (D) (i), (ii), (iii) and (iv)

46. Match the following List – I with List – II and select the correct answer:

List – I	List – II
(a) Comparative Cost Theory of International Trade	(i) Gottfried Haberler
(b) International Trade Theory of Opportunity Cost	(ii) J.S. Mill
(c) Factor Endowment Theory of International Trade	(iii) David Ricardo
(d) Doctrine of Reciprocal Demand	(iv) Hecksher-Ohlin

Codes :

- | | | | |
|-----------|-------|------|-------|
| (a) | (b) | (c) | (d) |
| (A) (iii) | (ii) | (iv) | (i) |
| (B) (i) | (iii) | (ii) | (iv) |
| (C) (iii) | (i) | (iv) | (ii) |
| (D) (ii) | (i) | (iv) | (iii) |

47. Identify the one, from the following, which is not a type of disequilibrium in the balance of payments of a country :

- (A) Cyclical disequilibrium
- (B) Secular disequilibrium
- (C) Structural disequilibrium
- (D) Sectoral disequilibrium

48. The participants who take advantage of different exchange rates in different markets are

- (A) Speculators
- (B) Arbitrageurs
- (C) Hedgers
- (D) Investors

49. **Assertion (A) :** The liability of the option buyer is limited in the currency options market.

Reason (R) : Option buyer need not exercise the option if the exchange rate is not favourable for him.

Codes :

- (A) (R) is correct and (A) is wrong.
- (B) (A) is correct and (R) is wrong.
- (C) Both (A) and (R) are correct.
- (D) Both (A) and (R) are wrong.

50. An MNC that maintains a balance between the home market and host market oriented policies is

- (A) Ethnocentric firm
- (B) Polycentric firm
- (C) Geocentric firm
- (D) None of the above

COMMERCE

Paper – II

Note : This paper contains **fifty (50)** objective type questions of **two (2)** marks each. **All** questions are compulsory.

1. There is acute shortage of electricity in some of the states in India. This reflects a problem in which type of business environment ?
- (A) Economic
(B) Demographic
(C) Politico-legal
(D) Socio-cultural

2. Match the items given in List-I and List-II.

List – I	List – II
(a) Economic liberalisation	(i) IT-enabled services
(b) Out sourcing	(ii) SFIO
(c) Corporate frauds	(iii) Macro economic stability
(d) Second generation reforms	(iv) Increased competition

Indicate the correct combination :

Codes :

- (a) (b) (c) (d)
(A) (i) (ii) (iii) (iv)
(B) (i) (iii) (ii) (iv)
(C) (ii) (iii) (iv) (i)
(D) (iv) (i) (ii) (iii)
3. Which of the following is true ?
- (A) A consumer court setup under the Consumer Protection Act, does not have the power to punish for its contempt.
(B) Professional services are outside the purview of the CPA.
(C) A consumer court cannot force a person indulging in misleading advertising to confess his quit.
(D) None of the above.

4. Match the items/terms given in List-I with those given in and List-II.

List – I	List – II
(a) BIS	(i) Print Media
(b) CERC	(ii) Minimum support price for agricultural products.
(c) CACP	(iii) Quality of manufactured products.
(d) PCI	(iv) Comparative product testing.

Indicate the correct answer :

Codes :

- (a) (b) (c) (d)
(A) (iv) (iii) (ii) (i)
(B) (i) (ii) (iii) (iv)
(C) (iii) (iv) (ii) (i)
(D) (ii) (iii) (iv) (i)
5. Which one among the following is not the salient feature of industrial policy since 1991 ?
- (A) Enormous expansion of the private sector.
(B) Redefining the role of public sector.
(C) Limited exposure of Indian industry to foreign competition.
(D) Pruning of the list of items reserved for SSI units.

6. A, a partner in a firm, is drawing ₹ 500 regularly on the 16th of every month. He will have to pay interest at the given rate in a year on ₹ 6000 for the total period of
- (A) 5 months (B) 6 months
(C) 7 months (D) 12 months

7. Subsequent expenditures that extend the useful life, improve the quality of output, or reduce operating costs of an existing asset beyond their originally estimated levels are
- (A) Capital expenditures
 - (B) Revenue expenditures
 - (C) Deferred Revenue expenditures
 - (D) None of the above

8. Marginal-costing technique is useful for
- (A) Make or Buy decisions
 - (B) Profit planning
 - (C) Shut-down decisions
 - (D) All of the above

9. Which one is not a feature of budgetary control ?
- (A) A tool for management control.
 - (B) An instrument of delegation and authority.
 - (C) An instrument for evaluating the overall performance.
 - (D) A statement of budget and forecasts.

10. The Debt-Equity Ratio of a company is 2 : 1. In this relation, match the following :

List – I	List – II
(a) Issue of equity shares	1. No change on the ratio
(b) Cash received from debtors	2. Reduce the ratio
(c) Redemption of debentures	3. No change on the ratio
(d) Purchased goods on credit	4. Reduce the ratio

Codes :

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

11. Which one of the following does not explain the basic nature of Business economics ?

- (A) Behaviour of firms in theory and practice.
- (B) Distribution theories like rent, wages and interest along with the theory of profit.
- (C) Use of the tools of economic analysis in clarifying problems in organising and evaluating information and in comparing alternative courses of action.
- (D) Integration of economic theory with business practices for the purpose of facilitating decision-making.

12. At a point of satiety for a commodity the marginal utility is

- (A) Negative
- (B) Positive
- (C) Zero
- (D) Highly positive

13. A rectangular hyperbola shaped demand curve on all its points has

- (A) Equal slopes and equal point elasticities.
- (B) Unequal slopes and unequal point elasticities.
- (C) Unequal slopes and equal point elasticities.
- (D) Equal slopes and unequal point elasticities.

14. **Assertion (A) :** A perfectly competitive firm is not a price-maker but is a price-taker.

Reason (R) : The firm is interested in deciding the level of output only.

Codes :

- (A) Both (A) and (R) are true.
- (B) Both (A) and (R) are false.
- (C) (A) is false, while (R) is true.
- (D) (A) is true, but (R) is not a correct explanation of (A).

15. Match the items of List-I with the items of List-II.

List – I	List – II
(a) A market having high price elasticity.	I. Skimming pricing
(b) A market having high price inelasticity	II. Differential pricing
(c) A market having several segments differing prominently with regard to price elasticities of their demand.	III. Penetrating pricing

Codes :

- | | I | II | III |
|-----|------|------|-----|
| (A) | (b), | (c), | (a) |
| (B) | (a), | (b), | (c) |
| (C) | (b), | (a), | (c) |
| (D) | (a), | (c), | (b) |

16. Which one of the following options deals with the process of making estimates, predictions and decisions ?

- (A) Descriptive statistics
- (B) Inferential statistics
- (C) Probability theory
- (D) None of the above

17. A hypothesis test is being performed for a process in which a Type-I error will be very costly, but a Type-II error will be relatively inexpensive and unimportant. Which of the following would be the best choice for alpha (α) in this test ?

- (A) 0.10
- (B) 0.05
- (C) 0.01
- (D) 0.50

18. If the dependent variable increases as the independent variable increases in an estimating equation, the coefficient of correlation will be in the range

- (A) 0 to (-) 1
- (B) 0 to (-) 0
- (C) 0 to (-) 0.05
- (D) 0 to 1

19. **Assertion (A) :** When there is an evidence of a linear relationship between two variables, it may not always mean an independent-dependent relationship between the two variables.

Reason (R) : The causal relationship between the two variables may not imply a reasonable theoretical relationship between the two.

Choose the right answer from the following statements :

Codes :

- (A) Both (A) and (R) are true and (R) is the correct explanation.
- (B) Both (A) and (R) are true, but (R) is not the correct explanation.
- (C) (A) is true, but (R) is false.
- (D) (A) is false, but (R) is true.

20. **Assertion (A) :** User interface is most critical task in DSS design

Reason (R) : DSS is used by outside Customers frequently.

- (A) (A) is correct, but (R) is wrong.
- (B) Both (A) and (R) are wrong.
- (C) (A) is wrong, but (R) is correct.
- (D) Both (A) and (R) are correct.

21. Which of the following is not true about Matrix Organisation ?
- It is relatively permanent.
 - Its project managers authority is distributed reasonably.
 - There is slow information processing.
 - Its project heads have to share resources with functional heads.
22. Consider the following leadership styles :
- Telling
 - Autocratic
 - Selling
 - Motivating
 - Participating
 - Delegating
 - Charismatic
- Select the four styles of leadership explained by Hersey and Blanchard.
- 1, 2, 6 and 7
 - 2, 3, 4 and 5
 - 1, 3, 5 and 6
 - 4, 5, 6 and 7
23. Given below are two statements, one labelled as Assertion (A), and the other labelled as Reason (R).
- Assertion (A) :** Classical organisations believed in the use of authority to achieve coordination.
- Reason (R) :** Classical thinkers consider organisation is an open system.
- Codes :**
- (A) is correct, but (R) is incorrect.
 - Both (A) and (R) are correct.
 - (A) is incorrect, but (R) is correct.
 - Both (A) and (R) are incorrect.
24. Who has modified Maslow's Hierarchical levels of needs and developed ERG model ?
- Frederick Herzberg
 - David C. McClelland
 - Douglas McGregor
 - Clayton Alderfer
25. Taylor's differential piece work plan provides that
- All labourers should be assigned different amount of work.
 - All labourers should be put in different time-period.
 - Those who produce above standard should receive higher wages than those producing below standard.
 - Payment should be the same on a fixed standard.
26. Which one of the following stages of the marketing research process is most expensive ?
- Data analysis
 - Data collection
 - Developing the research plan
 - Report writing
27. The people to adopt a new product first are called
- Early adopters
 - First users
 - Initial adopters
 - Innovators
28. A concept in retailing that helps explain the emergence of new retailers is called the _____ hypothesis.
- Product life cycle
 - Service assortment
 - Retail life cycle
 - 'Wheel-of-retailing'
29. Manufacturers of cars and motor cycles typically seek _____ distribution.
- selective
 - intensive
 - exclusive
 - restrictive

30. Which method of setting advertising budget is most scientific and logical ?
- (A) All-you-can afford method
 - (B) Competitive parity method
 - (C) Objective-and-task method
 - (D) Percentage-of-sales method

31. **Assertion (A) :** Weighted average cost of capital should be used as a hurdle rate for accepting or rejecting a capital budgeting proposal.

Reason (R) : It is because by financing in the proportions specified and accepting the project, yielding more than the weighted average required return, the firm is able to increase the market price of its stock.

Codes :

- (A) Both (A) and (R) are false.
 - (B) Both (A) and (R) are true.
 - (C) (A) is true, while (R) is false.
 - (D) (A) is false, while (R) is true.
32. A firm wants to know the Degree of Operating Leverage (DOL) with the following information :
- Current level of sales : 6000 units
- Break-even point sales : 4000 units
- What would be the DOL ?
- (A) 1.50
 - (B) 0.67
 - (C) 3.00
 - (D) None of the above

33. **Assertion (A) :** When two or more investment proposals are mutually exclusive, ranking the proposals on the basis of IRR, NPV and PI methods may give contradictory results.

Reason (R) : The contradictory results in the ranking are due to differing dimensions relating to the scale of investments, cash flow patterns and project lives.

Indicate the correct answer :

Codes :

- (A) Both (A) and (R) are true.
 - (B) (A) is true, but (R) is a necessary condition, but not a sufficient condition.
 - (C) Both (A) and (R) are false.
 - (D) Both (A) and (R) are true and (R) explains the reason sufficiently.
34. Which one of the following assumptions is not covered in the Walter's Model of the dividend policy ?
- (A) All financing is done through retained earnings.
 - (B) Firm's business risk does not change due to additional investments.
 - (C) The firm has an infinite life.
 - (D) The key variables like EPS and DPS keep on changing.
35. Which one of the following emphasizes the qualitative aspects of working capital management ?
- (A) Gross working capital
 - (B) Quick working capital
 - (C) Net working capital
 - (D) None of the above

36. Which of the following training methods exposes the newly recruited employee to the various business functions, divisions and departments ?
- (A) Orientation
 (B) Vestibule Training
 (C) Transition Analysis
 (D) Role playing

37. Match the names of the Authors given below with the motivational theories they are associated with

List-I

List-II

- | | |
|---------------------|--------------------------|
| 1. Herzberg | a. ERG Theory |
| 2. McGregor | b. Three-need theory |
| 3. Alderfer | c. Theory X and Theory Y |
| 4. David McClelland | d. Two-factor theory |

Codes :

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

38. Who was closely associated with industrial relations in India ?
- (A) B. Kurien
 (B) Gadgil
 (C) V.V. Giri
 (D) Vinoba Bhave

39. Under the Trade Union Act 1926, how many minimum number of members are required for a trade union to be registered ?
- (A) 5
 (B) 7
 (C) 9
 (D) 11

40. The idea that a manager tends to be promoted to a level of his incompetence is referred to as
- (A) the advancement principle
 (B) the Paul principle
 (C) the Peter principle
 (D) the job design principle

41. Which of the following committees is intended to review the working of the monetary system in India ?
- (A) Narasimham Committee
 (B) Tandon Committee
 (C) Sukhamoy Chakravarty Committee
 (D) Deheja Committee

42. Match the items of List-I with those in List-II and select the correct answer.

List-I

List-II

- | | |
|-----------------------------|---|
| (a) Bank Rate Policy | 1. Involving the shortening of the currency of bills eligible for rediscount. |
| (b) Credit Rationing | 2. Involving the Purchase and sale of securities in the open market. |
| (c) Variable Reserve System | 3. Involving the alteration of discount rate. |
| (d) Open Market Operations | 4. Involving the variation of the minimum reserves |

Codes :

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

43. Match the items of List-I with the items of List-II and select the correct answer using the codes given below the lists.

List-I	List-II
(a) Rural Industries Programme	(i) Meant for various target groups like Rural youth, Ex-serviceman, women and Scheduled Castes/Tribes
(b) Mahila Vikas Nidhi Scheme	(ii) Aim at ensuring flow of credit to the disadvantaged sections of the society.
(c) Entrepreneurship Development Programme	(iii) Commercial exploitation of local resources.
(d) Micro Credit Scheme	(iv) Provides assistance to voluntary organizations for the benefit of women.

Codes :

(a)	(b)	(c)	(d)
(A) (i)	(iii)	(ii)	(iv)
(B) (ii)	(iv)	(i)	(iii)
(C) (iv)	(ii)	(iii)	(i)
(D) (iii)	(iv)	(i)	(ii)

44. According to the FDI Policy of the Government of India (2012), the FDI in banks is limited to

- (A) 20% in Nationalised Banks and 74% in Private Sector Banks.
- (B) 20% in Nationalised Banks and 49% in Private Sector Banks.
- (C) 16% in Nationalised Banks and 74% in Private Sector Banks.
- (D) 49% in Nationalised Banks and 51% in Private Sector Banks.

45. According to the recent guidelines (2013) of the Reserve Bank of India the Private Sector Banks are required to have a minimum paid up equity capital of

- (A) ₹ 300 crores
- (B) ₹ 200 crores
- (C) ₹ 400 crores
- (D) ₹ 500 crores

46. International trade theory which provides that capital intensive country should export labour-intensive goods and import capital goods is referred to as

- (A) Leontief Paradox
- (B) Heckscher-Ohlin Theory
- (C) Mercantilism Theory
- (D) Theory of Comparative Advantage

47. Which of the following is not a form of economic integration in the context of intra-regional trade ?

- (A) Customs Union
- (B) European Union
- (C) Economic Union
- (D) African Union

48. 'Crawling Peg System' means

- (A) Fixed Exchange Rate System.
- (B) Floating Exchange Rate System.
- (C) Hybrid of Fixed and Floating Exchange System.
- (D) None of the above.

49. From the following modes of international business, identify the mode which involves strategic alliance

- (A) Franchising
- (B) Leasing
- (C) Turnkey Project
- (D) Joint venture

50. Which of the following expressions amount to the import restriction measures ?

- (i) Currency control
- (ii) Establishment of EPZs
- (iii) Tariff cuts
- (iv) Imposition of tariffs
- (v) Imposition of non-tariff barriers

Codes :

- (A) (i), (ii) and (iii)
- (B) (i), (iv) and (v)
- (C) (iii), (iv) and (v)
- (D) (ii), (iii) and (v)

COMMERCE
Paper – II

Note : This paper contains **fifty (50)** objective type questions of **two (2)** marks each. **All** questions are compulsory.

1. The responsibility of the organization to the workers includes :

- (i) The payment of fair wages
- (ii) Arrangement of proper training and education of the workers
- (iii) The installation of an efficient grievance handling system
- (iv) Welfare of family members
- (v) The provision of the best possible working conditions

Identify the correct combination :

- (A) (i), (ii), (iii) and (v) (B) (ii), (iii), (iv) and (v)
(C) (i), (ii), (iii) and (iv) (D) (i), (iii), (iv) and (v)

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

List – I	List – II
a. Industries Development Regulation Act	i. 1947
b. Import and Export Control Act	ii. 1948
c. Foreign Exchange Management Act	iii. 1951
d. Factories Act	iv. 1999

Identify the correct combination :

Codes :

- | | a | b | c | d |
|-----|-----|-----|----|----|
| (A) | i | iii | iv | ii |
| (B) | iii | i | ii | iv |
| (C) | iii | i | iv | ii |
| (D) | iii | iv | ii | i |

3. Which among the following is not a correct sequential combination ?

- (A) Macro Environment → Economic Environment → National Income → Pattern of Income Distribution
- (B) Business Environment → Internal Environment → Business Ethics → Payment of Fair Wages
- (C) Business Environment → External Environment → Micro Environment → Suppliers
- (D) Macro Environment → External Environment → Customers → Prospects of Business Development

4. Which among the following is not a correct combination ?
- (A) Industrial Policy – 1948
 (B) Industrial Policy Statement – 1977
 (C) Industrial Policy Statement – 1980
 (D) Industrial Policy Statement – 1991
5. **Statement – I :** The industrial policy of the Government of India is aimed at increasing the tempo of industrial development.
- Statement – II :** After the New Industrial Policy – 1991, the Balance of Trade for India has always been positive.
- Codes :**
- (A) Statement (I) is correct, but (II) is incorrect.
 (B) Statement (II) is correct, but (I) is incorrect.
 (C) Both Statements (I) and (II) are correct.
 (D) Both Statements (I) and (II) are incorrect.
6. Current Ratio 2.5, Liquid Ratio 1.5 and Working Capital ₹ 60,000. What is Current Assets ?
- (A) ₹ 60,000 (B) ₹ 80,000
 (C) ₹ 1,00,000 (D) ₹ 1,20,000
7. X, Y, Z are sharing profits in the ratio of 6 : 5 : 3. A is admitted into partnership for $\frac{1}{8}$ th share. The sacrificing ratio of X, Y and Z is
- (A) Equal (B) 6 : 5 : 3
 (C) $\frac{5}{14}$, $\frac{4}{14}$, $\frac{5}{14}$ (D) 4 : 5 : 5
8. Accounting information given by a company :
- | | |
|-----------------------|------------|
| Total assets turnover | 3 times |
| Net profit margin | 10% |
| Total assets | ₹ 1,00,000 |
- The net profit is
- (A) ₹ 10,000 (B) ₹ 15,000
 (C) ₹ 25,000 (D) ₹ 30,000

9. "Make sufficient provisions for future losses, but do not anticipate future profits." This statement is in accordance to the concept of :
- (A) Matching (B) Objectivity
(C) Conservatism (D) Materiality
10. When a firm is dissolved, profit or loss on realisation is shared by the partners
- (A) Equal
(B) In the ratio of their capital balances
(C) In the profit sharing ratio
(D) In the ratio laid down in Garner Vs. Murray
11. The inverse relationship between variations in the price and quantity demanded is not due to
- (A) Income Effects (B) Substitution Effects
(C) Future Expectations (D) Law of Diminishing Marginal Utility
12. Consumer is said to be in equilibrium, maximizing his total utility, when
- (A) the marginal utilities of the two goods consumed are equal.
(B) the proportions of the marginal utilities and respective prices are equal.
(C) the consumer gets full satisfaction from the consumption.
(D) the consumer feels satisfied with his expenditure on the various goods.
13. Match the items of the following two lists and suggest the correct code :

List – I

- a. Zero Income Elasticity
b. Unit Cross Elasticity
c. Positive Cross Elasticity
d. Negative Cross Elasticity

List – II

- i. Substitute goods
ii. Complementary goods
iii. Indifferent goods
iv. Independent goods

Choose the correct option :

Codes :

- | | | | | |
|-----|-----|-----|----|-----|
| | a | b | c | d |
| (A) | iii | ii | i | iv |
| (B) | ii | iii | iv | i |
| (C) | iii | iv | i | ii |
| (D) | iv | i | ii | iii |

14. **Statement (A)** : The isoquant curves are drawn convex to the origin due to diminishing technical rate of substitution.

Statement (B) : The lesser the convexity of the isoquant curve the greater the possibility of the complementarity of the two inputs.

Codes :

- (A) Statements (A) and (B) both are correct.
- (B) Statement (A) is correct but (B) is incorrect.
- (C) Statement (A) is incorrect but (B) is correct.
- (D) Statements (A) and (B) both are incorrect.

15. Match the items of the List – I with those of List – II and suggest the correct code :

List – I

List – II

- | | |
|---|--|
| a. Constant average cost over a range of output | i. Economic capacity |
| b. Average cost becomes constant momentarily | ii. Reserve capacity |
| c. Normal average cost is a U-shaped curve | iii. Production and Managerial costs effects |
| d. Modern Long-run average cost is L-shaped | iv. Economies and Diseconomies |

Codes :

- | | | | | |
|-----|-----|-----|-----|-----|
| | a | b | c | d |
| (A) | i | ii | iii | iv |
| (B) | ii | iii | iv | i |
| (C) | iii | iv | ii | i |
| (D) | ii | i | iv | iii |

16. Which one of the following is not probability sampling method ?

- (A) Simple Random Sampling
- (B) Cluster Sampling
- (C) Judgemental Sampling
- (D) Systematic Sampling

17. The research carried out to expand the knowledge of a particular field is known as

- (A) Applied research
- (B) Qualitative research
- (C) Quantitative research
- (D) Basic research

18. In univariate data analysis t-test is used when the data are in the form of
- (A) Metric data with one sample
 - (B) Non-metric data
 - (C) Non-metric data with independent variable
 - (D) Metric data with independent two sample
19. To show the trend for a variable, which one of the presentation method is used ?
- (A) Histogram
 - (B) Frequency polygon
 - (C) Line graph
 - (D) Scatter graph
20. Which one of the following objectives is not the objective of secondary data collection ?
- (A) Identify the problem
 - (B) Test the hypotheses of the relevant present problem
 - (C) Better define the problem
 - (D) Interpret primary data more insightfully
21. The structure of an organisation in which there is separation of ownership and management is called
- (A) Sole proprietorship
 - (B) Partnership
 - (C) Company
 - (D) Cooperative society
22. When a person transacts with a company on matters which is beyond the power of the company, the person will be governed by the Doctrine of
- (A) Management by Exception
 - (B) Constructive Notice
 - (C) Indoor Management
 - (D) Self Management
23. **Assertion (A) :** MBO is effective way of planning and organizing the work.
Reason (R) : Employees participate in setting the objectives.
- Codes :**
- (A) Both (A) and (R) are true.
 - (B) Both (A) and (R) are false.
 - (C) (A) is true, but (R) is false.
 - (D) (A) is false, but (R) is correct.

24. The appropriate sequence of the formation of a company are in the following order :
- (A) Promotion, commencement of business and incorporation
 - (B) Promotion, incorporation, capital subscription and commencement of business
 - (C) Capital subscription, promotion, incorporation and commencement of business
 - (D) Incorporation, capital subscription, commencement of business and promotion
25. Delegation of authority makes the size of the organization :
- (A) Smaller organization
 - (B) Larger organization
 - (C) Very big organization
 - (D) It does not affect the size of the organization
26. Managerial Grid suggests the following as the best leader behaviour :
- (A) High structure and high consideration
 - (B) Low structure and low consideration
 - (C) High concern both for production and people
 - (D) Low concern both for production and people
27. Marketing strategy development is also known as
- (A) Marketing Control
 - (B) Marketing Exercise
 - (C) Marketing Planning
 - (D) Situation Analysis
28. For most people, the purchase of cheese for daily use can be described as a
- (A) Completely novel buy
 - (B) Modified re-buy
 - (C) Routine re-buy
 - (D) High involvement product
29. The promotion mix of a company consists of these –
- (A) Marketing communication, promotion decisions
 - (B) Personal selling, product objectives
 - (C) Advertising, personal selling, sales promotion , publicity and public relations
 - (D) Consumer psychology, buyers motives, brand equity

30. Rational buying motives that determine purchase decisions are mostly based on
- (A) Price factor (B) Psychological factors
(C) Quality of product (D) Advertisement
31. **Statement – I** : Capital structure refers to composition of long-term funds.
Statement – II : These include equity share capital, preference share capital, debentures, all debts and all reserves.
- (A) Both Statements I and II are correct.
(B) Statement I is correct but Statement II is incorrect.
(C) Statement I is incorrect but Statement II is correct.
(D) Both statements are incorrect.

32. Match the items of the following two lists and suggest the correct code :

List – I

- a. Pay-back Rate of Return
b. Internal Rate of Return
c. Benefit Cost Ratio
d. Net Terminal Value Method

List – II

- i. Discounted Cash Flow Technique
ii. Compounded values of investments and returns
iii. Crude method for project evaluation
iv. Varying sized projects evaluation

Codes :

- a b c d
- (A) ii iii i iv
(B) iii i iv ii
(C) i iv ii iii
(D) iv ii iii i

33. Match the items of the following two lists and suggest the correct code :

List – I

- a. Realised yield method
b. Taxation
c. Cost of total capital employed
d. Dividend growth is a consideration

List – II

- i. Cost of equity share capital
ii. Cost of equity capital
iii. Cost of debt capital
iv. Weighted cost of capital

Codes :

- a b c d
- (A) iv iii ii i
(B) ii iv i iii
(C) ii iii iv i
(D) i ii iii iv

34. Cash Flow Management involves :

- I. Lock-box system
- II. Marketable securities
- III. Playing the float
- IV. Concentration Bank Account

Codes :

- (A) I, II and III only
- (B) II, III and IV only
- (C) I, III and IV only
- (D) I, II and IV only

35. Dividend capitalisation model was developed by

- (A) Ezra Solomon
- (B) Myron J. Gordon
- (C) James E. Walter
- (D) Merton H. Miller and Franco Modigliani

36. The process of narrowing a large number of candidates to a smaller field is called

- (A) Rushing
- (B) Recruitment
- (C) Selection
- (D) Enrollment

37. According to which theory, people are motivated to the extent to which they expect that their actions will help in achievement of goals ?

- (A) Vroom's Vector Valence Theory
- (B) Need Theory
- (C) Z Theory
- (D) X Theory

38. Match the items of List – I with List – II and select the correct code :

List – I

List – II

- | | |
|--|------------------------|
| a. Getting Effective Leadership in the Industrial Organization | i. Dale Yoder |
| b. The Nature of Leadership, Organization and Management | ii. Alford and Beatty |
| c. Industrial Management | iii. Douglas McGregor |
| d. Personnel Management | iv. Chester I. Bernard |

Codes :

- | | | | | |
|-----|-----|-----|-----|----|
| | a | b | c | d |
| (A) | i | ii | iii | iv |
| (B) | iii | iv | ii | i |
| (C) | iii | iv | i | ii |
| (D) | iv | iii | ii | i |

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

List – I		List – II	
a. AITUC	i. Indian National Congress		
b. BMS	ii. Socialists		
c. INTUC	iii. Rashtriya Swayamsevak Sangh		
d. CITU	iv. Communist Party of India		

Identify the correct combination :

Codes :

	a	b	c	d
(A)	iv	iii	ii	i
(B)	iv	i	ii	iii
(C)	iv	iii	i	ii
(D)	iv	i	iii	ii

40. The main characteristics of Weber's bureaucracy are :

- | | |
|---------------------|----------------------------|
| (A) Specialization | (B) Hierarchy of authority |
| (C) System of rules | (D) All of the above |

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

List – I		List – II	
a. RBI Nationalization	i. 1964		
b. Imperial Bank Nationalization	ii. 1949		
c. Nationalization of 14 Commercial Banks	iii. 1955		
d. Establishment of IDBI	iv. 1969		

Identify the correct combination :

Codes :

	a	b	c	d
(A)	i	ii	iii	iv
(B)	ii	iii	i	iv
(C)	iii	ii	iv	i
(D)	ii	iii	iv	i

42. As per the RBI Act, 1934, the following functions are described as the functions of a Central Bank :

- (i) Banking functions
- (ii) Advisory functions
- (iii) Supervisory functions
- (iv) Promotional functions

Identify the correct combination :

- (A) (i), (iii) and (iv)
- (B) (i), (ii) and (iv)
- (C) (ii), (iii) and (iv)
- (D) Only (i) and (iii)

43. Phishing is an attempt to acquire :

- (A) Loan from unauthorized firms
- (B) Sensitive information such as username, password, etc.
- (C) Personal information from banks
- (D) None of the above

44. What is Call Money ?

- (A) Money borrowed or lent for a day or overnight.
- (B) Money borrowed for more than one day but upto 3 days.
- (C) Money borrowed for more than one day but upto 7 days.
- (D) Money borrowed for more than one day but upto 14 days.

45. The Regulatory Authority of Regional Rural Banks is

- (A) NABARD
- (B) Central Government
- (C) State Government
- (D) Sponsor Bank

46. Which of the following is not ensured to the consumer in the globalization ?

- (A) Lower prices
- (B) Better selection
- (C) Clear origin of goods and services
- (D) Improved services

47. In international trade which of the following is a non-tariff trade barrier ?

- (A) Quotas (B) Import bans
(C) Export controls (D) Anti dumping laws

48. Match the items of List – I with items in List – II and select a correct code :

List – I

List – II

- | | |
|-------------------------------|-------------------------------------|
| a. Current Account | i. Official Capital |
| b. Capital Account | ii. Reserves from foreign countries |
| c. Unilateral Payments | iii. Reparations |
| d. Official Statement Account | iv. Visible Exports and Imports |

Codes :

- | | | | | |
|-----|-----|-----|-----|-----|
| | a | b | c | d |
| (A) | i | iii | ii | iv |
| (B) | iv | i | ii | iii |
| (C) | iv | i | iii | ii |
| (D) | iii | ii | i | iv |

49. Match the items of List – I with the items in List – II and select a correct code :

List – I

List – II

- | | |
|-------------------------------|---|
| a. Vishesh Krishi Upaj Yojana | i. Scheme intended to reduce difficulties of exporters |
| b. EPCG | ii. Duty Entitlement Pass Book |
| c. DFRC | iii. To boost exports of fruits, vegetables, flowers, minor forest produce etc. |
| d. DEPB | iv. Relating to import of duty free fuel |

Codes :

- | | | | | |
|-----|-----|-----|----|-----|
| | a | b | c | d |
| (A) | iv | i | ii | iii |
| (B) | iv | iii | i | ii |
| (C) | iii | iv | ii | i |
| (D) | iii | i | iv | ii |

50. Which of the following is not the agency of World Bank ?

- (A) MIGA (B) ICSID
(C) ADB (D) IDA

COMMERCE

PAPER - II

Note : This paper contains **fifty (50)** objective type questions of **two (2)** marks each. **All** questions are **compulsory**.

1. The world's first electronic stock market is :

- (1) KOSPI (2) Nikkie (3) NASDAQ (4) Dow Jones

2. The Human Development Index (HDI) is introduced by :

- (1) UNDP (2) UNICEF (3) IMF (4) World Bank

3. Examine the following statements and choose the **correct** code :

Assertion (A) : American style option, compared to European style, provides more freedom to option holders in exercising the option.

Reason (R) : American style option can be exercised only at a specified date which is generally the expiration date.

Codes :

- (1) Both **(A)** and **(R)** are correct. (2) Both **(A)** and **(R)** are wrong.
(3) **(A)** is correct, but **(R)** is wrong. (4) **(A)** is not correct, but **(R)** is correct.

4. From the statements given below, identify the **correct** code :

Statement (I) : The key strategy behind acquiring a company is to create share holder's value.

Statement (II) : Conglomeration is a merger between two companies that have common business areas.

Statement (III) : MRTP Act got replaced by the Competition Act, 2002 in India.

Codes :

- (1) All the three statements are correct.
(2) Statements **(I)** and **(II)** only are correct.
(3) Statements **(I)** and **(III)** only are correct.
(4) Statement **(II)** only is correct.



5. From the following, identify the tools of fiscal policy :

- (i) Public expenditure
- (ii) Open market operations
- (iii) Deficit financing
- (iv) Taxation
- (v) Reserve requirements

Codes :

- (1) (i), (iii), (iv) and (v) (2) (i), (ii), (iv) and (v)
- (3) (ii) and (v) (4) (i), (iii) and (iv)

6. The basic difference between a static budget and flexible budget is that :

- (1) A flexible budget considers only variable costs but a static budget considers all costs.
- (2) Flexible budgets allow management latitude in meeting goals, whereas static budget is based on fixed standards.
- (3) A flexible budget is applicable for a single department only but a static budget for entire production facility.
- (4) A flexible budget can be prepared for any production level within a relevant range but a static budget is based on one specific level of production.

7. A retiring partner continues to be liable for obligations incurred after his retirement :

- (1) If unpaid amount is transferred to his loan account.
- (2) If he does not give public notice.
- (3) If he starts a similar business elsewhere.
- (4) In all the situations till he survives.

8. In what order, the following assets are shown in the balance sheet of a company ?

- (i) Trade receivables
- (ii) Cash
- (iii) Furniture and fittings
- (iv) Investment in shares and debentures

Codes :

- (1) (ii), (i), (iv), (iii) (2) (i), (ii), (iii), (iv) (3) (iii), (iv), (i), (ii) (4) (iv), (iii), (ii), (i)



9. When opening stock is ₹ 50,000, closing stock is ₹ 60,000 and the cost of goods sold is ₹ 2,20,000, the stock turnover ratio is :
- (1) 2 times (2) 3 times (3) 4 times (4) 5 times
10. If : Stock turnover ratio is = 6 times
Average stock = ₹ 8,000
Selling price = 25% above cost
- What is the amount of gross profit ?
- (1) ₹ 2,000 (2) ₹ 4,000 (3) ₹ 10,000 (4) ₹ 12,000
11. A rectangular hyperbola shaped demand curve on all its points has :
- (1) Equal slopes of the price demand curve
(2) Price elasticity equal to unity
(3) Varying price elasticity
(4) Both slope and price elasticity equal
12. In case of short-run equilibrium, a perfectly competitive firm while earning abnormal profits operates at an output level where :
- (1) Marginal cost is the minimum
(2) Average cost is the minimum
(3) Both marginal cost and average cost are equal
(4) Marginal cost is higher than average cost
13. Which one of the following statements is **false** ?
- (1) Normally, a price demand curve slopes downward from left to right.
(2) Economies of scale and economies of scope are the same.
(3) For optimization, equality between marginal cost and marginal revenue is a necessary condition but it is not a sufficient one.
(4) Law of variable proportions denotes input-output relationship during short-run.



14. Match the items of **List-I** with the items of **List-II** :

- | List-I | List-II |
|--|-------------------------|
| (a) Law of diminishing marginal utility | (i) Cross demand |
| (b) Relationship between price of one commodity and demand for other commodity | (ii) Oligopoly |
| (c) Skimming the cream policy | (iii) Cardinal approach |
| (d) Price rigidity | (iv) Pioneer pricing |

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|-------|-------|-------|-------|
| (1) | (i) | (ii) | (iii) | (iv) |
| (2) | (iii) | (i) | (ii) | (iv) |
| (3) | (ii) | (iv) | (i) | (iii) |
| (4) | (iv) | (iii) | (ii) | (i) |

15. The following are the demand and supply equations in a perfectly competitive market :

$$P = 12 + 0.3 Q_s$$

$$P = 40 - 0.4 Q_d$$

The equilibrium market price would be :

- (1) 24 (2) 10 (3) 40 (4) 20

16. Which of the following is **not** an accounting software package ?

- (1) Quick Books (2) Sage one (3) Sage M (4) Sage 50

17. Which one of the following formula is used to calculate probable error of correlation-coefficient between two variables of 'n' pairs of observations ?

- | | |
|--|--|
| (1) $0.6745 \left[\frac{1 - r^2}{\sqrt{n}} \right]$ | (2) $0.5758 \left[\frac{1 - r^2}{\sqrt{n}} \right]$ |
| (3) $0.675 \left[\frac{1 - r^2}{n} \right]$ | (4) $0.5758 \left[\frac{1 - r^2}{n} \right]$ |

18. If the population is heterogeneous, which one of the following probability sampling methods is more appropriate ?

- (1) Sequential sampling (2) Quota sampling
 (3) Double sampling (4) Stratified sampling



19. Which of the following relating to normal distribution are **not** correct ?

- (i) Co-efficient of skewness is three.
- (ii) It is mesokurtic.
- (iii) Mean deviation for it is $\frac{2}{3} \sigma$.
- (iv) $\mu \pm 2\sigma$ covers 95.45% area.
- (v) Mean, median and mode are equal.
- (vi) The standard normal variate z has mean one and SD zero.

Codes :

- (1) (i), (iii) and (vi) (2) (iii), (iv) and (v) (3) (i), (iii) and (v) (4) (i), (iii) and (iv)

20. Which one of the following statements is **false** ?

- (1) Both correlation and regression co-efficients have same sign.
- (2) Arithmetic mean of the regression co-efficients is always more than the correlation co-efficient.
- (3) Regression co-efficients are independent of both the origin and scale.
- (4) Correlation co-efficient is the square root of two regression co-efficients.

21. Match the items of **List-I** with **List-II** :

List-I	List-II
(a) "He who can manage, can manage anything".	(i) Henry Fayol
(b) "Due to these experiments, a factory does not remain a factory, it is converted into a laboratory".	(ii) William B. Cornell
(c) "Management succeeds or fails as human relations in business are intelligently or unintelligently handled".	(iii) F.W. Taylor
(d) "A place for everything, and everything in its place".	(iv) Lawrance A. Appley

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (1) | (i) | (ii) | (iii) | (iv) |
| (2) | (i) | (ii) | (iv) | (iii) |
| (3) | (iv) | (iii) | (ii) | (i) |
| (4) | (iii) | (ii) | (i) | (iv) |



22. **Assertion (A)** : Management is mainly associated with economic affairs.

Reasoning (R) : Big business houses are the result of effective financial management.

Codes :

- (1) (A) is correct and (R) is the right explanation of (A).
- (2) Both (A) and (R) are correct but (R) is not the right explanation of (A).
- (3) (A) is incorrect but (R) is correct in isolation.
- (4) Both (A) and (R) are incorrect.

23. Areas of establishing objectives under MBO are :

- (i) Market Standing
- (ii) Innovation
- (iii) Industrial Relations
- (iv) Public Accountability
- (v) Productivity
- (vi) Industrial Policy

Codes :

- (1) (iii), (iv), (v) and (vi)
- (2) (i), (ii), (iv) and (v)
- (3) (i), (ii), (v) and (vi)
- (4) (ii), (iii), (iv) and (v)

24. Match the items of **List-I** with **List-II** :

List-I

List-II

- | | |
|----------------------------------|------------------------|
| (a) Management of Tomorrow | (i) Chris Argyris |
| (b) Motivation and Personality | (ii) Fredrick Hergberg |
| (c) The Motivation of Work | (iii) L.F. Urwick |
| (d) Personality and Organisation | (iv) A.H. Maslow |

Codes :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (i) | (iv) | (ii) | (iii) |
| (2) | (iii) | (iv) | (i) | (ii) |
| (3) | (iv) | (iii) | (ii) | (i) |
| (4) | (iii) | (iv) | (ii) | (i) |



25. Narayan Murthy Committee revised its recommendations on Corporate Governance as on 29th October 2004 which diluted the following areas :

- (i) Independence of Directors
- (ii) Whistle Blower Policy
- (iii) Performance evaluation of Non-Executive Directors
- (iv) Mandatory training of Non-Executive Directors

Codes :

- (1) (i), (ii) and (iii) only
- (2) (i) and (iii) only
- (3) (i), (ii) and (iv) only
- (4) All (i), (ii), (iii) and (iv)

26. The service marketing mix is an extended marketing mix and includes :

- (i) People
- (ii) Process
- (iii) Service
- (iv) Physical evidence

Codes :

- (1) (ii), (iii) and (iv)
- (2) (i), (ii) and (iii)
- (3) (i), (ii) and (iv)
- (4) (i), (iii) and (iv)

27. Black box model in marketing relates to :

- (1) Marketing planning
- (2) Marketing mix
- (3) Marketing control
- (4) Consumer behaviour

28. Items, considered part of the augmented product, do **not** include :

- (1) Guarantee
- (2) Warranty
- (3) Complementary products
- (4) Channels of distribution

29. Which of the following is **not** a type of direct marketing ?

- (1) Direct mail marketing
- (2) Retail marketing
- (3) Telemarketing
- (4) Email direct marketing

30. 'Press release' is a part of :

- (1) Public relations
- (2) Advertising
- (3) Sales promotion
- (4) None of the above



31. In capital budgeting, the term capital rationing implies :
- (1) that no retained earnings are available.
 - (2) that limited funds are available for investment.
 - (3) that no external funds can be raised.
 - (4) that no fresh investment is required in current year.
32. In certainty equivalent approach, adjusted cash flows are discounted at :
- (1) Accounting Rate of Return
 - (2) Internal Rate of Return
 - (3) Hurdle Rate
 - (4) Risk Free Rate
33. Combined leverage is calculated as :
- (1) Operating Leverage + Financial Leverage
 - (2) Operating Leverage – Financial Leverage
 - (3) Operating Leverage \times Financial Leverage
 - (4) Operating Leverage \div Financial Leverage
34. Which of the following is **not** true with reference to capital budgeting ?
- (1) Capital budgeting is related to asset replacement decisions.
 - (2) Cost of capital is equal to minimum required return.
 - (3) Existing investment in a project is not treated as sunk cost.
 - (4) Timing of cash flows is relevant.
35. What is Economic Order Quantity ?
- (1) Cost of an order
 - (2) Cost of stock
 - (3) Reorder level
 - (4) Optimum order size
36. Which of the following is **not** a basic objective of HRM ?
- (1) To attract HR into the organisation
 - (2) To develop and motivate HR for better performance
 - (3) To have the reward and punishment system for HR
 - (4) To integrate and maintain HR in the organisation



37. What is 'gate hiring' ?
- (1) To select people who approach on their own for employment in the organisation.
 - (2) To select people who are recommended by the employees.
 - (3) To select people from public employment exchanges.
 - (4) To select people supplied by labour contractors.

38. Matching essential managers and essential positions is a step in the process of :
- | | |
|---------------------|-------------------------|
| (1) Career Cycle | (2) Succession Planning |
| (3) Career Planning | (4) Career Stages |

39. The barriers to effective performance appraisal are :
- (i) Psychological blocks of managers
 - (ii) Faulty assumptions of the parties concerned
 - (iii) Technical pitfalls
 - (iv) Faulty written communications

Codes :

- | | |
|------------------------------------|---|
| (1) All are correct. | (2) Only (ii) and (iii) are correct. |
| (3) Only (i) and (ii) are correct. | (4) Only (i), (ii) and (iii) are correct. |

40. Who has developed the 'Systems Approach' of industrial relations ?

- | | |
|-----------------------|---------------------|
| (1) John Dunlop | (2) Garry S. Becker |
| (3) Michael J. Jucius | (4) Edwin B. Flippo |

41. In 1992, the banking sector reforms were introduced as per :

- (1) C. Rangarajan Committee Report
- (2) M. Narasimham Committee Report
- (3) Suresh Tandulkar Committee Report
- (4) Sukhamoy Chakrabarty Committee Report



42. For the purpose of extending rural banking and agro finance, the NABARD :
- (1) Directly lends and monitors the rural borrowers
 - (2) Refinances the banks extending rural finance
 - (3) Refinances the rural borrowers obtaining credit from banks
 - (4) Directly finances the rural borrowers and gets refinance from government
43. When RBI grants loan to commercial banks and charges interest on it, it is called :
- (1) Repo rate
 - (2) Reverse Repo rate
 - (3) Sweep stack rate, basic rate
 - (4) Bank rate
44. E-banking business is essentially regulated by the Information Technology Act, 2000, under which personal signature is replaced by :
- (1) Encrypted signature
 - (2) Image signature
 - (3) Digital signature
 - (4) Online signature
45. In order to control inflation and ensure stability in money market :
- (1) The RBI works under the direction of ministry of finance, government of India.
 - (2) The RBI acts independently and can refuse the government directive.
 - (3) The RBI acts under the board of directors.
 - (4) The RBI's board of governors shall abide by the government directive.
46. In respect of international business, a project is called a turnkey project because :
- (1) The licensee agrees to construct an entire plant in his home county and hands over the key.
 - (2) The licensor starts the operation and hands over the key of the operating plant to the licensee.
 - (3) The licensor starts the operation and then invites the licensee and hands over the key to complete the remaining work.
 - (4) The licensor and the licensee jointly carry out the project and agree to share profit equally.



47. Match the items in **List-I** with the items in **List-II** :

List-I	List-II
(a) Bretton woods conference	(i) WTO
(b) Soft loan window	(ii) World Bank
(c) Geneva	(iii) IFC
(d) Loan to private sector	(iv) IDA

Codes :

	(a)	(b)	(c)	(d)
(1)	(i)	(iii)	(ii)	(iv)
(2)	(iv)	(iii)	(ii)	(i)
(3)	(ii)	(iv)	(i)	(iii)
(4)	(iv)	(ii)	(iii)	(i)

48. **Assertion (A)** : The member nations, consistently finding balance of payments crisis, may approach the World Bank seeking financial accommodation to mitigate the crisis.

Reasoning (R) : The member nations facing balance of payments crisis can approach the IMF seeking redressal of the BOP crisis.

Codes :

- (1) **(A)** is correct and **(R)** is correct explanation of **(A)**.
- (2) **(A)** is correct but **(R)** is wrong.
- (3) **(R)** is correct and **(A)** is wrong.
- (4) Both **(A)** and **(R)** are wrong.

49. In computation of balance of payments, overall balance of payments =

- (1) Balance of current account + Balance of capital account + Statistical discrepancy
- (2) Export of goods and invisibles – Import of goods
- (3) Foreign exchange inflow – Foreign exchange outflow
- (4) Export of goods and invisibles + Import of goods and invisibles

50. The instrument chosen for enhancement of international liquidity is :

- (1) Society for World wide Inter bank Financial Telecommunications (SWIFT)
- (2) Special Drawing Rights (SDRs)
- (3) Multilateral Netting
- (4) Netting of Payments

- o o o -



COMMERCE
PAPER - II

Note : This paper contains **fifty (50)** objective type questions of **two (2)** marks each. **All** questions are **compulsory**.

1. Environmental degeneration does **not** consist of :
 - (1) Land degeneration and soil erosion
 - (2) Problem of over grazing and ecological degeneration
 - (3) Floods
 - (4) None of the above

2. Which of the following is **not** the main objective of "Fiscal Policy of India" ?
 - (1) To increase liquidity in economy
 - (2) To promote price stability
 - (3) To minimize the in-equality in income and wealth
 - (4) To promote employment opportunities

3. Liberalization means :
 - (1) Reducing number of reserved industries from 17 to 8
 - (2) Liberating the industry, trade and economy from unwanted restriction
 - (3) Opening up economy to the world by attaining international competitiveness
 - (4) Free determination of interest rate

4. **Assertion (A) :** Industrialization of an economy is considered synonymous with growth.
Reasoning (R) : The transfer of resources from agrarian to industrial may be capital or labour or both.
Codes :
 - (1) Both **(A)** and **(R)** are true and **(R)** is correct explanation of **(A)**.
 - (2) Both **(A)** and **(R)** are true but **(R)** is not the correct explanation of **(A)**.
 - (3) **(A)** is true but **(R)** is false.
 - (4) **(A)** is false but **(R)** is true.

5. Globalization is the term used to describe process of removal of restriction on which one of the following ?
 - (1) Foreign trade
 - (2) Investment
 - (3) Both (1) and (2)
 - (4) None of the above



6. Interest on loan taken for the purchase of fixed assets is a :
- (1) Revenue Expenditure (2) Capital Expenditure
 (3) Deferred Revenue Expenditure (4) Capital Loss
7. Dual Aspect Concept results in the following accounting equation :
- (1) Revenue = Expenses (2) Capital + Profits = Assets + Expenses
 (3) Capital + Liabilities = Assets (4) Capital + Drawings = Owner's Equity

8. Match the items in **Column - 1** with the items in **Column - 2** :

Column - 1	Column - 2
(a) Materiality Concept	(i) The same accounting method used by a firm from one period to another
(b) Going Concern Concept	(ii) An inappropriate assumption of a firm being bankrupt
(c) Historical Cost Concept	(iii) A normal basis used for accounting assets
(d) Consistency Concept	(iv) Relates to the importance of an item or event

Codes :

	(a)	(b)	(c)	(d)
(1)	(iv)	(ii)	(iii)	(i)
(2)	(i)	(ii)	(iii)	(iv)
(3)	(ii)	(iii)	(iv)	(i)
(4)	(iv)	(ii)	(i)	(iii)

9. 'X' Ltd. has a liquid ratio of 2 : 1. If its stock is ₹ 40,000 and its current liabilities are of ₹ 1 Lac, its current ratio will be :
- (1) 1.4 times (2) 2.4 times (3) 1.2 times (4) 3.4 times
10. 'Comparison of the financial statements of the current year with the performance of previous years of the same firm', is known as :
- (1) Trend Analysis (2) Horizontal Analysis
 (3) Intra - firm comparison (4) All of the above
11. The Marshallian utility analysis is based on a less valid assumption of :
- (1) cardinal measurability of the utility
 (2) given marginal utility of money
 (3) diminishing marginal utility of the goods
 (4) additivity of the utility



12. Match the items of the **List - I** with those of the **List - II** and indicate the **correct** code :

List - I		List - II	
(a)	Convexity of the indifference curve to origin	(i)	Indifference curve analysis
(b)	Quantity of certain goods sacrificed for a large quantity of other goods	(ii)	Consumer's equilibrium
(c)	Equality of the ratio of the marginal utilities with that of the prices of the two goods	(iii)	Substitutability/complementarity of the two goods
(d)	Separation of substitution and income effects from the total price effect	(iv)	Marginal rate substitution

Codes :

	(a)	(b)	(c)	(d)
(1)	(iv)	(ii)	(i)	(iii)
(2)	(iii)	(iv)	(ii)	(i)
(3)	(iii)	(i)	(iv)	(ii)
(4)	(i)	(iii)	(ii)	(iv)

13. Firms producing and selling a large variety of goods will generally follow :

- | | |
|-----------------------|--------------------------|
| (1) Cost plus pricing | (2) Marginal pricing |
| (3) Skimming pricing | (4) Product line pricing |

14. For the following two statements of **Assertion (A)** and **Reasoning (R)** indicate the **correct** code :

Assertion (A) : All firms under perfect competition in long run earn only normal profit.

Reasoning (R) : All firms under perfect competition in long run operate at the minimum average cost level.

Codes :

- | | |
|--|--|
| (1) (A) and (R) both are correct. | (2) (A) is correct but (R) is not correct. |
| (3) (A) is not correct but (R) is correct. | (4) (A) and (R) both are incorrect. |

15. Match the items of **List - I** with those of **List - II** and indicate the **correct** code :

List - I		List - II	
(a)	Substitute Goods	(i)	Negative Cross Elasticity
(b)	Complementary Goods	(ii)	Low Price Elasticity
(c)	Giffen Goods	(iii)	Positive Cross Elasticity
(d)	High Income Group Consumption Goods	(iv)	Positive Price Elasticity

Codes :

	(a)	(b)	(c)	(d)
(1)	(iii)	(iv)	(ii)	(i)
(2)	(iii)	(i)	(iv)	(ii)
(3)	(ii)	(iii)	(i)	(iv)
(4)	(i)	(ii)	(iii)	(iv)



16. Which one of the following is **not** a method of studying association of attributes ?
- (1) Concurrent Deviation Method (2) Proportion Method
 (3) Yule's Method (4) Coefficient of Contingency
17. Identify which of the following steps would be included in hypothesis testing :
- (a) State the null and alternative hypothesis.
 (b) Set the significance level before the research study.
 (c) Eliminate all outliers.
 (d) Obtain the probability value using a computer program such as SPSS.
 (e) Compare the probability value to the significance level and make the statistical decision.
- Codes :**
- (1) (a), (c) and (d) (2) (c), (d), and (e)
 (3) (a), (b), (d) and (e) (4) (b), (c), (d) and (e)
18. Select the methods of finding out correlation from the following :
- (a) Karl Pearson's Method
 (b) Spearman's Rank Method
 (c) Yule's Method
 (d) Coefficient of Contingency
 (e) Concurrent Deviation Method
- Codes :**
- (1) (a), (b), (c) (2) (a), (b), (c), (d)
 (3) (a), (b), (e) (4) (c), (d), (e)
19. A set of data can be distinguished from other set of data by means of :
- (1) Central value and dispersion
 (2) Central value, dispersion and skewness
 (3) Central value, dispersion, skewness and Kurtosis
 (4) None of the above
20. The advent of computers in research has led to :
- (1) Limitations of options in analysis
 (2) Tremendous amount of flexibility with marginal increase in cost
 (3) Myopic exposure of statistics to the researcher
 (4) None of the above



21. Who among the following is **not** related to the planning function given by Taylor ?

- | | |
|-----------------|-------------------------|
| (1) Route clerk | (2) Time and cost clerk |
| (3) Inspector | (4) Disciplinarian |

22. Match the following :

(Book)	(Author)
(a) Functions of the Executive	(i) Charles Babbage
(b) On the Economy of Machinery and Manufactures	(ii) Henri Fayol
(c) The Effective Executive	(iii) Chester Barnard
(d) General and Industrial Administration	(iv) Peter Drucker

Codes :

	(a)	(b)	(c)	(d)
(1)	(i)	(ii)	(iii)	(iv)
(2)	(iii)	(i)	(iv)	(ii)
(3)	(iv)	(iii)	(i)	(ii)
(4)	(iii)	(iv)	(i)	(ii)

23. The classical organisation theory treats organisation as a/an :

- | | |
|----------------------|-------------------|
| (1) Open system | (2) Closed system |
| (3) Technical system | (4) Macro system |

24. Which of the following is a systematic interactive forecasting method that relies on a panel of experts ?

- | | |
|--------------------|----------------------|
| (1) Pay-off matrix | (2) Game theory |
| (3) Queing theory | (4) Delphi technique |

25. According to Hersey and Blanchard's situational approach to leadership, the 'participating style' of leadership has :

- (1) High task and low relationship orientation
- (2) High task and high relationship orientation
- (3) Low task and high relationship orientation
- (4) Low task and low relationship orientation



26. Which of the following is **not** a reason for the failure of new products ?
- (1) Good idea but overestimated market size.
 - (2) Correctly positioned new product, not promoted effectively or overpriced.
 - (3) Development costs are lower than or equal to estimated or expected.
 - (4) Competitors fight back harder than expected.
27. Which one of the following is **true** for the calculation of overall market share ?
- (1) (Customer penetration) × (Customer loyalty) × (Price selectivity)
 - (2) (Customer loyalty) × (Customer selectivity) × (Price selectivity)
 - (3) (Customer selectivity) × (Price selectivity) × (Customer penetration)
 - (4) (Customer penetration) × (Customer loyalty) × (Customer selectivity) × (Price selectivity)
28. _____ is wielded by a manufacturer that threatens to withdraw a resource or terminate a relationship if intermediaries fail to cooperate.
- (1) Coercive Power
 - (2) Legitimate Power
 - (3) Expert Power
 - (4) Reference Power
29. When the consumers favour those products which offer the most quality, performance or innovative features, then it is called as :
- (1) Production concept
 - (2) Product concept
 - (3) Sales concept
 - (4) Marketing concept
30. Match the items of **List - I** with **List - II** where the PLC curve patterns are given for different categories :
- | List - I | List - II |
|----------------------|-----------------------------------|
| (a) Product category | (i) One of several variant shapes |
| (b) Product forms | (ii) Longest PLC |
| (c) Products | (iii) Standard PLC |
| (d) Branded Products | (iv) Short or long PLC |

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|-------|-------|------|-------|
| (1) | (iii) | (iv) | (ii) | (i) |
| (2) | (i) | (ii) | (iv) | (iii) |
| (3) | (iv) | (ii) | (i) | (iii) |
| (4) | (ii) | (iii) | (i) | (iv) |



31. The term 'capital structure' implies :
- (1) Share Capital + Reserves + Long-Term Debts
 - (2) Share Capital + Long and Short-Term Debts
 - (3) Share Capital + Long-Term Debts
 - (4) Equity and Preference Share Capital
32. A company has issued 10 percent perpetual debt of ₹ 1 lac at 5 percent premium. If tax rate is 30 percent, then the cost of debt will be :
- (1) 10 percent
 - (2) 15 percent
 - (3) 6.66 percent
 - (4) 8.21 percent
33. "Dividend is not relevant in determining the value of the company". Who among the following held this opinion ?
- (1) J.E. Walter
 - (2) Ezra Soloman
 - (3) Modigliani-Miller
 - (4) M.J. Gordon
34. The formula $\frac{Q}{2}$ is used to compute the :
- (1) Total ordering cost
 - (2) Total carrying cost
 - (3) Opportunity cost
 - (4) Re-order point
35. Financial Leverage is measured by :
- (1) $\frac{EBIT}{EAT}$
 - (2) $\frac{EBIT}{EBT}$
 - (3) $\frac{EAIT}{EBT}$
 - (4) $\frac{C}{EBIT}$
36. Which of the following is a key role of HR Manager as defined by Ulrich et al (2009) ?
- (1) Personnel Administrator
 - (2) Business Ally
 - (3) Payroll Advisor
 - (4) Organizational Geographer
37. Which of the following is the most serious problem that might arise due to excessive reliance on internal recruitment ?
- (1) reduced job performance
 - (2) high labour turnover
 - (3) lack of motivation
 - (4) internal resistance



38. Match the methods of performance appraisal given in **List - I** with the explanations given in the **List - II** :

List - I

List - II

- | | |
|--|---|
| (a) Behaviourally Anchored Rating Scale (BARS) | (i) Evaluator keeps a log of critical incidents to evaluate performance |
| (b) Management By Objectives (MBO) | (ii) Evaluator indicates on a scale how often the appraise was actually observed engaging in the specific behaviours already identified |
| (c) Critical incident method | (iii) Evaluator rates on the scale described in the form of critical incidents |
| (d) Behaviour observation scale | (iv) Systematic and organized approach that allows management to focus on achievable goals |

Codes :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (ii) | (iv) | (i) | (iii) |
| (2) | (i) | (iv) | (ii) | (iii) |
| (3) | (iii) | (iv) | (i) | (ii) |
| (4) | (ii) | (i) | (iv) | (iii) |

39. The internal factors affecting the wage mix include :

- | | |
|-------------------------------|--------------------------------|
| (a) Relative worth of the job | (b) Area wage rates |
| (c) Employer's ability to pay | (d) Manpower market conditions |

Codes :

- | | |
|----------------------|----------------------|
| (1) (a), (b) and (c) | (2) (a) and (c) |
| (3) (b), (c) and (d) | (4) All of the above |



40. Match the items of **List - I** with the items of **List - II** :

List - I	List - II
(a) Giri Approach	(i) The utility of non-violence as the means of conflict resolution.
(b) Industrial Sociology Approach	(ii) Organizations are made up of people and the success of management lies in its dealing with these people.
(c) Gandhian Approach	(iii) Voluntary negotiations between employers and employees are a means of settling disputes.
(d) Human Relations Approach	(iv) Investigating the underlying trends and patterns in the cause and effect of industrial disputes.

Codes :

	(a)	(b)	(c)	(d)
(1)	(ii)	(iii)	(i)	(iv)
(2)	(iii)	(iv)	(i)	(ii)
(3)	(i)	(iii)	(ii)	(iv)
(4)	(i)	(ii)	(iv)	(iii)

41. **Assertion (A)** : Taking of deposits and granting of loans single out banks.

Reasoning (R) : Banks act as intermediaries when they mobilize savings from surplus units to shortage units in order to finance productive activities.

Codes :

- (1) **Assertion (A)** is correct and **Reasoning (R)** is the correct explanation of **(A)**.
- (2) Both **Assertion (A)** and **Reasoning (R)** are correct but **(R)** is not the correct explanation of **(A)**.
- (3) **Assertion (A)** is correct but **Reasoning (R)** is incorrect.
- (4) **Reasoning (R)** is correct but **Assertion (A)** is incorrect.

42. "Skimming" in e-banking refers to :

- (1) Identifying fraudsters copying vital information from credit cards
- (2) Multiple transactions by one credit card
- (3) Conversion of a debit card into credit card
- (4) None of the above



43. Match the items of **List - I** with **List - II** in terms of functions of a bank :

List - I (Activities)	List - II (Functions)
(a) Underwriting	(i) Primary Functions
(b) Transfer of funds	(ii) Granting Advances
(c) Overdraft	(iii) Utility Functions
(d) Recurring Deposits	(iv) Agency Functions

Codes :

	(a)	(b)	(c)	(d)
(1)	(i)	(ii)	(iv)	(iii)
(2)	(iv)	(iii)	(ii)	(i)
(3)	(iii)	(iv)	(ii)	(i)
(4)	(ii)	(iv)	(iii)	(i)

44. Which among the following is **not** a subsidiary of Reserve Bank of India ?

- (a) Deposit Insurance and Credit Guarantee Corporation of India.
- (b) Bharatiya Reserve Bank Note Mudran Private Limited.

Codes :

- | | |
|----------------------|-------------------------|
| (1) Only (a) | (2) Only (b) |
| (3) Both (a) and (b) | (4) Neither (a) nor (b) |

45. Which among the following is **not** associated with NABARD ?

- (a) NIEAF
- (b) BIRD
- (c) RIDF
- (d) SHPI

Codes :

- | | |
|----------------------|-----------------------|
| (1) (a) only | (2) (b) only |
| (3) (b) and (c) only | (4) None of the above |

46. Examine the following statements and choose the **correct** code :

Statement - (I) : Companies with Low cash reserves normally prefer Licensing mode rather than Foreign Direct Investment.

Statement - (II) : Cash rich firms normally prefer Foreign Direct Investment.

Codes :

- | | |
|--------------------------------------|--|
| (1) Both (I) and (II) are correct | (2) Both (I) and (II) are wrong |
| (3) (I) is correct but (II) is wrong | (4) (I) is not correct but (II) is correct |



47. Which one of the following is **not** a feature of Business Process Outsourcing (BPO) ?
- (1) It enables executives to concentrate on strategy
 - (2) It improves process and saves money
 - (3) It decreases organizational capabilities
 - (4) None of the above
48. The major outcome of the Bretton Woods Conference was :
- (1) Establishment of IMF and IFC (2) Establishment of IBRD and IFC
 - (3) Establishment of IBRD and ADB (4) Establishment of IMF and IBRD
49. Which one of the following is an important activity of the World Bank borrowings ?
- (1) It borrows in the international capital market
 - (2) It borrows on currency on swap agreements
 - (3) It borrows under the discount net programme
 - (4) All of the above
50. Which one of the following statements is **false** ?
- (1) IFC was established in July 1956
 - (2) IFC encourages the growth and development of Public Sector Enterprises in member countries
 - (3) IFC is an affiliate of the World Bank
 - (4) IFC encourages the growth of productive private enterprises in member countries

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COMMERCE
Paper – II

Note : This paper contains **fifty (50)** objective type questions of **two (2)** marks each. **All** questions are compulsory.

1. For the following statements of Assertion (A) and Reasoning (R) indicate the correct code from the alternatives given :

Assertion (A) : Liberalization means corporatisation of departmental undertakings and public undertakings.

Reasoning (R) : Freedom to public sector undertakings to access capital market.

Codes :

- (1) Both (A) and (R) are true and (R) is correct explanation of (A).
- (2) Both (A) and (R) are true but (R) is not a correct explanation of (A).
- (3) (A) is true but (R) is false.
- (4) (A) is false but (R) is true.

2. Match the items of List – I with List – II and indicate the correct code :

List – I

List – II

- | | |
|--------------------------|-----------------------------------|
| a. Fiscal Policy | i. Mitigation of National hazards |
| b. Technology Policy | ii. Balance of Payment |
| c. Macro-Economic Policy | iii. Fiscal Federalism |
| d. Monetary Policy | iv. Inflation |

Codes :

- | | a | b | c | d |
|-----|-----|-----|-----|-----|
| (1) | i | ii | iii | iv |
| (2) | iii | i | ii | iv |
| (3) | iv | iii | i | ii |
| (4) | ii | i | iv | iii |

3. Which of the following factor is not directly responsible for slowing down the growth of infrastructure ?

- (1) High level of perceived political risk.
- (2) High level of sunk cost.
- (3) High probability of time and cost over-run.
- (4) Introduction of competition in all sectors.

4. Out of the following which is not a major component of Gross Domestic Product (GDP) ?

- (1) Personal Consumption Expenditure
- (2) Gross Private Domestic Investment
- (3) Net Personal Income
- (4) Net Exports

5. Which of the following is not a forum of Consumer Dispute Redressal System ?

- (1) Local forum
- (2) District forum
- (3) State Forum (State Commission)
- (4) National Commission

6. X Ltd. purchased 70 percent of the shares of Y Ltd. at a price of ₹ 1,00,000. Share capital of Y Ltd. was of ₹ 70,000 and its accumulated profits amounted to ₹ 90,000. What would be the amount of Minority Interest in the consolidated Balance Sheet ?
- (1) ₹ 25,000 (2) ₹ 70,000
 (3) ₹ 1,00,000 (4) ₹ 40,000

7. Match the items in Column – I with the items in Column – II and indicate the correct code :

Column – I	Column – II
a. Debt-Equity Ratio	i. $\frac{\text{Net Profit before interest and tax}}{\text{Interest on long term loans}}$
b. Proprietary Ratio	ii. $\frac{\text{Equity share capital + Reserves}}{\text{Preference share capital + Interest bearing finance}}$
c. Interest coverage ratio	iii. $\frac{\text{Long term debts}}{\text{Shareholder's Funds}}$
d. Capital gearing ratio	iv. $\frac{\text{Shareholder's Funds}}{\text{Total Assets}}$

Codes :

	a	b	c	d
(1)	i	ii	iii	iv
(2)	iii	iv	i	ii
(3)	iii	iv	ii	i
(4)	ii	iii	iv	i

8. Ram and Shyam are partners in a firm with capital of ₹ 4,80,000 and ₹ 3,10,000, respectively. They admitted Ganesh as a partner with $\frac{1}{4}$ th share of profit. Ganesh brings ₹ 3,00,000 as his capital. Ganesh's share of goodwill will be
- (1) ₹ 1,10,000 (2) ₹ 27,500
 (3) ₹ 17,500 (4) ₹ 70,000

9. Which of the following is a deferred revenue expenditure ?
- (1) Legal expenses incurred on the purchase of land.
 (2) Expenses on a mega advertisement campaign while launching a new product.
 (3) Expenses incurred on installation of a new machine.
 (4) Wages paid for construction of an additional room in the building.

10. The amount of depreciation charged to Profit and Loss Account varies every year under :
- (1) Fixed instalment method (2) Annuity method
 (3) Diminishing balance method (4) Insurance policy method

11. Ordinal utility analysis of the consumer's behaviour is considered superior to the cardinal utility analysis mainly due to
- (1) assumption of the rationality of the consumer's behaviour.
 - (2) possibility of the derivation of the consumer's demand.
 - (3) bifurcation of price effects into income and substitution effects.
 - (4) consideration of the available limited resources for satisfying consumer's demand.
12. For the following statements of Assertion (A) and Reasoning (R) indicate the correct code :
- Assertion (A)** : Price reduction normally leads to an increase in the demand for a commodity.
- Reason (R)** : Price reduction leads to the entry of new buyers of the commodity in the market.
- Codes :**
- (1) (A) is correct but (R) is not correct.
 - (2) (A) is not correct but (R) is correct.
 - (3) Both (A) and (R) are correct and (R) offers full explanation of (A).
 - (4) Both (A) and (R) are correct but (R) does not offer full explanation of (A).
13. The minimum Long Run Average Cost (LAC) can be determined on a
- I. LAC curve for a normal production function
 - II. LAC curve for a linear production function
 - III. Planning curve
 - IV. Envelope curve
- Codes :**
- (1) I II III
 - (2) II III IV
 - (3) I III IV
 - (4) I II IV
14. Monopoly is not considered desirable from the point of view of the society mainly because the monopolist endeavours to
- (1) earn net revenue on sale of all goods including those involving no cost of production.
 - (2) earn net revenue on sale of goods in short run as well as long run.
 - (3) charge different prices for the same product from the different categories of buyers.
 - (4) produce below economic capacity level when he exhibits satisfaction with normal profit only.
15. Product-line pricing strategy includes which combination of the following ?
- I. Public utility pricing
 - II. Complementary goods pricing
 - III. Spare parts pricing
 - IV. Load factor pricing
- Codes :**
- (1) I II III
 - (2) II III IV
 - (3) I II IV
 - (4) I III IV

16. When the data are classified only on the basis of descriptive characteristics which cannot be quantified is known as

- (1) Geographical classification (2) Chronological classification
 (3) Qualitative classification (4) Quantitative classification

17. Which one of the following is a false description ?

- (1) In a moderately asymmetrical distribution, the empirical relationship between Mean, Mode and Median suggested by Karl Pearson is
 $Mean - Mode = 3 (Mean - Median)$
 (2) Coefficient of variation is an absolute measure of dispersion.
 (3) Measure of skewness indicates the direction and extent of skewness in the distribution of numerical values in the data set.
 (4) Kurtosis refers to the degree of flatness or peakedness in the region around the mode of a frequency curve.

18. Match the items of List – I with the items of List – II and indicate the code of correct matching :

List – I	List – II
a. Coefficient of determination	i. $\gamma_{xy} \frac{\sigma_x}{\sigma_y}$
b. Spearman's Rank correlation coefficient	ii. $1 - \frac{6 \sum d^2}{n(n^2 - 1)}$
c. Regression coefficient of x on y variable	iii. $\frac{\sum xy}{n\sigma_x\sigma_y}$
d. Karl Pearson's formula of calculating γ	iv. γ^2

Codes :

- | | a | b | c | d |
|-----|-----|-----|-----|-----|
| (1) | i | ii | iii | iv |
| (2) | i | iv | ii | iii |
| (3) | iv | iii | ii | i |
| (4) | iii | ii | iv | i |

19. **Statement – I :** When the null hypothesis is true but as per the hypothesis-testing, it is rejected, it is known as beta type error in hypothesis testing.

Statement – II : Chi-square test is exclusively a non-parametric test.

Codes :

- (1) Both the statements are true.
 (2) Both the statements are false.
 (3) Statement – I is true while Statement – II is false.
 (4) Statement – I is false while Statement – II is true.

20. Computers that recognize data as discrete signals are called ?

- (1) Analog computers (2) Digital computers
 (3) Hybrid computers (4) Super computers

21. Herbert Simon’s concept of administrative man assumes that
- (a) He has satisfying approach in decision making rather than the maximising approach.
 - (b) He can make decisions without determining all possible alternatives.
 - (c) He is completely rational in decision making.
- (1) (a) only (2) (b) only
 (3) Both (a) and (b) (4) (a), (b) and (c)

22. Which of the following statement(s) is/are correct about scalar chain principle as given by Fayol ?
- (a) Each communication, going up or down, must flow through each position in the line authority.
 - (b) Chain of communication cannot be broken under any circumstances.
- (1) Only (a) is correct. (2) Only (b) is correct.
 (3) Neither (a) nor (b) is correct. (4) Both (a) and (b) are correct.

23. A mission statement should be
- (a) Self-explanatory
 - (b) Elaborate
 - (c) Distinctive
 - (d) Feasible

Codes :

- (1) (a) only (2) (a) and (b)
 (3) (a), (b) and (c) (4) (a), (c) and (d)

24. Match List – I and List – II and indicate the correct code :

List – I		List – II	
a. Equity theory		i. Motivation depends on ratios of inputs and outcomes of self and others.	
b. Vroom’s theory		ii. People are motivated to achieve a goal to the extent that they expect that certain action will help them to reach the goal.	
c. Porter and Lawler model		iii. There exists a complex relationship among motivation, performance and satisfaction.	
d. Herzberg’s theory		iv. A challenging job that has opportunities for achievement, recognition, responsibility and growth will motivate employees.	

Codes :

- | | a | b | c | d |
|-----|-----|-----|-----|----|
| (1) | i | ii | iii | iv |
| (2) | ii | i | iii | iv |
| (3) | iii | ii | i | iv |
| (4) | i | iii | ii | iv |

25. Assertion (A) : ‘Grapevine’ tends to be more active during periods of change, excitement, anxiety and sagging economic conditions.

Reason (R) : Employees use this communication to fill in important information gaps and clarify management decisions.

Codes :

- (1) (A) is right and (R) is wrong.
- (2) (A) is wrong and (R) is right.
- (3) Both (A) and (R) are right and (R) explains (A).
- (4) Both (A) and (R) are right but (R) does not explain (A).

26. Which type of differentiation is used to gain competitive advantage through the way a firm designs its distribution coverage, expertise and performance ?

- (1) Channel differentiation
- (2) Services differentiation
- (3) People differentiation
- (4) Product differentiation

27. Which one of the following is the most likely result of a marketing strategy that attempts to serve all potential customers ?

- (1) All customers will be delighted.
- (2) Customer-perceived value will be increased.
- (3) The company will need to follow up with a demarketing campaign.
- (4) Not all customers will be satisfied.

28. Which of the following is not a primary activity in Michael Porter’s value chain ?

- (1) Inbound logistics
- (2) Operations
- (3) Outbound logistics
- (4) Procurement

29. Which of the following represents consistency of results when the test instrument is used repeatedly ?

- (1) Validity
- (2) Reliability
- (3) Relativity
- (4) Sensitivity

30. Assertion (A) : Too many stimuli make a person accommodated to those sensations. Sensory adaptation is a problem that concerns many advertisers, which is why they try to change their advertising campaigns regularly.

Reason (R) : To cut through advertising clutter and to ensure that consumers perceive advertisement, marketers try to increase sensory input.

Codes :

- (1) (A) is right and (R) is wrong.
- (2) (A) is wrong and (R) is right.
- (3) Both (A) and (R) are right but (R) does not explain (A).
- (4) Both (A) and (R) are right and (R) explains (A).

31. Which of the following is not a feature of payback period method ?
- (1) It is simply a method of cost recovery and not of profitability.
 - (2) It does not consider the time value of money.
 - (3) It does not consider the risk associated with the projects.
 - (4) It is very difficult to calculate.
32. Which of the following is not a source of credit information of prospective customers ?
- (1) Letter of credit
 - (2) Bank Reference
 - (3) Trade Enquiry
 - (4) Credit Bureau
33. The portion of earnings which is distributed among shareholders in the form of dividend is called
- (1) Proprietary Ratio
 - (2) Earnings-yield Ratio
 - (3) Payout Ratio
 - (4) Retention Ratio
34. Select the correct code regarding motives for holding inventories by firms :
- (a) Transaction motive
 - (b) Environmental motive
 - (c) Precautionary motive
 - (d) Speculative motive
 - (e) Competitive motive
- Codes :**
- (1) (a), (b), (c), (d)
 - (2) (a), (b), (d), (e)
 - (3) (a), (d), (e)
 - (4) (a), (c), (d)
35. Which of the following formulae is related to operating leverage ?
- (1) $\frac{\text{Contribution}}{\text{Operating Profit}}$
 - (2) $\frac{\text{Sales} - \text{Variable Cost}}{\text{Earnings before Interest and tax}}$
 - (3) $\frac{\text{Percentage change in EBIT}}{\text{Percentage change in sales}}$
 - (4) All of the above
36. Which of the following is not true in case of HRM ?
- (1) Employees are seen as an investment to be nurtured as well as a cost to be controlled.
 - (2) Conflicts are dealt with by team members within their teams.
 - (3) Preference is for collective bargaining of pay and working conditions.
 - (4) Emphasis is on competitive pay and conditions to stay ahead of competitors.

37. Which one of the following is an advantage of Magazines as a source of recruitment ?

- (1) Less expensive
- (2) Long lead time for advertisement placement
- (3) Reach a diverse audience
- (4) Many unmotivated applicants

38. Examine the following statements and choose the correct code :

Assertion (A) : Human Resource planning must always be seen within the strategy making context.

Reason (R) : Human Resource planning process removed from the realities of the business will be a waste of time.

Codes :

- (1) Both (A) and (R) are correct.
- (2) Both (A) and (R) are wrong.
- (3) (A) is correct, but (R) is wrong.
- (4) (A) is not correct, but (R) is correct.

39. Match the items of List – I with the items of List – II and select the correct code :

List – I

List – II

- | | |
|----------------------|---|
| a. Golden parachutes | i. The right to purchase a stated number of shares of a company stock at today's price at some time in the future. |
| b. Gain sharing | ii. An incentive plan that engages employees in a common effort to achieve productivity objectives and share the gains. |
| c. Stock-option | iii. Payments companies make in connection with a change in ownership or control of a company |
| d. Annual bonus | iv. Plans designed to motivate short term performance of managers and are tied to company profitability. |

Codes :

- | | a | b | c | d |
|-----|-----|-----|-----|----|
| (1) | iii | i | ii | iv |
| (2) | i | ii | iii | iv |
| (3) | ii | iii | i | iv |
| (4) | iii | ii | i | iv |

40. Which one of the following is not a function of plant council ?
- (1) Recommend and improve safety, health and welfare measures.
 - (2) Determination of productivity schemes taking into consideration the local conditions.
 - (3) Planning, implementation and review of monthly targets and schedules.
 - (4) Review of working of shop level bodies.

41. **Assertion (A)** : “Banks globally are facing more challenges now, and Macro sustainability is a necessity but not sufficient for sustainable economic growth.”

Reason (R) : “Putting regulations in place is only one part and their implementation is equally important for achieving growth and sustainability.”

Codes :

- (1) (A) and (R) both are true and (R) is correct explanation of (A).
- (2) (A) and (R) both are true but (R) is not the correct explanation of (A).
- (3) (A) is true and (R) is false.
- (4) (A) is false and (R) is true.

42. Banking on telephone service includes :

- (i) Automatic balance voice out
- (ii) Inquiry all term deposit account
- (iii) Direct cash withdrawal
- (iv) Utility bill payment
- (v) Voice out last five transactions

Codes :

- (1) (i), (ii), (iii) and (v)
- (2) (i), (ii), (iv) and (v)
- (3) (ii), (iii), (iv) and (v)
- (4) All (i), (ii), (iii), (iv) and (v)

43. Which one of the following banks currently ranks number one in India in terms of market capitalization ?

- (1) State Bank of India
- (2) I.C.I.C.I. Bank
- (3) U.T.I. Bank
- (4) I.D.B.I. Bank

44. Match the items of Column – I with the items in Column – II and suggest the correct code :

Column – I		Column – II	
a.	Interbank call market	i.	Money market
b.	Commercial Bills	ii.	Promissory note
c.	Commercial paper market	iii.	Short-term maturity
d.	Treasury bills	iv.	Government papers

Codes :

	a	b	c	d
(1)	i	ii	iv	iii
(2)	iii	i	ii	iv
(3)	i	iii	iv	ii
(4)	iv	iii	ii	i

45. Match the items of List – I with List – II with regard to the BASEL III norms and select the correct code :

List – I		List – II	
a.	Pillar 1	i.	Supervisory review process
b.	Pillar 2	ii.	Market discipline
c.	Pillar 3	iii.	Minimum regulatory capital requirements based on Risk Weighted Assets (RWAs)

Codes :

	a	b	c
(1)	i	ii	iii
(2)	i	iii	ii
(3)	iii	ii	i
(4)	iii	i	ii

46. **Assertion (A) :** Comparative cost theory is static in character.

Reason (R) : Comparative cost theory is based on fixed supplies of factors of production.

Codes :

- (1) (A) is correct, but (R) is incorrect.
- (2) (R) is correct, but (A) is incorrect.
- (3) (A) and (R) both are correct, but (R) is not the correct explanation of (A).
- (4) (A) and (R) both are correct and (R) is the correct explanation of (A).

47. Match the items of List – I with List – II with regard to Balance of Payments equilibrium :

- | List – I | | List – II | |
|-----------------|------------------------------|------------------|---|
| a. | Exchange control | i. | Exporters surrender foreign exchange to the central bank. |
| b. | Trade Policy Measure | ii. | Bank rate raised by the central bank |
| c. | Expenditure reducing policy | iii. | Reduction in foreign exchange rate |
| d. | Expenditure switching policy | iv. | Enhancing exports by granting subsidies |

Codes :

- | | a | b | c | d |
|-----|-----|-----|-----|-----|
| (1) | i | iv | ii | iii |
| (2) | i | ii | iii | iv |
| (3) | iii | ii | iv | i |
| (4) | iv | iii | ii | i |

48. Which among the following is closely associated with intellectual property rights ?

- | | |
|-----------|-----------|
| (1) GATS | (2) TRIMS |
| (3) TRIPS | (4) MFN |

49. What is not correct about International Development Association (IDA) ?

- Following earthquake in 2015, IDA has helped Nepal rebuild and recover.
- IDA ranks as the highest performing multilateral development bank in 2016.
- IDA is a subsidiary bank of IBRD.
- India has procured highest amount of international loan from IDA.

Codes :

- | | |
|-----------------|-----------------|
| (1) (a) and (b) | (2) (c) |
| (3) (d) | (4) (a) and (c) |

50. As per the Foreign Trade Policy 2015-2020, a three star export house should have :

- Export performance (FOB/FOR) of US \$ 100 million during current and previous two years.
- Export performance (FOB/FOR) of US \$ 500 million during current and previous two years.
- Export performance (FOB/FOR) of US \$ 1000 million during current and previous two years.
- Export performance (FOB/FOR) of US \$ 2000 million during current and previous two years.

COMMERCE
Paper – II

Note : This paper contains **fifty (50)** objective type questions of **two (2)** marks each. **All** questions are compulsory.

1. **Assertion (A) :** Industrialization is the sine-qua-non of economic progress.
Reasoning (R) : Government is committed to rapid and balanced industrialization of the country with a view to benefitting common man.

- (1) Both (A) and (R) are true and (R) is correct explanation of (A).
- (2) Both (A) and (R) are true but (R) is not the correct explanation of (A).
- (3) (A) is true but (R) is false.
- (4) (A) is false but (R) is true.

2. Match the items in Column – I to the items in Column – II :

Column – I		Column – II	
a. Fiscal deficit		i. Market Securities	
b. SEBI		ii. Government expenditure	
c. RBI		iii. Economic growth	
d. National Income		iv. Monetary policy	

Codes :

- | | a | b | c | d |
|-----|-----|----|-----|-----|
| (1) | ii | iv | iii | i |
| (2) | iii | i | iv | ii |
| (3) | i | ii | iii | iv |
| (4) | i | iv | ii | iii |

3. Withdrawl of government from a sector partially or fully is known as

- (1) Modernization
- (2) Liberalization
- (3) Privatization
- (4) Globalization

4. In case the amount claimed by the consumer is ₹ 89 lakhs, then which of the following will handle the case ?

- (1) District consumer redressal forum
- (2) State consumer dispute redressal commission
- (3) National consumer dispute redressal commission
- (4) Supreme Court of India

5. India relaxed quantitative restrictions on imports of 1429 items in 2000 and 2001 as per the commitment to which of the following ?

- (1) GATT
- (2) SAFTA
- (3) NAM
- (4) WTO

6. According to which of the following categories of activities, a cash flow statement should be prepared as per AS-3 ?
- I. Cash flow from operating activities
 - II. Cash flow from investing activities
 - III. Cash flow from financing activities
 - IV. Cash flow from production activities
 - V. Cash flow from selling activities
- Codes :**
- | | |
|----------------|-----------------------|
| (1) I, II, III | (2) I, II, III, IV, V |
| (3) I, II, IV | (4) II, III, IV, V |
7. Capital in the business is treated as a liability due to
- | | |
|---------------------------|-----------------------------|
| (1) Dual aspect concept | (2) Business entity concept |
| (3) Going concern concept | (4) Accrual concept |
8. X, Y and Z are partners in a firm sharing profits and losses equally. They decided to share profits in ratio of 2 : 1 : 2 respectively. The gaining ratio of X and Z will be
- | | |
|-----------|-----------|
| (1) 1 : 2 | (2) 2 : 1 |
| (3) 1 : 1 | (4) 3 : 2 |
9. While preparing the Cash Flow Statement, suggest the correct code for the items treated as cash and cash equivalents :
- I. Balance in the current account with Allahabad Bank.
 - II. Investment in 5-years government bonds maturing after one week.
 - III. Investment in the shares of a subsidiary company.
 - IV. Investment in equity mutual funds.
 - V. Fixed deposits with State Bank of India maturing after one year.
- Codes :**
- | | |
|----------------|----------------|
| (1) I, II, III | (2) I, III, IV |
| (3) I, III | (4) I, II |
10. The directors of X Ltd. resolved to forfeit 2000 equity shares of ₹ 10 each. On these shares ₹ 7.50 per share was paid up, but final call of ₹ 2.50 per share was unpaid. 1,000 of the forfeited shares were reissued at ₹ 7 per share. Capital Reserve Account will be credited by
- | | |
|-------------|-------------|
| (1) ₹ 4,500 | (2) ₹ 7,500 |
| (3) ₹ 2,500 | (4) ₹ 5,000 |
11. In case the quantity of a commodity demanded changes due to change in price of the commodity, it is called
- (1) Increase or decrease in demand
 - (2) Expansion or contraction of demand
 - (3) Law of demand
 - (4) Positive change in demand

12. Match the items of the List – I with those of the List – II and indicate the correct code from the following :

List – I

- a. Cardinal Utility Analysis
- b. Ordinal Utility Analysis
- c. Revealed Preference Analysis
- d. Logical Ordering Analysis

List – II

- i. J.R. Hicks and R.G.D. Allen
- ii. Alfred Marshall
- iii. J.R. Hicks
- iv. Paul A. Samuelson

Codes :

- | | a | b | c | d |
|-----|-----|-----|-----|-----|
| (1) | iii | iv | i | ii |
| (2) | ii | i | iv | iii |
| (3) | i | iii | ii | iv |
| (4) | iv | ii | iii | i |

13. Producer's equilibrium as per isoquants and isocosts can be determined on which combination of the following ?

- I. Convex to the origin isoquant
- II. Portion of isoquant within Ridgelines
- III. Linear isoquant
- IV. Complete complementarity isoquant

Codes :

- (1) I II III
- (2) II III IV
- (3) I II IV
- (4) I III IV

14. The impact of the price variation is to change :

- (1) the degree of elasticity of demand as well as the degree of the elasticity of supply in the same direction.
- (2) the degree of the elasticity of demand as well as the degree of the elasticity of supply in the inverse direction.
- (3) the degree of the elasticity of demand but not the degree of the elasticity of supply.
- (4) the degree of the elasticity of supply but not the degree of the elasticity of demand.

15. Cost plus pricing strategy is suitable for

- I. Product Tailoring
- II. Refusal Pricing
- III. Monopoly Pricing
- IV. Monopsony Pricing

Codes :

- (1) I II III
- (2) II III IV
- (3) I II IV
- (4) I III IV

16. A scale of measurement for a variable that considers order, distance and unique origin is known as
- | | |
|--------------------|-------------------|
| (1) Nominal Scale | (2) Ordinal Scale |
| (3) Interval Scale | (4) Ratio Scale |

17. Match the items of List – I with the items of List – II and indicate the code of correct matching :

List – I		List – II	
i. Geometric mean	a.	Averaging the ratio of two different measuring units	
ii. Mode	b.	Averaging percentage changes in a particular variable	
iii. Harmonic mean	c.	Knowing the middle value in a distribution	
iv. Median	d.	Knowing the most frequency occurring value in the data set	

Codes :

	a	b	c	d
(1)	i	iii	ii	iv
(2)	i	iv	iii	ii
(3)	iii	i	iv	ii
(4)	iii	ii	i	iv

18. The area under the normal curve covered within $\mu \pm 1.96 \sigma$ limit is ?
- | | |
|----------|----------|
| (1) 0.95 | (2) 0.68 |
| (3) 0.50 | (4) 0.99 |

19. **Statement – I :** The absolute value of the difference between an unbiased estimate based on a randomly selected representative sample and the corresponding population parameter is known as sampling error.

Statement – II : Coefficient of correlation is independent of the change of origin and scale of measurement.

Codes :

- | |
|--|
| (1) Both the Statements are true. |
| (2) Both the Statements are false. |
| (3) Statement – I is true while Statement – II is false. |
| (4) Statement – I is false while Statement – II is true. |

20. Which of the following is a part of the central processing unit of a computer ?
- | | |
|---------------------------|------------------------|
| (1) Hard Disk | (2) RAM |
| (3) Arithmetic Logic Unit | (4) Video Display Unit |

21. According to Henry Fayol, which of the following qualities are required in a manager ?
- | |
|---|
| (1) Physical, mental, moral, educational, technical and experience |
| (2) Physical, mental, moral, administrative, technical and experience |
| (3) Physical, mental, moral, conceptual, technical and experience |
| (4) Physical, mental, moral, conceptual, technical and commercial |

22. Which of the following organises the activities of a business around geographical, market or product groups ?
- (1) Functional organisational structure (2) Divisional organisational structure
 (3) Project organisational structure (4) Matrix organisational structure

23. Match List – I and List – II on the basis of Graicuna’s formulae of relationships, if the number of subordinates is ‘n’ :

List – I		List – II	
a.	Direct single relationship	i.	n
b.	Cross relationships	ii.	$n(n - 1)$
c.	Direct Group relationships	iii.	$n(2^{n-1} - 1)$
d.	Total relationships	iv.	$n\left(\frac{2^n}{2} + n - 1\right)$

Codes :

	a	b	c	d
(1)	i	iv	ii	iii
(2)	i	ii	iii	iv
(3)	i	iv	iii	ii
(4)	i	iii	ii	iv

24. Which of the following is not a content theory of motivation ?

- (a) Maslow’s Need Hierarchy Theory
 (b) Herzberg’s Two Factor Theory
 (c) Vroom’s Vector Valence Theory
 (d) Alderfer’s ERG Theory
- (1) (d) only (2) (c) and (d)
 (3) (c) only (4) (b) and (d)

25. Which one of the following regarding the structural barriers to communication is correct ?

- (1) Filtering and Inattention (2) Credibility and Attitude
 (3) Emotions and Time pressure (4) Status and Specialisation

26. Though often criticized, the selling concept is particularly appropriate and effective with which of the following types of products ?

- (1) Convenience (2) Shopping
 (3) Unsought (4) Speciality

27. Your firm is attempting to divide up the total market to determine the best segments it can serve. Which is the correct order of doing so ?

- (1) market segmentation, target marketing, market positioning
 (2) target marketing, market positioning, market segmentation
 (3) market positioning, market segmentation, target marketing
 (4) mass marketing, demographic segmentation, psychographic segmentation

28. Which of the following marketing strategies is/are based on the principle of stimulus generalisation ?
- Product line extension
 - Family branding
 - Licensing
 - Counterfeiting

Codes :

- (a) and (b)
 - (b) and (c)
 - (a), (b) and (c)
 - (a), (b), (c) and (d)
29. The tendency for persuasive communication to lose the impact of source credibility over time, is known as
- Hawthorne Effect
 - Sleeper Effect
 - Pull back Effect
 - Source Effect

30. Match the following :

List – I

List – II

- | | |
|--------------------|---|
| a. Brand Portfolio | i. A set of all brands and brand lines a firm offers for sale in a particular category or market segment. |
| b. Brand Equity | ii. An estimate of financial value of the brand. |
| c. Brand Community | iii. Customers and employees whose identification and activities focus around the brand. |
| d. Brand Valuation | iv. The added value endowed to products and services. |

Codes :

- | | | | | |
|-----|----|-----|-----|----|
| | a | b | c | d |
| (1) | ii | iv | iii | i |
| (2) | i | ii | iii | iv |
| (3) | i | iv | iii | ii |
| (4) | iv | iii | ii | i |

31. Which of the following formulae is used to calculate the degree of combined leverage ?

- $\frac{\% \text{ change in EBT}}{\% \text{ change in EBIT}}$
- $\frac{\% \text{ change in EPS}}{\% \text{ change in Sales}}$
- $\frac{\% \text{ change in EBIT}}{\% \text{ change in sales}}$
- None of the above

32. Statement – I : Both Net Income (NI) approach and Modigliani-Miller (MM) approach assume that cost of capital is independent of the degree of financial leverage.

Statement – II : A capital structure which minimises cost of capital and maximises EPS, is an optimum capital structure.

Codes :

- (1) Statement – I and Statement – II both are correct.
- (2) Statement – I and Statement – II both are wrong.
- (3) Statement – I is correct and Statement – II is wrong.
- (4) Statement – I is wrong and Statement – II is correct.

33. Which of the following is the formula of Gordon Model of Dividend policy ?

- (1) $V = \frac{1}{1 + K} (D_1 + P_1)$
- (2) $V = \frac{E(1 - b)}{K - br}$
- (3) $V = \frac{D + \frac{r}{K} (E - D)}{K}$
- (4) $V = \frac{E(1 - b)}{K}$

34. Which of the following formula is used for calculating the cost of preference share capital ?

- (1) $\frac{\text{Preference Dividend}}{\text{Market Price of Preference Share}} \times 100$
- (2) $\frac{\text{Preference Dividend}}{\text{Net proceeds from preference share}} \times 100$
- (3) $\frac{\text{Net proceeds from preference share}}{\text{Preference share capital}} \times 100$
- (4) $\left(\frac{\text{Preference Dividend}}{\text{Net Proceeds from Pref. Share}} \times 100 \right) + G$

35. Select the recognised methods of inventory control from the following :

- (a) EOQ Analysis
- (b) ABC Analysis
- (c) HML Analysis
- (d) SDA Analysis
- (e) FSN Analysis

Codes :

- (1) (a), (b), (c)
- (2) (a), (b), (c), (e)
- (3) (a), (b), (c), (d)
- (4) (a), (b), (c), (d), (e)

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

List – I

- a. Line authority
- b. Staff authority
- c. Implied authority
- d. Functional authority

List – II

- i. Authority which gives the manager the right to advise other managers or employees.
- ii. The authority exerted by manager by virtue of other's knowledge that he has access to top management.
- iii. The authority exerted by directing the activities of the people in his own department.
- iv. The authority exerted by a manager as co-ordinator of activities.

Codes :

- | | a | b | c | d |
|-----|-----|----|-----|-----|
| (1) | iii | ii | i | iv |
| (2) | iii | i | ii | iv |
| (3) | i | ii | iii | iv |
| (4) | ii | iv | i | iii |

37. Which of the following are not the disadvantages of Direct-mail as a source of recruitment ?

- (i) Expensive
- (ii) Difficult to gauge the impact
- (iii) Long lead time
- (iv) Limited information regarding the jobs

Codes :

- (1) (i) & (ii)
- (2) (i), (ii) & (iii)
- (3) (iii) & (iv)
- (4) (ii) & (iv)

38. Examine the following statements and choose the correct code :

Statement – I : Motivation is expensive and above all difficult.

Statement – II : Things that are the most motivating to employees tend to be relatively easy to do and less costly.

Statement – III : Personally recognizing the accomplishments of employees can be easy.

Codes :

- (1) All the three statements are correct.
- (2) Statements – II and III only are correct.
- (3) Statements – I and III only are correct.
- (4) Statement – I only is correct.

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

List – I

List – II

- | | |
|-------------------------|--|
| a. Flexitime | i. Employees work for fewer days in the week, but work for longer hours. |
| b. Telecommuting | ii. Two or more employees share a full time job. |
| c. Compressed work week | iii. Employees work from house using their computers. |
| d. Job sharing | iv. Employees decide their own start and stop time |

Codes :

- | | | | | |
|-----|----|-----|----|----|
| | a | b | c | d |
| (1) | i | iii | iv | ii |
| (2) | ii | iii | i | iv |
| (3) | iv | iii | i | ii |
| (4) | i | iii | ii | iv |

40. Examine the following statements and choose the correct code :

Statement – I : The Payment of Wages Act is meant to regulate the payment of wages to employees from certain industries.

Statement – II : The Minimum Wages Act aims at making provision for statutory fixation of minimum rates of wages in certain employment.

Statement – III : The main purpose of the Employment Exchange Act is to provide practical training to technically qualified persons.

Codes :

- (1) Statements I and II only are correct.
- (2) All the three Statements are correct.
- (3) Statements II and III only are correct.
- (4) Only Statement II is correct.

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

List – I

List – II

- | | |
|------------------------|-------------------------|
| a. Foreign Bank | i. Catholic Syrian Bank |
| b. Public Sector Bank | ii. Sonali Bank |
| c. Private Sector Bank | iii. IDBI Bank |
| d. Regional Rural Bank | iv. Pallavan Grama Bank |

Codes :

- | | | | | |
|-----|----|-----|-----|----|
| | a | b | c | d |
| (1) | i | iii | ii | iv |
| (2) | ii | iii | i | iv |
| (3) | i | iv | iii | ii |
| (4) | i | ii | iii | iv |

42. E-Banking is also referred to as

- (a) Web-based Banking
- (b) Branchless Banking
- (c) Virtual Banking
- (d) Internet Banking
- (e) Western Banking
- (f) Neo-classical Banking

Codes :

- (1) (a), (b), (c) and (d)
- (2) (a), (b), (c) and (e)
- (3) (a), (c), (d) and (f)
- (4) (a), (c), (d) and (e)

43. SBI has applied to open branches in Pakistan in recent agreement between India and Pakistan at

- (1) Islamabad and Karachi
- (2) Lahore and Karachi
- (3) Rawalpindi and Sindh
- (4) Lahore and Islamabad

44. **Statement – I** : A loss Asset (NPA) is one where loss has been identified by the internal or external auditors.

Statement – II : A loss Assets (NPA) is uncertain but it must be identified as a loss.

Codes :

- (1) Statement I is correct but II is incorrect.
- (2) Statement II is correct but I is incorrect.
- (3) Both Statements I and II are correct.
- (4) Both Statements I and II are incorrect.

45. Match the items of List – I with List – II with regard to the functions of NABARD :

List – I

List – II

- | | |
|----------------------------|--|
| a. Financial Functions | i. Core Banking solution to co-operative banks |
| b. Developmental functions | ii. Credit monitoring arrangements |
| c. Supervisory functions | iii. Farm sector refinance through RRBs |

Codes :

- | | | | |
|-----|-----|-----|-----|
| | a | b | c |
| (1) | iii | ii | i |
| (2) | iii | i | ii |
| (3) | ii | i | iii |
| (4) | i | iii | ii |

46. **Statement – I** : A country tends to specialise in the production of those goods for which it has got relative or comparative advantage.

Statement – II : The theory of comparative cost is simply an application of the principle of division of labour.

Codes :

- (1) Statement I is correct but II is incorrect.
- (2) Statement II is correct but I is incorrect.
- (3) Both Statements I and II are incorrect.
- (4) Both Statements I and II are correct.

47. Match the items of List – I with List – II with regard to balance of Payment position of a country :

List – I

- a. Cyclical Disequilibrium
- b. Secular Disequilibrium
- c. Technological Disequilibrium
- d. Structural Disequilibrium

List – II

- i. Change in demand or supply of exports alters a previously existing equilibrium
- ii. Fluctuations in the economic activities
- iii. Deep-seated changes in an economy
- iv. Inventions or innovations of new goods or new techniques of production

Codes :

- | | a | b | c | d |
|-----|-----|-----|----|-----|
| (1) | i | ii | iv | iii |
| (2) | i | iii | iv | ii |
| (3) | ii | iii | iv | i |
| (4) | iii | ii | iv | i |

48. Which among the followings are not guiding fundamental principles of World Trade Organization ?

- | | |
|---------------------------------|----------------------|
| (a) Non-discrimination | (b) Free-trade |
| (c) Social-Welfare | (d) Fair competition |
| (e) Market Access Commitment | (f) Human Rights |
| (g) Multilateral Trading System | |

Codes :

- | | |
|----------------------|----------------------|
| (1) (a), (b) and (c) | (2) (c), (e) and (f) |
| (3) (c), (f) and (g) | (4) (c) and (f) |

49. Consider the following statements with reference to International Development Association (IDA) :

- (a) IDA is the world’s largest source of concessional financial assistance for the poorest countries.
- (b) IDA is a leader among development institutions.
- (c) IDA advances loans to industries in exceptional cases.

Codes :

- (1) (a) is correct but, (b) and (c) are incorrect
- (2) (a) and (b) are correct but, (c) is incorrect.
- (3) (a) and (c) are correct but, (b) is incorrect.
- (4) (b) and (c) are correct but, (a) is incorrect.

50. As per the Foreign Trade Policy 2015-2020, a five star export house should have ?

- (1) Export performance (FOB/FOR) of US \$ 500 million during current and previous two years.
- (2) Export performance (FOB/FOR) of US \$ 1000 million during current and previous two years.
- (3) Export performance (FOB/FOR) of US \$ 1500 million during current and previous two years.
- (4) Export performance (FOB/FOR) of US \$ 2000 million during current and previous two years.

COMMERCE

Paper – II

Note : This paper contains **fifty (50)** objective type questions of **two (2)** marks each. **All** questions are compulsory.

1. **Assertion (A) :** Corporate culture is generally considered as either closed and threatening or as open and participatory.

Reason (R) : Corporate culture and style of functioning of top managers is important factor for determining the internal environment of a company.

Codes :

- (1) (A) is correct, but (R) is incorrect.
- (2) Both (A) and (R) are correct and (R) is the correct explanation of (A).
- (3) Both (A) and (R) are correct, but (R) is not the correct explanation of (A).
- (4) (R) is correct, but (A) is incorrect.

2. **Statement I :** If the workers develop an attitude of non-cooperation with Management, a repressive economic system may be needed to set right this industrial disorder.

Statement II : By fulfilling social responsibility towards shareholders, employees, consumers, government and community, a business achieves economic growth and increases public image.

Codes :

- (1) Statement I is correct, but II is incorrect.
- (2) Both the statements I and II are correct.
- (3) Statement II is correct but I is incorrect.
- (4) Both the statements are incorrect.

3. Match the items of List-I with List-II.

	List – I	List – II
a.	Planning Commission	i. 1993
b.	Competition Act	ii. 2002
c.	Adrian Cadbury Committee	iii. 1951
d.	Rangrajan Committee on Disinvestment in PSEs	iv. 1991

Codes :

- | | a | b | c | d |
|-----|-----|----|-----|----|
| (1) | i | ii | iii | iv |
| (2) | iii | i | iv | ii |
| (3) | iii | ii | iv | i |
| (4) | iii | ii | i | iv |

4. From which Five Year Plan “Growth with Social Justice” has received emphasis ?

- (1) 5th
- (2) 6th
- (3) 7th
- (4) 10th

5. Which of the following is not the objective of the Competition Act, 2002 ?
- (1) Prohibition of Restrictive Trade Practices.
 - (2) Prohibition of Dominant Position
 - (3) Prohibition of Anti-competitive Agreements
 - (4) Regulation of Combinations

6. Consolidated financial statements are prepared on the principle
- (1) In form the companies are one entity, in substance they are separate.
 - (2) In form companies are separate, in substance they are one.
 - (3) In form and substance the companies are one entity.
 - (4) In form and substance the companies are separate.

7. Match the items of List-I with those of List-II and indicate the correct code :

List – I

List – II

- | | |
|--------------------------------|---------------------------------|
| a. Acid Test Ratio | i. Profitability analysis |
| b. Debt Service Coverage Ratio | ii. Activity analysis |
| c. Debt Equity Ratio | iii. Liquidity analysis |
| d. Stock Turnover Ratio | iv. Long-term solvency analysis |

Codes :

- | | a | b | c | d |
|-----|-----|-----|-----|----|
| (1) | ii | i | iii | iv |
| (2) | ii | iii | iv | i |
| (3) | iii | iv | i | ii |
| (4) | iii | i | iv | ii |

8. From the following two statements of Assertion (A) and Reason (R), indicate the correct code :

Assertion (A) : From the marginal costing approach point of view, the marginal cost is compared with the purchase price.

Reason (R) : If the marginal cost is less than the purchase price it should be purchased rather than manufactured.

Codes :

- (1) (A) and (R) both are correct.
- (2) (A) is correct, but (R) is not correct.
- (3) (A) is not correct, but (R) is correct.
- (4) (A) and (R) both are incorrect.

9. Which one of the following statements is true about standard labour time ?

- (1) Standard labour time indicates the time in hours needed for a specific process.
- (2) It is standardized on the basis of past experience.
- (3) In fixing standard time due allowance should not be given to fatigue and tool setting.
- (4) The Production Manager does not provide any input in setting the labour time standards.

10. Under the yield method of valuation of equity share capital, if for an equity share of ₹ 50, the normal rate of return is 10% and expected rate of return is 5%, then the value of an equity share will be
- (1) ₹ 25 (2) ₹ 40
 (3) ₹ 50 (4) ₹ 100

11. Match the items of List-I with the items of List-II and denote the code of correct matching.

List – I

List – II

- a. Hypothesis of Sales Revenue Maximization i. W.J. Baumol
 b. Hypothesis of Maximization of Firm's Growth Rate ii. Robin Marris
 c. Hypothesis of Maximization of Managerial Utility Function iii. O.E. Williamson
 d. Hypothesis of Satisfying Behaviour iv. Cyert and March

Codes :

- | | | | | |
|-----|----|-----|-----|-----|
| | a | b | c | d |
| (1) | ii | i | iii | iv |
| (2) | ii | iii | i | iv |
| (3) | i | ii | iii | iv |
| (4) | i | iv | ii | iii |

12. Which of the following is not a correct matching with regard to price elasticity, change in price and change in total revenue ?

Price elasticity coefficient	Change in price	Change in total revenue
(1) Zero	Increase	Increase
	Decrease	Decrease
(2) Less than one	Increase	Decrease
	Decrease	Increase
(3) Equal to one	Increase	No change
	Decrease	No change
(4) More than one	Increase	Decrease
	Decrease	Increase

13. The short-run production function for a firm is as follows :

$$Q = -L^3 + 15L^2 + 10L$$

Where Q denotes total output in physical units and L denotes units of labour which are homogeneous, but are not perfectly divisible and change in labour does not tend to become zero.

Statement I : In this production function, the marginal product of 5th unit of labour is 85.

Statement II : Similarly, in this production function, the average product of the 5th unit of labour is 60.

Codes :

- (1) Both the Statements are true.
 (2) Both the Statements are false.
 (3) Statement I is true, while Statement II is false.
 (4) Statement I is false, but Statement II is true.

14. The Kinked demand curve model of oligopoly was developed by
 (1) Augustin Cournot (2) Stackelberg
 (3) Edgeworth (4) Sweezy
15. For the success of the penetration price policy, which one of the following is not desirable ?
 (1) Short-run demand for the product to have elasticity greater than unity.
 (2) Availability of economies of large scale production.
 (3) Product to have very low cross-elasticity of demand.
 (4) Easy acceptance and adoption of the product by the consumers.
16. **Statement I** : The absolute value of the difference between an unbiased estimate and the corresponding population parameter is called sampling error.
Statement II : Multi-stage sampling is a restricted non-probability based sampling technique.
 Indicate the correct code :
- (1) Both the Statements are correct.
 (2) Both the Statements are incorrect.
 (3) Statement I is correct, while Statement II is incorrect.
 (4) Statement I is incorrect, while Statement II is correct.
17. Match the following items of List-I and List-II with regard to hypothesis-testing and indicate the code of correct matching.

List – I

List – II

- | | |
|---|--------------------------|
| a. The ability of test to reject the null hypothesis when it is false. | i. Level of significance |
| b. The probability of accepting a false null hypothesis. | ii. Type I error |
| c. The probability of rejecting a true null hypothesis due to sampling error. | iii. Type II error |
| d. The probability of rejecting a true null hypothesis. | iv. Power of a test |

Codes :

- | | a | b | c | d |
|-----|----|-----|-----|-----|
| (1) | iv | ii | i | iii |
| (2) | iv | iii | i | ii |
| (3) | i | ii | iii | iv |
| (4) | ii | iii | i | iv |

18. Which one of the following is a false statement ?
 (1) The signs of the regression coefficients are always the same.
 (2) Correlation coefficient is the geometric mean of the two regression coefficients.
 (3) The co-variance between two variables divided by the product of their standard deviations produces the value of coefficient of correlation.
 (4) Coefficient of correlation is independent of origin but not of scale.

19. If the two regression coefficients are 0.8 and 0.2, then the value of coefficient of correlation is
- (1) -0.16 (2) $+0.50$
 (3) $+0.40$ (4) -0.40
20. Process of arranging data into a new order is called
- (1) Manipulation of data (2) Standardization of data
 (3) Sequencing of data (4) Standardized input
21. Developed by the Special Projects Office of the U.S. Navy; this technique was first formally applied to the planning and control of the Polaris Weapon System in 1958 and worked well in expediting the completion of that programme. The technique is known as
- (1) Gantt Chart (2) PERT
 (3) CRM (4) Milestone budgeting
22. Consider the following statements relating to planning and find out which of the following are correct :
- Statement I** : The operating personnel should not be associated with the preparation of the budget.
- Statement II** : A programme indicates the principal operations to be carried out to accomplish a work.
- Statement III** : Under MBO technique, the Managers should be provided with a freehand to laydown the objectives.
- Codes :**
- (1) Only Statement I is correct. (2) Only Statement II is correct.
 (3) Only Statement III is correct. (4) Only Statements I and III are correct.
23. **Assertion (A)** : Sympathetic listening in upward communications often leads to resentment in communicator.
- Reason (R)** : Sympathetic listening and encouraging remarks often lead the communicator to believe that his proposal will receive action not contemplated by superior (communicatee).
- Codes :**
- (1) (A) is correct and (R) is the right explanation to it.
 (2) (A) is correct, but (R) is not the right explanation to it.
 (3) (A) is not correct while (R) is a correct statement.
 (4) Both (A) and (R) are incorrect.
24. **Assertion (A)** : Herzberg believes that today's motivators are tomorrow's hygiene factors.
- Reason (R)** : Some job conditions operate primarily to dissatisfy employees when they are absent, but their presence does not motivate them in strong way.
- Codes :**
- (1) (A) and (R) both are correct and (R) is the right explanation of (A).
 (2) (A) and (R) both are correct, but (R) is not the right explanation of (A).
 (3) (A) is not correct while (R) is a correct.
 (4) Both (A) and (R) are incorrect.

30. An elaborated version of the idea expressed in meaningful consumer term is called
- (1) Product image (2) Product idea
(3) Product concept (4) Prototype
31. Which one of the following combination of rules stands true while preparing schedule of changes in working capital ?
- A. An increase in current assets increases working capital.
B. An increase in current assets decreases working capital.
C. An increase in current liabilities decreases working capital.
D. An increase in current liabilities increases working capital.
- Codes :**
- (1) A and D (2) A and C
(3) B and C (4) C and D
32. **Assertion (A) :** The primary motive of a company in using financial leverage is to magnify shareholders' return under favourable economic conditions.
Reason (R) : To magnify shareholders' return fixed charges funds can be obtained at a cost higher than the firm's rate of return on net assets.
- Codes :**
- (1) (A) is correct and (R) is the correct explanation of (A).
(2) (A) is correct, but (R) is wrong.
(3) (R) is correct, but (A) is wrong.
(4) Both (A) and (R) are wrong.
33. Debt financing is a cheaper source of finance because of
- (1) Time value of money (2) Rate of interest
(3) Tax deductibility of interest (4) Dividends are not payable to lenders
34. Which of the following is not true with reference to capital budgeting?
- (1) Capital budgeting is related to asset replacement decisions.
(2) Cost of capital is equal to minimum required rate of return.
(3) Timing of cash flows is relevant.
(4) Existing investment in a project is not treated as sunk cost.
35. Which of the following statements is not correct ?
- (1) The cost of capital is required rate of return to ascertain the value of the firm.
(2) Different sources of funds have a specific cost of capital related to that source only.
(3) Cost of capital does not comprise any risk premium.
(4) Cost of capital is basic data for NPV technique.
36. Which of the following is not the quality of human resources in any organization ?
- (1) Their behaviour to stimuli is often inconsistent and unpredictable.
(2) They depreciate with passage of time in terms of skills.
(3) They are heterogeneous.
(4) Retaining qualified human resources is a challenge for managers.

37. Human Resource Planning benefits to an organization are reflected in which of the combination of the following ?
- Balance between demand and supply of human resources.
 - Non-compulsion on management to assess critically and continuously the employees and personnel policies.
 - Duplication of efforts and conflicts are avoided.
 - Minimizing the future returns on investment in human resources.

Codes :

- | | |
|----------------|----------------|
| (1) a and b | (2) a and c |
| (3) a, b and c | (4) a, c and d |

38. A statement containing items such as job title, location, summary, duties, materials used, working conditions etc., is called

- | | |
|-----------------------|--------------------|
| (1) Job specification | (2) Job evaluation |
| (3) Job description | (4) Job analysis |

39. Match List-I with List-II relating to theory of wages.

List – I	List – II
(Wage Theory)	(Propounder)
a. Wage Fund Theory	i. John Davidson
b. Subsistence Theory	ii. David Ricardo
c. Residual Claimant Theory	iii. Adam Smith
d. Bargaining Theory of Wages	iv. Francis Walker

Codes :

- | | | | | |
|-----|-----|-----|-----|-----|
| | a | b | c | d |
| (1) | ii | iv | i | iii |
| (2) | iii | ii | iv | i |
| (3) | iv | i | iii | ii |
| (4) | ii | iii | iv | i |

40. Which organizational analysis method is used, among the following, to develop various efficiency indices relating to contribution of human capital in meeting the organizational goals ?

- Objectives analysis
- Resource utilization analysis
- Task analysis
- Organizational climate analysis

41. Match the items of List-I with the items of List-II regarding evaluation of project application and suggest the correct code.

List – I

List – II

- | | |
|-------------------------|---|
| a. Managerial Appraisal | i. Analysis of working results. |
| b. Economic Appraisal | ii. Disposal of factory effluents. |
| c. Financial Appraisal | iii. Analysis about traits of an entrepreneur |
| d. Technical Appraisal | iv. Analysis on employment potential |

Codes :

- | | | | | |
|-----|-----|-----|-----|-----|
| | a | b | c | d |
| (1) | i | ii | iv | iii |
| (2) | ii | i | iii | iv |
| (3) | iii | iv | i | ii |
| (4) | iv | iii | ii | i |

42. Match the items of Column-I with the items of Column-II and suggest the correct code.

Column – I

Column – II

- | | |
|-------------------------|--|
| a. Relationship Banking | i. Dealing in hundis and acceptance of deposits. |
| b. Merchant Banking | ii. Widening the entrepreneurial base and assist in a rapid rate of industrial growth. |
| c. Indigenous Banking | iii. Engaged in the business of Issue Management. |
| d. Development Banking | iv. Creating, maintaining and enhancing strong relationship with customers. |

Codes :

- | | | | | |
|-----|----|-----|-----|-----|
| | a | b | c | d |
| (1) | iv | ii | i | iii |
| (2) | ii | iv | iii | i |
| (3) | iv | iii | i | ii |
| (4) | ii | i | iv | iii |

43. In which year, IFCI Act was amended in order to make it possible to provide assistance, inter alia, for medical, health or other allied services ?

- | | |
|----------|----------|
| (1) 1960 | (2) 1970 |
| (3) 1973 | (4) 1986 |

44. SIDBI was set up as a subsidiary of IDBI to

- (1) Take over the functions of small business financing of IDBI.
- (2) Take over the venture capital operations of ICICI.
- (3) Reconstruct and rehabilitate the sick and closed industrial units financed by IDBI.
- (4) Facilitate, finance and promote India's Foreign trade.

45. Letters of credit, Guarantees, Forward Contracts etc., come under which one of the following ?

- (1) Liabilities of a bank
- (2) Assets of a bank
- (3) Foreign exchange items of a bank
- (4) Off-balance sheet items of a bank

46. Consider the following statements with regard for the “Theory of Absolute Cost Advantage” :

- (i) Productive efficiency differed among different countries because of diversity in natural and acquired resources possessed by them.
- (ii) The difference in natural advantage manifests in varying climate, quality of land, availability of minerals, water and other resources.
- (iii) The difference in acquired resources manifests in different levels of technology and skills available.

Identify the correct code from the following :

- (1) Statement (i) is correct, but (ii) and (iii) are incorrect.
- (2) Statements (i) and (ii) are correct, but (iii) is incorrect.
- (3) All the statements (i), (ii) and (iii) are correct.
- (4) None of the statements is correct.

47. Match the items of List-I with List-II and indicate the correct code.

List – I

List – II

- | | |
|--------------------------------------|--|
| a. Absolute Cost Advantage Theory | i. The empirical evidence based on US export of labour intensive goods challenging the factor endowment theory. |
| b. Comparative Cost Advantage Theory | ii. A country having a direct cost advantage in the production of a product on account of greater efficiency. |
| c. Factor Endowment Theory | iii. A country should produce and export a commodity that primarily involves a factor of production abundantly available within the country. |
| d. Leontief Paradox | iv. A country should specialize in the production and export of a commodity in which it possesses greatest relative advantage. |

Codes :

- | | | | | |
|-----|----|----|-----|-----|
| | a | b | c | d |
| (1) | ii | iv | iii | i |
| (2) | ii | iv | i | iii |
| (3) | ii | i | iii | iv |
| (4) | i | iv | iii | ii |

48. Match the items of List-I with List-II and indicate the code of correct matching :

List – I

List – II

- | | |
|-------------------------------|--|
| a. Accommodating capital flow | i. Creation of international reserve assets by the IMF and their allocation among member countries in order to improve international liquidity. |
| b. Autonomous capital flow | ii. Estimate of foreign exchange flow on account of either variations in the collection of related figures or unrecorded illegal transactions of foreign exchange. |
| c. SDR Allocation | iii. Inflow of foreign exchange to meet the balance of payments deficit, normally from the IMF. |
| d. Statistical discrepancy | iv. Flow of loans/investments in normal course of business. |

Codes :

- | | a | b | c | d |
|-----|-----|----|----|-----|
| (1) | i | ii | iv | iii |
| (2) | iii | iv | i | ii |
| (3) | iii | iv | ii | i |
| (4) | iii | i | ii | iv |

49. **Statement I** : TRIMS agreement refers to conditions or restrictions imposed on foreign investors.

Statement II : TRIMS agreement specifically forbids imposing restrictions on operations of an enterprise which result in protecting domestic products and making imports disadvantageous.

Codes :

- (1) Statement I is correct, but II is incorrect.
- (2) Statement II is correct, but I is incorrect.
- (3) Both the statements I and II are correct.
- (4) Both the statements I and II are incorrect.

50. **Assertion (A)** : Revenue from indirect taxes was the major source of tax revenue till tax reforms were taken during nineties.

Reason (R) : Traditionally India's tax regime relied heavily on indirect taxes including customs and excise.

Codes :

- (1) (A) and (R) both are correct, but (R) is not the correct explanation of (A).
- (2) (A) is correct, but (R) is not correct.
- (3) (A) and (R) both are correct and (R) is the correct explanation of (A).
- (4) (A) and (R) both are incorrect.

**COMMERCE
PAPER - II**

Note : This paper contains **fifty (50)** objective type questions of **two (2)** marks each. **All** questions are **compulsory**.

1. From the following statements of **Assertion (A)** and **Reasoning (R)**, indicate the correct code :

Assertion (A) : Industrial liberalisation became an imperative condition for the growth of forces of competition leading to high efficiency and productivity in Indian industries.

Reasoning (R) : Industrial development and curbing of poverty is only possible through government intervention.

Code :

- (1) (A) and (R) both are not correct.
- (2) (A) is correct but (R) is not the correct explanation of (A).
- (3) (A) is correct and (R) is correct explanation of (A).
- (4) (A) is not correct but (R) is correct.

2. Which of the following statements are **not** correct ?

Statement (I) : Sustainable development means an attempt to achieve the balance between economic growth and conservation / protection of environment.

Statement (II) : Sustainable development means meeting the needs of industries without compromising the needs of import - export balancing.

Statement (III) : Sustainable development means creation of sufficient surplus budgets through stock of capital assets including land.

Code :

- (1) Statements (I) and (III) (2) Statements (II) and (III)
- (3) Statements (I) and (II) (4) Statements (I), (II) and (III)

3. Match items of **List - I** with **List - II** relating to macro environment of business and indicate the code of correct matching :

List - I

- (a) Economic environment
- (b) Political and government environment
- (c) Socio - cultural environment
- (d) Demographic environment

List - II

- (i) Ethical issues
- (ii) Trade and transport policies
- (iii) Economic stratification of population
- (iv) Judiciary powers

Code :

- | | (a) | (b) | (c) | (d) |
|-----|-------|-------|-------|-------|
| (1) | (ii) | (iv) | (i) | (iii) |
| (2) | (i) | (iii) | (ii) | (iv) |
| (3) | (iv) | (ii) | (iii) | (i) |
| (4) | (iii) | (i) | (iv) | (ii) |



4. For which one of the basic reasons, the "Structural Adjustment Programme" was undertaken in India in 1991 ?
- (1) Curbing competition among private sector
 - (2) Establishing predominant role of public sector
 - (3) Establishing a free market economy
 - (4) Regional balancing through planning and licensing

5. Match the items of **List - I** with **List - II** and indicate the correct code of matching :

List - I

List - II

- | | |
|--------------------------------|---|
| (a) Micro external environment | (i) Economic and political factors |
| (b) Macro external environment | (ii) Competition among diverse products targetting disposable income of consumers |
| (c) Non - price competition | (iii) Input suppliers |
| (d) Desire competition | (iv) Sponsoring of events like sports |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (iii) | (i) | (iv) | (ii) |
| (2) | (ii) | (iii) | (iv) | (i) |
| (3) | (iv) | (ii) | (iii) | (i) |
| (4) | (iv) | (i) | (ii) | (iii) |

6. **Assertion (A)** : Debt - equity ratio indicates the long term solvency of a company.

Reasoning (R) : It measures the ability of the company to pay off its long term liabilities.

Select the correct answer from the code given below :

- (1) Both **(A)** and **(R)** are correct and **(R)** is the correct reason for **(A)**.
- (2) Both **(A)** and **(R)** are correct but **(R)** does not explain **(A)** correctly.
- (3) **(A)** is correct but **(R)** is wrong.
- (4) **(A)** is wrong but **(R)** is correct.

7. The balance of property at cost has been ₹ 20,000 and ₹ 17,000 in 2015 and 2016, respectively. The profit on the sale of property of ₹ 2,000 is credited to Capital Reserve Account. New property costing ₹ 5,000 was bought in 2016. Determine the sale proceeds from property.

- | | | | |
|-------------|-------------|--------------|--------------|
| (1) ₹ 3,000 | (2) ₹ 7,000 | (3) ₹ 10,000 | (4) ₹ 15,000 |
|-------------|-------------|--------------|--------------|

8. Goodwill of a firm of X and Y is valued at ₹ 30,000. It is appearing in the books at ₹ 12,000. Z is admitted for 1/4 share. What amount he is supposed to bring for goodwill ?

- | | | | |
|-------------|-------------|-------------|--------------|
| (1) ₹ 3,000 | (2) ₹ 4,500 | (3) ₹ 7,500 | (4) ₹ 10,500 |
|-------------|-------------|-------------|--------------|



9. A Ltd. issued a prospectus inviting applications for 2,000 shares. Applications were received for 3,000 shares and pro-rata allotment was made on the applications of 2,400 shares. If A has been allotted 40 shares, how many shares he must have applied for ?
- (1) 40 (2) 44 (3) 48 (4) 52
10. Which one of the following receipts is of revenue nature ?
- (1) Amount realised from the sale of investments
(2) Dividend received on investment
(3) Amount borrowed from a bank
(4) Compensation received from municipal corporation for the acquisition of land for the construction of road.
11. **Statement (I)** : Business decision makers deal with the complex, rather chaotic, business conditions of the real world and have to find the way to their destination, i.e, achieving the goal that they set for themselves.
- Statement (II)** : Even without application of economic logic and tools of analysis, business decisions are always rational and real and are not counter productive.
- Code :**
- (1) Both the statements are correct.
(2) Both the statements are incorrect.
(3) Statement (I) is correct while statement (II) is incorrect.
(4) Statement (I) is incorrect while statement (II) is correct.
12. Which one of the following statements is **true** ?
- (1) Pure profit is the return in excess of the opportunity cost
(2) Accounting profit is the excess of total revenue over and above the explicit and implicit costs
(3) Profit maximization is the sole objective of the modern firms
(4) Profit is maximum when the difference between marginal revenue and marginal cost is maximum
13. Which one of the following is not the assumption on which the theory of consumer behaviour is based on the cardinal utility approach ?
- (1) Rationality
(2) Constant marginal utility from successive units
(3) Constant marginal utility of money
(4) Utility is measurable



14. **Statement (I)** : Point price elasticity of demand in terms of marginal and average revenues can be measured with the following formula :

$$\frac{AR}{AR - MR}$$

Statement (II) : The point price elasticity of demand is the product of the slope of the demand function and the ratio between corresponding price and quantity.

Code :

- (1) Both the statements are correct.
(2) Both the statements are incorrect.
(3) Statement (I) is correct while statement (II) is incorrect.
(4) Statement (I) is incorrect while statement (II) is correct.
15. Which one of the following is **not** the basic property of indifference curves ?
(1) Negative slope
(2) Indifference curves of two imperfect substitutes are concave to the point of origin
(3) The indifference curves do not intersect nor are they tangent to one another
(4) Upper indifference curves indicate a higher levels of satisfaction
16. The scale of measurement which has no order, distance and unique origin is known as which one of the following ?
(1) Nominal scale (2) Ordinal scale (3) Interval scale (4) Ratio scale
17. The formula to determine the number of classes given by Sturge's Rule is which one of the following ?
(1) $K = 1 + 3.322(\log N)$
(2) $K = (\log N)1.322$
(3) $K = \frac{1 + 3.322}{(\log N)}$
(4) $K = \frac{3.322}{(\log N) + 1}$

Where : K = Number of classes

N = Total number of observations

$(\log N)$ = Logarithm of the total number of observations

18. Which one of the following is **not** the characteristics of normal distribution ?
(1) Bell - shaped and symmetric
(2) Mean, Median and Mode of the distribution are equal
(3) The total area under the curve for the normal probability distribution is one
(4) The two tails of the distribution in both the directions touches the horizontal axis



19. **Assertion (A)** : A reasonably sized sample drawn randomly from large sized population contains almost all the characteristics which exist in the population.

Reasoning (R) : The theory of sampling is based on the two important laws of statistics, viz., Law of statistical Regularity and law of inertia of large numbers.

Code :

- (1) Both (A) and (R) are correct and (R) is the complete explanation of (A).
- (2) Both (A) and (R) are correct but (R) is not the complete explanation of (A).
- (3) (A) is not correct while (R) is correct.
- (4) Both (A) and (R) are not correct.

20. **Statement (I)** : If the alternative hypothesis is as $H_a : \mu \neq \mu_0$; a researcher requires two - tailed test in hypothesis - testing.

Statement (II) : The mean of the sampling distribution of mean is not equal to the parametric value of mean.

Code :

- (1) Both the statements are true.
- (2) Both the statements are false.
- (3) Statement (I) is true, while statement (II) is false.
- (4) Statement (I) is false, while statement (II) is true.

21. Match the items of **List - I** with **List - II** ; and choose the correct code of combination :

List - I

- (a) The Fundamentals of Top Management
- (b) Middle Management
- (c) The Essence of Management
- (d) Principles and Practice of Management

List - II

- (i) Peter F. Drucker
- (ii) R.C. Davis
- (iii) E.L.F. Brech
- (iv) Mary Caushing Nile

Code :

- | | (a) | (b) | (c) | (d) |
|-----|-------|-------|-------|-------|
| (1) | (ii) | (iv) | (iii) | (i) |
| (2) | (ii) | (iv) | (i) | (iii) |
| (3) | (ii) | (iii) | (i) | (iv) |
| (4) | (iii) | (iv) | (i) | (ii) |

22. **Statement (I)** : Management is not just a creature of the economy; it is a creator as well.

Statement (II) : He who can manage, can manage anything.

Code :

- (1) Statement (I) is correct but (II) is incorrect.
- (2) Statement (II) is correct but (I) is incorrect.
- (3) Both the statements (I) and (II) are incorrect.
- (4) Both the statements (I) and (II) are correct.



23. **Assertion (A)** : Due to these experiments (Time, Motion and Fatigue Studies) a factory does not remain a factory, it is converted into a laboratory.

Reasoning (R) : Management succeeds or fails as human relations in business are intelligently or unintelligently handled.

Code :

- (1) Both (A) and (R) are correct and (R) is the right explanation of (A).
- (2) Both (A) and (R) are correct but (R) is not the right explanation of (A).
- (3) (A) is correct but (R) is not correct.
- (4) (R) is correct but (A) is not correct.

24. Who among the following is not associated with theories of motivation ?

- (1) A.H. Maslow
- (2) Cris Argyris
- (3) Frederick Herzberg
- (4) Peter F. Drucker

25. As per the Herzberg's Hygiene Theory of motivation, which among the following is not a motivational factor ?

- (1) Recognition
- (2) Working Conditions
- (3) Responsibility
- (4) Achievements

26. When Walt Disney World's Magic kingdom lets customers visit a fairy kingdom, a pirate ship, or a haunted house, then what is marketed in this example ?

- (1) Services
- (2) Events
- (3) Experiences
- (4) Ideas

27. Which one of the following statements is **true** according to VALS framework of psychographic segmentation ?

- (1) The consumers who are primarily motivated by ideals are guided by knowledge and principles.
- (2) The consumers who are motivated by achievement look for knowledge and principles.
- (3) The consumers who are motivated by self expression don't desire social or physical activity, variety, and risk.
- (4) The consumers who are motivated by achievement desire social or physical activity, variety, and risk.

28. From the following two statements of **Assertion (A)** and **Reason (R)**, indicate the correct code :

Assertion (A) : A transformational appeal of communication elaborates on a non-product related benefit or image.

Reasoning (R) : Transformational appeals often do not attempt to stir up emotions that will motivate purchase.

Code :

- (1) (A) and (R) both are correct.
- (2) (A) is correct (R) is not correct.
- (3) (A) is not correct (R) is correct.
- (4) (A) and (R) both are incorrect.



29. Select the correct sequence for Hierarchy-of-effects model related to marketing communication :

- (1) Awareness → Knowledge → Liking → Preference → Conviction → Purchase
- (2) Knowledge → Awareness → Liking → Conviction → Preference → Purchase
- (3) Awareness → Liking → Knowledge → Conviction → Preference → Purchase
- (4) Liking → Awareness → Knowledge → Preference → Conviction → Purchase

30. Match the items of **List - I** with the items of **List - II** and denote the code of correct matching :

List - I

- (a) Basic Product
- (b) Expected Product
- (c) Augmented Product
- (d) Potential Product

List - II

- (i) Set of attributes and conditions buyers normally expect
- (ii) Possible augmentation and transformation the product might undergo in future
- (iii) Exceed customer expectations
- (iv) Converting core benefits into product

Code :

- | | (a) | (b) | (c) | (d) |
|-----|-------|-------|-------|------|
| (1) | (iii) | (iv) | (i) | (ii) |
| (2) | (i) | (iii) | (iv) | (ii) |
| (3) | (i) | (iv) | (iii) | (ii) |
| (4) | (iv) | (i) | (iii) | (ii) |

31. Which of the following statements is **false** ?

- (1) The opportunity cost of an input is considered in capital budgeting
- (2) Capital budgeting decisions are reversible in nature
- (3) Cash flows and accounting profits are different
- (4) An expansion decision is a capital budgeting decision

32. Match the items of **List - I** with those of **List - II** and indicate the correct code :

List - I

- (a) ABC Analysis
- (b) Walter Model
- (c) Capital Rationing
- (d) Net Operating Income Approach

List - II

- (i) Dividend Decision
- (ii) Capital Budgeting Decision
- (iii) Capital Structure Decision
- (iv) Working Capital Management Decision

Code :

- | | (a) | (b) | (c) | (d) |
|-----|-------|-------|-------|-------|
| (1) | (i) | (iii) | (ii) | (iv) |
| (2) | (ii) | (i) | (iii) | (iv) |
| (3) | (iv) | (i) | (ii) | (iii) |
| (4) | (iii) | (i) | (ii) | (iv) |



33. Main objective of employing Financial Leverage is to :
- (1) Reduce the risk associated with profits
 - (2) Maintain the stability in profits
 - (3) Decrease the cost of debt capital
 - (4) Magnify the return on equity share capital
34. Which one of the following is **not** a method of calculating cost of equity capital ?
- (1) Dividend yield method
 - (2) Dividend yield plus growth method
 - (3) Yield to maturity method
 - (4) Earnings yield method
35. Which one of the following equates the present value of cash out flows and the present value of expected cash inflows from a project ?
- (1) Net Present Value
 - (2) Internal Rate of Return
 - (3) Pay back Period
 - (4) Accounting Rate of Return
36. Which one of the following is **not** true ?
- (1) Material resources are subject to laws of mechanics and they cannot have an output greater than the input.
 - (2) Human resources are capable of exponential growth and development.
 - (3) Human resources cannot yield an output that may be far greater than what the value of their input warrants.
 - (4) In current scenario, gradually, the emphasis has shifted from muscle power to use of mind power.
37. The pluralistic approach of industrial conflict is based on which one of the following basic assumption / premise ?
- (1) That conflict occurs when the tendency of industrial society is to treat worker as an isolated individual and deprive him of all control over his environment
 - (2) That an enterprise contain people with coalition of different interests
 - (3) That industrial conflict is a part of the broader social conflict between classes
 - (4) That no consensus is possible, in case of conflicts, because people are with different socio - cultural backgrounds.
38. The Job Description Index (JDI) Technique is used for measuring which one of the following ?
- (1) Job attitudes
 - (2) Job descriptions/definitions
 - (3) Job analysis records
 - (4) Job skill requirements



39. From the following two statements of **Assertion (A)** and **Reasoning (R)** indicate the correct code :

Assertion (A) : Development in HRM is a short-term educational process with temporary intervention.

Reasoning (R) : It is a educational process utilizing a systematic and organized procedure for development of operative employees performance in current jobs.

Code :

- (1) (A) is correct and (R) is correct explanation of (A).
- (2) (A) is correct, but (R) is not correct explanation of (A).
- (3) (A) is not correct, but (R) is correct.
- (4) (A) and (R) both are not correct.

40. Match items of **List - I** with **List - II** relating to methods of performance appraisal and indicate the correct code of matching.

List - I

List - II

- | | |
|--------------------------------------|--|
| (a) Paired comparison method | (i) Reviewing employee records and holding interview on definite test questions. |
| (b) Forced choice description method | (ii) Set of pair phrases or descriptive statements |
| (c) Critical Incidents method | (iii) Differentiating between effective and non - effective performance on basis of achievements |
| (d) Field review method | (iv) Relative ranking method |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (iv) | (ii) | (iii) | (i) |
| (2) | (ii) | (iii) | (iv) | (i) |
| (3) | (iii) | (i) | (iv) | (ii) |
| (4) | (ii) | (iv) | (i) | (iii) |

41. Match the following items of **List - I** with the items of **List - II** and indicate the code of correct matching :

List - I

List - II

(Name of organisation) **(Year of establishment)**

- | | |
|------------------|------------|
| (a) IDBI | (i) 1956 |
| (b) ICICI | (ii) 1955 |
| (c) LIC of India | (iii) 1990 |
| (d) SIDBI | (iv) 1964 |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (iii) | (i) | (ii) | (iv) |
| (2) | (iii) | (i) | (iv) | (ii) |
| (3) | (iv) | (ii) | (i) | (iii) |
| (4) | (i) | (ii) | (iii) | (iv) |



42. **Statement (I)** : Capital adequacy norms help banks in strengthening their capital base.
Statement (II) : Capital adequacy norms help banks in sanctioning more loans.
Code :
- (1) Both the Statements **(I)** and **(II)** are correct.
 - (2) Both the Statements **(I)** and **(II)** are incorrect.
 - (3) Statement **(I)** is correct but **(II)** is incorrect.
 - (4) Statement **(I)** is incorrect but **(II)** is correct.
43. What is Hawala ?
- (1) Tax evasion
 - (2) Illegal trading in stock exchanges
 - (3) Bank robbery
 - (4) Illegal transactions of foreign exchange
44. Read the following events :
- (i) Capital adequacy norms for commercial banks
 - (ii) Establishment of IDBI
 - (iii) Allowing convertibility of rupee at the market rate in the current account.
 - (iv) Nationalisation of general insurance business
- Arrange the events in the ascending order of their occurrence :
- (1) (i), (ii), (iii), (iv)
 - (2) (iv), (iii), (ii), (i)
 - (3) (iv), (ii), (i), (iii)
 - (4) (i), (ii), (iv), (iii)
45. **Assertion (A)** : The future will see mostly the electronic money clearance through satellite networking.
Reasoning (R) : RBI is encouraging e-banking.
Code :
- (1) **(A)** is true but **(R)** is false.
 - (2) **(A)** is false but **(R)** is true.
 - (3) Both **(A)** and **(R)** are true and **(R)** is the correct explanation of **(A)**.
 - (4) Both **(A)** and **(R)** are true but **(R)** does not support **(A)**.
46. **Statement (I)** : Developing countries can borrow more than their quota under Extended Fund Facility (EFF) of IMF.
Statement (II) : The Extended Fund Facility (EFF) was created in 1984 to help the developing countries over longer period upto 3 years.
Code :
- (1) Statement **(I)** is correct but **(II)** is not correct.
 - (2) Statement **(II)** is correct but **(I)** is not correct.
 - (3) Both the statements **(I)** and **(II)** are correct.
 - (4) Both the statements **(I)** and **(II)** are not correct.



47. Match the items of **List - I** with those of **List - II**; and choose the correct code of combination :

List - I	List - II
(a) Poverty Reduction and Growth Facility (PRGF)	(i) 1997
(b) Supplemental Reserve Facility (SRF)	(ii) 1974
(c) Extended Fund Facility (EFF)	(iii) 1999

Code :

	(a)	(b)	(c)
(1)	(iii)	(i)	(ii)
(2)	(iii)	(ii)	(i)
(3)	(ii)	(i)	(iii)
(4)	(i)	(iii)	(ii)

48. Who among the following has given Absolute Advantage Model of international trade ?

(1) Adam Smith	(2) David Ricardo
(3) Hackscher Ohlin	(4) William Petty

49. Which among the following is **not** an international economic institution ?

(1) IMF	(2) IBRD	(3) ADB	(4) IFRS
---------	----------	---------	----------

50. **Assertion (A)** : The fall in aggregate expenditure or aggregate demand in the economy works to reduce imports and help in solving the balance of payment problems.

Reasoning (R) : The important way to reduce imports and thereby reduce deficit in balance of payments is to adopt monetary and fiscal policies that aims at reducing aggregate expenditure in the economy.

Code :

- (1) **(A)** and **(R)** both are correct and **(R)** supports **(A)**.
- (2) **(A)** and **(R)** both are correct but **(R)** does not support **(A)**.
- (3) **(A)** is correct but **(R)** is incorrect.
- (4) **(R)** is correct but **(A)** is incorrect.

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COMMERCE
PAPER – III

Note : This paper contains **seventy five (75)** objective type questions of **two (2)** marks each. **All** questions are compulsory.

1. If Opening Stock is ₹ 10,000, Net Purchases ₹ 70,000, Wages ₹ 2,500, Carriage inward ₹ 500 and Closing Stock ₹ 15,000, what is the Manufacturing Cost ?
(A) ₹ 65,000 (B) ₹ 83,000
(C) ₹ 68,000 (D) ₹ 73,000
2. What does a high payout ratio indicate ?
(A) A High Earning Per Share (EPS)
(B) The management is not ploughing back enough profit.
(C) The management is ploughing back profit.
(D) The company is earning high profit.
3. Which one of the following statements is true ?
(A) Capital expenditure does not affect the profitability of a concern but revenue expenditure does.
(B) Capital expenditure affects the profitability of a concern directly but revenue expenditure does not.
(C) Capital expenditure affects the profitability of a concern indirectly but revenue expenditure affects directly.
(D) Both capital expenditure and revenue expenditure affect the profitability of a concern directly.
4. Identify the true statement of the following :
(i) Balance Sheet is always prepared from the point of view of the business but not from that of the owners.
(ii) The financial relationship of the business to its owners is shown in the Balance Sheet.
(iii) Balance Sheet is always related to a period of time.
Codes :
(A) (i) and (ii)
(B) (ii) and (iii)
(C) (i) and (iii)
(D) (i), (ii) and (iii)
5. X and Y are partners in a firm sharing profits in the ratios of 2 : 1. Z is admitted with a 1/3 profit sharing. What will be the new profit sharing ratio of X, Y and Z ?
(A) 3 : 3 : 3 (B) 4 : 3 : 2
(C) 4 : 2 : 3 (D) 2 : 3 : 4
6. Which one of the following will not affect the working capital ?
(A) Realisation of cash from debtors.
(B) Sale of plant and machinery in cash.
(C) Issue of equity shares.
(D) Redemption of debentures.

7. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R) :

Assertion (A) : When a company earns profit prior to its incorporation, it is called capital profit.

Reason (R) : Capital profit cannot be used for distribution as dividend to the shareholders.

In the context of the above two statements, which one of the following is correct ?

Codes :

- (A) (A) is correct, but (R) is wrong.
 (B) Both (A) and (R) are correct.
 (C) (A) is wrong, but (R) is correct.
 (D) Both (A) and (R) are wrong.

8. Reconstruction of a company takes place when

- (i) the company is undercapitalised
 (ii) company has incurred heavy losses which must be written off
 (iii) the company is overcapitalised

Which one of the following is correct ?

- (A) (i) and (ii) only
 (B) (i) and (iii) only
 (C) (ii) and (iii) only
 (D) All the above

9. Match the items of List – I with the items of List – II and select the correct answer using the codes given below the lists :

List – I	List – II
(a) Leverage Ratio	(i) Short-term solvency
(b) Liquidity Ratio	(ii) Earning capacity
(c) Turnover Ratio	(iii) Relationship between debt and equity
(d) Profitability Ratio	(iv) Efficiency of Asset Management

Codes :

- (a) (b) (c) (d)
 (A) (ii) (i) (iv) (iii)
 (B) (iii) (ii) (i) (iv)
 (C) (iv) (iii) (i) (ii)
 (D) (iii) (i) (iv) (ii)

10. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R) :

Assertion (A) : Sinking fund is a charge against Profit and Loss Account.

Reason (R) : Sinking fund is created for repayment of a long term liability.

In the context of the above two statements, which one of the following is correct ?

Codes :

- (A) (A) is correct, but (R) is wrong.
 (B) Both (A) and (R) are correct.
 (C) (A) is wrong, but (R) is correct.
 (D) Both (A) and (R) are wrong.

11. Match List – I with List – II and select the correct answer using the codes given below the lists :

List – I	List – II
(a) Goodwill of a company	(i) Current liability
(b) Overdraft	(ii) Fixed Assets
(c) Preliminary Expenses	(iii) Reserves and Surplus
(d) Premium on Issue of Shares	(iv) Fictitious Assets

Codes :

- | | | | | |
|-----|------|------|-------|-------|
| | (a) | (b) | (c) | (d) |
| (A) | (ii) | (i) | (iv) | (iii) |
| (B) | (i) | (ii) | (iv) | (iii) |
| (C) | (i) | (ii) | (iii) | (iv) |
| (D) | (ii) | (i) | (iii) | (iv) |
12. In India, which of the following is prepared on the guidelines of AS-3 (Accounting Standard – 3) ?
- (A) Balance Sheet of a Company
 (B) Funds Flow Statement
 (C) Cash Flow Statement
 (D) Consolidated Financial Statement

13. What is the correct sequence of the following actions required for the preparation of financial accounts ?

- (i) Trading accounts
 (ii) Making adjusting entries
 (iii) Balance Sheet
 (iv) Profit and Loss Account

Select the correct answer from the codes given below :

Codes :

- (A) (iv), (ii), (i), (iii)
 (B) (ii), (iv), (iii), (i)
 (C) (ii), (i), (iv), (iii)
 (D) (iv), (ii), (iii), (i)

14. The main effect of inflation on the financial statement is

- (A) Profits are understated
 (B) Overstatement of Assets
 (C) Adequacy of funds for replacement of assets
 (D) Erosion of capital

15. Present value of future earnings is a model of Human Resources Accounting suggested by

- (A) Brauch Lev & ABA Schwartz
 (B) Jaggi & Lau
 (C) S.K. Chakraborty
 (D) Eric Flamhaltz

16. Which element of the promotion mix do wholesalers generally apply to obtain their promotional objective ?

- (A) Advertising
 (B) Personal Selling
 (C) Trade Promotion
 (D) Direct Marketing

17. Who has given 'fourteen Principles of Management' ?

- (A) Barnard
 (B) Henry Fayol
 (C) F.W. Taylor
 (D) Flemming

18. What is M.B.O ?

- (A) Management by Objective
 (B) Multiple Business Organisation
 (C) Management by Organisation
 (D) Multiplicity of Business Operations

19. Match items in List – II with items in List – I :

List – I	List – II
I. Mega Marketing	1. Advertising
II. Penetration Price	2. Kotler
III. Promotion Mix	3. Low price
IV. Customer Satisfaction	4. Post Purchase Behaviour

Codes :

- | | | | | |
|-----|-----|-----|-----|----|
| | 1 | 2 | 3 | 4 |
| (A) | I | II | III | IV |
| (B) | III | I | II | IV |
| (C) | IV | III | II | I |
| (D) | III | IV | I | II |

20. **Statement (A) :** 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.

Codes :

- (A) Statement (A) is correct but Reason (R) is incorrect.
- (B) Statement (A) is incorrect, but Reason (R) is correct.
- (C) Both Statement (A) and Reason (R) are correct.
- (D) Both Statement (A) and Reason (R) are incorrect.

21. Market sub-divided on the basis of behavioural characteristics is called

- (A) Segmentation
- (B) Aggregation
- (C) Precision
- (D) None of the above

22. What is mass marketing ?

- (A) Offering the same products and marketing mix to all consumers.
- (B) Offering variety of products to the entire market.
- (C) Offering differentiated products to all customers.
- (D) Following concentrated marketing strategy.

23. Which concept of marketing is based on the assumption that superior products sell themselves ?

- (A) Production (B) Marketing
- (C) Societal (D) Product

24. In broader sense, marketing communication includes

- (A) Product (B) Price
- (C) Place (D) All

25. Physical distribution provides

- (A) Place utility
- (B) Time utility
- (C) Place and Time utility
- (D) Form utility

26. What is relevant to place variable of marketing mix ?

- (A) Branding
- (B) Price penetration
- (C) Sales personnel motivation
- (D) None

27. Find incorrect statement :
- (A) Marketers arouse emotional motives
 - (B) Marketers satisfy rational motives
 - (C) Marketers formulate different sales promotions for different motives
 - (D) None of the above
28. Non-store marketing includes
- (A) Home selling
 - (B) V.P.P.
 - (C) Vending Machines
 - (D) All of the above
29. What is customer delight ?
- (A) Performance equal to expectation
 - (B) Performance less than expectation
 - (C) Performance more than expectation
 - (D) Expectation more than performance
30. Which terms are often used interchangeably in marketing literature ?
- (A) Concept, method, philosophy
 - (B) Concept, approach, technique
 - (C) Orientation, concept, philosophy
 - (D) Philosophy, system, concept
31. Which one of the following is not the operative function of HRM ?
- (A) Development
 - (B) Controlling
 - (C) Compensation
 - (D) Integration
32. Which one of the following is not in sequence of personnel training procedure ?
1. Instructor Preparation
 2. Present the task
 3. Try out performance
 4. Training preparation
 5. Follow up
- (A) 1, 2, 3, 4, 5
 - (B) 2, 1, 4, 3, 5
 - (C) 1, 4, 2, 3, 5
 - (D) 3, 1, 2, 5, 4
33. Under which method of performance appraisal one person is compared with all others for the purpose of placing them in a simple order of work ?
- (A) Grading
 - (B) Person to Person comparison
 - (C) Ranking
 - (D) None of the above
34. Which one of the following is not the fundamental procedure that should be considered for the collective bargaining ?
- (A) Prenegotiation phase
 - (B) Selection of Negotiators
 - (C) Tactic and Strategy of Bargaining
 - (D) None of the above

35. Assertion (A) : Inevitably the firm must go to the external sources for lower entry jobs.

Reason (R) : For positions where required qualification/ experience are not met.

Codes :

- (A) Both (A) and (R) are not correct.
- (B) (A) is true, but (R) is false.
- (C) (R) is true, but (A) is false.
- (D) Both (A) and (R) are correct.

36. Match the following items of List – I and List – II :

List – I	List – II
1. Asbestos	I. Lung Cancer
2. Benzene	II. Cancer
3. Ethylene Disbromide	III. Leukemia
4. Kerosene	IV. Acute Nervous System Depression

Codes :

	I	II	III	IV
(A)	4	2	3	1
(B)	4	3	2	1
(C)	1	3	2	4
(D)	3	4	2	1

37. Assertion (A) : Business Economics is tool centrics facilitating decision making in business.

Reason (R) : It provides an analytical understanding of economic activities.

Codes :

- (A) Both (A) and (R) are not correct.
- (B) Both (A) and (R) are correct.
- (C) (A) is true, but (R) is false.
- (D) (R) is true, but (A) is false.

38. Demand has the following elements :

- (A) Quantity
- (B) Price
- (C) Time
- (D) All the above

39. A perfectly competitive firm attains equilibrium when

- (A) $AC = AR$
- (B) $MR = MC$
- (C) $MC = AC$
- (D) $TC = TR$

40. The purpose of job evaluation is

- (A) Fixation of Responsibility
- (B) Promotion
- (C) Wage Determination
- (D) Transfer to a better job

41. 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
 (A) 1.96 (B) 2.32
 (C) 1.645 (D) 2.5758
42. Which of the following is the non-random method of selecting samples from a population ?
 (A) Stratified Sampling
 (B) Quota Sampling
 (C) Systematic Sampling
 (D) Cluster Sampling
43. If the two regression coefficients are 0.8 and 0.2, then the value of coefficient of correlation is
 (A) + 0.16 (B) - 0.40
 (C) - 0.16 (D) + 0.40
44. Which one of the following is a relative measure of dispersion ?
 (A) Standard deviation
 (B) Variance
 (C) Coefficient of variation
 (D) None of the above
45. **Assertion (A) :** Internal factors of business environment are controllable factors.
Reason (R) : The company can alter or modify such factors to suit the environment.
Codes :
 (A) Both (A) and (R) are correct.
 (B) (A) is correct, but (R) is incorrect.
 (C) Both (A) and (R) are incorrect.
 (D) (A) is incorrect.
46. The concept of 'Rolling Plan' in India was introduced by the
 (A) BJP Government
 (B) Janta Government
 (C) Congress Government
 (D) All of the above
47. Which one of the following is an obstacle to globalisation ?
 (A) Wide base
 (B) Niche markets
 (C) Obsolescence
 (D) Competition
48. 'VSAT' technology is first followed for on-line trading by
 (A) BSE (B) OTCEI
 (C) NSE (D) ISE
49. Match the following :
- | List – I | List – II |
|----------|--|
| Years | Act |
| (a) 1956 | (i) Consumer Protection Act |
| (b) 1986 | (ii) Indian Companies Act |
| (c) 1992 | (iii) Securities and Exchange Board of India |
| (d) 2002 | (iv) Securitisation Act |
- Codes :**
- | | | | | |
|-----|------|-------|-------|------|
| | (a) | (b) | (c) | (d) |
| (A) | (ii) | (i) | (iii) | (iv) |
| (B) | (i) | (ii) | (iii) | (iv) |
| (C) | (ii) | (iii) | (i) | (iv) |
| (D) | (i) | (iv) | (iii) | (ii) |

50. The flagship project of Government of India launched for generating guaranteed employment in rural areas is known as
- (A) PMRY (B) MNREGA
(C) JRY (D) NREP
51. The conflicts in project ranking in capital budgeting as per NPV and IRR may arise because of
- (A) Size disparity
(B) Time disparity
(C) Life disparity
(D) All the above
52. The degree of financial leverage reflects the responsiveness of
- (A) Operating income to changes in total revenue
(B) EPS to changes in EBIT
(C) EPS to changes in total revenue
(D) None of the above
53. The overall capitalisation rate and the cost of debt remain constant for all degrees of financial leverage is advocated by
- (A) Traditional Approach
(B) Net Income Approach
(C) Net Operating Income Approach
(D) M-M-Approach

54. Which of the following is not included in the assumptions on which Myron Gordon proposed a model on stock valuation ?
- (A) Retained earnings, the only source of financing
(B) Finite life of the firm
(C) Taxes do not exist
(D) Constant rate of return on firm's investment

55. Match the following :

List – I	List – II
(i) Factoring services	(a) Cash Management
(ii) Economic Order Quantity	(b) Receivable Management
(iii) Commercial paper	(c) Inventory Management
	(d) Working Capital Financing

Codes :

- | | | | |
|-----|-----|------|-------|
| | (i) | (ii) | (iii) |
| (A) | (a) | (c) | (b) |
| (B) | (c) | (b) | (a) |
| (C) | (b) | (c) | (d) |
| (D) | (b) | (a) | (c) |

56. **Assertion (A) :** International business focuses on global resources, opportunities to buy/sell worldwide.

Reason (R) : The efforts of IMF, World Bank and WTO to liberalise their economies led to globalisation.

Codes :

- (A) Both (A) and (R) are true.
(B) Both (A) and (R) are false.
(C) (A) is true, but (R) is false.
(D) (A) is false, but (R) is true.

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

List – I	List – II
(i) Wider Market	1. Modes of Entry
(ii) Turn key Projects	2. Goal of International Business
(iii) Expanding the production capacities	3. Advantages of International Business
(iv) Geocentric approach	4. Stage of Globalisation

Codes :

	(i)	(ii)	(iii)	(iv)
(A)	4	2	3	1
(B)	3	1	2	4
(C)	1	2	3	4
(D)	4	3	2	1

58. BRICS includes

- (A) Bhutan, Romania, Indonesia, Chile and South Korea
- (B) Brazil, Russia, Indonesia, Chile and Sudan
- (C) Brazil, Russia, India, China and South Africa
- (D) Britain, Russia, India, Czechoslovakia, Sri Lanka

59. Out of the following, one is not related with WTO :

- (A) TRIPS
- (B) Ministerial Conference
- (C) TRIMS
- (D) TRAI

60. Balance of Payment includes components

- (A) Current Account, Capital Account, Unilateral Payments Accounts, Official Settlement Account
- (B) Revenue Account, P & L Account, Capital Account, Official Account
- (C) Trade Account, Activity Account, Revenue Account, Currency Account
- (D) Forex Account, Trade Account, Funds Account

61. **Assertion (A) :** International Monetary Fund was set up in 1944.

Reason (R) : To promote international monetary cooperation through a permanent institution which provides machinery for consultation and collaboration on international monetary problems.

Codes :

- (A) Both (A) and (R) are false.
- (B) Both (A) and (R) are true.
- (C) (A) is true, but (R) is false.
- (D) (R) is true, but (A) is false.

62. The commercial banks do not perform one function out of the following :

- (A) Mobilisation of savings
- (B) Giving Loans and Advances
- (C) Issuing Currency Notes
- (D) Financing Priority Sectors

63. There are two lists of items, match the items of List – I with items of List – II :

List – I	List – II
I. Reserve Bank of India	1. NPA
II. EXIM Bank	2. Facilitating Small Scale Industries
III. SIDBI	3. Credit Control
IV. Capital Adequacy	4. Export/Import Financing

Codes :

	I	II	III	IV
(A)	1	2	3	4
(B)	4	3	2	1
(C)	2	3	4	1
(D)	3	4	2	1

64. One of the items is not related with e-banking :

- (A) Demand Draft
- (B) SPNS
- (C) ECS
- (D) ATM

65. **Assertion (A) :** The Treasury Manager uses the derivatives in the Bond market as well as in Forex market.

Reason (R) : It helps risk coverage.

Codes :

- (A) Both (A) and (R) are false.
- (B) Both (A) and (R) are true.
- (C) (A) is true, but (R) is false.
- (D) (R) is true, but (A) is false.

66. Factoring and forfeiting have not taken off in the Indian economy due to lack of expertise and experience. One is not included in the factoring services rendered.

- (A) Purchase of book debts and receivables.
- (B) Prepayment of debts partially or fully
- (C) Giving advice
- (D) Covering the credit risk of the suppliers

67. Which one is not the form of FDI ?

- (A) Purchase of existing assets in foreign currency
- (B) New Investment in property, plant, equipment
- (C) Making investment in the mutual funds
- (D) Transfer of many types of assets

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

List – I	List – II
1. Measures towards globalization	I. Globalisation
2. Off-shoring	II. FEMA
3. FERA	III. Liberalise the inflow of FDI
4. Mr. Aruthur Dunkel	IV. Uruguay Round

Codes :

	1	2	3	4
(A)	III	I	II	IV
(B)	II	I	III	IV
(C)	IV	II	I	III
(D)	I	II	IV	III

69. Which one of the following is not the advantage of MNCs to the host country ?

- (A) Increase in social activity
- (B) Increase in economic activity
- (C) Utilisation of natural resources
- (D) R & D efforts enhanced

70. India suffered from deficit balance both in trade balance and net invisibles, hence, took up a number of steps to manage this problem. Which one is not appropriate for this ?

- (A) Export control
- (B) Current Account Convertibility
- (C) Liberalised Export Policy
- (D) Unified Exchange Rate

71. Mr. James, a citizen of U.S., arrived in India for the first time on 1st July, 2010 and left for Nepal on 15th December 2010. He arrived to India again on 1st January 2011 and stayed till the end of the financial year 2010-11. His residential status for the assessment year 2011-12 is

- (A) Resident (ordinarily resident)
- (B) Not ordinarily resident
- (C) Non-resident
- (D) None of the above

72. The value of free accommodation in Delhi provided by employer in the private sector is

- (A) 10% of salary
- (B) 15% of salary
- (C) 20% of salary
- (D) 25% of salary

73. Which of the following is not a capital asset under capital gains head of income ?

- (A) Stock in trade
- (B) Goodwill of business
- (C) Agricultural Land in Delhi
- (D) Jewellery

74. 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 :

	I	II	III	IV
(A)	2	1	4	3
(B)	1	4	3	2
(C)	3	4	2	1
(D)	4	1	3	2

75. Under the Income Tax Act, 1961 unabsorbed depreciation can be carried forward for set-off purpose :

- (A) For 4 years
- (B) For 5 years
- (C) For 8 years
- (D) For unspecified period

**COMMERCE
PAPER – III**

Note : This paper contains **seventy five (75)** objective type questions of **two (2)** marks each.
All questions are compulsory.

1. In accounting, profit prior to incorporation is treated as
(A) Revenue Reserve
(B) Secret Reserve
(C) Capital Reserve
(D) General Reserve
2. Receipts and Payments Account is prepared by
(A) Manufacturing concerns
(B) Non-Trading concerns
(C) Trading concerns
(D) Companies registered under Companies Act, 1956
3. Owners equity stands for
(A) Fixed Assets minus Fixed Liabilities.
(B) Fixed Assets minus Current Liabilities.
(C) Current Assets minus Fixed Liabilities.
(D) Total Assets minus Total outside Liabilities.
4. When the Debt Turnover Ratio is 4, what is the average collection period ?
(A) 5 months (B) 4 months
(C) 3 months (D) 2 months
5. Which of the following will result into sources of funds ?
(i) Increase in current assets
(ii) Decrease in current assets
(iii) Increase in current liabilities
(iv) Decrease in current liabilities
Codes :
(A) (i) and (iv) (B) (ii) and (iii)
(C) (i) and (iii) (D) (ii) and (iv)
6. In marginal costing, contribution is equal to
(A) Sales – Fixed cost
(B) Sales – Variable cost
(C) Sales – Profit
(D) Sales – Variable Cost + Fixed cost
7. The funds available with a company after paying all claims including tax and dividend is called
(A) Net Profit
(B) Net Operating Profit
(C) Capital Profit
(D) Retained Earnings
8. **Assertion (A) :** Accounting information refers to only events which are concerned with business firm.
Reason (R) : Accounting information is presented in financial statements.
Codes :
(A) (A) is correct, but (R) is wrong.
(B) Both (A) and (R) are correct.
(C) (A) is wrong, but (R) is correct.
(D) Both (A) and (R) are wrong.
9. When average cost is declining
(A) Marginal cost must be declining.
(B) Marginal cost must be above average cost.
(C) Marginal cost must be below average cost.
(D) Marginal cost must be rising.

10. ABC Ltd. has declared 40% dividend. Which one of the following does it mean ?
- (A) The company has declared 40% of net profit as dividend.
- (B) The company has declared 40% of profits after tax as dividend.
- (C) The company will provide dividend 40% on issued capital.
- (D) The company will provide dividend 40% on paid-up capital.
11. The main objective of Accounting Standards is
- (A) To prepare the accounting reports which is easily understood by common man.
- (B) To comply with the legal formalities.
- (C) To harmonise the diversified accounting practices.
- (D) To comply with the requirements of the International Accounting Standards (IAS).
12. Given below are two statements :
- I. Activity ratios show where the company is going.
- II. Balance Sheet ratios show how the company stand.
- Codes :**
- (A) I is correct, but II is wrong.
- (B) Both I and II are correct.
- (C) I is wrong, but II is correct.
- (D) Both I and II are wrong.
13. Income and Expenditure Account of non-profit organisation is a
- (A) Real Account
- (B) Nominal Account
- (C) Personal Account
- (D) Representative Personal Account

14. Which of the following statements are correct ?
- I. Inventory includes raw materials, finished goods and work – in – progress.
- II. Inventory is a part of the working capital.
- III. Inventory includes goods likely to be purchased.
- Codes :**
- (A) I, II and III
- (B) II and III
- (C) I and III
- (D) I and II
15. If the current ratio is 2 : 1 and working capital is ₹ 60,000, what is the value of the Current Assets ?
- (A) ₹ 60,000
- (B) ₹ 1,00,000
- (C) ₹ 1,20,000
- (D) ₹ 1,80,000
16. Which of the following steps of purchase decision process is in sequence ?
1. Problem recognition
 2. Search for alternatives
 3. Evaluation of alternatives
 4. Purchase action
 5. Post purchase action
- Codes :**
- (A) 1, 3, 2, 4, 5
- (B) 1, 2, 4, 3, 5
- (C) 2, 1, 3, 5, 4
- (D) 1, 2, 3, 4, 5
17. What is customer value ?
- (A) Ratio between the customer's perceived benefits and the resources used to obtain these benefits.
- (B) Excess of satisfaction over expectation.
- (C) Post purchase dissonance
- (D) None of the above

18. Match the items of List – I with items of List – II.

List – I	List – II
a. The silent mental repetition of information.	1. Encoding
b. The process by which we select a word or visual image to represent a perceived object.	2. Rehearsal
c. Where information is kept temporarily before further processing.	3. Working Memory
d. The stage of real memory in which information is processed and held for just a brief period.	4. Store house

Codes :

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

19. Fill in the blanks :

Statements	Alternatives
a. Loyal customers ____ products.	1. Less attention
b. Loyal customers are ____ sensitive.	2. Cheaper
c. Loyal customers pay ____ to competitor's advertising.	3. Less price
d. Serving existing customer is ____	4. Buy more

Codes :

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

20. **Assertion (A) :** High customer expectations lead to dissatisfaction as product performance never matches them.

Reason (R) : Product performance is always customer specific.

Codes :

- (A) Both (A) and (R) are correct.
- (B) Both (A) and (R) are incorrect.
- (C) (A) is correct, but (R) is incorrect.
- (D) (R) is correct, but (A) is incorrect.

21. Under which concept of marketing do you find greater emphasis on techniques and technology of production ?

- (A) Product
- (B) Selling
- (C) Marketing
- (D) None

22. Which is used for short-term sales achievement ?

- (A) Personal selling
- (B) Advertising
- (C) Sales Promotion
- (D) Public Relations

23. Public distribution system relates to

- (A) Marketing system
- (B) Retailing system
- (C) Industrial system
- (D) Selling system

24. Who do buy more, complain less, spread positive word of mouth, ensure a large customer base and repeat business ?

- (A) Satisfied customers
- (B) Delighted customers
- (C) Industrial customers
- (D) None of the above

25. There are impulses which persuade a customer to buy certain products without evaluating the positive and negative value of the same.
- (A) Emotional motives
 - (B) Blind motives
 - (C) Egoistic motives
 - (D) All the above
26. Which subject is relevant to the study of consumer behaviour ?
- (A) Economics
 - (B) Psychology
 - (C) Sociology
 - (D) All the above
27. Find an incorrect statement.
- (A) Consumer attitude can be summarized as evaluation of an object.
 - (B) Attitudes are learned.
 - (C) Attitudes are synonymous with behaviour.
 - (D) Attitudes have motivational qualities.
28. Who is considered Father of Scientific Management ?
- (A) Peter Drucker
 - (B) F.W. Taylor
 - (C) Victor Vroom
 - (D) Henry Fayol
29. Who did give the concept of hierarchy of needs ?
- (A) Fredrick Herzberg
 - (B) Victor Vroom
 - (C) Douglas McGregor
 - (D) A.H. Maslow

30. **Assertion (A)** : Management is a continuous process.

Reason (R) : Managers first plan, then organise and finally perform the function of controlling.

Codes :

- (A) Both (A) and (R) are correct and (R) is correct explanation of (A).
- (B) Both(A) and (R) are correct, but (R) is not a correct explanation of (A).
- (C) (A) is correct, but (R) is incorrect.
- (D) (A) is incorrect, but (R) is correct.

31. Induction of employees relates to

- (A) Organisational awareness
- (B) Training programme
- (C) Introduction
- (D) Assignment of duties

32. 'Kinked' demand curve is related with

- (A) Monopoly
- (B) Discriminating monopoly
- (C) Oligopoly
- (D) Perfect competition

33. Who is not associated with HRM ?

- (A) Michael J Jucius
- (B) Dale Yodar
- (C) Edvoim B. Flippo
- (D) K.K. Devit

34. Merit rating is not known as

- (A) Efficiency Rating
- (B) Service Rating
- (C) Job Rating
- (D) Experience Rating

35. Match the items of List – I with the items of List – II.

List – I	List – II
a. FEMA	1. 1986
b. Indian Factories Act	2. 1999
c. Industrial Dispute Act	3. 1948
d. Consumer Protection Act	4. 1947

Codes :

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

36. If price of any commodity decreases by 20% and the demand for that commodity increases by 40%, then elasticity of demand would be

- (A) perfectly elastic
- (B) perfectly inelastic
- (C) unit elastic
- (D) highly elastic

37. Which of the following statements is true ?

- (A) In case of inferior goods, the income effect is negative, although the substitution effect is positive.
- (B) In inferior goods, the income and substitution effects are positive.
- (C) In inferior goods, the income and substitution effects are negative.
- (D) In case of inferior goods, the income effect is positive although the substitution effect is negative.

38. In perfect competition, the demand curve of a firm is

- (A) Vertical
- (B) Horizontal
- (C) Positively sloped
- (D) Negatively sloped

39. Which one is not non-financial incentive ?

- (A) Additional bonus on minimum wasteful expenditure.
- (B) Permanent job.
- (C) Participatory decision making.
- (D) Recognition of individuality.

40. HRM does not include

- (A) job evaluation
- (B) performance appraisal
- (C) sales promotion
- (D) job enrichment

41. The term (1-B) is called

- (A) Level of the test
- (B) Power of the test
- (C) Size of the test
- (D) None of the above

42. The area under normal distribution covered within $\mu \pm 3\sigma$ limits is

- (A) 0.6827
- (B) 0.9545
- (C) 0.9973
- (D) 1.0000

43. Sampling distribution of mean is very close to the standard normal distribution when
- (A) Population is normally distributed.
- (B) Population is not normally distributed, but sample size is large.
- (C) Both (A) and (B).
- (D) Neither (A) nor (B).
44. If the value of co-efficient of determination is 0.64, what is the value of coefficient of correlation ?
- (A) 0.40
- (B) 0.80
- (C) 0.08
- (D) 0.04
45. Which one of the following is not a source of conflict in project ranking in capital budgeting decision as per NPV and IRR ?
- (A) Independent Investment Project
- (B) No Capital Budget Constraints
- (C) No time disparity
- (D) None of the above

46. Match the following :

List – I	List – II
a. Trade policy	1. Economic conditions
b. Trade flows	2. Economic policies
c. Price trends	3. Global linkages
d. Internal sectoral linkages	4. Structure and Nature of Economy

Codes :

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

47. Which one of the following is not a benefit of privatisation ?
- (A) Encourage entrepreneurship.
- (B) Concentration of economic power.
- (C) Better management of enterprise.
- (D) Freedom from bureaucracy.
48. '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
49. Which one of the following is not a money market instrument ?
- (A) Commercial paper
- (B) Participatory certificates
- (C) Warrants
- (D) Treasury Bills
50. Which one is related with micro-financing ?
- (A) SHG
- (B) Anganwadi workers
- (C) Women Entrepreneurs
- (D) None of the above
51. Which one of the following is not an element of internal environment ?
- (A) Mission/Objectives
- (B) Human Resources
- (C) Customers
- (D) Shareholders' values

52. The presence of fixed costs in the total cost structure of a firm results into
 (A) Financial leverage
 (B) Operating leverage
 (C) Super leverage
 (D) None of the above
53. "The cost of capital declines when the degree of financial leverage increases." Who advocated it ?
 (A) Net operating income approach
 (B) Net income approach
 (C) Modigliani-Miller approach
 (D) Traditional approach
54. A view that the dividend policy of a firm has a bearing on share valuation advocated by James E. Walter is based on which one of the following assumptions ?
 (A) Retained earnings is only source of financing.
 (B) Cost of capital does not remain constant.
 (C) Return on investment fluctuates.
 (D) All the above.

55. Match the following :

List – I	List – II
a. Matching approach	1. Dividend Policy
b. Structural ratios	2. Inventory Management
c. Ordering quantity	3. Financing Working Capital
d. Bonus shares	4. Capital Structure

Codes :

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

56. **Assertion (A) :** Operating style of the international business can be spread to the entire globe.

Reason (R) : The style is limited to the internal economy only.

Codes :

- (A) Both (A) and (R) are true.
 (B) (A) is true, but (R) is false.
 (C) (A) is false, but (R) is true.
 (D) Both (A) and (R) are false.

57. The Comparative Cost Advantage Theory was given by

- (A) David Ricardo
 (B) Adam Smith
 (C) Raymond Vernon
 (D) Michael E. Porter

58. The companies globalise their operations through different means :

- (A) Exporting directly
 (B) Licensing/Franchising
 (C) Joint ventures
 (D) All the above

59. The components of W.T.O. are

- (A) Ministerial Conference
 (B) Disputes Settlement Body
 (C) Director General
 (D) All the above

60. India is not associated with

- (A) SAARC
 (B) NAFTA
 (C) BRICS
 (D) None of the above

61. Which one of the following is true statement ?

- (A) A balance of trade deals with export and import of invisible items only.
- (B) A balance of payment deals with both visible and invisible items.
- (C) The current account is not a component of balance of payment.
- (D) All the above.

62. SDRs are popularly known as

- (A) Currency Notes
- (B) Paper Gold
- (C) Silver Coin
- (D) Gold Coin

63. Which one is not international institution ?

- (A) IMF
- (B) IDA
- (C) IBRD
- (D) TRAI

64. **Assertion (A) :** Indent may be open or closed. Open indent does not specify the price and other details of the goods. The closed indent specifies the brand, price, number, packing, shipping mode, insurance, etc.

Reason (R) : This is required as a part of export procedures.

Codes :

- (A) Both (A) and (R) are correct.
- (B) Both (A) and (R) are not correct.
- (C) (A) is true, but (R) is false.
- (D) (R) is true, but (A) is false.

65. Which one of the statements is not true ?

- (A) Institutional infrastructure facilitates market intelligence.
- (B) STC is the chief canalizing agent for export and import of agricultural products.
- (C) IIPPO organizes trade fairs and exhibitions.
- (D) Letter of credit does not indicate that the bank will pay the value of imports to the exporter.

66. Match the items of List – I with items of List – II.

- | List – I | List – II |
|---------------------------------------|-------------------------------|
| a. Selective credit control | 1. Consumer Credit Regulation |
| b. Encourage credit for desirable use | 2. Cash Reserve Ratio |
| c. Quantitative credit control | 3. Variation in Margin |
| d. Bank Rate | 4. Re-discounting Rate |

Codes :

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

67. **Assertion (A) :** Use of paper money is replaced by plastic money. The future will see the electronic money clearance through satellite networking.

Reason (R) : RBI is encouraging e-banking.

Codes :

- (A) (A) is false, but (R) is true.
- (B) (A) is true, but (R) is false.
- (C) Both (A) and (R) are false.
- (D) Both (A) and (R) are true.

68. Which one is not Finance Company ?
- (A) Hire-Purchase Finance Company
 (B) IRDA
 (C) Mutual Benefit Finance Companies
 (D) Loan Companies
69. The Securities and Exchange Board of India was not entrusted with the function of
- (A) Investor Protection.
 (B) Ensuring Fair practices by companies.
 (C) Promotion of efficient services by brokers.
 (D) Improving the earnings of equity holders.
70. Which one is not Non-Marketable securities ?
- (A) Corporate Securities
 (B) Bank Deposits
 (C) Deposits with Companies
 (D) Post Office Certificates and Deposits
71. Minimum Alternative Tax (MAT) under Sec.115 JB of the Income Tax Act is applicable on
- (A) Partnership firm
 (B) Association of persons
 (C) Certain companies
 (D) All types of companies
72. For the Assessment Year 2011-12, deduction under Sec. 80G is available without any limit but at the rate of 50% on
- (A) Prime Minister's National Relief Fund.
 (B) National Foundation for communal Harmony.
 (C) Jawahar Lal Nehru Memorial Fund.
 (D) Chief Minister Relief Fund.
73. Interest on capital paid by a firm to its partners, under the Income Tax Act, 1961, is allowed
- (A) 6%
 (B) 12%
 (C) 15%
 (D) 18%
74. Under capital gains head of the Income Tax Act, the income from sale of Household Furniture is
- (A) Taxable Income
 (B) Capital Gain
 (C) Revenue Gain
 (D) Exempted Income
75. Under Section 80E of the Income Tax Act, 1961 deduction in respect of payment of interest on loan taken for higher education shall be allowed up to
- (A) ₹ 10,000
 (B) ₹ 15,000
 (C) ₹ 20,000
 (D) Without any limit

**COMMERCE
PAPER – III**

Note : This paper contains **seventy five (75)** objective type questions of **two (2)** marks each. All questions are compulsory.

1. Under the provisions of the Industries (Development and Regulation) Act, 1951, a licence is necessary for
- (A) Changing the location of an existing industrial undertaking.
- (B) producing or manufacturing a 'new article' in an existing industrial undertaking.
- (C) Establishing a new undertaking.
- (D) All of the above.

2. Match the items of List-I with the items of List-II and select the correct answer.

List – I	List – II
(i) Political and Legal Environment	(a) Important for industries directly depending on imports or exports.
(ii) Demographic Environment	(b) Close relationship with the economic system and economic policy.
(iii) Economic Environment	(c) Related to natural resources.
(iv) Geo-graphical and Ecological Environment	(d) Occupational and spatial mobilities of population having implications for business.

Codes :

	(i)	(ii)	(iii)	(iv)
(A)	(b)	(d)	(c)	(a)
(B)	(b)	(d)	(a)	(c)
(C)	(a)	(b)	(c)	(d)
(D)	(a)	(b)	(d)	(c)

3. Match the items of List-I with the items of List-II and select the correct answer :

List – I	List – II
(i) SLR	(a) Working in the field of consumer protection.
(ii) SIDBI	(b) Credit control.
(iii) CUTS	(c) Industrial policy.
(iv) ILPIC	(d) Facilitating Small Scale Industries.

Codes :

	(i)	(ii)	(iii)	(iv)
(A)	(a)	(c)	(d)	(b)
(B)	(b)	(d)	(a)	(c)
(C)	(a)	(b)	(c)	(d)
(D)	(a)	(c)	(b)	(d)

4. Match the following :

List – I	List – II
(i) National Stock Exchange	(a) Marks the beginning of the process of dematerialisation of shares of the participating companies.
(ii) National Securities Depository Limited	(b) Facilitation of equal access to investors across the country.
(iii) Securities and Exchange Board of India	(c) To foster the development of an active secondary market for Government Securities.
(iv) Securities Trading Corporation of India	(d) Abolition of Capital issues control and retaining the sale authority for new capital issues.

Codes :

	(i)	(ii)	(iii)	(iv)
(A)	(b)	(a)	(d)	(c)
(B)	(a)	(b)	(c)	(d)
(C)	(a)	(b)	(d)	(c)
(D)	(d)	(c)	(b)	(a)

5. The United Nations Conference on Trade and Development (UNCTAD) was set up in
 (A) 1944 (B) 1954
 (C) 1960 (D) 1964
6. Indicate the ground on which a complaint under the Consumer Protection Act, 1986, shall be invalid.
 (A) A product having short weight.
 (B) A service provided free of cost.
 (C) A misleading advertisement given in newspaper.
 (D) None of the above.
7. Out of the following, which are the four components of food security ?
 (i) Food availability
 (ii) Food market
 (iii) Food accessibility
 (iv) Food utilization
 (v) Food credit
Codes :
 (A) (iii), (iv) and (v)
 (B) (i), (iii) and (iv)
 (C) (i), (ii) and (iii)
 (D) (i), (ii) and (iv)
8. Performance evaluation of a responsibility centre can be done by
 (A) ROI
 (B) Return on sales
 (C) EVA
 (D) All of the above
9. Social Balance Sheet shows
 (A) Social costs
 (B) Social revenues
 (C) Value of employees of the organisation
 (D) All of the above
10. Which of the following comes under efficiency ratios ?
 (A) Average collection period
 (B) Inventory turnover ratio
 (C) Fixed assets turnover ratio
 (D) All of the above

11. Match the items of the following two lists :

List – I

List – II

- | | |
|---|--------------------------|
| (i) Statement of changes in Working Capital | (a) Cash Flow Statement |
| (ii) Deferred Tax | (b) Fixed Assets |
| (iii) Three activities | (c) Funds Flow Statement |
| (iv) Impairment Loss | (d) Balance Sheet |

Codes :

- | | | | | |
|-----|-----|------|-------|------|
| | (i) | (ii) | (iii) | (iv) |
| (A) | (a) | (b) | (c) | (d) |
| (B) | (c) | (d) | (b) | (a) |
| (C) | (c) | (d) | (a) | (b) |
| (D) | (d) | (c) | (a) | (b) |

12. Match the items of the following two lists and indicate the correct answer :

List – I

List – II

- | | |
|-----------------------------|-------------------------|
| (i) Earning ability of firm | (a) Basis of Accounting |
| (ii) Conservatism | (b) P/V ratio |
| (iii) Cash profit | (c) Cash flow statement |
| (iv) Cash and Accrual | (d) Prudence |

Codes :

- | | | | | |
|-----|-----|------|-------|------|
| | (i) | (ii) | (iii) | (iv) |
| (A) | (b) | (d) | (c) | (a) |
| (B) | (b) | (a) | (d) | (c) |
| (C) | (c) | (d) | (a) | (b) |
| (D) | (c) | (d) | (b) | (a) |

13. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R).

Assertion (A) : Only the relevant costs should be taken into consideration for decision-making.

Reason (R) : All variable costs are relevant costs and all fixed costs are irrelevant costs.

In the above two statements, which one alternative of the following is correct ?

Codes :

- (A) Both (A) and (R) are correct.
 (B) Only (A) is correct, but (R) is wrong.
 (C) Only (R) is correct, but (A) is wrong.
 (D) Both (A) and (R) are wrong.

14. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R) :

Assertion (A) : Variance analysis is undertaken for planning and control of costs.

Reason (R) : Future costs are taken into consideration in budgeting and standard costing.

In the above two statements, which one alternative of the following is correct ?

Codes :

- (A) Both (A) and (R) are correct and (R) is the Reason for (A).
 (B) Both (A) and (R) are correct and (R) is not the Reason for (A).
 (C) (A) is correct, but (R) is wrong.
 (D) (A) is wrong, but (R) is correct.

15. **Assertion (A) :** Mark-up pricing is a method of determining price.

Reason (R) : $P = ATC + (m \times ATC)$ is the expression for that.

Codes :

- (A) (A) is correct but (R) is not correct.
 (B) Both (A) and (R) are correct.
 (C) Both (A) and (R) are not correct.
 (D) (R) is correct, but (A) is not correct.

16. Match the items of List-I with the items of List-II and select the correct answer.

List – I	List – II
(a) Economic profit	(i) Total Revenue Explicit cost
(b) Accounting profit	(ii) Buyers and Sellers exchanging
(c) Collusion/ Cartel	(iii) Total Revenue – Total cost
(d) Market	(iv) Oligopoly

Codes :

(a)	(b)	(c)	(d)
(A) (iii)	(i)	(iv)	(ii)
(B) (i)	(ii)	(iii)	(iv)
(C) (iv)	(iii)	(ii)	(i)
(D) (ii)	(iv)	(i)	(iii)

17. Which one is not the item of economic cost to the business ?

- (A) Owner supplied resources.
 (B) Market supplied resources.
 (C) Implicit costs.
 (D) Non-monetary opportunity costs of using owner supplied resources.

18. Demand must have the elements

- (A) Desire
 (B) Want
 (C) Quantity, Price and Time
 (D) All of the above

19. Match the items of List-I and items of List-II and select the correct code for the answer.

List – I	List – II
(a) Utilitarian Approach	(i) Marginal Rate of Substitution
(b) Ordinal Approach	(ii) Budget line & Indifference Curve
(c) Price-Consumption Curve	(iii) $U=f(x, y)$
(d) Consumer Equilibrium	(iv) $MRS_{xy} = MRS_{yx}$

Codes :

(a)	(b)	(c)	(d)
(A) (i)	(iv)	(iii)	(ii)
(B) (ii)	(iii)	(iv)	(i)
(C) (iii)	(i)	(ii)	(iv)
(D) (iv)	(ii)	(i)	(iii)

20. The Learner Index measures

- (A) Market power
- (B) Price
- (C) Price-Marginal cost
- (D) None of the above

21. Match the items of List-I and items of List-II and select the correct answer.

List – I	List – II
(a) Perfect competition	(i) Different prices for the same product
(b) Monopolistic competition	(ii) Dominant strategy
(c) Oligopoly	(iii) Product differentiation
(d) Discriminating Monopoly	(iv) Identical product

Codes :

- | | | | |
|-----------|-------|-------|-------|
| (a) | (b) | (c) | (d) |
| (A) (iv) | (iii) | (ii) | (i) |
| (B) (i) | (ii) | (iii) | (iv) |
| (C) (ii) | (iv) | (i) | (iii) |
| (D) (iii) | (i) | (iv) | (ii) |

22. If there are 8 possible classes under consideration for a goodness of-fit, the number of degrees of freedom will be

- (A) 8
- (B) 7
- (C) 6
- (D) Cannot be determined from the given information.

23. Identify from the following, the test statistic for which the value of numerator should always be greater than that of denominator.

- (A) 'Chi-square'
- (B) 'F' value
- (C) 'Z' value
- (D) 't' value

24. Which of the following tests can be applied to ordinal scale data ?

- (i) Chi-square test
- (ii) 'Z' test
- (iii) Kruskal-Wallis test
- (iv) Wilcoxon Mann-Whitney test

Codes :

- (A) (i), (ii) and (iii)
- (B) (ii), (iv) and (iii)
- (C) (i), (iii) and (iv)
- (D) (i), (ii) and (iv)

25. Which of the following tests can be based on the normal distribution ?

- (A) Difference between independent means
- (B) Difference between dependant means
- (C) Difference between proportions
- (D) All of the above

26. From the following, identify one situation where 'F' test cannot be used ?

- (A) To compare more than two population means.
- (B) To test the hypothesis about a single population variance.
- (C) To test the hypothesis about two-population variance.
- (D) To study about randomized block design.

27. Which statistical test should be applied to test the effectiveness of 'special coaching' on the marks scored by the students ?

- (A) Paired 't' test
- (B) 'Chi-square' test
- (C) 'Z' test
- (D) 'F' test

28. In a linear equation, $y = a + bx$, 'a' refers to

- (A) Slope
- (B) Y-intercept
- (C) Dependant variable
- (D) Independent variable

29. Which among the following is the most popular approach for accomplishing the results ?
 (A) Management by exception
 (B) Reward system
 (C) Management by objectives
 (D) Mentor system
30. The managerial function of organizing involves
 (A) Reviewing and adjusting plan in the light of changing conditions.
 (B) Establishing programme for the accomplishment of objectives.
 (C) Creating structure of functions and duties to be performed.
 (D) Getting things done through others.
31. A leader who identifies what subordinates need to do to achieve objectives, clarify organizational roles and tasks, set up an organization structure, reward performance and provide for the social needs of their followers, is
 (A) a transformational leader
 (B) a participative leader
 (C) a transactional leader
 (D) an autocratic leader
32. Which of the following is not an assumption of theory X ?
 (A) An average human being has an inherent dislike of work and will avoid it if he can.
 (B) An average human being prefers to be directed, seeks to avoid responsibility, has relatively little ambition, and want security above all.
 (C) An average human being learns under proper conditions, not only to accept responsibility but also to seek it.
 (D) Most people must be coerced, controlled, directed and threatened with punishment to get them put forth adequate effort.
33. If a network of interpersonal relationship that arise when people associate with each other is an informal organization, then find out which of the following is not an informal organization ?
 (A) The “machine shop” group
 (B) Customers’ group
 (C) The “sixth floor” group
 (D) The “Friday evening bowling” gang
34. Which of the following are sources of ethics ?
 (i) Religion
 (ii) Legal system
 (iii) Economic system
 (iv) Culture
 (v) Family system
 Select the correct answer from the codes given below :
 (A) (i), (ii), (iii), (v)
 (B) (i), (ii), (iv)
 (C) (i), (iv), (v)
 (D) (i), (ii), (iii), (iv), (v)
35. Which of the following has refined Maslow’s theory of motivation by proposing a hierarchy of three needs ?
 (A) McClelland (B) Aldorfer
 (C) Herzburg (D) Vroom
36. Which segmentation approach is the most compatible with the spirit of the marketing concept ?
 (A) Benefit sought
 (B) Income
 (C) Social class
 (D) Family size
37. The description of a product’s quality, features, style, brand name and packaging identifiers the
 (A) Actual product
 (B) Augmented product
 (C) Core product
 (D) Tangible product

38. Consider the following statements and find out the correct alternative from the codes given below :
- A firm's marketing information system is a component of its marketing research system.
 - The most common forms of marketing researches conducted in most of the firms are the measurement of market potential and the analysis of market share.
 - Survey research is seldom used for studying consumer perception and attitudes.
 - The concept of cognitive dissonance is relevant to study consumer's post-purchase behaviour.

Codes :

- All the statements are true.
 - All the statements are false.
 - (i) is false and the rest are true.
 - (ii) and (iv) are true and the rest are false.
39. In India, which pricing practice is not permissible ?
- Penetrating pricing
 - Skimming pricing
 - Predatory pricing
 - None of the above

40. Consider the following statements and find out the correct alternative from the codes given below :
- A good salesman is one who can sell refrigerator to an Eskimo.
 - Salesmen are born, not made.
 - Physical distribution is an area where high cost-savings is possible.

Codes :

- (i) and (iii) are correct.
- (i) and (ii) are correct.
- (ii) and (iii) are correct.
- All are correct.

41. Which form of retail outlet has the highest operating costs ?
- Super market
 - Consumer co-operative store
 - Department store
 - Retail chain store

42. Consider the following statements and indicate the correct alternative from the codes given below :
- The product management system often turns out to be costly.
 - When customers belong to different user groups with distinct buying preferences and practices, a market management organization is not suitable.
 - Advertising department has the closest interface with the finance department of the company.

Codes :

- (i) and (ii) are correct.
- (ii) and (iii) are correct.
- Only (i) is correct.
- All are correct.

43. Match the statements in List-I with dividend models in List-II as follows :

List – I	List – II
I Dividend Capitalisation Approach.	1. Traditional Model
II Dividend Policy has a bearing on the share valuation.	2. Gardon Model
III Stock Market places more weight on dividends than on retain earnings.	3. Walter Model
IV Dividend payout is irrelevant to the value of the firm.	4. Modigliani and Miller Model

Codes :

	I	II	III	IV
(A)	2	3	1	4
(B)	1	2	4	3
(C)	4	1	3	2
(D)	3	4	2	1

44. Venture capital financing at starting stage is generally not done through
 (A) Debt instruments
 (B) Deep discount bonds
 (C) Equity shares
 (D) Conditional loans

45. Match the statements in List-I with the types of lease in the List-II as follows :

List – I	List – II
I Lessor transfers all risks and rewards of an asset to the lessee.	1. Indirect lease
II Lessor transfers the assets to the lessee but bears the cost of maintenance	2. Operating lease
III The owner of the asset sells it to the lessor who in turn leases it back to the owner (now lessee)	3. Finance lease
IV Lessor owns/ acquires the assets that are leased to a given lessee.	4. Direct lease

Codes :

	I	II	III	IV
(A)	2	3	4	1
(B)	1	4	2	3
(C)	3	2	1	4
(D)	4	1	3	2

46. Full details for the issue of ADRs by a company must be furnished within 30 days from the date of its closure to
 (A) Securities and Exchange Commission (SEC)
 (B) Reserve Bank of India (RBI)
 (C) Securities and Exchange Board of India (SEBI)
 (D) Company Law Board (CLB)

47. The degree to which the returns of the two securities change together, is reflected by

- (A) Correlation (B) Leverage
 (C) Covariance (D) Beta

48. The transfer by a company of one or more of its business divisions to another newly set up company is called

- (A) Demerger
 (B) Merger
 (C) Equity Carve-out
 (D) Disinvestment

49. What combination of the following factors influences the working capital requirement ?

- I Market Conditions
 II Production Policy
 III Firm's goodwill
 IV Supply conditions

Codes :

- (A) I, II and III
 (B) II, III and IV
 (C) I, III and IV
 (D) I, II and IV

50. Which of the followings are the modern method of performance appraisal ?

- (i) 360 degree performance appraisal.
 (ii) Graphic rating scale.
 (iii) Management By Objectives (MBO).
 (iv) Forced distribution method.
 (v) Behaviourally Anchored Rating Scales (BARS).

Select the correct answer from the codes given below :

- (A) (i), (ii), (iii) (B) (ii), (iv), (v)
 (C) (i), (iii), (v) (D) (iv), (ii), (i)

51. Which of the following principle serves as a warning to organisations not to take the selection and promotion process lightly ?

- (A) Promotion Principle
 (B) Drucker Principle
 (C) Validity Principle
 (D) Peter Principle

52. According to D. Katz morale has four dimensions :
- jobs satisfaction
 - satisfaction with wages and promotional opportunities.
 - Identification with company.
 - Pride in the work group.
 - Top Management Support.
- Select the correct combination.
- (i), (ii), (iii) and (iv)
 - (i), (ii), (iii) and (v)
 - (i), (ii), (iv), and (v)
 - (i), (iii), (iv) and (v)
53. HRM is viewed as a management process, consisting of four functional activities :
- Acquisition
 - Motivation
 - Development
 - Resolution of industrial disputes
 - Maintenance
- Select the correct combination.
- (i), (ii), (iii) and (iv)
 - (i), (ii), (iii) and (v)
 - (i), (ii), (iv) and (v)
 - (i), (iii), (iv) and (v)
54. O C T A P A C stands for
- Order, Co-ordination, Trust, Authority, Personality and Co-operation.
 - Openness, Confrontation, Trust, Authenticity, Pro-action and Collaboration.
 - Organisation, Conflict, Team, Authority, People and Collaboration.
 - Oneness, Compromise, Tress pass, Authority, Protection and Combination.
55. Technique of 'Transaction Analysis' was developed by
- Elton Mayo
 - Peter Drucker
 - Eric Berne
 - Adam Smith
56. Which one of the following methods is not a demand forecasting method of Human Resource Planning ?
- Managerial judgement
 - Managerial grid
 - Work study techniques
 - Statistical techniques
57. Transaction of Internet Banking excludes
- Withdrawal of cash anywhere in India.
 - Statement of account for a specific period.
 - Transfer of funds from one account to another account.
 - Balance enquiry.
58. Which among the following is not a category of Non-Performing Assets ?
- Substandard Assets
 - Doubtful Debts
 - Loss Assets
 - Devaluated Assets
59. When a loan will be NPA ?
- Interest and/or loan instalments overdue for more than 90 days.
 - Account is out of order for more than 90 days in case of overdraft/cash credit.
 - Bill remains overdue for more than 90 days.
 - All of the above.
60. **Assertion (A) :** "The problem of rural credit is not primarily one of rural credit, it may be said to be one of rural minded credit."
Reason (R) : The Indian economy has yet to come out of rural mentality.
- Codes :**
- Both (A) and (R) are correct.
 - Both (A) and (R) are incorrect.
 - (A) is correct, but (R) is incorrect.
 - (R) is correct, but (A) is incorrect.

61. Match the items of List-I with the items of List-II and select the correct answer :

List – I	List – II
(i) Debit card	(a) Several storage
(ii) Credit card	(b) Online recovery of amount
(iii) Electronic purse	(c) Image processing use
(iv) Cheque function	(d) Revolving credit

Codes :

- | | | | |
|-----|------|-------|------|
| (i) | (ii) | (iii) | (iv) |
| (A) | (c) | (a) | (d) |
| (B) | (a) | (b) | (d) |
| (C) | (d) | (c) | (a) |
| (D) | (d) | (c) | (b) |

62. **Assertion (A) :** The Indian economy could survive in the recent global recession due to its strong banking system.

Reason (R) : The Indian economy contains a large amount of black money.

Codes :

- (A) Both (A) and (R) are correct and (R) is the explanation of (A).
- (B) Both (A) and (R) are correct, but (R) is not the correct explanation of (A).
- (C) (R) is correct, but (A) is not the appropriate assertion of (R).
- (D) Both (A) and (R) are incorrect.

63. **Assertion (A) :** Most of the development bank in India have setup private commercial banks after the introduction of capital adequacy norms.

Reason (R) : Development banks in India have not adhered to their basic objectives.

Codes :

- (A) (A) and (R) both are correct, and (R) is correct explanation of (A).
- (B) (A) and (R) both are correct, but (R) is not a correct explanation of (A).
- (C) (A) is correct, but (R) is incorrect.
- (D) (R) is correct, but (A) is incorrect.

64. Match the following items of List-I with List-II :

List – I	List – II
(a) Brettonwoods conference	(i) 1947
(b) General Agreement on Trade and Tariffs	(ii) 1964
(c) ACCRA conference	(iii) 1944
(d) United Nations Conference on Trade and Development	(iv) 2008

Codes :

- | | | | |
|-----|------|-------|------|
| (i) | (ii) | (iii) | (iv) |
| (A) | (b) | (d) | (a) |
| (B) | (b) | (d) | (c) |
| (C) | (b) | (c) | (d) |
| (D) | (c) | (a) | (b) |

65. The forces that lend momentum to the process of globalization have been identified by Michael Porter include the following :

- (i) Fluid global capital market.
- (ii) Technological restructuring.
- (iii) Decreasing religious command.
- (iv) Ethnic decontrol.
- (v) New-global competitors.
- (vi) End of the 'cold war' in 1990s.

Codes :

- (A) (vi), (v), (iv) and (iii)
- (B) (vi), (iii), (ii) and (i)
- (C) (vi), (v), (ii) and (i)
- (D) (iv), (iii), (ii) and (i)

66. **Statement (I) :** Green Box subsidies include amount spent on Government services such as research, disease control, infrastructure and food security.

Statement (II) : Blue Box subsidies are certain direct payments made to farmers, to limit production, and are certain government assistance programmes to encourage agriculture and rural development.

Codes :

- (A) Statement (I) is correct, but (II) is not correct.
- (B) Statement (II) is correct, but (I) is not correct.
- (C) Both statement (I) and (II) are correct.
- (D) Both statement (I) and (II) are incorrect.

67. **Assertion (A) :** The major economic powers have succeeded in creating a new international regime where the profits and the dominance of their transnational corporations will be the decisive consideration.

Reason (R) : This regime will legitimise the process of progressive erosion of the sovereign economic space of the third-world countries.

- (A) Both (A) and (R) are correct, and (R) is the right explanation of (A).
- (B) Both (A) and (R) are correct, but (R) is not the right explanation of (A).
- (C) Both (A) and (R) are incorrect.
- (D) (R) is correct, but (A) is not correct.

68. **Assertion (A) :** The 'Balance of Payments' presents a classified record of all receipts on account of goods exported, services rendered and capital received by 'residents' and payments made by them on account of goods imported and services received from capital transferred to 'non-residents' or 'foreigners'.

Reason (R) : The 'Balance of Payments' of a country is a systematic record of all economic transactions between the 'residents' of a country and the rest of the world.

- (A) Both (A) and (R) are correct and (R) is the right explanation of (A).
- (B) Both (A) and (R) are correct, but (R) is not the right explanation of (A).
- (C) (R) is correct, but (A) is not correct.
- (D) Both (A) and (R) are incorrect.

69. Which among the following is not rightly explained ?

- (i) $M_1 = \text{Currency with the public} + \text{demand deposits of the public.}$
 - (ii) $M_2 = M_1 + \text{Post Office Savings Deposits.}$
 - (iii) $M_3 = M_1 + \text{Time Deposits of the public with Banks.}$
 - (iv) $M_4 = M_3 + \text{Total Post Office Deposits.}$
 - (v) $M_1 = \text{Narrow money}$
 - (vi) $M_3 = \text{Broad money}$
- (A) Only (v) and (vi)
(B) Only (i) and (iii)
(C) Only (vi)
(D) None of the above

70. Which of the followings are not effect of dumping on importing country ?

- (i) Domestic industry might be affected adversely by a decline in sales and profits.
- (ii) If dumping is continued for a longer period, survival of the domestic industry may be threatened.
- (iii) Dumping may create BOP problems for the country.
- (iv) It finds market for its surplus production.

Codes :

- (A) (i), (ii), (iii) and (iv)
(B) (ii), (iii) and (iv)
(C) (iii) and (iv)
(D) Only (iv)

71. Donation to National Children's Fund will come in which of the following deduction under Sec. 80G of Income Tax Act, 1961.

- (A) 100 percent deduction without any qualifying limit.
(B) 50 percent deduction without any qualifying limit.
(C) 100 percent deduction subject to qualifying limit.
(D) 50 percent deduction subject to qualifying limit.

72. If the taxable income of a domestic company for the Assessment Year 2011-12 is ₹ 9,00,000, its tax liability will be

- (A) ₹ 2,76,800 (B) ₹ 2,78,100
(C) ₹ 3,70,800 (D) ₹ 3,70,880

73. Unabsorbed depreciation which could not be setoff in the same assessment year, can be carried forward upto

- (A) 4 years
(B) 8 years
(C) 10 years
(D) Indefinite period

74. If the book profits of a partnership firm is ₹ 1,10,000, the remuneration admissible to working partners under Sec.40(b) of the Income Tax Act, 1961 is

- (A) ₹ 1,10,000
(B) ₹ 1,50,000
(C) ₹ 99,000
(D) None of the above

75. Which of the following expenses is inadmissible while computing income from other sources ?

- (A) Interest paid on amounts borrowed to meet tax liabilities.
(B) Collection charges paid to the banker or any other person to collect interest/dividend.
(C) Interest on loan taken to invest in securities.
(D) Depreciation on let-out machinery and plant.

COMMERCE
Paper – III

Note : This paper contains **seventy five (75)** objective type questions of **two (2)** marks each.
All questions are compulsory.

1. The present regime of subsidies can be improved by focussing on
- (i) Reducing the overall scale of subsidies.
 - (ii) Making subsidies as transparent as possible.
 - (iii) Giving a specific amount to the Member of Parliament for subsidies.
 - (iv) Setting clear limits on duration of any new subsidy scheme.
 - (v) Eliminating system of periodic review of subsidies
 - (vi) Using subsidies for well-defined economic objectives.

Codes :

- (A) (i), (ii), (iii) and (iv)
 - (B) (ii), (iii), (iv) and (v)
 - (C) (i), (iii), (iv) and (vi)
 - (D) (i), (ii), (iv) and (vi)
2. Which of the following is not regulated by The Competition Act, 2002 ?
- (A) Abuse of dominant position
 - (B) Anti-competitive agreements
 - (C) Medical negligence
 - (D) Predatory pricing

3. The freedom of private enterprise is the greatest in the free market economy. This is characterized by which of the following assumptions ?
- (i) The factors of production (labour, land, capital) are privately owned and production occurs at the initiative of the private enterprise.
 - (ii) Income is received in monetary form by the sale of services of the factors of production and from the profits of the private enterprise.
 - (iii) Members of the free market economy have freedom of choice in so far as consumption, occupation, savings and investments are concerned.
 - (iv) The free market economy is not planned, controlled or regulated by the government.
 - (v) The free market economy is prone to corrupt practices.

Codes :

- (A) (i), (ii) and (iii)
- (B) (i), (ii), (iii) and (iv)
- (C) (i), (ii), (iii), (iv) and (v)
- (D) (ii), (iii), (iv) and (v)

4. The important responsibilities of a business to the customers are
- (i) To ensure family welfare of the customers.
 - (ii) To understand customer needs and to take the necessary measures to satisfy these needs.
 - (iii) To ensure health condition of the customers.
 - (iv) To ensure that the product supplied has no adverse effect on the customer.
 - (v) To provide an opportunity for being heard and to redress genuine grievances.

Codes :

- (A) (i), (ii), (iii), (iv) and (v)
- (B) (i), (ii), (iii) and (iv)
- (C) (ii), (iv) and (v)
- (D) (ii), (iii), (iv) and (v)

5. The rationale of expanding role of the public sector stems mainly from which of the following factors ?
- The failure of the private sector in certain crucial areas
 - The exploitation of the society by the private sector
 - The revenue need of the Central Government
 - The demand of economic justice
 - The need for accelerating the pace of economic growth

Codes :

- (i), (ii), (iii) and (iv)
 - (ii), (iii), (iv) and (v)
 - (i), (iii), (iv) and (v)
 - (i), (ii), (iv) and (v)
6. Which of the following factors may lead to a sick industrial unit ?
- Shortage of funds and faulty financial management
 - Investment by the FIIs in Indian industries
 - Unauthorized FDI in Indian industries
 - Lack of experience on the part of promoters
 - Technological factors including obsolete or improper technology

Codes :

- (i), (ii), (iii) and (iv)
 - (ii), (iii), (iv) and (v)
 - (i), (iv) and (v)
 - (i), (ii) and (iii)
7. Indicate what is not correct in respect of the Consumer Protection Act, 1986.
- No complaint can be entertained in respect of a product purchased more than 2 years back.
 - A complaint against medical negligence can be filed by legal heir or representative of the deceased.
 - A complaint involving a claim of ₹ 15 lakhs is to be filed before the State Commission.
 - Both (A) and (C)

8. If bonus shares are issued out of pre-acquisition profit, it will have
- Direct effect on the Consolidated Balance Sheet
 - No effect on the Consolidated Balance Sheet
 - No effect on Net Profit
 - None of the above

9. The present value of the future contributions of employees is one of the methods of
- HR Accounting
 - Inflation Accounting
 - Social Accounting
 - Responsibility Accounting

10. A standard which can be attained under the most favourable working conditions is called
- Attainable Standard
 - Basic Standard
 - Current Standard
 - Ideal Standard

11. Which of the following ratios are taken into consideration by a banker before sanctioning the loan ?
- Proprietary Ratio
 - Stock-Turnover Ratio
 - Debt-Equity Ratio
 - All of the above

12. Match the items of the following two lists :

List – I

List – II

- | | |
|----------------------------------|-----------------------------|
| (i) Zero-base Budgeting | (a) Internal Reconstruction |
| (ii) Goodwill or Capital Reserve | (b) Earnings Per Share |
| (iii) Reduction of Capital | (c) Control of Expenditure |
| (iv) Basic & Diluted | (d) Business Combination |

Codes :

- (i) (ii) (iii) (iv)
- (c) (d) (b) (a)
 - (d) (c) (a) (b)
 - (d) (a) (c) (b)
 - (c) (d) (a) (b)

13. **Assertion (A)** : Dividend paid out of pre-acquisition profit by the subsidiary company to the holding company is deducted from the cost of investment.

Reason (R) : Dividend paid out of pre-acquisition profit by the subsidiary company should be treated as a return of capital to the holding company.

Which one of the following is correct ?

- (A) Both (A) and (R) are correct.
- (B) (A) is correct, but (R) is wrong.
- (C) (A) is wrong, but (R) is correct.
- (D) Both (A) and (R) are wrong.

14. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R) :

Assertion (A) : Increasing the value of closing inventory increases profit.

Reason (R) : Increasing the value of closing inventory reduces cost of goods sold.

In the context of the above two statements, which of the following is correct ?

Codes :

- (A) Both (A) and (R) are correct.
- (B) Only (A) is correct.
- (C) Only (R) is correct.
- (D) Both (A) and (R) are wrong.

15. Match the items of List – I with the items of List – II and select the correct code for the answer :

List – I

List – II

- | | |
|-----------------------|-------------------------------------|
| (a) Multiple plants | (i) $MRP_T = MC = MRP_X = MRP_{PY}$ |
| (b) Cost-plus pricing | (ii) $MRT = MC = MR_1 = MR_2$ |
| (c) Multiple markets | (iii) $MR = MC_T = MC_A = MC_B$ |
| (d) Multiple products | (iv) $P = (1 + m) ATC$ |

Codes :

- | | | | | |
|-----|-------|-------|-------|-------|
| | (a) | (b) | (c) | (d) |
| (A) | (iv) | (ii) | (i) | (iii) |
| (B) | (i) | (iii) | (iv) | (ii) |
| (C) | (ii) | (i) | (iii) | (iv) |
| (D) | (iii) | (iv) | (ii) | (i) |

16. A measure of the responsiveness of quantity demanded to changes in the price of a related good is known as

- (A) Cross Elasticity of Demand
- (B) Substitution Elasticity of Demand
- (C) Complementary Elasticity of Demand
- (D) Price Elasticity of Demand

17. If the total cost is ₹ 260 and the total variable cost is ₹ 60, what will be total fixed cost if output is (a) 100 units and (b) 200 units ?

- (A) ₹ 200 and ₹ 200
- (B) ₹ 100 and ₹ 200
- (C) ₹ 260 and ₹ 100
- (D) ₹ 160 and ₹ 100

18. Optimal input combination to minimize the cost for a given output will be at the point where :

- (A) Isocost is tangent to Isoquant
- (B) MRTS between inputs is equal
- (C) Any movement from optimum point will lead to low level of output
- (D) All the above conditions are fulfilled.

19. What kinds of actions can be taken to put the rivals at a disadvantageous position under oligopoly market ?

- (A) Commitments
- (B) Threats
- (C) Promises
- (D) All the above

20. There is no exceptions to the law of demand in the case of

- (A) Giffen goods
- (B) Normal goods
- (C) Articles of conspicuous consumption
- (D) Ignorance of the buyer

21. What is the degree of elasticity of demand in case the demand is represented by a straight line parallel to the x-axis ?
 (A) $e > 1$
 (B) $e = 0$
 (C) $e = \infty$
 (D) $e < 1$
22. If a chi-square test is to be performed on a contingency table with 3 rows and 4 columns, how many degrees of freedom should be used ?
 (A) 6
 (B) 12
 (C) 8
 (D) 9
23. **Assertion (A)** : If regression coefficient of X on Y is greater than one, regression coefficient of Y on X must be less than one.
Reason (R) : The geometric mean between two regression coefficients is the co-efficient of correlation.
 On the basis of the above, choose the appropriate answer :
 (A) (A) and (R) are correct.
 (B) (A) is correct, but (R) is not correct.
 (C) (A) is not correct, but (R) is correct.
 (D) Both (A) and (R) are not correct.
24. If the sum of squares of deviations within samples is 140 with 12 degrees of freedom and the sum of squares of deviations between samples is 190 with 2 degrees of freedom, the test statistic will be
 (A) 81.4
 (B) 12.28
 (C) 8.14
 (D) 1.22
25. The regression equation of profits (X) on sales (Y) of a firm is given as : $3Y - 5X + 110 = 0$. If the sales of the firm is ₹ 44,000, the profit will be
 (A) ₹ 23,370 (B) ₹ 26,422
 (C) ₹ 24,422 (D) ₹ 21,370
26. Cricketer 'A' scores on an average 40 runs with a standard deviation of 5. Scores of players 'B' and 'C', on an average, are 75 and 90 with standard deviations 10 and 18 respectively. Arrange the players in the descending order of consistency :
 (A) A, B and C
 (B) C, B and A
 (C) B, A and C
 (D) C, A and B
27. Among the following, choose the most suitable 'test' that can be applied to examine the influence of one factor on different groups :
 (A) 't' test
 (B) 'F' test
 (C) 'Chi-square' test
 (D) None of the above
28. A machine produced 20 defective articles in a batch of 400. After overhauling, it produced 10% defectives in a batch of 300. Which test of hypothesis can be applied to the above situation to examine whether the machine has improved ?
 (A) Test of significance of a sample proportion (two-tail test)
 (B) Test of significance of a sample proportion (one-tail test)
 (C) Test of significance of difference between two sample proportion (two-tail test)
 (D) Test of significance of difference between two sample proportion (one-tail test)

29. Strategies and policies
 (A) are not closely related
 (B) give direction
 (C) are the framework for performance appraisal
 (D) both (A) and (B)
30. According to Vroom's Expectancy Theory of Motivation,
 (A) Force = valence divided by expectancy
 (B) Force = valence \times expectancy
 (C) Force = strength of an individual preference for an outcome
 (D) Valence = probability that a particular action shall lead to a desired outcome
31. In the managerial grid, the managers who have little or no concern for production but are concerned only for people are known as what type of managers ?
 (A) 1.1 Management
 (B) 5.5 Management
 (C) 9.1 Management
 (D) 1.9 Management
32. According to the Boston Consulting group, a business, which has a strong market share in a low growth industry is referred to as a
 (A) Dog
 (B) Cash Cow
 (C) Star
 (D) Question mark
33. Which of the following are major principles of leading ?
 (i) Principle of motivation
 (ii) Principle of continuous development
 (iii) Principle of harmony of objectives
 (iv) Principle of open competition
 (v) Principle of communication clarity
- Select the correct answer from the codes given below :
- Codes :**
 (A) (i), (ii), (iii), (v)
 (B) (i), (ii), (iii), (iv), (v)
 (C) (i), (iii), (iv), (v)
 (D) (i), (iii), (v)

34. The following are the steps of management control process :
 (i) Taking corrective action from standards
 (ii) Establishing standards
 (iii) Measuring actual performance
 (iv) Comparing performance against standard
- Select the correct sequence of these steps from the codes given below :
- Codes :**
 (A) (i), (ii), (iii), (iv)
 (B) (ii), (iii), (iv), (i)
 (C) (iii), (iv), (i), (ii)
 (D) (ii), (iv), (i), (iii)
35. Consider the following :
 (i) Planning is today's action for tomorrow's decision.
 (ii) Planning is forward looking while controlling is looking back.
 (iii) Motivation is about getting voluntary willingness of subordinates for action.
 (iv) Line and staff organisation is the oldest form of organisation.
- Select the correct statements from the codes given below :
- Codes :**
 (A) (ii) and (iii) are correct.
 (B) (i), (ii) and (iv) are correct.
 (C) (i), (iii) and (iv) are correct
 (D) All are correct.
36. Which is not one of the stages in the consumer buying-decision process ?
 (A) Purchase decision
 (B) Post-purchase behaviour
 (C) Problem recognition
 (D) Cultural factors
37. At which stage of product-life-cycle are the pricing decisions most complex ?
 (A) Decline
 (B) Growth
 (C) Introduction
 (D) Maturity

38. Which one is not an element of market logistics ?
 (A) Inventory
 (B) Order-processing
 (C) Warehousing
 (D) Supply chain management
39. Under which legislation, the manufacturers and distributors are required to declare Maximum Retail Price (MRP) on packaged commodities ?
 (A) The Bureau of Indian Standards Act, 1986
 (B) The Consumer Protection Act, 1986
 (C) The Standards of Weights and Measures Act, 1976
 (D) The Essential Commodities Act, 1955
40. In modern marketing, which of the following functions of a distribution middleman is gaining maximum importance ?
 (A) Making persuasive communication
 (B) Price negotiation
 (C) Keeping adequate inventory
 (D) Gathering market information
41. Which method of setting the advertising budget of a company is considered to be the most scientific ?
 (A) All-you-can-afford method
 (B) Percentage of sales method
 (C) Competitive-parity method
 (D) Objectives and tasks method

42. Match the items of List – I with those of List – II and indicate the correct combination from the codes given below :

List – I	List – II
(i) AIDA Model	(a) Consumer behaviour
(ii) Hierarchy of effects model	(b) Marketing communication
(iii) Howard and Sheth model	(c) Consumer buying-decision process
(iv) Information search	(d) Advertising effectiveness

Codes :

	(i)	(ii)	(iii)	(iv)
(A)	(a)	(b)	(c)	(d)
(B)	(b)	(c)	(d)	(a)
(C)	(b)	(d)	(a)	(c)
(D)	(d)	(a)	(c)	(b)

43. Inability of the firm to meet its obligations results in financial distress which may lead to bankruptcy resulting into the following :
 1. Distress sale of assets at lower price.
 2. Legal and administrative costs for bankruptcy.
 3. Dilution of stakeholders' commitment to the firm.
 4. Stretching of payments to suppliers and creditors.
 The direct costs of such financial distress may be
 (A) 1 and 4 (B) 2 and 3
 (C) 1 and 2 (D) 3 and 4
44. Mutually exclusive projects can be more accurately ranked as per
 (A) Internal rate of return method
 (B) Net Present Value Method
 (C) Modified Internal Rate of Returns Method
 (D) Accounting or Average Rate of Return Method

45. Which one of the following does not constitute a Standalone Risk Analysis ?
 (A) Simulation Analysis
 (B) Break-even Analysis
 (C) Corporate Risk Analysis
 (D) Scenario Analysis
46. Financial leverage in a firm is positively affected by
 (A) Intensity of tangible assets
 (B) Operating leverage
 (C) Profitability
 (D) Tax Rate
47. Which combination of the following two statements (A) and (R) is correct ?
Assertion (A) : The IRR of a project is the discount rate which reduces its NPV to zero.
Reason (R) : A project is worth accepting if the IRR exceeds the cost of capital.
Codes :
 (A) (A) is right, but (R) is wrong.
 (B) Both (A) and (R) are correct.
 (C) (A) is wrong, but (R) is correct.
 (D) Both (A) and (R) are wrong.
48. **Assertion (A) :** A company should pay minimum dividend to its shareholders.
Reason (R) : Dividends are heavily taxed than capital gains.
Codes :
 (A) Both (A) and (R) are correct.
 (B) Both (A) and (R) are incorrect.
 (C) (A) is not correct, but (R) is correct.
 (D) (A) is correct, but (R) is wrong.
49. Dividend irrelevance hypothesis is implied in the
 (A) Traditional Model
 (B) Walter Model
 (C) Gordon Model
 (D) M.M. Model

50. Which one of the following does not serve the main objective of performance appraisal ?
 (A) Developmental uses
 (B) Administrative uses
 (C) Ethical and moral values
 (D) Organisational objectives

51. **Statement (I) :** Job evaluation is a technique of assessing the worth of each job in comparison with others throughout an organization.

Statement (II) : Job evaluation and job rating are one and the same for employees' appraisal purposes.

Codes :

- (A) Statement (I) is correct, but Statement (II) is incorrect.
 (B) Statement (II) is correct, but Statement (I) is incorrect.
 (C) Both the Statements (I) and (II) are correct.
 (D) Both the Statements (I) and (II) are incorrect.

52. Match the items of List – I with the items of List – II and select the correct answer :

List – I

List – II

- | | |
|----------------------|---|
| (i) Job Rotation | (a) Involves conscious efforts, to organise tasks, duties and responsibilities into a unit of work to achieve certain objectives. |
| (ii) Job Design | (b) Involves movement of employees from job to job |
| (iii) Job Evaluation | (c) Seeks to improve both task efficiency and human satisfaction and more opportunity for individual growth |
| (iv) Job Enrichment | (d) The formal process by which the relative worth of various jobs in the organisation is determined for pay purpose. |

Codes :

- | | | | | |
|-----|-----|------|-------|------|
| | (i) | (ii) | (iii) | (iv) |
| (A) | (a) | (b) | (c) | (d) |
| (B) | (d) | (c) | (b) | (a) |
| (C) | (c) | (d) | (b) | (a) |
| (D) | (b) | (a) | (d) | (c) |

- 53. Assertion (A) :** Merit rating of an employee is the process of evaluating the employees performance on the job in terms of the requirements of the job.
Reason (R) : Employees' merit rating is a technique for fair and systematic evaluation of an employee's capacities and abilities and performance on the specific job.
- Codes :**
- (A) Both (A) and (R) are correct, and (R) is the right explanation of (A).
 (B) Both (A) and (R) are correct, but (R) is not the right explanation of (A).
 (C) Both (A) and (R) are incorrect.
 (D) (R) is correct, but (A) is incorrect.
- 54.** The major provisions for employees' health and safety are contained in
 (A) The Industrial Disputes Act, 1947
 (B) The Factories Act, 1948
 (C) The Industrial Employment (Standing Orders) Act, 1946
 (D) The Employees' Compensation Act, 1923
- 55.** Indicate your choice through the codes given below :
1. A club is an industry under the Industrial Disputes Act, 1947
 2. Factory as defined under the Factories Act, 1948 includes a mine.
 3. For purpose of the payment of bonus to employees, the gross profits earned by a bank is to be calculated in the manner specified in Schedule – I of the Payment of the Bonus Act, 1965.
 4. Various labour laws do not apply to public sector undertakings.
- Codes :**
- (A) While 1 and 2 are correct, others are not.
 (B) All the statements are correct.
 (C) Only 1 is correct, others are incorrect.
 (D) Only 1 is incorrect, all others are correct.

- 56.** Match the items of List – I with the items of List – II and select the correct answer :

List – I	List – II
(i) Abraham Maslow	(a) Achievement Motivation Theory
(ii) Herzberg	(b) ERG Theory
(iii) Alderfer	(c) Two Factor Theory
(iv) McClelland	(d) Need Hierarchy Theory

Codes :

(i)	(ii)	(iii)	(iv)
(A) (a)	(b)	(c)	(d)
(B) (d)	(c)	(b)	(a)
(C) (c)	(b)	(a)	(d)
(D) (d)	(c)	(a)	(b)

- 57. Assertion (A) :** The Central Bank of the country is responsible to maintain stability of the monetary standard which involves currency circulation
Reason (R) : The Central Bank is the only authorized entity to do so.

Codes :

- (A) (A) and (R) both are correct.
 (B) (A) and (R) both are incorrect.
 (C) (A) is correct, but (R) is incorrect.
 (D) (R) is correct, but (A) is incorrect.

- 58.** Identify the quantitative credit control methods among the following :

- Bank Rate
- Credit Rationing
- Open Market Operations
- Variable Reserve Ratio
- Selective Credit Control
- Liquidity Ratio

Codes :

- (A) (i), (ii), (iii) and (iv)
 (B) (ii), (iii), (iv) and (v)
 (C) (i), (ii), (v) and (vi)
 (D) (i), (iii), (iv) and (vi)

59. The following activities are mainly related to which organization ?
- Micro Finance
 - Rural Finance
 - Self Help Groups
 - Cooperative Banks Finance
- Industrial Finance Corporation of India
 - Ministry of Finance
 - Reserve Bank of India
 - National Bank for Agriculture and Rural Development
60. PIN in banking transaction is known as
- Postal Index Number
 - Permanent Identification Number
 - Personal Identification Number
 - Public Interlocking Numeric
61. Reserve Bank of India was nationalized on
- January 26, 1948
 - January 01, 1949
 - January 26, 1950
 - January 01, 1956
62. When a banking company is placed under moratorium under Section 45 of the Banking (Regulation) Act, 1949, the RBI must prepare a scheme of
- VRS for staff
 - Capital Buy-Back
 - Reconstruction of the company or amalgamation with any other bank
 - IPO of the bank

63. Match the following items of List – I with List – II :

List – I	List – II
(i) SWIFT	(a) 1996
(ii) NEFT	(b) 1988
(iii) BASEL I Accord	(c) 1973
(iv) BASEL II Accord	(d) 2004

Codes :

- (i) (ii) (iii) (iv)
- (a) (b) (c) (d)
 - (b) (c) (a) (d)
 - (d) (c) (b) (a)
 - (c) (a) (d) (b)

64. The main features of TRIMS are :

- All restrictions on foreign capital are imposed.
- No restriction is imposed on any area of investment.
- Restrictions on repatriation of dividend is eliminated.
- Imports of raw material is allowed freely.
- No limit on the extent of foreign investment.

Indicate the correct combination

- (i), (ii), (iii) and (v)
- (ii), (iii), (iv) and (v)
- (iii), (iv) and (v)
- (iv) and (v)

- 65. Assertion (A) :** TRIPS requires an understanding about the scope of the new patent regime.
Reason (R) : Patent protection will be extended to micro organisms, non-biological and micro-biological processes and plant varieties.
Codes :
 (A) (A) and (R) are not related with each other.
 (B) (R) is related with (A).
 (C) (A) is independent of (R).
 (D) While (R) is related with TRIMS, (A) is related with TRIPS.
- 66. Possible impact of WTO on various aspects of the Indian economy :**
 (i) Quantitative restriction will be allowed.
 (ii) Second hand cars will be imported.
 (iii) There will be dumping of Chinese goods.
 (iv) Increase in population.
 (v) Child labour exploitation
 (vi) Unemployment will increase
 Which combination is appropriate ?
 (A) (i), (ii), (iii)
 (B) (iii), (iv), (v)
 (C) (ii), (iii) & (vi)
 (D) (iv), (v) & (vi)
- 67. Assertion (A) :** Economic integration abolishes cross-national economic discrimination.
Reason (R) : Geographical proximity is an important reason for economic integration.
Codes :
 (A) (R) does explain (A).
 (B) Both (A) and (R) are correct.
 (C) Both (A) and (R) are not correct.
 (D) (A) is correct, but (R) is not correct.

- 68. Match the items of List – I and items of List – II and select the correct answer :**

List – I	List – II
(i) Free Trade Area	(a) MERCOSUR
(ii) Customs Union	(b) European Union
(iii) OEEC	(c) EFTA
(iv) Common Market	(d) Marshall Plan

Codes :

- | | | | |
|-----|------|-------|------|
| (i) | (ii) | (iii) | (iv) |
| (A) | (a) | (b) | (c) |
| (B) | (b) | (d) | (a) |
| (C) | (c) | (a) | (d) |
| (D) | (d) | (c) | (b) |

- 69. Assertion (A) :** A futures contract specifies in advance the exchange rate to be used, but it is not as flexible as a forward contract.

Reason (R) : A futures contract is for specific currency amount and a specific maturity date.

Codes :

- (A) (R) is a correct explanation of (A).
 (B) (R) is not a correct explanation of (A).
 (C) (A) and (R) are not related with each other.
 (D) (R) is irrelevant for (A).

70. Out of the following, which are the important objectives of IMF ?
- To promote exchange rate stability
 - To create standby reserves
 - To print International currency notes
 - To establish a multilateral system of payments.
 - To maintain orderly exchange rate stability
 - To create employment

Codes :

- (A) (ii), (iv), (v), (vi)
 (B) (iii), (v), (vi)
 (C) (i), (ii), (iv), (v)
 (D) (i), (ii), (v), (vi)

71. Given that :
 Fair rent of a let out house property is ₹ 75,000. Its Municipal value is ₹ 60,000, standard rent is ₹ 72,000 and actual rent received is ₹ 63,000. What is the Gross Annual Value of this house property ?
- (A) ₹ 60,000 (B) ₹ 63,000
 (C) ₹ 72,000 (D) ₹ 75,000

72. Match the items of List – I with the items of List – II

List – I	List – II
(i) Amount deposited in PPF	(a) 80-IA
(ii) Profits and gains from undertakings engaged in infrastructure development	(b) 80 G
(iii) Contribution to National Defence Fund	(c) 80-IAB
(iv) Profits and gains by an undertaking engaged in the development of Special Economic Zone	(d) 80-C

Codes :

- (i) (ii) (iii) (iv)
 (A) (d) (c) (b) (a)
 (B) (d) (a) (b) (c)
 (C) (d) (a) (c) (b)
 (D) (b) (a) (c) (d)

73. Which of the following deductions will not come under Sec. 80 of the Income Tax Act ?

- (A) Deduction in the case of a person with disability
 (B) Deduction for interest paid on loan taken for pursuing higher education
 (C) Deduction for interest on loan taken for the construction / purchase of house property
 (D) Deduction for repayment of any instalment of principal amount borrowed for the purchase / construction of house property

74. X purchased a land in the P.Y. 1997-98 for ₹ 50,000. This land was sold by him during the P.Y. 2009-10 for ₹ 8,00,000. The fair market value of this land on 1-4-81 was ₹ 1,20,000. If the Cost Inflation Index for the A.Y. 2010-11 is 632, his capital gain for the A.Y. 2010-11 will be

- (A) ₹ 4,84,000
 (B) ₹ 7,50,000
 (C) ₹ 6,80,000
 (D) ₹ 41,600

75. Any amount of money received in excess of ₹ 50,000 without consideration is fully taxable in the hands of

- (A) Individuals
 (B) Individuals and HUF
 (C) Individuals, HUF and Company
 (D) All assessees

COMMERCE
Paper – III

Note : This paper contains **seventy five (75)** objective type questions of **two (2)** marks each.
All questions are compulsory.

1. The first macro-environmental force that a business firm generally monitors is
 - (A) Economic environment
 - (B) Demographic environment
 - (C) Technological environment
 - (D) International, Political environment
2. Which of the following statements is true ?
 - (A) The highest growth rate in India is in the Manufacturing Sector.
 - (B) Agricultural Sector has the highest share in the GDP in India.
 - (C) The biggest source of Central Government's revenue is Central Excise.
 - (D) None of the above.
3. Which of the following statements is true ?
 - (A) The Competition Commission of India is headed by a person having Judicial background.
 - (B) The definition of the term 'goods' as given in the Competition Act, 2002, is the same as given in the Sale of Goods Act, 1930.
 - (C) Both (A) and (B) are true.
 - (D) None of the above is true.
4. Which one of the following is not included in the Consumer Rights as per the Consumer Protection Act, 1986 ?
 - (A) Right to be protected against marketing of hazardous goods and services.
 - (B) Right to be heard.
 - (C) Right to a physical environment that will protect and enhance quality of life.
 - (D) Right to seek redressal of legitimate complaints.
5. A consumer can file a complaint under the Consumer Protection Act, 1986, on any of the following grounds except :
 - (A) Sale of defective goods
 - (B) Provision of deficient service
 - (C) Charging very high price
 - (D) Unfair trade practice
6. Financial statements provide a true and fair view if
 - (A) It is free from any material error and bias.
 - (B) It is prepared using the appropriate accounting policy and applicable accounting standards.
 - (C) It is prescribed in the format prescribed by the regulator or, in the absence of a prescribed format, it is prepared in a manner that facilitates analyses of the financial position and the performance of the reporting enterprise.
 - (D) It conforms to all of the above (A), (B) and (C).

7. Which of the formula is used to calculate Absolute Liquid Ratio is ?
- (A) $\frac{\text{Current Assets, Loans \& Advances-Inventories}}{\text{Current Liabilities \& Provisions-Bank Overdraft}}$
- (B) $\frac{\text{Current Assets, Loans \& Advances}}{\text{Current Liabilities \& Provisions}}$
- (C) $\frac{\text{Absolute Liquid Assets}}{\text{Current Liabilities}}$
- (D) $\frac{\text{Absolute Liquid Assets}}{\text{Quick Liabilities}}$
8. A company sells its product at ₹ 15 per unit. In a period if it produces and sells 8,000 units, it incurs a loss of ₹ 5 per unit. If the volume is raised to 20,000 units it earns a profit of ₹ 4. Variable cost per unit will be
- (A) ₹ 9 per unit
- (B) ₹ 4.5 per unit
- (C) ₹ 5 per unit
- (D) ₹ 6 per unit
9. Which of the following is a sub-variance of labour efficiency variance ?
- (A) Idle time variance
- (B) Labour-mix variance
- (C) Labour-yield variance
- (D) All of the above
10. An investment centre is a responsibility centre where the manager has control over
- (A) Costs
- (B) Costs and profits
- (C) Costs, profits and product quality
- (D) Costs, profits and assets
11. According to H.A. Simon, if a firm fails to achieve its target initially, it results in
- (A) Search behaviour
- (B) Sense of helplessness
- (C) Appropriate revision of aspiration level.
- (D) Sacking of its managerial team
12. When the demand curve is relatively highly elastic, the marginal revenue is
- (A) Zero (B) Unity
- (C) Positive (D) Negative
13. In which one of the following market situations the practice of price rigidity is found ?
- (A) Perfectly competitive market
- (B) Monopolistic competitive market
- (C) Oligopoly market
- (D) Discriminating monopoly market
14. During short-run, the optimum level of output corresponds to that level of output where
- (A) MC is the minimum
- (B) AVC is the minimum
- (C) AC is the minimum
- (D) AFC stops declining
15. The opportunity cost is a term which describes
- (A) a bargain price for a factor of production.
- (B) production cost related at the optimum level of production.
- (C) average variable cost.
- (D) the loss of the reward in the next best use of that resource.

16. Find chi-square value for the following :

Event	Expected	Observed
X	60	52
Y	40	48

Choose the correct answer from the following options :

- (A) 2.67 (B) 2.77
(C) 3.33 (D) 4.33
17. A time series is a set of data collected at
- (A) Random intervals
(B) Regular intervals
(C) Convenient intervals
(D) All of the above
18. Given the following data calculate the regression coefficient of X on Y. Pearson's correlation coefficient = + 0.8. Regression coefficient of Y on X = 0.8. Choose the correct answer from the following :
- (A) 0.32 (B) 0.64
(C) 0.80 (D) 0.82
19. Which kind of test from the following options is the right test to use when the hypotheses for testing are stated as :
- H_0 : Population mean is equal to the sample mean.
 H_1 : Population mean is not equal to the sample mean.
- (A) One-tailed test
(B) Two-tailed test
(C) Either one tailed or two tailed test
(D) None of the above

20. The steps in data processing are given below :

Choose the correct sequence of steps in data processing from the following options :

- (i) Data Storage
(ii) Data Validation
(iii) Data Capture
(iv) Report Generation
(v) Data Manipulation
(A) (i), (ii), (iii), (iv), (v)
(B) (ii), (i), (iii), (iv), (v)
(C) (iii), (i), (ii), (iv), (v)
(D) (iii), (ii), (i), (v), (iv)

21. Which of the following steps are essential in the staffing process ?

- Hiring the right kind of people.
- Firing the non-performing employees.
- Developing skills of the employees through training.
- Collective bargaining.
- Maintaining the employees by creating favourable conditions of work.

Codes :

- (A) 1, 3 and 5 (B) 1, 2 and 3
(C) 3, 4 and 5 (D) 2, 3 and 4

22. F.W Taylor

- Viewed man as an adjunct of man.
- Completely neglected the psychological aspects.
- Emphasized only a limited number of the psychological variables.
- Under-estimated the meaning of human motivation.

Select the correct answer from the following :

- (A) 1, 2 and 3 (B) 3, 2 and 4
(C) 1, 2, 3 and 4 (D) 1 and 4

23. The authoritarian leadership style goes with
 (A) Theory X
 (B) Theory Y
 (C) Theory Z
 (D) None of these

24. Select the four stages of group development from the following :
- | | |
|---------------|---------------|
| 1. Forming | 2. Storming |
| 3. Discussing | 4. Norming |
| 5. Warning | 6. Performing |

Codes :

- (A) 1, 2, 3 and 5 (B) 2, 3, 4 and 6
 (C) 3, 4, 5 and 6 (D) 1, 2, 4 and 6

25. Match the following :

List – I

List – II

- | | |
|---|----------------------|
| (a) To check the quality of work. | 1. Speed boss |
| (b) To see that work is completed in time. | 2. Inspection |
| (c) To check absenteeism of workers. | 3. Instruction clerk |
| (d) To issue instruction regarding method of work | 4. Shop discipline |

Codes :

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

26. A company plans to create the largest possible total sales volume. It should use

- (A) Concentrated marketing
 (B) Differentiated marketing
 (C) Homogeneous marketing
 (D) Undifferentiated marketing

27. The third stage in the consumer-buying decision process is

- (A) Evaluation of alternatives
 (B) Information search
 (C) Purchase decision
 (D) None of the above

28. Manufacturers of convenience goods typically seek _____ distribution.

- (A) Exclusive (B) Intensive
 (C) Restrictive (D) Selective

29. Which promotional tool is most cost effective when a product is in the decline stage of its product life cycle ?

- (A) Advertising
 (B) Personal selling
 (C) Public relations
 (D) Sales promotion

30. Match the items of List-I with those of List-II.

List – I

List – II

- | | |
|-----------------------------|-------------------------------------|
| (a) Product support service | (i) Information Technology Act 2000 |
| (b) Interviewers' bias | (ii) Information Search |
| (c) On-line advertising | (iii) Marketing Research |
| (d) Personal sources | (iv) User's Manual |

Indicate the correct matching.

- | | | | | |
|-----|------|-------|-------|------|
| | (a) | (b) | (c) | (d) |
| (A) | (iv) | (iii) | (ii) | (i) |
| (B) | (iv) | (iii) | (i) | (ii) |
| (C) | (i) | (ii) | (iii) | (iv) |
| (D) | (ii) | (iii) | (iv) | (i) |

31. Match the items of List-I with the items of List-II.

List – I

List – II

- | | |
|---|--|
| <p>(a) A theory of capital structure in which the weighted average cost of capital and the total value of the firm remains constant as financial leverage is changed.</p> <p>(b) The value of the geared company will always be greater than an ungeared company with similar business risk but only by the amount of debt associated tax savings of the geared company.</p> <p>(c) Capital structure that minimizes the firm's cost of capital and thereby maximizes the value of the firm.</p> <p>(d) Share price is independent of the degree of financial leverage.</p> | <p>I. Capital Asset Pricing Model</p> <p>II. Traditional Approach</p> <p>III. Net Operating Income Approach</p> <p>IV. Modigliani-Miller Theory and Corporate Taxation</p> |
|---|--|

Codes :

- | | | | | |
|-----|-----|-----|-----|-----|
| | I | II | III | IV |
| (A) | (c) | (d) | (b) | (a) |
| (B) | (d) | (c) | (a) | (b) |
| (C) | (a) | (b) | (c) | (d) |
| (D) | (b) | (a) | (d) | (c) |

32. Which one of the following expression represents a correct matching ?

- (A) A decrease in the proportional claim on earnings and assets of a share of common stock due to the issuance of additional shares : Dilution.
- (B) Anticipated annual dividend divided by the total book value of the firm : Dividend Yield.
- (C) When a shareholder receives lesser number of new shares in exchange for a given number of old shares : Stock split.
- (D) The costs associated with issuing securities, such as underwriting, legal, listing and printing fees : Transaction Costs.

33. When the internal rate of return of a project is more than the hurdle rate, the Net Present Value would be :

- (A) Zero
- (B) Positive
- (C) Negative
- (D) Uncertain

34. **Statement I :** The presence of fixed operating costs in the operating cost structure of a firm regardless of the volume denotes the presence of financial leverage.

Statement II : Super leverage is the result of the multiplicative combination of the degree of operating leverage and financial leverage.

Codes :

- (A) Both statements are true.
- (B) Both statements are false.
- (C) Statement I is true, but Statement II is false.
- (D) Statement I is false, but Statement II is true.

35. Which one of the following expressions has incorrect matching ?
 (A) A method of financing where each asset would be offset with a financing instrument of the same approximate maturity : Hedging Approach.
 (B) A method of financing where all long term funds are used to finance the current assets : Aggressive Approach.
 (C) The amount of current assets required to meet a firm's long-term minimum needs : Permanent working capital.
 (D) Trade credit and other payables that arise in the firm's day to day operations : Spontaneous Financing.
36. The Equal Remuneration Act, 1976 is primarily applicable to workers working on
 (A) Monthly wage basis
 (B) Annual wage basis
 (C) Daily wage basis
 (D) Contractual wage basis
37. In comparing Maslow's and Herzberg's Theories of Motivation, which motivators of Herzberg are similar to the need specified by Maslow ?
 (A) Affiliation needs
 (B) Physiological needs
 (C) Security needs
 (D) Self-actualisation needs
38. The managerial function of staffing is most closely related to
 (A) Controlling (B) Leading
 (C) Marketing (D) Organising
39. The 'staffing function' does not include :
 (A) Performance appraisal
 (B) Placement
 (C) Selection
 (D) Span of control
40. On-the-job training does not include
 (A) job rotation
 (B) planned progression
 (C) sensitivity training
 (D) temporary promotion
41. Generally the following are the important items appearing on the assets side of the Balance Sheet of a Commercial Bank.
 (a) Cash in hand
 (b) Bills discounted
 (c) Money at call and short notice
 (d) Loans and advances
 (e) Investments
 Which of the following sequence is correct in the order of liquidity ?
 (A) (a), (b), (d), (c) and (e)
 (B) (a), (c), (b), (e) and (d)
 (C) (b), (d), (c), (a) and (e)
 (D) (c), (d), (b), (e) and (a)
42. Which one of the following is not a correct method of calculating profitability ratio in banking sector ?
 (A) $\frac{\text{Burden ratio}}{\text{Man power expenses ratio} + \text{other establishment expenditure ratio} - \text{non interest income ratio}}$
 (B) $\frac{\text{Profitability ratio}}{\text{Spread ratio} - \text{burden ratio}}$
 (C) $\frac{\text{Spread ratio}}{\text{Interest earned ratio} + \text{Interest paid ratio}}$
 (D) $\frac{\text{Interest earned ratio}}{\text{Interest earned/volume of business}}$
43. Capital adequacy norm is expressed as a percentage of
 (A) Standard Assets
 (B) Risk adjusted Assets
 (C) Sub-standard Assets
 (D) Investments

44. The major sources of funds for IFCI Ltd. (during the year 2011-12) are given below :

- (i) Reserves and Surpluses
- (ii) Borrowings in Rupees
- (iii) Share Capital
- (iv) Borrowings in Foreign Currency

Which of the following sequence is correct ?

- (A) (i), (iii), (iv) and (ii)
- (B) (iii), (i), (ii) and (iv)
- (C) (ii), (i), (iii) and (iv)
- (D) (iv), (ii), (i) and (iii)

45. The Bonds and Debentures issued by State Financial Corporations are guaranteed by

- (A) Reserve Bank of India
- (B) IDBI
- (C) Central Government
- (D) State Government

46. Items given are related to international trade theories. Match the items in List-A with most suitable options in List-B.

List – A	List – B
(a) 'Zero-sum' game	(i) Factor proportion theory
(b) Labour-Capital relationship	(ii) Mercantalism theory
(c) Relative efficiencies of the producing countries	(iii) Theory of 'Absolute advantage'
(d) 'Positive-sum' game	(iv) Theory of Comparative advantage

Codes :

- | | | | |
|-----------|-------|------|-------|
| (a) | (b) | (c) | (d) |
| (A) (iii) | (iv) | (i) | (ii) |
| (B) (ii) | (iii) | (iv) | (i) |
| (C) (ii) | (i) | (iv) | (iii) |
| (D) (iv) | (i) | (ii) | (iii) |

47. The following are the stages in international business entry process. Arrange them in correct sequence.

- (i) Direct experience
- (ii) In-depth scrutiny
- (iii) Country identification
- (iv) Preliminary screening
- (v) Final selection

Codes :

- (A) (iv), (iii), (i), (ii), (v)
- (B) (iii), (iv), (i), (ii), (v)
- (C) (iii), (iv), (ii), (v), (i)
- (D) (iii), (iv), (v), (ii), (i)

48. Which of the following intellectual properties were covered under Uruguay Round Agreement on TRIPS ?

- (i) Copy rights
- (ii) Trade marks
- (iii) Industrial designs
- (iv) Undisclosed information, including trade secrets

Codes :

- (A) (i) and (ii) only
- (B) (i), (ii) and (iii)
- (C) (ii), (iii) and (iv)
- (D) (i), (ii), (iii) and (iv)

49. Which of the following statements is true ?

- (A) If the absolute Purchasing Power Parity (PPP) holds good, then the relative PPP also holds good.
- (B) If the relative PPP holds good, then the absolute PPP also holds good.
- (C) If the absolute PPP does not hold good, then the relative PPP also will not hold good.
- (D) If the absolute PPP holds good, then the relative PPP may or may not hold good.

50. A company is planning to enter a foreign market. Which of the following entry strategies will give it the maximum control ?

- (A) Direct export
- (B) Direct investment
- (C) Financing
- (D) Licensing

51. The opportunity cost approach in Human Resources Accounting was introduced by

- (A) Hckimian and Jones
- (B) Rensis Likert
- (C) Eric. G. Flamholtz
- (D) William C. Pyle

52. The GDRs and ADRs can be listed on

- (A) Luxemburg Stock Exchange (LSE)
- (B) New York Stock Exchange (NYSE)
- (C) Over the Counter Exchange of India (OTCEI)
- (D) Any of the Overseas Stock Exchanges

53. Match the following :

List – I	List – II
(Name of the credit rating agency)	(Ownership)
(a) CRISIL	1. IFCI
(b) ICRA	2. ICICI
(c) CARE	3. Duff & Phelps Corpn.
(d) Duff and Phelps Credit Rating of India Ltd.	4. IDBI

Codes :

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

54. Which of the following is responsible for investigating cases referred to it and deciding whether a proposed merger is in the 'public interest' ?

- (A) Director General of Fair Trading (DGFT).
- (B) Secretary of State for Trade and Industry.
- (C) Competition Commission of India (CCI).
- (D) Prime Minister Office.

55. Match the following :

List – I

List – II

- | | |
|--|--|
| <p>(a) A popular windows accounting package providing general ledger, accounts receivables, invoicing, accounts payable, inventory and sales analysis capabilities.</p> <p>(b) A good, entry level accounting package.</p> <p>(c) Simplest, yet most powerful software to handle financial accounting, inventory, sales and purchase orders, invoicing and more.</p> <p>(d) A complete range of accounting software providing an integrated solution at the heart of one's business.</p> | <p>1. Sage Accounting Software</p> <p>2. M.Y.O.B.</p> <p>3. Best Books</p> <p>4. Tally</p> |
|--|--|

Codes :

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

56. In order to be useful, market segments must have each of the following characteristics except :

- (A) accessibility
- (B) adaptability
- (C) measurability
- (D) substantiality

57. Mass media has the maximum impact at which stage of consumer adoption process.

- (A) Adoption
- (B) Awareness
- (C) Evaluation
- (D) Trial

58. Pricing decisions are most complex at which stage of the product life cycle ?

- (A) Decline stage
- (B) Introductory stage
- (C) Growth stage
- (D) Maturity stage

59. Industrial buyers are likely to be most responsive to _____ appeal.

- (A) emotional
- (B) moral
- (C) rational
- (D) cognitive

60. Indicate the true statement :

- (A) Advertisement's sales effect is easier to measure than its communication effect.
- (B) As a tool of promotion, public relations can be more cost-effective than advertising.
- (C) A successful salesperson is one who can sell refrigerator to an Eskimo.
- (D) All the above are true.

61. Who observed in 54 of the cases studied that high morale related to high productivity in 11 of the cases high morale was associated with low productivity and in 35% of the cases there was no relationship between morale and productivity ?
 (A) Michael J. Jucious
 (B) Richard E Walton
 (C) Frederick Herzberg
 (D) None of the above
62. Who developed the goal-setting theory of motivation ?
 (A) Frederick Herzberg
 (B) Edwin Locke
 (C) Richard Hackman
 (D) None of the above
63. Which of the following concepts, involves setting objectives and comparing performance against those objectives ?
 (A) Performance Appraisal
 (B) Merit Rating
 (C) Management by Objectives
 (D) Formulation of objectives and policies
64. The career development cycle includes :
 (A) Introductory stage → Growth stage → Saturation stage → Decline stage.
 (B) Primary stage → Secondary stage → Stage of self-actualisation.
 (C) Pioneering stage → Growth stage → Maturity stage → Decline stage.
 (D) Exploratory stage → Establishment stage → Maintenance stage → Stage of Decline.
65. It is a mental condition or attitudes of individuals and groups which determine their willingness to cooperate.
 (A) Job satisfaction
 (B) Motivation
 (C) Job Advancement
 (D) Morale
66. Which of the following most appropriately describes the meaning of the term 'option forward' ?
 (A) Forward contract entered into along with buying a call option.
 (B) Forward contract entered into for buying or selling at a future date.
 (C) Forward contract entered into for buying or selling over a period of time.
 (D) Forward contract entered into with writing a put option.
67. 'Dual adaptation strategy', in the context of international product decisions, means :
 (A) Modification of product and packaging it to meet local requirements.
 (B) Changing product and price to meet local requirements.
 (C) Modification of product and the marketing communication to suit the foreign markets.
 (D) None of the above.
68. The main promoter of international trade liberalisation
 (A) GATT - WTO (B) NAFTA
 (C) CEPTA (D) CISA

69. The most common trade barrier faced by a multinational company is the
 (A) Embargo (B) Quota
 (C) Sales tax (D) Tariff
70. Exchange Rate System where the Central Bank intervenes to smoothen out the exchange rate fluctuations is termed as
 (A) Free float
 (B) Clean float
 (C) Managed float
 (D) Fixed rate system
71. Mr. X, after about 20 years' stay in India, returns to America on January 29, 2009. He came to India in June 2011. His residential status for the Assessment year 2012-13 will be
 (A) Ordinarily Resident
 (B) Not Ordinarily Resident
 (C) Non-Resident
 (D) Resident or Non-Resident
72. Mr. X retired from a Pvt. Ltd. Company on 31-3-2011. The company paid ₹ 80,000 in lieu of commutation of 25 percent of pension on 31-01-2012, but does not pay any gratuity to its employees. The amount taxable as commuted pension for the Assessment Year 2012-13 is :
 (A) ₹ 80,000 (B) ₹ 3,20,000
 (C) ₹ 1,60,000 (D) Nil

73. Consider the following :
 The book profit of a firm of Chartered Accountants, which satisfies all the conditions of Section 184 and Section 40(b), for the year ended 31-3-2012, is ₹ 72,190.
 The actual remuneration paid to the partners for the year is ₹ 1,56,000.
 The amount of remuneration permissible under Sec: 40(b) is :
 (A) ₹ 1,56,000 (B) ₹ 72,190
 (C) ₹ 64,971 (D) ₹ 1,50,000
74. 'Winman', software can be used for
 (A) Preparation of Balance Sheet
 (B) Computation of Income Tax
 (C) Filing of e>Returns
 (D) All of the above
75. Which of the following deductions under Chapter VI A of Income Tax Act, 1961, cannot be claimed by a partnership firm ?
 (i) Sec. 80-G (ii) Sec. 80-C
 (iii) Sec. 80-D (iv) Sec. 80-IB
Codes :
 (A) (ii), (iii) and (iv)
 (B) (i) and (iii)
 (C) (i), (ii) and (iii)
 (D) (ii) and (iii)

COMMERCE
Paper – III

Note : This paper contains **seventy five (75)** objective type questions of **two (2)** marks each.
All questions are compulsory.

1. The Competition Act, 2002, seeks to regulate
 - (A) Anti-competitive agreements
 - (B) Mergers and amalgamation
 - (C) Unfair trade practices
 - (D) (A) and (B) above
2. Indicate the true statement :
 - (A) Large industrial houses are outside the purview of the Competition Act, 2002
 - (B) There is no provision for curbing frivolous complaints under the CPA.
 - (C) The Trade Marks Act, 1999 does not apply to services.
 - (D) All of the above are true.
3. The time limit for filing a complaints before the District forum under the Consumer Protection Act, 1986 is
 - (A) one year
 - (B) two years
 - (C) three years
 - (D) There is no such time limit.
4. The Foreign Investment Promotion Board (FIPB) revamps the rules and regulations pertaining to
 - (A) Accounting of Foreign Investment
 - (B) Investment by NRIs
 - (C) Foreign investments
 - (D) All of the above
5. Which of the legislation(s) do (does) not form part of the legal environment of business in India ?
 - (A) The Drugs and Cosmetics Act, 1940
 - (B) The Prevention of Food Adulteration Act, 1954
 - (C) The Monopolies and Restrictive Trade Practices Act, 1969
 - (D) Both (B) and (C) above
6. What is the underlying concept that support the immediate recognition of an estimated loss ?
 - (A) Substance over form
 - (B) Consistency
 - (C) Matching
 - (D) Prudence
7. Which is not the limitation of budgetary control ?
 - (A) Budgets are based on forecasts which may not be true
 - (B) Installation and operation of a system of budgetary control is costly.
 - (C) Budget is a tool of management and not a substitute of management
 - (D) Budgets do not pinpoint the lack of efficiency or the presence of it.
8. Profit volume ratio of an enterprise is 40%. To offset 10% decrease in selling price, how much sales must be increased ?

(A) 10%	(B) 20%
(C) 25%	(D) 40%
9. If debt is ₹ 220, cash balance is ₹ 20 and equity is ₹ 300, then the gearing ratio is

(A) 20%	(B) 40%
(C) 50%	(D) 30%
10. Responsibility accounting aims to
 - (A) ensure that a manager is punished if things go wrong.
 - (B) ensure that costs become the responsibility of a specific manager.
 - (C) allocate costs to all areas of a business.
 - (D) reduce the costs that a department incurs.

11. Find the correct matching of the items of List – I with the items of List – II given below :

List – I	List – II
(a) Normal Profit	(I) Excess of total revenue over total explicit cost
(b) Economic profit	(II) Total revenue equals total economic cost
(c) Accounting profit	(III) Excess of total revenue over total of explicit and implicit costs and a normal rate of return

Codes :

- (I) (II) (III)
 (A) (c) (a) (b)
 (B) (b) (a) (c)
 (C) (a) (b) (c)
 (D) (a) (c) (b)

12. **Assertion (A) :** A monopoly firm's revenue curve is downward sloping from left to right.

Reason (R) : The monopoly firm does not simultaneously enjoy the freedom to determine both price and quantity to be sold according to its whims and fancy.

Codes :

- (A) Both (A) and (R) are true.
 (B) Both (A) and (R) are false.
 (C) (A) is true, but (R) is false.
 (D) (A) is false, but (R) is true.

13. The equilibrium level of output for a perfect competitive firm is given by the point where :

- (A) $MR = MC$
 (B) $MR < MC$
 (C) $MR > MC$
 (D) $MR = MC$, and MC starts rising.

14. Match the following :

List – I	List – II
(i) Dumping	(a) Monopolistic competitive firm
(ii) Kinked Revenue Curve	(b) Oligopoly firm
(iii) Horizontal straight line revenue curve	(c) Perfectively competitive firm
(iv) Large number of buyers and sellers with differentiated products	(d) Discriminatory monopoly

Codes :

- (i) (ii) (iii) (iv)
 (A) (a) (d) (c) (b)
 (B) (b) (d) (a) (c)
 (C) (d) (b) (c) (a)
 (D) (a) (b) (c) (d)

15. Penetrating pricing strategy is appropriate when

- (A) price elasticity of demand in the market is highly inelastic.
 (B) price elasticity of demand in the market is uncertain.
 (C) price elasticity of demand in the market is highly elastic.
 (D) income elasticity of demand in the market is negatively elastic.

16. **Assertion (A)** : The expected values should be atleast 5 to apply the chi-square test.

Reason (R) : The chi-square distribution provides an adequate approximation of the sampling distribution.

Indicate the correct answer from the following :

Codes :

- (A) Both (A) and (R) are true, and (R) is the right explanation.
- (B) Both (A) and (R) are true, but (R) is not the correct explanation.
- (C) (A) is true, but (R) is false.
- (D) (A) is false, but (R) is true.

17. In a decision problem having four possible alternative decisions and six possible states of nature, the pay-off table will include

- (A) Four payoffs
- (B) Six payoffs
- (C) Twenty four payoff
- (D) Ten payoff

18. The mathematical formula for joint probabilities $P(AB) = P(A/B) \times P(B)$, holds when

- (A) The events are statistically independent.
- (B) The events are statistically dependent.
- (C) The event is either independent or dependent.
- (D) None of the above

19. Which one of the following statements is the correct interpretation of P-value of less than 0.01 in hypothesis testing ?

- (A) There is overwhelming evidence to infer that the alternative hypothesis is true.
- (B) There is strong evidence to infer that the alternative hypothesis is true.
- (C) There is weak evidence to indicate that the alternative hypothesis is true.
- (D) There is no evidence to infer that the alternative hypothesis is true.

20. Two lists of items are given below :

List – I

List – II

- | | |
|-----------------------|---------------------|
| (i) Charles Babbage | (a) Mossai |
| (ii) Herbert A. Simon | (b) HTML |
| (iii) Tim Berners Lee | (c) Computer Design |
| (iv) Maarc Andreessen | (d) Decision model |

Which one of the following is the correct match ?

Codes :

- | | | | | |
|-----|-----|------|-------|------|
| | (i) | (ii) | (iii) | (iv) |
| (A) | (c) | (b) | (a) | (d) |
| (B) | (a) | (c) | (d) | (b) |
| (C) | (b) | (a) | (c) | (d) |
| (D) | (c) | (d) | (b) | (a) |

21. Which of the following statements are true about informal organization ?

1. It arises spontaneously.
2. It reflects individual and group goals.
3. It tends to be permanent and stable.
4. It tends to be small and manageable.
5. Its basic purpose is to improve human relations.
6. Its basic purpose is to achieve organisation's goals.

Codes :

- (A) 1, 2, 3 and 5
- (B) 1, 2, 4 and 6
- (C) 1, 2, 4 and 5
- (D) 2, 3, 5 and 6

22. Which of the following is not true about an employee-centered leader as identified by Michigan researchers ?

- (A) Treats subordinates as human beings.
- (B) Shows concern for their well being.
- (C) Focuses on work standards and close supervision.
- (D) Encourages and involves them in goal setting.

23. According to Talcott Parson, organizations can be classified primarily into four categories, based on functions. Which of the following is not an organization in Parson's scheme ?

- (A) Political organisations
- (B) Integrative organisations
- (C) Pattern maintenance organisations
- (D) Commercial organisations

24. An MBO programme usually involves the following steps :

1. Establishing unit's objectives
2. Establishing organisational goals
3. Negotiating or agreeing
4. Reviewing the performance
5. Creating action plans

Indicate the correct sequence of the above steps from the following codes :

- (A) 1, 2, 3, 4, 5
- (B) 2, 1, 3, 5, 4
- (C) 2, 3, 1, 4, 5
- (D) 5, 4, 3, 2, 1

25. Match the following :

List – I

List – II

- | | |
|-----------------------|---|
| (a) Fayol | (1) Economy and Society |
| (b) Taylor | (2) General and Industrial Administration |
| (c) Weber | (3) Principles of Organization |
| (d) Mooney and Reilly | (4) Shop Management |

Codes :

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

26. A primary group influencing the buyer behaviour is a

- (A) Family
- (B) Professional association
- (C) Religious group
- (D) Trade Union

27. After conducting the business analysis for developing a new product, a company must do

- (A) Idea generation
- (B) Product positioning
- (C) Product development and testing
- (D) Test marketing

28. Match the items in List – I with those in List – II :

List – I	List – II
(a) Post purchase behaviour	(i) AIDA
(b) Personal selling	(ii) ACMEE
(c) Everitt M. Rogers	(iii) Diffusion of Innovation
(d) Salesperson training	(iv) Cognitive dissonance

Indicate the correct matching :

Codes :

- | | | | |
|-----------|------|-------|------|
| (a) | (b) | (c) | (d) |
| (A) (i) | (ii) | (iii) | (iv) |
| (B) (iv) | (ii) | (iii) | (i) |
| (C) (iii) | (ii) | (i) | (iv) |
| (D) (iv) | (i) | (iii) | (ii) |

29. Which type of retail stores generally has the highest operating costs ?

- (A) Department store
- (B) Supermarket
- (C) Chain store
- (D) Co-operative Store

30. Indicate the correct statement :

- (A) India has been a pioneer in social marketing.
- (B) Advertising Standards Council of India is a statutory body set up by the government of India.
- (C) Both (A) and (B) are incorrect.
- (D) Both (A) and (B) are correct.

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

List – I	List – II
(a) Trade credit and other payables that arise in the firm's day today operations	(i) Maturity Financing
(b) Financing and asset needs over time	(ii) Factoring
(c) A tool for accelerating the collection from the customers	(iii) Spontaneous financing
(d) Seeking financial service to finance on its debtors' balances	(iv) Lockbox system

Codes :

- | | | | |
|-----------|-------|-------|-------|
| (a) | (b) | (c) | (d) |
| (A) (iv) | (iii) | (ii) | (i) |
| (B) (iii) | (ii) | (iv) | (i) |
| (C) (ii) | (iv) | (i) | (iii) |
| (D) (i) | (ii) | (iii) | (iv) |

32. Indicate the cost of equity capital, based on capital asset pricing model, with the following information :

Beta coefficient – 1.40

Risk-free rate of interest – 9%

Expected Rate of Return on equity in the market – 16%

- (A) 9.8%
- (B) 18%
- (C) 18.8%
- (D) 16%

33. The degree of super-leverage would be calculated by :
- (A) Adding DOL (Degree of Operating Leverage) and DFL (Degree of Financial Leverage)
 - (B) Dividing DOL with DFL
 - (C) Multiplying DOL and DFL
 - (D) Subtracting DOL from DFL

34. Interim cash inflows are reinvested at a rate of return equal to the internal rate of return is the built-in-mechanism for
- (A) Net Present Value Method
 - (B) Internal Rate of Return Method
 - (C) Profitability Index Method
 - (D) None of the above

35. Who formulated the following model for estimating the market price of equity share ?

$$P = \frac{D + \frac{R_a}{R_c}(E - D)}{R_c}$$

Where, P = Market price of equity share

D = DPS

E = EPS

E - D = Retained earning per share

R_a = Internal rate of return on investment

R_c = Cost of capital

- (A) Modigliani-Miller
- (B) Myron-Gordon
- (C) James E. Walter
- (D) Clarkson and Elliot

36. Indicate the quantitative methods of job evaluation
- (A) Ranking methods and Job comparison method
 - (B) Point rating method and Factor comparison method
 - (C) Grading method and Job classification method
 - (D) Factor comparison method and Ranking method

37. Match the items of List – I with those List – II :

List – I	List – II
(1) Career goals	(a) The process where in an executive serves as a guide
(2) Career path	(b) The future positions one strives to reach as part of career
(3) Career counseling	(c) The sequential pattern of jobs that form a career
(4) Mentoring	(d) Guiding people on their possible career path

Codes :

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

38. The process of receiving and welcoming an employee when he first joins a company and giving him the basic information he needs to settle down quickly and happily and starts working, is referred to as
- (A) Placement
(B) Orientation
(C) Job Rotation
(D) Counseling
39. Which is not relevant of succession planning ?
- (A) Analysis of the demand for managers
(B) Review of existing executives
(C) Planning individuals career paths
(D) Recruitment to meet immediate needs
40. Where does recognition of an Employee fall in Maslow's hierarchy of needs theory ?
- (A) Self-actualisation
(B) Security needs
(C) Social needs
(D) Esteem needs
41. The profitability of public-sector banks is low due to
- (i) Over-cautions approach to lending
(ii) Reserve Bank Policies
(iii) High Overhead Costs
(iv) Social-sector lending
- Identify the correct code :
- Codes :**
- (A) (i) and (ii)
(B) (i) and (iv)
(C) (i), (iii) and (iv)
(D) (ii) and (iii)

42. Match the items of List – I with those List – II and select correct answer :

List – I	List – II
(1) Narasimham Committee	(a) Lending under consortium arrangement
(2) Shetty Committee	(b) Frauds and Malpractices in banks
(3) Ghosh Committee	(c) Securities operations of banks and financial institutions
(4) Janakiraman Committee	(d) Financial system in India

Codes :

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

43. Which of the following financial institutions is not within the supervisory Purview of Reserve Bank of India ?
- (A) Foreign Commercial Banks Operating in India
(B) Regional Rural Banks
(C) Mutual Funds
(D) State Co-operative Banks
44. The Repo and Reserve Repo rates are resorted to by the RBI as a tool of
- (A) Credit Control
(B) Settlement Systems
(C) Currency Management
(D) Liquidity Control

45. Which one of the following institutions is promoted by the IFCI :

- (A) Credit Analysis and Research Ltd (CARE)
- (B) Rashtriya Gramin Vikas Nidhi (RGVN)
- (C) Clearing Corporation of India Ltd (CCIL)
- (D) Small Industries Development Bank of India (SIDBI)

46. Indicate the right sequence of the stages of internationalization :

- (i) Multinational Company
- (ii) Global Company
- (iii) Transnational Company
- (iv) International Company

Codes :

- (A) (i) (iv) (ii) (iii)
- (B) (iv) (i) (iii) (ii)
- (C) (i) (iv) (iii) (ii)
- (D) (iv) (i) (ii) (iii)

47. Which of the following is not one of the components of 'International Reserve' ?

- (A) Special Drawing Rights
- (B) Reserve Position in IMF
- (C) Monetary Gold
- (D) Money Market Instruments

48. Match the items given in List – I with the most appropriate items in List – II :

List – I	List – II
(a) UNCTAD	(i) Foreign investment
(b) WTO	(ii) Developing Countries
(c) TRIMS	(iii) UNDP
(d) ITC	(iv) General Council

Codes :

- (a) (b) (c) (d)
- (A) (ii) (iv) (i) (iii)
- (B) (iii) (iv) (i) (ii)
- (C) (iv) (ii) (i) (iii)
- (D) (iii) (ii) (i) (iv)

49. Duty levied on the value of goods imported is referred to as

- (A) Ad valorem Duty
- (B) Compound Duty
- (C) Specific Duty
- (D) Import Duty

50. Which of the following can be included in the current account of the balance of payments ?

- (i) Purchase of goods from abroad
- (ii) Sale of services abroad
- (iii) Workers' remittances from aboard
- (iv) Sale of copyright to foreigners
- (v) Direct investment in equity capital

Codes :

- (A) (i), (ii) and (iii)
- (B) (i), (ii) and (iv)
- (C) (i), (ii), (iii) and (v)
- (D) (i), (ii), (iii) and (iv)

51. Which of the following items would be specifically included in the statement of cash flows constructed in compliance with AS-3 ?
- (A) Conversion of debt to equity
 (B) Acquiring an asset through lease
 (C) Operating and non-operating cash flow information
 (D) Purchasing a building by giving a mortgage to the seller
52. Fixing the value of an employee depending upon his productivity, promotability, transferability and retainability is the core of the
- (A) Certainty equivalent model
 (B) Stochastic Reward Valuation model
 (C) Human asset multiplier model
 (D) Present value of future earnings model
53. Which of the following refers to a situation in which the merger of companies results in over 25% of the market in the hands of the merged companies ?
- (A) 'Gateway' condition
 (B) Restrictive practice
 (C) 'Share of supply' test
 (D) 'Asset' test
54. Which of the following is true ?
- (A) Systematic risk is diversifiable but unsystematic risk is non-diversifiable.
 (B) Systematic risk is non-diversifiable but unsystematic risk is diversifiable.
 (C) Both systematic and unsystematic risks are diversifiable.
 (D) Both systematic and unsystematic risks are non-diversifiable.

55. Match the following :

**List – I
 (Explanation)**

**List – II
 (Term)**

- | | |
|--|-----------------------------------|
| (a) It involves using the version of master file and the update transactions used to create the current file to re-create the current master file if it becomes damaged. | (1) Audit Trail Controls |
| (b) It involves copying the whole or a portion of the database to some back up medium, typically magnetic tape. | (2) Dumping |
| (c) It stores current and historical data extracted from various operations systems and consolidates for management reporting and analysis. | (3) Grandfather, Father, Son |
| (d) It maintains the chronology of events that occur either to the database definition or the database itself. | (4) Data warehouse for Accounting |

Codes :

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

56. Which one is not a major component of holistic marketing ?
 (A) Relationship marketing
 (B) Integrated marketing
 (C) Internal marketing
 (D) Socially responsible marketing
57. The final step in target marketing is
 (A) Market Analysis
 (B) Market Positioning
 (C) Market Segmentation
 (D) Market Targeting
58. The most recent consideration in product packaging is
 (A) Cost effectiveness
 (B) Product protection
 (C) Product promotion
 (D) Economy
59. Distribution logistics (also termed as 'market logistics') does not include
 (A) Distribution channel
 (B) Inventory
 (C) Transportation
 (D) Warehouses
60. Most of the money spent in measuring the effectiveness of advertising is spent on
 (A) Communication-response research
 (B) Pre-testing the advertisements
 (C) Post-testing the advertisements
 (D) Sales-response research
61. Which of the following is not included in the model of the systems approach to human resource management ?
 (A) Departmentation
 (B) Recruitment
 (C) Performance Appraisal
 (D) Promotion
62. Which one of the following is not an example of Herzberg's hygiene factors ?
 (A) Advancement
 (B) Interpersonal relations
 (C) Job security
 (D) Work conditions
63. Which of the following two forms of collective bargaining were identified by Chamberlain and Kuhn ?
 (A) Integrative Bargaining and Distributive Bargaining
 (B) Conjunctive Bargaining and Cooperative Bargaining
 (C) Integrative Bargaining and Cooperative Bargaining
 (D) Distributive Bargaining and Conjunctive Bargaining
64. Who observed that a worker's behaviour and sentiments are closely related ?
 (A) Peter Drucker (B) Elton Mayo
 (C) F.W. Taylor (D) Dale Yoder
65. What is not an operative function of HRM ?
 (A) Procurement
 (B) Development
 (C) Organising
 (D) Integration
66. The total number of Special Economic Zones notified by the Government of India till March 2011 under the SEZ Act, 2005 is
 (A) 154 (B) 184
 (C) 286 (D) 386
67. The different forms of IMF assistance are given below. Identify the one which is mainly meant for Less Developed Countries (LDCs)
 (A) Credit Tranche Drawing
 (B) Extended Fund Facility
 (C) Compensatory Financing Facility
 (D) Structural Adjustment Facility

68. In the context of globalization, 'Levitt Thesis' means
- (A) Standardisation strategy to respond to the worldwide homogenised market and expand the market through aggressive low pricing
- (B) Customise products to regional markets
- (C) Customise products to meet the national market
- (D) None of the above
69. Which one of the following is an internal hedging technique ?
- (A) Leading
- (B) Netting
- (C) Both (A) and (B) above
- (D) Swap
70. Business conglomerates have different names in different countries. Which country's conglomerates are called 'Chaebols' ?
- (A) Japan
- (B) South Korea
- (C) Germany
- (D) China
71. Mr. X, a non-resident, earned ₹ 36,000 as interest on German Development Bonds. Of this, he received one-sixth in India. The amount to be included as interest for the computation of his Gross Total Income is
- (A) ₹ 36,000 (B) ₹ 30,000
- (C) ₹ 6,000 (D) Nil
72. Consider the following problem relating to a let-out house property :
Municipal value – ₹ 60,000
Fair rent – ₹ 68,000
Standard rent under the Rent Control Act – ₹ 62,000
Annual Rent received – ₹ 65,000
The Gross Annual Value of the property will be
- (A) ₹ 68,000 (B) ₹ 62,000
- (C) ₹ 65,000 (D) ₹ 60,000
73. From the following, identify by the web-based financial software :
- (A) Private Equity Software
- (B) Share Accounting Software
- (C) Wealth Management Software
- (D) WINGS 2013
74. Which of the following are true in tax planning ?
- (i) It is futuristic in its approach.
- (ii) It has limited scope compared to tax management.
- (iii) The benefits arising from it are limited particularly in the short run.
- (iv) Its main objective is to reduce the tax liability.
- Codes :**
- (A) (i), (ii) and (iii)
- (B) (i) and (ii)
- (C) (i) and (iv)
- (D) (ii), (iii) and (iv)
75. The benefits of debt financing over equity financing are likely to be highest in which of the following situations ?
- (A) High marginal tax rates and low non-interest tax benefits
- (B) Low marginal tax rates and low non-interest tax benefits
- (C) High marginal tax rates and high non-interest tax benefits
- (D) Low marginal tax rates and high non-interest tax benefits.

COMMERCE
Paper – III

Note : This paper contains **seventy five (75)** objective type questions of **two (2)** marks each. **All** questions are compulsory.

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

List – I	List – II
(International Economic Groups)	(Year of Establishment)
a. European Union (EU)	i. 1973
b. European Free Trade Association (EFTA)	ii. 1992
c. Caribbean Community (CARICOM)	iii. 1985
d. South Asian Association for Regional Cooperation (SAARC)	iv. 1960

Codes :

	a	b	c	d
(A)	ii	iv	iii	i
(B)	ii	iv	i	iii
(C)	iv	ii	i	iii
(D)	iii	i	ii	iv

2. The important objectives of WTO are :

- (i) To improve the quality of technology in the member countries.
- (ii) To improve the standard of living of people in the member countries.
- (iii) To ensure full employment and broad increase in effective demand.
- (iv) To enlarge production and trade of goods.
- (v) To increase trade of services

Codes :

- | | |
|-------------------------------|-------------------------------|
| (A) (i), (ii), (iii) and (iv) | (B) (ii), (iii), (iv) and (v) |
| (C) (i), (ii), (iii) and (v) | (D) (i), (iii), (iv) and (v) |

3. **Assertion (A) :** The industrial growth in India has been hampered by the burden of many controls and regulations.

Reason (R) : The New Industrial Policy seeks to liberate the industry from the shackles of Licensing System.

Codes :

- (A) Assertion (A) is correct, but Reason (R) is not correct.
- (B) Assertion (A) is correct and Reason (R) is right explanation of (A).
- (C) Both Assertion (A) and Reason (R) are correct.
- (D) Both Assertion (A) and Reason (R) are incorrect.

4. Internal environment of a business includes :

- (i) Business ethics and moral standards
- (ii) Business and managerial policies
- (iii) Prospects of business development
- (iv) Government rules and regulations
- (v) Industrial relations

Codes :

- (A) (i), (ii), (iv) and (v)
- (B) (ii), (iii), (iv) and (v)
- (C) (i), (ii), (iii) and (iv)
- (D) (i), (ii), (iii) and (v)

5. Identify the incorrect combination from the following :

	Finance Commission	Constituted (Year)	Report Submitted (Year)	Chairman
(A)	1 st	1951	1953	K.C. Neogi
(B)	7 th	1977	1978	J.M. Shelat
(C)	11 th	1998	2000	N.K.P. Salve
(D)	13 th	2007	2009	V.L. Kelkar

6. A flexible budget requires careful study and classification of expenses into

- (A) Product expenses and period expenses
- (B) Past and current expenses
- (C) Administrative, selling and factory expenses
- (D) Fixed, semi-variable and variable expenses

7. Responsibility accounting aims at collecting and reporting costing information

- (A) Department-wise
- (B) Cost centre-wise
- (C) Function-wise
- (D) Product-wise

8. Return on Investment (RoI) is computed as

- (A) Net Profit Ratio \times Capital Turnover Ratio
- (B) Operating Net Profit Ratio \times Shareholders Fund
- (C) Net Profit / Sales
- (D) Cost of Sales / Capital Employed

9. Margin of Safety is calculated by using

- (A) $\frac{\text{Profit}}{\text{P / V Ratio}}$
- (B) $\frac{\text{Fixed Cost}}{\text{Contribution}}$
- (C) $\frac{\text{Break Even Sales}}{\text{Sales}}$
- (D) $\frac{\text{Profit}}{\text{Sales}}$

10. Pre-acquisition profit in subsidiary company is considered as
 (A) Revenue profit (B) Capital profit
 (C) Goodwill (D) Minority interest

11. **Assertion (A) :** The financial statements prepared on historical cost basis result into an erosion of capital in the long run.

Reason (R) : Maintaining the books of accounts as per Current Purchasing Power Technique only may contain the inflationary pressure.

In the context of above two statements, which one of the following is correct one ?

- (A) Both (A) and (R) are true and (R) is the correct explanation of (A).
 (B) Both (A) and (R) are true, but (R) is not the correct explanation of (A).
 (C) (A) is true, but (R) is false.
 (D) (A) is false, but (R) is true.

12. Secondary market intermediaries for corporate securities in India are

- I. Investors II. Jobbers
 III. Brokers and sub-brokers IV. Portfolio consultants

Codes :

- (A) I, II and III only (B) II, III and IV only
 (C) II and III only (D) III and IV only

13. The type of lease requiring an agreement between the financier and lessor is known as

- (A) Financial lease (B) Sale and lease back
 (C) Leveraged lease (D) Operating lease

14. Match the various stock exchanges in List – I with the years of their establishment in List – II as follows and suggest the correct code :

List – I

List – II

- | | |
|--|-----------|
| a. National Stock Exchange (NSE) | i. 1875 |
| b. MCX Stock Exchange (MCX-SX) | ii. 1992 |
| c. Bombay Stock Exchange (BSE) | iii. 2000 |
| d. Interconnected Stock Exchange of India (ISEI) | iv. 2008 |

Codes :

- | | | | | |
|-----|-----|-----|----|-----|
| | a | b | c | d |
| (A) | ii | iv | i | iii |
| (B) | ii | iii | iv | i |
| (C) | i | iii | ii | iv |
| (D) | iii | ii | iv | i |

15. Monopolists prefer to sell the products in the markets with
- (A) Elastic demand (B) Unitary elastic demand
(C) Inelastic demand (D) Absence of elasticity of demand

16. **Assertion (A) :** In long run under Perfect Competition all firms invariably get only normal profit.

Reason (R) : All firms incur minimum average cost and incur no selling cost due to absence of product differentiation.

Codes :

- (A) Assertion (A) and Reason (R) both are correct.
(B) Assertion (A) is correct, but Reason (R) is incorrect.
(C) Assertion (A) is incorrect, but Reason (R) is correct.
(D) Assertion (A) and Reason (R) both are incorrect.

17. **Assertion (A) :** Differential pricing structure is designed to accommodate the various categories of buyers.

Reason (R) : It aims at increasing sales and revenues and driving the competitors out from the market.

Codes :

- (A) Assertion (A) and Reasoning (R) both are correct.
(B) Assertion (A) is correct, but Reasoning (R) is incorrect.
(C) Assertion (A) is incorrect, but Reasoning (R) is correct.
(D) Assertion (A) and Reasoning (R) both are incorrect.

18. Cost-plus pricing is considered appropriate for :

- I. Product Tailoring II. Public Utility Pricing
III. Refusal Pricing IV. Monopoly Pricing

Codes :

- (A) I and II only (B) I, II and III only
(C) II, III and IV only (D) III and IV only

19. For promoting sales advertising endeavours may be made as per

- I. Competitive parity II. Objective and task
III. Tied sales IV. All-one-can-Afford

Codes :

- (A) I and II only (B) II, III and IV only
(C) I, II and IV only (D) III and IV only

20. In the hypothesis testing procedure a researcher may commit type II error in which of the following conditions ?
- (A) When the true null hypothesis is rejected.
 - (B) When the alternative hypothesis is accepted.
 - (C) When the false null hypothesis is accepted.
 - (D) When the true null hypothesis is accepted.
21. Which one of the following tenets is not correct in the context of Central Limit Theorem ?
- (A) If a population from which a sample is drawn is normally distributed the sampling distribution of mean (SDM) will be normal for all sample sizes.
 - (B) The mean of the SDM is the population mean.
 - (C) If the population is not normal from which the sample is drawn, the SDM is not normal for any sample size.
 - (D) If the population is not normal from which a sample is drawn, the SDM approaches normality as the sample size increases.
22. Which one of the following is not an example of tax evasion?
- (A) Submitting misleading documents.
 - (B) Not maintaining proper accounts of income earned.
 - (C) Suppression of facts.
 - (D) Interpreting the tax law in ones own way to minimise tax liability.
23. Which one of the following is not the purpose of performance-monitoring research ?
- (A) To provide feedback for evaluation and control.
 - (B) To indicate things that are not going as planned.
 - (C) To help the organisation to plan various activities.
 - (D) It is required to explain why something went wrong.
24. The transformation of raw data into a form that will make them easy to understand and interpret, rearranging and manipulating data to generate information is called
- (A) Descriptive research
 - (B) Descriptive analysis
 - (C) Causal research
 - (D) Exploratory research
25. **Assertion (A) :** The span of management at the upper level is generally narrow while at the lower level span is wide.
Reason (R) : The task allocated to subordinates at the lower level of management are more specific and precise and thus making supervision easy and simple.
- Suggest correct code :
- (A) (A) is correct, but (R) is wrong.
 - (B) (A) is wrong, but (R) is correct.
 - (C) Both (A) and (R) are correct.
 - (D) Both (A) and (R) are wrong.

26. Match the following :

List – I

- a. To check the quality of work
- b. To see that work is completed in time
- c. To check absenteeism of workers
- d. To issue instructions regarding methods of work

List – II

- i. Speed loss
- ii. Inspector
- iii. Instruction and check
- iv. Shop discipline

Select the code :

Codes :

- | | a | b | c | d |
|-----|-----|-----|-----|-----|
| (A) | iii | ii | i | iv |
| (B) | ii | i | iv | iii |
| (C) | ii | i | iii | iv |
| (D) | iv | iii | i | ii |

27. F.W. Taylor called “The Military type of Foreman” to

- | | |
|---------------------------|---------------------|
| (A) Unity of Command | (B) Span of Control |
| (C) Delegated Legislature | (D) Department |

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

List – I

- a. Commentary Four Chambault
- b. Midvale Steel Works
- c. Charleton Twist Company
- d. Credit Mobilier

List – II

- i. F.W. Taylor
- ii. Claud Henry Saint Simon
- iii. Henry Fayol
- iv. Robert Owen

Codes :

- | | a | b | c | d |
|-----|-----|----|-----|----|
| (A) | iii | ii | iv | i |
| (B) | i | ii | iii | iv |
| (C) | iii | i | ii | iv |
| (D) | iii | i | iv | ii |

29. **Assertion (A) :** The risk condition exists when decision makers have absolutely no idea of what the results of an implemented alternative would be.

Reason (R) : When operating under complete uncertainty condition, decision makers usually find that sound decisions are a matter of chance.

In the context of the two statements, which one of the following is correct ?

Codes :

- (A) Both (A) and (R) are correct.
- (B) Both (A) and (R) are wrong.
- (C) (A) is correct, but (R) is wrong.
- (D) (A) is wrong, but (R) is correct.

30. **Assertion (A) :** In product concept, focus is on innovating and improving products.

Reason (R) : In selling concept, consumers are persuaded to buy products.

Codes :

- (A) Both (A) and (R) are true. (B) (A) is true, but (R) is false.
(C) (A) is false, but (R) is true. (D) Both (A) and (R) are false.

31. Which of the following is not a method of segmenting a market ?

- (A) Behavioural segmentation (B) Psychographic segmentation
(C) Benefits segmentation (D) Customer segmentation

32. Consumer attitudes and beliefs about diet, health and nutrition are influenced by

- (A) Economic environment (B) Cultural environment
(C) Social environment (D) Natural environment

33. Select the phases of Product Life Cycle :

1. Initiation 2. Decline
3. Boom 4. Introduction
5. Maturity 6. Growth

Codes :

- (A) 1, 3, 5, 6 (B) 1, 2, 3, 4
(C) 4, 6, 5, 2 (D) 2, 3, 5, 6

34. Which of the following is not a product-mix strategy ?

- (A) Trading up (B) Alteration
(C) Simplification (D) Value addition

35. "Relationship" in marketing means

- (A) Relation between buyer and seller
(B) Relation between sales person
(C) Relation between company and consumers
(D) All of the above

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

List – I	List – II
(Company Name)	(Brand)
a. HUL	i. Cerelac
b. ITC	ii. Eclares
c. Nestle	iii. Vivel
d. Cadbury	iv. Sunsilk

Codes :

- a b c d
(A) iv iii i ii
(B) i ii iii iv
(C) iv ii iii i
(D) iv iii ii i

37. The following are the steps in designing the market driven distribution :

- | | |
|-----------------------------|-------------------------|
| 1. Know what customers want | 2. Determine the costs |
| 3. Review assumptions | 4. Decide on the outlet |
| 5. Compare alternatives | 6. Implement changes |

Select the right sequence of the steps from the codes given below :

- | | |
|----------------------|----------------------|
| (A) 1, 4, 2, 5, 3, 6 | (B) 1, 2, 3, 5, 4, 6 |
| (C) 1, 3, 4, 5, 2, 6 | (D) 2, 3, 4, 5, 6, 1 |

38. Which of the following are consumption values that customers look for in any product or service in a society ?

1. Functional value
2. Social value
3. Money value
4. Emotional value
5. Maximum value

Codes :

- | | |
|-------------------|----------------|
| (A) 1, 2, 3, 5 | (B) 1, 3, 4, 5 |
| (C) 5, 4, 3, 2, 1 | (D) 1, 2 and 4 |

39. Franchising is a practice of :

- (A) Leasing for a prescribed period of time, the right to use firm's successful business model and brand.
- (B) Selling out a successful business model and brand.
- (C) Hiring a firm's successful business model and brand.
- (D) None of the above.

40. Underwriters of the security issues are required to

- (A) Purchase the securities underwritten
- (B) Work as agent of the company for marketing the securities
- (C) Manage the issues of the securities
- (D) Take up securities not subscribed by investors

41. The optimum capital structure of a company is planned as per considerations of

- | | |
|------------------------------|--------------|
| I. Profitability | II. Solvency |
| III. Marketability of shares | IV. Control |

Codes :

- | | |
|-----------------------|-------------------------|
| (A) I, II and IV only | (B) II, III and IV only |
| (C) I and II only | (D) III and IV only |

42. Assertion (A) : Investors in capital market seem to be inclined for fixed income securities.

Reason (R) : Debt instruments now have active secondary market.

Codes :

- (A) Assertion (A) and Reason (R) both are correct and (R) is correct explanation of (A).
- (B) Assertion (A) and Reason (R) both are correct, but (R) is not correct explanation of (A).
- (C) Assertion (A) is correct, but Reason (R) is incorrect.
- (D) Assertion (A) is not correct, but Reason (R) is correct.

43. Insufficient working capital in any enterprise may also result into

- I. Failure to adapt to changes
- II. Overcapitalisation
- III. Reduced availability of trade and cash discounts
- IV. Reduced volume of production and sales

Codes :

- (A) I, II and III only
- (B) I, III and IV only
- (C) II and III only
- (D) I and IV only

44. Assertion (A) : Arbitrage keeps the cost of capital constant despite change in the capital structure.

Reason (R) : It ensures compensating inverse change in cost of equity capital with a change in the cost of debt capital.

Codes :

- (A) Assertion (A) and Reason (R) both are correct and (R) is correct explanation of (A).
- (B) Assertion (A) and Reason (R) are correct, but (R) is not correct explanation of (A).
- (C) Assertion (A) is correct, but Reason (R) is incorrect.
- (D) Assertion (A) is not correct, but Reason (R) is correct.

45. Assertion (A) : High morale and high productivity go hand-in-hand.

Reason (R) : Workers do not have their own ways for relief from fatigue and monotony.

Codes :

- (A) Both (A) and (R) are true.
- (B) (A) is true, but (R) is false.
- (C) (A) is false, but (R) is true.
- (D) Both (A) and (R) are false.

46. Relationship at work is the source of
 (A) Status anxiety (B) Managerial stress
 (C) Legitimate power (D) Expert power

47. Match the group of words in List – I with the group of words in List – II :

List – I

- a. Grievances
 b. Impact of technology
 c. Adjustment to technology
 d. Morale improvement

List – II

- i. Profit sharing
 ii. Effective planning
 iii. Index of low morale
 iv. Changes in occupation

Codes :

- | | | | | |
|-----|-----|-----|-----|----|
| | a | b | c | d |
| (A) | i | ii | iii | iv |
| (B) | iv | iii | ii | i |
| (C) | iii | ii | iv | i |
| (D) | iii | iv | ii | i |

48. **Assertion (A) :** Functional conflict is a type of institutionalised conflict.
Reason (R) : Politics is a kind of emergent conflict.

Codes :

- (A) Both (A) and (R) are true. (B) (A) is true, but (R) is false.
 (C) (A) is false, but (R) is true. (D) Both (A) and (R) are false.

49. Formal conflict is a kind of

- (A) Goal Conflict (B) Organisational Conflict
 (C) Role Conflict (D) Emergent Conflict

50. One of the objectives of organisational change is

- (A) Increased motivation
 (B) Greater innovation
 (C) Solving inter-group problems
 (D) Changes in an organisation's level of adaptation to its environment

51. **Assertion (A) :** Job design relates to the manner in which tasks are put together to form complete job.

Reason (R) : The matrix organisation is a project organisation plus a functional organisation.

Codes :

- (A) Both (A) and (R) are true. (B) (A) is true, but (R) is false.
 (C) (A) is false, but (R) is true. (D) Both (A) and (R) are false.

57. Under the Cooperative Bank structure, the apex institution is
- (A) National Cooperative Bank (B) State Cooperative Bank
(C) District Cooperative Bank (D) IDBI Bank
58. What is SLR ratio of a bank ?
- (A) Ratio of total deposits against total investments.
(B) Amount deposited by the bank with the Central Bank in the form of cash, gold and securities.
(C) Amount that commercial banks are required to maintain before providing credit to customers.
(D) Amount that commercial banks deposit with the foreign banks.
59. **Assertion (A) :** The USA remains the world's largest FDI recipient country.
Reason (R) : The global economic crisis of 2009, causes a reduction of global FDI flows took place to USA.
- Select the correct code :
- Codes :**
- (A) Both (A) and (R) are correct and (R) is the correct explanation of (A).
(B) (A) is correct, but (R) is not correct.
(C) Both (A) and (R) are incorrect.
(D) Both (A) and (R) are correct, but (R) is not correct explanation of (A).
60. As per the South Asia Free Trade Agreement, 1993 of SAARC, the member countries have to bring their duties down to
- (A) 25 percent by 2006 (B) 15 percent by 2006
(C) 10 percent by 2007 (D) 20 percent by 2007
61. Which of the following is the correct combination ?
- (i) A GSA allows an MNE to enter into activities that might too costly and risky to pursue on its own.
(ii) A GSA does not allow a firm to enhance economics of scale.
(iii) A GSA does not allow a firm to bypass entry barriers into a target foreign country.
(iv) A GSA allows a firm to acquire partner knowledge.
- Codes :**
- (A) (i), (iv) are correct. (B) (i), (ii) are correct.
(C) (i), (ii), (iii) and (iv) are correct. (D) (ii) and (iii) are correct.

62. Which of the following are the outcomes of the Sixth Ministerial Conference of WTO which was held at Hong Kong in December 2005 ?

Select the correct combination :

- (i) Resolve to complete the Doha Work Programme fully and to conclude negotiations in 2006.
- (ii) Amendments to TRIPS agreement reaffirmed to address public health concerns of developing countries.
- (iii) To continue export subsidies in agriculture upto 2018.
- (iv) Duty free, quota free market access for all LDC's products to all developed countries.

Codes :

- (A) (i), (ii) and (iv)
- (B) (i), (ii), (iii) and (iv)
- (C) (i) and (iii) only
- (D) (ii) and (iv) only

63. Which of the following is not a function of Foreign Exchange Market ?

- (A) Stabilization function
- (B) Hedging function
- (C) Credit function
- (D) Transfer function

64. **Assertion (A) :** The impact of depreciating Indian Rupee leads to less competition for Indian firms from imports.

Reason (R) : The depreciating Indian Rupee results in downward pressure on inflation .

Select the correct code :

Codes :

- (A) Both (A) and (R) are correct.
- (B) (A) is false, but (R) is correct.
- (C) Both (A) and (R) are false.
- (D) (A) is true, but (R) is false.

65. In which of the following Stock Exchanges the GDR's are listed ?

- (i) London Stock Exchange
- (ii) New-York Stock Exchange
- (iii) Luxembourg Stock Exchange
- (iv) Bombay Stock Exchange
- (v) Singapore Stock Exchange
- (vi) Hong Kong Exchange

Identify the correct combination :

- (A) (i), (ii) and (iii)
- (B) (i), (iv), (v) and (vi)
- (C) (iii), (iv), (v) and (vi)
- (D) (i), (iii), (v) and (vi)

66. **Statement I** : FIIs do not invest in unlisted entities. They participate only through stock exchanges.

Statement II : FIIs cannot invest at the time of initial allotment.

Select the correct code :

Codes :

- (A) Statements I and II are correct.
- (B) Statement I is true and II is false.
- (C) Statement I is false and II is correct.
- (D) Statements I and II are false.

67. ADRs' and GDRs' are an excellent means of investment to invest in India for

- (A) NRIs' (B) Foreign nationals
- (C) Both (A) & (B) (D) None of the above

68. Which of the following is not provided by EXIM Bank, for financing overseas investments ?

- (A) Term loans to Indian Companies upto 80% of their equity investment in overseas JV/WOS.
- (B) Term loans to Indian Companies towards upto 100% of loan extended by them to the overseas JV/WOS.
- (C) Term loan to overseas JV/WOS towards part financing.
- (D) Guarantee facility to the overseas JV/WOS for raising term loan/working capital

69. Under Section 271 C of the Income Tax Act, 1961 the amount of penalty for failure to deduct tax at source is

- (A) 10% of tax which is otherwise deductible under Section 194 C.
- (B) 100% of tax which is otherwise deductible under Section 194 C.
- (C) 200% of tax which is otherwise deductible under Section 194 C.
- (D) 300% of tax which is otherwise deductible under Section 194 C.

70. Match the following items of List – I and List – II and select the correct answer from the codes given below :

List – I (Sections)	List – II (Maximum Deduction)
a. Section 80C of I.T. Act	i. ₹ 10,000
b. Section 80D of I.T. Act	ii. ₹ 40,000
c. Section 80 DDB of I.T. Act	iii. ₹ 1,00,000
d. Section 80 TTA of I.T. Act	iv. ₹ 15,000

Codes :

- | | a | b | c | d |
|-----|-----|-----|----|----|
| (A) | iii | i | iv | ii |
| (B) | iii | iv | ii | i |
| (C) | iv | iii | ii | i |
| (D) | ii | iii | i | iv |

71. In which of the following cases, income of previous year is assessable in the previous year itself ?
- (A) A person in employment.
 - (B) A person engaged in illegal business.
 - (C) A person who is running charitable business.
 - (D) A person leaving India permanently.
72. Long term capital loss can be set off from which of the following ?
- (A) Short term capital gain only
 - (B) Long term capital gain only
 - (C) Income from business and profession
 - (D) Capital gain head of income
73. In which of the following long term assets, cost indexation benefit is allowed ?
- (A) Debentures issued by a company
 - (B) Self generated goodwill of a business
 - (C) Bonus shares allotted on 1-4-2000
 - (D) Jewellery
74. Calculate the Gross Annual Value from the following details :
- | | | |
|-------------------|---|----------|
| Municipal Value | – | ₹ 45,000 |
| Fair Rental Value | – | ₹ 50,000 |
| Standard Rent | – | ₹ 48,000 |
| Actual Rent | – | ₹ 42,000 |
- (A) ₹ 50,000
 - (B) ₹ 48,000
 - (C) ₹ 45,000
 - (D) ₹ 42,000
75. Minimum Alternate Tax (MAT) is imposed on
- (A) All companies
 - (B) Public Limited Companies only
 - (C) Private Limited Companies only
 - (D) Partnership Firms and Companies

COMMERCE

PAPER - III

Note : This paper contains **seventy five (75)** objective type questions of **two (2)** marks each. **All questions are compulsory.**

1. GNP at market prices – Indirect taxes + subsidies is referred to as :
 - (1) GNP at factor cost
 - (2) GDP at factor cost
 - (3) NNP at factor cost
 - (4) NDP at factor cost

2. EDI system got legal recognition under which one of the following Acts ?
 - (1) Electronics Act, 1996
 - (2) Right to Data Act, 1998
 - (3) DGFT Act, 1999
 - (4) Information Technology Act, 2000

3. Following statements are related to futures contracts. Choose the statements that are **not** true :
 - (a) Purchase of a futures contract is called short position.
 - (b) Currency futures are traded on an exchange in standardised form and in fixed quantity.
 - (c) Default risk in futures contract is high compared to forward contract.

Codes :

- (1) only (a) and (b) (2) only (a) and (c) (3) (a), (b) and (c) (4) only (b)

4. From the following, identify the trading blocks in the world and choose the **correct** code :

- (a) European Union
- (b) North American Free Trade Agreements
- (c) South Asian Association of Regional Co-operation
- (d) Central American Common Market
- (e) Central African Customs Union

Codes :

- (1) (a), (b) and (c) (2) (a), (b), (c) and (d)
(3) (a), (b), (c), (d) and (e) (4) (a), (b) and (e)

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Paper-III

5. Match the items of **List - I** with items of **List - II** and choose the **correct** code :

List - I

List - II

- | | |
|-----------------------------|--|
| (a) Carroll Model | (i) International trade |
| (b) Corlett - Hague Rule | (ii) Interest rate |
| (c) Hecksher Ohlin Theorem | (iii) Principles of taxation |
| (d) Knut Wick sell's Theory | (iv) Social responsibility of business |

Codes :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (iv) | (iii) | (i) | (ii) |
| (2) | (iii) | (ii) | (i) | (iv) |
| (3) | (iii) | (i) | (ii) | (iv) |
| (4) | (ii) | (iii) | (i) | (iv) |

6. Labour Rate of Pay Variance can be calculated by which one of the following equations ?

- (1) Budgeted Labour Costs – Actual Labour Costs
- (2) (Standard Hours – Actual Hours) × Actual Wage Rate
- (3) (Standard Wage Rate – Actual Wage Rate) × Actual Hours Worked
- (4) (Standard Wage Rate – Actual Wage Rate) × Standard Hours Worked

7. Given :

Margin of Safety	₹ 80,000
Profit	₹ 20,000
Sales	₹ 3,00,000

What is the amount of Fixed Cost ?

- (1) ₹ 1,00,000 (2) ₹ 75,000 (3) ₹ 55,000 (4) ₹ 20,000

8. Preparation of consolidated statement of accounts as per AS - 21 is :

- (1) Optional
- (2) Mandatory for Private Ltd. Companies
- (3) Mandatory for Listed Companies
- (4) Mandatory for all Companies



9. Which one of the following is **not** true of cash Budget ?
- (1) The shortage or excess of cash would appear in a particular period.
 - (2) All inflows would arise before outflows for those periods.
 - (3) Only revenue nature cash flows are shown.
 - (4) Proceeds from issue of share capital is shown as an inflow.
10. Study the following transactions :
- (a) Raising of short term loans
 - (b) Goods purchased for cash
 - (c) Payment of bonus in the form of shares
 - (d) Issue of shares in lieu of raw materials
- Flow of funds is :
- (1) (a), (b), (c), and (d)
 - (2) (b), (c), and (d)
 - (3) (c) and (d)
 - (4) Only (d)
11. When a consumer increases units of X - commodity by giving up some units of Y- commodity and even to attain the same level of satisfaction, the marginal rate of substitution, will be calculated by :
- (1) Change in X - Commodity divided by change in Y - Commodity
 - (2) Change in X - Commodity divided by marginal utility of Y - Commodity
 - (3) Change in Y - Commodity divided by change in X - Commodity
 - (4) Change in Y - Commodity divided by marginal utility of X - Commodity
12. The following is the demand function in the small market :
- $$Q = 50 - 5P$$
- Where 'Q' denotes quantity in physical units and 'P' denotes price of the commodity. At price ₹ 5, the point price elasticity of demand would be :
- (1) Zero
 - (2) Equal to unity
 - (3) Highly elastic
 - (4) Highly inelastic



13. Match the items of **List - I** with the items of **List - II** and find out the **correct** matching.

List - I

Production functions

- (a) $Q = 10.2 K^{0.19} L^{0.88}$
- (b) $Q = 1.01 L^{0.75} K^{0.25}$
- (c) $Q = 0.84 L^{0.63} K^{0.3}$

List - II

Name of the shapes of returns to scale

- (i) Constant Returns to scale
- (ii) Diminishing Returns to scale
- (iii) Increasing Returns to scale

Codes :

- | | | | |
|-----|------------|------------|------------|
| | (a) | (b) | (c) |
| (1) | (i) | (ii) | (iii) |
| (2) | (ii) | (i) | (iii) |
| (3) | (ii) | (iii) | (i) |
| (4) | (i) | (iii) | (ii) |

14. In the short-run, when a simple monopoly firm attains equilibrium and earns only normal profit, its level of output will correspond to :

- (1) Lowest average cost
- (2) Average cost above optimum level of output
- (3) Average cost equals marginal cost
- (4) Marginal cost much below average cost

15. Which one of the following is a **false** statement ?

- (1) Ramsey pricing rates to the methodology of pricing to situations where firms are regulated and the maximization of allocative efficiency is the objective of pricing together with the objective of profit - maximization.
- (2) Peak-load pricing is a pricing practice where price varies with time of the day.
- (3) Value-pricing is the practice of pricing where the price is set based on its value to the customer.
- (4) Two - part tariff refers to a price structure which has two parts - a lump sum charge and a variable charge.

16. All the properties of order, interval and zero origin are simultaneously possessed by :

- (1) Nominal Data (2) Interval Data (3) Ratio Data (4) Ordinal Data



17. Under which of the following situations, chi - square test is applicable ?

- (a) testing homogeneity
- (b) testing goodness of fit
- (c) testing equality of two sample means
- (d) testing equality of two sample proportions
- (e) testing independence of attributes

Codes :

- (1) Only (a), (b) and (c) (2) Only (a), (b) and (e)
- (3) Only (c), (d) and (e) (4) Only (a), (c) and (e)

18. Which one of the following is **not** the **correct** statement regarding sampling distribution of mean ?

- (1) Sampling distribution of mean is normally distributed for large sized samples.
- (2) Sampling distribution of mean is normally distributed for small sized samples drawn from not normally distributed population.
- (3) 't' distribution is not normally distributed.
- (4) Mean of the sampling distribution of mean is equal to the parametric value of mean.

19. Consider the following statements and identify the **wrong** statements :

Statement - I : Accepting null hypothesis, when it is false, is called a level of significance.

Statement - II : $1 - \alpha$ is called power of a test.

Statement - III : Critical value of Z - static for two - tailed test at 5% level of significance is 1.96.

Codes :

- (1) Statements I, II and III
- (2) Statements I and III
- (3) Statements II and III
- (4) Statements I and II

20. The process of thoroughly checking the collected data to ensure optimal quality level is referred to as :

- (1) Validation (2) Editing (3) Classification (4) Entry

21. **Statement - (I)** : Management is the art of knowing what you want to do and then seeing that it is done in the best and the cheapest way.

Statement - (II) : Management is the process of planning and regulating the activities of an enterprise.

- (1) **Statement (I)** is correct, but **(II)** is incorrect
- (2) **Statement (II)** is correct, but **(I)** is incorrect
- (3) Both the **statements (I)** and **(II)** are incorrect
- (4) Both the **statements (I)** and **(II)** are correct

22. **Assertion - (A)** : No business runs itself, even on momentum every business needs repeated stimulus.

Reasoning - (R) : The management is the dynamic, life giving element in every business, without its leadership, the resources of production remain as resources and never become production.

- (1) **Assertion (A)** and **Reasoning (R)**, both are correct, and **(R)** is the correct explanation of **(A)**.
- (2) **Assertion (A)** and **Reasoning (R)**, both are correct, but **(R)** is not the correct explanation of **(A)**.
- (3) **Assertion (A)** is correct, but **Reasoning (R)** is incorrect.
- (4) **Reasoning (R)** is correct, but **Assertion (A)** is incorrect.

23. Match the items of **List - I** with **List - II** :

List - I

- (a) Credit Mobilier
- (b) Charleton Twist Company
- (c) Difference Engine
- (d) Commentry Four Chambault

List - II

- (i) Charles Babbage
- (ii) Henry Fayol
- (iii) Claud Henri Saint Simon
- (iv) Robert Owen

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (1) | (iii) | (iv) | (i) | (ii) |
| (2) | (iii) | (i) | (iv) | (ii) |
| (3) | (i) | (iii) | (iv) | (ii) |
| (4) | (ii) | (i) | (iv) | (iii) |

24. Find out the **correct** combination of statements with regards to business ethics :

- (a) Business ethics is the behaviour that a business adheres to in its daily dealings.
 - (b) The ethics of a particular business can be diverse.
 - (c) Business ethics has normative and descriptive dimensions.
- | | |
|----------------------|--------------------------|
| (1) Only (a) and (b) | (2) Only (a) and (c) |
| (3) Only (b) and (c) | (4) All (a), (b) and (c) |



25. Which one of the following is **not** correct about business ethics ?

- (1) Business ethics reflects the philosophy of business.
- (2) Business ethics is a form of applied ethics.
- (3) Business ethics are governed by the Government Policies.
- (4) Ethics are the standards which govern decisions on daily basis.

26. A marketing network consists of :

- (1) The tasks to devise marketing activities.
- (2) The tasks of hiring, training and motivating employees.
- (3) The activities that help in designing and implementing the marketing programmes.
- (4) The company and its supporting stakeholders with whom it has built mutually profitable business relationships.

27. Target marketing involves which of the following activities ?

- (a) Market positioning
- (b) Market targeting
- (c) Market behaviour
- (d) Market segmentation

Code :

- (1) (a) and (b)
- (2) (b) and (d)
- (3) (a), (b) and (d)
- (4) (b), (c) and (d)

28. The pricing strategy which adjusts the basic price to accommodate differences in customers, products and locations is called :

- (1) Differentiated pricing
- (2) Promotional pricing
- (3) Geographical pricing
- (4) Price discounts and allowances



29. Horizontal marketing system comprises of :
- (1) the producer, wholesaler and retailer acting in a unified system.
 - (2) multichannel marketing.
 - (3) two or more marketing channels to reach one or more customer segments.
 - (4) two or more unrelated companies put together resources to exploit an emerging market.

30. Match the items of **List - I** with the items of **List - II** :

List - I	List - II
(a) Face-to-face interaction with one or more prospective purchasers	(i) Sales promotion
(b) Any paid form of nonpersonal promotion	(ii) Public relations
(c) Short-term incentives to encourage purchase	(iii) Personal selling
(d) Programmes to promote company's image	(iv) Advertising

Codes :

	(a)	(b)	(c)	(d)
(1)	(iii)	(iv)	(ii)	(i)
(2)	(iii)	(iv)	(i)	(ii)
(3)	(ii)	(i)	(iii)	(iv)
(4)	(ii)	(iii)	(i)	(iv)

31. Which of the following techniques for appraisal of investment proposals are based on time value of money ?
- (a) Accounting Rate of Return
 - (b) Internal Rate of Return
 - (c) Profitability Index Method
 - (d) Earnings Per Share

Codes :

(1)	(a) and (b)	(2)	(b) and (c)	(3)	(a) and (d)	(4)	(a), (b) and (d)
-----	-------------	-----	-------------	-----	-------------	-----	------------------



32. On the basis of the following information, what will be the EBIT corresponding to financial indifference point ?

Total capital outlay ₹ 60,00,000

Financing Plans

(a) 100% Equity @ ₹ 10/- per share

(b) Debt - equity ratio 2 : 1

Rate of interest 18% p.a., corporate tax rate 40%

(1) ₹ 10,00,000 (2) ₹ 12,00,000 (3) ₹ 10,80,000 (4) ₹ 12,80,000

33. Which one of the following assumptions is **not** included in the James E. Walter Valuation model ?

(1) All financing by retained earnings only

(2) No change in the key variables such as EPS and DPS

(3) The firm has finite life

(4) All earnings are either distributed as dividends or invested internally immediately

34. Match the items of **List - I** with the items of **List - II** and find out the correct matching.

List - I

(Formulae)

(a) $\frac{\text{Contribution}}{\text{EBIT}}$

(b) $\frac{\text{EBIT}}{\text{Earnings before Tax (EBT)}}$

(c) $\frac{\text{Contribution}}{\text{EBT}}$

List - II

(Type of leverages)

(i) Financial leverage

(ii) Super - leverage

(iii) Operating leverage

Codes :

(a) (b) (c)

(1) (ii) (iii) (i)

(2) (i) (ii) (iii)

(3) (iii) (ii) (i)

(4) (ii) (i) (iii)

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Paper-III

39. Behaviourally Anchored Rating Scale is a technique used for :
- (1) Selection (2) Succession Planning
 (3) Performance appraisal (4) Recruitment
40. Which one of the following is **not** a mechanism of managing stress ?
- (1) Rust out (2) Cognitive therapy
 (3) Job enrichment (4) Networking
41. Interest earned by a depositor against a deposit with a commercial bank for custodial service :
- (1) is a fund based income
 (2) is a fee based income
 (3) is a combination of fund and fee based gain
 (4) is a commitment based gain
42. Match the items in **List - I** with the items in **List - II** :
- | List - I | List - II |
|--------------------------------------|--------------------------------------|
| (a) ATM card | (i) NPA |
| (b) Debts due for more than 30 days | (ii) John Shephard Barron |
| (c) Micro finance | (iii) State Finance Corporations Act |
| (d) State level finance corporations | (iv) NABARD |

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (1) | (i) | (iii) | (ii) | (iv) |
| (2) | (ii) | (i) | (iv) | (iii) |
| (3) | (iv) | (iii) | (ii) | (i) |
| (4) | (ii) | (i) | (iii) | (iv) |



43. Assertion (A) : A well developed money market is the basis for an effective monetary policy. It is in the money market that the Central Bank comes into contact with the financial sectors of the economy as a whole and it is through the liquidity in the market that influence the cost and availability of credit.

Reasoning (R) : A well organised money market is an essential condition for the successful operation of the Central Banking policies, and for holding the conditions of liquidity within the bounds of what the monetary authorities consider desirable.

- (1) (A) is true but (R) is false
- (2) (R) is true but (A) is false
- (3) (A) is true and (R) offers correct explanation to (A)
- (4) Both (A) and (R) are false

44. The operations of banks and financial institutions are regulated by :

- (1) The RBI Act 1934 only
- (2) The Banking Regulation Act 1949 only
- (3) Information Technology Act 2000 only
- (4) All of the above

45. To operationalise online, internet, mobile banking, debit card and credit card tools, some of the essential ingredients are :

- (1) Compliance with the Information Technology Act 2000
- (2) Satellite connection
- (3) Selection of a portal and server
- (4) All of the above

46. Any country consistently facing balance of payment deficiency can approach :

- (1) The World Bank
- (2) The Smithsonian Institute
- (3) IMF
- (4) The IMF and the IBRD



52. X Ltd. goes into liquidation and a new company Z Ltd. purchases the business of X Ltd. It is a case of :
- (1) Amalgamation (2) Absorption
(3) Internal reconstruction (4) External reconstruction
53. When the cost incurred on recruiting, training and developing the employees is considered for determining the value of employees, it is called :
- (1) The replacement cost approach (2) The historical cost approach
(3) The opportunity cost approach (4) None of the above
54. In India, NIFTY and SENSEX are calculated on the basis of :
- (1) Market capitalisation (2) Paid up capital
(3) Free-float market capitalisation (4) Authorized share capital
55. Financial Instruments which are issued with detachable warrants and are redeemable after certain period is known as :
- (1) Deep Discount Bonds (2) Secured Premium Notes
(3) Bunny Bonds (4) Junk Bonds
56. Which of the following can be used by a company as communication mix to reach the target customers ?
- (a) Advertising
(b) Sales promotion
(c) Events and experiences
(d) Public relations
(e) Direct marketing
(f) Personal selling
- Codes :**
- (1) (a), (b), (d) and (f) (2) (a), (b), (e) and (f)
(3) (a), (b), (d), (e) and (f) (4) (a), (b), (c), (d), (e) and (f)
57. In addition to motivation, learning and memory, which one of the following is included in the main psychological processes affecting consumer behaviour ?
- (1) Perception (2) Life cycle (3) Life style (4) Social class



58. Match the items of **List - I** with the items of **List - II** :

List - I

List - II

- | | |
|--------------------------------|--|
| (a) Geographic Segmentation | (i) Gender, income, religion |
| (b) Demographic Segmentation | (ii) Knowledge, attitude, response |
| (c) Psychographic Segmentation | (iii) Regions, cities, neighbourhoods |
| (d) Behavioural Segmentation | (iv) Lifestyle, personality traits, values |

Codes :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (ii) | (iv) | (iii) | (i) |
| (2) | (ii) | (iv) | (i) | (iii) |
| (3) | (iv) | (ii) | (i) | (iii) |
| (4) | (iv) | (i) | (ii) | (iii) |

59. Which one of the following is **not** a stage in the product life cycle ?

- (1) Introduction (2) Growth (3) Equilibrium (4) Decline

60. Which one of the following is **correct** statement in respect of co-branding ?

- (1) Co-branding is an umbrella branding of goods of a company.
(2) In co-branding, two or more well-known existing brands are combined into a joint product.
(3) Co-branding is the process of combining two brands for promoting brand equity.
(4) All of the above

61. Which one of the following is **not** a major punishment ?

- (1) Withholding of increments (2) Demotion
(3) Transfer (4) Suspension

62. **Assertion (A) :** Job evaluation is essentially a job rating process, not unlike the rating of employees.

Reasoning (R): Job evaluation is a practice which seeks to provide a degree of objectivity in measuring the comparative value of jobs within an organisation and among similar organisations.

- (1) Both **Assertion (A)** and **Reasoning (R)** are correct
(2) Both **Assertion (A)** and **Reasoning (R)** are incorrect
(3) **Assertion (A)** is correct, but **Reasoning (R)** is incorrect
(4) **Reasoning (R)** is correct, but **Assertion (A)** is incorrect



65. Match the items of **List - I** with **List - II** :

List - I		List - II	
(a)	INTUC	(i)	1920
(b)	AITUC	(ii)	1947
(c)	CITU	(iii)	1955
(d)	BMS	(iv)	1970

Codes :

	(a)	(b)	(c)	(d)
(1)	(i)	(ii)	(iii)	(iv)
(2)	(ii)	(i)	(iv)	(iii)
(3)	(ii)	(i)	(iii)	(iv)
(4)	(iii)	(i)	(iv)	(ii)

66. **Assertion (A) :** Amended Patent Act, in compliance with WTO, provides for grant of product patent as well as a process patent for a period of 20 years from the date of application.

Reasoning (R) : Under the Act, patent may be granted to an invention which means a new product or process involving an inventive step and capable of industrial application, a technical advance over existing knowledge.

Codes :

- (1) Both **(A)** and **(R)** are true but **(R)**, is not correct explanation to **(A)**.
- (2) **(A)** is false but **(R)** is correct.
- (3) Both **(A)** and **(R)** are true and **(R)**, is correct explanation to **(A)**.
- (4) **(A)** is correct but **(R)** is false.

67. Which of the following have been recognised under the intellectual property eligible for creation of rights as per WTO mandate ?

- (a) Computer software, music disc, performing art
- (b) Geographical indicator
- (c) Global positioning system
- (d) Journals, books, seeds, design, brand

Codes :

- | | | | |
|-----|------------------|-----|------------------|
| (1) | (a), (b) and (c) | (2) | (d), (c) and (a) |
| (3) | (a), (b) and (d) | (4) | (c), (a) and (b) |



68. NAFTA came into force from January, 1994 embracing :
- (1) The USA, Canada, Cuba, Trinidad and Tobago
 - (2) The USA, Canada, Mexico
 - (3) Cuba, Mexico, USA, Havana
 - (4) Trinidad, The USA, Mexico
69. A common market is one where :
- (1) all the trading nations agree commonly to levy a common and uniform tariff rate for all goods.
 - (2) all the trading nations agree commonly to rationalise tariff and non-tariff barriers mutually to promote intra-region trade.
 - (3) there is a customs union along with free intra - union movement of factors of production.
 - (4) there is an economic union along with free intra-union movement of residents.
70. The Maastricht Treaty of February, 1992 renamed the European Community (EC) as :
- (1) the European Union (EU)
 - (2) the European Economic Union (EEU)
 - (3) the European Monetary Union (EMU)
 - (4) the European Economic Community (EEC)
71. In which of the following cases, Assessing officer has the discretion to assess the income of the previous year in the previous year or in the subsequent assessment year ?
- (1) Shipping business of non-residents
 - (2) Association of Persons (AOP) or Body of Individuals (BOI) formed for a particular event or purpose
 - (3) Assessment of persons likely to transfer property to avoid tax
 - (4) Discontinued business
72. Rental income received by a foreign individual, from another foreign individual, in respect of the property situated in Delhi is taxable in the hands of :
- (1) Resident and Ordinarily Resident (OR) only
 - (2) Ordinarily Resident (OR) and Not Ordinarily Resident (NOR) only
 - (3) Non Resident (NR) only
 - (4) Ordinarily Resident (OR), Not Ordinarily Resident (NOR) and Non Resident (NR)



73. Which of the following income is **not** chargeable under the head 'income from business and profession' ?
- (1) Profits and Gains carried on by an assessee during the previous year.
 - (2) Income derived by a trade professional or similar association from specific services performed for its members.
 - (3) Income from the activity of owning or owning and maintaining race horses.
 - (4) Salary received by a partner of a firm from the same firm.
74. Mr. A earned a capital gain of ₹ 100 lakhs on 31-2-2014 from the sale of a long term capital asset (land) within the limits of Jaipur corporation. If he invests ₹ 60 lakhs, out of ₹ 100 lakhs, in Rural Electricity Corporation Bonds approved under Sec. 54 EC in 20-2-2014, what is the amount of exemption he can claim under Sec. 54 EC of Income Tax Act for the AY 2014-15 ?
- (1) ₹ 60 lakhs (2) ₹ 50 lakhs (3) ₹ 100 lakhs (4) ₹ 30 lakhs
75. Under which of the following situations, the Appellate Tribunal can rectify the mistake in the order passed by it under Sec 254 (2) of Income Tax Act ?
- (a) If subsequent decision of the Supreme Court/High Court is available on the subject after the Appellate Tribunal's order
 - (b) If an assessee apply for rectification of the Tribunal's order by raising fresh grounds before the Tribunal
 - (c) If the omission or mistake is on the part of Appellate Tribunal
 - (d) If the order is passed by the Appellate Tribunal under an erroneous impression of fact or law

Codes :

- (1) (a), (b) and (c)
- (2) (b), (c) and (d)
- (3) (a), (c) and (d)
- (4) only (c) and (d)

- o O o -



COMMERCE

PAPER - III

Note : This paper contains **seventy five (75)** objective type questions of **two (2)** marks each.
All questions are compulsory.

1. The method being used for Transferring Complex Technology is known as :
 - (1) Licensing Agreement
 - (2) Transfer of Technology
 - (3) Turnkey Contract
 - (4) None of the above

2. Which of the following is **not** a 'force' in the "Porter Five Forces Model" ?
 - (1) Buyers
 - (2) Suppliers
 - (3) Complementary produce
 - (4) Industry rivalry

3. LIBOR term is used for :
 - (1) Deposit rate in European market
 - (2) Interest rate in Euro currency market
 - (3) Deposit rate applicable to interbank loans in London
 - (4) Interest rate in Euro bond market

4. Which of the following characterises the early stage financial crises ?
 - (1) Falling the price of residential properties
 - (2) Excessive euphoria about the future price of certain assets
 - (3) Excessive pessimism about future assets price
 - (4) Stragnating share price

5. **Assertion (A) :** In 1991 Government decided to allow all foreign investments to any industry without any restrictions.
Reason (R) : Government has enhanced the investment limit of small scale industrial units.
Codes :
 - (1) Both **(A)** and **(R)** are true and **(R)** is the correct explanation of **(A)**.
 - (2) Both **(A)** and **(R)** are true but **(R)** is not the correct explanation of **(A)**.
 - (3) **(A)** is true but **(R)** is false.
 - (4) **(A)** is false but **(R)** is true.



6. When a business is purchased, any amount paid in excess of the total of assets, minus the liabilities taken, is called :

- (1) Share Premium (2) Goodwill
(3) Capital Employed (4) Working Capital

7. Indicate the **correct** code as regards the sources of funds for a Funds Flow Statement from the following :

- (a) Increase in working capital
(b) Decrease in working capital
(c) Writing off the intangible/fictitious assets
(d) Issuing equity shares for acquisition of a building for office
(e) Charging depreciation on fixed assets

Codes :

- (1) (a), (c), (d) (2) (b), (c), (e) (3) (a), (d), (e) (4) (b), (c), (d)

8. Which of the following statements are **correct** ?

- (a) Analysis and interpretation of financial statements, is a function of accounting.
(b) Profit and Loss account is prepared for ascertaining financial position of a firm.
(c) Goodwill is a wasting asset.
(d) Balance Sheet is prepared for ascertaining financial position of a firm.

Select the **correct** answer using the codes given below :

Codes :

- (1) (a) and (b) (2) (a) and (c) (3) (a) and (d) (4) (b) and (c)

9. Match the items of **List - I** with those of the **List - II** and indicate the **correct** code for the following :

List - I

- (a) Debtors Turnover Ratio
(b) Proprietary Ratio
(c) Operating Ratio
(d) Acid Test Ratio

List - II

- (i) Solvency Ratio
(ii) Liquidity Ratio
(iii) Activity Ratio
(iv) Profitability Ratio

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (1) | (ii) | (iv) | (iii) | (i) |
| (2) | (iii) | (ii) | (i) | (iv) |
| (3) | (iii) | (i) | (iv) | (ii) |
| (4) | (iv) | (iii) | (ii) | (i) |



10. For the following two statements of **Assertion (A)** and **Reasoning (R)**, indicate the **correct** code :

Assertion (A) : Cash Flow Statement as per the financial statements as well is incapable in revealing the overall financial position of a firm.

Reasoning (R) : Cash is an important constituent of the working capital based on the recorded facts only.

Codes :

- (1) (A) and (R) both are correct and (R) is an explanation of (A).
- (2) (A) is correct but (R) is not correct.
- (3) (A) is not correct but (R) is correct
- (4) (A) and (R) both are incorrect

11. For the following two statements of **Assertion (A)** and **Reasoning (R)**, indicate the **correct** code :

Assertion (A) : The quantity of a commodity demanded invariably changes inversely to changes in its price.

Reasoning (R) : The price effect is the net result of the positive substitution effect and negative income effect.

Codes :

- (1) (A) and (R) both are correct. (2) (A) is correct but (R) is incorrect.
- (3) (A) is incorrect but (R) is correct. (4) (A) and (R) both are incorrect.

12. Economic capacity of a plant represents its :

- (1) maximum physical output level
- (2) average output level over a period
- (3) break-even output and sales level
- (4) output level that equates the average and the marginal costs



13. Match the items of **List - I** with those of the **List - II** and indicate the **correct** code :

List - I

List - II

- | | |
|---|--|
| (a) Excess capacity of the plant | (i) Cost reduction with output expansion |
| (b) Resorting to New Technology | (ii) Constant cost with output expansion |
| (c) Setting up of the Training Institutions | (iii) Internal economies |
| (d) Reserve capacity of the plant | (iv) External economies |

Codes :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (i) | (iii) | (iv) | (ii) |
| (2) | (iii) | (i) | (iv) | (ii) |
| (3) | (ii) | (iii) | (i) | (iv) |
| (4) | (iv) | (ii) | (iii) | (i) |

14. In case the elasticity of demand on an average revenue curve is equal to unity, the marginal revenue will be :

- | | |
|----------------------------------|--------------------|
| (1) more than unity | (2) equal to unity |
| (3) equal to a fraction of unity | (4) equal to zero |

15. Match the items of the **List - I** with those of the **List - II** and indicate the **correct** code :

List - I

List - II

- | | |
|--|-------------------------------------|
| (a) Trade Channel Discount | (i) Oligopoly Pricing |
| (b) Loss Leadership | (ii) Locational Price Differentials |
| (c) Pricing being non - responsive to changes in the demand and the cost | (iii) Differential Pricing |
| (d) Basing Point Pricing | (iv) Product - Line Pricing |

Codes :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (iv) | (iii) | (ii) | (i) |
| (2) | (iii) | (iv) | (i) | (ii) |
| (3) | (ii) | (iii) | (iv) | (i) |
| (4) | (i) | (ii) | (iii) | (iv) |



16. **Statement - I :** When a null hypothesis gets rejected in statistical hypothesis testing, it is known as II type - error in hypothesis testing.

Statement - II : When a sample is small sized and parametric value of the standard deviation is not known, z - test is the most appropriate test for hypothesis testing.

Codes :

- (1) Both **statements** are correct
- (2) Both **statements** are incorrect
- (3) **Statement - I** is correct while **statement - II** is incorrect
- (4) **Statement - I** is incorrect while **statement - II** is correct

17. The following are the estimated regression equations for x and y variables :

$$x = 0.85y$$

$$y = 0.89x$$

With this information, the value of the coefficient of correlation would be :

- (1) 0.87
- (2) 0.86
- (3) 0.89
- (4) 0.75

18. The power of the statistical hypothesis testing is denoted by :

- (1) α (alpha)
- (2) β (beta)
- (3) $1 - \alpha$
- (4) $1 - \beta$

19. Match the items of **List - I** and **List - II** and indicate the code of **correct** matching of the items :

List - I

List - II

(a) $\frac{z^2 \cdot \sigma_p^2}{e^2}$

(i) Measurement for Kurtosis

(b) $\frac{|\bar{X}_1 - \bar{X}_2|}{\sqrt{\sigma_p^2 \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}}$

(ii) Calculated value of F ratio

(c) $\frac{\mu_4}{\mu_2^2}$

(iii) Statistical approach to find out the size of sample

(d) $\frac{\sigma_{s_1}^2}{\sigma_{s_2}^2}$

(iv) Calculated z value of mean differences

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|-------|------|-------|------|
| (1) | (i) | (ii) | (iii) | (iv) |
| (2) | (ii) | (iv) | (iii) | (i) |
| (3) | (iii) | (iv) | (ii) | (i) |
| (4) | (iii) | (iv) | (i) | (ii) |



20. **Assertion (A)** : A reasonably large sized sample drawn randomly from a given population contains almost all the characteristics of the population.

Reason (R) : As per the sampling theory, the assertion is based only on the 'Law of Inertia of Large Numbers'.

Codes :

- (1) **Assertion (A)** is correct and **Reason (R)** as per the sampling theory is also fully correct.
- (2) **Assertion (A)** is correct but the **Reason (R)** as per the sampling theory is not fully correct.
- (3) Both **Assertion (A)** and **Reason (R)** are incorrect.
- (4) **Assertion (A)** is incorrect but the **Reason (R)** is sufficient as per the sampling theory.

21. Which of the following approaches of team building is based on the belief that each person possesses positive and negative characteristics that must be owned up to a permitted expression ?

- (1) Process approach
- (2) Gestalt approach
- (3) Role analysis approach
- (4) Parallel learning structure approach

22. Which of the following factors lead to group cohesiveness ?

- (a) agreement on group goals
- (b) high intra-group competition
- (c) frequent interaction of members
- (d) personal attractiveness

Codes :

- (1) (a) and (b)
- (2) (a), (b) and (c)
- (3) (a), (c) and (d)
- (4) (a), (b) and (d)

23. **Assertion (A)** : 'Uncertainty Avoidance' is one of the dimensions of cultural differences, as identified by Geert Hofstede.

Reasoning (R) : 'Uncertainty Avoidance' is the extent to which people feel threatened by ambiguous situations. To avoid such situations, organisations provide greater career stability, make more formal rules and reject deviant behaviours.

Codes :

- (1) **(A)** is wrong **(R)** is right
- (2) Both **(A)** and **(R)** are wrong
- (3) Both **(A)** and **(R)** are right and **(R)** is the correct explanation of **(A)**
- (4) Both **(A)** and **(R)** are right but **(R)** is not the correct explanation of **(A)**



24. Which of the following is the internal conflict or anxiety that occurs when people receive information incompatible with their value systems, prior decisions and knowledge ?

- (a) Polarisation (b) Cognitive dissonance
(c) Premature evaluation (d) Projection

Codes :

- (1) (a) and (b) (2) Only (b)
(3) Only (d) (4) (a), (b), (c) and (d)

25. Matrix organisation structure is essentially a violation of the principle of :

- (1) Unity of Command (2) Scalar Chain
(3) Unity of Direction (4) Division of Labour

26. Which of the following statements is **not true** ?

- (1) One sided messages work best with audiences those are initially predisposed to communicator's position.
(2) Two sided arguments work best with audiences who are similar and not opposed.
(3) Two sided messages tend to be more effective with better educated audiences.
(4) Two sided messages tend to be more effective with audiences those are likely to be exposed to counter propaganda.

27. In the course of converting to a marketing-oriented company, a company may face which of the following hurdles ?

- (1) Organised resistance (2) Slow learning
(3) Fast forgetting (4) All of the above

28. A person's distinguishing psychological characteristics that lead to relatively consistent and enduring responses to his or her environment is called :

- (1) Life style (2) Self-concept (3) Personality (4) Attitude

29. When electronic markets permit prices to change faster even daily as a function of demand and supply then this practice is called :

- (1) competitive pricing (2) e-marketing pricing
(3) yield management pricing (4) none of the above



30. Match the strategies given in List - I with the examples given in List - II :

List - I (Strategies)	List - II (Examples)
(a) Differential Pricing	(i) Customer lounges to sit in while waiting for a table at service centres, etc.
(b) Complimentary Service	(ii) Breakfast service by McDonald's and mini vacation and weekends by hotels
(c) Reservation System	(iii) Low prices for early and evening movies, weekend discounts for car parking rentals
(d) Non-peak Demand Cultivation	(iv) Airlines, Hotels and Physicians employ extensively

Codes :

	(a)	(b)	(c)	(d)
(1)	(i)	(iii)	(ii)	(iv)
(2)	(iv)	(ii)	(i)	(iii)
(3)	(ii)	(i)	(iv)	(iii)
(4)	(iii)	(i)	(iv)	(ii)

31. From investor's point of view, the cost of capital is :

- | | |
|--------------------------------|--------------------------|
| (1) Interest Rate | (2) Market Value |
| (3) Yield of Capital Sacrifice | (4) Stock Exchange Value |

32. Formula for net cash inflow of a project is :

- (1) Sales – Operating Expenses – Interest – Tax
- (2) Sales – Operating Expenses
- (3) Net Profit after tax + Depreciation
- (4) Gross Profit + Depreciation

33. Concentration Banking is a method of :

- | | |
|------------------------------|----------------------------------|
| (1) Decentralised collection | (2) Centralised collection |
| (3) Direct collection | (4) Payment only through cheques |

34. In case, cost of capital is 10%, EPS ₹ 10, IRR 8% and Retention Ratio is 60%, then the value of equity share as per Gordon's Model will be :

- | | | | |
|-----------|----------|----------|----------|
| (1) ₹ 100 | (2) ₹ 87 | (3) ₹ 90 | (4) ₹ 77 |
|-----------|----------|----------|----------|



35. A firm with high operating leverage has :

- (1) Low fixed cost in its production process
- (2) High variable cost in its production process
- (3) High fixed cost in its production process
- (4) Low variable cost in its production process

36. Match the items of **List - I** with **List - II** according to 'The Harvard Framework' developed for HRM :

List - I

List - II

- | | |
|-----------------------------|-----------------------------|
| (a) Stakeholder's interest | (i) Work systems |
| (b) Situational factor | (ii) Cost - effectiveness |
| (c) HRM policy choice | (iii) Individual well-being |
| (d) HR outcome | (iv) Government |
| (e) Long - term consequence | (v) Business strategy |

Codes :

- | | | | | | |
|-----|------------|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) | (e) |
| (1) | (iv) | (i) | (ii) | (iii) | (v) |
| (2) | (v) | (iv) | (ii) | (i) | (iii) |
| (3) | (iv) | (v) | (i) | (ii) | (iii) |
| (4) | (i) | (v) | (ii) | (iii) | (iv) |

37. The committees which promote worker's participation in management are usually established only at the :

- | | |
|----------------------|----------------------|
| (1) Corporate level | (2) Plant level |
| (3) Shop-floor level | (4) All of the above |

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38. Choose the **correct** code for the statements given below :

Statement (I) : T-group and sensitivity training are not the same.

Statement (II) : T-group participants belong to a diverse groups and may not be familiar with each other.

Statement (III) : T-group training sessions are well structured.

Codes :

- (1) **Statements (I)** and **(II)** only are correct
- (2) Only **(II)** and **(III)** **statements** are correct
- (3) All the three **statements** are correct
- (4) Only **statement (II)** is correct

39. A review is heavily influenced only by any one characteristic of the employee whose performance is being reviewed is known as :

- (1) Recency of Events Error
- (2) Central Tendency
- (3) Logical Error
- (4) Halo Effect

40. Which one of the following tests is **not** recommended for the top level positions ?

- (1) Presentations
- (2) Role plays
- (3) Interviews
- (4) Leaderless group discussions

41. Select the major principles which banks strive to incorporate in their working from the following :

- (a) Profitability
- (b) Labour welfare
- (c) Social welfare
- (d) Safety
- (e) HRD
- (f) Liquidity

Codes :

- (1) (a), (b), (d), (e)
- (2) (a), (c), (d), (f)
- (3) (c), (d), (e), (f)
- (4) (a), (b), (c), (d)



42. Identify the years in which different phases of Bank Nationalisation took place in India :

- (a) 1950 (b) 1955 (c) 1969 (d) 1949 (e) 1980

Codes :

- (1) (a), (b), (c), (d) (2) (b), (c), (e) (3) (b), (d), (e) (4) (c), (d), (e)

43. 'SWIFT' stands for :

- (1) Society for Worldwide Inter-bank Fund Transfer
(2) Society for Worldwide Inter-bank Fast Transmission
(3) Society for Worldwide Inter-bank Financial Telecommunications
(4) None of the above

44. Select the techniques of monetary control adopted by RBI from the following :

- (a) Cash Reserve Ratio (b) Statutory Liquidity Ratio
(c) Bank Rate (d) Currency Rate

Codes :

- (1) (a), (b), (c), (d) (2) (b), (c), (d) (3) (a), (c), (d) (4) (a), (b), (c)

45. Which of the following is **not** a development banking institution ?

- (1) IDBI (2) IFCI
(3) EXIM Bank (4) ICICI

46. Which of the following is **not** a characteristic of bartering internationally ?

- (1) Bartering can be time - consuming.
(2) Bartering can be expensive.
(3) Bartering is a type of service export and import.
(4) Bartering can be risky.



47. **Assertion (A) :** International business has grown in more recent years at a faster pace than global production.

Reason (R) : Growth through trade has increased, but growth through foreign direct investment has not.

Codes :

- (1) Both **(A)** and **(R)** are correct (2) **(A)** is correct but **(R)** is incorrect
(3) **(A)** is incorrect but **(R)** is correct (4) Both **(A)** and **(R)** are incorrect

48. Identify the multinational corporations (MNCs) from the following :

- (a) IOCL (b) GAIL (c) SBI
(d) SAIL (e) Tata Steel (f) Bharat Petroleum

Codes :

- (1) (a), (b), (c), (d) (2) (b), (c), (d), (e) (3) (c), (d), (e), (f) (4) (a), (c), (e), (f)

49. **Statement-I :** Legal agreements between two countries govern how both the countries tax earnings.

Statement-II : International Law may determine how and whether companies can operate in a certain locale.

Codes :

- (1) Both the **statements** are true
(2) Both the **statements** are false
(3) **Statement-I** is true but **Statement-II** is false
(4) **Statement-I** is false but **Statement-II** is true

50. Which of the following is an example of an issue for which an agreement has **not** been made between two or more countries ?

- (1) Restricting harmful emissions
(2) Deep-sea mining in non-coastal areas of the oceans
(3) Preserving endangered species
(4) Banning the use of certain pesticides



51. Match the items of **List - I** with **List - II** :

List - I	List - II
(a) Intangible Assets	(i) Ind AS 31
(b) Impairment of Assets	(ii) Ind AS 34
(c) Interim Financial Reporting	(iii) Ind AS 36
(d) Interests in Joint Ventures	(iv) Ind AS 38

Codes :

	(a)	(b)	(c)	(d)
(1)	(i)	(ii)	(iii)	(iv)
(2)	(iv)	(iii)	(ii)	(i)
(3)	(iv)	(i)	(ii)	(iii)
(4)	(iv)	(ii)	(i)	(iii)

52. **Assertion (A)** : Human Resource Accounting is the measurement of the cost and value of people to the organization.

Reasoning (R) : Human Resource Accounting involves measuring costs incurred by the organizations to recruit, select, hire, train and develop employees and judge their economic value to the organization.

Codes :

- (1) **Assertion (A)** and **Reasoning (R)** are correct and **(R)** is the right explanation of **(A)**
- (2) **Assertion (A)** and **Reasoning (R)** are correct and **(R)** is not the right explanation of **(A)**
- (3) **Assertion (A)** is correct but **Reasoning (R)** is incorrect
- (4) Both **Assertion (A)** and **Reasoning (R)** are incorrect

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

- (a) to approve by-laws of stock exchanges
- (b) to direct the stock exchanges to amend their by-laws
- (c) inspect the books of accounts and call for periodical returns from recognized stock exchanges
- (d) inspect the books of accounts of financial intermediaries
- (e) compel certain companies to list their shares in one or more stock exchanges
- (f) registration of brokers

Codes :

(1) (a), (b), (c) and (f)	(2) (a), (c), (d) and (f)
(3) (b), (c), (d), (e) and (f)	(4) (a), (b), (c), (d), (e) and (f)



54. Consider the following characteristics :

- (a) High risk high return opportunity
- (b) Small and medium size enterprise
- (c) Private equity stakes in start-ups
- (d) Investment fund

The above attributes are found in :

- (1) Mutual Funds
- (2) Venture Capital Funds
- (3) Qualified Institutional Buyers
- (4) Domestic Institutional Investors

55. Identify the **incorrect** statement(s), regarding money market, among the following :

- (a) The call money market deals in short term finance repayable on demand, with a maturity period varying from one day to 14 days.
- (b) Treasury bills are instruments of short-term borrowing by the Government of India, issued as promissory notes under discount.
- (c) A reduction in the repo rate helps banks to get money at a cheaper rate.
- (d) Money market mutual funds invest money in specifically, high-quality and very short maturity-based money market instruments.

Codes :

- (1) (a) and (c)
- (2) (b)
- (3) (d)
- (4) None of the above

56. "Buyers are less price sensitive when they **cannot** easily compare the quality substitutes". Which of the following factors of price sensitivity is reflected from this statement ?

- (1) Substitute - awareness effect
- (2) Unique value effect
- (3) Price quality effect
- (4) None of the above

57. The model of decision support where there is recommendation of the type of advertisement with humorous and 'slice of life' kinds of appeals to use for given marketing goals and characteristics of products, target markets and competitive situations is known as :

- (1) MEDIAC
- (2) PROMOTOR
- (3) ADCAD
- (4) COVERSTORY



58. Which of the following statements is **not** true ?
- (1) Marketing profitability analysis measures the profitability of different marketing activities.
 - (2) Marketing efficiency studies try to determine how various marketing activities could be carried out more efficiently.
 - (3) Each company needs to reassess periodically its marketing effectiveness through a control instrument called marketing audit.
 - (4) All the above are true

59. Industry boundaries are blurring at an incredible rate as companies are recognizing that the new opportunities lie at the intersection of two or more industries, it is called :
- (1) Globalization
 - (2) Customization
 - (3) Industry convergence
 - (4) Acquisition

60. A picture of two characters is presented, with one making a statement. Respondents are asked to identify with the other and fill in the empty balloon.
This description belongs to which one of the following projective techniques ?
- (1) Thematic Apperception Test
 - (2) Picture Completion Test
 - (3) Sentence Completion Test
 - (4) Story Completion Test

61. Match the items of **List - I** with the items of **List - II** :

List - I		List - II	
(Job Analysis)		(Examples)	
(a) Task	(i) Payroll processing		
(b) Element	(ii) Compensation policy administrator		
(c) Duty	(iii) Compensation design manager		
(d) Position	(iv) Compensation specialist		
(e) Job	(v) Preparing forms		
(f) Occupation	(vi) Signing pay- cheques		

Codes :

	(a)	(b)	(c)	(d)	(e)	(f)
(1)	(i)	(ii)	(iii)	(iv)	(v)	(vi)
(2)	(v)	(vi)	(i)	(ii)	(iii)	(iv)
(3)	(vi)	(v)	(iv)	(ii)	(iii)	(i)
(4)	(vi)	(i)	(ii)	(iii)	(iv)	(v)

62. In which of the following types of collective bargaining, one party gains at the expense of the other ?

- (1) Distributive bargaining (2) Integrative bargaining
(3) Centralized bargaining (4) None of the above

63. Which one of the following dispute settlers **cannot** make a binding decision ?

- (1) Arbitrator (2) Adjudicator
(3) Conciliator (4) Industrial tribunal member

64. Ensuring the safety, health and welfare of the employee is the primary purpose of which one of the following Acts ?

- (1) The Factories Act, 1948
(2) The Payment of Wages Act, 1936
(3) The Equal Remuneration Act, 1976
(4) The Industrial Disputes Act, 1947

65. Match the items of **List - I** with the items of **List - II** and select the **correct** code :

List - I

List - II

- | | |
|--------------------------|----------------------------|
| (a) Pension scheme | (i) Health Care for family |
| (b) Personal security | (ii) Severance Pay |
| (c) Financial assistance | (iii) Provident Fund |
| (d) Allowance | (iv) Transport Allowance |

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|-------|------|-------|-------|
| (1) | (i) | (ii) | (iii) | (iv) |
| (2) | (iii) | (i) | (ii) | (iv) |
| (3) | (iii) | (ii) | (i) | (iv) |
| (4) | (i) | (iv) | (ii) | (iii) |



66. Examine the following statements and choose the **correct** answer :

Statement - I : FIIs do not invest in unlisted securities. They participate only through Stock Exchanges.

Statement - II : FIIs cannot invest at the time of initial allotment.

Codes :

- (1) Both the **statements** are wrong
- (2) Both the **statements** are correct
- (3) **Statement-I** is correct but the **statement-II** is wrong
- (4) **Statement-I** is wrong but the **statement-II** is correct

67. Which one of the following is **not** a member country in the Association of South-East Asian Nations (ASEAN) ?

- (1) Singapore (2) Malaysia (3) Thailand (4) Vietnam

68. Match the items of **List - I** with the items of **List - II** and select the **correct** answer with the codes given below :

List - I

List - II

- | | |
|-----------|-------------------|
| (a) SAARC | (i) Philippines |
| (b) ASEAN | (ii) Canada |
| (c) EU | (iii) Afghanistan |
| (d) NAFTA | (iv) Hungary |

Codes :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (ii) | (iv) | (i) | (iii) |
| (2) | (iv) | (ii) | (i) | (iii) |
| (3) | (iii) | (i) | (iv) | (ii) |
| (4) | (iii) | (iv) | (ii) | (i) |



69. Which among the following are criticisms given against World Trade Organization (WTO) ?
- It is not a democratic and transparent institution.
 - It has domination of international trade by rich countries for the benefit of their individual interests.
 - It encourages a 'race to the bottom' in wages by pitting workers against each other rather than promoting internationally recognized labor standards.
 - It is seeking to privatize essential public services.

Codes :

- | | |
|----------------------|---------------------------|
| (1) (b), (c) and (d) | (2) (a), (b) and (c) |
| (3) (a), (b) and (d) | (4) (a), (b), (c) and (d) |

70. Domestic Currency tends to depreciate owing to :

- | | |
|-----------------------------|--------------------------------|
| (1) Constant inflation rate | (2) Lowering of inflation rate |
| (3) High inflation rate | (4) All of the above |

71. Consider the following conditions :

- An individual is in India for a period of 182 days in the financial year in which he is getting his salary income.
- An individual is in India for a period of 60 days or more during financial year in which he gets his salary and 365 days or more during 4 years immediately preceding to that financial year.

If one of the above conditions is satisfied, as per the provisions of Income Tax Act, 1961, he is :

- Resident but not ordinarily resident of India
- Non-resident citizen of India
- Resident and categorised citizen of India U/S 29
- Ordinary resident of India

72. Agriculture income is exempted from income tax under the following section of Income Tax Act, 1961 :

- | | | | |
|------------|------------|------------|------------|
| (1) 2 (1A) | (2) 10 (1) | (3) 10 (2) | (4) 10 (4) |
|------------|------------|------------|------------|



73. Match the items of **List - I** with **List - II** :

List - I	List - II
(a) When the assessee is in default or is deemed to be in default in making payment of tax, including the tax deducted at source	(i) Section 271 (1) (c)
(b) Failure to pay the advance tax as directed by the Assessing Officer	(ii) Section 273 (1)
(c) Concealment of particulars of income or furnishing of inaccurate particulars of income	(iii) Section 201 (1)

Codes :

	(a)	(b)	(c)
(1)	(i)	(ii)	(iii)
(2)	(iii)	(ii)	(i)
(3)	(iii)	(i)	(ii)
(4)	(ii)	(i)	(iii)

74. **Assertion (A)** : Tax evasion is undertaken by employing unfair means.

Reasoning (R) : Payment of tax is avoided through illegal means or fraud for tax evasion.

Codes :

- (1) **Assertion (A)** is correct and **Reasoning (R)** is the right explanation of **(A)**.
- (2) **Assertion (A)** is correct but **Reasoning (R)** is not the right explanation of **(A)**.
- (3) Both **Assertion (A)** and **Reasoning (R)** are correct independently and **(R)** may be considered as an explanation of **(A)**.
- (4) Both **Assertion (A)** and **Reasoning (R)** are incorrect.

75. Which among the following are necessary documents to file Income Tax Return for an employed person in India ?

- (a) Adhar Card
- (b) PAN Card
- (c) Form No. 16 issued by employer

Codes :

- (1) (a) only
- (2) (a) and (b)
- (3) (a), (b) and (c)
- (4) (b) and (c)

- o o o -



COMMERCE
Paper – III

Note : This paper contains **seventy five (75)** objective type questions of **two (2)** marks each. **All** questions are compulsory.

1. Read the following and select the right code :
Statement – I : A custom to be valid should be proved to be immemorial but may not be ancient.
Statement – II : The principle of judicial decision which is only authoritative is known as ‘ratio decidendi’.
- (1) Both the statements are true.
(2) Both the statements are false.
(3) Statement – I is true but Statement – II is false.
(4) Statement – II is true but Statement – I is false.
2. To become a director in a company the person must obtain
- (1) Business Licence (2) Director’s Licence
(3) TIN (4) DIN
3. Which of following is not a “Maharatna” industry in India ?
- (1) CIL (2) SAIL
(3) OIL (4) GAIL
4. Match the items of Column – I with those of Column – II :
- | Column – I | Column – II |
|------------------------|-------------------------------|
| a. Exchange control | i. Adverse BOP |
| b. Price control | ii. Domestic firms |
| c. Import control | iii. Mass consumption product |
| d. Legislative control | iv. Industrial location |
- Codes :**
- | | a | b | c | d |
|-----|-----|-----|-----|----|
| (1) | ii | i | iii | iv |
| (2) | iv | ii | iii | i |
| (3) | iii | ii | i | iv |
| (4) | ii | iii | i | iv |
5. Match the items of List – I with those of List – II and choose the correct code :
- | List – I | List – II |
|--|---------------------|
| a. Provision for taxation | i. Current Assets |
| b. Live-stock | ii. Unsecured loans |
| c. Sundry Debtors | iii. Fixed Assets |
| d. Interest accrued on unsecured loans | iv. Provisions |
- Codes :**
- | | a | b | c | d |
|-----|-----|-----|-----|----|
| (1) | iv | iii | i | ii |
| (2) | iv | iii | ii | i |
| (3) | iii | iv | ii | i |
| (4) | ii | i | iii | iv |

6. A, B and C are partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. They agreed to take D into partnership and gave him $\frac{1}{8}$ share. What will be their new profit sharing ratio ?

- (1) 4 : 3 : 2 : 1 (2) 28 : 21 : 14 : 9
 (3) 28 : 21 : 14 : 8 (4) 4 : 1 : 2 : 1

7. From the following information, find out the number of units that must be sold by the firm to earn profit of ₹ 80,000 per year.

Sales price : ₹ 25 per unit

Variable manufacturing costs – ₹ 12 per unit

Variable selling costs – ₹ 3 per unit

Fixed factory overheads – ₹ 5,00,000

Fixed selling costs – ₹ 3,00,000

- (1) 60,000 units (2) 88,000 units
 (3) 98,000 units (4) 1,00,000 units

8. Which of the following is not a cash inflow ?

- (1) Decrease in creditors (2) Decrease in debtors
 (3) Issue of shares (4) Sale of a fixed asset

9. Match the items of List – I with those of List – II and indicate the correct code from the following :

List – I

List – II

- | | |
|--------------------------|--|
| a. Postage stamp pricing | i. Equality of marginal and average cost |
| b. Loss leader | ii. Constant average and marginal cost |
| c. Economic capacity | iii. Product line pricing |
| d. Reserve capacity | iv. Differential pricing |

Codes :

- | | | | | |
|-----|-----|-----|-----|-----|
| | a | b | c | d |
| (1) | iii | iv | ii | i |
| (2) | iv | iii | i | ii |
| (3) | ii | i | iii | iv |
| (4) | i | ii | iv | iii |

10. For the following two statements of Assertion (A) and Reasoning (R) indicate the correct code :

Assertion (A) : Low initial pricing for new products is regarded as the principal instrument for entering into mass markets.

Reasoning (R) : Firms generally go for production of new products with excess capacity initially.

Codes :

- (1) Assertion (A) and Reasoning (R) both are correct but (R) does not offer full explanation for (A).
 (2) Assertion (A) and Reasoning (R) both are wrong.
 (3) Assertion (A) is correct but Reasoning (R) is wrong.
 (4) Assertion (A) and Reasoning (R) both are correct and (R) offers full explanation for (A).

11. For the following two statements of Assertion (A) and Reasoning (R) indicate the correct code :

Assertion (A) : Gossen's first law of consumption is invariably applicable in case of individuals' consumption behaviour.

Reasoning (R) : It serves as an important determinant of demand for the goods and services in the market.

Codes :

- (1) Assertion (A) and Reasoning (R) both are correct.
- (2) Assertion (A) and Reasoning (R) both are incorrect.
- (3) Assertion (A) is correct but Reasoning (R) is incorrect.
- (4) Assertion (A) is incorrect but Reasoning (R) is correct.

12. Production function for a product is based on certain assumptions. Indicate the correct code from the following :

- (a) Complementarity
- (b) Substitutability
- (c) Product elasticity
- (d) Specificity

Codes :

- (1) (a) (b) (c)
- (2) (b) (c) (d)
- (3) (a) (c) (d)
- (4) (a) (b) (d)

13. Which one of the following is not the characteristic of normal distribution ?

- (1) Mean, median and mode for the normal distribution are equal.
- (2) The two tails of the normal curve extend to infinity in both directions but never touch the horizontal axis.
- (3) For different values of standard deviation, the height of the mean ordinate remains the same.
- (4) The number of independent constraints of normal distribution are N , \bar{X} and σ .

14. Which one of the following formulae is used to calculate the standard error of coefficient of correlation between 25 paired observations of a sample ?

- (1) $\frac{(1-r^2)}{\sqrt{n}}$
- (2) $\sqrt{\frac{(1-r^2)}{(n-2)}}$
- (3) $(0.6745) \left(\frac{(1-r^2)}{\sqrt{n}} \right)$
- (4) $\sqrt{\frac{(n-2)}{(1-r^2)}}$

15. Read the following statements and choose the correct code :
Statement – I : Non-parametric tests are based on some assumptions about the parent population from which the sample has been drawn.

Statement – II : The standard deviation of the sampling distribution of mean is called standard error of mean.

Codes :

- (1) Both statements are true.
- (2) Both statements are false.
- (3) Statement – I is true while Statement – II is false.
- (4) Statement – I is false while Statement – II is true.

16. Match the items of List – I with the items of List – II and indicate the code of correct matching :

List – I	List – II
i. Contingency coefficient for any size of contingency table	a. $\sqrt{\frac{N-n}{N-1}}$
ii. Statistical approach to decide size of a sample	b. $\frac{\sigma_p}{\sqrt{n}}$
iii. Finite population multiplier	c. $\sqrt{\frac{x^2}{x^2+n}}$
iv. Standard error of mean	d. $\frac{z^2 \cdot \sigma_p^2}{e^2}$

Codes :

- | | a | b | c | d |
|-----|-----|-----|-----|----|
| (1) | i | ii | iii | iv |
| (2) | iii | iv | i | ii |
| (3) | i | iii | ii | iv |
| (4) | iii | ii | iv | i |

17. Which of the following is a deterioration of mental efficiency, reality testing and moral judgement that results from in-group pressure ?

- (1) Harassment
- (2) Group think
- (3) Group burnout
- (4) Group control

18. According to Fiedler’s contingency model of leadership, favourableness of situation depends on which combination of the following ?

- (a) Leader-member relationship
- (b) Member-member relationship
- (c) Leader’s position power
- (d) Degree of task structure
- (e) Degree of training

Codes :

- (1) (a), (b) and (c)
- (2) (a), (c) and (d)
- (3) (c), (d) and (e)
- (4) (a), (b) and (e)

19. The apex body at the highest level of the unit/division, which oversees the functioning of quality circles, is called

- (1) Facilitator (2) Coordinator
(3) Steering committee (4) Supervisory committee

20. Which of the following is related to the practical means of determining a moral course of action ?

- (1) Meta ethics (2) Virtue ethics
(3) Normative ethics (4) Applied ethics

21. Match List – I and List – II and indicate the correct code :

List – I

List – II

- | | |
|----------------------|---|
| a. Convenience goods | i. Consumer purchases them frequently, immediately and with minimal effort. |
| b. Shopping goods | ii. Consumer compares them on the basis of suitability, quality, price and style. |
| c. Speciality goods | iii. These are goods with unique characteristics or brand identification. |
| d. Unsought goods | iv. Consumers are not aware of them and normally do not think of buying them. |

Codes :

- | | | | | |
|-----|----|-----|-----|-----|
| | a | b | c | d |
| (1) | i | iv | ii | iii |
| (2) | i | ii | iii | iv |
| (3) | iv | iii | ii | i |
| (4) | ii | i | iii | iv |

22. Which of the following marketing strategies is/are not used in ‘growth stage’ of the product life cycle ?

- (1) Improving quality and adding new features.
(2) Adding new models of product.
(3) Entering new market segments.
(4) Using awareness and trial communications.

23. Who among the following take(s) both title to and possession of goods from the preceding member(s) and channelize them to the subsequent members ?

- (a) Agent intermediaries
(b) Merchant intermediaries
- (1) (a) only (2) (b) only
(3) Both (a) and (b) (4) Neither (a) nor (b)

24. Which of the following is not a determinant of service quality ?

- (1) Reliability (2) Responsiveness
(3) Sensitivity (4) Assurance

25. Sales of a firm are ₹ 74 lakh, variable costs ₹ 40 lakh, fixed costs ₹ 8 lakh. Operating leverage of the firm will be
- (1) 1.48 (2) 1.78
(3) 1.31 (4) 2.42
26. From the following techniques of capital budgeting decision, indicate the correct combination of discounting techniques :
- I. Profitability index
II. Net present value
III. Accounting rate of return
IV. Internal rate of return
- Codes :**
- (1) I II III
(2) II III IV
(3) I II IV
(4) I III IV
27. Insufficient working capital may result into which combination of the following ?
- I. Failures to adapt to changes.
II. Enhancement in credit-worthiness of the firm.
III. Reduced availability of trade and cash discounts.
IV. Reduced volume of sales.
- Codes :**
- (1) I, II, III, IV
(2) I, III, IV
(3) I, II, IV
(4) I, II, III
28. Which combination of the following represents the assumptions of the Walter's dividend model ?
- I. The company has a very long or perpetual life.
II. All earnings are either reinvested internally or distributed as dividend.
III. There is no floatation cost for the company.
IV. Cost of capital of the company is constant.
- Codes :**
- (1) I II III
(2) II III IV
(3) I II IV
(4) I III IV

29. Match the items of List – I with the items of List – II and indicate the correct code :

List – I

- a. Job specifications
- b. Job description
- c. Job analysis

List – II

- i. The procedure for determining the duties and skill requirements of a job and the kind of person who should be hired for it.
- ii. A list of human requirements
- iii. A list of job's duties, responsibilities, reporting relationships, working conditions and supervisory responsibilities.

Codes :

- | | a | b | c |
|-----|-----|-----|-----|
| (1) | i | ii | iii |
| (2) | ii | iii | i |
| (3) | iii | ii | i |
| (4) | ii | i | iii |

30. A training technique in which trainees are first shown good management techniques in a film, are asked to play roles in a simulated situation, and are then given feedback and praise by their supervisor is known as.

- (1) Behaviour modelling
- (2) Role playing
- (3) In-house development center
- (4) Management game

31. Which combination of the following statements is correct about the code of discipline in industry ?

- (a) It aims at preventing disputes by providing for outside agency or adjudication.
- (b) It is a government imposed involuntary principle of discipline.
- (c) It restrains the parties from unilateral action.

Codes :

- (1) (a), (b) and (c)
- (2) (b) and (c)
- (3) (a) only
- (4) (c) only

32. A conciliation proceeding is deemed to be pending until any combination of the following conditions is fulfilled :

- (a) a settlement is arrived at a memorandum of settlement is signed by parties to the dispute.
- (b) no settlement is arrived at, the report of conciliation officer is received by the appropriate government.
- (c) a reference is made to the court of Inquiry, Labour Court, Tribunal or National Tribunal during the pendency of conciliation proceedings.

Codes :

- (1) only (a) is correct.
- (2) only (b) is correct.
- (3) (a) and (c) are correct.
- (4) (a), (b) and (c) are correct.

38. **Assertion (A)** : Under FEMA, the receiver of laundered money is to be made culpable, instead of sender/distributor.

Reasoning (R) : FEMA differs from the earlier exchange regulation Act FERA with regard to penalties and punishment in case of violation of the Act.

Codes :

- (1) (A) is correct but (R) is not correct.
- (2) (A) and (R) both are correct but (R) is not the right explanation of (A).
- (3) (A) and (R) both are correct and (R) is the right explanation of (A).
- (4) (A) and (R) both are incorrect.

39. Match the items of List – I with those of List – II with regard to international monetary fund's various schemes :

List – I

List – II

- | | |
|---|------------------------------------|
| a. Extended Fund Facility (EFF) | i. Repayment period 4 to 10 years |
| b. Stan Arrangements | ii. Repayment period 3 to 5 years |
| c. Supplemented Reserve Fund (SRF) | iii. Repayment period 2 to 5 years |
| d. Poverty Reduction and Growth Facility (PRGF) | iv. Repayment period 10 years |

Codes :

- | | | | | |
|-----|----|-----|-----|-----|
| | a | b | c | d |
| (1) | i | ii | iii | iv |
| (2) | iv | iii | ii | i |
| (3) | iv | ii | iii | i |
| (4) | i | iv | ii | iii |

40. Which combination of the following is correct with regard to World Trade Organization (WTO) :

- (a) WTO initiates peace process among the member countries to enhance international trade.
- (b) WTO avoids the task of "Settlement of Disputes" among the member countries.
- (c) WTO administers the "Trade Review Mechanism".
- (d) WTO cooperates in an appropriate manner with the IMF and the World Bank.

Codes :

- | | |
|----------------------|----------------------|
| (1) (b), (c) and (d) | (2) (a) and (c) |
| (3) (c) and (d) | (4) (a), (b) and (d) |

41. Choose the code representing the correct sequence of steps in a merging transaction :

- (I) Screening and investigation of merger proposal.
- (II) Approval of Central Government
- (III) Approval of respective High Courts
- (IV) Negotiation Stage
- (V) Approval of proposal by Board of Directors, Shareholders and Creditors

Codes :

- (1) (I) → (V) → (IV) → (III) → (II)
- (2) (I) → (IV) → (V) → (III) → (II)
- (3) (I) → (IV) → (III) → (V) → (II)
- (4) (I) → (III) → (V) → (II) → (IV)

48. Which of the following requires consumers to interpret ambiguous stimuli ?
- (1) Focus group method (2) Projective techniques
(3) Rejective techniques (4) Semantic differential scales
49. Which of the following passes through the four stages of distinctiveness, emulation, mass fashion and decline ?
- (1) Style (2) Fashion
(3) Fad (4) Style and Fashion
50. Which of the following positioning strategies is adopted by marketers to position their product in two categories simultaneously ?
- (1) Point of Difference (2) Point of Parity
(3) Straddle Positioning (4) Emotional Positioning
51. **Statement (I)** : Marketing is the process by which a firm profitably translates customer needs into revenue.
Statement (II) : Marketing is the messages and/or actions that causes messages and/or actions.
- Codes :**
- (1) (I) is correct but (II) is not correct.
(2) (II) is correct but (I) is not correct.
(3) (I) and (II) both are correct.
(4) (I) and (II) both are incorrect.
52. **Assertion (A)** : Odd pricing aims at maximising profit by making micro-adjustments in pricing structure.
Reasoning (R) : Odd pricing refers to a price ending in 1, 3, 5, 7, or 9. When examining a price, the first digits carry more weight than the last ones.
- Codes :**
- (1) (A) is right and (R) is wrong.
(2) (A) is wrong and (R) is right.
(3) Both (A) and (R) are right.
(4) Both (A) and (R) are wrong.
53. Name the process in which a buyer posts its interest in buying a certain quantity of item and sellers compete for the business by submitting lower bid until there is only one seller left.
- (1) Internet (2) Reverse auction
(3) B2B market place (4) B2C market place
54. Advertising method in which an advertisement is broadcasted simultaneously on several radio stations and / or television channels is known as
- (1) Black-out (2) Consolidation
(3) Road-block (4) Cornering

55. Which of the following is the mental condition or attitude of individuals and groups which determines their willingness to cooperate ?
- (1) Motivation (2) Morale
(3) Excitement (4) Delight
56. Which of the following is not provided under the Factories Act, 1948 ?
- (1) The certificate of fitness is granted by a certifying surgeon on the application of any young person or a parent or a guardian.
(2) An adolescent who has not been granted a certificate of fitness shall be deemed to be a child for the purpose of the act.
(3) The certificate of fitness granted or renewed remains valid for a period of six months from the date of issue.
(4) Any fee payable for the certificate of fitness shall be paid by occupier and not by the young person or his parent or guardian.
57. Arrange the following steps of developing Behaviourally Anchored Rating Scales (BARS) in the right sequence :
- (a) Developing performance dimensions
(b) Generate critical incidents
(c) Scale the incidents
(d) Reallocate the incidents
(e) Develop the final instrument
- Codes :**
- (1) (a), (b), (c), (d), (e) (2) (b), (a), (d), (c), (e)
(3) (a), (b), (d), (c), (e) (4) (a), (c), (b), (d), (e)
58. Within how much period from the close of accounting year, bonus must be paid, if there is no dispute about the payment of bonus ?
- (1) Two months (2) Six months
(3) Eight months (4) Ten months
59. Which of the following statements is correct about Wage Boards in India ?
- (a) A Wage Board is a tripartite body.
(b) Labour and management representatives on a Wage Board can be selected from industries other than the one which is investigated.
(c) Wage Boards are always statutory in nature.
(d) Wage Boards work on the principle of living wage.
- Codes :**
- (1) (a) only (2) (b) and (c)
(3) (c) and (d) (4) (a), (b), (c) and (d)
60. Who gave the surplus value theory of wage ?
- (1) David Ricardo (2) Karl Marx
(3) Adam Smith (4) F.A. Walker
61. Who gave the systems approach to industrial relations ?
- (1) Beatrice Webb (2) John Dunlop
(3) Eric Trist (4) Henry Fayol

62. Which among the following are multinational corporations ?
- (a) A multinational, decentralized corporation with strong home country presence.
 - (b) A global, centralized corporation that acquires cost advantage through centralized production when cheaper resources are available.
 - (c) An international company that builds on the parent corporations technology and R & D.
 - (d) A transnational enterprise that combines the (a), (b) and (c).

Codes :

- (1) (a) and (b)
- (2) (b) and (c)
- (3) (a), (b) and (c)
- (4) (a), (b), (c) and (d)

63. Which among the following are full member countries of ASEAN ?

- (a) Brunei Darussalam
- (b) Cambodia
- (c) Vietnam
- (d) Myanmar
- (e) Sri Lanka

Codes :

- (1) (a), (b) and (e)
- (2) (a), (b), (c) and (e)
- (3) (b), (c), (d) and (e)
- (4) (a), (b), (c) and (d)

64. **Assertion (A) :** Capital Account convertibility is introduced only sometime after the introduction of convertibility on current account when exchange rate of currency of a country is relatively stable.

Reasoning (R) : Capital Account convertibility is necessary for faster growth and development of economy and it makes foreign exchange rate more stable.

Codes :

- (1) (A) is correct but (R) is not correct.
- (2) (A) and (R) both are correct and (R) is the right explanation of (A).
- (3) (A) and (R) both are correct but (R) is not the right explanation of (A).
- (4) Both (A) and (R) are incorrect.

65. **Statement (I) :** WTO is only international organization which deals with the rules of trade between organizations.

Statement (II) : The limit of holding by individual foreign institutional investors in a company has been raised from 5 to 10% of company's share while the aggregate limit has been increased from 24 to 34%.

Codes :

- (1) Statement (I) is correct but Statement (II) is false.
- (2) Statement (II) is correct but Statement (I) is false.
- (3) Statements (I) and (II) both are correct.
- (4) Statements (I) and (II) both are false.

66. In case a farmer in India buys a wheat option on future :

- (a) The farmer must accept a wheat futures contract and not take physical possession of wheat.
- (b) The farmer must accept delivery of the wheat at a higher price.
- (c) The farmer has the right to deliver the wheat and will do so only if the price is favourable.
- (d) The farmer must deliver the wheat at market price.

Codes :

- (1) (a) and (d)
- (2) (d) only
- (3) (c) only
- (4) (b) and (c)

67. Sector specific policy of government of India in case of B2B is when
- (1) FDI is upto 100%
 - (2) FDI is upto 49%
 - (3) FDI is upto 100% subject to condition that the investment in favour of Indian public to the tune of 20% within 5 years to be done.
 - (4) FDI is upto 100% subject to condition that the investment in favour of Indian public to the tune of 26% within 10 years to be done.

68. **Statement I :** In India a “copyright” of an unpublished book can be registered under copyright Act of India.

Statement II : Once granted by the European Patent Office, the proprietor has a patent which is effective in all contracting states of the patent cooperation treaty and the agreement on the trade related aspects of IPR.

Codes :

- (1) Statement (I) is correct and (II) is false.
- (2) Statement (II) is correct and (I) is false.
- (3) Statements (I) and (II) both are correct.
- (4) Statements (I) and (II) both are false.

69. As per the Income Tax Act, 1961 for the assessment year 2015-16, a deduction u/s 80 QQB for authors of books of literacy, artistic or scientific nature is allowed upto

- (1) ₹ 1,00,000
- (2) ₹ 2,00,000
- (3) ₹ 2,40,000
- (4) ₹ 3,00,000

70. Gratuity received by a government employee is

- (1) exempted upto ₹ 3,50,000
- (2) exempted upto ₹ 10,00,000
- (3) fully exempted
- (4) fully taxable

71. Match the items of the List – I with those of the List – II and indicate the correct code :

List – I		List – II	
a. Residential status of an individual	i.	Section 10 (13A)	
b. Agricultural income	ii.	Section 10 (10)	
c. House rent allowance	iii.	Section 6	
d. Gratuity	iv.	Section 10 (1)	

Codes :

- | | a | b | c | d |
|-----|-----|-----|-----|-----|
| (1) | i | iii | ii | iv |
| (2) | iii | iv | i | ii |
| (3) | ii | i | iii | iv |
| (4) | iv | ii | i | iii |

72. Match the items of the List – I with List – II and indicate the correct code :

List – I

List – II

- | | |
|---|-------------------------------------|
| a. House rent allowance | i. A deduction from income |
| b. Casual income | ii. A step taken by tax authorities |
| c. Collection charges of interest on securities | iii. Taxable income |
| d. Best judgement assessment | iv. Partly taxable allowance |

Codes :

- | | | | | |
|-----|-----|-----|----|-----|
| | a | b | c | d |
| (1) | iv | iii | ii | i |
| (2) | iv | iii | i | ii |
| (3) | iii | iv | i | ii |
| (4) | ii | iv | i | iii |

73. The statutory limit for deduction u/s 80 GG of Income tax Act, 1961, for the assessment year 2015-16 is

- | | |
|-----------------------|-----------------------|
| (1) ₹ 2,000 per month | (2) ₹ 3,000 per month |
| (3) ₹ 2,500 per month | (4) ₹ 5,000 per month |

74. For the purpose of assessment under Income Tax Act, 1961, which combination of the following represent income ?

- (I) Tax-free salary from the private sector employer.
- (II) Pin money received by a family member.
- (III) Awards received by the sports persons.
- (IV) Loss incurred by the assessee.
- (V) Perquisites received by employees.

Codes :

- | | |
|----------------------------|----------------------------|
| (1) (I), (II), (III), (IV) | (2) (II), (III), (IV), (V) |
| (3) (I), (III), (IV), (V) | (4) (I), (II), (IV), (V) |

75. Indicate the correct code for forms for filing income tax return from the following Income Tax Return Forms :

- (a) ITR-4S
- (b) ITR-2
- (c) ITR-2B
- (d) ITR-3

Codes :

- | | |
|----------------------|----------------------|
| (1) (a), (b) and (c) | (2) (b), (c) and (d) |
| (3) (a), (b) and (d) | (4) (a), (c) and (d) |

COMMERCE
Paper – III

Note : This paper contains **seventy five (75)** objective type questions of **two (2)** marks each. **All** questions are compulsory.

1. Assertion (A) : Globalization is a process of global integration of products, technology, labour, investment, information and even cultures.

Reasoning (R) : As a part of economic reforms in the country globalization is the result of internal economic compulsions and external pressure of international community.

Codes :

- (1) (A) and (R) both are correct and (R) is correct explanation of (A).
- (2) (A) and (R) both are correct, but (R) is not correct explanation of (A).
- (3) (A) is true, but (R) is false.
- (4) (A) is false, but (R) is true.

2. Which of the following sector is not open for 100% foreign direct investment ?

- (1) Oil refining
- (2) Power plants
- (3) Airport development
- (4) Coal

3. Read the following statements and find the correct option :

Statement – I : The 1991 industrial reforms exempted all industries from compulsory licensing.

Statement – II : Still there are a few industries under compulsory licensing.

Codes :

- (1) Only Statement – I is correct.
- (2) Only Statement – II is correct.
- (3) Statements – I and II both are correct.
- (4) Statements – I and II both are not correct.

4. Match the items in Column – I to those of Column – II :

Column – I	Column – II
a. Demand for packaged food	i. Economic factor
b. Strike in factory	ii. Social factor
c. Lower interest rate	iii. Political factor
d. New production method	iv. Technological factor

Codes :

- | | a | b | c | d |
|-----|----|-----|-----|-----|
| (1) | ii | i | iii | iv |
| (2) | i | ii | iii | iv |
| (3) | ii | iii | i | iv |
| (4) | i | iv | ii | iii |

5. Which of the following statements is true ?
- (1) Rate of return on capital is Acid Test Ratio.
 - (2) Equity capital to fixed interest- bearing securities is a turnover ratio.
 - (3) Capital gearing is the ratio of equity capital to fixed-interest bearing securities.
 - (4) Input and output ratio is a measure of profitability.
6. A and B are partners in a firm who share profits and losses equally. They admitted C on the following terms :
- C should bring ₹ 12,000 as capital and ₹ 8,000 as goodwill. New profit sharing ratio of A, B and C will be 2 : 1 : 2, respectively.
- A and B will share the goodwill in which of the following ratios ?
- (1) 3 : 4
 - (2) 2 : 3
 - (3) 2 : 1
 - (4) 1 : 3

7. Match the items of List – I with those of List – II and choose the correct code :

List – I	List – II
a. Material Cost Variance	i. Actual Time (Standard Rate – Actual Rate)
b. Material Usage Variance	ii. Standard Price (Standard Quantity – Actual Quantity)
c. Labour Rate Variance	iii. Standard Material Cost – Actual Material Cost
d. Labour Efficiency Variance	iv. Standard Rate (Standard Time – Actual Time)

Codes :

	a	b	c	d
(1)	iii	i	ii	iv
(2)	ii	i	iv	iii
(3)	iii	ii	i	iv
(4)	iii	ii	iv	i

8. If sales of a firms are ₹ 74 lakh; variable costs ₹ 40 lakh; fixed costs ₹ 8 lakh, then operating leverage of the firm will be
- (1) 1.87
 - (2) 1.31
 - (3) 2.51
 - (4) 3.27

9. For the following two statements of Assertion (A) and Reasoning (R), indicate the correct code :

Assertion (A) : High initial price with heavy promotional expenditure at early stages for selling new products is justified.

Reasoning (R) : Demand for new product is likely to be less elastic at the early stages of market development.

Codes :

- (1) (A) is correct but (R) is not correct.
- (2) (A) is not correct but (R) is correct.
- (3) (A) and (R) both are correct.
- (4) (A) and (R) both are not correct.

10. Match the items of List – I with those of the List – II and indicate the correct code :

List – I

List – II

- | | |
|--|--------------------------------|
| a. Producer's equilibrium range | i. Leon Walras's approach |
| b. Possible input use | ii. Alfred Marshall's approach |
| c. New price equilibrium after change in demand is set through price adjustment | iii. Isoquant curve |
| d. New price equilibrium after change in demand is set through quantity adjustment | iv. Ridge lines |

Codes :

- | | | | | |
|-----|-----|-----|-----|-----|
| | a | b | c | d |
| (1) | i | ii | iii | iv |
| (2) | ii | iv | i | iii |
| (3) | iv | iii | i | ii |
| (4) | iii | i | iv | ii |

11. Gossen's second law of consumption is based on which combination of the following assumptions :

- I. Rational Behaviour of consumers
- II. Cardinal measurability of the utility
- III. Comparability of the utility
- IV. Desire for attaining satiety

Indicate the correct code :

Codes :

- | | | | |
|-----|----|-----|-----|
| (1) | I | II | III |
| (2) | II | III | IV |
| (3) | I | II | IV |
| (4) | I | III | IV |

12. Perfect competition cannot be distinguished from monopolistic competition as per which combination of the following features of the market :

- (a) freedom for entry into or exit from the market.
- (b) level of knowledge of the market.
- (c) number of buyers and sellers in the market.
- (d) nature of goods bought and sold.

Indicate the correct code :

Codes :

- | | | | |
|-----|-----|-----|-----|
| (1) | (a) | (b) | (d) |
| (2) | (b) | (c) | (d) |
| (3) | (a) | (b) | (c) |
| (4) | (a) | (c) | (d) |

13. Which one of the following is not the probability based sampling technique ?

- | | |
|------------------------|--------------------------|
| (1) Cluster sampling | (2) Stratified sampling |
| (3) Snow-ball sampling | (4) Multi-stage sampling |

14. Read the following statements and choose the correct code :
- Statement – I** : In statistical hypothesis-testing, null hypothesis states that there is a difference between population parameter and sample statistic.
- Statement – II** : The two-tailed test in hypothesis testing is a non-directional test.
- Codes :**
- (1) Both the statements are true.
 - (2) Both the statements are false.
 - (3) Statement – I is true while Statement – II is false.
 - (4) Statement – I is false while Statement – II is true.
15. Match the items of List – I with the items of List – II and indicate the code of correct matching :

List – I

List – II

- | | |
|---|---|
| a. Regression coefficient of variable Y on X variable | i. $\frac{(\text{Mean of squares between sample groups})}{(\text{Mean of squares within sample groups})}$ |
| b. Value of Chi-square | ii. $\frac{\sum (X - \bar{X})(Y - \bar{Y})}{n}$ |
| c. F-ratio for ANOVA | iii. $\sum \frac{(O - E)^2}{E}$ |
| d. Covariance between X and Y variable | iv. $\frac{\sum(Y - \bar{Y})(X - \bar{X})}{\sum(X - \bar{X})^2}$ |

Codes :

- | | | | | |
|-----|-----|-----|-----|----|
| | a | b | c | d |
| (1) | iii | ii | i | iv |
| (2) | iv | iii | ii | i |
| (3) | ii | iv | iii | i |
| (4) | iii | iv | ii | i |

16. If the two regression lines are as under :
- $Y = a + bX$
 $X = C + dY$
- What is the correlation coefficient between variables X and Y ?
- | | |
|-----------------|-----------------|
| (1) \sqrt{bc} | (2) \sqrt{ac} |
| (3) \sqrt{ad} | (4) \sqrt{bd} |
17. The tendency to perceive another person as belonging to a single class or category is known as
- | | |
|------------------|------------------|
| (1) Stereotyping | (2) Halo effect |
| (3) Attribution | (4) Assimilation |
18. Which of the following is not a feature of Weber's 'Bureaucracy' ?
- | | |
|--------------------|----------------------------|
| (1) Hierarchy | (2) Division of work |
| (3) Official rules | (4) Personal relationships |

19. Match List – I with List – II

List – I

- a. Matrix Design
- b. Network Design
- c. Horizontal Design
- d. Virtual Organisation

List – II

- i. Project structure as superimposed on a functional structure.
- ii. A temporary network of companies that come together quickly to exploit fast-changing opportunities and share skills, costs and markets.
- iii. Teams are used to manage everything.
- iv. Totally abandoning classical, hierarchical and functional structure of organization.

Codes :

- | | a | b | c | d |
|-----|-----|----|-----|-----|
| (1) | i | ii | iii | iv |
| (2) | i | iv | iii | ii |
| (3) | iii | ii | iv | i |
| (4) | i | ii | iv | iii |

20. Which of the following is exercised during the operation of programme ?

- (1) Feed forward control
- (2) Feedback control
- (3) Static control
- (4) Concurrent control

21. **Assertion (A) :** Publicity is a non-personal stimulation of demand for a product by obtaining favourable presentation in media that is not paid by the sponsor.

Reasoning (R) : In strict parlance, publicity does not form a part of communication mix because it is not paid for, its appearance is not always certain, and its presentation is not programmed.

Codes :

- (1) (A) is right and (R) is wrong.
- (2) (R) is right and (A) is wrong.
- (3) Both (A) and (R) are right and (R) explains (A).
- (4) Both (A) and (R) are right and (R) does not explain (A).

22. The difference between the prospective consumer's evaluation of all the benefits and costs of an offering and perceived alternatives, is known as

- (1) Customer perceived value
- (2) Total customer benefit
- (3) Total customer cost
- (4) Customer expected value

23. In the 'decline stage' of the 'Product Life Cycle' sales decrease due to

- (a) technological advances
- (b) shift in consumer tastes
- (c) increased domestic and foreign competition

Codes :

- (1) (a) only
- (2) (b) only
- (3) (a) and (c)
- (4) (a), (b) and (c)

24. Which one of the following denotes performance quality of a product ?
- (1) Level at which the product's primary characteristics operate.
 - (2) Degree to which all produced units of product are identical and meet promised specifications.
 - (3) Product's expected operating life under natural conditions.
 - (4) Probability that the product will not fail within a specified time period.
25. PBT of a firm has increased by 40 percent as a result of 10 percent increase in sales, operating leverage of the firm is 2. What will be financial leverage of the firm ?
- (1) 4
 - (2) 20
 - (3) 2
 - (4) 1
26. Indicate the correct combinations of methods for determining the cost of equity capital from the following :
- I. Earnings yield method
 - II. Operating income yield method
 - III. Dividend yield method
 - IV. Dividend yield and growth method
- Codes :**
- (1) I II III
 - (2) II III IV
 - (3) I II IV
 - (4) I III IV
27. From the following indicate the correct combination of the cash management models :
- I. Modigliani-Miller (M-M) model
 - II. Miller-Orr (MO) model
 - III. Ezra Soloman Model
 - IV. Baumol Model
- Codes :**
- (1) I II III
 - (2) II III IV
 - (3) I III
 - (4) II IV
28. Which combination of the following represents the assumptions of Modigliani-Miller approach for capital structure decisions ?
- I. Capital market is perfect.
 - II. All earnings are distributed as dividends.
 - III. Risk classes are homogeneous.
 - IV. Corporate taxes do exist.
- Indicate the correct code :
- Codes :**
- (1) I IV
 - (2) I II III
 - (3) I II III IV
 - (4) I II IV

29. Choose the correct sequence of steps of job analysis :
- Review relevant background information such as organization charts and process charts.
 - Develop a job description and job specification.
 - Select representative positions.
 - Decide how the information is to be used.
 - Actually analyse the job.
 - Verify the job analysis information

Codes :

- | | |
|-------------------------------------|-------------------------------------|
| (1) (b), (a), (e), (f), (c) and (d) | (2) (c), (b), (e), (a), (d) and (f) |
| (3) (d), (a), (c), (e), (f) and (b) | (4) (a), (b), (f), (d), (e) and (c) |

30. Choose the correct sequence of steps of training and development process :

- Evaluation
- Validation
- Need analysis
- Instructional design
- Implementation

Codes :

- | | |
|--------------------------------|--------------------------------|
| (1) (d), (b), (a), (e) and (c) | (2) (c), (b), (d), (e) and (a) |
| (3) (a), (b), (c), (e) and (d) | (4) (c), (d), (b), (e) and (a) |

31. Under the Industrial Disputes (Amendment) Act, 2010, the total number of members of the Grievance Redressal Committee shall not exceed

- | | |
|----------|------------|
| (1) Four | (2) Six |
| (3) Ten | (4) Twelve |

32. Which of the following is/are correct with respect to deductions by way of fines under the Payment of Wages Act, 1936 ?

- An employed person can be fined only for acts and omissions which are specified in a list approved by the state government or the prescribed authority.
- The total amount of fine which can be imposed upon a person in any wage period must not exceed 3 percent of the wage payable.
- No fine can be imposed on a person who is below the age of 18 years.
- No fine can be recovered by instalments or after the expiry of 90 days from the day on which it was imposed.

Codes :

- | | |
|-----------------|-----------------|
| (1) (a) only | (2) (b) and (c) |
| (3) (a) and (b) | (4) (a) and (d) |

33. Read the following statements and choose the correct code :

Statement – 1 : A rise in SLR directly reduces credit creating capacity of Banks.

Statement – 2 : Changes in SLR, like CRR, produce direct and immediate effect on the supply of money and credit.

Codes :

- Both the Statements are correct.
- Statement – 1 is correct while Statement – 2 is false.
- Statement – 2 is correct while Statement – 1 is false.
- Both the Statements – 1 and 2 are false.

34. Match the items of List – I with those of List – II

List – I

List – II

- | | |
|--|-------------------------------|
| a. Locally operated financial institutions that empower employees to make local decisions to serve their customers and partners. | i. Community Development Bank |
| b. Regulated banks that provide financial services and credit to under-served markets or population. | ii. Offshore Bank |
| c. Banks that prioritise the transparency of all operations | iii. Community Bank |
| d. Bank located in jurisdictions with low taxation and regulations | iv. Ethical Bank |

Codes :

- | | a | b | c | d |
|-----|-----|-----|----|-----|
| (1) | i | iv | ii | iii |
| (2) | iii | ii | iv | i |
| (3) | iii | i | iv | ii |
| (4) | iv | iii | ii | i |

35. If you need to transfer money to another person through internet, which of the following method you could use ?

- (1) Financial cybermediary
- (2) Electronic cheque
- (3) Electronic bill presentation and payment
- (4) All of the above

36. Which of the following methods are qualitative methods of control of credit creation practiced by the Reserve Bank of India ?

- (a) Open Market Operations
- (b) Variable Reserve Ratios
- (c) Credit Rationing
- (d) Margin Requirements

Codes :

- | | |
|-----------------|-----------------|
| (1) (a) and (b) | (2) (b) and (c) |
| (3) (c) and (d) | (4) (d) and (a) |

37. **Assertion (A) :** FEMA has facilitated the growth of India's export and has helped in procurement of imported raw materials and capital goods required for rapid industrial growth.

Reasoning (R) : It is evident from the provisions of FEMA that it has greatly relaxed the conditions for dealing in foreign exchange.

Codes :

- (1) (A) is correct but (R) is not correct.
- (2) (A) and (R) both are correct and (R) is the correct explanation of (A).
- (3) (A) and (R) both are correct but (R) is not the correct explanation of (A).
- (4) (A) and (R) both are incorrect.

38. Match the items of List – I with those of List – II with regard to International Monetary Fund :

- | List – I | List – II |
|---|--|
| a. Stand-by Arrangement | i. Enhanced Structural Adjustment Facility (ESAF) was replaced by this scheme. |
| b. Poverty Reduction and Growth Facility (PRGF) | ii. Exceptional balance of payments problems arising from a sudden loss of confidence in the currency. |
| c. Supplemented Reserve Facility (SRF) | iii. Financial crisis causing capital outflow on capital account of balance of payments. |
| d. Contingent Credit Line (CCL) | iv. To meet balance of payments difficulties (most commonly used facility). |

Codes :

- | | a | b | c | d |
|-----|----|-----|-----|-----|
| (1) | iv | i | iii | ii |
| (2) | iv | i | ii | iii |
| (3) | ii | iii | i | iv |
| (4) | ii | iv | i | iii |

39. Arrange the following in the correct sequence on the basis of chronological order from the earliest to the latest :

- (a) World Trade Organization
- (b) Dunkel Draft
- (c) The Uruguay Round
- (d) General Agreement on Trade and Tariff

Codes :

- | | |
|---------------------------|---------------------------|
| (1) (a), (b), (c) and (d) | (2) (d), (c), (b) and (a) |
| (3) (b), (a), (c) and (d) | (4) (c), (d), (b) and (a) |

40. Which of the following are the features of the Foreign Trade Policy 2015-2020 :

- (a) Served From India Scheme (SFIS) has been replaced with Service Export from India Scheme (SEIS)
- (b) 5 different schemes have been merged into a single scheme namely Merchandise Export from India Scheme (MEIS)
- (c) All duty credit scrips issued under SEIS would be non-transferable.
- (d) All duty credit scrips issued under MEIS would be fully transferable.

Codes :

- | | |
|----------------------|----------------------|
| (1) (a), (b) and (c) | (2) (a), (c) and (d) |
| (3) (a), (b) and (d) | (4) (b), (c) and (d) |

41. Choose the correct code indicating the strategies employed by companies against hostile takeover :
- I. Green mail
 - II. Poison Pills
 - III. Yellow Crown
 - IV. Golden Parachutes
 - V. Pac-man Defence
- Codes :**
- | | |
|--------------------|--------------------|
| (1) I, II, IV, V | (2) I, II, III, IV |
| (3) II, III, IV, V | (4) I, II, III, V |
42. Which of the following are not models used for evaluating the performance of Mutual Funds ?
- I. Sharpe Model
 - II. Miller Model
 - III. Lintner Model
 - IV. Jenson Model
 - V. Treynor Model
- Codes :**
- | | |
|----------------|--------------|
| (1) I, II, III | (2) I, IV, V |
| (3) I, II | (4) II, III |
43. 'Lev and Swartz Model' belongs to
- (1) Social Accounting
 - (2) Depreciation Accounting
 - (3) Human Resource Accounting
 - (4) Inflation Accounting
44. Rematerialisation of securities is meant by
- | | |
|--------------------------------|--------------------------------|
| (1) Repossession of securities | (2) Reholding in Physical form |
| (3) Repurchase of securities | (4) Restoring the lost right |
45. Risk with reference to investment is meant by
- (1) Excess of possible return over expected return
 - (2) Reverse variability of possible return to expected return
 - (3) Excess of inflation rate over possible return
 - (4) Incapability to earn market rate of return
46. Which of the following are the components of capital market ?
- I. Government Securities Market
 - II. Commercial Bill Market
 - III. Industrial Securities Market
 - IV. Treasuring Bill Market
 - V. Long-term Loans Market
- Codes :**
- | | |
|-------------------|-----------------------|
| (1) I, III, IV, V | (2) I, II, III |
| (3) I, III, V | (4) I, II, III, IV, V |

47. Match the items of List – I with those of the List – II and choose the correct code :

List – I

List – II

- | | |
|--|-----------------------|
| a. Process of admitting securities for trading on a recognised stock exchange | i. Jobber |
| b. Device adopted to make profit out of the difference in prices of a security in two markets. | ii. Badla Transaction |
| c. The facility to carry forward a transaction from one settlement period to another | iii. Listing |
| d. An independent broker who deals in securities on his own behalf | iv. Arbitrage |

Codes :

- | | a | b | c | d |
|-----|-----|-----|----|-----|
| (1) | iii | iv | i | ii |
| (2) | iii | iv | ii | i |
| (3) | ii | i | iv | iii |
| (4) | iv | iii | i | ii |

48. Match the items of List – I with List – II with regard to consumer behaviour influencing factors :

List – I

List – II

- | | |
|-------------------------|-------------------------|
| a. Personal factor | i. Status |
| b. Cultural factor | ii. Perception |
| c. Social factor | iii. Economic condition |
| d. Psychological factor | iv. Economic strata |

Codes :

- | | a | b | c | d |
|-----|-----|-----|----|-----|
| (1) | iii | i | ii | iv |
| (2) | iii | i | iv | ii |
| (3) | iv | i | ii | iii |
| (4) | iv | iii | ii | i |

49. A conflict between Dominos Pizza and its franchises is to be referred to as

- | | |
|-----------------------|-------------------------|
| (1) Vertical conflict | (2) Horizontal conflict |
| (3) Lateral conflict | (4) Bi-lateral conflict |

50. Straddle positioning uses :

- (a) Point of parity
(b) Point of difference

Codes :

- | | |
|----------------------|-------------------------|
| (1) (a) only | (2) (b) only |
| (3) Both (a) and (b) | (4) Neither (a) nor (b) |

- 51. Assertion (A) :** Marketing is anything you create or share that tells your story.
Reasoning (R) : Marketing is a way to connect what products and services you have to offer with customers who want and need such product and services.
- Codes :**
- (1) (A) is correct but (R) is not correct.
 - (2) (A) and (R) both are correct and (R) is the correct explanation of (A).
 - (3) (A) and (R) both are correct but (R) is not the correct explanation of (A).
 - (4) (A) and (R) both are incorrect.
- 52. Assertion (A) :** Downward price pressure for a changing economic environment has coincided with some long-term trends in technological environment.
Reasoning (R) : Through internet, buyers can get instant price comparisons and marketers can monitor customer behaviour to tailor their offers to individuals.
- Codes :**
- (1) (A) is right and (R) is wrong.
 - (2) (A) is wrong and (R) is right.
 - (3) Both (A) and (R) are right.
 - (4) Both (A) and (R) are wrong.
- 53. Which form of e-market place brings together buyers and sellers from the same industry ?**
- (1) Horizontal
 - (2) Vertical
 - (3) Integrated
 - (4) Inclined
- 54. Identify the universal buying motives from the following :**
- (a) Profit or gain
 - (b) Beauty and Complexion
 - (c) Fear of loss
 - (d) Competition and Struggle
 - (e) Comfort and Pleasure
 - (f) Avoidance of Pain
 - (g) Love and Affection
 - (h) Pride and Prestige
- Codes :**
- (1) (a), (b), (c), (d), (e) and (f)
 - (2) (a), (c), (d), (e), (g) and (h)
 - (3) (a), (c), (e), (f), (g) and (h)
 - (4) (a), (b), (c), (f), (g) and (h)
- 55. Which of the following is the ongoing process of systematically identifying, assessing and developing organisational leadership to enhance performance ?**
- (1) Executive Planning
 - (2) Role Planning
 - (3) Replacement Planning
 - (4) Succession Planning
- 56. Under the Factories Act, 1948, a 'Young Person' means the person who has not completed the**
- (1) Fourteenth year of age
 - (2) Fifteenth year of age
 - (3) Eighteenth year of age
 - (4) Twenty first year of age
- 57. Under which of the following gain sharing plans the employer divides the value added for the period by total payroll expenses ?**
- (1) Scanlon Plan
 - (2) Improshare Plan
 - (3) Rucker Plan
 - (4) Scalar Plan

58. When in any year the allocable surplus exceeds the amount of minimum bonus payable to the employees, the maximum bonus payable by employer is
 (1) 8.33 percent (2) 10 percent
 (3) 20 percent (4) 25 percent
59. Who among the following propounded that the fixation of wages depends on the bargaining power of workers/trade unions and employers ?
 (1) David Ricardo (2) John Davidson
 (3) J.B. Say (4) Karl Marx
60. Which of the following is the situation in collective bargaining when the parties are not able to move further towards settlement because one party is demanding more than the other party offers ?
 (1) Impasse (2) Arena
 (3) Rigid (4) Unmoving
61. Match the items of List – I with those of List – II

List – I

List – II

- | | |
|--|---|
| a. Behaviourally Anchored Rating Scales (BARS) | i. Placing predetermined percentages of employees into several performance categories. |
| b. Forced Distribution method | ii. Anchoring a numerical rating scale with specific behavioural examples of good or poor performance. |
| c. Alternation ranking method | iii. Ranking employees from best to worst on a particular trait, choosing from the highest to the lowest, until all are ranked. |
| d. Paired comparison method | iv. Ranking by pairing and comparing an employee with every other employee. |

Codes :

- | | | | | |
|-----|-----|-----|-----|----|
| | a | b | c | d |
| (1) | ii | i | iii | iv |
| (2) | ii | iii | i | iv |
| (3) | iii | ii | i | iv |
| (4) | i | ii | iii | iv |

62. **Assertion (A) :** Developing countries, with a narrow range of exports (often of primary goods) as their economic base, are particularly vulnerable to economic exploitation.

Reasoning (R) : Critics of multinational corporations usually view it as an economic and often, political means of foreign domination.

Codes :

- (1) (A) is correct but (R) is not correct.
 (2) (A) and (R) both are correct but (R) is not the correct explanation of (A).
 (3) (A) and (R) both are correct and (R) is the correct explanation of (A).
 (4) (A) and (R) both are incorrect.

63. Which among the following is not a member country of NAFTA ?
- (1) U.S.A. (2) Panama
(3) Mexico (4) Canada
64. Benefits of Capital Account convertibility are
- (a) Availability of large funds to supplement domestic resources.
(b) Improved access to global financial markets.
(c) Improvement of financial system in the context of global competition.
(d) Ensured economic growth and development.
- Codes :**
- (1) (a), (b) and (c) (2) (b), (c) and (d)
(3) (a), (c) and (d) (4) (a), (b), (c) and (d)
65. As per WTO guidelines Agreement on Agricultural AOA is not considering which of following ?
- (1) R and D and any other indirect support and assistance to farmers by the government.
(2) Direct payment to farmers.
(3) Least development countries do not need to make cuts.
(4) Cut back of domestic policies which directly affect production and trade.
66. What is a future contract ?
- (a) It is an agreement to buy or to sell a specified quantity of asset during a given period at a spot price.
(b) It is a marketable obligation to buy or to sell a specified quantity of a particular asset during a period at a given price.
(c) It is an option to buy or to sell a specified quantity of asset during a given period for a given price.
(d) It is a marketable obligation to buy or sell a specified quantity of a particular assets during a given period of time at a price to be determined in future.
- Codes :**
- (1) (a) and (c) (2) (c) and (d)
(3) (b) only (4) (a) and (d)
67. In case a company which is publically listed on any European Stock Exchange wishes to raise money from India; then this company may list its securities on Bombay Stock Exchange. Consequently, the Indian investor can buy the securities in which of the following form ?
- (1) Bullion Derivatives (2) FDR
(3) GDR (4) ADR
68. The concept that “Lack of resources often helps countries to become competitive” is related to which of the following ?
- (1) Competitive theory (2) Product life cycle theory
(3) Porters Diamond’s model (4) None of the above
69. Rent free accommodation provided to the government employees shall be taxable upto
- (1) 20% of the employee’s salary
(2) 15% of the employee’s salary
(3) licence fee fixed by the government
(4) 10% of the employee’s salary

70. Marginal relief on income tax of a resident individual was available under which section of the Income Tax Act, 1961 for the assessment year 2015-16 ?

- (1) Section 86 (2) Section 88 E
(3) Section 89 (4) Section 87 A

71. Match the items of List – I with those of the List – II and indicate the correct code :

List – I

List – II

- | | |
|-------------------|--|
| a. Section 80 D | i. Pension fund of LIC |
| b. Section 80 CCC | ii. Interest on loan taken for studies |
| c. Section 80 G | iii. Health Insurance |
| d. Section 80 E | iv. Donation |

Codes :

- | | a | b | c | d |
|-----|-----|-----|-----|----|
| (1) | i | ii | iii | iv |
| (2) | i | iii | ii | iv |
| (3) | iii | i | iv | ii |
| (4) | i | iii | iv | ii |

72. Income of the previous year is not taxable in the subsequent assessment year for which combination of the following ?

- I. Income of non-resident from shipping
II. Income of casual nature
III. Income of bodies formed for short duration
IV. Income of a person trying to alienate his assets

Codes :

- | | | | |
|-----|----|-----|-----|
| (1) | I | II | III |
| (2) | II | III | IV |
| (3) | I | II | IV |
| (4) | I | III | IV |

73. As per the Income Tax Act, 1961, rate of tax for long term capital gain for the assessment year 2015-16 is

- (1) 20% (2) 30%
(3) 10% (4) 25%

74. As per the Income Tax, 1961, capital gain arising from the sale of agricultural land owned for 5 years in rural areas is

- (1) Taxable as short term capital gains (2) Taxable as long term capital gains
(3) Exempted (4) Partly taxable and partly exempted

75. Capital expenditure on scientific research in a previous year, which could not be absorbed due to insufficiency of profit in the relevant assessment year, can be carried forward for its setting off upto

- (1) Next assessment year (2) Five assessment years
(3) Ten assessment years (4) Indefinite number of assessment years

COMMERCE
PAPER – III

Note : This paper contains **seventy five (75)** objective type questions of **two (2)** marks each. **All** questions are compulsory.

1. Put the following steps of strategic Management Process in correct sequence :
- a. Scanning and Evaluation of Business Environment
 - b. Formulating strategies
 - c. Implementation of Corporate Strategy
 - d. Deciding about the Mission of the organisation
 - e. Setting Corporate Level Objective

Codes :

- | | |
|----------------------|----------------------|
| (1) a, b, c, d and e | (2) d, a, b, c and e |
| (3) d, a, e, c and b | (4) d, a, e, b and c |

2. Match the items of List-I with those of List-II and indicate the code of correct matching.

List – I

- a. Indian Railways
- b. Unit Trust of India
- c. Bharat Heavy Electricals Limited

List – II

- i. Government Company
- ii. Department Undertaking
- iii. Statutory Corporation

Codes :

- | | | | |
|-----|-----|-----|-----|
| | a | b | c |
| (1) | i | ii | iii |
| (2) | ii | iii | i |
| (3) | ii | i | iii |
| (4) | iii | ii | i |

3. Identify the correct statement from the following :

- (1) The liability of the Karta is limited.
- (2) A joint Hindu family business continues to exist on the death of a co-partner.
- (3) A joint Hindu family business ceases to exist on the death of the Karta.
- (4) A joint Hindu family business comes into existence by Hindu law.

4. **Statement I :** “Working in harmony with the community and environment around us and not cheating our customers and workers we might not gain anything in the short run but in the long term it means greater profits and shareholders value”.

Statement II : According to Mahatma Gandhi, capitalist class owns wealth or capital as trustees of the society.

Codes :

- (1) Statement I is correct, but II is incorrect.
- (2) Statement II is correct, but I is incorrect.
- (3) Both the statements I and II are incorrect.
- (4) Both the statements I and II are correct.

5. Match the items of List-I with items of List-II and indicate the code of correct matching.

List – I

List – II

- | | |
|-----------------------------------|--|
| a. Principle of Separate Entity | i. Valuing Plant and Machinery at cost less depreciation. |
| b. Principle of Conservatism | ii. Recording punctuality and honesty of employees of an organization. |
| c. Principle of Money Measurement | iii. Capital contributed by proprietor is shown as liability in Balance Sheet. |
| d. Historical cost concept | iv. Valuing inventories at cost or market price whichever is less. |

Codes :

- | | | | | |
|-----|-----|-----|----|----|
| | a | b | c | d |
| (1) | iii | ii | i | iv |
| (2) | iii | iv | ii | i |
| (3) | iv | iii | i | ii |
| (4) | iii | i | ii | iv |

6. Which of the following is not true ?

- (1) When all the forfeited shares are not reissued, the forfeited shares account will also show as credit balance equal to gain on forfeiture of shares not yet reissued.
- (2) Loss on reissue of shares cannot be more than gain on forfeiture of those shares.
- (3) At the time of forfeiture of shares, securities premium is debited along with share capital when premium has not been received.
- (4) When forfeited shares are issued at premium, the premium amount is credited to Capital Reserve Account.

7. Preparation of consolidated Balance Sheet of Holding Company and its subsidiary company is done as per

- | | |
|-----------|-----------|
| (1) AS 11 | (2) AS 21 |
| (3) AS 22 | (4) AS 23 |

8. Amount due to outgoing partner is shown in the balance sheet as his

- | | |
|---------------|-----------|
| (1) Liability | (2) Asset |
| (3) Capital | (4) Loan |

9. Match the items of List-I with items of List-II and indicate the code of their correct matching.

List – I

List – II

- | | |
|--|---|
| a. Non-price quantity relationships of demand. | i. Extension and contraction of demand. |
| b. Income effect of a price rise greater than its substitution effect. | ii. Ordinal utility approach. |
| c. Transitivity and consistency of choices. | iii. Increase and decrease in demand. |
| d. Price-quantity relationships of demand. | iv. Giffen goods |

Codes :

- | | | | | |
|-----|-----|----|-----|-----|
| | a | b | c | d |
| (1) | iv | ii | iii | i |
| (2) | ii | i | iv | iii |
| (3) | iii | iv | ii | i |
| (4) | i | ii | iii | iv |

10. The short-run cost function of a firm is as follows :

$$TC = 200 + 5Q + 2Q^2$$

Where TC = Total Cost

Q = Physical units of the product of the firm

What would be the level of optimum output ?

- (1) 05 (2) 10
(3) 12 (4) 15

11. Short-run demand and total cost functions for a monopoly firm are as under :

Demand function : $Q = 100 - 0.2 P$

Price function : $P = 500 - 5 Q$

Cost function : $TC = 50 + 20 Q + Q^2$

Where Q = Total quantity of the product in physical units.

P = Price of the product per unit

TC = Total cost

What is the profit maximizing output of the pure monopoly firm ?

- (1) 20 (2) 35
(3) 40 (4) 50

12. In which one of the following market situations, the pricing above the prevailing market price is used as a more common practice ?

- (1) Markets where the selling firms face perfect competitive situations.
(2) Markets where the selling firms want to gain popularity of the products having high cross elasticity of their demand.
(3) Markets where sellers rely on their customers' high propensity to consume a prestigious commodity.
(4) Markets where the selling firms have entered into the stages of maturity and saturation.

13. Which one of the following statements is false regarding normal distribution ?

- (1) Mean, Median and Mode always coincide.
(2) Within $\pm 1.96 \sigma$ limits from Mean value, the area under the distribution is 99 percent of the total area.
(3) The area under the normal curve represents probabilities for the normal random variable and the total area for the normal probability distribution is one.
(4) For every pair of values of Mean and Standard deviation, the curve of the distribution is bell-shaped and symmetric.

14. If unexplained variation between variables X and Y is 36%, what is the coefficient of correlation between the variables ?

- (1) 0.36 (2) 0.64
(3) 0.60 (4) 0.80

15. Which one of the following is the formula to calculate standard error of mean differences of two sample groups ?

- (1) $\frac{\sigma_p}{\sqrt{n}}$ (2) $\sqrt{\frac{\sigma_1^2}{n_1} + \frac{\sigma_2^2}{n_2}}$
(3) $\frac{\sigma_1^2}{\sigma_2^2}$ when $\sigma_1^2 < \sigma_2^2$ (4) $\sqrt{\frac{p_1 q_1}{n_1} + \frac{p_2 q_2}{n_2}}$

16. A researcher wants to test the significance of the difference between the average performance of the two small sized samples when the information of the population standard deviation is not available, which one of the following hypothesis-testing is suitably used ?

- (1) Z-test (2) Chi-square test
 (3) F-test (4) t-test

17. Which of the following statements are not correct ? Indicate the correct code.

Statement I : Organizational culture means the general pattern of behaviour, belief and values that organization members have in individuality.

Statement II : As per contingency theory of Leadership, people become leader only because of the demand of group members.

Statement III : The group judgement can only be obtained through the formal committees.

Statement IV : Ombudsperson in communication function is a person assigned to investigate employee concerns and providing valuable upward communication link.

Codes :

- (1) Statements I, II and IV (2) Statements I, III and IV
 (3) Statements I, II and III (4) Statements II, III and IV

18. **Assertion (A)** : The organization is a closed system that operates within and interacts with the external environment.

Reasoning (R) : The system approach to management includes the outputs from the external environment on the basis of interactions between management and employees.

Codes :

- (1) (A) and (R) are correct and (R) is the correct reasoning of (A).
 (2) (A) and (R) are correct, but (R) is not the correct explanation of (A).
 (3) (A) is incorrect while (R) is a correct statement.
 (4) Both (A) and (R) are incorrect.

19. Match List-I with List-II relating to corporate ethics and indicate the code of their correct matching.

List – I

List – II

- | | |
|------------------------|--|
| a. Utilitarian theory | i. Behaviour guiding statements. |
| b. Code | ii. Making public known about unethical company practices. |
| c. Whistle blowing | iii. Society with varied interest groups. |
| d. Pluralistic society | iv. Evaluation of plans with its consequences |

Codes :

- | | | | | |
|-----|-----|-----|----|-----|
| | a | b | c | d |
| (1) | i | iii | iv | ii |
| (2) | ii | iii | iv | i |
| (3) | iii | i | ii | iv |
| (4) | iv | i | ii | iii |

20. Find out the correct sequence of planning function of the following elements :
- Diagnosis of opportunity
 - Establishing objectives
 - Identifying and comparing alternatives
 - Formulating derivative plans
 - Choosing an alternative

Codes :

- | | |
|-------------------|-------------------|
| (1) a, c, b, e, d | (2) b, e, a, c, d |
| (3) a, b, c, e, d | (4) a, b, c, d, e |

21. Creating the capability of making purchases directly from a firm's website is known as
- | | |
|---------------------------------|-------------------------------------|
| (1) Electronic Networking | (2) Electronic Transactions |
| (3) Electronic Data Interchange | (4) Electronic Information Transfer |

22. For the following two statements of Assertion (A) and Reasoning (R) indicate the correct code :

Assertion (A) : The self image could be an individual's own perceived image and actual image based on how others perceive the individual.

Reasoning (R) : Large number of products like credit cards, automobiles, readymade garments, designer ware, cosmetics and perfumes are bought due to self image and demographic variables like income may not be important in purchase decisions for these products.

Codes :

- (A) and (R) both are not correct.
- (A) is correct, but (R) is not correct.
- (A) is correct and (R) is correct explanation for (A).
- (A) is not correct, but (R) is correct.

23. Match the media factors given in List-I with examples given in List-II and indicate the code of current matching.

List – I

- Media class
- Media vehicles
- Media option
- Scheduling & timing

List – II

- Prime time at 9:00 PM, full page ad of Honda City
- Magazine, T.V., Radio
- Flighting, Pulsing
- Times of India, T.V. serial Bhabhi Ji Ghar Pe Hain

Codes :

- | | a | b | c | d |
|-----|-----|----|-----|-----|
| (1) | ii | iv | i | iii |
| (2) | iii | i | iv | ii |
| (3) | i | ii | iv | iii |
| (4) | iv | ii | iii | i |

24. In integrating specialist functions of product management with the line function of sales as major challenge to top management can be achieved by which type of marketing organization ?

- | | |
|-----------------------------|------------------------------|
| (1) Functional organization | (2) Territorial organization |
| (3) Matrix organization | (4) None of the above |

25. **Assertion (A) :** The important aspect of dividend policy is to determine the amount of earnings to be distributed to shareholders and the amount to be retained in the firm.
Reasoning (R) : Dividend policy of the firm has its effect on both the long term financing and the wealth of shareholders.

Codes :

- (1) (A) and (R) both are correct and (R) is the correct explanation of (A).
 (2) (A) and (R) both are correct, but (R) is not the correct explanation of (A).
 (3) (A) is correct, but (R) is wrong.
 (4) (R) is correct, but (A) is wrong.

26. Match the items in List-I with items in List-II and indicate the code of correct matching :

List – I

List – II

- | | |
|--|--|
| a. ABC Inventory Control System | i. Developing ancillary units around the manufacturing sites and supplying parts to manufacturing units. |
| b. Just-in-time (JIT) System | ii. Enables a company to easily track large items of inventory. |
| c. Out sourcing System | iii. It eliminates the necessity of carrying large inventories and saves carrying cost. |
| d. Computerized Inventory Control System | iv. Tends to measure the significance of each item of inventories in terms of its value. |

Codes :

- | | | | | |
|-----|-----|-----|-----|----|
| | a | b | c | d |
| (1) | ii | iii | i | iv |
| (2) | iv | ii | iii | i |
| (3) | iv | iii | i | ii |
| (4) | iii | i | ii | iv |

27. In certainty-equivalent approach, risk adjusted cash flows are discounted at

- | | |
|-------------------------------|-----------------------------|
| (1) Accounting Rate of Return | (2) Internal Rate of Return |
| (3) Hurdle Rate | (4) Risk-free Rate |

28. ‘That personal leverage can replace corporate leverage’ is assumed by

- | | |
|--------------------------|-----------------------------------|
| (1) Traditional Approach | (2) M M Model |
| (3) Net Income Approach | (4) Net Operating Income Approach |

29. Match the List-I with List-II relating to Human Resource Planning activities and indicate the code of correct matching.

List – I

List – II

- | | |
|-----------------------------------|--|
| a. Forecasting | i. Optimal employment |
| b. Inventorying | ii. Development activities |
| c. Anticipating manpower problems | iii. Mathematical projections of industrial trends |
| d. Planning programs | iv. Projecting present resources into future |

Codes :

- | | | | | |
|-----|-----|----|-----|-----|
| | a | b | c | d |
| (1) | ii | i | iv | iii |
| (2) | i | iv | iii | ii |
| (3) | iv | ii | i | iii |
| (4) | iii | i | iv | ii |

30. Which council was established in India by Government of India in the year 1966 to promote safety consciousness among workers in industries ?

- (1) Factory Advise Council (2) National Safety Council
 (3) National Industrial Council (4) Safety Regulations Council

31. **Assertion (A)** : Recruitment is positive while selection is negative in its application.

Reasoning (R) : Recruitment aims at increasing the job seekers while selection rejects a large number of unqualified applicants.

Codes :

- (1) (A) is correct, but (R) is not correct.
 (2) (A) and (R) both are correct, but (R) is not the right explanation of (A).
 (3) (A) and (R) both are correct and (R) is the right explanation of (A).
 (4) (A) and (R) both are incorrect.

32. Match the List-I with List-II relating to Social Security measures in India and indicate the code of correct matching.

List – I

List – II

- | | |
|---------------------------|--|
| a. Social Assistance | i. Payable to workers in accidents & injuries during employment. |
| b. Social Insurance | ii. Covers individual risks primarily. |
| c. Commercial Insurance | iii. Maternity benefits. |
| d. Workmen’s Compensation | iv. Provident Funds |

Codes :

- | | | | | |
|-----|-----|-----|-----|----|
| | a | b | c | d |
| (1) | iii | iv | ii | i |
| (2) | iv | iii | ii | i |
| (3) | iv | iii | i | ii |
| (4) | ii | i | iii | iv |

33. Match the following items of List-I with the items of List-II and indicate the code of correct matching.

List – I

List – II

(Name of Bank)

(Year of establishment)

- | | |
|--------------|-----------|
| a. IFCI | i. 1981 |
| b. SIDBI | ii. 1982 |
| c. NABARD | iii. 1948 |
| d. EXIM Bank | iv. 1990 |

Codes :

- | | | | | |
|-----|-----|-----|-----|----|
| | a | b | c | d |
| (1) | iii | i | ii | iv |
| (2) | iv | ii | iii | i |
| (3) | iv | iii | ii | i |
| (4) | iii | iv | ii | i |

34. With a view to encourage newer classes of entrepreneurs and bringing about wider dispersal of ownership and control of industrial undertakings, IDBI operates a special scheme for supplementing the equity contribution to projects made by small and new entrepreneurs. This scheme is known as
- (1) Bridge Loan Scheme
 - (2) Soft Loan Scheme for Modernisation
 - (3) Technical Development Fund Scheme
 - (4) Seed Capital Assistance Scheme
35. Which one of the following is not the objective of UTI ?
- (1) To give everyone a chance to indirectly own shares and securities in a large number of select companies.
 - (2) To maximise mobilisation of people's savings by making insurance linked savings adequately attractive.
 - (3) To channelize the pooled savings into productive outlets.
 - (4) To mobilise savings of the community by offering savers the triple benefits of safety, liquidity and profitability of investments.
36. Under which of the following schemes, the IFCI procures equipment for an actual-user industrial concern by making payment to the machinery/equipment supplier, and then resells/transfers the equipment to the actual-user-industrial concern at the same cost, subject, however, to any liability arising out of taxes and other levies, being put to the account of the actual user industrial concern ?
- (1) Equipment Credit Scheme
 - (2) Equipment Procurement Scheme
 - (3) Equipment Finance Scheme
 - (4) Scheme of Equipment Leasing

37. Match the items of List-I with List-II and denote the code of correct matching.

List – I	List – II
a. International Bank for Reconstruction and Development	i. 1945
b. International Finance Corporation	ii. 1956
c. Asian Development Bank	iii. 1966
d. Export-Import Bank of India	iv. 1981

Codes :

	a	b	c	d
(1)	i	ii	iii	iv
(2)	iv	iii	ii	i
(3)	i	iii	ii	iv
(4)	ii	i	iv	iii

38. **Assertion (A) :** International Finance Corporation (IFC) contributes to increase sustainable agriculture opportunities, improve health and education and increase access to financing for micro finance and business client.

Reasoning (R) : The IFC has focused on a set of development goals to ensure that its projects are expected to achieve the target.

Codes :

- (1) Both (A) and (R) are correct, but (R) is not the correct explanation of (A).
- (2) Both (A) and (R) are correct and (R) is the correct explanation of (A).
- (3) (A) is correct but (R) is incorrect.
- (4) Both (A) and (R) are incorrect.

39. Under TRIPS Agreement, patent is granted subject to which of the following ?
- The product or the process is new one.
 - It contains an inventive step.
 - It is capable of industrial application for 15 years from the grant of the patent.
 - It is capable of industrial application for 20 years from the grant of the patent.

Codes :

- | | |
|---------------------|---------------------|
| (1) Only a and b | (2) Only a, b and c |
| (3) Only a, b and d | (4) Only a and d |

40. **Statement I** : During the period of prosperity, prices of goods fall and income of people go down. These changes in incomes of the people and prices of goods affect exports and imports of goods and thereby influence the balance of payments.

Statement II : Secular disequilibrium in balance of payments occur because of short-run changes in an economy.

Codes :

- Statement I is correct, but II is incorrect.
- Statement II is correct, but I is incorrect.
- Both the statements I and II are correct.
- Both the statements I and II are incorrect.

41. Which of the following correctly depicts differences between a merger and an acquisition of stock ?

- An acquisition of stock results in the total absorption of a firm whereas a merger does not.
- In case of a merger, the firm can deal directly with the shareholders of the acquired firm but not in the case of acquisition of stock.
- Shareholders of the acquired or target firm vote by their response to a tender offer in an acquisition of stock but cast a formal vote in a merger situation.
- A formal vote by the acquired firm's shareholders is required for an acquisition of stock but not for a merger.

42. Match the items of List-I with the items of List-II and indicate the correct code :

List – I

List – II

- | | |
|----------------------|--|
| a. Value added Model | i. It is based on the process audit thereby evaluating the corporate social performance. |
| b. Bauer-Fenn Model | ii. It takes into account the social benefits and costs. |
| c. ABT Model | iii. It reflects the impact of a business enterprise on its employees, the local community and the public at large. |
| d. ESTs Model | iv. It shows the value added by the value of production of socially desirable outputs minus the value of socially undesirable effects. |

Codes :

- | | a | b | c | d |
|-----|----|-----|-----|-----|
| (1) | i | ii | iii | iv |
| (2) | iv | i | iii | ii |
| (3) | iv | iii | ii | i |
| (4) | iv | i | ii | iii |

43. You are given the following information :

	X-Security	Market-Security
Expected Return (%)	15	12
Standard Deviation of the return (%)	6	4
Coefficient of Correlation between the returns	0.4	

What is the Beta-coefficient of security X to measure its systematic risk ?

Codes :

- | | |
|---------|---------|
| (1) 1 | (2) 1.5 |
| (3) 0.6 | (4) 0.4 |

44. Lease which includes a third party (a lender) is known as

- | | |
|---------------------|--------------------------|
| (1) Direct lease | (2) Sales and lease-back |
| (3) Leveraged lease | (4) Inverse lease |

45. Which of the following activities should be shown separately in the cash flow statement prepared as per Accounting Standard-3 ?

- a. Cash flow from borrowing activities.
- b. Cash flow from operating activities.
- c. Cash flow from financing activities.
- d. Cash flow from investing activities.
- e. Cash flow from miscellaneous activities.

Codes :

- | | |
|-------------|-------------|
| (1) a, b, c | (2) a, c, e |
| (3) b, c, d | (4) a, b, e |

46. Which of the following statements is correct ?

- (1) The oldest stock exchange of India is OTCEI.
- (2) Sensex is an index number of 30 scrips.
- (3) In book-building process, the price of the security is announced by the company.
- (4) Futures and options in shares are traded at all stock exchanges of India.

47. Match the items of List-I (Developers) with the items of List-II (Methods of measuring human assets) and indicate the correct code :

List – I

List – II

- | | |
|-----------------------|---|
| a. Hekimian and Zones | i. Stochastic Rewards Valuation Model |
| b. Hermanson | ii. Competence Bidding Method |
| c. R. Likert | iii. Adjusted Discounted Future Wages Model |
| d. Flamholtz | iv. Behavioural Variables Model |

Codes :

- | | | | | |
|-----|-----|-----|-----|----|
| | a | b | c | d |
| (1) | i | ii | iii | iv |
| (2) | ii | iii | iv | i |
| (3) | iv | iii | i | ii |
| (4) | iii | iv | ii | i |

48. The concept of achieving maximum profits through increased consumer satisfaction for raised market share focuses on

- | | |
|--------------|----------------|
| (1) Product | (2) Selling |
| (3) Customer | (4) Production |

49. Which of the following is not a measure for quality of service for consumer ?
- (1) Responsiveness (2) Competition
(3) Empathy (4) Tangibility

50. Which of the following is not a targeting strategy ?
- (1) Standardization (2) Differentiation
(3) Focus (4) All of the above

51. Match the items of List-I with items of List-II and indicate the code of correct matching.

List – I		List – II	
a. Real Needs	i. Expecting good service from car dealer.		
b. Unstated Needs	ii. Customer expects to be seen by his friends as value-oriented savvy consumer.		
c. Delight Needs	iii. Customer wants car at low operational cost and not initial cost.		
d. Secret Needs	iv. Customer receives free insurance on purchase of car.		

Codes :

	a	b	c	d
(1)	iii	i	iv	ii
(2)	i	iii	ii	iv
(3)	ii	iv	i	iii
(4)	iv	ii	i	iii

52. **Statement I :** The firm should “stick to its niching” but not necessarily to its niche.
Statement II : Multiple niching is not preferable to single niching.

Codes :

- (1) Both the Statements are true.
(2) Both the Statements are false.
(3) Statement I is true, but Statement II is false.
(4) Statement II is true, but Statement I is false.

53. A descriptive thought that a person holds about something is called

- (1) Belief (2) Learning
(3) Attitude (4) Perception

54. Deferment, Autonomy of object, use of the common place, involvement/detachment and use of metaphor are description of which of the following technique ?

- (1) Brainstorming (2) Synectics
(3) Forced Relationship (4) Attribute listing

55. Which of the following statements are correct ? Indicate the correct combination :

- a. A well motivated individual tends to experience a low degree of morale.
b. A group characterized by a high state of morale may or may not have a high degree of motivation to perform.
c. Morale can always be built up by a combination of rewards and penalties.
d. Organizations, in general, devote more direct attention towards motivational aspects of people’s behaviour than the aspects of morale.

Codes :

- (1) a, b and d (2) c and d only
(3) a, c and d (4) b and d only

56. Assertion (A) : Organizations are increasingly getting de-jobbed.
Reasoning (R) : Jobs are becoming more amorphous and more difficult to define.

Codes :

- (1) (A) and (R) both are correct but (R) is not the right explanation of (A).
- (2) (A) and (R) both are not correct.
- (3) (A) is correct, but (R) is incorrect.
- (4) (A) is correct and (R) is right explanation of (A).

57. Which of the following statements relating to incentive payments is correct ?

- (1) In Halsey incentive plan, bonus paid to a worker is equal to 50 percent of time saved divided by rate per hour.
- (2) In Rowan incentive plan, bonus paid to employee is equal to the proportion of the time saved to the standard time.
- (3) In Taylor’s differential piece rate system, a worker whose output exceeds standard output is paid 100 per cent of piece rate and a worker whose output falls short of standard is paid only 50 percent of piece rate.
- (4) The Rowan incentive plan is the base of all other incentive, payment plans.

58. Match the most common rating errors made during performance appraisal with their right explanations. Indicate the code of correct matching.

List – I	List – II
(Common Rating Errors)	(Description)
a. Leniency	i. Subjective assessment
b. Halo error	ii. One aspect of individual’s performance influence his entire performance
c. Spillover effect	iii. Past performance appraisal ratings unjustifiably influencing current ratings.
d. Rater effect	iv. Favoritism and stereotyping

Codes :

- | | a | b | c | d |
|-----|-----|-----|-----|----|
| (1) | i | ii | iii | iv |
| (2) | ii | iii | iv | i |
| (3) | iii | iv | ii | i |
| (4) | iv | iii | ii | i |

59. Which one of the following industrial relations approach believes in state intervention via legislation and the creation of industrial tribunals as supporting management’s interest rather than ensuring a balance between the competing groups ?

- (1) Unitary approach
- (2) Pluralistic approach
- (3) Marxist approach
- (4) Judiciary approach

60. What is the term coined for the system of communication and consultation, either formal or informal, by which workers of an organization are kept informed, as and when required, about the affairs of the undertaking and through which they express their opinion and contribute to decision-making process of management ?

- (1) Collective Bargaining
- (2) Empowerment
- (3) Workers' participation in management
- (4) Welfare state

61. Match the items of List-I with those of List-II with regard to operative functions of HRM and indicate the code of correct matching.

List – I

List – II

- | | |
|----------------|--------------------------|
| a. Procurement | i. Performance appraisal |
| b. Development | ii. Discipline |
| c. Integration | iii. Induction |
| d. Maintenance | iv. Personnel research |

Codes :

- | | a | b | c | d |
|-----|-----|-----|-----|-----|
| (1) | ii | i | iv | iii |
| (2) | i | iv | iii | ii |
| (3) | iii | i | ii | iv |
| (4) | ii | iii | i | iv |

62. What is the popular term used for that type of option in Foreign Exchange Market which provides the holder the right to purchase or sell foreign currency at the most favorable exchange rate realized over the life of the option ?

- (1) Forward reversing option
- (2) Preference option
- (3) Look back option
- (4) Basket option

63. What is the term used popularly for the situation when a speculator, being dominant in the market, expects a drop in the value of a particular currency and he begins selling it forward ?

- (1) International Fisher Effect
- (2) Bandwagon Effect
- (3) Interest Rate Parity Effect
- (4) Relative Version Effect

64. Identify the correct statement.

- (1) The Maastricht Treaty signed in February 1992 renamed European Community (EC) as European Economic Community (EEC).
- (2) The main objective of the formation of ASEAN Free Trade Area in 1993 was to soften the restrictions on the movement of professionals in the region and helping poorer countries.
- (3) The SAARC is a regional grouping scheme among Six South Asian Countries.
- (4) The European Union, including European Monetary Union, was the biggest and most important regional integrative scheme.

65. Match List-I with List-II relating to benefits and cost of economic integration and identify the code representing correct matching.

List – I

List – II

- | | |
|------------------------|---|
| a. Trade creation | i. Movement of production and resources in opposite directions. |
| b. Trade diversion | ii. Become active when a member country does not augment export but simply shifts its imports from low cost source to high cost source. |
| c. Trade deflection | iii. Shifting the locus of production from high cost to low cost centre within the union. |
| d. Polarisation forces | iv. Goods produced in a third country entering a free trade area through a member country having lower tariff. |

Codes :

- | | | | | |
|-----|-----|-----|----|-----|
| | a | b | c | d |
| (1) | ii | iii | iv | i |
| (2) | ii | iv | i | iii |
| (3) | iii | i | iv | ii |
| (4) | iii | ii | i | iv |

66. What is the situation referred to as, amongst the following, when intra-region trade is duty free but there is variation in tariff structure for import from a third country ?

- | | |
|---------------------|--------------------|
| (1) Customs Union | (2) Common Market |
| (3) Free Trade Area | (4) Economic Union |

67. Which of the following statements is not correct relating to comparison of FDI with trade ?

- (1) Only one market can better be served with differentiated products.
- (2) FDI overcomes tariff and transport cost involved in trade.
- (3) It reduces financial risk through greater diversification.
- (4) It creates harmonious political relations.

68. Match List-I with List-II regarding the grouping of Multi-national Corporations and identify the code representing correct matching.

List – I

List – II

(Type of MNC)

(Basic feature)

- | | |
|-----------------------|--|
| a. Ethnocentric firms | i. Maintain a balance in home and host market oriented policy. |
| b. Polycentric firms | ii. Seldom distinguish between domestic & global operation policies. |
| c. Geo-centric firms | iii. Follow a host market policy. |

Codes :

- | | | | |
|-----|-----|-----|-----|
| | a | b | c |
| (1) | iii | i | ii |
| (2) | iii | ii | i |
| (3) | ii | iii | i |
| (4) | ii | i | iii |

69. An equipment was acquired at a cost of ₹ 10 lacs and was put to use in Scientific Research. After one year of research the equipment was brought into another business of the assessee. For charging depreciation, Block of Assets shall be increased by
- (1) ₹ 10 lacs.
 - (2) Market value of the equipment on the date it was brought into another business.
 - (3) Cost or market value of the equipment, whichever is less.
 - (4) NIL.
70. If an assessee is engaged in the business of growing and manufacturing tea in India, the portion of agricultural income in that case shall be
- (1) 100%
 - (2) 60%
 - (3) 50%
 - (4) 40%
71. Which of the following statements is not correct ?
- (1) X is an individual assessee. He pays a monthly rent of ₹ 10,000 pm. He cannot deduct tax at source.
 - (2) On salaries, tax is deducted at source according to provisions of Sec. 192.
 - (3) No tax is deducted at source in respect of interest on securities issued by a domestic company.
 - (4) Bank will deduct tax at source @ 10% if bank fixed deposit's interest credit is more than ₹ 10,000 in a year.
72. X donated ₹ 20,000 to a charitable institution, which is eligible for deduction u/s 80 G, during the financial year 2015-16. His total income during the period was ₹ 1,50,000. How much deduction he can claim u/s 80 G ?
- (1) ₹ 7,500
 - (2) ₹ 10,000
 - (3) ₹ 15,000
 - (4) ₹ 20,000
73. X is employed in a private company at a salary of ₹ 70,000 per month and ₹ 10,000 per month as dearness pay. He received ₹ 2,000 per month as house rent allowance. He paid ₹ 2,500 per month as house rent. What is the exempted portion of house rent allowance ?
- (1) ₹ 2,500
 - (2) ₹ 2,000
 - (3) ₹ 1,000
 - (4) NIL
74. Surcharge is payable by an individual where the total income exceeds
- (1) ₹ 10 lacs
 - (2) ₹ 25 lacs
 - (3) ₹ 50 lacs
 - (4) ₹ 1 crore
75. Which one of the following statements is not correct ?
- (1) A person may not have assessable income but still be an assessee.
 - (2) In some cases, the assessment year and the previous year can be same.
 - (3) An Indian company is always resident assessee.
 - (4) Surcharge is additional tax calculated on total income.

COMMERCE
PAPER - III

Note : This paper contains **seventy five (75)** objective type questions of **two (2)** marks each. **All questions are compulsory.**

1. **Assertion (A) :** Buyers, for several industries, are potential competitors-they may integrate backwards.

Reasoning (R) : They have different degrees of bargaining power.

Code :

- (1) (A) and (R) are correct and (R) is the correct reasoning of (A).
(2) (A) and (R) are correct but (R) is not the correct reasoning of (A).
(3) (A) is incorrect while (R) is a correct statement.
(4) Both (A) and (R) are incorrect.
2. Which one of the following is the governing factor in deciding the type of redressal agency which will deal with the dispute of a consumer ?
- (1) Area of sale of goods and services
(2) Type of goods and services sold
(3) The choice of the consumer
(4) The value of goods and services sold
3. Match **List - I** with **List - II** relating to the roles played by government in an economy and indicate the correct code of their matching.

List - I
(Roles)

- (a) Regulatory role
(b) Promotional role
(c) Entrepreneurial role
(d) Planning role

List - II
(Examples)

- (i) Deciding timing and usage of resources
(ii) Capital intensive projects of public sector
(iii) Imposing of high import duty
(iv) Measures to control and cover risk in priority sectors

Code :

- | | (a) | (b) | (c) | (d) |
|-----|-------|-------|------|-------|
| (1) | (iv) | (ii) | (i) | (iii) |
| (2) | (iii) | (i) | (iv) | (ii) |
| (3) | (iii) | (iv) | (ii) | (i) |
| (4) | (i) | (iii) | (iv) | (ii) |

4. Which one of the following statement is not correct relating to Competition Policy and Law ?

- (1) Collusion and dominance have potential for unfair competition.
(2) The appeal against decisions of Competition Commission of India can be made to the Competition Appellate Tribunal.
(3) State monopolies, government's business policies and functioning of Regulatory Authorities cannot be scrutinized under this law.
(4) Abuse of dominance rather than dominance should be the key for Competition Policy/ Law.



5. Which one of the following is **not** correct with reference to standard costing ?
- (1) Standard costing is a system where pre determined costs are used for control of entire organisation
 - (2) Standard may be expressed in quantitative and monetary measures
 - (3) Only adverse variances are investigated intensively
 - (4) Standard is determined for each element of cost
6. Which one of the following is **not** correct ?
- (1) $\text{Margin of Safety} = \frac{\text{Profit}}{\text{P/V ratio}}$
 - (2) $\text{P/V Ratio} = \frac{\text{Change in Contribution}}{\text{Change in sales}} \times 100$
 - (3) $\text{Break-even point in units} = \frac{\text{Fixed cost}}{\text{Contribution per unit}}$
 - (4) $\text{Required sales to earn desired profits} = \frac{\text{Desired profit}}{\text{P/V ratio}}$
7. Schedule III Part II of the Companies Act, 2013 deals with which one of the following ?
- (1) Format of Balance Sheet
 - (2) Format of Profit and Loss Account
 - (3) Format of Trading Account
 - (4) Format of Cash Flow
8. Which one of the following statements is **not** true ?
- (1) When there is one liquidation and one formation it is known as external construction
 - (2) Goodwill or Capital reserve arises only when the amalgamation is in the nature of merger
 - (3) Under the pooling of interest method, the transferee company incorporates the assets and liabilities of the transferor company at book value
 - (4) The vendor company transfers preliminary expenses (at the time of absorption) to equity shareholders' account



9. **Statement - I :** The least - cost or optimal input combination of labour and capital requires that the marginal revenue productivity ratio of the two inputs should be equal to their price ratio.

Statement - II : In a hypothetical production function of the following form

$$Q = -L^3 + 15L^2 + 10L$$

Where, Q = Quantity of the product and L = No. of variable input (labour), the marginal physical productivity of labour is $-L^2 + 15L + 10$.

Code :

- (1) Both the statements are true.
- (2) Both the statements are false.
- (3) Statement - I is true while statement - II is false.
- (4) Statement - I is false while statement - II is true.

10. Match the items of **List - I** with the items of **List - II** and indicate the code of correct matching.

List - I

List - II

- | | |
|---|---|
| (a) Technological advantages | (i) Managerial economies |
| (b) Large scale purchase of material inputs | (ii) Economies in transport and storage |
| (c) Specialized departments under Specialized personnel | (iii) Economies in marketing |
| (d) Oil companies having their own fleet of tankers | (iv) Economies in production |

Code :

- | | | | | |
|-----|-------|-------|-------|------|
| | (a) | (b) | (c) | (d) |
| (1) | (iv) | (iii) | (i) | (ii) |
| (2) | (iii) | (iv) | (ii) | (i) |
| (3) | (iii) | (i) | (ii) | (iv) |
| (4) | (iv) | (ii) | (iii) | (i) |

11. Manufacturing of T.V. sets and refrigerators and their pricing in India belong to which one of the following market structures ?

- (1) Monopolistic competition
- (2) Perfect competition
- (3) Monopoly
- (4) Oligopoly

12. **Statement - I :** Pricing at par with the market price of the existing brands is considered to be the most reasonable pricing strategy for a product which is being sold in a strongly competitive market.

Statement - II : Pricing below the market price has been found to be more successful when a seller intends to achieve a prestigious position among the sellers in the locality for selling prestigious goods of much superior quality.

Code :

- (1) Both the statements are correct
- (2) Both the statements are incorrect
- (3) Statement - I is correct while Statement - II is incorrect
- (4) Statement - I is incorrect while Statement - II is correct



17. Match the items of **List - I** with those of **List - II**; and choose the correct code of combination :

List - I	List - II
(a) A committee consist of a group of people specifically designated to perform some administrative work	(i) C.I. Barnard
(b) Staff service in organisation means the service or advice or council, as distinguished from the function of authority or command	(ii) W.H. Newman
(c) Organisation is informal when the aggregate interpersonal relationships are without conscious joint purpose	(iii) McFarland
(d) An identifiable group of people contributing their efforts towards the attainment of goals is called organisation	(iv) James D. Mooney

Code :

	(a)	(b)	(c)	(d)
(1)	(ii)	(iv)	(i)	(iii)
(2)	(iv)	(ii)	(iii)	(i)
(3)	(iv)	(iii)	(i)	(ii)
(4)	(i)	(ii)	(iv)	(iii)

18. Which among the following is **not** a physical barrier of communication ?

- | | |
|---------------------|--------------------------|
| (1) Poor vocabulary | (2) Noise |
| (3) Improper time | (4) Overload information |

19. **Statement - I :** Management control seeks to compel events to conform to plans.

Statement - II : Controlling is determining what is motivational to the employees of the organization.

Code :

- (1) Statement - I is correct but II is incorrect
- (2) Statement - II is correct but I is incorrect
- (3) Both the statements I and II are correct
- (4) Both the statements I and II are incorrect

20. **Assertion (A) :** Sound planning is one of the essential elements for the success of corporate entities.

Reasoning (R) : Planning is deciding in advance what is to be done. It involves the selection of objectives, policies, procedures and programmes from among alternatives.

Code :

- (1) Both (A) and (R) are correct and (R) is the right explanation of (A).
- (2) Both (A) and (R) are correct but (R) is not the right explanation of (A).
- (3) Both the statements (A) and (R) are incorrect.
- (4) (A) is correct but (R) is incorrect.



21. Match the items of **List - I** with **List - II** and denote the code of correct matching :

List - I	List - II
(a) Acceptability	(i) Convenience Aspect
(b) Affordability	(ii) Functional and Psychological Aspects
(c) Accessibility	(iii) Information and knowledge Aspects
(d) Awareness	(iv) Economic and Psychological Aspects

Code :

	(a)	(b)	(c)	(d)
(1)	(i)	(iii)	(ii)	(iv)
(2)	(iii)	(ii)	(i)	(iv)
(3)	(ii)	(iv)	(i)	(iii)
(4)	(iv)	(ii)	(i)	(iii)

22. Match the items of **List - I** with the items of **List - II** which are related to dimensions of brand personality. Denote the code of correct matching.

List - I	List - II
(a) Sincerity	(i) Upper class, Charming
(b) Excitement	(ii) Reliable, Intelligent, Successful
(c) Competence	(iii) Down to earth, Cheerful, Wholesome
(d) Sophistication	(iv) Outdoors, Tough
(e) Ruggedness	(v) Spirited, Imaginative, Up-to-date

Code :

	(a)	(b)	(c)	(d)	(e)
(1)	(v)	(ii)	(i)	(iii)	(iv)
(2)	(i)	(iv)	(iii)	(ii)	(v)
(3)	(iii)	(v)	(ii)	(i)	(iv)
(4)	(ii)	(i)	(iii)	(v)	(iv)

23. One of the techniques of stimulating creativity for developing new product where you start with an idea then thinking of the next idea and link, then think of the next association and do this with all association that come up with each new idea, is known as :

- | | |
|-----------------------|-------------------------|
| (1) Attribute Listing | (2) Forced Relationship |
| (3) New Contexts | (4) Mind Mapping |



24. **Statement - I :** We are motivated to re-evaluate our beliefs, attitudes, opinions or values occurred at two different time.

Statement - II : The difference due to some intervention occurred at either point of time motivates us to search a newer option and thus satisfies our mind/ anxiety.

Code :

- (1) Statement - I is correct, Statement - II is not correct.
- (2) Statement - II is correct, Statement - I is not correct.
- (3) Both statements are correct.
- (4) Both statements are incorrect.

25. Operating Leverage and Financial Leverage of a firm are 3 and 2, respectively. If sales increase by 6%, then earnings before tax will rise by :

- (1) 18%
- (2) 12%
- (3) 36%
- (4) 30%

26. Match the items of **List - I** with those of **List - II** and indicate the correct code :

List - I

List - II

- | | |
|---------------------------|----------------------------------|
| (a) Net Income Approach | (i) Working Capital Management |
| (b) Profitability Index | (ii) Over- capitalisation |
| (c) Concentration Banking | (iii) Capital Structure Planning |
| (d) Lower Rate of Return | (iv) Capital Budgeting Decision |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (iii) | (iv) | (i) | (ii) |
| (2) | (iii) | (iv) | (ii) | (i) |
| (3) | (iv) | (ii) | (iii) | (i) |
| (4) | (ii) | (iii) | (i) | (iv) |

27. **Statement - I :** In payback period method, the risk of the project is adjusted by lessening the target payback period.

Statement - II : Sensitivity Analysis helps in calculation of net present value of the proposal.

Code :

- (1) Statement - I is correct, but statement - II is wrong
- (2) Statement - I is wrong, but statement - II is correct
- (3) Statement - I and statement - II, both are correct
- (4) Statement - I and statement - II, both are wrong

28. Dividend irrelevance argument of MM Model is based on :

- (1) Hedging
- (2) Issue of Debentures
- (3) Liquidity
- (4) Arbitrage



29. Match the items of **List - I** with **List - II** and indicate the correct code of their matching relating to human resource management philosophy :

List - I

List - II

- | | |
|---|--|
| (a) Rational System Approach | (i) F.W. Taylor |
| (b) The Ahmedabad Experiments to improve productivity | (ii) Max Weber's theory of bureaucracy |
| (c) Social System Approach | (iii) A.K. Rice |
| (d) Functional organisation concept | (iv) Hawthorne studies |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (ii) | (iv) | (iii) | (i) |
| (2) | (iii) | (ii) | (iv) | (i) |
| (3) | (iv) | (iii) | (i) | (ii) |
| (4) | (iii) | (i) | (ii) | (iv) |

30. Which one of the following is **not** a method of deciding acceptable level of reliability or consistency of measurement in selection methods ?

- | | |
|---------------------------|-------------------------|
| (1) Regiocentric approach | (2) Split half method |
| (3) Test related method | (4) Expectancy diagrams |

31. Put the following steps of discrete selection process in correct sequence and select the correct code :

- (a) Preliminary interview
- (b) Completion of application blank
- (c) Background investigation
- (d) Physical examination
- (e) Employment tests
- (f) Comprehensive interview
- (g) Final employment decision

Code :

- | | |
|---------------------------------------|---------------------------------------|
| (1) (b), (a), (c), (d), (e), (f), (g) | (2) (b), (a), (e), (f), (c), (d), (g) |
| (3) (a), (b), (e), (f), (c), (d), (g) | (4) (a), (b), (d), (c), (e), (f), (g) |

32. Match List - I with List - II relating to wage theories and its propounders and indicate the code representing correct matching :

**List - I
(Theory)**

- (a) Subsistence Theory
- (b) Surplus Value Theory
- (c) Wage Fund Theory
- (d) Residual Claimant Theory

**List - II
(Propounder)**

- (i) Karl Marx
- (ii) Francis Walker
- (iii) David Richardo
- (iv) Adam Smith

Code :

- | | (a) | (b) | (c) | (d) |
|-----|-------|------|-------|-------|
| (1) | (ii) | (iv) | (i) | (iii) |
| (2) | (iv) | (i) | (ii) | (iii) |
| (3) | (iii) | (i) | (iv) | (ii) |
| (4) | (iv) | (ii) | (iii) | (i) |

33. When was paper currency first started in India ?

- (1) 1542 (2) 1611 (3) 1705 (4) 1801

34. 'RWA' with regard to capital adequacy stands for which one of the following ?

- (1) Risk Withdrawal Adjustments (2) Risk Withdrawal Arrangements
 (3) Risk Weighted Assets (4) Risk-free Weighted Assets

35. Match the items of List - I with List - II and denote the code of correct matching :

List - I

- (a) Future
- (b) Swap
- (c) Hedging
- (d) Forward

List - II

- (i) Consists of purchase or sale of commodities in two different markets with the expectations that a future change in price in one market will be off set by an opposite change in the other market
- (ii) A contract in which a seller agrees to deliver an asset to a buyer at a predetermined price at some future date as privately negotiated
- (iii) A contractual agreement for exchanging a steam of payments with opposite and matching needs, to reap the benefit arising due to market discrepancies
- (iv) A contract covering the purchase and sale of physical commodities or financial instruments for future delivery on a future exchange floor

Code :

- | | (a) | (b) | (c) | (d) |
|-----|------|-------|-------|------|
| (1) | (iv) | (iii) | (ii) | (i) |
| (2) | (i) | (ii) | (iii) | (iv) |
| (3) | (ii) | (i) | (iii) | (iv) |
| (4) | (iv) | (iii) | (i) | (ii) |

36. Which of the following are the forms of e - banking ? Select the **correct** code.

- (a) Internet Banking
- (b) Telephone Banking
- (c) Electronic Cheque Conversion
- (d) Electronic Bill Payment
- (e) Direct Fund Transfer Through RTGS

Code :

- (1) (a), (c) and (d)
- (2) (a), (b), (c) and (d)
- (3) (b), (c) and (d)
- (4) (a), (b), (c), (d) and (e)

37. Which one among the following has the largest share of exports from India ?

- (1) Agriculture and Allied Commodity
- (2) Gems and Jewellery
- (3) Handicrafts
- (4) Electronic Goods

38. Which one among the following is **not** a part of TRIPS agreement ?

- (1) Industrial Design
- (2) Geographical Indications
- (3) Interior Design
- (4) Layout Designs of Integrated Circuits

39. Which one among the following is not correct ?

- (1) IMF's headquarters is in Washington, D.C.
- (2) IMF has 198 countries as its members.
- (3) IMF is an outcome of the Bretton Woods Conference.
- (4) IMF was found on July 7, 1944.

40. **Statement - I :** Served From India Scheme (SFIS) has been replaced with Service Exports from India Scheme (SEIS).

Statement - II : The rate of reward under SEIS would be based on net foreign exchange earned.

Code :

- (1) Statement - I is correct but statement - II is incorrect.
- (2) Statement - II is correct but statement - I is incorrect.
- (3) Both the statements - I and II are incorrect.
- (4) Both the statements - I and II are correct.



41. Match the items of List - I with those of List - II and indicate the correct code :

List - I
(Accounting standard)

- (a) AS - 6
- (b) AS - 3
- (c) AS - 10
- (d) AS - 21

List - II
(Relationship)

- (i) Accounting for Consolidated Financial Statements
- (ii) Accounting For Fixed Assets
- (iii) Depreciation Accounting
- (iv) Accounting For Cash Flow Statement

Code :

- | | (a) | (b) | (c) | (d) |
|-----|-------|-------|-------|------|
| (1) | (ii) | (iv) | (iii) | (i) |
| (2) | (iii) | (iv) | (ii) | (i) |
| (3) | (iv) | (iii) | (i) | (ii) |
| (4) | (i) | (ii) | (iii) | (iv) |

42. Which of the following statements are False ? Indicate the correct code.

- (a) RBI has prescribed guidelines for the operations of credit rating agencies in India.
- (b) All venture capital funds in India have been promoted by Government.
- (c) A mutual fund can operate as venture capital fund.
- (d) Credit rating is an authoritative guarantee regarding the credit position of a person.

Code :

- | | | | |
|-----|-----------------------|-----|------------------|
| (1) | (a), (b), (c) and (d) | (2) | (a), (b) and (d) |
| (3) | (a), (b) and (c) | (4) | (a) and (c) |

43. Which of the following are the examples of systematic risk ? Indicate the **correct** code.

- (a) Elimination of Government Subsidy
- (b) Increase in Bank Rate
- (c) Labour Problem
- (d) High Levered Fund

Code :

- | | | | |
|-----|------------------|-----|------------------|
| (1) | (a), (b) and (c) | (2) | (a), (b) and (d) |
| (3) | (a) and (b) | (4) | (a) and (d) |

44. Which of the following are the benefits of responsibility accounting ?

- (a) It facilitates the centralisation of decision taking.
- (b) It provides a system of closer control.
- (c) It measures the performance of individuals in an objective manner.
- (d) It develops a sense of cost consciousness among managers and their subordinates.

Code :

- | | | | |
|-----|------------------|-----|------------------|
| (1) | (a), (b) and (c) | (2) | (b), (c) and (d) |
| (3) | (a), (b) and (d) | (4) | (a), (c) and (d) |



54. Which of the following statements are correct ? Indicate the correct code.

Statement (I) : Virtue ethics is a form of ethical approach associated with Aristotle which stresses the importance of developing virtuous principles, 'right' character and the pursuit of a virtuous life.

Statement (II) : Utilitarianism is an ethical approach where an action is right if, and only if, it conforms to the principle of utility, whereby utility is minimised and pain and unhappiness minimised more than any alternative.

Statement (III) : 'Deontological Ethics' is an ethical approach where rightness or wrongness of an action or decision is not judged to be based exclusively on the consequences of that action or decision.

Code :

- (1) (I), (II) and (III) (2) (I) and (II) (3) (I) and (III) (4) (II) and (III)

55. **Assertion (A) :** The matter of succession planning is often deferred.

Reasoning (R) : The succession charts need utmost confidentiality.

Code :

- (1) (A) is correct and (R) is right reasoning of it.
(2) (A) is correct but (R) is not the correct reasoning of it.
(3) (A) is correct but (R) is not correct statement.
(4) (A) is not correct while (R) is a correct statement.

56. Bethel Maine of USA was the pioneer of which one of the following Laboratory training methods of employee training ?

- (1) Transactional Analysis (2) Business Games
(3) Critical Incident Technique (4) T-group

57. Which of the following statements relating to appraisal methods are **not** correct ? Indicate the correct code.

Statement (I) : The MBO program is built on the assumption that individuals always need not be responsible and self - directed and thus need to be motivated to work towards objectives.

Statement (II) : Forced distribution method was developed by Karl Marx.

Statement (III) : Peer evaluation and self - appraisal need to be done on well - defined parameters in check-list method.

Statement (IV) : Forced choice method consists of seven main factors on three point rating scale.

Code :

- (1) Statements (I) and (II) (2) Statements (III) and (IV)
(3) Statements (I), (II) and (III) (4) Statements (I), (II), (III) and (IV)



58. Match the main concerns of HRD sub-systems given in **List - I** with **List - II** and choose the correct code of matching :

List - I (HRD sub - systems)	List - II (Main concerns)
(a) Individual's career	(i) Competence
(b) Development of teams	(ii) Power
(c) Socialisation of organisation	(iii) Commitment and integration
(d) Management of organization	(iv) Values

Code :

	(a)	(b)	(c)	(d)
(1)	(ii)	(iv)	(i)	(iii)
(2)	(iv)	(ii)	(iii)	(i)
(3)	(iii)	(i)	(iv)	(ii)
(4)	(ii)	(iii)	(i)	(iv)

59. Match the items of **List - I** with **List - II** and indicate the correct code of matching :

List - I (Wage Theory)	List - II (Basis of determining wage)
(a) Subsistence theory	(i) Capitalists first set aside predetermined surplus income and then decide the wages
(b) Surplus value theory of wages	(ii) Growth of the population brings down to level of subsistence
(c) Wage Fund theory	(iii) Balance claimed upon the output of industry
(d) Residual Claimant theory	(iv) Natural price for labour

Code :

	(a)	(b)	(c)	(d)
(1)	(iv)	(ii)	(i)	(iii)
(2)	(ii)	(iv)	(i)	(iii)
(3)	(iii)	(i)	(ii)	(iv)
(4)	(i)	(iii)	(iv)	(ii)

60. **Statement (I) :** Selection of wrong criteria during performance appraisal can result in serious dysfunctional consequences.

Statement (II) : Generally the evaluator becomes more critical about performance evaluation technique rather than which criteria need to be evaluated.

Code :

- (1) Both the statements are correct.
- (2) Both the statements are incorrect.
- (3) Statement - I is correct while statement - II is incorrect.
- (4) Statement - I is incorrect while statement - II is correct.



61. Which of the statements are not correct ? Indicate the correct code.
Statement (I) : Social assistance is financed by tripartite or bipartite contributions.
Statement (II) : Social insurance ignores the income and means of liable relation.
Statement (III) : Social assistance makes the beneficiary a first charge on the liable relations.
Statement (IV) : Social assistance aims at to provide maximum subsistence to those who can not make it on their own.

Code :

- | | |
|------------------|--------------------|
| (1) (I) and (II) | (2) (II) and (III) |
| (3) (I) and (IV) | (4) (III) and (IV) |

62. According to which one of the following theories, differences in nominal interest rates will be eliminated in the exchange rate ?

- | | |
|------------------------------------|-----------------------------------|
| (1) Leontief Paradox Trade Theory | (2) Fisher Effect Economic Theory |
| (3) Purchasing Power Parity Theory | (4) Combined Equilibrium Theory |

63. According to the Purchasing Power Parity Theory, the level of foreign exchange rate is determined by which of the following ?

- | |
|--|
| (1) Domestic Price level (P) divided by foreign price level (P*) |
| (2) $P^* - P$ |
| (3) $P - P^*$ |
| (4) P^*/P |

64. Match the items of **List - I** with **List - II** and choose the correct code of combination :

- | List - I | List - II |
|---|-----------------------|
| (a) It abolishes all restrictions on trade among the members | (i) Common Market |
| (b) It not only eliminates all restrictions on trade among members but also adopts a uniform commercial policy against the non-members | (ii) Economic Union |
| (c) It allows free movement of labour and capital within the common market | (iii) Free Trade Area |
| (d) It achieves some degree of harmonization of national economic policies, through a common central bank, unified monetary and fiscal policy, etc. | (iv) Customs Union |

Code :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (1) | (iv) | (ii) | (i) | (iii) |
| (2) | (iv) | (iii) | (i) | (ii) |
| (3) | (iii) | (iv) | (i) | (ii) |
| (4) | (ii) | (i) | (iv) | (iii) |



65. **Assertion (A)** : Indian companies have established subsidiaries and joint ventures in a number of countries in different manufacturing industries and service sectors.

Reasoning (R) : By restricting the areas of operations and growth, the government policy seriously constrained the potential of Indian companies to make a foray into the foreign countries.

Code :

- (1) Both (A) and (R) are correct and (R) is the right explanation of (A).
- (2) Both (A) and (R) are correct but (R) is not the right explanation of (A).
- (3) Both (A) and (R) are incorrect.
- (4) (A) is correct but (R) is incorrect.

66. **Statement (I)** : Automatic variations in the exchange rates, in accordance with the variations in the balance of payments position, tend to automatically restore the balance of payments equilibrium.

Statement (II) : A deficiency in the balance of payments increases the exchange rate.

Code :

- (1) Statement (I) is correct but (II) is incorrect.
- (2) Statement (II) is correct but (I) is incorrect.
- (3) Both the statements (I) and (II) are incorrect.
- (4) Both the statements (I) and (II) are correct.

67. Which among the following is not a correct statement ?

- (1) Designated bank refers to any bank in India, which has been authorised by the RBI to act as banker to FII.
- (2) Domestic custodian includes any person carrying on the activities of providing custodial services in respect of securities.
- (3) Sub-account includes those institutions, established or incorporated in India, whether incorporated or not, on whose behalf investments are proposed to be made in India by FIIs.
- (4) A domestic portfolio manager or domestic asset management company shall also be eligible to be registered as FII to manage the funds of sub-accounts.

68. Identify the incorrect statement from the following :

- (1) Broken-date contract is a full - month forward contract.
- (2) Currency arbitrage refers to making profit by buying a currency cheap in one market and selling it dear in the other market at a particular point of time.
- (3) Currency Futures Market refers to organised foreign exchange market where a fixed amount of a currency is exchanged on a fixed maturity date in the pit.
- (4) Currency Options Market refers to market for the exchange of currency where the option buyer enjoys the privilege of not exercising the option if the rate is not favourable.



69. Dividends declared by Unit Trust of India or by mutual fund is :
- (1) Fully exempt in the hands of unit holders
 - (2) Fully taxable in the hands of unit holders
 - (3) Fully exempt in the hands of individual unit holders and fully taxable in the hands of institutional unit holders
 - (4) Included in the gross total income but a deduction is allowed under section 80 L

70. Match the items of **List - I** with the items of **List - II** and choose the correct answer from the code given below :

List - I (Types of Income)	List - II (Heads of Income)
(a) Salary, bonus, commission, etc. received by a working partner from the firm	(i) Income from other Sources
(b) Pension received by the widow of a government employee	(ii) Income from (short term) Capital Gains
(c) profits on the sale of machinery used in business	(iii) Income from Capital Gains
(d) Compensation received from the government on compulsory acquisition of land and profit earned	(iv) Income from Business and Profession
	(v) Income from Salaries

Code :

- | (a) | (b) | (c) | (d) |
|----------|------|-------|-------|
| (1) (v) | (ii) | (i) | (iii) |
| (2) (iv) | (ii) | (iii) | (v) |
| (3) (v) | (iv) | (iii) | (ii) |
| (4) (iv) | (i) | (ii) | (iii) |

71. Which of the following will be considered as tax planning effort ?
- (a) Mr. A purchased a house for self residence of ₹ 80 lacs by taking a loan of ₹ 60 lacs from SBI at 10% interest, instead of using his own funds.
 - (b) Mr. A made investment in purchasing 12% redeemable debentures of TISCO worth ₹ 1.50 lac
 - (c) Mr. A purchased 100 gram gold biscuits of ₹ 2.5 Lac from SBI on the occasion of Diwali.
 - (d) Mr. A invested ₹ 1 crore in purchasing 5 acres of agricultural land in his native village in Gaya.

Code :

- | | | | |
|-----------------|-----------------|-----------------|-----------------|
| (1) (a) and (b) | (2) (b) and (c) | (3) (a) and (d) | (4) (c) and (d) |
|-----------------|-----------------|-----------------|-----------------|

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Paper-III

72. **Assertion (A) :** If the interest is payable outside India, tax must be deducted at source.
Reason (R) : If tax has not been deducted at source, the amount paid as interest will not be allowed as a deduction in computing business income.
- Select the correct answer from the code given below :
- (1) Both **(A)** and **(R)** are correct and **(R)** is the correct explanation of **(A)**.
 - (2) **(A)** and **(R)** both are correct but **(R)** is not the correct explanation of **(A)**.
 - (3) **(A)** is correct but **(R)** is wrong.
 - (4) **(A)** is wrong but **(R)** is correct.
73. Under the Income Tax Act, 1961 the education cess of (2% + 1%) is calculated on the amount of :
- (1) Income Tax
 - (2) Income Tax Plus surcharge (if any)
 - (3) Gross total Income
 - (4) Taxable Income
74. Exemption, under Sec.54 F of the Income Tax Act, 1961, shall not be allowed if the assessee, on the date of transfer owns :
- (1) Any residential house
 - (2) A residential house which is let out
 - (3) A house which is self occupied
 - (4) More than one residential house
75. The income from the sale of a machinery used in business is treated as :
- (1) Income from business and profession
 - (2) Short-term capital gain
 - (3) Long-term capital gain
 - (4) Income from other sources

- o O o -



COMMERCE

PAPER - II

Note : This paper contains **hundred (100)** objective type questions of **two (2)** marks each. **All** questions are **compulsory**.

1. The central bank can significantly influence the savings, investments and consumer spending in the economy through which of the following policy ?
 - (1) Fiscal Policy
 - (2) Monetary Policy
 - (3) Industrial Policy
 - (4) Foreign Exchange Policy

2. Which one of the following is **not** the characteristic of capitalism ?
 - (1) Individuals and associations behave with economic motive of maximising their profit with least sacrifice or cost.
 - (2) The country's major means of production are either owned by the Government or their use is controlled by the Government.
 - (3) Producers, consumers and employees compete among themselves, as the resources and opportunities are limited.
 - (4) Price, the invisible hand, plays a predominant role in the flow of the factors of production and consumption.

3. Which of the following is **not** the salient feature of the industrial policy developments since 1991 ?
 - (1) The scope of the private sector has been enormously expanded.
 - (2) Public sector has been withdrawing partially or fully from several of the enterprises by divestment.
 - (3) The Indian industry is increasingly exposed to foreign competition.
 - (4) Monopoly or dominant position for the public sector in most of the industries and control of the commanding heights of the economy by the public sector.

4. Which of the following does **not** form the part of the important information to be incorporated in the Memorandum of Association as specified in the Companies Act, 2013 ?
 - (1) The name of the company and the state in which it is situated.
 - (2) The objects for which the company is proposed to be incorporated.
 - (3) The rules, regulations and bye-laws for the internal management of the company.
 - (4) The liability of the members of the company, whether limited or unlimited.



5. **Assertion (A) :** The volume of imports tends to be very high when there is a conjuncture of high rate of economic growth and a sharp fall in the relative price of imports and vice versa.

Reason (R) : High rate of growth, ceteris paribus, is associated with rise in imports and increase in the imports, ceteris paribus, is associated with a fall in the relative price of imports.

Code :

- (1) Both (A) and (R) are correct and (R) is the right explanation of (A).
 - (2) Both (A) and (R) are correct but (R) is not the right explanation of (A).
 - (3) (A) is correct but (R) is not correct.
 - (4) (R) is correct but (A) is not correct.
6. Which of the following statements is **not** correct relating to consumerism ?
- (1) Consumerism is a manifestation of the failure of the business to guarantee and ensure consumer legitimate rights.
 - (2) The government does not have any role in consumer protection as it is the part of business organisations alone.
 - (3) The consumers should accept consumerism as a means of asserting and enjoying their rights.
 - (4) Consumerism evolution is not a set-back for marketing but rather points to the next stage in the evolution of enlightened marketing.
7. Which one of the following is **not** covered in the approach adopted by “Niti Aayog” ?
- (1) Five year planning approach
 - (2) Three year action agenda
 - (3) Seven year strategy
 - (4) Fifteen year vision
8. **Assertion (A) :** Personal transactions of the owners of the business are not recorded in the books.
- Reasoning (R) :** According to the business entity concept, each business enterprise is considered as an accounting unit separate from owners.
- Code :**
- (1) Both (A) and (R) are correct and (R) is the correct explanation of (A).
 - (2) Both (A) and (R) are correct but (R) is not the correct explanation of (A).
 - (3) (A) is correct but (R) is not correct.
 - (4) (A) is wrong but (R) is correct.
9. Which one of the following is **not** an example of ‘financing activities’ with reference to cash flow statement ?
- (1) Repayment of bank loan
 - (2) Interest on debentures/Dividend paid
 - (3) Cash proceeds from public deposits
 - (4) Sale of fixed assets



10. Which one of the following statements is **true** about estimated costs and standard costs ?
- (1) Standard costs are based on scientific analysis and engineering studies while estimated costs are based on historical basis.
 - (2) Standard cost emphasis is on "what cost will be" while estimated cost emphasis is on "what cost should be".
 - (3) Standard costs are more frequently revised compared to estimated cost.
 - (4) Estimated costs are more stable than standard costs.
11. Which one of the following statements is **not** true ?
- (1) An expenditure intended to benefit current year is revenue expenditure.
 - (2) Amount paid for acquiring goodwill is capital expenditure.
 - (3) Wages paid for installation of a new machine is usually debited to wages account.
 - (4) Revenue expenditure is not intended to benefit future period.
12. X Ltd. forfeited 20 shares of ₹ 10 each, ₹ 8 called up, on which John had paid application and allotment money of ₹ 5 per share, of these, 15 shares were reissued to Parker as fully paid up for ₹ 6 per share. What is the balance in the share Forfeiture Account after the relevant amount has been transferred to Capital Reserve Account ?
- (1) NIL
 - (2) ₹ 5
 - (3) ₹ 25
 - (4) ₹ 100
13. X and Y sharing profits in the ratio of 7 : 3, admit Z for 3/7 share in the new firm in which he takes 2/7 from X and 1/7 from Y. The new ratio of X, Y and Z will be :
- (1) 7 : 3 : 3
 - (2) 4 : 2 : 3
 - (3) 14 : 6 : 15
 - (4) 29 : 11 : 30
14. **Assertion (A)** : A high operating ratio indicates a favourable position.
Reasoning (R) : A high operating ratio leaves a high margin to meet non operating expenses.
Code :
- (1) **(A)** and **(R)** both are correct and **(R)** correctly explains **(A)**.
 - (2) Both **(A)** and **(R)** are correct but **(R)** does not explain **(A)**.
 - (3) Both **(A)** and **(R)** are incorrect.
 - (4) **(A)** is correct but **(R)** is incorrect.



15. The following are the two statements regarding concept of profit. Indicate the **correct** code of the statements being **correct** or **incorrect**.

Statement (I) : Accounting profit is a surplus of total revenue over and above all paid-out costs, including both manufacturing and overhead expenses.

Statement (II) : Economic or pure profit is a residual left after all contractual costs have been met, including the transfer costs of management, insurable risks, depreciation and payments to shareholders sufficient to maintain investment at its current level.

Code :

- (1) Both the statements are correct.
 - (2) Both the statements are incorrect.
 - (3) **Statement (I)** is correct while **Statement (II)** is incorrect.
 - (4) **Statement (I)** is incorrect while **Statement (II)** is correct.
16. Which one of the following sets is **incorrect** to show the inter-relationships among price elasticity coefficient, change in price and change in total revenue ?

	Price elasticity coefficient	Change in price	Change in Total Revenue
(1)	Zero	Increase	Increase
		Decrease	Decrease
(2)	Less than 1	Increase	Decrease
		Decrease	Increase
(3)	Equal to 1	Increase	No change
		Decrease	No change
(4)	More than 1	Increase	Decrease
		Decrease	Increase

17. Which one of the following is **not** the basic property of indifference curves ?

- (1) Indifference curves have a negative slope.
- (2) Indifference curves of imperfect substitutes are concave to the origin.
- (3) Indifference curves do not intersect nor are they tangent to one another.
- (4) Upper indifference curves indicate higher level of satisfaction.



22. Assignment of numerals to the objects to represent their attributes is known as :
- (1) Nominal data (2) Ordinal data (3) Interval data (4) Ratio data
23. A graph of a cumulative frequency distribution is called :
- (1) Frequency polygon (2) Frequency curve
 (3) Ogive (4) Pie diagram
24. In the case of classification of data, the class having its upper limit is treated as the lower limit of its next class is called :
- (1) Open ended class (2) Close ended class
 (3) Exclusive class (4) Inclusive class
25. For a standard normal probability distribution, the mean (μ) and the standard deviation (σ) are :
- (1) $\mu = 0, \sigma = 1$ (2) $\mu = 16, \sigma = 4$
 (3) $\mu = 25, \sigma = 5$ (4) $\mu = 100, \sigma = 10$

26. Match the items of **List - II** with the items of **List - I** and select the code of **correct** matching.

List - I	List - II
(a) Standard error of mean	(i) $H_a : \mu_1 \neq \mu_2$
(b) Base of point estimate of the mean of the population	(ii) Values based on all the observations of the population
(c) Non-specific hypothesis	(iii) Mean of the sampling distribution of mean
(d) Parameter value of descriptive statistics	(iv) Standard deviation of the sampling distribution of mean

Code :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (1) | (iv) | (iii) | (i) | (ii) |
| (2) | (i) | (ii) | (iii) | (iv) |
| (3) | (iv) | (iii) | (ii) | (i) |
| (4) | (iii) | (iv) | (i) | (ii) |

27. There is a very high inverse relationship between measures of 'Overweight' and 'life expectancy'. Which one of the following value of the coefficient of correlation is consistent with the statement ?
- (1) 0.80 (2) 0.20 (3) -0.20 (4) -0.80



28. Match the items of **List - II** with the items of **List - I** and select the code of **correct** matching.

List - I	List - II
(a) Chi-square Test	(i) Testing the significance of the differences of the mean values among more than two sample groups.
(b) ANOVA (F-test)	(ii) Testing the goodness of fit of a distribution
(c) Z - test	(iii) Testing the significance of the difference of the mean values between two large sized samples
(d) t - test	(iv) Testing the significance of the difference of the mean values between two small sized samples when population standard deviation is not available

Code :

	(a)	(b)	(c)	(d)
(1)	(i)	(ii)	(iii)	(iv)
(2)	(iv)	(iii)	(ii)	(i)
(3)	(i)	(ii)	(iv)	(iii)
(4)	(ii)	(i)	(iii)	(iv)

29. Match the items of **List - II** with **List - I** and choose the **correct** code :

List - I	List - II
(a) Sales Executive	(i) Top- middle Management
(b) Branch Manager	(ii) Middle Management
(c) Foreman	(iii) Lower Management
(d) Production Manager	(iv) Operating Force

Code :

	(a)	(b)	(c)	(d)
(1)	(iv)	(ii)	(iii)	(i)
(2)	(ii)	(iii)	(iv)	(i)
(3)	(iii)	(iv)	(ii)	(i)
(4)	(i)	(ii)	(iii)	(iv)

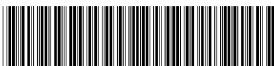
30. Select the **correct** code of the statements being **correct** or **incorrect**.

Statement (I) : It is a significant feature of human that he plans.

Statement (II) : A plan is a trap to capture the future.

Code :

- (1) Statement **(I)** is correct but **(II)** is incorrect.
- (2) Statement **(II)** is correct but **(I)** is incorrect.
- (3) Both the statements **(I)** and **(II)** are correct.
- (4) Both the statements **(I)** and **(II)** are incorrect.



31. **Assertion (A)** : Management is a set of principles relating to its functions.
Reasoning (R) : Management is essential to run all types of organizations.

Code :

- (1) (A) and (R) both are correct ; and (R) is the right explanation of (A).
- (2) (A) and (R) both are correct ; but (R) is not the right explanation (A).
- (3) Both (A) and (R) are incorrect.
- (4) (A) is correct ; but (R) is incorrect.

32. Match the items of **List - II** with **List - I** ; and choose the **correct** code :

List - I	List - II
(Critical Control Standards)	(Critical Points)
(a) Physical standards	(i) Material cost per unit
(b) Cost standards	(ii) Labour hours per unit of output
(c) Revenue standards	(iii) Timing of production
(d) Program standards	(iv) Average sales per customer

Code :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (1) | (ii) | (i) | (iv) | (iii) |
| (2) | (ii) | (i) | (iii) | (iv) |
| (3) | (i) | (ii) | (iv) | (iii) |
| (4) | (iv) | (i) | (iii) | (ii) |

33. Which among the following is **not** a correct statement with regard to Corporate Governance in India ?

- (1) Every company must appoint an individual or firm as auditor.
- (2) The independent directors must attend at least three meetings a year.
- (3) One or more women directors are recommended for certain classes of companies.
- (4) The maximum number of permissible directors cannot exceed 15 in a public limited company.

34. The popular statement, - "if all you have is a hammer, everything looks like a nail", is given by :

- (1) A.H. Maslow (Hierarchy of Needs)
- (2) Henry Fayol (Industrial and General Administration)
- (3) F.W. Taylor (Scientific Management)
- (4) Fredrick Herzberg (Hygiene Theory)

35. Functional Leadership Theory is associated with :

- (1) Hackman and Walton and McGrath
- (2) Bernard and Ordway Tead
- (3) Koontz and O'Donnell
- (4) Alford and Beatty



36. When two separate companies or two divisions within the same company agree to place both of their respective brands on a particular product or enterprise, this arrangement is termed as :

- (1) Differential Branding
- (2) Cobranding
- (3) Dual Branding
- (4) Both Cobranding and Dual Branding

37. The tangible goods for which a consumer wants to compare quality, price and perhaps style in several stores before making a purchase are called :

- (1) Convenience Goods
- (2) Shopping Goods
- (3) Speciality Goods
- (4) Unsought Goods

38. When a company treats each single customer as a separate segment, this is called :

- (1) Niche Marketing
- (2) Nano Marketing
- (3) Single Marketing
- (4) Micro Marketing

39. Under which of the following conditions, the level of consumer's involvement will **not** be high ?

- (1) The consumer considers the amount of money involved to be large.
- (2) The product is seen as having low potential for providing significant benefits.
- (3) The consumer lacks information about alternatives for satisfying the need.
- (4) The product has considerable social importance.

40. **Statement (I)** : The mindset which is commonly associated with a long - ago era when the demand for goods generally exceeded the supply, and the primary focus in business was to effectively produce medium quantities of products ; finding the customers was viewed as a relatively major function.

Statement (II) : The firms with product orientation typically focus on the quality and quantity of offerings while assuming that customers will seek out and buy reasonably priced, well made products.

From the above statements indicate the **correct** code of being statements **correct** or **incorrect** The statements relate to concepts of marketing.

- (1) Both the statements **(I)** and **(II)** are not correct.
- (2) Both the statements **(I)** and **(II)** are correct.
- (3) Statement **(I)** is correct but statement **(II)** is not correct.
- (4) Statement **(I)** is not correct but statement **(II)** is correct.



41. Match the items of **List - II** with **List - I** to identify the **correct** code which are related to legal forces affecting international marketers.

List - I		List - II	
(a) Tariff	(i)	A regulation specifying the proportion of a finished product's components and labour that must be provided by importing country.	
(b) Import Quota	(ii)	Tax imposed on product entering a country and used to protect domestic producers and/or raise revenue.	
(c) Local-content Law	(iii)	A requirement that a product contain or exclude certain ingredients or that it be tested and certified as meeting certain restrictive standards.	
(d) Local-operating Law	(iv)	Limiting amount of a particular product that can be brought into a country, to protect domestic industry or broadening access to its markets.	
(e) Standards and Certification	(v)	A refusal to buy products from a particular company or country.	
(f) Boycott	(vi)	A constraint on how, when or where retailing can be conducted.	

Code :

	(a)	(b)	(c)	(d)	(e)	(f)
(1)	(iii)	(iv)	(ii)	(i)	(vi)	(v)
(2)	(vi)	(ii)	(i)	(iv)	(iii)	(v)
(3)	(ii)	(iv)	(i)	(vi)	(iii)	(v)
(4)	(iv)	(vi)	(i)	(ii)	(iii)	(v)

42. Match the items of **List - II** with **List - I** which are related to personal selling process and identify the **correct** code :

List - I		List - II	
(a) Prospecting	(i)	Attention, Interest, Desire, Action	
(b) Preapproach	(ii)	Identifying Profiles, leads, Records and Qualifying capability and willingness	
(c) Presentation	(iii)	Reduce Dissonance, Build goodwill	
(d) Post sales services	(iv)	Information, habits, preferences	

Code :

	(a)	(b)	(c)	(d)
(1)	(i)	(iii)	(iv)	(ii)
(2)	(iii)	(iv)	(ii)	(i)
(3)	(ii)	(iv)	(i)	(iii)
(4)	(iv)	(iii)	(ii)	(i)



43. Which of the following is **not** an approach to the Capital Structure ?
- (1) Gross Profit Approach (2) Net Operating Income Approach
(3) Net Income Approach (4) Modigliani and Miller Approach
44. Which one of the following methods of Capital Budgeting assumes that cash-inflows are reinvested at the project's rate of return ?
- (1) Net Present Value (2) Accounting Rate of Return
(3) Internal Rate of Return (4) Discounted Pay Back Period
45. Cost of Equity Share Capital is more than cost of Debt because :
- (1) Equity shares are not easily saleable.
(2) Equity shares do not provide the fixed dividend rate.
(3) Generally the face value of equity shares is less than the face value of debentures.
(4) Equity shares have high risk than debts.
46. Negative Net Working Capital implies that :
- (1) Long-term funds have been used for fixed assets.
(2) Short-term funds have been used for fixed assets.
(3) Long-term funds have been used for current assets.
(4) Short-term funds have been used for current assets.
47. Which of the following is an implicit cost of increasing proportion of debt of a company ?
- (1) P.E. Ratio of the company would increase.
(2) Rate of return of the company would decrease.
(3) Tax-shield would not be available on new debts.
(4) Equity shareholders would demand higher return.
48. Profitability Index of a Project is the ratio of present value of cash inflows to :
- (1) Total cash inflows (2) Total cash outflows
(3) Present value of cash outflows (4) Initial cost minus Depreciation
49. Which one of the following statements is **false** ?
- (1) Effective dividend policy is an important tool to achieve the goal of wealth maximisation.
(2) According to Walter, the optimal payout ratio for a growth firm is 100%.
(3) MM model asserts that the value of the firm is not affected whether the firm pays dividend or not.
(4) 'Bird-in-the-hand theory' in reference to dividend decision has been developed by Myron Gordon.



50. Which one of the following statements defines the **correct** meaning of the term “boundary spanning” ?

- (1) It refers to an obligation of an individual, firm or institution to account for its activities and accept responsibility for them.
- (2) It refers to the process that helps the organization and its employees to link with their external environment through specific activities/functions.
- (3) It refers to the science of morals, principles and rules of conduct.
- (4) It refers to multiculturalism management.

51. The VRIO framework, used in HR function in today’s era, refers to four criteria. Identify the correct code which stands as **correct** explanation to VRIO as proposed by Barney.

- (1) Valence - Recruiting - Industrial relations - Opportunities
- (2) Vision - Rewards - Improvements - Options
- (3) Value - Rarity - Imitability - Organization
- (4) Versatile - Resource - Information - Outsourcing

52. **Assertion (A)** : Induction is an informal information sharing session on miscellaneous issues in an organization.

Reasoning (R) : The rationale of induction is to ensure effective integration of staff into or across the organization for their mutual benefit.

Code :

- (1) Assertion **(A)** and Reasoning **(R)** both are correct and **(R)** is correct explanation of **(A)**.
- (2) Assertion **(A)** and Reasoning **(R)** both are correct but **(R)** is not the correct explanation of **(A)**.
- (3) Assertion **(A)** is correct statement but Reasoning **(R)** is an incorrect statement.
- (4) Assertion **(A)** is an incorrect statement but Reasoning **(R)** is a correct statement.



53. Match the items of **List - II** with the items of **List - I** pertaining to the ranking methods used in performance management systems ; and select the code of correct matching.

List - I (Ranking methods)	List - II (Methodology)
(a) Simple ranking	(i) Based on overall performance.
(b) Alternation ranking	(ii) Ends up with predetermined number of people in each group.
(c) Paired comparison	(iii) Based on particular trait only for quantity/quality of work.
(d) Forced distribution	(iv) Based on a trait or a set of trait and avoids central tendency.

Code :

	(a)	(b)	(c)	(d)
(1)	(ii)	(iii)	(iv)	(i)
(2)	(i)	(iv)	(iii)	(ii)
(3)	(iv)	(ii)	(i)	(iii)
(4)	(iii)	(i)	(ii)	(iv)

54. **Assertion (A) :** Compensation has two vital domains economic concept and psychological concept.

Reasoning (R) : Compensation basically represents an employment contract.

Code :

- (1) **(A)** is correct and **(R)** is right explanation of **(A)**.
- (2) **(A)** is correct but **(R)** is not the right explanation of **(A)**.
- (3) **(A)** is correct but **(R)** is incorrect.
- (4) **(A)** is incorrect but **(R)** is correct.

55. Which of the following is **not** the primary objective of industrial relations and labour laws ?

- | | |
|-------------------------------|---|
| (1) Maintaining social equity | (2) Providing credit facilities to industries |
| (3) International uniformity | (4) Promoting economic growth |

56. **Assertion (A) :** In real terms, workers' participation in management has failed in India.

Reasoning (R) : There is lack of attitudinal change, multiplicity of unions and absence of a procedure to determine a sole bargaining agent in an organization.

Code :

- (1) **(A)** is correct and **(R)** is correct explanation of **(A)**.
- (2) **(A)** is correct but **(R)** is not the correct explanation of **(A)**.
- (3) **(A)** is correct but **(R)** is incorrect.
- (4) **(A)** is incorrect but **(R)** is correct.



57. Which one of the following is **not** the function of NABARD ?
- (1) To provide refinance assistance by way of short term credit to state cooperative banks and sectoral rural banks, etc., approved by the RBI for some specific purposes.
 - (2) To undertake inspection of cooperative societies other than primary cooperative societies and RRBs.
 - (3) To promote research in various aspects of the problems of urban development.
 - (4) To subscribe to share capital or invest in securities of any institution concerned with agricultural and rural development.

58. Which one of the following financial institutions co-ordinates the functions and operations of all the financial institutions into a single integrated financial structure so that each may contribute to the growth of the economy ?

(1) IFCI (2) UTI (3) IDBI (4) SIDBI

59. **Assertion (A) :** The Reserve Bank of India is entrusted with the management of the public debt and issue of new loans and treasury bills on behalf of the central and state Governments.

Reasoning (R) : The Governor and the Deputy Governors of Reserve Bank of India are appointed by the Central Government.

Code :

- (1) **(A)** is correct but **(R)** is not correct.
- (2) **(A)** and **(R)** both are correct but **(R)** is not the right explanation of **(A)**.
- (3) **(A)** and **(R)** both are correct and **(R)** is the right explanation of **(A)**.
- (4) **(A)** and **(R)** both are not correct.

60. _____ refers to the process of removing or stripping the legal status of a currency.

(1) Digitisation (2) Financial Inclusion
(3) Demonetisation (4) Micro finance

61. Which one of the following is **not** the objective of UTI ?

- (1) To mobilise savings of the community by offering savers the triple benefits of safety, liquidity and profitability of Investments.
- (2) To channelise the pooled savings into productive outlets.
- (3) To provide finance under hire purchase finance and housing finance to its members.
- (4) To give every one a chance to indirectly own shares and securities in a large number of select companies.



62. Which one of the following is the main objective of IFCI ?

- (1) To offer both small and large investors the means of acquiring shares in the widening prosperity resulting from the steady industrial growth of the country.
- (2) To upgrade technology, modernization and to promote marketing of products of small scale sector.
- (3) To serve as the apex institution for term finance for industry with coordination, regulation and supervision of the working of other financial institution.
- (4) To provide medium and long term financial assistance to industrial undertakings, particularly in those circumstances in which banking accommodation is in appropriate or resource to capital market is impracticable.

63. Match the items of **List - II** with the items of **List - I** and indicate the **correct** code :

List - I

List - II

- | | |
|-------------------------|--|
| (a) Term finance | (i) Providing finance to new or existing industrial units for encouraging commercial application of technology/ expansion. |
| (b) Refinance | (ii) Delivering of banking services at affordable cost to the vast sections of disadvantaged and low income groups. |
| (c) Financial inclusion | (iii) Providing replenishment finance to eligible institutions for their loans to industrial concerns. |
| (d) Venture capital | (iv) Providing finance to the borrowers for expansion and modernization of plant and equipment. |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (i) | (ii) | (iii) | (iv) |
| (2) | (i) | (ii) | (iv) | (iii) |
| (3) | (iv) | (iii) | (ii) | (i) |
| (4) | (iv) | (iii) | (i) | (ii) |



64. **Assertion (A)** : An export processing zone is different from free trade zone as it promotes units primarily devoted to exports.

Reasoning (R) : Goods imported to a free trade zone may be re-exported without any processing, in the same form. But, goods exported by units in an EPZ are expected to have undergone some value addition by manufacturing/processing.

Code :

- (1) (A) is correct and (R) is correct explanation of (A).
- (2) (A) is correct but (R) is not the correct explanation of (A).
- (3) (A) is correct but (R) is incorrect.
- (4) (A) is incorrect but (R) is correct.

65. Match the items of **List - II** with the items of **List - I** relating to liberalisation of agricultural trade.

List - I

List - II

- | | |
|------------------------------|---|
| (a) Tariffication | (i) They have demonstrably adverse effects on other member countries. |
| (b) Prohibited subsidies | (ii) They act on goods which are contingent upon export performance. |
| (c) Actionable subsidies | (iii) Replacement of existing non-tariff restrictions. |
| (d) Non-actionable subsidies | (iv) For industrial research in disadvantaged regions. |

Code :

- | | | | | |
|-----|-------|-------|-------|-------|
| | (a) | (b) | (c) | (d) |
| (1) | (ii) | (iii) | (i) | (iv) |
| (2) | (iv) | (i) | (ii) | (iii) |
| (3) | (iii) | (ii) | (i) | (iv) |
| (4) | (ii) | (iv) | (iii) | (i) |



66. Match the items of **List - II** and with the items of **List - I** relating to WTO impact :

List - I	List - II
(a) NAMA	(i) Liberalisation of international investments.
(b) GATTS	(ii) Includes industrial goods, textile, jewellery, fish and fisheries product manufacturing industries.
(c) TRIMs	(iii) Liberalisation of trade in goods and services.
(d) TRIPs	(iv) Provides monopoly power to owners of intellectual property.

Code :

	(a)	(b)	(c)	(d)
(1)	(ii)	(i)	(iv)	(iii)
(2)	(iv)	(ii)	(iii)	(i)
(3)	(ii)	(iii)	(i)	(iv)
(4)	(iii)	(ii)	(iv)	(i)

67. Indicate the **correct** code of the following statements being correct or incorrect. The statements relate to the type of transactions recorded in the current/capital accounts of the Balance of Payments.

Statement (I) : The capital account consists of long-term capital transactions only.

Statement (II) : The current account includes all transactions which give rise to or use up national income.

Code :

- (1) Both the statements are correct.
- (2) Both the statements are incorrect.
- (3) Statement **(I)** is correct while Statement **(II)** is incorrect.
- (4) Statement **(I)** is incorrect while Statement **(II)** is correct.



68. Select the **correct** code of the following statements being correct or incorrect.

Statement (I) : International liquidity encompasses the international reserves only.

Statement (II) : International liquidity covers only official holdings of gold, foreign exchange, SDRs and reserve position in the IMF available for the settlement of the international transactions.

Code :

- (1) Both the statements are correct.
- (2) Both the statements are incorrect.
- (3) Statement (I) is correct while Statement (II) is incorrect.
- (4) Statement (I) is incorrect while Statement (II) is correct.

69. Match the items of **List - II** with the items of **List - I** and select the code of correct matching. The items relate to International Trade Theories.

List - I

List - II

- | | |
|-----------------------------|-------------------------------------|
| (a) Comparative Cost Theory | (i) Adam Smith |
| (b) Opportunity Cost Theory | (ii) Gottfried Haberler |
| (c) Factor Endowment Theory | (iii) David Ricardo |
| (d) Absolute Cost Theory | (iv) Eli Heckscher and Bertil Ohlin |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (i) | (ii) | (iii) | (iv) |
| (2) | (iii) | (ii) | (iv) | (i) |
| (3) | (iv) | (iii) | (ii) | (i) |
| (4) | (i) | (iv) | (iii) | (ii) |



70. Which one of the following is **not** the guiding principle of the World Bank regarding its lending operations ?

- (1) Proper assessment of the repayment prospects of loans.
- (2) Lending should be only for specific projects which are economically and technically sound and of a high priority nature.
- (3) The lending should be to enable a country to meet foreign exchange content of the project cost.
- (4) The bank does expect the borrowing country to spend the loan in a particular country.

71. Total return on a security is equal to the following :

(1)
$$\frac{\text{Periodic cash receipts} + \text{Capital gains}}{\text{Purchase Price of the security}}$$

(2)
$$\frac{\text{Periodic cash receipts} + \text{Capital gains}}{\text{Current Market Price of the security}}$$

(3)
$$\frac{\text{Periodic cash receipts}}{\text{Current Market price of the security}}$$

(4)
$$\frac{\text{Periodic cash receipts} - \text{Capital gains}}{\text{Purchase Price of the security}}$$

72. Risk of a portfolio can be minimised by which one of the following ?

- (1) Combining two securities having perfect positive correlation in their expected returns.
- (2) Combining two securities having perfect negative correlation in their expected returns.
- (3) Combining two securities having partially positive correlation in their expected returns.
- (4) Combining two securities having partially negative correlation in their expected returns.

73. The certificate which evidences an unsecured corporate debt of short-term maturity, is known as :

- | | |
|----------------------------|---------------------------------|
| (1) Certificate of Deposit | (2) Short-term loan certificate |
| (3) Treasury Bill | (4) Commercial paper |



77. **Statement (I)** : Designing a distribution system for a service (for-profit or non-business context) involves to select the parties only through which ownership will pass.

Statement (II) : The ownership channel for most of the services is long and quite complex because of inseparability characteristic.

Statement (III) : Short channels usually mean more control on the part of the seller.

Identify the **correct** code of being the statements correct or incorrect. These statements relate to channel strategies of products/services.

- (1) Statements **(I)** and **(II)** are correct but **(III)** is not correct.
- (2) Statements **(I)** and **(III)** are correct but **(II)** is not correct.
- (3) Statements **(I)** and **(II)** are not correct but **(III)** is correct.
- (4) Statements **(I)**, **(II)** and **(III)** all are not correct.

78. An enormous collection of data on various topics from a variety of internal and external sources, compiled by a firm for its own use or for use by its clients, is called :

- | | |
|-----------------|--------------------|
| (1) Data-base | (2) Data warehouse |
| (3) Data mining | (4) M.I.S. |

79. **Statement (I)** : A form of non-store retailing that uses advertising to contact consumers who, in turn, purchase products without visiting a retail store is called Direct selling.

Statement (II) : A form of non-store retailing in which personal contact between a sales person and a consumer occurs away from a retail store is called Direct Marketing.

In the light of above statements, identify the **correct** code of statements being correct or incorrect.

- (1) Statement **(I)** is correct but Statement **(II)** is not correct.
- (2) Statement **(I)** is not correct but Statement **(II)** is correct.
- (3) Both the statements are correct.
- (4) Both the statements are not correct.



80. 34% of the customers who fall in one of the categories of diffusion process who are deliberate customers to accept an innovation just before the average adopter in a social system. Such customers who are above average in social and economic measures, rely quite a bit on advertisements and salesmen are known as :

- (1) Early Adopters (2) Early Majority (3) Late Majority (4) Late Adopters

81. The G. E. Business Model is explained on which one of the following parameters ?

- (1) Market Attractiveness and Business Position.
 (2) Business Attractiveness and Market Position.
 (3) Industry Growth rate and Company's Market share.
 (4) Company's Growth rate and Industry's Position.

82. A reduction from the list price that is offered by a seller to buyers in payment for marketing functions the buyers will perform is known as :

- (1) Trade Discount (2) Functional Discount
 (3) Cash Discount (4) Both Trade and Functional Discount

83. Match the items of **List - II** with the items of **List - I** relating to Personnel Management (PM) and Human Resource Management (HRM) ; and select the code of correct matching.

List - I

List - II

- | | |
|-----------------------|--|
| (a) Focus of PM | (i) Development attitude by making people contribute their best. |
| (b) Focus of HRM | (ii) Exercising it as a functional area of management. |
| (c) Philosophy of PM | (iii) Exercising it as humane management. |
| (d) Philosophy of HRM | (iv) Profit maximization by controlling people. |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (ii) | (iii) | (iv) | (i) |
| (2) | (iii) | (ii) | (i) | (iv) |
| (3) | (iv) | (i) | (ii) | (iii) |
| (4) | (i) | (iii) | (iv) | (ii) |



84. Select the **correct** code of the following statements being correct or incorrect.
- I** Strategic HRM focuses on specific organizational intentions about what needs to be done while HR strategies focus on long-term issues only.
- II** Strategic HRM focuses on macro concerns such as structure and culture while HR strategy focuses on specific issues assigned.
- III** Human Resource strategy decisions are derived from strategic HRM.

Code :

- (1) Statements **I** and **II** are correct while **III** is incorrect.
- (2) Statements **II** and **III** are correct while **I** is incorrect.
- (3) Statements **I** and **III** are correct while **II** is incorrect.
- (4) All the statements are correct.
85. Which of the following code represents the full form of the term "BARS" in performance management systems ?
- (1) Business Appraisal and Rating Systems.
- (2) Balanced Assessment Reviewing Scorecard.
- (3) Behaviourally Anchored Rating Scale.
- (4) Benchmarking Appraisal Reviewing Strategy.
86. Match the items of **List - II** with the items of **List - I** relating to training, and select the code of correct matching.

List - I

List - II

- | | |
|--------------------------|---|
| (a) Andragogy | (i) Strategies or styles of instructions |
| (b) Pedagogy | (ii) Ultimate knowledge level with which trainee leaves the training sessions |
| (c) Terminal behaviour | (iii) Lack of commitment of management and scarcity of resources in training |
| (d) Training impediments | (iv) Art and Science of training the adults |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (i) | (iv) | (iii) | (ii) |
| (2) | (ii) | (iii) | (i) | (iv) |
| (3) | (iv) | (i) | (ii) | (iii) |
| (4) | (iii) | (ii) | (iv) | (i) |



87. Which of the following statements does not stand as a principle of compensation administration ?

- (1) An enterprise should have a clear -cut plan to determine differential pay level in terms of divergent job requirements.
- (2) People and jobs should never be mingled.
- (3) The compensation system should be designed with subjectivity with respect to individual skill sets exercised from time to time.
- (4) There should be established wage grievance handling procedures.

88. Match the items of **List - II** with the items of **List - I** relating to industrial relations and select the code of correct matching.

List - I

List - II

- | | |
|---|--|
| (a) Healthy labour-management relations | (i) Industrial Disputes Act |
| (b) Industrial Peace Law | (ii) Guiding principles for a grievance procedure |
| (c) Industrial Democracy | (iii) Workers' participation in management |
| (d) National Commission on Labour, 1969 | (iv) Voluntary arbitration and responsible trade union |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (iv) | (i) | (iii) | (ii) |
| (2) | (ii) | (iii) | (iv) | (i) |
| (3) | (iii) | (i) | (iv) | (ii) |
| (4) | (ii) | (iv) | (i) | (iii) |

89. In recent years which among the following countries has been the largest source of foreign investment in India ?

- (1) Australia (2) Japan (3) China (4) Mauritius



90. **Assertion (A)** : The Government of India has been opening up domestic market to foreign players in baby steps.

Reasoning (R) : Allowing foreign firms free play in India's retail sector has always been a political hot potato.

Code :

- (1) **(A)** and **(R)** both are correct ; and **(R)** is the right explanation of **(A)**.
- (2) **(A)** and **(R)** both are correct ; but **(R)** is not the right explanation of **(A)**.
- (3) **(A)** and **(R)** both are incorrect.
- (4) **(A)** is correct ; but **(R)** is incorrect.

91. Select the **correct** code of the following statements being correct or incorrect.

Statement (I) : A Global Depository Receipt (GDR) is a bank certificate issued in more than one country for shares in a foreign company.

Statement (II) : A GDR is very similar to American Depository Receipt (ADR)

Statement (III) : GDRs are called EDRs when private markets are attempting to obtain Euros.

Code :

- (1) Statements **(I)**, **(II)** and **(III)** are correct.
- (2) Statements **(I)** and **(II)** are correct but **(III)** is incorrect.
- (3) Statements **(I)** and **(III)** are correct but **(II)** is incorrect.
- (4) Statements **(II)** and **(III)** are correct but **(I)** is incorrect.

92. In December 1999, European commission members signed a treaty that committed them to adopting a common currency known as Euro. This is better known as :

- | | |
|----------------------|--------------------------|
| (1) Treaty of Rome | (2) Treaty of Maastricht |
| (3) Treaty of Lisbon | (4) Treaty of London |



93. Select the **correct** code of the following statements being **correct** or **incorrect**.

Statement (I) : The 'law of one price' states that in competitive markets free of transportation costs and barriers to trade, identical products sold in different countries must sell for the same price when their price is expressed in terms of the same currency.

Statement (II) : An 'Efficient market' has no impediments to the free flow of goods and services, such as trade barriers.

Code :

- (1) Statement **(I)** is correct but **(II)** is incorrect.
- (2) Statement **(II)** is correct but **(I)** is incorrect.
- (3) Both statements **(I)** and **(II)** are correct.
- (4) Both statements **(I)** and **(II)** are incorrect.

94. Which among the following is **not** a correct statement regarding patent ?

- (1) A patent is a legal protection granted for an invention that is new, non-obvious and useful.
- (2) The patent grants the patent holder the exclusive right to make use or sell the patented products or process.
- (3) The exclusive purpose of the patent system is to benefit the patent holder.
- (4) The Indian Patent Act, 1970, was amended and made effective from January 1, 2005.

95. Which one of the following is agricultural income under the Income Tax Act, 1961 ?

- (1) Interest on arrears of rent in respect of agricultural land.
- (2) Interest received by a money-lender in the form of agricultural produce.
- (3) Income from sale of trees of forest which are of spontaneous growth and in relation to which forestry operations alone are performed.
- (4) Interest on capital received by a partner from the firm engaged in agricultural operations.



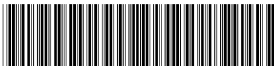
96. Under the Income Tax Act, 1961 "block of assets" for the purpose of charging depreciation means :
- (1) Value of all the assets after depreciation
 - (2) Value of all tangible assets after charging depreciation
 - (3) Value of all those assets to which one rate of depreciation is applicable
 - (4) Gross value of machinery and plant less accumulated depreciation
97. The maximum amount of exemption of compensation received at the time of voluntary retirement U/S 10(10C) of the Income Tax Act, 1961, is :
- (1) ₹ 1,00,000
 - (2) ₹ 2,50,000
 - (3) ₹ 5,00,000
 - (4) ₹ 10,00,000
98. Which one of the following statements is **not** correct with reference to the assessment of firms ?
- (1) All partnership firms formed under the Indian Partnership Act, 1932, are assessed as firms under the Income Tax Act, 1961.
 - (2) Income of a firm is taxable at a flat rate of 30% without any exemption.
 - (3) Partners' share in the income of a firm is not chargeable to tax in the hands of partners.
 - (4) Remuneration paid to partners of a firm (assessed as such) is allowed as deduction subject to statutory limit.
99. The due date of first instalment of advance tax by assesseees other than companies is :
- (1) 15th April
 - (2) 15th June
 - (3) 15th September
 - (4) 15th December
100. Which one of the following items is **not** allowed as deduction while computing income from business and profession ?
- (1) Fees paid to the lawyer for drafting partnership deed
 - (2) Loss due to embezzlement by an employee
 - (3) Legal expenses paid to protect the building of the business
 - (4) Cost of installing a new telephone

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