



COMMERCE

UGC NTA NET PREVIOUS YEAR SOLVED PAPERS

**27 PAPERS OF LAST 09 YEARS (2013-2021)
INCLUDING 2021 QUESTION PAPERS**

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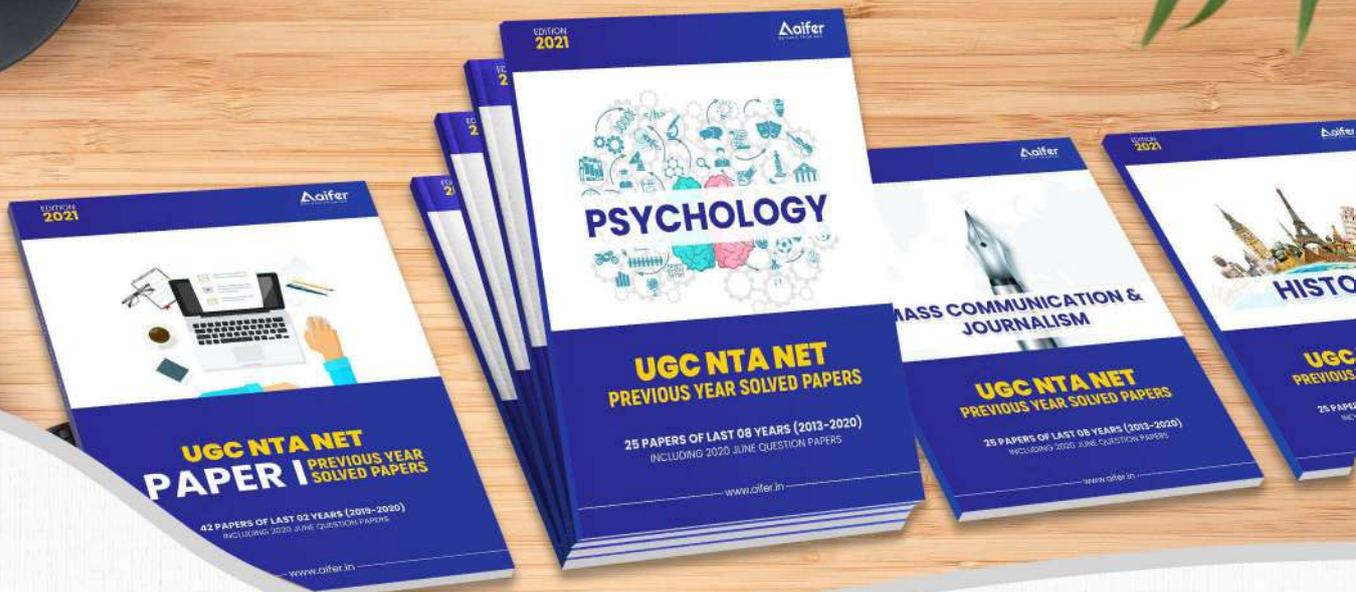
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If you are preparing for any kind of competitive examination, then going through the previous year question papers is one of the fundamental steps you need to take. This book is exclusively for those who are preparing for the UGC NET examination in Commerce.

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We are always happy to hear from you, if there any kind of mistakes or alternate opinions. We will recheck and will update as soon as we find any errors.

We wish to extend our sincere gratitude to everyone who contributed towards this effort.

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26_NOVEMBER_2021

1. The annual demand for an item is 3200 units. The unit cost is Rs 6 and inventory carrying charges 25% p.a. if the cost of one procurement is Rs 150, determine number of order per year
(A) 3
(B) 4
(C) 6
(D) 800
2. A type of validity based on showing that scores on the test (Predictors) are related to job performance is :
(A) Test validity
(B) Criterion validity
(C) Content validity
(D) Construct validity
3. CCA method of inflation accounting is as a result of the recommendation of ?
(A) Wandilands committee
(B) Tandlelands committee
(C) Sandilands committee
(D) Marrylands committee
4. Which one of the following is not the characteristics of mutual funds ?
(A) Consistent Investment process
(B) Strong fund management
(C) Diversity in interest rates
(D) Differences from the benchmark
5. Which of the following events after the balance sheet date would normally qualify as adjusting events according to AS-4 (Events after balance sheet date) ?
(A) The insolvency of a customer on the balance sheet date
(B) A decline in the market's value of investments
(C) The declaration of ordinary dividend
(D) The determination of the cost of assets purchased before the balance sheet date
Choose the most appropriate answer from the options given below :

(A) (A), (C) and (D) only
(B) (A) and (B) only
(C) (B) and (C) only
(D) (A) and (D) only
6. Which of the following can be categorised as information processing services ?
(A) Legal services
(B) Health care
(C) Education
(D) Management consultancy
7. Each of the values of the series is decreased by K. which of the following does not hold in the context ?
(A) The quartile deviation does not change .
(B) The co-efficient of quartile deviation remain unchanged
(C) The lower and upper quartile values each increases by K.

- (D) The quartile coefficient of the dispersion rises.
8. Usually in which of the following performance appraisal technique, subjects self -ratings are negatively correlated with their subsequent performance in an assessment center ?
- (A) Appraisal by subordinates
 - (B) 360-Degree feedback
 - (C) Self-ratings
 - (D) Peer appraisals
9. The net profits of a partnership business, after providing for income tax for the last five year were: Rs 80000; Rs 100000, Rs120000; Rs 125000 and Rs 200000. The capital employed in the business is Rs 1000000 and the normal rate of return is 10% . the value of goodwill on the basic of the annuity method ; taking the present value of the annuity of Re 1 for 5 year at 10% is 3.7907 (approx.); will be
- (A) 2500(approx.)
 - (B) 79225(approx.)
 - (C) 94770(approx.)
 - (D) 225000 (approx.)
10. What is the value of a levered firm “ L” if it has the same EBIT as an unlevered firm “U”, (With value of Rs 700 lac) , has a dept of Rs 200 lac, tax rate is 35% under MM approach ?
- (A) Rs 950 lac
 - (B) Rs 630 Lac
 - (C) Rs 770 lac
 - (D) Rs 525 lac
11. For binominal disturbance with $n= 30$, $q=0.7$, the mean and variance will be equal to :
- (A) 21 and $\sqrt{6.3}$
 - (B) 9 and $\sqrt{6.3}$
 - (C) 9 and 6.3
 - (D) 21 and 6.3
12. Maximum tax-free limit for payment received under voluntary retirement scheme is :
- (A) Rs 400000
 - (B) Rs 500000
 - (C) Rs 800000
 - (D) Rs 1000000
13. Which of the following statement are correct regarding application of data mining techniques ?
- (A) predicting future trends based on information available
 - (B) electronic data interchange
 - (C) analysing demographic information about customers
 - (D) credit risk analysis
- choose the correct answer from the option given below:
- (A) (B) and (D)
 - (B) (A), (B), (C) and (D) only
 - (C) (A), (B), and (D) only
 - (D) (A), (C), and (D) only

14. Given below are two statements : one is labelled as assertion A and the other is labelled as reason R .
Assertion A : A, the owner of the ship by fraudently representing her to be seaworthy induces B, on the underwriter to insure the ship .
Reason R : B can obtain cancellation of the policy , as it is a fraud on account of fraudulent misrepresentation under the contract act
in the light of above statements , choose the correct answer from the option given below :
- (A) Both A and R are true and R is the correct explanation of A
(B) Both A and R are true and R is not the correct explanation of A
(C) A is true but R is false
(D) A is false but is true
15. Arrange the following stages of the process of organizational change in the sequential order :
(A) detailed consideration of the proposed change
(B) collection of detailed information and development of alternative approaches in relation to the problem or issues
(C) evaluation of various alternatives and framing a proposal
(D) vocalization of the need to change
(E) search for the main cause underlying the symptoms encountered
choose the correct answer from the option given below :
- (A) (D),(E),(B),(A),(C)
(B) (D), (A), (E), (B), (C)
(C) (A),(E),(D),(C),(B)
(D) (B), (E),(D),(A), (C)
16. A new issue debt or share will invariably involve floatation costs in the form of :
(A) legal fees
(B) administrative expenses
(C) brokerage
(D) underwriting
(E) risk premium
choose the most appropriate answer from the options given below:
- (A) (A),(B),(D),(E) only
(B) (A),(C) only
(C) (A), (B),(C),(D) only
(D) (A),(B),(C),(D),(E)
17. The accounting standard AS3 (revised) has become mandatory w.e.f. accounting periods beginning from 1-04-2001 for which of the following enterprise ?
(A) commercial, industrial and business reporting enterprises whose turnover for the accounting period exceeds Rs 50crores
(B) enterprises whose debt or equity security are not listed on a recognised stock exchange.
(C) all enterprises whose turnover exceeds Rs 2 crores.
(D) only banking and insurance
18. Arrange the following marketing structure in the increasing order of the price elasticity of the products :

- (A) perfect competition
- (B) monopoly
- (C) monopolistic competition
- (D) oligopoly
- (E) duopoly

choose the correct answer from the options given below :

- (A) (C), (D), (E), (B), (A)
- (B) (B), (E), (D), (C), (A)
- (C) (C), (E), (D), (A), (B)
- (D) (A), (C), (D), (E), (B)

19. Arrange the following steps, in a logical sequence of debt recovery by financial institutions through debt recovery tribunals (DRTs) ?

- (A) restrain him from dealing with / disposing of the concerned assets/properties pending at the hearing of the application
- (B) direct him to disclose particulars of properties other than those specified by the applicant bank.
- (C) show causes within 30 days as to why the relief should not be granted to the bank.

choose the correct answer from the options given below :

- (A) (B), (A), (C)
- (B) (A), (B), (C)
- (C) (B), (C), (A)
- (D) (C), (B), (A)

20. In the scale of parameter α is greater than one ($\alpha > 1$) the CES production function exhibits:

- (A) Decreasing returns to scale
- (B) constant returns to scale
- (C) Negative returns to scale
- (D) increasing returns to the scale

21. Which of the following is not the service provided under NBFCs?

- (A) Leasing Services
- (B) Implementing modernisation
- (C) Asset management services
- (D) Mutual benefit finance services bank

22. Environmental factors influencing distribution decision are

- (A) government policy
- (B) state economy
- (C) social activism
- (D) technological and infrastructure developments
- (E) statutory provisions

choose the most appropriate answer from the options given below :

- (A) (A), (D) only
- (B) (B), (C), (E) only
- (C) (A), (C), (D) only
- (D) (A), (B), (D), (E) only

23. Requirements for effective market segmentation are :

- (A) accessibility
- (B) differentiation
- (C) measurable
- (D) viable
- (E) intensity in competition

choose the most appropriate answer from the options given below:

- (A) (A),(B) only
- (B) (B), (C),(E) only
- (C) (A),(C),(D) only
- (D) (A),(C),(D),(E) only

24. Which of the following explains downward slope of an ordinary demand curve ?

- (A) income effect of price change
- (B) substitution effect of price change
- (C) utility maximising behaviour of consumer
- (D) risk averse behaviour consumer

choose the most appropriate answer from the options given below:

- (A) (A) and (B)only
- (B) (B),(C) and (D) only
- (C) (A),(B) and (C) only
- (D) (A),(C)and (D)

25. Stretch goals that challenge people to achieve higher levels of success in current activities is known as:

- (A) control stretch goals
- (B) cluster stretch goals
- (C) vertical stretch goals
- (D) Horizontal stretch goals

26. The amount of penalty for making false statements to the “ competition commission “ by a person who is a party to a combination shall be between

- (A) 20 lakhs to 50 lakhs
- (B) 50 lakhs to 1crore
- (C) 8 lakhs to 10 lakhs
- (D) 70 lakhs to 1 crore

27. Arrange the following countries in the ascending order of the their contribution to the WTO budget 2020:

- (A) China
- (B) Japan
- (C) Germany
- (D) united states of American
- (E) united kingdom

choose the correct answer from the option given below :

- (A) (A),(B),(D),(E) and (C)

- (B) (D),(A),(B),(E) and (C)
- (C) (E),(B),(C),(A) and (D)
- (D) (D),(A),(B),(C) and (E)

28. Which of the following taxes have been replaced by the GST? Indicate the correct code :

- (A) Central excise duty
 - (B) service tax
 - (C) taxes on advertisements
 - (D) duties of excise-medicinal and toilet preparations
- choose the correct answer from the option given below:

- (A) (A),(B),(D) only
- (B) (A),(B)only
- (C) (B),(C),(D) only
- (D) (C),(D) only

29. The exemption with respect to HRA is based upon the following factors ?

- (A) rent paid
- (B) place of residence
- (C) salary
- (D) HRA received
- (E) fair rent
- (F) market rent

choose the most appropriate answer from the options given below:

- (A) (A),(B),(C),(D)only
- (B) (A),(C),(D),(F)only
- (C) (A),(B),(C),(F)only
- (D) (A),(B),(E),(F)only

30. Which of the following are the correct statements with regard to positive skewed distribution?

- (A) $\text{mean} > \text{median} > \text{mode}$
- (B) $\text{mean} < \text{median} < \text{mode}$
- (C) $Q_3 - \text{median} < \text{median} - Q_1$
- (D) $Q_3 - \text{median} > \text{median} - Q_1$
- (E) $\text{mean} = \text{median} = \text{mode}$

choose the correct answer from the options given below:

- (A) (A),(D)only
- (B) (A),(C)only
- (C) (B),(C),(D)only
- (D) (B),(C),(D),(E)only

31. When demand is slack and market is competitive, firms follow which of the following pricing methods?

- (A) penetration pricing
- (B) peak load pricing
- (C) marginal cost pricing
- (D) skimming pricing

32. Match list I and II :

List I	List II
(A) Bonus share	(I) invitation to existing share holders to purchase additional new shares
(B) Demat shares	(II) issue is made to existing members free of charge
(C) right issues	(III) shares issues by a company to its employees/directors at the discount for providing known-how
(D) sweat equity share	(IV) shares in electronic form

Choose the correct answer from the options given below:

- (A) (A)-(II),(B)-(IV),(C)-(I),(D)-(III)
- (B) (A)-(II),(B)-(I),(C)-(III),(D)-(IV)
- (C) (A)-(IV),(B)-(III),(C)-(II),(D)-(I)
- (D) (A)-(IV),(B)-(I),(C)-(II),(D)-(III)

33. Any planning of tax which aims at reducing tax liability in legally recognised permissible way can be termed as an instance of:

- (A) tax planning
- (B) tax avoidance
- (C) tax evasion
- (D) tax management

34. The assets of the partnership firm, including any sums contributed by the partners to make up deficiencies of capital at the time of dissolution, shall be applied in the following manner and order:

- (A) in the paying each partner rateably what is due to him for advance as distinguished from capital.
 - (B) in paying to each partners rateably what is due to him on account of capital.
 - (C) in paying the debts of the firm to third parties
 - (D) dividing among the partners in the proportion in which they were entitled to share profits.
- choose the correct answer from the option given below:

- (A) (C),(A),(B),(D)
- (B) (C),(B),(A),(D)
- (C) (A),(B),(C),(D)
- (D) (B),(C),(A),(D)

35. Non sampling errors may arise because of :

- (A) vague definitions used in data collection
 - (B) defective method of data collection
 - (C) incomplete coverage of the population
 - (D) wrong entry made in the questionnaire
 - (E) only a part of the population is observed and expect to avoid census study
- choose the most appropriate answer from the options given below:

- (A) (A),(B),(C),(D) only
- (B) (A),(C),(D),(E) only

- (C) (B),(C),(D),(E) only
- (D) (A),(B),(D),(E) only

36. The cross elasticity of demand between the complementary product is :

- (A) positive
- (B) Zero
- (C) negative
- (D) infinite

37. Principle of management are important and useful on account of the following reasons:

- (A) To increase managerial efficiency
- (B) To attain social objectives
- (C) To train managers
- (D) To improve research
- (E) To coordinate material and human resources

choose the most appropriate answer from the options given below:

- (A) (A),(E) only
- (B) (B),(D) only
- (C) (B),(C),(D) only
- (D) (A),(B),(C),(D),(E)

38. Management according information is used for which of the following distinctive purposes

- (A) measurement
- (B) control
- (C) recording transactions
- (D) alternative choices

choose the most appropriate answer from the options given below:

- (A) (A),(B) and (C) only
- (B) (B),(C) and (D) only
- (C) (A),(B), and (D) only
- (D) (A) and (C) only

39. The cash flow approach to assessing debt capacity involves the following steps: arrange the steps in correct sequence :

- (A) specify the tolerance limit on the probability of default.
- (B) estimate the probability distribution of cash flows, taking in to account the projected performance of the firm.
- (C) calculated the fixed charges by way of interest payment and principle repayment associated with various levels of debts.
- (D) estimate the debt capacity of the firm as the highest level of debt which is acceptable.

choose the correct answer from the options given below:

- (A) (D),(C),(A),(B)
- (B) (A),(B),(C),(D)
- (C) (B),(C),(D),(A)
- (D) (D),(A),(C),(B)

40. Given below are two statements : one is labelled as assertion A and the other is labelled as reason R.

Assertion A: mean deviation is about 80% of standard deviation .

Reason R : The quartile deviation is about 2/3 of the standard deviation.

In the light of the above statements , choose the correct answer from the option given below:

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

41. Which of the following statements are true regarding the objectives of right to information act ? indicate the correct code:

- (A) To operationalise the fundamental right to information
- (B) To set up system and mechanisms that facilitate people easy access to information
- (C) To promote transparency and accountability in governance
- (D) To minimize corruption and inefficiency in public offices and ensure people participation in governance and decision making

choose the correct answer from the options given below :

- (A) (B),(C) and (D) only
- (B) (A),(B),(C) and (D)
- (C) (A),(B), and (C) only
- (D) (A),(B) and (D) only

42. Match list I and list II

List I	List II
(A) Probability distribution	(I) $\sigma = \sqrt{(b-q)2/12}$
(B) Binomial distribution	(II) $\Sigma = \sqrt{\sum p(x-\mu)^2}$
(C) Hyper geometric distribution	(III) $\Sigma = \sqrt{npq}$
(D) Uniform distribution	(IV) $\Sigma = \sqrt{n[N1/N][N2/N][(N-n)/(N-1)]}$

Choose the correct option given below:

- (A) (A)-(II),(B)-(III),(C)-(IV),(D)-(I)
- (B) (A)-(II),(B)-(III),(C)-(I),(D)-(IV)
- (C) (A)-(II),(B)-(I),(C)-(III),(D)-(IV)
- (D) (A)-(I),(B)-(II),(C)-(III),(D)-(IV)

43. Match List I with List II :

List I (Organisational design)	List II (Features)
(A) Learning organization	(I) Flexibility in the structure or lack of structure
(B) Spaghetti organization	(II) Linking of separate parts of the same organisation or networking of separate organizations to accomplish a common goal.
(C) Fishnet organization	(III) The ability to continually change structure and interpersonal processes to conform to feedback with the environment.

(D) Network structure	(IV) Flexible, adaptable, rearrange itself quickly while retaining its inherent strength.
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Choose the correct answer from the option given below:

- (A) (A)-(III),(B)-(II),(C)-(IV),(D)-(I)
- (B) (A)-(III),(B)-(I),(C)-(IV),(D)-(II)
- (C) (A)-(I),(B)-(IV),(C)-(III),(D)-(II)
- (D) (A)-(II),(B)-(I),(C)-(IV),(D)-(III)

44. Arrange the following procedure for the grant of patent in a proper sequence:

- (A) The true and first owner shall apply in form I legal representative of true owner shall apply in form II
 - (B) A complete specification shall be filled with a fee of Rs.50/- within 12 months from the date of filing of application
 - (C) The first inventor of the work who claims to be true and first owner of his legal representative
 - (D) for each invention separate application for a patent can be made
- choose the correct answer from the option given below:

- (A) (A),(D),(C),(B)
- (B) (C),(D),(A),(B)
- (C) (B),(A),(D),(C)
- (D) (B),(D),(C),(A)

45. Identify the necessary conditions for price discrimination:

- (A) There should be imperfect competition in markets
 - (B) Markets must be separable
 - (C) differentiated product and interdependence between firms
 - (D) elasticity of demand must be different in different markets
- choose the most appropriate answer from the options given below :

- (A) (A),(B),(C) only
- (B) (A),(C),(D) only
- (C) (B),(C),(D) only
- (D) (A),(B),(D) only

46. Match list I with List II

List I (methods of inventory controls)	List II (explanation)
(A) JIT system	(I) Divide the items into the categories in the descending order of their usage rate.
(B) ABC analysis	(II) Divides items into categories in the descending order of their critical use.
(C) FSND analysis	(III) Inventory arrive to the manufacturing sites just few hours before they are put to use
VED analysis	The items of inventory are classified according to value of usage

Choose the correct answer from the options given below :

- (A) (A)-(I),(B)-(II),(C)-(III),(D)-(IV)

- (B) (A)-(II),(B)-(III),(C)-(IV),(D)-(I)
- (C) (A)-(III),(B)-(IV),(C)-(I),(D)-(II)
- (D) (A)-(IV),(B)-(III),(C)-(II),(D)-(I)

47. Which one of the following statements is false ?

- (A) capital market is a market for medium and long term funds.
- (B) GDR is a negotiable instrument issued by US bank.
- (C) Many publicly listed companies in India trades their shares through Bombay stock exchange or national stock exchange.
- (D) securities that are listed on various stock exchange are eligible for being traded there, are called listed securities.

48. Which of the following is not a approach to the structure of Indian financial system ?

- (A) A brokerage can be either full service or discount
- (B) The financial system is concerned about money , credit and finance , the three terms are intimately related yet are some what different from each other
- (C) housing finance simply refers to proving finance for venture capital
- (D) financial instrument may also be divided according to asset class, which depends on whether they are debt-based or equity based

choose the correct answer from the options given below:

- (A) (A),(C),(D) only
- (B) (B),D) only
- (C) (C) only
- (D) (A),(C) only

49. The reasons put forth for the control over the activities of the international banks are :

- (A) These banks encourage inflation by adding stock of money supply through credit creation.
- (B) These banks some times are responsible for bank failure that mar the interest of the depositors
- (C) They cause unmanageable indebtedness among the barrowing governments by charging high interest rates
- (D) They do not adhere to the credit allocation policy of the host government

choose the most appropriate answer from the options given below:

- (A) (A),(B),(C) only
- (B) (A),(C),(D) only
- (C) (B),(C),(D) only
- (D) (A),(B),(C),(D)

50. 'A' minor takes a loan of Rs 4000/- 'B' during his minority, on attaining majority , he applies to B for a further loan Rs 3000/- B gives this loan and obtains from 'A' a combined promissory note of Rs 7000/- for the two loans. This is considered as :

- (A) Void contract
- (B) valid contract
- (C) Illegal contract
- (D) Unilateral contract

51. Which of the following is not true for supply chain management approach?
 (A) Joint reduction in channel inventory
 (B) large breadth of supplier base to increase competition and spread risk
 (C) Risks and rewards are shared in long term
 (D) companies use intermodal transportation to reach to their markets
52. The right of the consumer as enunciated under section 6 of the consumer protection Act, 1986 includes:
 (A) to be protected against the marketing of goods and services which are hazardous to life and poverty
 (B) to be assured the competitive price and low cost quality products and services
 (C) To be assured that consumers interests will service the due consideration at appropriate forums
 (D) To be protected for multiple use of products , profits , diversity and equity .
 (E) To be informed about the quality , potency , purity and price of goods or services
 choose the correct answer from the options given below :
- (A) (A),(B),(C)
 (B) (B),(C),(D)
 (C) (C),(D),(E)
 (D) (A),(C),(E)

53. Income effect of a price rise is greater than its substitution effect of case of :
 (A) Inferior goods
 (B) Giffen goods
 (C) status symbol goods
 (D) perishable goods

54. Given below are two statements :
 statement I: if firms are disproportionately powerful, the market leader makes the first move and captures two-thirds of the market share , while the follower firm gets only the third of the market there
 statement II : oligopolist firms do better by cooperating than following its dominant strategy.
 In the light of the above statements , choose the most appropriate answer from the options given below:
- (A) Both statement I and Statement II are correct
 (B) Both statement I and statement II are correct
 (C) Statement I is correct but statement II is incorrect
 (D) statement I is incorrect but statement II is correct

55. Match the List I and List II

List I	List II
(A) Hedgers	(I) Osaka
(B) Financial derivatives in India	(II) Increased volatility
(C) Arbitrageurs	(III) commercial producers
(D) Commodity future in origin	(IV) riskless profit

Choose the correct answer from the options given below:

- (A) (A)-(I),(B)-(IV),(C)-(II),(D)-(III)

- (B) (A)-(III),(B)-(II),(C)-(IV),(D)-(I)
 (C) (A)-(IV),(B)-(III),(C)-(I),(D)-(II)
 (D) (A)-(II),(B)-(I),(C)-(III),(D)-(IV)

56. Which one of the following is true for consumers?

- (A) Consumers are rational and think in a linear manner
 (B) culture and society have relationship to consumers' thoughts and feelings
 (C) consumers can be motivated to believe and internalise messages the way the marketer desires
 (D) consumers can be explained their thought's and behaviours

57. Given below are two statements :

statement I : capital market plays an important role in mobilising resources and diverting them in productive channels

statement II : capital market is a market where buyers and sellers engage in trade of financial securities like bonds , stocks , etc

in the light of the above statements, choose the correct answer from the options given below:

- (A) both statement I and statement II are true
 (B) Both statement I and statement II are false
 (C) Statement I is true and statement II is false
 (D) Statement I is false and statement II is true

58. Which of the following are the reasons for raising funds via securitization?

- (A) To raise capital using non-conventional sources
 (B) To accelerate earnings for financial reporting purposes
 (C) To diversify funding resources
 (D) The potential for reducing funding cost

choose the most appropriate answer from the options given below:

- (A) (A),(C),(D) only
 (B) (B),(C),(D) only
 (C) (C),(D) only
 (D) (A),(B),(D) only

59. Match List I and List II:

List I	List II
(A) actual delivery	(I) delivery of means of obtaining possession goods by the seller to the buyer
(B) constructive delivery	(II) physical handing over of the possession of the goods by the seller to the buyer
(c) symbolic delivery	(III) voluntary transfer of possession of goods from seller to buyer
(D) Delivery	Acknowledgement by a third person in possession of goods to hold them on behalf of and at the disposal of the buyers

Choose the correct answer from the options given below:

- (A) (A)-(IV),(B)-(I),(C)-(III),(D)-(II)
 (B) (A)-(II),(B)-(IV),(C)-(I),(D)-(III)

- (C) (A)-(I),(B)-(III),(C)-(IV),(D)-(II)
(D) (A)-(III),(B)-(II),(C)-(IV),(D)-(I)

60. Tax audit is compulsory in case of a person in a profession whose gross receipts from the profession exceed:

- (A) Rs. 1 crore
(B) Rs. 40 lakh
(C) Rs. 60 lakh
(D) Rs. 50 lakh

61. Use of focus groups and collaboration tools as a training needs assessment technique has the following disadvantages

- (A) Time consuming or organize
(B) useful with complex or controversial issues that one person may be unable or unwilling to explore
(C) questions cannot be modified to explore unanticipated issues
(D) group members provide only information they think you want to hear
choose the most appropriate answer from the options given below:

- (A) (A),(B) only
(B) (B),(C) only
(C) (A),(D) only
(D) (C),(D) only

62. Given below are two statements. One is labelled as Assertion A and the other is labelled as Reason R :

Assertion A : Foreign investment is playing an increasing role in economic development and contributes to a significant share of the domestic investment, employment generation and exports.

Reason R : Substantial increase in the magnitude of capital inflows have remarkably improved the balance of payments and foreign exchange reserve position.

In the light of above statements, choose the most appropriate answer from the options given below:

- (A) Both A and R are correct and R is the correct explanation of A
(B) Both A and R are correct and R is NOT the correct explanation of A
(C) A is correct but R is not correct
(D) A is not correct but R is correct

63. Which of the following countries/territories is not a member of WTO?

- (A) China
(B) Russia
(C) Iran
(D) Taiwan

64. A coin and pair of dice are tossed together, the total number of possible outcome for an experiment is :

- (A) 12
(B) 72

- (C) 36
- (D) 24

65. Arrange the following steps of formulating research proposal in a logical sequential order:

- (A) Defining Research problem.
- (B) Formulation of Hypothesis.
- (C) Review of literature.
- (D) Collection of data.
- (E) Research design.

Choose the correct answer from the options given below:

- (A) (A), (B), (C), (D), (E)
- (B) (A), (E), (B), (C), (D)
- (C) (A), (E), (C), (D), (B)
- (D) (A), (C), (B), (E), (D)

66. Arrange the following steps of markets feasibility study in the sequential order:

- (A) based on the cost and anticipated sales revenue, calculating the break even-price and the sales volume .
- (B) forecasting sales, based on demand estimation and competitive analysis.
- (C) estimation of demand in the target market , of different price levels.
- (D) estimating the cost of serving the market segment.

choose the correct answer from the option given below :

- (A) (B),(C),(D),(A)
- (B) (C),(B),(D),(A)
- (C) (B),(D),(A),(C)
- (D) (C),(B),(A),(D)



67. Is a percentage discount rate used in capital investment appraisals which brings the cost of a project and its future cash inflows into equality.

- (A) accounting rate of return
- (B) internal rate return
- (C) profitability index
- (D) net present value

68. A U-shaped long run average cost curve is based on the assumptions that:

- (A) greater division of labour and specialisation accrue of larger firms
- (B) minimum cost of production at various levels of output
- (C) economies of scale prevail at small level of output
- (D) it becomes more difficult to manage the firm effectively as its grows bigger
- (E) diseconomies of scale prevail at larger level of output

choose the correct answer from the option given below:

- (A) (A),(B),(C) only
- (B) (B),(C),(D) only
- (C) (B),(C),(D),(E) only
- (D) (A),(C),(D),(E) only

69. Identify the principle of trade policy framework from the following under the WTO:

- (A) reciprocity and transparent
 - (B) benefactory and resilient
 - (C) non-discriminatory
 - (D) binding and enforceable commitments
 - (E) protective and benevolent
- choose the correct answer from the option given below:

- (A) (A),(B),(C) only
- (B) (C),(D),(E) only
- (C) (A),(C),(D) only
- (D) (B),(D),(E) only

70. Which of the following statements is true about the risk considered for capital requirements under Basel II?

- (A) credit risk, interest rate risk and foreign exchange risk
- (B) credit risk, market risk and operational risk
- (C) credit risk, political risk and country risk
- (D) credit risk, interest rate risk and political risk

71. Sequence the steps for computing depreciation in income from business and profession :

- (A) the writing down value of each block as the last day of previous year
 - (B) find the value of each block at the beginning of each year
 - (C) the money received along with scarp value if any in respect of the same blocks, which are sold/ discarded during the year
 - (D) assets required during the year in the respective blocks to which the new assets belong
- choose the correct answer from the options given below:

- (A) (A),(B),(C),(D)
- (B) (B),(D),(C),(A)
- (C) (A),(B),(D),(C)
- (D) (D),(B),(C),(A)

72. Match the list I and list II

List I	List II
Objectives of business firms	Economists
(A) long run survival	(I) marris, robin
(B) sales revenue maximisation	(II) Williamson, D.E
(C) firm's growth rate maximisation	(III) Rothschild, K.W
(D) managerial utility function maximisation	(IV) Baumol, W.J

Choose the correct answer from the options given below:

- (A) (A)-(II),(B)-(III),(C)-(IV),(D)-(I)
- (B) (A)-(IV),(B)-(II),(C)-(III),(D)-(I)
- (C) (A)-(III),(B)-(IV),(C)-(I),(D)-(II)
- (D) (A)-(II),(B)-(III),(C)-(I),(D)-(IV)

73. Amalgamation adjustment account is used for recording :

- (A) capital reserve in the books of the transferee company
- (B) general reserve in the books of the transferee company

- (C) statutory reserve in the books of the transferee company
 (D) revenue reserve in the books of their transferee company

74. Match the list I and list II

List I	List II
(A) international finance corporation	(I) 1944
(B) international development association	(II) 1967
(C) world intellectual property organisation	(III) 1956
(D) international bame for reconstruction and development	(IV) 1960

Choose the correct answer from the option given below:

- (A) (A)-(IV),(B)-(I),(C)-(III),(D)-(II)
 (B) (A)-(II),(B)-(IV),(C)-(I),(D)-(III)
 (C) (A)-(III),(B)-(II),(C)-(IV),(D)-(I)
 (D) (A)-(III),(B)-(IV),(C)-(II),(D)-(I)

75. Match the list I and list II

List I	List II
(A) section 80 EE	(I) deduction in respect of rent paid
(B) section 80 GG	(II) deduction in respect of certain donations for scientific researches
(C) section 80 GGA	(III) deduction in respect of interest on loan taken for residential house
(D) section 80 E	(IV) deduction in respect of payment of interest on loan taken for higher education

Choose the correct answer from the option given below:

- (A) (A)-(II),(B)-(IV),(C)-(I),(D)-(III)
 (B) (A)-(III),(B)-(I),(C)-(II),(D)-(IV)
 (C) (A)-(III),(B)-(I),(C)-(IV),(D)-(II)
 (D) (A)-(II),(B)-(IV),(C)-(III),(D)-(I)

76. The of the following income is generally chargeable under the head of income from other sources?

- (A) Income from subletting house property
 (B) director fee
 (C) ground rent
 (D) agriculture income from outside India
 (E) insurance commission
 (F) income from sale of securities

choose the most appropriate answer from the option given below

- (A) (A), (B),(D),(E) only
 (B) (B),(C),(D),(E),(F) only
 (C) (A),(B),(C),(E),(F) only
 (D) (A),(B),(C),(D),(E) only

77. If each value in a given set of data is divided by 4 , how will it affect Karl pearson's coefficient of skewness?

- (A) it will reduce the value of co-efficient to one fourth
- (B) it will increase the value of co-efficient to four times
- (C) it will not affect the co-efficient of skewness value
- (D) nothing can be said about the change

78. FDI in India manufacturing has largely been

- (A) resource seeking
- (B) efficiency seeking
- (C) market seeking
- (D) export-orientation

79. Which of the following are included in person under section 17/(1)?

- (A) A Hindu undivided family (HUF)
- (B) A company
- (C) A firm
- (D) An individual
- (E) An local authority
- (F) An association of persons

choose the most appropriate answer from the options given below:

- (A) (A),(C),(D),(F) only
- (B) (C),(D),(E),(F) only
- (C) (B),(D),(E),(F), only
- (D) (A),(B),(C),(D),(E),(F)

80. Which one of the following is not included in the term "Work" under copyright act 1957?

- (A) A cinematographic film
- (B) layout design of integrated circuits
- (C) A sound recording
- (D) A dramatic work

81. The theory which explain the effect of devaluation on balance of trade is known as :

- (A) Philips curve theory
- (B) Mundell-Tobin hypothesis
- (C) J curve theory
- (D) K curve theory

82. Occasional sale of a commodity at a lower price abroad in order to unload an unforeseen temporary surplus of the commodity without reducing domestic price is called :

- (A) persistent dumping
- (B) predatory dumping
- (C) export subsidies
- (D) sporadic dumping

83. Skimming pricing strategy delivers results :

- (A) When the size of the market is large and it is a growing market
- (B) when the product is perceived as enhancing the customers status in society
- (C) when the firm uses it as an entry strategy
- (D) when the target market associates quality of the products with its price

choose the most appropriate answer from the options given below:

- (A) (A),(B) only
- (B) (B),(D) only
- (C) (B),(C) only
- (D) (A),(C),(D) only

84. Which of the following entity has recently been negotiated to replace NAFTA with effect from July 2020?

- (A) Quad group of countries
- (B) USMCA
- (C) Shanghai cooperation organisation
- (D) trans Atlantic organisation

85. On which of the following grounds , the tribunal may order for the winding -up of a company or a petition submitted to it . indicate the correct code

- (A) passing of special resolution for the winding up
- (B) conducting affairs in a fraudulent manner
- (C) reduction in membership
- (D) inability to pay debts

choose the correct answer from the options given below:

- (A) (A),(B),(C) only
- (B) (A),(B),(D) only
- (C) (A),(B),(C),(D),only
- (D) (B),(C),(D) only

86. Match the list I and list II

List I	List II
(advertising agency in 2020)	(brand)
(A) O&M (Ogilvy and Mather)	(I) mastercard
(B) Mc Cann Erickson	(II) nestle
(C) Trikaya grey	(III) Cadbury
(D) JWT Hindustan Thompson associates	(IV) proctor and gamble

Choose the correct answer from the options given below:

- (A) (A)-(III),(B)-(II),(C)-(IV),(D)-(I)
- (B) (A)-(III),(B)-(I),(C)-(IV),(D)-(II)
- (C) (A)-(II),(B)-(IV),(C)-(I),(D)-(III)
- (D) (A)-(II),(B)-(III),(C)-(I),(D)-(IV)

87. Which of the following is not a characteristics of transactional leaders?

- (A) gives personal attention, treats each employee individually
- (B) abdicates responsibilities , avoid making decisions
- (C) intervenes only when standards are not met .
- (D) contracts exchange of rewards for efforts.

88. Which of the following essence of the information technology act is not a correct statements ?

- (A) legal recognition of electronic documents

- (B) Any contrast for the sale or conveyance of immovable property or any interest in such property
- (C) legal recognition of digital signature
- (D) justice dispensation system for cyber crimes

89. Which of the following is not true about rural markets ?

- (A) print media is not necessarily impactful in rural markets
- (B) rural customer is price sensitivity
- (C) no significant change may be required in the advertising copy.
- (D) products should be simpler, easy to use, service and maintain

90. A is resident in India aged 60 years earned agriculture income of Rs 500000 and non-agricultural income Rs 300000 during the previous year 2019-20 . what is tax liability of A?

- (A) Rs. 72000
- (B) Rs. 72100
- (C) Rs. 2600
- (D) Rs. Nil

Read the passage and answer the question

recuperating of the impact of covid-19, India attained 13% growth boosted by investments in the digital sector . infrastructure and energy deals also propped up M&A deals in India. As a result India could achieve 13% growth in foreign direct investment (FDI) in 2020 amidst global collapse, China is the only other country that has shown remarkably high FDI growth

An investment trends monitor issued by the united nations conference on trade and the development (UNCTAD) pointed out, global FDI collapsed in 2020 by 42% to an estimated USD 859 billion from USD 1.5 trillion in 2019. China and India were two major outliers in a gloomy year for foreign direct investment.

India achieved positive growth (13%), boosted by investments in the digital sector where the investment continued, particularly through acquisition. Cross border M&A grew 83% to \$27 billion. Infrastructure and energy deals also propped up M&A deals in India. India and Turkey are attracting good numbers of deals in IT consulting and digital sectors, including e-nations in ICT and pharmaceutical sector, China was the world's largest FDI recipient, with flows to the Asian giant rising by 4% to \$163 billion. High-tech industries saw an increase of 11% in 2020, and cross-border M&As rose by 54%.

“Although their investment activity slowed down initially in 2020, they are now set to take advantage of low interest rates and increasing market values to acquire assets in overseas markets for expansion, as well as rivals and smaller innovative companies affected by the crisis.

91. The author opines in the paragraph that which of the following has helped to acquire assets in overseas markets for expansion.

- (A) low interest rates and increasing market values
- (B) low per capita incomes and high resources
- (C) attractive markets and overseas valuations
- (D) governmental support and incentivization to promote cross border trade.

92. India and Turkey are attracting record numbers of deals in

- (A) overall production

- (B) IT consulting and digital sectors
- (C) Pharmaceutical and allied sectors
- (D) GDP and per capita income

93. Annual increase / decrease in India's annual FDI inflow and global FDI flows, respectively are
- (A) USD 27 billion USD 163 billion
 - (B) +13% and -42%
 - (C) -4% and +11%
 - (D) Data not available
94. Which country outlined in the world in terms of FDI inflows in ICT and pharmaceutical sector?
- (A) India
 - (B) USA
 - (C) Israel
 - (D) China
95. Which statement is not true about China ?
- (A) FDI inflows increase by 4%
 - (B) International M&A increase by 54%
 - (C) highest FDI in ICT and pharmaceutical sector
 - (D) USD 1.5 trillion sized economy

read the following passage and answer question in the most appropriate manner.

management theories help organisation to focus, communicate, and evolve. Using management theory in the workplace allows leadership to focus on their main goals. When a management style or theory is implemented, it automatically streamlines the top priorities for the organisation. Management theory also allows us to better communicate with people we work with which in turn allows us to work more efficiently. By understanding management theory, basic assumptions about management styles and goals can be assumed and can save time during daily interactions and meetings within an organisation.

theories can only reach so far, and management theories are no exception. There is no such thing as a one-size-fits-all management theory. What may work for one organisation may not be relevant for another. therefore, when one theory does not fit a particular situation, it is important to explore the options of developing a new theory that would lead in a new, more applicable direction. While some theories can stand the test time, other theories may grow to be irrelevant and new theories will develop in their place

from the late 1700s through the early 1900s, industrial revolution brought extraordinary change to the workplace and forever transformed the way companies operate. The industrial revolution brought better and faster technology allowing companies to perform more efficient than ever before and gave them the ability to dramatically increase their output. In order to meet demand, company leadership had to ensure their employees were productive

96. Which among the following is NOT a correct statements ?
- (A) industrial revolution was a turning point in business operations.
 - (B) management theories are ever changing
 - (C) good management makes communication flow better

(D) management always moves in a straight line.

97. In the paragraph, what is meant by “ There is no such thing as a non-size fits all management theory”

- (A) management theories keeps on changing
- (B) there are different theories for different situations
- (C) A business can't grow without management theories
- (D) Managements theories are non-scientific

choose the correct answer from the options given below:

- (A) (A),(B),(C) only
- (B) (B),(C),(D) only
- (C) (C),(D) only
- (D) (A),(B) only

98. Given below are two statements:

statement I: management is the ultimate tool for achieving business goals.

statements II : it was management only which initiated industrial revolution.

In the light of the above statements, choose the correct answer from the options given below :

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

99. Given below are two statements: one is labelled as Assertion A and the other is labelled as Reason R :

Assertion A: the industrial revolution brought better and faster technology allowing companies to perform more efficient than ever before and gave them ability to dramatically increase their output.

Reason R : in order to meet demand, company leadership had to ensure their employees were productive.

In the light of the above statements , choose the most appropriate answer from the options given below :

- (A) Both A and R are correct and R in the correct explanation of A
- (B) Both A and R are correct and R is NOT the correct explanation of A
- (C) A is correct but R is nor correct
- (D) A is not correct but R is correct

100. What helps leadership to focus on their main goal?

- (A) management theories
- (B) organisational structure
- (C) inter-personal relations
- (D) effective HR policies
- (E) government directives

choose the correct answer from the options given below:

- (A) (A),(B),(C) only
- (B) (B),(C),(D) only

(C) (A),(B) only
(D) (A) only

ANSWER KEY

Q.No	Ans	Q.No	Ans
1	B	51	B
2	B	52	D
3	C	53	B
4	C	54	A
5	D	55	B
6	A	56	B
7	B	57	A
8	C	58	B
9	C	59	B
10	C	60	D
11	C	61	C
12	B	62	B
13	D	63	C
14	A	64	B
15	B	65	D
16	C	66	B
17	A	67	B
18	B	68	D
19	D	69	C
20	D	70	B
21	B	71	B
22	D	72	C
23	D	73	C
24	C	74	D
25	C	75	B
26	B	76	D
27	C	77	C
28		78	C
29	A	79	D
30	A	80	B
31	C	81	C
32	A	82	D
33	B	83	B

34	A	84	B
35	D	85	C
36	C	86	B
37	D	87	A
38	C	88	B
39	B	89	A
40	B	90	D
41	B	91	A
42	A	92	B
43	B	93	B
44	B	94	D
45	D	95	D
46	C	96	D
47	B	97	D
48	C	98	C
49	D	99	B
50	B	100	D

A large, light gray watermark logo for 'Aifer' is centered on the page. The logo consists of a stylized triangle on the left and the word 'Aifer' in a sans-serif font on the right.

25_NOVEMBER_2021 SHIFT_1

1. Characteristics constituting the core of consumers rationality includes:

- (A) Homogeneous expectations
- (B) Non — satiation
- (C) Selfish motive
- (D) Clarity of preferences
- (E) Possession of information

Choose the correct answer from the options given below:

- (A) A, B and C only
- (B) B, C and D only
- (C) A, B, C and D only
- (D) B, C, D and E only

2. For a poisson distribution variable X, $P(X=0) = 2P(X=1)$, its standard deviation would be:

- (A) $\sqrt{2}$
- (B) 0.5
- (C) $\sqrt{0.5}$
- (D) 2

3. Which of the following losses are not deductible from business income?

- (A) Loss sustained before the business is commenced.
- (B) Losses incurred in the closing down of the business.
- (C) Loss incurred due to damage, destruction, etc., of capital assets.
- (D) Loss of raw material and finished goods in transit.
- (E) Loss of stock — in — trade due to enemy action.

Choose the correct answer from the options given below:

- (A) A, B, C only
- (B) B, C, D only
- (C) A, D, E only
- (D) A, B, D only

4. Given below are two statements:

Statement I: Modified Internal rate of return is based on reinvestment assumption.

Statement II: Value — additivity principle is not applicable in NPV.

In the light of the above statements. choose the most appropriate answer from the options given below:

- (A) Both Statement I and Statement II are correct.
- (B) Both Statement I and Statement II are incorrect.
- (C) Statement I is correct but Statement. II is incorrect.
- (D) Statement I is incorrect but Statement II is correct.

5. Which of the following persons cannot use ITR — 4?

- (A) Who is director of a company
- (B) Who has held any unlisted equity shares
- (C) Who has any asset located outside India
- (D) A firm (other than LLP) if assessee is a Resident
- (E) Who has income from other sources

Choose the most appropriate answer from the options given below:

- (A) A, B, C only
- (B) A, B, D only
- (C) B, D, E only
- (D) C, D, E only

6. In Securitisation when no assets are acquired and the collateral is fixed for the life of the asset, the type of a structure is called as
- (A) Revolving structure
 - (B) Amortized structure
 - (C) Collateralized structure
 - (D) Self — liquidating structure
7. If a project cost is 40,000. Its stream of earning before depreciation and tax during first year through five years is expected to be 10,000, 12,000, 14,000, 16,000 and 20,000. Assume a 50% tax rate and depreciation on straight line basis: project's ARR is
- (A) 14.40%
 - (B) 72%
 - (C) 16%
 - (D) 55.56%

8. Given below are two statements:

Statement I: Deferred Tax Liabilities (Net) is the amount of tax on the temporary difference between the accounting income and taxable income. It arises when the accounting income is more than the taxable income.

Statement II: Deferred Tax Liabilities (Net) and Deferred Tax Assets (Net) are only book entries i.e. they are neither actual liability nor actual asset.

In the light of the above statements, choose the correct answer from the options given below:

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

9. Which of the following statements are false? Indicate the correct code.

- (A) No company has to file any prescribed declaration before commencement of business.
- (B) A company can ratify the contract entered into by the promoters with third parties on behalf of the company before its formation.
- (C) The date mentioned in the certificate for commencement of business is taken as the date of birth of a public company.

(D) A private company has to file a 'Settlement in lieu of prospectus' with the registrar.

Choose the correct answer from the options given below:

- (A) A, B and D only
- (B) A and B only
- (C) B, C and D only
- (D) C and D only

10. When the value of "Investment in subsidiary" in the holding company's balance sheet is more than the book value of the net assets acquired, the difference represents
- (A) Capital reserve on consolidation
 - (B) Goodwill on consolidation
 - (C) Minority interest
 - (D) Post acquisition profit
11. Which of the following distinction(s) is/are not correct between public issue and rights issue?
- (A) In public issue, applications for shares are invited from the general public and in rights issue, the shares are offered to existing shareholders.
 - (B) In public issue there is no question of any over-subscription and in rights issue the shares may be under subscribed or over subscribed leading to prorata allotment.
 - (C) The price of public issue is generally less than the market price and in rights issue, the price is deliberately made less than the market price.
 - (D) In a public issue. the communication of the issue is through prospects or advertisements and in rights issue the communication is between the company and the existing members of the company.

Choose the most appropriate answer from the options given below :

- (A) B only
- (B) D only
- (C) A and C only
- (D) C and D only

12. Which of the following statement is correct?
- (A) Co-efficient of variance = $\frac{\sigma}{\bar{X}} \times 100$
 - (B) If value in a series are negative, the standard deviation is also negative
 - (C) If value in a series multiplied by a., the variance would be multiplied by 36
 - (D) Standard deviation is equal to square of variance.

13. Given below are two statements:

Statement I: Only low priced products will sell in rural india.

Statement II: Rural consumers are a homogenous lot.

In the light of the above statements, choose the most appropriate answer from the options given below:

- (A) Both Statement I and Statement II are correct.
- (B) Both Statement I and Statement II are incorrect.

- (C) Statement I is correct but Statement II is incorrect.
- (D) Statement I is incorrect but Statement II is correct.

14. The value of the firm in wealth maximisation objective is measured by
- (A) Present value of all expected future cash flows
 - (B) All expected future cash flows
 - (C) Present value of all expected future profits
 - (D) All expected future profits
15. Which among the following is not a primary determinant of organizational structure?
- (A) Chain and span
 - (C) Power and control
 - (B) Capacity and lower needs
 - (D) Differentiation and integration
16. Why is an indifference curve convex to the origin?
- (A) Indifference curve slope downward to the right
 - (B) Two commodities are imperfect substitutes
 - (C) Declining marginal rate of substitution between commodities
 - (D) Diminishing marginal utilities

Choose the most appropriate answer from the options given below:

- (A) A and B only
- (B) B and C only
- (C) C and D only
- (D) A and D only

17. Which of the following can be categorized as people processing services?
- (A) Health care
 - (B) Legal services
 - (C) Education
 - (D) Transportation
18. Use of interviews as a training needs assessment technique has the following advantages:
- (A) Questions can be modified
 - (B) Easy to analyze
 - (C) Can explore unanticipated issues that come up
 - (D) Less time consuming

Choose the most appropriate answer from the options given below:

- (A) A, B only
- (B) B, C only
- (C) A, C only
- (D) B, C, D only

19. Match List I with List II

List I	List II
(A) Ordinary Damages	(I) Never granted by way of compensation for the loss
(B) Special Damages	(II) They are quite heavy in amount and are awarded by way of punishment only
(C) Exemplary damages	(III) Arise in the ordinary course of events from the breach of contract
(D) Nominal damages	(IV) The constitute indirect loss suffered by the aggrieved party on account of breach of contract

Choose the correct answer from the options given below:

- (A) (A) - (III), (B) - (IV), (C) - (II), (D) - (I)
 (B) (A) - (IV), (B) - (III), (C) - (II), (D) - (I)
 (C) (A) - (I), (B) - (I), (C) - (III), D - (IV)
 (D) (A) - (III), (B) - (II), (C) - (I), D - (IV)

20. Arrange the following stages of consumer decision making process in a sequential order with regard to a young person Divya :

- (A) looks for a specific colour and showroom delivery as she does not want to wait.
 (B) narrows down to a dark grey car of a specific brand.
 (C) belongs to an executive group and all her colleagues have their own vehicles.
 (D) uses media and other social channels to collect information about different models.
 (E) feels that fuel efficiency should be the most critical factor while making a choice.

Choose the correct answer from the options given below:

- (A) (A), (C), (B), (D), (E)
 (B) (C), (E), (D), (A), (B)
 (C) (C), (A), (D), (E), (B)
 (D) (E), (C), (A), (D), (B)

21. Match List I with List II:

List I	List II
(A) Market risk	(I) Associated with the efficiency with which a firm conducts its operations within the broader environment imposed upon it.
(B) Financial risk	(II) Arises due to change in operating conditions caused by conditions thrust upon the firm which are beyond its control.
(C) External business risk	(III) Variations in price sparked off due to real, social, political and economic events.
(D) Internal business risk	(IV) Associated with the capital structure of a firm

Choose the correct answer from the options given below:

- (A) (A) - (I), (B) - (II), (C) - (III), (D) - (IV)
 (B) (A) - (III), (B) - (IV), (C) - (II), (D) - (I)
 (C) (A) - (III), (B) - (I) - (C) - (II), (D) - (IV)
 (D) (A) - (IV), (B) - (III), (C) - (I), (D) - (II)

22. For a given set of paired data. the correlation and regression coefficients have been calculated as being equal to r . b_{xy} and b_{yx} respectively. Now, each of the values of the x series is divided by 5. What effect does it have on each of these co — efficient?
 (A) The three co—efficient remain unchanged
 (B) There is no change in r but b_{yx} changes to $b_{yx} / 5$ and b_{xy} changes to $5 b_{xy}$
 (C) Each of the co—efficient will be reduced to one fourth of its value.
 (D) There is no change in r but b_{yx} changes to $5b_{yx}$ and b_{xy} changes to $b_{xy} / 5$
23. The extreme case of non—price competition in an Oligopoly is
 (A) Formation of cartels
 (B) Interdependent decision — making
 (C) Attaining economies of scale
 (D) Formation of duopoly
24. Which one of the following is not one of the advantages of Derivatives market?
 (A) Leveraging increases risk
 (B) They enhance liquidity in the market for underlying assets
 (C) They represent a form of insurance against risks
 (D) They reduce price volatility
25. Match List I with List II:

List I	List II – (International Trade Theories)
(A) David Ricardo (1817)	(I) Theory of absolute advantage (1990)
(B) Michael Porter	(II) Factor endowment theory
(C) Adam Smith (1776)	(III) Theory of comparative advantage — Ohlin (1933)
(D) Heckscher (1919)	(IV) Theory of competitive advantage

Choose the correct answer from the options given below:

- (A) (A) – (I), (B) – (II), (C) – (III) (D) - (IV)
 (B) (A) - (III), (B) - (IV), (C) - (I), (D) - (II)
 (C) (A) - (IV), (B) – (III), (C) – (II), (D) - (I)
 (D) (A) –(III) (B) - (IV), (C) - (II), (D) - (I)

26. Which of the following are not the objectives of competition act. 2002?
 (A) Ensure freedom of trade for other participants in incidental and connected markets.
 (B) Provide a reasonable level of reliability and connect operation.
 (C) Adhere to generally accepted security procedures.
 (D) Protect the interests of consumers.

Choose the correct answer from the options given below:

- (A) A, C, D only

- (B) B, C, D only
- (C) A, C only
- (D) B, C only

27. Firm characteristics that help managers identify core competencies include:

- (A) Potential access to wide variety of markets
- (B) Significantly contribute to the perceived customer benefits
- (C) Value accretive and non competitive
- (D) Distinctive and difficult for competitors to imitate

Choose the most appropriate answer from the options given below:

- (A) A, B and C only
- (B) B, C and D only
- (C) A, B and D only
- (D) A, C and D only

28. Arrange the following market structures in the increasing order of pricing power to firms.

- (A) Monopolistic competition
- (B) Perfect competition
- (C) Duopoly
- (D) Monopoly
- (E) Oligopoly

Choose the correct answer from the options given below:

- (A) (B), (D), (A), (E), (C)
- (B) (B), (A), (E), (C), (D)
- (C) (A), (C), (B), (D), (E)
- (D) (D), (C), (E), (A), (B)

29. A claim for 'quantum meruit' cannot succeed:

- (A) When a divisible contract is partly performed.
- (B) When an indivisible contract for a lumpsum is partly performed.
- (C) When a contract is discovered to be unenforceable due to some technical defect.
- (D) In the case of breach of contract, the aggrieved party can claim reasonable compensation for what he has done under the contract.

30. A test that contains a fair sample of the tasks and skills actually needed for the job in question is:

- (A) Construct validity
- (B) Content validity
- (C) Test validity
- (D) Criterion validity

31. Logically sequence the following in the process of entering international markets outlined in the uppsala model.

- (A) Sporadic (Ad hoc) exports
- (B) Foreign production and manufacturing
- (C) Establishing a foreign sales subsidiary
- (D) Domestic operations and production
- (E) Exporting via independent representative

Choose the correct answer from the options given below:

- (A) (A), (B), (C), (D) and (E)
- (B) (C), (B), (D), (A) and (E)
- (C) (D), (A), (E), (C) and (B)
- (D) (E), (B), (D), (C) and (A)

32. X and Y are partners, sharing profits and losses in the ratio of 4 : 3. They admit Z into the partnership for $\frac{1}{4}$ share. X and Y decide to share future profits in the ratio of 2 : 1. What is the sacrificing ratio of X and Y?
- (A) 4: 3
 - (B) 13: 8
 - (C) 8: 13
 - (D) 4: 17

33. Arrange the following characteristics of stages of group development in the increasing order:

- (A) Members begin to resolve differences and clarify the purpose of the group and the roles of group members.
- (B) It includes recognition for participation and achievement.
- (C) Members are highly task — oriented and there is unity in the group.
- (D) Conflicts start arising due to the differences of opinion among members.
- (E) Members are moderately eager. have positive expectations. anxious about why they are there, and who other members are

Choose the correct answer from the options given below:

- (A) (E), (D), (A), (B), (C)
- (B) (D), (E), (C), (A), (B)
- (C) (E), (D), (A), (C), (B)
- (D) (D), (B), (A), (E), (C)

34. According to AS-2. which of the following costs should be included in valuing the inventories of a manufacturing company?

- (A) Freight and insurance
- (B) Carriage outwards
- (C) Depreciation of factory plant
- (D) General administrative overheads

Choose the most appropriate answer from the options given below :

- (A) A and D only
- (B) A, B and D only
- (C) B and C only

(D) A and C only

35. Match List I with List II:

List I	List II
(A) Insurance Act	(I) 1988
(B) Life Insurance Corporation Act	(II) 1963
(C) Motor Vehicles Act	(III) 1938
(D) Marine Insurance Act	(IV) 1956

Choose the correct answer from the options given below:

(A) (A) - (IV), (B) - (III), (C) - (I), (D) - (II)

(B) (A) - (I), (B) - (II), (C) - (III), (D) - (IV)

(C) (A) - (III) (B) - (IV), (C) - (I), (D) - (II)

(D) (A) - (IV), (B) - (III), (C) - (II), (D) - (I)

36. Arrange the following steps in logical sequence of operation of the registration of portfolio managers:

(A) Prior approval of the SEBI.

(B) Adequate steps for redressal of investors grievances.

(C) Maintenance of the specified capital adequacy requirements.

(D) Payment of fee. (E) Abide by the regulations under the SEBI Act.

Choose the correct answer from the options given below:

(A) (C), (E), (A), (B), (D)

(B) (D), (A), (B), (E), (C)

(C) (A), (D), (B), (C), (E)

(D) (D), (E), (A), (C), (B)

37. Given below are two statements: One is labelled as Assertion A and the other is labelled as Reason R.

Assertion A: ITR. -1 can be used by an individual whose total income does not exceed Rs. 1 Crore.

Reason R: ITR -1 cannot be used by an individual who is director in a company.

In the light of the above statements, choose the most appropriate answer from the options given below:

(A) Both A and R are correct and R is the correct explanation of A

(B) Both A and R are correct but R is NOT the correct explanation of A

(C) A is correct but R is not correct

(D) A is not correct but R is correct

38. Counter Vailing Duties (CVD) are often imposed on imports to offset the impact of

(A) Predatory Pricing

(B) Export Subsidies

(C) Dumping

(D) Low cost financing

39. Match List I with List II:

List I – (Method)	List II – (Purchase consideration)
Lump-sum payment method	(I) Calculated by adding up the total amount (money value) of existing shares, preference shares and cash received from the purchasing company for the shareholders of the vendor company.
Net Assets Method	(II) On the basis of ratio in which the shares of the transferee company are to be exchanged for the shares of the transferor company.
Net Payment Method	(III) The amount to be paid by the transferee company to transferor company for amalgamation of its business.
Swap Ratio Method	(IV) Arrived at by adding the agreed value of assets taken over and deducting there from the agreed values of liabilities.

Choose the correct answer from the options given below:

- (A) (A) - (III), (B) - (II), (C) (I), (D) - (IV)
 (B) (A) - (III), (B) - (IV), (C) - (I), (D) - (II)
 (C) (A) - (IV), (B) - (I), (C) - (II), (D) - (III)
 (D) (A) - (IV), (B) - (C) - (II), (D) - (I)

40. The offence for infringement of copyright can be for a maximum of imprisonment for a term of

- (A) 6 month and a fine of Rs. 20,000
 (B) 3 years and a fine of Rs. 50,000
 (C) 3 years and a fine of Rs. 2,00,000
 (D) 4 years and a fine of Rs. 3,00,00

41. For a decline in price, total revenue declines if the demand of the product is

- (A) Inelastic
 (B) Elastic
 (C) Unitary elastic
 (D) Zero elastic

42. Pecking order theory in finance is based on the assertion of

- (A) Asymmetric information between managers and investors
 (B) Symmetric information between managers and investors
 (C) Outside information
 (D) Asymmetric information among investors only

43. Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to
- (A) Political awareness, social security and inclusion
 - (B) Public health, education and literacy
 - (C) Maintaining ecological balances and protecting environment
 - (D) Gender diversity, profiteering and market controlling
 - (E) Rendering. Sponsoring and donating to social and charitable activities

Choose the correct answer from the options given below:

- (A) A, B and D only
- (B) B, C and E only
- (C) C, D and E only
- (D) A, B and C only

44. Match List I with List II

List I – (Pricing Strategies)	List II – (Description)
(A) Ramsay Pricing	(I) Setting a high price when a product is first introduced and gradually lowering price as it gains scale
(B) Price skimming	(II) Firm charges lower price (than the ongoing price) to gain market entry
(C) Cost plus pricing	(III) Price deviations from marginal cost should be inversely proportional to price elasticity of the product
(D) Penetration pricing	(IV) It is full cost pricing strategy that also includes mark up for target return. degree of competition, price elasticity and availability of substitutes.

Choose the correct answer from the options given below:

- (A) (A) - (III), (B) - (IV), (C) - (I), (D) - (II)
- (B) (A) - (II), (B) - (I), (C) - (III), (D) - (IV)
- (C) (A) - (III), (B) - (I), (C) - (IV), (D) - (II)
- (D) (A) - (I), (B) - (IV), (C) - (II), (D) - (III)

45. If assessee is engaged in the business of growing and manufacturing tea in India, the non-agricultural income that can be:
- (A) 40% the income from such business
 - (B) 25% the income from such business
 - (C) 60% the income from such business
 - (D) 75% the income from such business

46. Which of the following statements is correct relating to Indian Financial System?

- (A) RBI has direct supervision over depositories and mutual funds.
- (B) Monetary control is exercised through cash reserve ratio and statutory liquid ratio.

- (C) Primary dealers mainly deal in shares, mutual funds units.
- (D) The decrease in statutory liquidity ratio contracts the credit creation

47. Which of the following statements are false regarding electronic purse? Indicate the correct code.

- (A) Retinal pattern verification
- (B) Visual recognition
- (C) No risk of bad payment
- (D) Method of accepting payments with no cash float to manage and no risk of theft.

Choose the correct answer from the options given below:

- (A) A, B and C only
- (B) B, C and D only
- (C) A and B only
- (D) C and D only

48. Which one of the following statements is a promissory note?

- (A) I promise to pay Q Rs.7.000. 7 days after my marriage.
- (B) On demand, I promise to pay B or bearer Rs. 5.000
- (C) I promise to pay Rs. 5.000 on Cs death provided C leaves with me enough money to pay that sum.
- (D) I acknowledge to be indebted to you for Rs. 10.000 to be paid on demand for value received.

49. Following are the problems that mar an optimal international diversification:

- (A) Unfavourable exchange rate movements
- (B) Frictions in international markets
- (C) Manipulation of security prices
- (D) Unequal access to information

Choose the most appropriate answer from the options given below :

- (A) A, B, C only
- (B) B, C, D only
- (C) A, C, D only
- (D) A, B, C, D only

50. Sequence the steps for computing gross annual value of income from house property:

- (A) Find out the rent actually received or receivable after excluding unrealised rent before deducting loss due to vacancy.
- (B) Find out the loss because of vacancy.
- (C) Find out the reasonable expected rent of the property.
- (D) Find out which one is the higher amount computed in (C) or (A).
- (E) (D) — (B) is gross annual value

Choose the correct answer from the options given below:

- (A) (C), (A), (D), (B), (E)

- (B) (A), (D), (C), (B), (E)
- (C) (D), (A), (C), (B), (E)
- (D) (A), (B), (C), (D), (E)

51. Match List I with List II:

List I - Books	List II – Author(s)
(A) Wealth of Nation, 1776	(I) Thomas Malthus
(B) Principle of Political Economy and Taxation, 1817	(II) Karl Marx
(C) Principle of Population, 1798	(III) Adam Smith
(D) Das Capital, 1867	(IV) David Ricardo

Choose the correct answer from the options given below:

- (A) (A) - (I), (B) - (III), (C) - (IV), (D) - (I)
- (B) (A) - (III), (B) - (IV), (C) - (I), (D) - (II)
- (C) (A) - (II), (B) - (III), (C) - (I), (D) - (IV)
- (D) (A) - (III), (B) - (I), (C) - (IV), (D) - (II)

52. Which of the following statements are correct about Chi — Square test?

- (A) The only parameter of a Chi — Square distribution is its number of degrees of freedom.
- (B) The null hypothesis in given Chi — Square test is rejected when calculated value of variable exceed its critical value.
- (C) The rejection region in a goodness of fit test lies only in the right tail of the distribution.
- (D) The Chi — Square test is a parametric test.
- (E) At $\alpha = .05$ and $V = 1$ the critical value of χ^2 is equal to Z— value at the same level of significance.

Choose the most appropriate answer from the options given below:

- (A) B, D, E only
- (B) A, C, E only
- (C) A, B, C only
- (D) B, C, D only

53. Which of the following institutions are included in the World Bank Group'?

- (A) International Finance Corporation
- (B) International Monetary Fund
- (C) World Trade Organization
- (D) Multilateral Investment Guarantee Agency
- (E) International Development Association

Choose the correct answer from the options given below:

- (A) A, B and C only
- (B) A, B and D only
- (C) A, B, D and E only
- (D) A, D and E only

54. Penetration pricing strategy delivers results:

- (A) Where price quality association is weak
- (B) When the product is perceived as a 'high technology' product
- (C) When the market is characterised by intensive competition
- (D) When the firm uses it as an entry strategy

Choose the most appropriate answer from the options given below:

- (A) B, C only
- (B) A, D only
- (C) A, C, D only
- (D) A, B, C only

55. Arrange the following items, i.e., stages of capital budgeting in correct sequence:

- (A) Identification of potential investment opportunities
- (B) Assembling of proposed investments
- (C) Decision making
- (D) Implementation and performance review
- (E) Preparation of capital budget and appropriations.

Choose the correct answer from the options given below:

- (A) (B), (A), (E), (C), (D)
- (B) (E), (C), (A), (B), (D)
- (C) (C), (E), (D), (B), (A)
- (D) (A), (B), (C), (E), (D)

56. Which of the following is not true while determining length of distribution channel?

- (A) The larger the market size, the longer the channel.
- (B) If the average lot size is large, it is better to have a longer channel.
- (C) If the product and the market require a high level of service, it is advisable to keep a shorter channel.
- (D) If customers shop for an assortment of products, it demands for a wider channel of distribution.

57. People repeat behaviours that bring them satisfaction and pleasure and stop those that bring them dissatisfaction or pain is known as:

- (A) Law of exercise
- (B) Law of redo
- (C) Law of effect
- (D) Law of readiness

58. Factor conditions in Michael Porter's competitive advantage of Nations include

- (A) Market size
- (B) Demand conditions
- (C) Internationally competitive suppliers
- (D) Skilled labour and scientific knowledge

59. In case the purchasing company agrees to act as the agent of the vendor for collection of the book debts. in the books of the purchasing company. the amount of debtors should be credited to
- (A) Vendor's debtors account
 - (B) Vendor's suspense account
 - (C) Debtors account
 - (D) Creditors account
60. Which one of the following conditions does not constitute a valid agency by necessity?
- (A) There should have been actual and definite commercial necessity for the agent to act promptly.
 - (B) The agent should have acted bonafide and for the benefit of the principal.
 - (C) The agent should have adopted the most reasonable and practicable course under the circumstances.
 - (D) Destruction of the subject matter of the contract of agency.
61. According to the theory of dividend, the firm should follow its investment policy of accepting all positive NPV projects and paying out dividends if and only if. funds are available:
- (A) Bird in hand theory
 - (B) Investor rationality theory
 - (C) 100 percent retention theory
 - (D) Residual theory
62. SBUs or products that have lost their position of leadership and are in the low growth markets. are known as
- (A) Star
 - (B) Problem child
 - (C) Dog
 - (D) Cash cow
63. Which of the following statement is correct about Mann — Whitney U — test?
- (A) It is non parametric test
 - (B) It requires that samples are independent
 - (C) It can be used when populations involved are normally distributed
 - (D) It is used to test the null hypothesis that the two populations are involved are identical.
 - (E) It is always a two tailed test.

Choose the correct answer from the options given below:

- (A) A, B, D only
 - (B) A, C, D only
 - (C) A, D, E only
 - (D) A, B, E only
64. The principles of management have the following distinct features:
- (A) Flexibility
 - (B) Universal application

- (C) Principles are relative, not absolute
- (D) Based on situation.

Choose the most appropriate answer from the options given below:

- (A) A, B only
- (B) B, C only
- (C) A, C, D only
- (D) A, B C, D

65. X. an employee of the private company, gets Rs.30.000 p.m. basic salary and entitled to Rs.1.500 p.m. as entertainment allowance. What are the deductions u/s 16(ii) from gross salary in respect of entertainment allowance?
- (A) Rs.5.000
 - (B) Rs.18,000
 - (C) Rs.72.000
 - (D) Nil

66. Which of the following 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

Choose the most appropriate answer from the options given below:

- (A) A and C only
- (B) A and D only
- (C) B and D only
- (D) A, B and C only

67. Sequence the following in increasing order of integration of member economies.
- (A) Free Trade Area
 - (B) Economic Union
 - (C) Custom Union
 - (D) Preferential Trade Agreements
 - (E) Common Market.

Choose the correct answer from the options given below:

- (A) (A), (C), (E), (B), (D)
- (B) (B), (E), (C), (A), (D)
- (C) (D), (A), (C), (E), (B)
- (D) (C), (E), (B), (D), (A)

68. Which of the following are correct about complementary events?
- (A) Mutually exclusive
 - (B) Independent

- (C) Such that their probabilities add up to 1.
- (D) Collective exhaustive.

Choose the most appropriate answer from the options given below:

- (A) A, B, C only
- (B) A, B, D only
- (C) B, C, D only
- (D) A, C, D only

69. Which one of the following statements is true about under the Basel I Accord, BCBS, fixed the minimum requirement of capital fund for banks at?
- (A) 8 percent of the total risk weighted assets
 - (B) 9 percent of the total risk weighted assets
 - (C) 10 percent of the total risk weighted assets
 - (D) 1000 crore
70. For a very large sample size the ratio between $SE_{\bar{x}}$ and σ is 8: 40. Determine the sample size n :
- (A) 25
 - (B) 5
 - (C) 4
 - (D) 16
71. Which one of the following statements is not true about Indian Money Market?
- (A) Non — Banking Finance Companies (NBFCs) are financial institutions that constitute organised component of money market.
 - (B) Money market mutual funds are allowed to sell units to corporates and individuals.
 - (C) A Well — developed money market is essential for a modern economy.
 - (D) In the Indian Money Market, the predominant place is enjoyed by government and semi — government securities.
72. Arrange the following stages of processing of data in a correct sequence:
- (A) Coding
 - (B) Editing
 - (C) Tabulation
 - (D) Classification
 - (E) Using Percentages

Choose the correct answer from the options given below:

- (A) (A), (B), (C), (D), (E)
- (B) (D), (A), (B), (C), (E)
- (C) (C), (D), (A), (B), (E)
- (D) (B), (A), (D), (C), (E)

73. Which of the following provident fund is approved by the provident fund commissioner?
- (A) Statutory provident fund

- (B) Recognised provident fund
- (C) Unrecognised provident fund
- (D) Public provident fund

74. In Cobb — Douglas production function. $Q = AK^aL^b$ increasing returns to scale occurs when

- (A) $a+b>1$
- (C) $a+b<1$
- (B) $K+L>1$
- (D) $K+L<1$

75. Which is the most potent driver of business transformation during Covid - 19 pandemic?

- (A) Ethical consciousness
- (B) Scale economies and pricing power
- (C) Technology adoption and innovation
- (D) Supply chain logistics and government interventions

76. Which of the following is not a valid basis for market segmentation?

- (A) Customer Based Segmentation
- (B) Technology Oriented Segmentation
- (C) Competition Related Segmentation
- (D) Product Related Segmentation

77. The basic method of valuing human assets is

- (A) Adjustment
- (B) Amortization
- (C) Capitalization
- (D) Quasi equity

78. Which of the following represents traditional logistics management approach?

- (A) Independent inventory management efforts
- (B) Minimise firm costs
- (C) Amount of information sharing and monitoring limited to current processes
- (D) Small breadth of supplier base to increase coordination

Choose the correct answer from the options given below:

- (A) A, B only
- (B) B, C only
- (C) A, C, D only
- (D) B, C, D only

79. Arrange the following stages of formation of companies in a proper sequence:

- (A) Promotion stage
- (B) Raising of share capital stage
- (C) Incorporation stage
- (D) Commencement stage
- (E) Selection of name

Choose the correct answer from the options given below:

- (A) (C), (A), (E), (D), (B)
- (B) (B), (E), (A), (C), (D)
- (C) (A), (E), (C), (B), (D)
- (D) (D), (A), (B), (C), (E)

80. The advantages of incentive payments are

- (A) Ease in the introduction of new machines
- (B) Better utilization of equipment
- (C) Reduced absenteeism and turnover
- (D) Increased scrap

Choose the most appropriate answer from the options given below:

- (A) A, B only
- (B) B, C only
- (C) B, C, D only
- (D) A, B C only

81. Financial crises takes the form of

- (A) Currency crisis
- (B) Banking crisis
- (C) Systematic financial crisis
- (D) Foreign debt crisis

Choose the correct answer from the options given below:

- (A) A, B, C only
- (B) A, B, D only
- (C) B, C, D only
- (D) A, B, C, D only

82. Match List I with List II

List I	List II
(A) Section 35 (2AA)	(I) Payment made to certain institutions for Scientific research.
(B) Section 35 (A) (ii a)	(II) Payment made to certain institutions for research in social sciences.
(C) Section 35 (A) (iii)	(III) Payment made to a company to be used for scientific research.
(D) Section 35 (A) (ii)	(IV) Payment made to Indian Institute of Technology for Scientific Research.

Choose the correct answer from the options given below:

- (A) (A) – (IV), (B) – (II), (C) – (III), (D) – (I)
- (B) (A) – (IV), (B) – (III), (C) – (II), (D) – (I)
- (C) (A) – (I), (B) – (II), (C) – (III), (D) – (IV)
- (D) (A) – (I), (B) – (II), (C) – (IV), (D) – (III)

83. Given below are two statements:

Statement I: Delegation is an interpersonal transactions based on behaviour analysis.

Statement II: Delegation is an evolutionary and developmental process which needs encouragement and reinforcement.

In the light of the above statements, choose the most appropriate answer from the options given below:

- (A) Both Statement I and Statement II are correct.
- (B) Both Statement I and Statement II are incorrect.
- (C) Statement I is correct but Statement II is incorrect.
- (D) Statement I is incorrect but Statement II is correct

84. An act in a way that results in the greatest good for the greatest number is:

- (A) The golden rule
- (B) The utilitarian principle
- (C) The four-way test
- (D) Kant's categorical imperative

85. The liquidator after realizing the assets of the company should distribute the proceeds among below mentioned claimants in the following order:

- (A) Legal charges
- (B) Liquidators remuneration and cost of expenses of winding up
- (C) Workman's dues and claims of the secured creditors
- (D) Preferential creditors and creditors secured by floating charge
- (E) Unsecured creditors

Choose the correct answer from the options given below:

- (A) (B), (C), (A), (D), (E)
- (B) (D), (C), (B), (A), (E)
- (C) (A), (B), (C), (D), (E)
- (D) (B), (C), (E), (A), (D)

86. Which of the following forms may not result in credit risk?

- (A) Principle and/or interest amount may not be repaid in the case of direct lending.
- (B) In case of guarantees or letter of credit, fund may not be forth coming from the constituents upon crystallisation of the liability.
- (C) Fluids/Securities settlement may not be effected, in case of securities trading business.
- (D) Provide information for determining adequacy of loan loss provision.

Choose the correct answer from the options given below:

- (A) A, B and C only
- (B) A, C and D only
- (C) B and C only
- (D) D only

87. To prevent opportunistic takeover of domestic firms amid Covid – 19 pandemic, Foreign Direct Investment (FDI) from countries that share borders with India is allowed through
- (A) Automatic route
 - (B) Government route
 - (C) FIPB route
 - (D) DPIIT route
88. Which of the following statements are the defects of Indian Money Market?
- (A) Profitable Investment
 - (B) Dichotomy in Indian Money Market
 - (C) Financing Industry
 - (D) Diversity in interest rates

Choose the correct answer from the options given below:

- (A) A, B and C only
- (B) B and C only
- (C) A, B and D only
- (D) B and D only

89. Match List I with List II:

List I (Personality dimensions)	List II (Individual Traits)
(A) Extroversion	(I) Calm, happy and secure
(B) Conscientiousness	(II) Talkative, assertive, sociable and outgoing
(C) Emotional stability	(III) Creative, curious, intellectual, imaginative and artistically sensitive
(D) Openness to experience	(IV) Self-disciplined, hardworking, organised. dependable and persistent.

Choose the correct answer from the options given below:

- (A) (A) - (II), (B) – (IV), (C) - (III), (D) - (I)
- (B) (A) – (II), (B) - (IV), (C) – (I), (D) - (III)
- (C) (A) – (III), (B) - (II), (C) – (I), (D) - (IV)
- (D) (A) - (IV), (B) - (I), (C) - (II), (D) - (III)

90. AMT Provisions are applicable on

- (A) Corporate assessee
- (B) Non-Corporate assessee
- (C) HUF
- (D) An Individual

Passage

In 2019, India's ten largest trading partners were USA, China, UAE, Saudi Arabia, Hong Kong, Iraq, Singapore. Germany. South Korea and Switzerland. In 2018 — 19. the Foreign Direct Investment (FDI) in India was \$64.4 billion with service sector, computer and telecom industry remains leading sectors for FDI inflows. India has free trade agreements with several nations. including ASEAN. SAFTA, Mercosur. South Korea. Japan and few others which are

in effect or under negotiating stage. The service sector makes up 55.6% of GDP and remains the fastest growing sector. While the industrial sector and the agricultural sector employ a majority of the labor force. The Bombay Stock Exchange and National Stock Exchange are one of the World's largest stock exchanges by market capitalisation. India is the world's sixth — largest manufacturer, representing 3% of global manufacturing output and employs over 57 million people. Nearly 66% of India's population is rural whose primary source of livelihood is agriculture and contributes less than 50% of India's GDP. It has the world's fifth — largest foreign — exchange reserves worth 38.832.21 billion (LTS \$540 billion). India has a high national debt with 68% of GDP, while its fiscal deficit remained at 3.4% of GDP. However, as per 2019 CAG report, the actual fiscal deficit is 5.85% of GDP. India's government — owned banks faced mounting bad debt, resulting in low credit growth: simultaneously the NBFC sector has been engulfed in a liquidity crisis. India faces high unemployment, rising income inequality and major slump in aggregate demand.

On the basis of the above passage, give answers to question

91. Which of the following sectors have significant Foreign Direct Investment (FDI) in India?
- (A) Service Sector
 - (B) Secondary Sector
 - (C) Primary Sector
 - (D) Fisheries and Animal Husbandry

Choose the correct answer from the options given below:

- (A) (A) and (B) only
- (B) (B) and (C) only
- (C) (C) and (D) only
- (D) (A) and (D) only

92. The comptroller and the Auditor General has reported a different estimate than of governments, in terms of:
- (A) GDP
 - (B) Fiscal Deficit
 - (C) FDI
 - (D) Liquidity of private banks

93. India has significant trading partners from which of the following regions:
- (A) Europe
 - (B) America
 - (C) Asia
 - (D) Africa

Choose the correct answer from the options given below:

- (A) (A), (B), (C) only
- (B) (B), (C), (D) only
- (C) (A), (B), (D) only
- (D) (A) and (D) only

94. Which of the following has not been articulated in the passage?
(A) GDP Growth
(B) Currency flows
(C) Liquidity
(D) Demographics

Choose the correct answer from the options given below:

- (A) (A) and (B) only
(B) (B) and (C) only
(C) (B) only
(D) (C) and (D) only
95. Which among the following statements is the correct one? (Choose the most appropriate one)?
(A) India has a better trade relation with European countries.
(B) MSE is the largest stock exchange in the world.
(C) Indian primary sector is contributing less as compared to other sectors. s
(D) India attracts highest FDI from USA.

Read the following passage carefully and answer the question:

XYZ Ltd. furnished you with the following information:

	Budget	Actual (in a particular month)
No. of working days	25	27
Production (in units)	20,000	22,000
Fixed overhead (in Rupees)	30,000	31,000

Budgeted overhead rate is ₹ 1 per unit. In a particular month the actual hours worked were 31,500.

96. Find the capacity variance for the month from the information given in the passage.
(A) Rs. 1.000 (Favourable)
(B) Rs. 900 (Adverse)
(C) Rs. 1.500 (Favourable)
(D) R s. 1.000 (Adverse)
97. From given information in the passage. what is the volume variance of XYZ Ltd in given month?
(A) Rs. 3,000 (Favourable)

- (B) Rs. 2.000 (Adverse)
- (C) Rs. 1,500 (Favourable)
- (D) Rs. 1.500 (Adverse)

98. What is the expenditure variance of XYZ Ltd as on given month?
- (A) Rs. 1.000 (Adverse)
 - (B) Rs. 1.500 (Adverse)
 - (C) Rs. 2.000 (Favourable)
 - (D) Rs. 1,500 (Favourable)
99. What is the total overhead variance in the given month experienced by the XYZ Ltd?
- (A) Rs. 4.000 (Favourable)
 - (B) Rs. 2.000 (Adverse)
 - (C) Rs. 1.000 (Adverse)
 - (D) Rs. 2,000 (Favourable)
100. Given the information in the passage. what is the calendar variance for the month?
- (A) Rs. 2.000 (Favourable)
 - (B) Rs. 3.000 (Adverse)
 - (C) Rs. 2.400 (Favourable)
 - (D) Rs. 1.000 (Adverse)

ANSWER KEY

Q.No	Ans	Q.No	Ans
1	D	51	B
2	C	52	C
3	A	53	D
4	C	54	C
5	A	55	D
6	D	56	B
7	C	57	C
8	A	58	D
9	C	59	B
10	B	60	D
11	A	61	D
12	A	62	C
13	B	63	A
14	C	64	D
15	B	65	D
16	B	66	A
17	A	67	C
18	C	68	D
19	A	69	A
20	B	70	A

21	B	71	A
22	D	72	D
23	A	73	B
24	A	74	A
25	B	75	C
26	D	76	B
27	C	77	B
28	B	78	A
29	B	79	C
30	B	80	B
31	C	81	B
32	D	82	B
33	C	83	D
34	D	84	B
35	C	85	C
36	C	86	D
37	D	87	B
38	B	88	D
39	B	89	B
40	C	90	B
41	A	91	A
42	A	92	B
43	B	93	A
44	C	94	C
45	A	95	C
46	B	96	C
47	C	97	A
48	D	98	A
49	D	99	D
50	A	100	C

25_NOVEMBER-2021 SHIFT _II

1. Which of the following are required to be studied for a deep understanding of Income Tax procedures?

- A. The Income Tax Act, 1961
- B. The Income Tax Rules, 1962
- C. Notifications, circulars and classification issued from time to time by the CBDT.
- D. Judicial decisions
- E. Companies Act, 2013

Choose the correct answer from the options given below:

- (A) A, B and E only
- (B) A, B, C and D only
- (C) A, C, D and E only
- (D) B, C, D and E only

2. Match List I with List II

List I	List II
A. Ind - AS: 1	I. Provisions, Contingent Liabilities and Contingent Assets
B. Ind- AS: 29	II. Consolidated Financial Statements
C. Ind-AS: 37	III. Presentation of Financial Statements
D. Ind-AS: 110	IV. Financial reporting in Hyperinflationary Economies

Choose the correct answer from the options given below:

- (A) A - III, B - I, C - II, D - IV
- (B) A - III, B - IV, C - I, D - II
- (C) A - IV, B - III, C - I, D - II
- (D) A - IV, B - III, C - II, D - I

3. The characteristics of online and social media marketing are:

- A. Personal
- B. Rich
- C. Timely
- D. Interactive
- E. Up to date

Choose the correct answer from the options given below:

- (A) A, C and D only
- (B) A, D and E only
- (C) B and E only
- (D) B, D and E only

4. Logically sequence the following steps in the managerial decision-making process

- A. Determining the objective
- B. Selecting the best solution

- C. Implementing the decision
- D. Defining the problem
- E. identifying possible solutions

Choose the correct answer from the options given below:

- (A) A, E, B, C, D
- (B) A, E, D, B, C
- (C) D, A, C, E, B
- (D) D, A, E, B, C

5. A U- shaped long-run average cost curve is based on the assumptions that
- A. Economies of scale prevails at small levels of output
 - B. Diseconomies of scale prevails at larger levels of output
 - C. Benefits of the division of labour and specialisation accrue more at the lower scale of production
 - D. Managerial inefficiencies are prone to a higher scale of operations

Choose the correct answer from the options given below:

- (A) A, B and C only
- (B) A, B, C and D
- (C) A, C, and D only
- (D) B, C and D only

6. When the sum of exponents exceeds one ($a + b > 1$) in the Cobb - Douglas production function, it causes which one of the following?
- (A) Constant returns to scale
 - (B) Decreasing returns to scale
 - (C) Increasing returns to scale
 - (D) Variable returns to scale

7. The mode of joint venturing in international business that allows a company to conduct business in another country whose laws discourage foreign ownership is known as:
- (A) Contract manufacturing
 - (B) International Franchising
 - (C) Joint ownership
 - (D) Licensing

8. Constituents of Integrated marketing are:

- A. Customers
- B. Price
- C. Communications
- D. Products and services
- E. Channels

Choose the correct answer from the options given below:

- (A) A, B and C only

- (B) A, B, D and E only
- (C) B, C, D and E only
- (D) C, D and E only

9. Which among the following are generally accepted methods of accounting for price level changes?

- A. Replacement Cost Method
- B. Current Purchasing Power Method
- C. Opportunity Cost Method
- D. Current Cost Accounting Method
- E. Standard Cost Method

Choose the correct answer from the options given below:

- (A) A and C only
- (B) A, B and C only
- (C) B and D only
- (D) C, D and E only

10. Given below are two statements:

Statement I: patents are defined as monopoly rights which one granted by the government, for full disclosure of invention for a limited period of time, that is for 20 years

Statement II: The purpose of granting patents is to encourage inventions by promoting their protection and utilization so as to contribute to the development of Industries

In light of the above statements, choose the most appropriate answer from the options given below

- (A) Both Statement I and Statement II are correct
- (B) Both Statement I and Statement II are incorrect
- (C) Statement I is incorrect but Statement II is correct
- (D) Statement I is correct but Statement II is incorrect

11. In Banking Technologies, Star Topology involves:

- (A) Devices are connected in a close loop
- (B) Devices on the network are connected to a single continuous cable
- (C) Each node is joined to the central node by a separate medium
- (D) Information is passed from one node to another in series

12. Which one of the following is CORRECT?

(A)
$$PE = \frac{.6475(1 - r^2)}{\sqrt{n}}$$

(B)
$$PE = \frac{.6745(1 - r^2)}{\sqrt{n}}$$

(C)
$$PE = \frac{.6475\sqrt{n}}{1 - r^2}$$

(D)
$$PE = \frac{.6475(1 - r^2)}{n}$$

13. The basic premise of the MM-approach is based on which of the following assumptions?

- A. Asymmetrical information
- B. Efficient capital markets
- C. Investor rationality
- D. Diverse business risk profile
- E. 100% dividend payout ratio

Choose the correct answer from the options given below:

- (A) A, B and C only
- (B) A, C and E only
- (C) B, C and E only
- (D) C, D, and E only

14. The cross-price elasticity of demand for complementary commodities is

- (A) Greater than one
- (B) Negative
- (C) Positive
- (D) Zero

15. Which one of the following generations is more pragmatic and individualistic?

- (A) Baby Boomers
- (B) Gen X
- (C) Gen Y
- (D) Silent generation

16. The sources of the Indian GAAP (IGAAP) include:

- A. Indian Companies Act, 2013
- B. Notifications issued by Ministry of Finance
- C. Accounting standards
- D. ICAI's pronouncements

Choose the correct answer from the options given below:

- (A) A and C only
- (B) A, B, and C only
- (C) A, C, and D only
- (D) B, C, and D only

17. The characteristics of different levels of leaders are given below. Arrange these in an increasing order of levels
- A. He contributes to the achievement of group objectives and works effectively with others in a group
 - B. He builds enduring greatness through a paradoxical combination of professional will and personal humanity
 - C. He makes a productive contribution through talent, knowledge, skills, and good work habits
 - D. He catalyses commitment to and vigorous pursuit of a clear and compelling vision and stimulates the group to high-performance standards
 - E. He organises people and resources towards the effective and efficient pursuit of predetermined objectives

Choose the correct answer from the options given below:

- (A) A, C, E, B, D
- (B) A, E, D, B, C
- (C) C, A, E, D, B
- (D) C, E, D, A, B

18. Bretton Woods resolutions led to the formation of:

- (A) GATT
- (B) IMF
- (C) UNCTAD
- (D) WTO

19. Which of the following statements are CORRECT?

- A. The critical value of Z for two tailed test with $\alpha = 0.05$ is 1.96
- B. The critical value of Z for a two tailed test with $\alpha = 0.01$ is 2.575
- C. The critical value of Z for one tailed test with $\alpha = 0.05$ is 1.96
- D. The critical value of Z for a left-tailed test with $\alpha = 0.01$ is -2.33

Choose the correct answer from the options given below:

- (A) A and B only
- (B) A, B and C only
- (C) A, B and D only
- (D) B, C and D only

20. Arrange in sequence the steps in the procedure of e-filing of an Income Tax Return

- A. Login
- B. Register
- C. Verification
- D. e-filing
- E. Downloading utility and preparing the return

Choose the correct answer from the options given below:

- (A) A, B, C, D, E
- (B) A, B, C, E, D

- (C) A, B, E, C, D
- (D) B, A, E, D, C

21. Cash flows are presumably reinvested in capital budgeting decisions at
- A. Discount rate
 - B. Market rate
 - C. Cost of capital
 - D. Riskless rate
 - E. Internal rate of return

Choose the correct answer from the options given below:

- (A) A, C and D only
 - (B) A, C and E only
 - (C) B, C and D only
 - (D) C, D and E only
22. The resource seeking FDI moves to a country where:
- (A) Financial resources help MNCs improve their efficiency
 - (B) Per capita income and size of the market are large
 - (C) Raw materials and manpower are in abundance
 - (D) Technologies are available to improve productivity
23. Section 80GGC of Income tax is:
- (A) Deduction in respect of certain donation for scientific research
 - (B) Deduction in respect of contribution given by any company to political parties
 - (C) Deduction in respect of contribution given by any person to political parties
 - (D) Deduction in respect of rent paid
24. Which one of the following State Taxes have NOT been replaced by GST?
- (A) Luxury Tax
 - (B) Purchase Tax
 - (C) Special additional duty of customs
 - (D) Taxes on lotteries, betting, and gambling
25. The practice of delaying receipts from the foreign currency designated receivables whose currencies are likely to appreciate and delaying foreign currency designated payables whose currencies are likely to depreciate is known as:
- (A) Lagging
 - (B) Leading
 - (C) Netting
 - (D) Risk hedging
26. Tax Audit is compulsory in case a person is carrying on a business whose gross turn over/receipts exceeds:
- (A) Rs. 1 crore
 - (B) Rs. 40 lakh

- (C) Rs. 50 lakh
- (D) Rs. 60 lakh

27. An ITR-1 can be used by an individual having an income from
- A. One house property
 - B. Pension
 - C. Interest on Fixed Deposits in Banks
 - D. Winnings from lottery

Choose the correct answer from the options given below:

- (A) A, B and C only
- (B) A, B and D only
- (C) A, C and D only
- (D) B, C and D only

28. Which one of the following vehicles is used when traffic building is the consumer promotion objective?
- (A) Catalogue offers
 - (B) Coupons
 - (C) Discount sales
 - (D) Special events

29. The partial integration of agricultural with non-agricultural income is done in case of:
- (A) AOP /BO1
 - (B) Company
 - (C) Co-operative society
 - (D) Firm

30. Which of the following is NOT the feature of the Indian capital market?
- (A) Co-promotes state-level venture funds
 - (B) Government rules and regulations
 - (C) Link between savers and investment opportunities
 - (D) Utilises intermediaries

31. The values in one of the series in a bivariate data set are multiplied by a constant K, which of the following would change as a result of this?
- A. Karl Pearson's coefficient of correlation
 - B. Standard deviation
 - C. Covariance between the variables
 - D. Rank correlation coefficient

Choose the correct answer from the options given below:

- (A) A, and D only
- (B) A, B and C only
- (C) A, B, and D only
- (D) B and C only

32. Which one of the following statements are TRUE about the contract of Bailment?
- (A) A contract of Bailment does not result when a person leaves some goods with his friend for being looked after
 - (B) Bailee has a right of the general lien
 - (C) Hiring of bank locker is a contract of Bailment
 - (D) Money deposited in fixed deposit with a bank is a contract of Bailment

33. Given below are two statements, one is labelled as Assertion A and the other is labelled as Reason R

Assertion A: Two companies with the same general earning power and same general position in an industry, the one paying larger dividend will almost always sell at a higher price

Reason R: The discounted value of near dividends is higher than the present worth of distant dividends

In light of the above statements, choose the most appropriate answer from the options given below:

- (A) A is correct but R is not correct
 - (B) A is not correct but R is not correct
 - (C) Both A and R are correct and R is the correct explanation of A
 - (D) Both A and R are correct but R is NOT the correct explanation of A
34. From the following information about a firm, what will be the contribution to sales (c/s) ratio and the profit?
- Sales = ₹ 100,000
Fixed Cost = ₹ 20,000
Break-even Point = ₹ 40,000
- (A) C/S = 25% and Profit = ₹ 60,000
 - (B) C/S = 50% and Profit = ₹ 30,000
 - (C) C/S = 50% and Profit = ₹ 60,000
 - (D) C/S = 60% and Profit = ₹ 30,000

35. Factors that reduce price sensitivity are:

- A. Buyers cannot store the product
- B. The expenditure is a larger part of the buyer's total income
- C. Buyer are aware of substitutes
- D. The product is used in conjunction with assets previously bought
- E. Part of the cost is borne by another party

Choose the correct answer from the options given below:

- (A) A and B only
- (B) A, D and E only
- (C) B, D and E only
- (D) C, D and E only

36. Arrange the following economic regions in increasing order of FDI inflows, as per the UNCTAD Report, 2020?
- A. Developing economies
 - B. Transition economies
 - C. North America
 - D. Developed economies
 - E. Europe

Choose the correct answer from the options given below:

- (A) A, B, C, E, D
- (B) B, A, C, E, D
- (C) B, A, D, E, C
- (D) E, B, D, C, A

37. The due date of the first instalment of advance tax paid by an assessee other than the company is:
- (A) 15th April
 - (B) 15th December
 - (C) 15th June
 - (D) 15th September

38. Which one of the following is the most suitable coping mechanism if 'fear of overload' is the source of resistance to change?
- (A) Participation and involvement
 - (B) Role clarity and definition
 - (C) Role redefinition and re-orientation
 - (D) Support of resource

39. With reference to product hierarchy, life insurance is an example of:
- (A) Product class
 - (B) Product family
 - (C) Product line
 - (D) Product type

40. What is the sustainable growth rate of the company that enjoys return on equity= 30 percent and a dividend payout ratio of 40 percent?
- (A) 12 per cent
 - (B) 18 per cent
 - (C) 30 per cent
 - (D) 40 per cent

41. In which of the following cases, the Doctrine of Supervening impossibility will apply?
- (A) Commercial Impossibility
 - (B) Difficulty in performance

- (C) Impossibility known to the parties at the time of making of the contract
 (D) Strikes, Locks-outs, and civil disturbances

42. Match List I with List II

List I – Hedging Description	List II – Concepts
A. European	I. Option contract exercised on any date up to option maturity
B. Option	II. When the immediate exercise of an option premium
C. In-money	III. Option contract exercised only on the option maturity date
D. American	IV. It is paid by the buyer of the options option upfront to the option seller

Choose the correct answer from the options given below:

- (A) A - I, B - II, C - III, D - IV
 (B) A - I, B - II, C - IV, D - III
 (C) A - I, B - IV, C - II, D - III
 (D) A - III, B - IV, C - II, D - I

43. Arrange the following steps in the process of hypothesis testing in proper sequence:

- A. Select the level of significance
 B. Setup null and alternative hypothesis
 C. Establish the decision rule
 D. Performance computations
 E. Select test statistics
 F. Draw conclusion

Choose the correct answer from the options given below:

- (A) A, B, C, D, E, F
 (B) A, B, E, D, C, F
 (C) B, A, C, D, E, F
 (D) B, A, E, C, D, F

44. Match List I with List II

List I	List II
A. Dispersion	I. Involving relationship between the median and quartile
B. Karl Pearson's	II. Based on the relationship measures of skewness between the averages
C. Bowley's measures of skewness	III. Using percentile
D. Kelly's measure of	IV. Amount of variation in given skewness data

Choose the correct answer from the options given below:

- (A) A - I, B - II, C - III, D - IV

- (B) A - IV, B - I, C - II, D - III
- (C) A - IV, B - II, C - I, D - III
- (D) A - IV, B - III, C - II, D - I

45. The term current account transaction is defined as a transaction other than a capital account transaction and without prejudice to the generality of the foregoing, such transaction includes:
- A. Overseas direct investment, (ODIs) from India
 - B. Payment due as interest on loans and as net income from investments
 - C. Remittances for living expenses of parents, spouse, and children residing abroad
 - D. Borrowing or lending in foreign exchange and in Indian rupees

Choose the correct answer from the options given below:

- (A) A and B only
- (B) A and D only
- (C) B and C only
- (D) D only

46. The functions of lower management are:

- A. Executing plans in accordance with the policies and directives of the top management
- B. Maintaining discipline among the workers
- C. Selecting suitable operative and supervisory personnel
- D. Providing training to the workers
- E. Maintaining good human relations

Choose the correct answer from the options given below:

- (A) A and B only
- (B) A, B and C only
- (C) B, D and E only
- (D) C and D only

47. An economy grows at 5%, 12%, and 70/o over the last three years. The average annual increase over this period would be:

- (A) 8% or less
- (B) At least 8%
- (C) Equal to 8%
- (D) Less than 8%

48. Match List I with List II relating to The Sale of Goods Act

List I	List II
A. Actionable claim	I. Goods to be manufactured after the making of the contract
B. Appropriation of goods	II. Goods owned by the seller at the time of the making of the contract of sale
C. Existing goods	III. Separating the goods sold from other goods so as to determine and identify the actual goods to be delivered
D. Future goods	IV. Recovered only by means of a suit or an action in a court of law

Choose the correct answer from the options given below:

- (A) A - I, B - II, C - III, D - IV
- (B) A - II, B - IV, C - I, D - III
- (C) A - III, B - I, C - IV, D - II
- (D) A - IV, B - III, C - II, D - I

49. Which one of the following is NOT true regarding input tax credit to avoid cascading effect?

- (A) Input Tax credit of CGST can be utilised for payment of CGST first and balance for payment of IGST on outward supply
- (B) Input Tax credit of SGST /UTGST can be utilised for payment of CGST
- (C) Input Tax credit of UTGST can be utilised for payment of UTGST
- (D) Input Tax credits of SGST can be utilised for payment of SGST first and balance for payment of IGST on outward supply

50. Arrange the following steps in a logical sequence of the claim settlement procedure in the

Insurance

- A. Scrutinisation
- B. Investigation of an assessment
- C. Claim form
- D. Notice of loss
- E. Settlement and Arbitration

Choose the correct answer from the options given below:

- (A) A, B, C, D, E
- (B) C, A, D, B, E
- (C) C, B, A, E, D
- (D) D, C, A, B, E

51. Arrange the following levels of economic integration, from least integrated to the most integrated:

- A. Customs Union
- B. Free Trade Area
- C. Economic Union
- D. Common Market
- E. Political Union

Choose the correct answer from the options given below:

- (A) A, B, C, D, E
- (B) B, A, D, C, E
- (C) D, C, A, B, E
- (B) E, D, C, A, B

52. Identify three conditions that a firm must meet to practice price discrimination:

- A. The firm must have some control over the price and the product
- B. The firm must operate in the growth phase of its product life cycle

- C. The markets in which products are sold must be separable
- D. Price elasticity of demand for the product must differ
- E. The firm operates its plant at full capacity

Choose the correct answer from the options given below:

- (A) A, B and C only
- (B) A, C and D only
- (C) B, C and D only
- (D) B, D and E only

53. Match List I with List II

List I	List II
A. Role of Commercial	I. Help to consumers
B. NBFC service Bank	II. Mutual saving bank
C. Non-depository Institution	III. Hire purchase
D. Depository Institution	IV. Mutual fund

Choose the correct answer from the options given below:

- (A) A - I, B - III, C - IV, D - II
- (B) A - II, B - I, C - III, D - IV
- (C) A - III, B - IV, C - II, D - I
- (D) A - IV, B - II, C - I, D - III

54. Match List I with List II

List I - Events	List II - Year
A. Bretton Woods Conference	I. 1948
B. GATT established	II. 1974
C. Multi-fibre Agreement	III. 1944
D. WTO replaced GATT	IV. 1995

Choose the correct answer from the options given below:

- (A) A - II, B - IV, C - III, D - I
- (B) A - III, B - I, C - II, D - IV
- (C) A - III, B - I, C - IV, D - II
- (D) A - IV, B - II, C - I, D - III

55. Which market form leads to more technological change and product improvements than alternative forms of market structure?

- (A) Monopolistic competition
- (B) Monopoly
- (C) Oligopoly
- (D) Perfect competition

56. Arrange the steps of market segmentation process in the proper sequence

- A. Segment "Acid Test"
- B. Segment Attractiveness
- C. Need Based Segmentation

- D. Segment Profitability and Segment Positioning
- E. Segment Identification

Choose the correct answer from the options given below:

- (A) A, B, C, E, D
- (B) A, E, C, D, B
- (C) C, E, B, D, A
- (D) E, C, D, B, A

57. Which of the following is INCORRECT about ways, the RBI can affect the structure of interest rates?

- A. By changing the treasury bill rate
- B. Blending of leading and trading activities
- C. By changing the Bank rate
- D. Fixing the maximum interest on time deposits with the bank
- E. Ineffective tapping and mobilization of savings

Choose the correct answer from the options given below:

- (A) A and D only
- (B) A, C, D and E only
- (C) B and E only
- (D) D and E only

58. Match List I with List II

List I	List II
A. Section 10 (1)	I. Amount received involuntary retirement
B. Section 10 (10 C)	II. Agricultural Income
C. Section 10 (13 A)	III. Leave Encashment
D. Section 10 (10 AA)	IV. House Rent Allowance

Choose the correct answer from the options given below:

- (A) A - II, B - I, C - III, D - IV
- (B) A-II, B - I, C - IV, D - III
- (C) A - IV, B - III, C - I, D - II
- (D) A - IV, B - III, C - II, D - I

59. Buoyancy is a basic principle of taxation which means:

- A. The system should be such that cost of collection is least
- B. Tax obligation of the payers should be well determined
- C. The system should be such that the tax revenue has the inherent tendency to increase as the economy grows
- D. Tax base should be fairly diversified so that the tax burden is widely spread

Choose the correct answer from the options given below:

- (A) A and B only
- (B) A only
- (C) C only

(D) D only

60. Companies strive to stockpile internally generated cash. Such a cash reserve is called

- (A) Financial float
- (B) Financial slack
- (C) Margin of safety
- (D) Reserve float

61. 'A', 'B' and 'C' are partners sharing profits in the ratio of 3:2:1. 'D' is admitted for

$$\frac{1^{\text{th}}}{6}$$

share and 'C' should retain his original share.

The sacrificing ratio of A and B will be:

- (A) 1: 2
- (B) 2: 1
- (C) 2: 3
- (D) 3: 2

62. Which one of the following is NOT true for the functional organization?

- (A) Functional managers are specialists in their respective areas
- (B) It is based on the principle of unity of command
- (C) It is useful for large-scale business
- (D) The discipline tends to become loose

63. A certain bivariate data by_x and b_{xy} have been calculated which is equal to 2.4 and 0.4, respectively. If the value of the x series are all multiplied by 5 and all values of y series are divided by 2, how would it affect the value of the two coefficients?

- (A) Both the coefficients get multiplied so $by_x = 6.0$ and $b_{xy} = 4$
- (B) Both the coefficients remains unchanged
- (C) The coefficients are revised by $by_x = 0.24$ and $b_{xy} = 4.0$
- (D) The coefficients are revised by $by_x = 24$ and $b_{xy} = 0.04$

64. Given below are two statements:

Statement I: Assessee is always a person but a person may or may not be an assessee

Statement II: The term 'person' includes an individual, a HUF, a company, a firm, an association of persons, local authority and every artificial juridical person

In light of the above statements, choose the most appropriate answer from the options given below:

- (A) Both Statement I and Statement II are correct
- (B) Both Statement I and Statement II are incorrect
- (C) Statement I is correct but Statement II is incorrect
- (D) Statement I is incorrect but Statement II is correct

65. Which of the following order is followed in the issue of shares under the "Fixed Price Offer Method"?
- Issue of a prospectus
 - Receipt by the company of application for share
 - Selection of merchant banker
 - Issue of share certificates
 - Allotment of shares to the applicant

Choose the correct answer from the options given below:

- A, D, E, C, B
- C, A, B, E, D
- C, B, A, D, E
- E, B, A, C, D

66. Identify the components of the credit policy of a business firm from the following:

- Collection policy
- Factoring
- Credit rating
- Credit analysis
- Terms of sale

Choose the correct answer from the options given below:

- A, C and D only
- A, D and E only
- B, C and D only
- C, D and E only

67. Fill in the blanks

The collapse of Eastern Europe in _____ and USSR in _____ lead to emergence of the transitory economies.

- 1980, 1987
- 1988, 1995
- 1989, 1991
- 1997, 1991

68. According to Plutchik, which one of the following is NOT a secondary emotion?

- Distrust
- Fear
- Hostility
- Insecurity

69. Match List I with List II

List I - Nature of commodities	List II - Income Elasticities of Demand
A. Normal goods	I. Greater than one
B. Inferior goods	II. Between zero and one
C. Luxurious commodities	III. Greater than zero (positive)
D. Necessities	IV. Less than zero (negative)

Choose the correct answer from the options given below:

- (A) A - II, B - IV, C - I, D - III
- (B) A - II, B - IV, C - III, D - I
- (C) A - III, B - I, C - IV, D - II
- (D) A - III, B - IV, C - I, D - II

70. Incentives schemes where earnings differ at different levels of output are:

- A. Gantt Task System
- B. Halsey Plan
- C. Rowan Plan
- D. Bedaux Plan
- E. Emerson's Efficiency Plan

Choose the correct answer from the options given below:

- (A) A and E only
- (B) A, C and D only
- (C) A, C and E only
- (D) B and E only

71. Which of the following losses are NOT deductible from business Income?

- A. Loss incurred in closing down the business
- B. Loss incurred due to damage destruction etc. of capital assets
- C. Loss of stock-in-trade due to enemy action
- D. Loss sustained before the business is commenced
- E. Loss of raw material finished good-in-transit

Choose the correct answer from the options given below:

- (A) A, B, C only
- (B) A, B, D only
- (C) A, D, E only
- (D) C, D, E only

72. The technique of marginal costing is based upon which of the following assumptions:

- A. Fixed cost will tend to remain constant or unchanged for the entire volume of production
- B. Variable cost remains constant per unit of output irrespective of the level of output
- C. There will not be any change in pricing policy due to change in volume, competition, etc.
- D. Operating efficiency of the firm may increase or decrease

Choose the correct answer from the options given below:

- (A) A and B only
- (B) A, B and D only
- (C) A, B, and C only
- (D) A, B, C and D

73. Given below are two statements, one is labelled as Assertion A and the other is labelled as Reason R

Assertion A: Quick ratio is a more penetrating test of liquidity than the current ratio, yet a high quick ratio does not necessarily imply sound liquidity.

Reason R: A company with a high value of quick ratio can suffer from a shortage of funds if it has slow-paying, doubtful and long duration outstanding debtors

In light of the above statements, choose the most appropriate answer from the options given below:

- (A) A is correct but R is not correct
- (B) A is not correct but R is correct
- (C) Both A and R are correct and R is the correct explanation of A
- (D) Both A and R are correct but R is NOT the correct explanation of A

74. Given below are two statements:

Statement I: The aim of marketing is to make selling superfluous

Statement II: Marketing should result in a customer who is ready to buy

In light of the above statements, choose the most appropriate answer from the options given below:

- (A) Both Statement I and Statement II are correct
- (B) Both Statement I and Statement II are incorrect
- (C) Statement I is correct but Statement II is incorrect
- (D) Statement I is incorrect but Statement II is correct

75. Which one of the following statement is FALSE regarding transactions of Internet Banking?

- (A) Balance inquiry
- (B) Statement of account is for a specific period
- (C) Transfer of funds from one account to another account
- (D) Withdrawal of cash anywhere in India

76. A price ceiling below the equilibrium price often leads to a shortage of the commodity and possibly:

- (A) Black marketing
- (B) Commodity glut
- (C) Increased consumption
- (D) Price manipulations

77. Match List I with List II

List I	List II
A. Value added by Channel Members-Low; Market Growth Rate-Low	I. Introductory stage
B. Value added by Channel Members-High; Market Growth Rate-Low	II. Growth stage
C. Value added by Channel Members-Low;	III. Mature stage

Market Growth Rate-High	
D. Value added by Channel Members-High; Market Growth Rate-High	IV. Decline stage

Choose the correct answer from the options given below:

- (A) A - I, B - IV, C - III, D - II
- (B) A - II, B - I, C - III, D - IV
- (C) A - III, B - I, C - IV, D - II
- (D) A - IV, B - I, C - III, D - II

78. A contract is said to be discharged by rescission:

- A. When terms of a contract are altered
- B. When a party makes novation of a contract
- C. When an aggrieved party exercises his option to avoid the contract
- D. When a party to a contract waives his rights under the contract
- E. Where none of the parties has performed its part for a long time and no other party has objected against it

Choose the correct answer from the options given below:

- (A) A, D and E only
- (B) B and D only
- (C) B, C and E only
- (D) C and E only

79. Which of the following are objectives of the Competition Act, 2002?

- A. To prevent practices having an adverse effect on competition
- B. To impede and torment competition in the market
- C. To protect the interests of sellers
- D. To ensure freedom of trade carried on by other participants in markets

Choose the correct answer from the options given below:

- (A) A, and D only
- (B) A, B and C only
- (C) A, B and D only
- (D) B, C and D only

80. Arrange in the sequence, steps in the procedure for calling a statutory meeting of the company

- A. Contents of the statutory report
- B. A list of members must be produced at the commencement
- C. Twenty-one days notice
- D. Certification of the statutory report by not less than two directors, one of whom must be the managing director
- E. A certified copy of the statutory report must be delivered to the Registrar

Choose the correct answer from the options given below:

- (A) A, D, E, B, C
- (B) B, E, C, A, D

- (C) C, A, D, E, B
- (D) D, C, B, A, E

81. Which of the following statements are TRUE in a contractual capacity?
- A. Law presumes that every person is competent to contract unless otherwise proved
 - B. That a minor can make a contract for necessities of life
 - C. That a person of unsound mind can enter into the family contracts
 - D. A convict cannot enter into a valid contract nor can sue
 - E. That a wife can always make valid business contracts and bind her husband

Choose the correct answer from the options given below:

- (A) A and E only
- (B) A, C and E only
- (C) B and D only
- (D) B, D and E only

82. Which one of the following training methods is most suitable for developing problem-solving skills?
- (A) Case study
 - (B) Lecture
 - (C) Role playing
 - (D) Sensitivity training

83. In which one of the following services price sensitivity is high?
- (A) Airlines
 - (B) Car rentals
 - (C) Retailing
 - (D) Sea Transport

84. Which one of the following is considered a necessary precondition by Richard Roll for markets to become efficient?
- (A) Costless trading
 - (B) Free access to and flow of information
 - (C) Prices approximate a random walk
 - (D) Traders who make a living by 'beating the market' through trading

85. Match List I with List II

List I - Ego Defence Mechanism	List II - Description
A. Projection	I. Returning to a previous stage of development
B. Regression	II. Acting out unacceptable impulses in a socially acceptable way
C. Repression	III. Placing unacceptable impulses in yourself onto someone else
D. Sublimation	IV. Pulling into the unconscious

Choose the correct answer from the options given below:

- (A) A - I, B - III, C - II, D - IV
- (B) A - II, B - I, C - IV, D - III
- (C) A - III, B - I, C - IV, D - II
- (D) A - III, B - IV, C - I, D - II

86. Which one of the following statements are the advantages of the Decision Support System (DSS)?

- (A) Difficulty in quantifying all the data
- (B) Generates new evidence in support of a decision
- (C) System design failure
- (D) Unaware of Assumptions

87. Which one of the following is a structured review of the systems and procedures of an organisation in order to evaluate whether they are being conducted efficiently and effectively?

- (A) Cost audit
- (B) Financial audit
- (C) Management audit
- (D) Safety audit

88. If each value in a given set is increased by K, it will:

- (A) Increase the Pearson's coefficient of skewness value
- (B) No change in Pearson's coefficient of skewness value
- (C) No change in Bowley's coefficient of skewness value
- (D) Reduce the value of Pearson's coefficient of skewness

89. Which of the following are the limitations in the creation of credit of commercial banks?

- A. The amount of cash that commercial banks possess
- B. Supply of collateral security
- C. Monetary policy of the central bank
- D. Allied deposits scheme
- E. Deposits linked with special benefits

Choose the correct answer from the options given below:

- (A) A, C and E only
- (B) A, D and E only
- (C) C and D only
- (D) D and E only

90. For a holding company, all pre-acquisition profits/losses of the subsidiary company are _____, while all post-acquisition profits/losses of the subsidiary company are _____.

- (A) capital profits, capital losses
- (B) capital profits/losses, revenue profit/losses
- (C) revenue profits, revenue losses
- (D) revenue profits/losses, capital profits/losses

Read the given paragraph carefully and answer the questions that follow

For a developing economic nation, its industrial policy requires regular updation to meet the growing demands of the industry as well as to increase the share of manufacturing in overall GDP. As India's GDP has been dominated by services rather than agriculture or manufacturing, there are structural modifications always required so that manufacturing activity be increased substantially to meet the global market requirements. This requires legal amendments, with the new laws aimed to facilitate better manufacturing and exports.

Actually, India faces two challenges, rather opportunities that the bullishness on the Indian economy is to be export-oriented as well as to feed its ever-growing domestic consumption. Also, no economy can only be consumption oriented as its people should also save and invest actively. This brings to an important direction of banking system which plays a critically important role in achieving the above two objectives. The public sector banks require to build on to the capabilities and expertise on the due diligence methods for the credit appraisal for the loan requirements. Worth mentioning here is the data that the non-performing assets valuing Rs. 7.7 lakh crore (as on December 2017) as per the latest figures of the Finance Ministry. Nevertheless, given their large structure and geographic percolation, the public sector banks must be recognized in India's development and that there is "no country in the world where banks have not had a problem."

91. The credit appraisal process by a bank does NOT involve evaluation if the borrower on:
- (A) Bank ability or credit worthiness
 - (B) Economic viability
 - (C) Loan offtakes and paying ability of related companies in the geographical area
 - (D) Technical feasibility
92. What problem is highlighted in the above passage?
- (A) Balance of payments issue
 - (B) High fiscal deficit
 - (C) Low growth in GDP
 - (D) Role of banking sector
93. Which of the following set defines Sustainable Consumption and Production (SCP)?
- A. The use of services and related products which respond to basic needs and bring a better quality of life.
 - B. Minimizing the use of natural resources and toxic materials as well as the emission of waste as pollutants.
 - C. Pertinent use of service or product so as not to jeopardise the needs of future generations.
 - D. Planned cities with a lower cost of production minimizing the retail inflation.

Choose the correct answer from the options given below:

- (A) A, B and C only

- (B) A, B and D only
- (C) A, B, C and D
- (D) B, C and D only

94. Which of the following is not a feature of the consumption economy?

- (A) Increasing population with increasing consumption
- (B) It also prompts more exports than imports
- (C) More contribution to indirect taxes
- (D) The unsold goods create problems

95. The Indian banking sector requires that it:

- (A) be more technology dependent
- (B) build more manpower and ICT resources
- (C) evaluate loan disbursals
- (D) increase the frequency of change of the bank rates

Read the paragraph carefully and give an answer to the question

The Economic Survey cautions against extended forbearance of credit default, drawing the lessons that extended forbearance in the wake of the 2007-08 global financial crisis led to the build-up of bad loans and dragged down investment rates and economic growth.

If followed through, this would mean a major squeeze on company finances, as they scramble for resources to service loans to avoid bankruptcy, and a big demand on the government to recapitalize the banks it owns, after they recognize and provide for a mass of bad loans

Regulatory forbearance must be an emergency medicine, not a staple diet, is sound advice. A moratorium by banks on debt service by borrowers has been a part of the COVID cushioning to corporates. Many of these firms would face acute liquidity problems when the moratorium ends

Fast growth that embraces all businesses would avert a crisis. Such Goldilocks perfection rarely materializes in real life. many companies that could survive with access to liquidity could go under when banks think it is time to do their asset quality reviews. The solution is to provide such companies with capital that does not need to be serviced when they do not make a profit on equity

Companies would need a whole lot of capital, to service existing loans and to invest in new production, to cater to the demand thrown up by economic revival. The government had promised a fund to funds that would mobilize large volumes of capital to invest in micro, small and medium enterprises.

This is the time to walk the talk. The equity stakes can be sold later, hopefully at a profit. Special situation funds, private equity, and allocations from retirement savings can be tapped for the needed capital. Managing the investment is the challenge.

96. Given below are two statements, one is labelled as Assertion A and the other is labelled as Reason R

Assertion A: The government had promised a fund of funds that would mobilize large volumes of capital to invest in micro, small and medium enterprises

Reason R: Companies would need a whole lot of capital, to service existing loans and to invest in new production, to cater to the demand thrown up by economic revival.

In light of the above statements, choose the most appropriate answer from the options given below

- (A) A is correct but R is not correct
- (B) A is not correct but R is correct
- (C) Both A and R are correct and R is the correct explanation of A
- (D) Both A and R are correct but R is NOT the correct explanation of A

97. Given below are two statements, one is labelled as Assertion A and the other is labelled as Reason R

Assertion A: A moratorium by banks on debt service by borrowers has been a part of the COVID cushioning to corporates

Reason R: Regulatory forbearance must be an emergency medicine but not a staple diet

In light of the above statements, choose the most appropriate answer from the options given below:

- (A) A is correct but R is not correct
- (B) A is not correct but R is correct
- (C) Both A and R are correct and R is the correct explanation of A
- (D) Both A and R are correct but R is NOT the correct explanation of A

98. Which could be a suitable title for the above paragraph?

- (A) Bad loans and Indian corporates
- (B) Forbearance and Corporate Funding in Crisis Times
- (C) Funding crisis and COVID-19
- (D) Funding during crisis

99. Given below are two statements:

Statement I: Forbearance of credit default is a common phenomenon in Indian banking system

Statement II: Global financial crisis influences the quantum of bad loans in India

In light of the above statements, choose the correct answer from the options given below:

- (A) Both statement I and statement II are false
- (B) Both statement I and statement II are true/
- (C) Statement I is false but statement II is true
- (D) Statement I is true but statement II is false

100. What is the theme of the paragraph narrated above?

- (A) Crisis of corporate funding during crisis times
- (B) Forbearance of credit default
- (C) Liquidity and survival of companies
- (D) Moratorium by banks on debt service

ANSWER KEY

Q. No	Ans	Q. No	Ans
1	B	51	B
2	B	52	B
3	D	53	A
4	D	54	B
5	B	55	C
6	C	56	C
7	D	57	C
8	C	58	B
9	C	59	C
10	A	60	B
11	C	61	D
12	B	62	B
13	C	63	C
14	B	64	A
15	B	65	B
16	C	66	B
17	C	67	C
18	B	68	B
19	C	69	D
20	D	70	A
21	B	71	B
22	C	72	C
23	C	73	C
24	C	74	A
25	A	75	D
26	A	76	A
27	A	77	D
28	D	78	D
29	A	79	A
30	A	80	C
31	D	81	C
32	C	82	A
33	C	83	A
34	B	84	D
35	B	85	C
36	D	86	B
37	C	87	C
38	B	88	B
39	C	89	D
40	B	90	B
41	C	91	D
42	D	92	B
43	D	93	B

44	C	94	B
45	C	95	B
46	C	96	C
47	D	97	C
48	D	98	B
49	B	99	B
50	D	100	A

Aifer

JUNE 2020 SHIFT 1

1. Out of the following statements, which is not correct about the RTI Act, 2005?

- (i) The RTI Act come into force from October 13. 2005.
- (ii) Any citizen may request information from a Public Authority (Both Govt. and Private)
- (iii) Reply for information asked can be given within 30 days.
- (iv) There is nominal application fees that are needs to pay to get information under the RTI application.
- (v) For getting information, applicant has to pay Rs. 10/- per page of information for Central Govt. Departments.

Choose the correct answer from the options given below:

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



2. Cost audit for Materials covers :

- (i) Goods inward procedure.
- (ii) Methods of calculating standard cost variance.
- (iii) Classification of overhead.
- (iv) Accounting for scrap, wastage, materials transfers
- (v) Accounting treatment of under or over absorption

Choose the most appropriate answer from the options given below :

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

3. Match List I with List II

(Authors)	(Ideas)
a) Bill Bishop	(I) Managing in the Market Space
b) D. Bird	(II) Common sense Direct Marketing
c) Daniel S. J onal	(III) Strategic Marketing for the Digital Age
d) Jeffery F. Rayport	(IV) On-line Marketing

Choose the correct answer from the options given below:

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

4. Objectives of IMPS (Immediate Payment Service) are :

- (i) To enable bank customers to use mobile instruments as a channel for accessing their banks accounts and remit funds 24 x 7.
- (ii) Making payments simpler just with the mobile number of the beneficiary.
- (iii) To build the foundation for a full range of mobile based banking services
- (iv) To create competition with NEFT and RTGS

Choose the most appropriate answer from the options given below :

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

5. Which among the followings are correct statements with regard to NBFC in India?

- (i) All NBFCs should be registered with RBI.
- (ii) NBFCs cannot accept demand deposits.
- (iii) NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself.

(iv) Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs.

Choose the correct answer from the options given below:

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

6. Which of the following are true about delivering customer value?

- (i) A company can go alone in creating customer value
- (ii) Company must work within a broader network of partners to accomplish customer value.
- (iii) Individual companies and brands compete; their entire value delivery networks don't.
- (iv) Individual companies and brands don't compete; their entire value delivery networks do.
- (v) Value = Contribution/cost (offer higher contribution through product or service to clients and lowers the cost)

Choose the most appropriate answer from the options given below:

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

7. Sugam is also known as :

- (A) ITR-1
- (B) ITR-2
- (C) ITR-4
- (D) ITR-6

8. The headquarters of the ASEAN is located in which of the following country?

- (A) Indonesia
- (B) Vietnam
- (C) Thailand
- (D) Singapore

9. As per Carroll Model. the four levels of Corporate Social Responsibility are :
- (A) Physical, economic, social and legal
 - (B) Physical. economic. legal and ethical
 - (C) Philanthropic, economic, legal and ethical
 - (D) Philanthropic. economic. social and ethical

10. Which of the following are positional averages?

- (i) Arithmetic Mean
- (ii) Median
- (iii) Mode
- (iv) Geometric Mean
- (v) Harmonic Mean

Choose the most appropriate answer from the options given below :

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

11. Which of the following is/are condition(s) for price discrimination of product?

- (i) Firm must have some monopoly power.
- (ii) Price elasticities of demand for the product in different market must differ
- (iii) Market must be separable or able to be segmented
- (iv) Free entry and exit of firms

Choose the correct answer from the options given below:

- (A) (i) and (iv) only

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

12. Match List I with List II

Authors of Trade Theory	Name of Theory
a) Steffan Linder	(I) Product Life Cycle Theory
b) Raymond Vernon	(II) Country Similarity Theory
c) Hecksher-Ohlin	(III) Absolute Advantage Theory
d) Adam Smith	(IV) Factor Proportion Theory

Choose the correct answer from the options given below :

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

13. Given below are two statements: One is labelled as Assertion (i) and the other is labelled as Reason (R) .

Assertion (i) : Firms opt for buying an asset if the equivalent annual cost of ownership and operation is less than the best lease rate it can get.

Reason (R) : Operating leases are attractive to equipment users if the lease payment is less than the user's equivalent annual cost of buying the equipment.

In the light of the above statements, choose the most appropriate answer from the options given below:

- (A) Both (i) and (R) are correct and (R) is the correct explanation of (i)
- (B) Both (i) and (R) are correct but (R) is NOT the correct explanation of (i)
- (C) (i) is correct but (R) is not correct
- (D) (i) is not correct but (R) is correct

14. Which one of the following is not true for Mass Marketing?

- (A) Provides very little scope for customisation
- (B) Deals with customers directly
- (C) Normally followed in case of FMCG and SMCG Goods
- (D) Relies heavily on advertising



15. Which one of the following is not a major direct selling company in India?

- (A) Eureka Forbes
- (B) Amway India Enterprises
- (C) Modi care
- (D) Hindustan Unilever Ltd.

16. The standard deviation of the binomial distribution is :

- (A) np
- (B) \sqrt{np}
- (C) npq
- (D) \sqrt{npq}

17. Mercosur, a South American Trade block is a:

- (A) Free Trade Area
- (B) Common Market

- (C) Custom Union
- (D) Economic Cooperation

18. In Marketing. DSA stands for ____

- (A) Delivery Staff Agency
- (B) Direct Supplier Agent
- (C) Direct Selling Agent
- (D) Distribution and Supply Agency

19. Under which section of Information Technology Act of 2000, updated in 2008, stealing any digital asset or information is considered as cybercrime?

- (A) 65
- (B) 65-D
- (C) 67
- (D) 70



20. Match List I with List II

List I	List II
a) I am Not OK. you are Not OK	(I) Dependent
b) I am OK. you are Not OK	(II) Confronting
c) I am OK. you are OK	(III) Withdrawn
d) I am Not OK. you are OK	(IV) Task obsessive

Choose the correct answer from the options given below:

- (A) (a-III), (b-IV), (c-II), (d-I)

(B) (a-III), (b-II), (c-IV), (d-I)

(C) (a-I), (b-II), (c-III), (d-IV)

(D) (a-II), (b-I), (c-III), (d-IV)

21. When foreign currency assets and liabilities match in terms of amount of exposure and timing of maturities, it is described as :

- (A) Financial hedge
- (B) Natural hedge
- (C) Perfect hedge
- (D) Netting

22. Which of the following is not correct with respect to matrix organisation?

- (A) It is a combination of functional and product organisation
- (B) Functional departments are not permanent fixtures of a matrix organisation
- (C) Product departments are created as the need for them arises
- (D) Team members have functional home when they are not needed on a project:

23. Which of the following financial institution(s) got merged with their subsidiary?

- (i) ITI
- (ii) IFCI
- (iii) ICICI
- (iv) IDBI
- (v) Global Trust Bank

Choose the correct answer from the options given below:

- (A) (i). (ii) only
- (B) (ii), (iii) only
- (C) (iii). (iv) only

(D) (iii). (v) only

24. In which of the following price adjustment strategies, a company reduces prices to reward customer responses such as volume purchases, paying early or promoting the product?

- (A) Discount and allowance pricing
- (B) Psychological pricing
- (C) Promotional pricing
- (D) Dynamic pricing

25. The Human Relations Approach rejected the 'rabble hypothesis' by giving which of the following argument?

- (A) The worker does not work for money only.
- (B) A worker operates in a techno-economic system with no room for emotions.
- (C) Authoritarian style of leadership is more productive.
- (D) Individual pays attention to self-achievement irrespective of informal group norms.

26. Given below are two statements: One is labelled as Assertion (i) and the other is labelled as Reason (R) .

Assertion (i) : Trade mark registration gives exclusive proprietary rights to the trademark owner.

Reason (R) : A trademark is a recognizable sign, design or expression which identifies

products or services of a particular source from those of others, and are used to claim exclusive proprietary rights of products or services.

In the light of the above statements, choose the correct answer from the options given below :

- (A) Both (i) and (R) are true and (R) is the correct explanation of (i)
- (B) Both (i) and (R) are true but (R) is NOT the correct explanation of (i)
- (C) (i) is true but (R) is false
- (D) (i) is false but (R) is true

27. Which of the following does not come under the definition of "Information" under RTI Act, 2005?

- (A) Log Books
- (B) Circulars
- (C) File Noting's in the process
- (D) Data material held in any electronic form

28. What is the probability that a randomly chosen card from a deck of cards will either be a King or a Spade?

- (A) 0.3077
- (B) 0.3269
- (C) 0.0384
- (D) 0.3169



29. Constraint Optimisation' is closer to which of the following objectives of business firm?

- (A) Sales maximisation
- (B) Profit maximisation
- (C) Satisfying behaviour
- (D) Rent seeking behaviour

30. In which of the following situations, the payback period method is advised for evaluation of investment opportunities?

- (i) Overleveraged businesses
- (ii) Cash rich businesses

(iii) Uncertain market conditions

(iv) Stable market conditions

Choose the most appropriate answer from the options given below :

(A) (i) and (ii) only

(B) (i) and (iii) only

(C) (ii) and (iii) only

(D) (iii) and (iv) only



31. Match List I with List II

List I	List II
a) Mezzanine Capital	(I) It is the speedy source of finance less regulated by the regulatory environment of debt and capital markets.
b) Private Equity	(II) It is long term capital embraced by the high networth and high risk appetite investors.

C) Global Depository Receipts	(III) It is an equity instrument issued in overseas markets and is listed and traded on bourses on an OTC basis.
d) Venture Capital	(IV) It refers to subordinated debt or preferred equity that allows firms to borrow additional capital beyond the levels lenders are willing to finance through the bank loans.

Choose the correct answer from the options given below :

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

32. The 'going concern concept' is the underlying basis for

- (A) Disclosing the market value of securities
- (B) Consolidating the accounts of subsidiary companies with those of parent company
- (C) Depreciating fixed assets over their useful lives
- (D) Disclosing the sales and other operating information in the income statement

33. What is a 'Repo Rate'?

- (A) Is the rate at which RBI lends to State Government
- (B) Is the rate at which International aid agencies lends to RBI
- (C) Is the rate at which the RBI lends to Banks in case of short maturity

(D) Is the rate at which RBI borrows funds from the Commercial Banks in the country

34. Which of the following explains the declining slope of indifference curves?

- (i) Diminishing marginal utility
- (ii) Diminishing Marginal Rate of substitutions between the commodities
- (iii) Diminishing Marginal Rate of technical substitution
- (iv) Ordinal measurement of utilities
- (v) Diminishing Marginal utility of money

Choose the most appropriate answer from the options given below :

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

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35. Which of the followings is correct about deduction available in respect of contribution to various provident funds in case of salaried employees?

- (i) Employer's contribution to recognised provident fund is exempted up to 12% of salary.
- (ii) Employer's contribution to unrecognised provident fund is exempted from tax.
- (iii) Employer does not contribute to Public Provident Fund.
- (iv) Deduction under Section 80 C is available for employer's contribution in unrecognized provident fund.

Choose the correct answer from the options given below :

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

36. Given below are two statements.

Statement (I) : Gratuity received by Government employee is exempted from tax under Section 10(10)(i) of the Indian Income Tax Act, 1961.

Statement (II) : Gratuity received by local authority employee is exempted from tax.

In the light of the above statements, choose the correct answer from the options given below :

- (A) Both Statement (I) and Statement (II) are true
- (B) Both Statement (I) and Statement (II) are false
- (C) Statement (I) is correct but Statement (II) is false
- (D) Statement (I) is incorrect but Statement (II) is true

37. Which one of the following statements is true for the set off and carry forward of loss under the head 'house property' in India?

- (A) Can be carried forward for 8 years
- (B) Cannot be carried forward
- (C) Can be carried forward for 4 years
- (D) Can be carried forward infinitely

38. Net Present Value (NPV) and Internal Rate of Return (IRR) methods yield conflicting outcomes due to ____

- (i) Unconventional cash flows
- (ii) Investment size disparity
- (iii) Investment life disparity
- (iv) Cash flow pattern disparity

Choose the most appropriate answer from the options given below:

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

39. Charging different prices for the same product in different markets until the MR of last unit sold equals the MC of the product sold in each market is described by ____

- (i) Price discrimination of first degree
- (ii) Price discrimination of second degree
- (iii) Price discrimination of third degree
- (iv) Equilibrium price
- (v) Price discrimination

Choose the correct answer from the options given below:

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

40. Out of the following statements which of them explain the difference between enculturation and acculturation as a part of Cross-Cultural Training?

- (i) Enculturation refers to the process of learning and adopting host cultural norms, and acculturation is the process of learning our own native culture.
- (ii) Enculturation is a anthropological term used for socialisation like acculturation.

(iii) Both terms refer to the process of Learning through social interaction.

(iv) Enculturation refers to the process of learning our own culture, and acculturation refers to the process of learning host cultural norms.

Choose the most appropriate answer from the options given below :

(A) (i), (ii), (iii) only

(B) (ii), (iv) only

(C) (ii), (iii), (iv) only

(D) (i), (ii), (iii) and (iv) only

41. Some doctors charge patients for missed appointments because the service value existed only at that point and disappeared when the patient did not show up, is an example of which one of the following four service characteristics?

(A) Inseparability

(B) Intangibility

(C) Variability

(D) Perishability

42. Which of the following are possible negative impacts of FDI on domestic firms in host countries?

(i) Market monopoly

(ii) Technology dependence

(iii) Increased competition

(iv) Profit outflow

Choose the correct answer from the options given below :

(A) (i), (ii) only

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

43. The strategies of flanking Défense, pre-emptive Défense, mobile Défense, contractor Défense and counter offensive defence is used by which market player?

- (i) Market challenger
- (ii) Market leader
- (iii) Market follower
- (iv) Market Nicher
- (v) Start up Marketer

Choose the most appropriate answer from the options given below :

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

44. If an estimated Cobb-Douglas production function is $Q = 10K^{0.6}L^{0.8}$ what type of returns to scale does this production function indicate?

- (A) Increasing returns
- (B) Decreasing returns
- (C) Constant returns
- (D) Negative returns

45. Match List I with List II

List I	List II
a) Standard Costing	(I) Financial forecasting and planning
b) Margin of Safety	(II) Sales minus break-even sales
c) Ratio Analysis	(III) Control of inventory
d) JIT System	(IV) Management by exception

Choose the correct answer from the options given below:

(A) (a-IV), (b-II), (c-I), (d-III)

(B) (a-III), (b-I), (c-II), (d-IV)

(C) (a-II), (b-III), (c-I), (d-IV)

(D) (a-I), (b-II), (c-IV), (d-III)

46. Match List I with List II

Capital Structure Proposition(s)	Description(s)
a) Target Capital Structure	(I) Expected yield on the equity capital is equal to the pure equity return plus a premium for financial risk.
b) Optimum Capital Structure	(II) It refers to the perceived costs due to increased ratio of debt in the firm.
c) Cost of financial distress	(III) It is the debt ratio the firm strives to

	achieve.
d) MM-preposition-II	(IV) It is the debt-equity ratio that maximises the value of the firm.

Choose the correct answer from the options given below:

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

47. Arrange in the sequence of decisions in manufacturing enterprises :

- (i) Making of forecasts
- (ii) Determination of key factors
- (iii) Consideration of alternative combination of forecasts
- (iv) Preparation of budgets
- (v) Combination of factors

Choose the correct answer from the options given below :

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

48. A manufacturing enterprise monthly consumes 1,350 units of raw material at the cost of Rs. 20 per unit. Determine its economic order quantity given the ordering cost of Rs. 2,400 and carrying cost of inventory being 30 percent of the price paid.

- (A) 3,600 units
- (B) 2,400 units

(C) 4,800 units

(D) 2,700 units

49. Which of following is not correct about properties of correlation coefficient?

(i) Depends on the origin.

(ii) Depends on the scale.

(iii) Depends on both origin and scale.

(iv) Is independent with respect to origin.

(v) Is independent with respect to unit of scale.

Choose the correct answer from the options given below :

(A) (i), (iv), (v) only

(B) (i), (ii), (iv) only

(C) (i), (ii), (iii) only

(D) (iv), (v), (ii) only

50. Arrange the following procedure of Income Tax return e-Filing in India

(i) Login

(ii) Register

(iii) Verification

(iv) Downloading utility and preparing return

(v) e-filing Income Tax Return

Choose the correct answer from the options given below :

(A) (i), (ii), (iii), (iv), (v)

(B) (i), (iii), (ii), (v), (iv)

(C) (ii), (i), (v), (iv), (iii)

(D) (ii), (i), (iv), (v), (iii)

51. Surcharge of 10% (percent) is payable by an Individual where the total income exceeds:

(A) Rs. 7.50.000/-

(B) Rs. 8.50.000/-

(C) Rs. 50,00,000/-

(D) Rs. 20,00.000/-

52. Arrange the following financing choices in order of preference suggested by the pecking order theory

(i) Reinvestment of earnings

(ii) New issue of equity

(iii) Issue of debt

Choose the correct answer from the options given below :

(A) (i), (ii), (iii)

(B) (i), (iii), (ii)

(C) (ii), (iii), (i)

(D) (ii), (i), (iii)

53. Arrange the following steps of creating a market-competitive pay plan in a sequence from the first to the last

(i) Choose benchmark jobs and select compensable factors

(ii) Define each compensable factor and determine its degree in each job

(iii) Establish rate changes

(iv) Develop pay grades

(v) Compare and adjust current and market wage rates for jobs

Choose the correct answer from the options given below:

(A) (ii), (i), (v), (iv), (iii)

(B) (i), (iii), (ii), (iv), (v)

(C) (i), (ii), (v), (iv), (iii)

(D) (i), (ii), (iii), (v), (iv)

54. What is the rate of tax deduction at source from insurance commission in case of 'Person'?

(A) 2 percent

(B) 5 percent

(C) 10 percent

(D) 4 percent



55. In Leontief production function. L is considered as

(A) Structural constraint in the production process

(B) Degree of Homogeneity

(C) Binding constraint in the production process

(D) Optimisation constraint in the production process

56. Arrange the following stages of research in a proper sequence

(i) Report Writing

(ii) Budgeting

(iii) Data Collection

(iv) Field Work

(v) Research outcomes

Choose the correct answer from the options given below:

(A) (ii), (iv), (iii), (v), (i)

(B) (iv), (i), (ii), (iii), (v)

(C) (iv), (iii), (ii), (v), (i)

(D) (ii), (v), (iv), (iii), (i)

57. The portfolio theory articulates diversification to reduce which of the following risks?

(A) Market risk

(B) Financial risk

(C) Unsystematic risk

(D) Business risk

58. Match List I with List II

List I	List II
a) 80GG	(I) Deduction in respect of contribution given by companies to political parties.
b) 80GGA	(II) Deduction in respect of contribution given by any person to political parties.
c) 80GGB	(III) Deduction in respect of scientific research.
d) 80GGC	(IV) Deduction in respect of rent paid.

Choose the correct answer from the options given below:

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

59. Market for automobiles needs to be segmented on the basis of:

- (i) Buying behaviour
- (ii) Psychographics
- (iii) Geographies
- (iv) Demographics

Choose the most appropriate answer from the options given below :

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

60. Which of the following is a long-term source of finance?

- (A) Commercial Paper (CP)
- (B) External Commercial Borrowings (ECB)
- (C) Factoring
- (D) Line of Credit (LOC)

61. Arrange the following steps of marketing process in proper sequence
- (i) Construct an integrated marketing programme that delivers superior value
 - (ii) Capture value from customers to create profits and customer equity
 - (iii) Understand the market place and customer needs and wants
 - (iv) Engage customers build profitable relationships and create customer delight
 - (v) Design a customer value-driven marketing strategy

Choose the correct answer from the options given below:

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



62. Which one of the following statements is 'True' in partnership?
- (A) In the absence of any provision in the partnership deed, only a working partner is entitled to remuneration.
 - (B) Any firm which earns normal profit has no goodwill.
 - (C) The business of the firm must be carried on by all the partners.
 - (D) Interest on loan given by a partner to the firm shall be paid if there are profits.
63. What type of Défense mechanism is used by a person when he gets angry at his child or spouse because he had a bad day at work?
- (i) Denial
 - (ii) Repression
 - (iii) Projection

(iv) Displacement

(v) Regression

Choose the most appropriate answer from the options given below :

(A) (i) and (ii) only

(B) (ii) only

(C) (iv) only

(D) (v) only

64. Who coined the term 'Collective Bargaining'?

(A) Reed Richardson

(B) Kurt Lewin

(C) W.E. Deming

(D) Sydney Webb and Beatrice Webb

65. In continuous compounding the time it takes to double the sum grossly follow "Rule of 69". If it is changed to discrete compounding; the relevant rule of thumb is ____

(A) Rule of 69.3

(B) Rule of 72

(C) Rule of 84

(D) Rule of 64

66. Given below are two statements.

Statement (I): Monetary policy causes a deliberate change in government revenue and expenditure with a view to influencing the price level and the quantum of national output.

Statement (II): Fiscal Policy regulates the money supply and the cost and availability of credit.

In the light of the above statements, choose the most appropriate answer from the options given below:

- (A) Both Statement (I) and Statement (II) are correct
- (B) Both Statement (I) and Statement (II) are incorrect
- (C) Statement (I) is correct but Statement (II) is incorrect
- (D) Statement (I) is incorrect but Statement (II) is correct

67. Pricing strategy of setting a high price when a product is introduced and gradually lowering its price is known as

- (A) Skimming
- (B) Penetration pricing
- (C) Peak load pricing
- (D) Dumping

68. Which one is False as per the relevant provisions of the Indian Contract Act, 1872?

- (A) A void agreement is one that is not enforceable by law
- (B) Assignment is the obvious mode of discharge of a contract
- (C) Where a party waives its rights under the contract, the other party is released of its obligations under the contract
- (D) Where the subject matter of a contract is destroyed for no fault of the promisor, the contract does not become void by impossibility of performance

69. In a rising consumer income scenario, the preferred decision choice of business firms for low income elastic products will be ____

- (A) Product promotion
- (B) Cost control
- (C) Product repositioning
- (D) Product improvement

70. Which of the following relationships is true in a model distribution?

- (A) Mean - Mode = 3 (Mean - Median)
- (B) Mode = 3 Median - 2 Mean
- (C) 3 Median = 2 Mean + Mode
- (D) 2 Median - 3 Quartile Deviation = 2 Mean



71. Match the market forms in the List I and the role of the selling costs in the List II

List I- Market Forms	List II - Role of selling costs
a) Perfect Competition	(I) Sustained survival of firm
b) Monopoly	(II) Influencing buying behaviour
c) Monopolistic Competition	(III) Increasing market size
d) Oligopoly	(IV) Intimation of product or service

Choose the correct answer from the options given below:

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

72. As per Section 80G maximum deduction allowed for any cash donation is up to

- (A) Rs. 1,000
- (B) Rs. 2,000
- (C) Rs. 5,000
- (D) Rs. 10,000

73. EPRG framework in International Business refers to

- (A) Ethno. Poly, Regio. Geo Transformations
- (B) Ethnocentric. Polycentric. Regiocentric and Geocentric Orientations
- (C) Ethics. Policies. Regulations. Guidelines Orientations
- (D) Every Person Refers Global Framework

74. Which of the following expenses debited to Profit and Loss a/c but disallowed while computing income from Business?

- (i) General Expenses
- (ii) Personal Expenses
- (iii) Expenses of Income which is taxable under the other heads of income
- (iv) Charities and donations

Choose the correct answer from the options given below :

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

75. When sampling is done without replacement then standard error of mean is :

- (A) $SE = \frac{\sigma}{\sqrt{n}}$
- (B) $SE \bar{x} = \frac{\sigma}{\sqrt{n}} \sqrt{\frac{N-n}{N-1}}$
- (C) $SE \bar{x} = \frac{\sigma}{\sqrt{n}} \sqrt{\frac{N-1}{N-n}}$
- (D) $SE \bar{x} = \frac{\sigma}{\sqrt{n}} \sqrt{1 - \frac{n}{N}}$

76. Arrange the following legal enactments in India in the chronological sequence from the first to the last.

- (i) The Mines Act
- (ii) The Minimum Wages Act
- (iii) The Payment of Gratuity Act
- (iv) The Child Labour (Prohibition and Regulation) Act
- (v) The Apprentices Act

Choose the correct answer from the options given below :

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

77. In which of the following stages of product life cycle a company reduces sales promotion to take advantage of heavy consumer demand?

- (A) Introduction
- (B) Growth
- (C) Maturity

(D) Decline

78. Which one is the correct sequence implied in the Indian Contract Act 1872?

(i) Offer of proposal

(ii) Contract

(iii) Promise

(iv) Agreement

(v) Acceptance

Choose the correct answer from the options given below:

(A) (iii), (v), (i), (iv), (ii)

(B) (iv), (ii), (iii), (i), (v)

(C) (ii), (iv), (iii), (v), (i)

(D) (i), (v), (iii), (iv), (ii)

79. Match List I with List II

List I

List II

(A) Bayes' Theorem

(I) $P(\bar{E}) = 1 - P(E)$

(B) Conditional Probability

(II) $P(E_1 \cup E_2) = P(E_1) + P(E_2)$

(C) Theorem of complementary events

(III) $P(E_2 / E_1) = \frac{P(E_1 \cap E_2)}{P(E_1)}$

(D) Theorem of addition

(IV) $P(H_i / E) = \frac{P(H_i \cap E)}{P(E)}$

Choose the correct answer from the options given below:

(A) (i)-(I). (ii)-(IV). (iii)-(III). (iv)-(II)

(B) (i)-(III), (ii)-(IV), (iii)-(II), (iv)-(I)

(C) (i)-(III), (ii)-(IV), (iii)-(I), (iv)-(II)

(D) (i)-(IV), (ii)-(III), (iii)-(I), (iv)-(II)

80. Arrange the following initiatives taken by the Government of India to tackle the Non-performing assets in their ascending order of chronology:

- (i) Corporate Debt Restructuring
- (ii) Compromise Settlement
- (iii) The Debt Recovery Tribunals (DRTs)
- (iv) Credit Information Bureau
- (v) SARFAESI Act

Choose the correct answer from the options given below:

(A) (iii), (iv), (i), (ii), (v)

(B) (i), (ii), (v), (iii), (iv)

(C) (iii), (iv), (ii), (v), (i)

(D) (iv), (iii), (ii), (v), (i)

81. Arrange the following steps in logical sequence of operation of the Arbitrage Pricing Theory (APT).

- (i) Estimate the Factor Sensitivities
- (ii) Estimate the Risk Premium for Factor(s)
- (iii) Identify the Macroeconomic Factors

Choose the correct answer from the options given below:

(A) (i), (ii), (iii)

(B) (ii), (i), (iii)

(C) (iii), (ii), (i)

(D) (iii), (i), (ii)

82. Out of the following, which are not the features of GST 2017 in India.

(i) GST is applicable on 'supply' of Goods and Services.

(ii) GST is based on the principle of origin-based taxation rather than principle of destination based consumption.

(iii) Import of Goods is treated as Inter-State supplies and would be subject to IGST in addition to applicable Custom Duties.

(iv) It is a dual taxation with Centre and State simultaneously levying it on a common base.

(v) GST is applicable to all Goods and Services without any exemptions.

Choose the correct answer from the options given below:

(A) (i), (ii), (v) only

(B) (ii), (iii), (v) only

(C) (ii), (v) only

(D) (iii), (iv), (v) only

83. Given below are two statements: One is labelled as Assertion (i) and the other is labelled as Reason (R).

Assertion (i): According to Herzberg, preventing or reducing dissatisfaction at work is not the same as providing satisfaction.

Reason (R): Under the 'two factor theory', job satisfaction and dissatisfaction are the two different aspects of work motivation.

In the light of the above statements, choose the correct answer from the options given below:

- (A) Both (i) and (R) are true and (R) is the correct explanation of (i)
- (B) Both (i) and (R) are true but (R) is NOT the correct explanation of (i)
- (C) (i) is true but (R) is false
- (D) (i) is false but (R) is true

84. Arrange the following products in the increasing order of price elasticities

- (i) Homogeneous products
- (ii) Differentiated products
- (iii) Necessities
- (iv) Durable goods

Choose the correct answer from the options given below :

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

85. The Regression Coefficient is independent of the change of

- (i) Scale only
- (ii) Origin only
- (iii) Both Scale and Origin
- (iv) Neither Scale nor Origin

Choose the most appropriate answer from the options given below :

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

(D) (iv) only

86. Which of the following is not an example of compressed data?

- (A) Data array
- (B) Frequency distribution
- (C) Histogram
- (D) Ogive

87. Match List I with List II

List I	List II
a) Limited Liability Partnership	(I) It can be formed with a minimum of two individuals or body corporate through their nominees.
b) Particular Partnership	(II) It is formed for a specific venture or for a particular period.
c) Partnership	(III) It is an association of two or more individuals.
d) Mutual Agency	(IV) A partner is both an agent and a principal in a partnership firm.

Choose the correct answer from the options given below:

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

88. Which of the following is not an implied condition in a contract of sale?

- (A) Condition as to quality or fitness
- (B) Condition as to merchantable quality
- (C) Condition as to wholesomeness

(D) Condition as to free from encumbrances

89. Consumer rationality in business economics is collective manifestation of which of the following assumptions?

- (i) Non-Satiation
- (ii) Clarity of preferences
- (iii) Divisibility of goods and services
- (iv) Economic selfish motive
- (v) Possession of information

Choose the most appropriate answer from the options given below :

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

90. Mohan, has rendered his services in India and retired in 2015. He then shifted and settled in Singapore. The pension received by him for such services would be _____

- (A) Deemed to accrue or arise outside India
- (B) Deemed to accrue or arise in India only when it is received in India
- (C) Deemed to accrue or arise in India only when it is received outside India
- (D) Deemed to accrue or arise in India

Comprehension:

Answer Question No. 91 to 95 on the basis of the following passage :

Burnout is a psychological syndrome emerging as a prolonged response to chronic interpersonal stressors on the job. The three key dimensions of this response are

an overwhelming exhaustion, feelings of cynicism and detachment from the job, and a sense of ineffectiveness and lack of accomplishment. The significance of this three-dimensional model is that it clearly places the individual stress experience, within a social context and involves the person's conception of both self and others.

The exhaustion dimension was also described as wearing out, loss of energy, depletion, debilitation, and fatigue. The cynicism dimension was originally called depersonalization (given the nature of human services occupations), but was also described as negative or inappropriate attitudes towards clients, irritability, loss of idealism, and, withdrawal. The inefficacy dimension was originally called reduced personal accomplishment, and was also described as reduced productivity or capability, low morale, and an inability to cope.

There have been various conceptual models about the development of burnout and its subsequent impact. At first, the focus was on the relationship between the three dimensions of burnout, which was often described in sequential stages. Exhaustion was assumed to develop first, in response to high demands and overload, and then this would precipitate detachment and negative reactions to people and the job (depersonalization or cynicism). If this continued, then the next stage would be feelings of inadequacy and failure (reduced personal accomplishment or professional inefficacy).

More recently, burnout models have been based on theories about job stress, and the notion of imbalances leading to strain. Its three stages are: (i) Job stressors, (ii) individual strain, and (iii) defensive coping. Subsequently, two developmental models of the demands-resources imbalance have emerged: the Job Demands-Resources (JD-R) model and the conservation of Resources (COR) model. The JD-R model focuses on the notion that burnout arises when individuals experience incessant job demands and have inadequate resources available to address and to reduce those demands. The COR model follows a basic motivational theory assuming that burnout arises as a result of persistent threats to available resources. A different variation of an imbalance model of burnout is the Areas of Work life (AW) model, which frames job stressors in terms of person-job imbalances, or mismatches, but identifies six key areas in which these imbalances take place : workload, control, reward, community, fairness and values. Mismatches in these areas affect an individual's level of experienced burnout, which in turn determines various outcomes, such as job performance, social behaviours, and personal wellbeing.

91. Which of the following is not a resource-imbalance model of Burnout?

- (1) Job Demands-Resources Model
- (2) Conservation of Resources Model
- (3) Three-Dimensional Model
- (4) Areas of Work life Model

Sub Question No : 92

92. Which of the following has the correct sequence of the stages of burnout?

- (A) Fatigue due to excessive work, Dislike for work, failure to achieve targets
- (B) Negative feelings about work, Dislike for work, Effort to quit work
- (C) Initial good interpersonal relations, depersonalization, loss of idealism
- (D) Cynicism, inadequacy, inefficiency

Sub Question No : 93

93. Which of the following are caused by Burnout?

- (i) Concern for clients
- (ii) Negative Social Behaviour
- (iii) Physical and Mental Strain

Choose the most appropriate answer from the options given below :

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

94 .Given below are two statements.

Statement (I): Cynicism stage of Burnout is often experienced by employees, engaged in production activity, due to excessive work pressure.

Statement (II): In Cynicism stage of burnout, person withdraws from others and shows lack of interest towards them.

In the light of the above statements, choose the correct answer from the options given below

- (A) Both Statement (I) and Statement (II) are true
- (B) Both Statement (I) and Statement (II) are false
- (C) Statement (I) is correct but Statement (II) is false
- (D) Statement (I) is incorrect but Statement (II) is true

Sub Question No : 95

95. Match List I with List II

List I	List II
a) Exhaustion	(I) Not able to complete work
b) Cynicism	(II) No energy for work
c) Inefficiency	(III) No interest in customer

Choose the correct answer from the options given below :

- (A) (a-I), (b-II) (c-III)
- (B) (a-III), (b-II), (c-I)
- (C) (a-II), (b-III), (c-I)
- (D) (a-II), (b-I), (c-III)

Comprehension:

Answer Question No. 96 to 100 on the basis of the following passage :

It is desirable for consumers to be aware of their rights, and to exercise those rights responsibly and intelligently. In these days of audio-video publicity on the public and

private media, it is indeed very difficult, if not impossible, to verify the exaggerated or false claims made by producers, manufactures, distributors and dealers of various goods and services. The all-pervasive, exaggerated and often false claims, made for services and goods, emphasize the imperative need for Consumer Protection Legislation and creation of awareness about it among the general public.

In this connection, there are a number of enactments, in India such as the prevention of Food Adulteration Act, 1954, the Essential Commodities Act, 1955, the Hire Purchases Act, 1972, the Standards Weight and Measure Act, 1976 etc. However, the remedies prescribed there under are time-consuming, inadequate and expensive. As in other areas of Judicial Processes, the offenders are hardly caught, proceeded against and rarely, if ever, got convicted. When violators go scot-free, the victims have no remedy and gets frustrated.

Sub Question No : 96

96 .Which among the following is a correct statement based on the pas sage?

- (A) Consumers in India are aware of their rights
- (B) Consumers in India exercise their rights responsibly
- (C) Consumers in India are unaware of their rights and hence, they do not exercise them
- (D) None of the above could be ascertained on the basis of paragraph given h ere above

Sub Question No : 97

97 .Which among the following is a correct statement based on the passage?

- (A) Producers and manufacturers are sensitive about consumers' rights.
- (B) Producers and manufacturers are insensitive about consumers' rights.
- (C) Producers and manufacturers are neutral about consumers' rights.
- (D) Producers and manufacturers are basically governed by ethics and values

Sub Question No : 98

98. Who among the followings could be considered at the centre point in the passage?

- (A) Consumers
- (B) Judicial Process
- (C) Manufactures
- (D) Government

99. Which among the following is a correct statement based on the passage?

- (A) The Government of India has enacted sufficient number of Laws for protection of consumer interests
- (B) The paragraph does not give comprehensive list of laws in favour of consumers
- (C) Legal environment for consumers in India is not conducive
- (D) Legal environment for consumers in India is conducive

100. Which among the following is a correct statement based on the passage?

- (A) Consumers' laws are not explained well in India
- (B) Indian Judiciary System needs a drastic reform to facilitate consumers' welfare
- (C) Indian manufacturers are clever
- (D) The Indian Consumers have no remedy and get frustrated

ANSWER KEY

1	B	11	D	21	B	31	C	41	D	51	C	61	D	71	C	81	C	91	C
2	A	12	B	22	B	32	C	42	Dropped	52	B	62	B	72	B	82	C	92	A
3	A	13	B	23	C	33	C	43	B	53	C	63	C	73	B	83	A	93	C
4	A	14	B	24	A	34	B	44	A	54	B	64	D	74	D	84	A	94	D
5	B	15	D	25	A	35	A	45	A	55	C	65	B	75	B	85	B	95	C
6	D	16	D	26	A	36	A	46	B	56	A	66	B	76	B	86	A	96	D
7	C	17	B	27	C	37	A	47	C	57	C	67	A	77	A	87	B	97	B
8	A	18	C	28	A	38	D	48	A	58	A	68	B	78	A	88	D	98	A
9	C	19	A	29	C	39	C	49	C	59	D	69	B	79	D	89	D	99	B
10	A	20	A	30	B	40	C	50	D	60	B	70	A,B\$C	80	A	90	D	100	B

Aifier

2 JUNE 2020 2nd shift

1. A company purchased a machinery on 01-01-2015 for a sum of Rs.60,000. The retail price index on that date was 150. What is the value of machinery according to CPP method on 31st December 2015, When the price index was 200.

- (A) Rs. 1,00,000
- (B) Rs. 90,000
- (C) Rs. 80,000
- (D) Rs. 70,000

2. Mr.X is entitled to transport allowance of Rs.1,800 p.m. for commuting from his residence to office and back and he spends Rs.1 ,400 p.m. The exemption shall be allowed of

- (A) Rs.1,800 p.m.
- (B) Rs.1,400 p.m.
- (C) Rs.1,600 p.m.
- (D) Nil



3. The defenders of the sustainability approach toward Corporate Social Responsibility (CSR) point out that -----

- (i) All economic activity exists within a biosphere that support all Life
- (ii) The success of business must be judged only against profitability
- (iii) People have a strong ethical duty to cause no harm and only a prime facie duty to prevent harm
- (iv) Business sole responsibility is to fulfil the economic functions they were designed to serve
- (v) Customer service is most important

Choose the most appropriate answer from the options given below:

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

4. The shutdown refers to complete cessation or closing down of the business. It involves which of the following?

- (i) No buying or selling
- (ii) No manufacturing
- (iii) Shifting of business from one place to another place
- (iv) Assets to be sold or disposed of.
- (v) Returning capital to owners

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

5. **Assertion A:** Credit flows to agriculture and SME sector have increased in recent years.

Reasoning R: Reserve Bank of India has gradually relaxed various controls in credit Market.

Code:

- (A) **A** and **R** both are correct and **R** is the right explanation of **A**
- (B) **A** and **R** both are correct but **R is NOT** the right explanation of **A**
- (C) **A** is correct but **R** is incorrect
- (D) Both **A** and **R** are incorrect

6. Which of the following are sufficient to determine shutdown point of multi commodity firm in the short - run?

- (i) Variable cost of operations
- (ii) Marginal revenue received
- (iii) Average variable cost of operations
- (iv) Average marginal revenue received

Choose the most appropriate answer from the options given below:

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

(D) ii, iii and iv only

7. Match the cost concepts in List I and their description in List II

List I	List II
(Cost concepts)	(Description)
a. Sunk cost	i. I. Change in total cost for a unit change in output
b. Marginal cost	ii. II. Value of inputs owned and used in production
c. Investment cost	iii. III. Costs that are unaffected by firm decision
d. Implicit cost	iv. IV. Total increase in costs resulting from a decision

Choose the correct answer from the options given below:

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

8. In order to calculate capital adequacy ratio, the banks are required to into

Consideration, which of the following risks?

- (i) Credit risk
 (ii) Market risk
 (iii) Operational risk

Choose the most appropriate answer from the options given below:

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

9. Match List I with List II

List I	List II
(Market Forms)	(Distinctive featured)
i. Perfect competition	a. Price rigidity
ii. Monopoly	b. Product improvements
iii. Monopolistic competition	c. Homogeneous products
iv. Oligopoly	d. Price discrimination

Choose the correct answer from the options given below:

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

10. Identify on which of the three mutually reinforcing pillars Basel-III capital regulations are based?

- (i) Minimum capital standards
- (ii) Supervisory review of capital adequacy
- (iii) Credit risk management
- (iv) Market discipline
- (v) Management control

Choose the most appropriate answer from the options given below:

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

11. Organizational socialization is one very important aspect of orientation, the introduction of new employee to the enterprise(v) Which of the following is/ are not designed for the socialization of new managers?

- (i) Acquisition of work skills and ability
- (ii) Adoption of appropriate role behaviour

- (iii) Adjustment to the norm and values of the work group
- (iv) Filling a vacant position

Choose the most appropriate answer from the options given below:

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

12. Which of the following policy has lost its sheen consequent to implementation of the

GST Laws in India?

- (A) Monetary policy
- (B) Fiscal policy
- (C) Trade policy
- (D) Exim policy

13. Swachh Bharat Abhiyan is an example of

- (A) Sustainable marketing
- (B) Social marketing
- (C) Services marketing
- (D) Relationship marketing

14. Which type of studies would be most appropriate to use in order to measure changed opinions of consumers repeatedly?

- (A) Focus group studies
- (B) Shadowing studies
- (C) Longitudinal studies
- (D) Experimental studies

15. Which one of the following is a correct equation?

- (A) Opening capital = Closing capital + Additional capital - Drawings - Profit
- (B) Opening capital = Closing capital + Drawings - Additional capital - Losses
- (C) Opening capital = Closing capital + Drawings - Additional capital - Profit

(D) Opening capital = Closing capital - Drawings - Additional capital – Profit

16. Process Costing is appropriate for which of the following firms?

- (i) Logistics and Transportation firms
- (ii) Pharmaceutical and healthcare firms
- (iii) Tourism and hospitality firms
- (iv) Oil refining firms

Choose the correct answer from the options given below:

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

17. Beliefs, attitudes, traditions and expectations which are shared by group members is called-----

- (A) Group norms
- (B) Group communication
- (C) Group cohesiveness
- (D) Group structure

18. Which of the following are false?

- (i) Partners are not bound to carry on the business of the firm to the greatest common advantage
- (ii) Where a partner is entitled to interest on capital subscribed by him, such interest (iii) shall be payable whether or not there are profits
- (iv) An outgoing partner has a right to claim a share in the profits of the firm till his (v) account is finally settled
- (vi) A partner may be expelled from the firm only with the consent of all other partners

Choose the correct answer from the options given below:

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

19. After concept testing, a firm would engage in which of the following stage in developing and marketing a new product?

- (A) Test marketing
- (B) Marketing strategy development
- (C) Business analysis
- (D) Product development

20. Which of the following a related to vouching of sales?

- (i) Dispatch of goods
- (ii) Sales Book
- (iii) Direct notes
- (iv) Credit notes



Choose the correct answer from the options given below:

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

21. Goodness of fit of a distribution is tested by

- (A) t - test
- (B) F - test
- (C) Chi - square test
- (D) Z - test

22. The following information is available for Ravi Corporation

EPS - Rs 4

ROI - 18%

Rate of return required by shareholders - 15%

What will the price per share as per Walter model if the pay-out ratio is 40%?

- (A) Rs. 29.87
- (B) Rs. 29.33
- (C) Rs. 28.80
- (D) Rs. 30.63

23. **Assertion A:** TRIMs and TRIPs provisions facilitate and promote FDI.

Reason R: TRIMs and TRIPs provisions remove restrictions and address capital flow sensitivities.

Choose the correct response from following:

- (A) Both **A** and **R** are correct and **R** is the right explanation of **A**
- (B) Both **A** and **R** are correct and **R** is **NOT** the right explanation of **A**
- (C) **A** is correct and **R** is not correct
- (D) Both **A** and **R** are incorrect

24. In a monopolistically competitive market, which of the following hold true?

- (i) firms are small relative to the total market
- (ii) no firm has any market power
- (iii) there is easy entry and exit in the market
- (iv) few firms have market power
- (v) there is no easy entry and exit in the market

Choose the most appropriate answer from the options given below:

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

25. What is the correct sequence of distribution of amount realised under section 154 of

CGST rules?

- (i) Appropriated against the administrative cost of the recovery process.
- (ii) Appropriated against any other amount due from defaulter under the Act or IGST

Act, 2017.

- (iii) Appropriated against the amount due to be recovered from defaulter.
- (iv) Balance amount, if any shall be refunded to the defaulter

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

26. Which of the following narratives describe Fisher (Irving) effect?

- (i) Nominal, interest rate is equal to a real interest rate plus an expected interest rate
- (ii) Real interest rate is equal to nominal interest rate minus expected rate of inflation
- (iii) Exchange rate differential between two currencies is explained by interest – inflation rate differential
- (iv) Exchange rate differential between two currencies is explained by comparative cost advantage and purchasing power parity

Choose the most appropriate answer from the options given below:

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

27. Meaning of unpaid seller is

- (A) The person who has not paid the price
- (B) The person who has sold the goods and received the price
- (C) The person who has sold the goods and has not yet received the price
- (D) The person who has not sold the goods

28. Which of the following retail analytic applications involve(s) the use of search techniques to gain insights into customer's buying pattern?

- (i) Factor analysis
- (ii) Regression analysis
- (iii) Data mining

- (iv) Data scrapping
- (v) Data cloning

Choose the most appropriate answer from the options given below:

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

29. Sequence the following activities in the process of standard costing,

- (i) Establishing standard costs
- (ii) Measurement of actual costs
- (iii) Identifying variances and causes of variance
- (iv) Disposing the variances to cost and profit centres
- (v) Comparison of actual and standard costs

Choose the correct answer from the options given below:

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

30. A Lt(iv) has a share capital of 5,000 equity shares of Rs.100 each having a market value of Rs. 150 per shar(v) The company wants to raise additional funds of Rs.1,20,000 and offers to the existing shareholders the right to apply for a new share at Rs.120 for every five share held(iv) What would be the value of right?

- (A) Rs.5
- (B) Rs.6
- (C) Rs.6.5
- (D) Rs.5.5

31. Reverse Repo Rate is a tool used by the Reserve Bank of India primarily to _____

- (A) Inject liquidity

- (B) Absorb liquidity
- (C) Protect bank credit
- (D) Build reserve

32. Statement I: Contracts whose objects or consideration are unlawful are void(iv)Statement II: Contracts in restraint of legal proceedings are void(iv)Code:

- (A) Both Statements are correct
- (B) Both Statements are incorrect
- (C) Statement I is correct but II is incorrect
- (D) Statement I is incorrect but II is correct

33. X and Y are partners in a business sharing profit and losses in the ratio of 3:(B) They admit Z as a new partner with $\frac{1}{5}$ share in the profits. Calculate the new profit-sharing ratio of the partners.

- (A) 12:8:5
- (B) 12:8:6
- (C) 12:7:6
- (D) 12:3:7



34. Suppose a customer who purchases only two goods is making a utility - maximizing choice and then the price of one of the goods decreases. What will happen?

- (i) The consumer's purchasing power will increase
- (ii) The consumer's total utility will increase
- (iii) The consumer's money income will increase

Choose the most appropriate answer from the options given below:

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

35. Match the items in List I with economists propounded the same from List II

List I	List II
(Theoretical Foundations of Global Trade)	(Economists)
(i) Absolute cost advantage	(a) Michael Porter
(ii) Factor endowment theory	(b) David Ricardo
(iii) National competitive advantage	(c) Heckscher and Ohlin
(iv) Comparative cost advantage	(d) . Adam smith

Identify correct match from the following:

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

36. A marketer needs to be aware of the criteria by which the effectiveness of their segmentation procedures can be assess(iv) Which of the following is NOT a criterion for evaluating the resulting market segments?

- (A) Perishability
- (B) Size of the resulting segment
- (C) Measurability
- (D) Accessibility

37. **Assertion A:** Equilibrium price of a commodity is the price at which the quantity demanded of the commodity equals the quantity supply(iv)

Reason R: Equilibrium, is the condition, once determined tends to persists in time(v)

Choose the right options:

- (A) Both **A** and **R** are correct and **R** is the right explanation of **A**
- (B) Both **A** and **R** are correct and **R is NOT** the correct explanation of **A**
- (C) **A** is correct and **R** is not correct
- (D) Both **A** and **R** are incorrect

38. The consumer's price sensitivity is/ are influenced by

- (i) Who bears the cost
- (ii) What percentage of total expenditure does the product represent
- (iii) Who bears the cost and type of retailer from where customer purchases
- (iv) Consumption of product by the customer
- (v) Knowledge about the product

Choose the most appropriate answer from the options given below:

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

39. Which of the following method of training is NOT a part of the off - the job training method?

- (A) Sensitivity training
- (B) Transitional analysis
- (C) Apprenticeship
- (D) Conference method



40. Which type of retailers involve in comparatively low prices as a major selling point combined with the reduced costs of doing business?

- (A) Convenience stores
- (B) Discount retailers
- (C) Limited line retailers
- (D) Category killer stores

41. Arrange the following management functions in a logical sequence of getting things done

- (i) Planning
- (ii) Staffing
- (iii) Organizing
- (iv) Coordinating
- (v) Controlling
- (vi) Directing

Choose the correct answer from the options given below:

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

42. Uppsala model for internationalisation of business operations is not valid for -----
--

- (A) Manufacturing organisations
- (B) Services organisations
- (C) Agribusiness enterprises
- (D) Trading enterprises

43. Grouping of countries committed to remove all barriers to the free flow of goods and

services between themselves and also pursue independent external trade policies is called

- (A) Free trade area
- (B) Custom union
- (C) Common market
- (D) Economic union

44. Suppose that a firm has 20% debts and 80% equity in its capital structure(v) The cost of debts and cost of equity are assumed to be 10% and 15% respectively, What is the overall cost of capital?

- (A) 11%
- (B) 12%
- (C) 13%
- (D) 14%

45. When consumers seek to be different and exclusive by demanding less of a commodity as more people consumes it. This phenomenon is known as

- (A) Bandwagon effect
- (B) Snob effect
- (C) Substitution effect
- (D) Price effect

46. Sequence the following CSR eligibility criteria and spending as per the provisions of the Indian Companies Act 201(C)

- (i) Positive net worth of Rs.500 Crores or more
- (ii) Two percent of average profit spend on CSR
- (iii) Net profit of Rs.5 crore or more in given financial year
- (iv) Turnover of Rs.1,000 crore or more
- (v) Penal action for non-compliance

Choose the correct answer from the options given below:

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



47. Sub - optimal allocation of resources under monopoly to cause social welfare loss is often inferred as

- (A) Deadweight loss
- (B) Allocation drift
- (C) Monopoly loss
- (D) Opportunity loss

48. Channel conflicts can be

- (i) Vertical
- (ii) Horizontal
- (iii) Diagonal
- (iv) Circular

(v) Triangular

Choose the most appropriate answer from the options given below:

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

49. **Assertion A:** Workers participation in management is involvement of workers only in

such areas of activities of the enterprises where they can make some positive contribution.

Reasoning R: Workers may not be competent enough to understand and appreciate the managerial aspects of the enterprise(v)

Code:

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

50. Tax audit is compulsory in case of a person is earning on business whose gross turnover exceeds

- (A) Rs.60 Lakhs
- (B) Rs.1 Crore
- (C) Rs.40 Lakhs
- (D) Rs.2 Crore

51. Which one of the following is the most pervasive and sustaining objectives of financial decision making?

- (A) Profit maximization
- (B) Earnings maximization
- (C) Value maximization
- (D) Cost minimization

52. Match the items of List I with the items of List II and choose the correct code of Combination

List I	List II
i. Indian Contract Act	I. 2002
ii. Right to Information Act	II. 1872
iii. Information Technology Act	III. 2005
iv. Competition Act	IV. 2000

- (A) i- I, ii- II, iii-III, iv-IV
(B) i- II, ii-IV, iii-I, iv-III
(C) i- III, ii-IV, iii-II, iv-I
(D) i-II, ii-III, iii-IV, iv-I

53. When current ratio is 2:1 and if equal increase in current assets and current liabilities

would result in

- (A) No change in current ratio
(B) Increase in current ratio
(C) Decrease in current ratio
(D) Current ratio will double

54. Which two of the following are correct about TDS certificates?

- (i) TDS on salary payment - Form 16
(ii) TDS on non-salary payment - Form 16A
(iii) TDS on rent - Form 16B
(iv) TDS on sale of property - Form 16C

Choose the correct option:

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

55. For a decline in price(V) Total Revenue (TR) increases if demand is -----

- (A) Elastic
- (B) Inelastic
- (C) Unitary elastic
- (D) Zero elastic

56. Intellectual Property Rights (IPRs) protect the use of information and ideas that are of

- (A) Social value
- (B) Moral value
- (C) Commercial value
- (D) Ethical value

57. Which of the following could be problems with consumer interviews?

- (i) A non-random sample
- (ii) The identification problem
- (iii) Response bias

Choose the most appropriate answer from the options given below:

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

58. Match the items of List I with those of List II and choose the correct code of combination:

List I	List II
i. 80 GGC	I. Deduction in respect of rent paid
ii. 80 GG	II. Deduction in respect of contribution given by company to political parties

iii. 80 GGA	III. Deduction in respect of contribution given by any person to political parties
iv. 80 GGB	IV. Deduction in respect of certain donations for scientific research

- (A) i-III, ii-I, iii-II, iv-IV
- (B) i-III, ii-II, iii-IV, iv-I
- (C) i-III, ii-I, iii-IV, iv-II
- (D) i- I, ii-II, iii-III, iv-IV

59. Which one of the following is/are hold(s) true to successfully practice price discrimination?

- (i) The firm must be a pure monopoly
- (ii) The firm must possess market power
- (iii) It must be difficult for consumers in one market to sell to consumers in the other Market.

Choose the most appropriate answer from the opt ions given below:

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

60. If Activity Ratio of a firm is 80% and capacity ratio is 120%, find out its efficiency ratio.

- (A) 150%
- (B) 100%
- (C) 80%
- (D) 66.67%

61. Objective of energy management and audit invariably includes which of the following in a business enterprise?

- (i) Minimising cost of energy consumption
- (ii) Minimising waste in energy consumption
- (iii) Scaling harmful impacts of pollution on health of the natives
- (iv) Minimising environmental degradation

Choose the most appropriate answer from the options given below:

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

62. Arrange the following in correct sequence:

- (i) Income under the different heads of Income
- (ii) Deduction from gross total income
- (iii) Adjustment of losses of the current year and earlier years.
- (iv) Rounding off.

Choose the correct answer from the options given below

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

63. Which of the following is the first order conditions to profit maximisation?

- (A) $TR = TC$
- (B) $MR = MC$
- (C) MR cuts MC from below
- (D) Slope of MC curve must be higher than that of MR curve

64. Which of the following are true of the Goods and Services Tax (GST) introduced in India in recent times?

- (i) It is a destination tax
- (ii) It benefits producing states more
- (iii) It benefits consuming states more
- (iv) It is a progressive taxation
- (v) It is an umbrella tax to improve ease of doing business

Choose the most appropriate answer from the options given below:

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

65. A multinational firm is the one which -----

- (A) Source supplies from multiple countries
- (B) Exports production to multiple countries
- (C) Control and operates production facilities in multiple countries
- (D) Has consular access in multiple countries

66. Which of the following industry verticals received boost amid covid-19 pandemic? lockdowns?

- (i) Online education, gaming and entertainment
- (ii) E-commerce and E-Payment infrastructure
- (iii) Retailing and pharmaceuticals
- (iv) Hospitality and healthcare services
- (v) Manufacturing and MSMEs

Choose the most appropriate answer from the options given below:

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

67. Match the items of List I with those of List II and choose the correct code from the following combination

List I	List II
(a) Inability to pay interest	i. Current Ratio
(b) Liquidity crisis	ii. Debtor Turnover Ratio
(c) Inefficient collection of receivable	iii. Interest

	v. coverage ratio
(d) Return of shareholder's fund being much higher than the overall return on investment	vi. Debts - Equity ratio

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

68. Match the item of List I with the items of List II and suggest the correct code:

List I	List II
(i) Relationship (ii) Banking	(a) Dealing in hundis and acceptance of deposits
(iii) Merchant Banking	(b) Widening the entrepreneurial base and assist in a rapid rate of industrial growth
(iv) Indigenous Banking	(c) Engaged in the business of capital issue management
(v) Development (vi) Banking	(d) Creating, maintaining and enhancing strong relationship with customers

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

69. In a survey people are choose from class friends or neighbours for the purpose of knowing their preference for a certain b rand of soft drink, is an example of

- (A) Convenience sampling
 (B) Judgement sampling
 (C) Cluster sampling
 (D) Stratified sampling

70. Sequence the steps in CRM process?

- (i) Developing CRM programmes

- (ii) Collection of customer data
- (iii) Analysing customer data
- (iv) Identify the target customers
- (v) Implementing programs

Choose the correct answer from the options given below:

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

71. Sequence the following in the capital budgeting process

- (i) Cash flow estimation
- (ii) Identify discounting rate
- (iii) Project selection decision
- (iv) Determination of NPV

Choose the correct answer from the options given below:

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

72. Belated return u/s 139(4) can be filled at any time

- (A) Before the expiry of relevant assessment year
- (B) Before the expiry of one year from relevant assessment year
- (C) Before the expiry of relevant assessment year or before the assessment is complete (V) whichever is earlier
- (D) Before the expiry of one year from the end of the relevant assessment year or before the assessment year, whichever is earlier

73. Survey instruments used to assess customer perception of service quality are called

- (i) CETSCALE
- (ii) SERVQUAL
- (iii) SERVPREF
- (iv) DINESERV
- (v) RSQS

Choose the most appropriate answer from the options given below:

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

74. Match the items of List I with those of List II and choose the correct code of Combination

List I	List II
(a) Ad- hoc team formed to solve usual problem	(i) Virtual organization
(b) Suitable when there are large number of small projects	(ii) Task force
(c) (Status - free and hierarchy free organization	(iii) Free form organization
(d) (IV) Digital or dot com organization	(iv) Matrix organization

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

75. Which of the following aptly aims to alleviate financial stress of the borrowers at bottom of the pyramid by reducing their cost of credit in new of COVID-19 - 19 pandemic?

- (I) A generic loan moratorium to the borrowers
- (II) Two percent interest subvention on Sishu loans under the Pradhan Mantri Mudra Yojana
- (III) Provisioning Rs.1,500 Crore for Animal Husbandry Infrastructure Fund (AHIDF) to help investment in diaring, meat processing and animal feed plants.

(IV) Financial incentives to Farmer Producer Organisations (FPOs) and Micro, Small and Medium Enterprises (MSMEs)

Choose the most appropriate answer from the options given below:

- (A) I and III only
- (B) I, II and IV only
- (C) II and III only
- (D) IV only

76. Which of these are readily accepted distinguishing characteristics of the services that create unique strategic challenges?

- (i) Inflexibility
- (ii) Perishability
- (iii) Inseparability
- (iv) Intangibility
- (v) Inscrutability

Choose the most appropriate answer from the options given below:

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



77. Tele - Marketing is a part of

- (A) Viral marketing
- (B) Social marketing
- (C) Direct marketing
- (D) Relationship marketing

78. If on an average 2 customers arrive at shopping mall per minute what is the probability that in a given minute exactly 3 customers will arrive? ($e^{-2} = 0.1353$)

- (A) 0.1804
- (B) 0.3532
- (C) 0.2352
- (D) 0.1404

79. Span of management is determined by

- (i) manager's training
- (ii) manager's personal qualities
- (iii) subordinates training
- (iv) trade union

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

80. In a moderately skewed distribution, which of following equation indicates the relationship among mean, median and mode?

- (A) Mean = 2 Mode - 3 Median
- (B) Mode = 3 Median - 2 Mean
- (C) Median = 3 Mean - 2 Mode
- (D) Mode = 3 Mean - 2 Median

81. Which of the following include problems in forecasting?

- (i) estimates becoming more reliable the further you forecast into the future
- (ii) specification error
- (iii) cyclical variation
- (iv) stationarity in data series
- (v) consistency in data series

Choose the most appropriate answer from the options: given below:

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

82. Sequence the following activities in the process of accounting

- (i) Journalising the transaction in the ledger accounts
- (ii) Recording the business transaction in the books of entry
- (iii) Preparation of Annual Financial statements
- (iv) Preparation of the Trial Balance
- (v) Deriving meaningful inferences for business decisions

Choose the correct answer from the options given below:

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

83. "Skimming" in e-banking refers to

- (A) Identifying fraudsters copying vital information from credit cards
- (B) Multiple transactions by one credit card
- (C) Conversion of a debit card into credit card
- (D) Excessive charge for online services

84. Which of the following truly describe govt. intervention in the MSME space in view of Covid-19 pandemic?

- (i) Provisioning of collateral free automatic loans worth Rs. 3 lakh crores
- (ii) Provision of 100% credit guarantee coverage to banks and NBFCs on principal and interest for loans to NBFCs
- (iii) Redefined MSMEs to include both investment and turnover criteria
- (iv) Created a war chest of Rs.3,00,000 crores for the MSME loans and employment protection
- (v) Allocated Rs.3,00,000 crores for MSME loan moratorium and waiver

Choose the correct answer from the options given below:

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

85. Who coined the metaphor "invisible hand" in the Theory of Moral Sentiments?

- (A) Milton Friedman

- (B) David Ricardo
- (C) Michael Porter
- (D) Adam Smith

86. Match the items of Units (I) with those of Units (II) and choose the correct code of combination:

List I	List II
(a) $P(H_i/E) = P \frac{(H_i \cap E)}{P(E)}$	(i) Theorem of addition
(b) $P(E_2/E_1) = P \frac{(E_1 \cap E_2)}{P(E_1)}$	(ii) Theorem of multiplication
(c) $P(E_1 \cap E_2) = P(E_1) \times P(E_2)$	(iii) Conditional probability
(d) $P(E_1 \cup E_2) = P(E_1) + P(E_2)$	(iv) Baye's theorem

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

87. A price ceiling below the equilibrium price often leads to -----

- (A) Commodity glut
- (B) Tax Burdon on consumer
- (C) Shortage of the commodity and black marketing
- (D) Export of commodity

88. Political risk management comes in the ambit of which of the following financial

decisions?

- (A) Non - conventional capital budgeting
- (B) International currency arbitrage
- (C) Foreign exchange market
- (D) Multinational capital budgeting

89. In penetration pricing a business firm seeks to access deeper market penetration by keeping prices -----

- (A) Higher
- (B) Competitive
- (C) Low
- (D) Flexible

90. Match List I with List II

List I	List II
(International product lifecycle stage)	International competition)
(i) Introduction	(a) Companies from other high-income countries increase exports to the innovating country
(ii) Growth	(b) Competitors from other high-income countries may begin production in developing countries
(iii) Maturity	(c) A few competitors at home
(iv) Decline	(d) Competitors in other high-income countries begin production for their domestic markets

Choose the correct answer from the options given below:

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

Comprehension:

A mutual fund is a special type of investment institution which acts as an investment conduit. It pools the savings of relatively small investors in a well - diversified portfolio of sound investment. Mutual funds issue securities (known as units) to the investors (known as unit - holders) in accordance with the quantum of money invested by them. The profit (or losses) are shared by the investors in proportion to their investments. A mutual fund is set up in the form of a trust which has (i) a sponsor, (ii) trustee, (iii) Asset Management Company (AMC) and (iv) custodian. The trust is established by the sponsor who is like promoter of a company. The trustees of the mutual fund hold its property for the benefit of unit-holders. The trustees are vested with the general power of superintendence and direction over AMC. They monitor the performance and compliance of the SEBI regulations by the mutual fund. The AMC manages the funds by making investment in various types of securities. The Custodian holds the securities of the various schemes of the mutual fund in its safe custody. As an investment intermediary, mutual funds offer a variety of services/advantages to the relatively small investors who, on their own, cannot successfully construct and manage an investment portfolio mainly due to the small size of their funds, lack of expertise/experience and so on. These inter-alia, include convenience in terms of lower denomination of investment and liquidity, lower risk through diversification, expert management and reduced transaction cost due to economies of scale.

S=91-95);

91.Mutual fund is

- (A) Investment intermediary
- (B) Venture capitalist
- (C) NBFC
- (D) Non-profit organization

92. Who among the following monitors the compliance of SEBI regulations by the mutual fund?

- (A) Sponsor
- (B) Trustee
- (C) AMC
- (D) Custodian

93. Which among the following is not a part of mutual fund trust?

- (A) Sponsor
- (B) Custodian
- (C) Depository
- (D) Trustees



94. AMC manages funds by investing in

- (A) Stock market securities only
- (B) Credit instruments only
- (C) Government bonds only
- (D) Various types of securities

95. The sponsor of a mutual fund is similar to

- (A) Sole proprietor of a firm
- (B) Partner of a partnership firm
- (C) Promoter of a company

(D) Director of a company

Comprehension:

Read the case and answer the mentioned questions

The famous Taj palace hotel and towers became the centre of one of the most deadly terrorist attacks in the Indian - Sub Continent on 26 Nov. 2018. The employee's behaviour during the crisis saved the lives of nearly 300 guests. The condition of Taj after this was so disastrous that it would have been profitable to leave the hotel as it was rather than reopening it.

However, Taj made remarkable effort of recovering not just to restore its damaged installations but also to ensure customer satisfaction as well as to uplift the spirit of all employees and staff.

The employee at Taj is viewed as an asset and is the real profit centre. "The criterion of the Taj people philosophy displays our commitment to and belief in our people" says Bernard Martyris, is former senior VP,HR. In it is "Special Thanks and Recognition System" (STARS) it aims at rewarding employees across all levels. The employee can earn points on the recommendation of colleagues or guests. Taj People Philosophy (TPP) covered all the aspects of and employee career planning from his joining till the death. Taj also implemented the popular performance management system called Balance Score Card in which employee could reviews his performance and make improvements.

96. Providing necessary support system for employees require which of the following?

- (i) Friendly environment
- (ii) Providing all the equipment and system needed by employees to deliver service
- (iii) Internal controls
- (iv) Service oriented process

Choose the correct option:

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

97. Developing the employees to provide service quality does require which of the following?

- (i) Training of employees
- (ii) Continuous instruction with employee

- (iii) Setting standard for employees
- (iv) Recognize and reward the employees across all levels

Choose the correct option:

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

98. Which approach did not help Taj to restore its glory?

- (A) Collective bargaining
- (B) Customer retention
- (C) Treating employee as customer
- (D) Implementation of performance management system.

99. Retaining the best people by Taj did not include

- (A) Making them as a part of vision
- (B) Promoting them out of turn
- (C) Rewarding the employees
- (D) Treating employees as customers

100. Hiring the right people for organization like Taj hotel requires which of the following?

- (a) Compete to get best employees
- (b) Hire for competency and inclination
- (c) Be the most preferred employer
- (d) Choose the most talented

Choose the correct option:

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

1	C	11	D	21	C	31	A	41	B	51	C	61	C	71	B		81	C	91	A
2	C	12	B	22	A	32	A	42	B	52	D	62	A	72	C		82	D	92	B
3	D	13	B	23	A	33	A	43	A	53	C	63	B	73	D		83	A	93	C
4	A	14	C	24	D	34	B	44	D	54	A	64	D	74	C		84	A	94	D
5	A	15	C	25	B	35	A	45	B	55	A	65	C	75	Cancelled by NTA		85	D	95	C
6	B	16	D	26	A	36	A	46	C	56	C	66	C	76	A		86	B	96	D
7	A	17	A	27	C	37	B	47	A	57	C	67	A	77	C		87	C	97	D
8	D	18	A	28	D	38	D	48	C	58	C	68	C	78	A		88	D	98	A
9	C	19	B	29	A	39	C	49	B	59	B	69	A	79	B		89	C	99	B
10	B	20	C	30	A	40	B	50	B	60	D	70	B	80	B		90	A	100	C



2019 DECEMBER

1. A production function expressed as

$$Q = A[\alpha K^{-\beta} + (1 - \alpha)L^{-\beta}]^{-\frac{1}{\beta}}$$

Or

$$Q = A[\alpha L^{-\beta} + (1 - \alpha)K^{-\beta}]^{-\frac{1}{\beta}}$$

When $A > 0$, $0 < \alpha < 1$ and $\beta > -1$

Where $L =$ labour, $K =$ Capital and A , α and β are three parameters is called

1. Constant elasticity substitution function
2. Variable elasticity substitution function
3. Leontief - type function
4. Cobb - Douglas function



2. Which two of the following statements are correct?

- a) In the short - run, $\Delta TFC = 0$, therefore $\Delta TC = \Delta TVC$
- b) If decrease in $AFC <$ increase in AVC , then AC decreases
- c) If decrease in $AFC =$ increase in AVC , AC remains constant
- d) If decrease in $AFC >$ increase in AVC , then AC increases

Choose the correct answer from the options given below

1. a) and c)
2. b) and c)
3. b) and d)
4. a) and d)

3. Michael Porter proposed generic strategies that provide good starting points for strategic thinking. Identify them from the below mentioned strategies

a) Overall cost leadership

b) Innovation

c) Focus

d) Differentiation Choose the correct answer from the options given below

1. a) and b) only

2. a), c) and d) only

3. a), b) and d) only

4. All of these - a), b), c) and d)

4. Which two of the following statements are true?

a) The sum of the deviations from mean (ignoring algebraic signs) is greater than the sum of the deviations from median (ignoring algebraic signs)

b) Standard deviation is independent of change of origin and change of scale

c) In a symmetrical distribution, mean deviation equals $\frac{4}{5}$ of standard deviation

d) In a symmetrical and bellshaped distribution, quartile deviation is $\frac{1}{3}$ of standard deviation

Choose the correct answer from the options given below

1. b) and d)

2. a) and c)

3. c) and d)

4. a) and b)

5. Which of the following statements are true?

- a) Transaction exposure is inherent in all foreign currencies denominated contractual transactions
- b) Translation exposure relates to the change in accounting income and balance sheet statements caused by change in exchange rate
- c) Economic exposure has an impact on the valuation of a firm
- d) Operating exposure does not have any impact on the firm's future operating revenues or future operating costs

Choose the correct option from those below:

- 1. a) and b) only
- 2. b) and c) only
- 3. b) and d) only
- 4. a), b) and c) only

6. Which two of the following statements are true?

- a) Skewness studies the flatness or peakedness of the distribution
- b) A positively skewed distribution curve is stretched more to the right than to the left
- c) On the basis of empirical relationship between mean, mode and median for moderately asymmetrical distribution, Karl Pearson's coefficient of skewness can be measured by $3(\text{Mean} - \text{Median})$ divided by Standard Deviation
- d) If $\text{mean} < \text{mode}$, the distribution is positively skewed

Choose the correct option from those below:

- 1. a) and b)
- 2. b) and c)
- 3. c) and d)
- 4. b) and d)

7. Which two of the following measures of central tendency are NOT capable of algebraic treatment? a) Geometric Mean

- b) Median
- c) Arithmetic Mean
- d) Mode
- e) Harmonic Mean

Choose the correct answer from the options given below:

- 1. a) and b)
- 2. d) and e)
- 3. b) and d)
- 4. c) and e)

8. Which of the following is NOT part of the process of management audit?

- 1. Identification of responsibility center
- 2. Review of performance of each responsibility center
- 3. Review of organizational structure
- 4. Investigating the depreciation method and its application on fixed assets in the company

9. Which of the following statements are true?

- a) Pay - back period method considers all cash flows of a project
- b) Pay - back period method concerns more with the recovery of cost than profitability
- c) Net Present Value represents net addition to the wealth of shareholders
- d) Accounting Rate of Return method incorporates risk as well as time value of money

Choose the correct option from those below:

1. a) and b)
2. a) and d)
3. b) and c)
4. b) and d)

10. The indemnity holder is NOT entitled to

1. All damages which he may be compelled to pay in any suit in respect of any matter to which the promise applies
2. All costs that he may be compelled to bear in defending any such suit
3. All sums that he may have paid under the terms of any compromise of such suit
4. Damages for liability incurred which is not absolute

11. Quality circle is a type of

1. Problem- solving team
2. Cross-functional team
3. Self-directed team
4. Project team

12. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R).

Assertion (A): Auto companies and other consumer goods companies offer cash rebates to encourage purchase of the manufacturer's products within a specified period

Reason (R): The same product is priced differently at different times

In the context of the two statements above related to pricing strategy, which one of the following options is correct?

1. Both (A) and (R) are correct
2. Both (A) and (R) are not correct
3. (A) is correct, but (R) is not correct
4. (A) is not correct, but (R) is correct

13. Which one of the following is a void contract?

1. Unilateral contract
2. A contract which ceases to be enforceable by law
3. Implied contract
4. Express contract

14. Which two of the following are correct in terms of rate of tax deduction at source (TDS)?

- a) Income by way of winning from horse race: @ 30%
- b) Insurance Commission: @ 10%
- c) Rent of Plant & Machinery: @ 5%
- d) Rent of furniture: @ 5%

Choose the correct option from the following:

1. a) and b)
2. a) and c)
3. a) and d)
4. b) and c)

15. Which among the following is NOT a correct statement?

1. The Reserve Bank of India worked as Central Bank of Burma till April 1947
2. The Reserve Bank of India worked as Central Bank of Pakistan till June 1948

3. The Reserve Bank of India worked as Central Bank of Bangladesh from January 1972 to December 1975

4. The Reserve Bank of India commenced its operations on April 1, 1935

16. Choose incorrect statement from the following:

1. 28 Days T - bills were introduced in 1998

2. 364 Days T - bills were introduced in 1992

3. 182 Days T - bills were introduced in 1986

4. 273 Days T - bills were introduced in 2006

17. What are the drivers of globalization?

a) Population mobility especially of labour

b) Financial flows

c) Exporting

d) Assembly operations

Choose The correct answer from the following

1. a) and d)

2. b) and d)

3. a) and b)

4. c) and d)

18. Who are the parties to a cheque?

a) Drawer

b) Payee

c) Acceptor

d) Holder

Choose the correct answer from the following options:

1. a) and b) only
2. a), b) and d) only
3. a) and c) only
4. All of these - a), b), c) and d)

19. Which of the following is NOT true about web marketers?

1. Web marketers usually try to attract prospects to their site through email, advertisements in newspapers
2. Use attractions like discounts, gifts and contests
3. Ask customers to give their personal data mandatorily
4. Give a lot of publicity to the discount schemes

20. Which one of the following is NOT correct according to the Consumer Protection Act?

1. District Forum shall consist of a lady social worker
2. State Commission shall consist of person who is or has been a Judge of a High Court
3. District Forum shall consist of four members
4. National Consumer Disputes Redressal Commission shall consist of a person who is or has been a Judge of the Supreme Court

21. Arrange the steps to e-filing of Income Tax Return in correct sequence:

- a) Register yourself
- b) Verify ITR V

c) Select the requisite form

d) Fill form and upload

Choose the correct option from those below:

1. a) -> c) -> d) -> b)

2. a) -> b) -> c) -> d)

3. a) -> b) -> d) -> c)

4. c) -> a) -> d) -> b)

22.Which one of the following relates to warranty?

1. It is of vital importance for completion of contract
2. If there is breach, the aggrieved party can repudiate the contract
3. It is essential to the main purpose of the contract
4. In case of breach, the aggrieved party can claim only damages

23.What is the typical sequence in which the following selection devices are used by the company?

- a) Reference checks
- b) Physical examination
- c) Application Blank
- d) Hire
- e) Conditional Offers
- f) More interviews
- g) Screening interviews
- h) Tests

Choose the correct answer from the options given below

1. c) -> g) -> h) -> f) -> a) -> e) -> b) -> d)
2. d) -> g) -> f) -> h) -> a) -> e) -> b) -> c)
3. c) -> h) -> g) -> a) -> f) -> e) -> b) -> d)
4. d) -> g) -> h) -> f) -> a) -> e) -> b) -> d)

24. The following are the two statements regarding elasticity of demand and its measurement

Statement I: On every point on the straight line demand curve, the point elasticities are all equal

Statement II: On every point on the rectangular hyperbola shaped demand curve, the point elasticities are not equal

Select the correct option for those below:

1. Both the statements are correct
2. Both the statements are not correct
3. Statement I is correct while Statement II is incorrect
4. Statement I is incorrect while Statement II is correct

25. Arrange the following financial institutions in ascending order of their year of establishment:

- a) National Housing Bank
- b) Export - Import Bank of India
- c) NABARD
- d) Unit Trust of India

Choose the correct option from those below

1. b) —> d) —> c) —> a)
2. d) —> b) —> a) —> c)

3. d) → b) → c) → a)

4. d) → c) → b) → a)

26. Non - Banking Financial Companies can be classified as:

a) Asset Finance Company (AFC)

b) Investment Company (IC)

c) Loan Company (LC)

d) Foreign Trade Company (FTC)

Choose the correct answer from the options given below:

1. a), b) and c) only

2. b), c) and d) only

3. a), c) and d) only

4. a), b) and d) only

27. In the case consumers' equilibrium to be explained through an ordinal approach, when there are two commodities with their prices given and with limited income of the consumer, the following information is required:

a) Price line/budget line

b) Indifference map

c) Point of tangency between IC and budget line

d) Equality of the slopes of IC and budget line

Arrange the information required in the correct sequence and choose the right option from those below

1. b) → d) → a) → c)

2. b) → a) → d) → c)

3. a) → d) → b) → c)

4. a) → b) → c) → d)

28. Which of the following laws affect business organizations?

1. Incorporation and Bankruptcy laws
2. Environmental Protection Laws
3. Occupational Health and Safety Laws
4. Competition Laws

29. Match the following Banking Sector reform committees with their respective purposes:

Committee		Purpose	
a)	Y.V. Reddy Committee	i)	Revised method of lending in place of cash credit system
b)	Rashid Jilani Committee	ii)	Rationalization of interest rate on small savings
c)	S.M Kelkar Committee	iii)	Working capital lending norms
d)	T Vaz Committee	iv)	Regional Rural Banks

Choose the correct option from those given below

1. a) - i), b) - ii), c) - iii); d) - iv)
2. a) - ii); b) - i); c) - iv); d) - iii)
3. a) - iv); b) - iii); c) - ii); d) - i)
4. a) - ii); b) - iii); c) - iv); d) - i)

30. Which two of the following are the function of WTO

- a) To facilitate the implementation, administration and operation of trade agreement
- b) To carry out periodic reviews of the trade policies of its member countries

- c) To assist in the establishment of a multilateral system of payments
- d) To promote international monetary cooperation

Choose the correct option from the following:

- 1. a) and d)
- 2. b) and c)
- 3. c) and d)
- 4. a) and b)

31. On which of the following assumptions, the theory of consumer behaviour on cardinal utility approach is NOT based?

- 1. Consumer is rational
- 2. Limited money income of the consumer
- 3. Maximization of total satisfaction
- 4. Diminishing marginal utility of money

32. In the recent years - the major gain in logistical efficiency have come from which one of the following?

- 1. Advances in Information Technology
- 2. Reduction in petroleum prices
- 3. Fast order processing
- 4. Increase in production of commercial vehicles

33. What percentage of income from compensation on disaster is exempted from tax liability?

- 1. 100%

2. 75%
3. 50%
4. 25%

34. Given below are two statements. One is labelled as Assertion (A) and the other is labelled as Reason (R).

Assertion (A): In the case of short run cost behaviour, MC curve intersects AC curve at its minimum

Reason (R): While AC continues to decrease, MC begins to rise. Also, when AC is at its minimum, it is neither increasing nor decreasing. It is constant when AC is constant, it is equal to MC at the point of intersection

Choose the correct option from those below

1. Both A) and R) true and R) is the correct explanation of A)
2. Both A) and R) 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

35. Match List I with List II

list I	list II
a) Transfer of ownership	i) Negotiable Instrument
b) Sale of goodwill after dissolution	ii) Contract of sale of goods
c) Buy - back of securities	iii) Dissolution of partnership firm
d) Promissory Note	iv) Share capital of company

Choose the correct option from those given below

1. a) - ii); b) - iii); c) - iv); d) - i)
2. a) - iii); b) - iv); c) - ii); d) - i)
3. a) - iv); b) - ii); c) - i); d) - iii)

4. a) - i); b) - ii); c) - iii); d) - iv)

36. Which of the following is the odd one out?

1. Specific goods
2. Un-ascertained goods
3. Future goods
4. Ascertained goods

37. Which of the following is an incomplete experimental research design?

1. Before and after with control group design
2. Factorial design
3. One group before-after design
4. Latin Square design



38. Which of the following statements are correct?

- a) Dividend payout ratio refers to that portion of total earnings which is distributed among equity shareholders of the company
- b) 'Bird in hand' argument is given by Gordon's model
- c) MM model suggest that dividend payment is very relevant for value of the firm
- d) Walter's Model suggests that dividend payment does not affect the market price of the share

1. a) and b)
2. a) and c)
3. b) and c)
4. c) and d)

39. Which of the following sections of Companies Act 2013 facilitates amalgamation, absorption and reconstruction of companies?

1.319

2.320

3.410

4.502

40. Given below are two statements. One is labelled as Assertion (A) and the other is labelled as Reason (R).

Assertion (A): Globalization refers to the free cross-border movement of goods, services, capital, information and people

Reason (R): Countries are consistently evolving innovative marketing barriers that are WTO compatible

In the light of the above statements, choose the correct answer from the options given below

1. Both A) and R) true and R) is the correct explanation of A)
2. Both A) and R) 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

41. Given below are two statements. One is labelled as Assertion (A) and the other is labelled as Reason (R).

Assertion (A): If the firm is prepared to incur increased cost on transportation, it may be in a position to reduce its inventory cost

Reason (R): As in such a case, the firm can use the fastest mode of transport and rush the goods/stocks to the desired warehouse, unmindful of the cost of transportation

In the context of the above two statements related to logistics management, which of the following options is correct

1. Both A) and R) true and R) is the correct explanation of A)
2. Both A) and R) 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

42. Which of the following is NOT a factor contributing to MBO program failure?

1. Altering goals to meet changes in circumstances
2. Easy goals
3. Lack of management support
4. Setting of unrealistically difficult goals

43. The Theories that explain the formation of 'Informal Groups' are to include which of the following?

- a) Propinquity Theory
 - b) Similarity (or) Balance Theory
 - c) Displacement Theory
 - d) Need for achievement Theory
- Choose the correct option from those given below:

1. a) and d) only
2. a) and b) only
3. a), b) and c) only
4. a), b), c) and d)

44. Match the 'Category of Compensation' with 'Compensation Plan'

Category of Compensation		Compensation Plan	
a)	Pay for time not worked	i)	Savings Plan
b)	Services and Perquisites	ii)	Stock Option
c)	Protection Programme	iii)	Pension
d)	Incentive Pay	iv)	Sick Leave
e)	Deferred Pay	v)	Low Cost Meals

Choose the correct option from those given below

1. a) - iii); b) - iv); c) - ii); d) - i); e) - v)
2. a) - iv); b) - v); c) - iii), d) - ii); e) - i)
3. a) - iv); b) - v); c) - i); d) - ii); e) - iii)
4. a) - iii); b) - v); c) - i); d) - iv); e) - ii)

45. Given below are two statements. One is labelled as Assertion (A) and the other is labelled as Reason (R).

Assertion (A): Indian Accounting Standards contain some 'carve outs' and for convergence with IFRS with some changes applied in India

Reason (R): Financial statements prepared in India with Indian Accounting Standards will not be IFRS compliant

In the light of the above two statements, choose the correct option

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

46. Which two of the following are correct about the due date of issue of the TDS certificate?

- a) Form No 16 - Annual

- b) Form No 16 A - Quarterly
- c) Form No 16 B - Half Yearly
- d) Form No 16 C - Monthly

Choose the correct option from those below:

- 1. a) and d)
- 2. a) and c)
- 3. a) and b)
- 4. c) and d)

47. Match the following theories of profit with their propounders

Category of Compensation		Compensation Plan	
a)	Profit as Rent of Ability	i)	F. B. Hawley
b)	Dynamic Theory of Profit	ii)	Joseph A Schumpeter
c)	Risk Theory of Profit	iii)	J. B. Clark
d)	Innovation Theory of Profit	iv)	F. A. Walker

Choose the correct option from those given below:

- 1. a) - iv); b) - ii); c) - iii); d) - i)
- 2. a) - i); b) - ii); c) - iii); d) - iv)
- 3. a) - iv); b) - iii); c) - i); d) - ii)
- 4. a) - iii); b) - i); c) - ii); d) - iv)

48. 'Maximization of firm's growth rate subject to managerial and financial constraints' as one of the important alternative objectives of especially large business corporation was pleaded by:

- 1. Milton Friedman
- 2. Robin Marris

3. Cyert and March

4. N.A. Simon

49. Which three of the following types of cyber attacks may occur in the process of mobile banking?

- a) Backdoor attack
- b) Front door attack
- c) Denial of service attack
- d) Direct access attack

Choose the correct option from those given below:

- 1. a), b) and c)
- 2. b), c) and d)
- 3. a), b) and d)
- 4. a), c) and d)



50. Which of the following statements is NOT correct regarding the duties of an auditor?

- 1. Physical verification of fixed assets is primarily the responsibility of the auditor
- 2. Ownership of fixed assets should be verified by examining the title deed by the auditor
- 3. Auditor should ascertain that the assets are in the possession of the client
- 4. The auditor should satisfy himself that the assets have been valued in the financial statements according to the accounting principles

51. Which of the following is NOT a presumption about a negotiable instrument?

1. Date
2. Consideration
3. Stamp
4. Absolute and good title to the transferee

52. Which of the following are the methods of determining cost behaviour?

- a) High and low point method
 - b) Least square regression method
 - c) Accounting or analytical approach
 - d) Non - parametric method
- Choose the correct answer from the options given below

1. a), b) and d)
2. a), c) and d)
3. b), c) and d)
4. a), b) and c)



53. The sum total of the values of two variables 'X' and 'V' is equal for all the observations. The value of the coefficient of correlation between 'X' and 'V' is:

1. + 1 (perfectly positive)
2. - 1 (perfectly negative)
3. Zero (No correlation)
4. $0 < r < 1$ (Imperfect correlation)

54. Functions of a first-level or front line supervisors are to include which of the following?

- a) To determine individual job assignment
- b) To attend to grievances and resolve conflicts
- c) To provide technical knowledge and guidance to workers
- d) To supply strategic information relating to production to management

Choose the correct answer from the options given below

- 1. a) and b) only
- 2. a) and c) only
- 3. a), b) and c) only
- 4. All of them - a), b), c), and d)

55. Which one is odd?

- 1. Economic Policies
- 2. Economic Planning
- 3. Socio - cultural factors
- 4. Macro - economic scenario

56. Which of the following are part of Corporate Social Responsibility (CSR) to consumers?

- a) Reasonable chances and proper system for accomplishment and promotion
- b) To supply goods at reasonable prices even when there is seller's market
- c) Improving the efficiency of the business operation
- d) To provide an opportunity for being heard and redress genuine grievances

Choose the correct answer from the options given below

- 1. a) and b)
- 2. b) and d)

3. b) and c)

4. a) and c)

57. Which of the following are true about conditions according to the Sale of Goods Act?

a) Title

b) Description

c) Quiet possession

d) Encumbrances

Choose the correct answer from the following options

1. a) and d) only

2. b) and c) only

3. a), c) and d) only

4. a) and b) only



58. Which of the following statements is false?

1. When value of correlation coefficient is one, the two regression lines coincide

2. The regression coefficients are independent of the change of origin and of scale

3. The sign of the regression coefficients are always the same

4. The square of the coefficient of correlation is called coefficient of determination

59. If the risk - free return (R_f) is 6%, Beta value (β) is 1.5 and market rate of return (R_m) is 10%, the expected rate of return would be

1. 15%

2. 12%

3. 17.5%

4. 16%

60. Which among the following is a correct statement about residential status of a company?

1. A company can be classified as "not ordinarily resident"
2. A company can never be classified as "not ordinarily resident"
3. A company can be classified as "not ordinarily resident" with the permission from Ministry of Finance
4. A company can be classified as "not ordinarily resident" with the permission from Ministry of Commerce

61. Under which of the following categories, a partner of partnership firm will be assessed?

1. An individual
2. HUF
3. Firm
4. Body of an Individual

62. 14 Days intermediate T - bills were brought into effect from 1996 - 97 after the abolition of which of the following?

1. 91 Days T – bills
2. 182 Days T - bills
3. 273 Days T - bills
4. 364 Days T – bills

63. Companies that are becoming skilled in Customer Relationship Management (CRM) focus on:

1. Understanding the perceived performance and buyer's expectations
2. Giving benefits to the customers by reducing cost
3. Developing programs to attract and retain the right customers and meeting the individual needs of valued customers
4. Giving the quality in features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs

64. Given below are two statements. One is labelled as Assertion (A) and the other is labelled as Reason (R).

Assertion (A): Tax should not be charged on dividend income from the shareholders

Reason (R): Some economists are of the opinion that when tax has already been paid on the profit of the company and balance is distributed as dividend to the owners, tax need not be levied on them

In the light of the above two statements, choose the correct answer from the options given below

1. Both A) and R) true and R) is the correct explanation of A)
2. Both A) and R) 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

65. National Housing Bank was established in 1987 as wholly owned subsidiary of which of the following?

1. State Bank of India
2. Life Insurance Corporation of India
3. Reserve Bank of India

4. Industrial Finance Corporation of India

66. According to Sale of Goods Act, which two of the following are defined as 'goods'?

- a) Moveable property
- b) Growing crops
- c) Actionable claims
- d) Book debt

Choose the correct answer from the following options:

- 1. a) and d)
- 2. b) and c)
- 3. a) and b)
- 4. d) and b)

67. Match the following countries with the types of Double Taxation Avoidance Agreement signed by India with them:

Country		Type of Agreement	
a)	Austria	i)	Limited Agreement
b)	Bahamas	ii)	Comprehensive Agreements
c)	Lebanon	iii)	Comprehensive Agreements/ Limited Multilateral Agreement
d)	Sri Lanka	iv)	Tax Information Exchange Agreement

Choose the correct option from those given below

- 1. a) - iv), b) - ii); c) - i); d) - iii)
- 2. a) - ii); b) - iv); c) - i); d) - iii)
- 3. a) - ii); b) - iv); c) - iii); d) - i)

4. a) - i); b) - ii); c) - iii); d) - iv)

68. Match the modes of communication in marketing and their communication platforms

Mode of Communication)		Communication Platform)	
a)	Advertising	i)	Blogs
b)	Sales Promotion	ii)	Brochures & Booklets
c)	Word of mouth marketing	iii)	Sales meetings
d)	Personal selling	iv)	Contests

Choose the correct option

1. a) - ii); b) - iii); c) - iv); d) - i)

2. a) - ii); b) - iv); c) - i); d) - iii)

3. a) - iv); b) - iii); c) - ii); d) - i)

4. a) - iv); b) - iii); c) - i); d) - ii)



69. In e-commerce, one of the key design elements of an effective website - community refers to

1. Its layout and design

2. The way site enables user to user communication

3. Site's ability to tailor itself to different users or to allow users to personalize the site

4. Degree that the site is linked to the other sites

70. Which of the following types of authorities are found in most organizations?

a) Division Authority

b) Line Authority

c) Staff Authority

d) Functional Authority

Choose the correct option from those given below:

1. a) and b) only
2. b) and c) only
3. a), b) and c) only
4. b), c) and d) only

71. ADEN Rules, 1953 is related to which of the following?

1. Tax exemption
2. Residential status
3. Double taxation relief
4. Assessment of corporate entity

72. For calculating posterior probabilities (conditional probabilities under statistical dependence), the following information is available

- a) conditional probabilities
- b) original probability estimates (prior - probabilities) of mutually exclusive and collectively exhaustive events
- c) Arbitrary event with probability $\neq 0$ and for which conditional probabilities are also known
- d) Joint probabilities of prior probability and conditional probability

Given the information that the arbitrary event has occurred, arrange the above information in a sequence of their requirement as per Baye's Theorem

Choose the correct option:

1. a) \rightarrow b) \rightarrow d) \rightarrow c)
2. c) \rightarrow b) \rightarrow a) \rightarrow d)

3. b) → c) → d) → a)

4. b) → a) → d) → c)

73. The informal group's communication system is called

1. Group Dynamics
2. Grapevine
3. Exchange
4. Interaction

74. According to FEMA, foreign exchange does NOT include

1. Deposits payable in any foreign currency
2. Bills of exchange drawn in Indian currency but payable in any foreign currency
3. Travellers cheques drawn by institutions outside India but payable in Indian currency
4. Drafts drawn by banks outside India and payable in foreign currency

75. Match List I with List II

List I)		List II)	
a)	Qualified Report	i)	Auditor Duty
b)	Examine Valuation and Disclosure	ii)	Auditor Liabilities
c)	Access to records of Company and its subsidiaries	iii)	Auditor Report
d)	Mis-statement in prospectus in company issue of capital	iv)	Auditor Right

Choose the correct option from those given below

1. a) - ii); b) - i); c) - iv); d) - iii)
2. a) - iii); b) - i); c) - iv); d) - ii)
3. a) - iii); b) - i); c) - ii); d) - iv)

4. a) - iv); b) - ii); c) - iii); d) - i)

76. Which two of the following are correct about TDS Certificates?

- a) TDS on non-salary payment - Form 16
- b) TDS on salary payment - Form 16 A
- c) TDS on sale of property - Form 16 B
- d) TDS on rent - Form 16 C

Choose the correct option from those given below

- 1. a) and b)
- 2. c) and d)
- 3. a) and d)
- 4. b) and c)

77. Match the tests with suitable situations of their application for hypothesis-testing:

Test Situation		Situation	
a)	z-test	i)	Comparing the differences in the mean values of more than two sample groups (Parametric data)
b)	ANOVA	ii)	Testing the significance of the difference between averages of two large sized sample groups (Parametric data)
c)	Chi-Square Test	iii)	Comparing the differences in the mean values of more than two sample groups (Non - parametric data)
d)	Kruskal - Wallis Test	iv)	Testing the significance of the association between two attributes

Choose the correct option from those given below

1. a) - i); b) - ii); c) - iii); d) - iv)

2. a) - ii); b) - i); c) - iv); d) - iii)

3. a) - ii); b) - iii); c) - i); d) - iv)

4. a) - i); b) - iv); c) - ii); d) - iii)

78. Match List I with List II

List I)		List II)	
a)	Size of the market	i)	Globalization of business
b)	Demographic environment	ii)	Foreign trade policy
c)	Export - oriented units	iii)	Macro - environment
d)	Multinational corporations	iv)	Non- economic environment

Choose the correct option from those given below

1. a) - iv); b) - ii); c) - iii); d) - i)

2. a) - ii); b) - iii); c) - i); d) - iv)

3. a) - iii); b) - ii); c) - i); d) - iv)

4. a) - iii); b) - iv); c) - ii); d) - i)

79. Which of the following is NOT a method for calculating or ascertaining the amount of purchase consideration?

1. Net Payment Method

2. Net Assets Method

3. Gross Receipts Method

4. Share Exchange Method

80. Which of the following terms means the tendency of a supervisor to rate a subordinate lower than his performance?

1. Horns Effect.

2. Halo Effect
3. Central Tendency
4. Pointing Tendency

81. In which of the following years, the Bretton Woods Agreement was signed by the delegates from 44 nations which led to the establishment of the IMF?

1. 1940
2. 1952
3. 1944
4. 1957

82. Which of the following is the non - random method of selecting samples from a given population?

1. Stratified Sampling
2. Systematic Sampling
3. Quota Sampling
4. Multi - stage Sampling

83. Which two of the following statements are true?

- a) A simple monopoly firm always earns super normal profit
- b) Sweezy's kinked demand curve model is the best known model explaining relatively more satisfactory behaviour of oligopoly firm for price rigidity
- c) A perfectly competitive firm is price - taker
- d) Firms under monopolistic competition earn only normal profits

Choose the correct option from those below

1. a) and d)
2. b) and d)
3. b) and c)
4. a) and c)

84. A company raises T 1,00,000 by issue of 1000, 10% debentures of T 100 each at a discount of 2% redeemable after 10 years. If the corporate tax rate is 40%, what would be the cost of capital?

1. 6.82%
2. 5.98%
3. 6.18%
4. 5.5%

85. Following are the events which generally happen in the life of a public limited company

- a) Public issue of shares (IPO)
- b) Firm Incorporation
- c) Preliminary expenditures
- d) Issue of equity shares to promoters of the company

Choose the correct sequence (chronological order) of the events from the options given below:

1. a) → b) → c) → d)
2. b) → c) → d) → a)
3. c) → b) → a) → d)
4. c) → b) → d) → a)

86. Match the following methods of capital budgeting with their respective formula:

Method		Formula	
a)	ARR method	i)	$\frac{\text{Present Value of Cash Inflows} - \text{Present Value of Cash Outflows}}{\text{Investment}}$
b)	Pay back Period Method	ii)	$\frac{\text{Present Value of Cash Inflows}}{\text{Present Value of Cash Outflows}}$
c)	NPV Method	iii)	$\frac{\text{Average Income}}{\text{Average Investment}}$
d)	Probability Index	iv)	$\frac{\text{Investment}}{\text{Annual Cash Inflows}}$

Choose the correct option from those given below:

1. a) - iii); b) - i); c) - iv); d) - ii)
2. a) - iii); b) - iv); c) - i); d) - ii)
3. a) - i); b) - ii); c) - iii); d) - iv)
4. a) - i); b) - iv); c) - ii); d) - iii)

87. Market logistic planning has the following four steps. Arrange the steps in correct sequence

- a) Develop operational excellence in sales forecasting, warehouse management, transportation and material management
- b) Select the best channel design and network strategy for reaching the customers
- c) Implement the solution with the best information systems, equipment, policies and procedures
- d) Decide on company's value proposition to its customers

Select the correct option from those below

1. a) → b) → c) → d)
2. d) → b) → a) → c)
3. d) → b) → c) → a)
4. d) → c) → b) → a)

88. Which one of the following is the correct sequence of various stages of operating cycle of a manufacturing company?

1. Raw material conversion period, work-in-progress conversion period, Finished goods conversion period, Receivables conversion period
2. Raw material conversion period, work-in-progress conversion period, Creditors payment period, Receivables conversion period
3. Creditor payment period, Raw material conversion period, Receivables conversion period, work-in-progress conversion period
4. Raw material conversion period, Finished goods conversion period, work-in-progress conversion period, Receivables conversion period

89. Which among the following are NOT qualified to be appointed as auditor of a company?

- a) An individual who is a Chartered Accountant and holds a Certificate of Practice as per CA Act, 1949
- b) A limited liability partnership firm, which has all partners as Chartered Accountants
- c) Officer or employee of a company who is qualified Chartered Accountant degree holder too
- d) Any Chartered Accountant whose appointment will result in the person being the auditor of more than 10 companies

Choose the most appropriate option:

1. a) and b)
2. b), c) and d)
3. c) and d)
4. a), b) and d)

90. Under which of the following approaches, the cost of equity is assumed to increase linearly with leverage, i.e., the average cost of capital remains constant with increased use of leverage?

1. Net Operating Income Approach
2. Net Income Approach
3. Traditional Approach
4. Walter Approach

Comprehension:

Read the passage carefully and answer the questions that follow

Life Insurance in its modern form came to India from England in the year 1818. The Oriental Life Insurance Company started by Europeans in Calcutta was the first life insurance company on Indian soil. All the insurance companies established during that period were brought up with the purpose of looking after the needs of the European community and Indian natives were not being insured by these companies. However, later with the efforts of eminent people like Babu muttylal Seal, foreign insurance companies started insuring Indian lives too. But Indian lives were being treated as sub standard lives and heavy extra premium were being charged upon them. The Bombay Mutual Life Assurance Society heralded the birth of the first Indian life insurance company in the year 1870 and covered Indian lives at normal rates. Starting as an Indian enterprise with highly patriotic motives, insurance companies came into existence to carry the message of insurance and social security through insurance to various sectors of society. In 1907, the Hindustan Cooperative Insurance Company took birth in one of the rooms of 'The Jorsanko', house of the great poet Rabindranath Tagore in Calcutta. The Indian Mercantile, General Assurance and Swadeshi life (later Bombay Life) were some of the companies established during the same period. Prior to 1912, India had no legislation to regulate the insurance business. In the year 1912, Life Insurance Companies Act and Provident Fund Act were passed. The Life Insurance Companies Act 1912 made it necessary that the premium rate tables and periodical valuations of companies should be certified by an actuary. But the Act discriminated between foreign and Indian Companies on many accounts, putting Indian Companies at a disadvantage

91. Identify the correct statement from the following

1. Initially, insurance companies used to discriminate Indian and European clients
2. There was no discrimination in Indian and European clients by the insurance companies initially
3. Indian clients were charged lower premium by the insurance companies in the beginning
4. Indian insurance companies charged higher premium to Europeans at a later stage

Comprehension:

Read the passage carefully and answer the questions that follow

Life Insurance in its modern form came to India from England in the year 1818. The Oriental Life Insurance Company started by Europeans in Calcutta was the first life insurance company on Indian soil. All the insurance companies established during that period were brought up with the purpose of looking after the needs of the European community and Indian natives were not being insured by these companies. However, later with the efforts of eminent people like Babu muttylal Seal, foreign insurance companies started insuring Indian lives too. But Indian lives were being treated as sub standard lives and heavy extra premium were being charged upon them. The Bombay Mutual Life Assurance Society heralded the birth of the first Indian life insurance company in the year 1870 and covered Indian lives at normal rates. Starting as an Indian enterprise with highly patriotic motives, insurance companies came into existence to carry the message of insurance and social security through insurance to various sectors of society. In 1907, the Hindustan Cooperative Insurance Company took birth in one of the rooms of 'The Jorsanko', house of the great poet Rabindranath Tagore in Calcutta. The Indian Mercantile, General Assurance and Swadeshi life (later Bombay Life) were some of the companies established during the same period. Prior to 1912, India had no legislation to regulate the insurance business. In the year 1912, Life Insurance Companies Act and Provident Fund Act were passed. The Life Insurance Companies Act 1912 made it necessary that the premium rate tables and periodical valuations of companies should be certified by an actuary. But the Act discriminated

between foreign and Indian Companies on many accounts, putting Indian Companies at a disadvantage

92. Which one among the following grew along with insurance business in India?

1. Pension Fund
2. Provident Fund
3. Gratuity
4. Arbitrage

Comprehension:

Read the passage carefully and answer the questions that follow

Life Insurance in its modern form came to India from England in the year 1818. The Oriental Life Insurance Company started by Europeans in Calcutta was the first life insurance company on Indian soil. All the insurance companies established during that period were brought up with the purpose of looking after the needs of the European community and Indian natives were not being insured by these companies. However, later with the efforts of eminent people like Babu muttylal Seal, foreign insurance companies started insuring Indian lives too. But Indian lives were being treated as sub standard lives and heavy extra premium were being charged upon them. The Bombay Mutual Life Assurance Society heralded the birth of the first Indian life insurance company in the year 1870 and covered Indian lives at normal rates. Starting as an Indian enterprise with highly patriotic motives, insurance companies came into existence to carry the message of insurance and social security through insurance to various sectors of society. In 1907, the Hindustan Cooperative Insurance Company took birth in one of the rooms of 'The Jorsanko', house of the great poet Rabindranath Tagore in Calcutta. The Indian Mercantile, General Assurance and Swadeshi life (later Bombay Life) were some of the companies established during the same period. Prior to 1912, India had no legislation to regulate the insurance business. In the year 1912, Life Insurance Companies Act and Provident Fund Act were passed. The Life Insurance Companies Act 1912 made it necessary that the premium rate tables and periodical valuations of companies should be certified by an actuary. But the Act discriminated

between foreign and Indian Companies on many accounts, putting Indian Companies at a disadvantage

93. The paragraph is about which of the following?

1. Genesis of insurance in India
2. Struggle of insurance business
3. Conflict of insurance business
4. Complications of insurance business

Comprehension:

Read the passage carefully and answer the questions that follow

Life Insurance in its modern form came to India from England in the year 1818. The Oriental Life Insurance Company started by Europeans in Calcutta was the first life insurance company on Indian soil. All the insurance companies established during that period were brought up with the purpose of looking after the needs of the European community and Indian natives were not being insured by these companies. However, later with the efforts of eminent people like Babu muttylal Seal, foreign insurance companies started insuring Indian lives too. But Indian lives were being treated as sub standard lives and heavy extra premium were being charged upon them. The Bombay Mutual Life Assurance Society heralded the birth of the first Indian life insurance company in the year 1870 and covered Indian lives at normal rates. Starting as an Indian enterprise with highly patriotic motives, insurance companies came into existence to carry the message of insurance and social security through insurance to various sectors of society. In 1907, the Hindustan Cooperative Insurance Company took birth in one of the rooms of 'The Jorsanko', house of the great poet Rabindranath Tagore in Calcutta. The Indian Mercantile, General Assurance and Swadeshi life (later Bombay Life) were some of the companies established during the same period. Prior to 1912, India had no legislation to regulate the insurance business. In the year 1912, Life Insurance Companies Act and Provident Fund Act were passed. The Life Insurance Companies Act 1912 made it necessary that the premium rate tables and periodical valuations of companies should be certified by an actuary. But the Act discriminated

between foreign and Indian Companies on many accounts, putting Indian Companies at a disadvantage

94. Which among the following was later renamed as Bombay Life?

1. The Indian Mercantile General Assurance
2. The Oriental Life Insurance Company
3. National Insurance
4. Swadeshi Life

Comprehension:

Read the passage carefully and answer the questions that follow

Life Insurance in its modern form came to India from England in the year 1818. The Oriental Life Insurance Company started by Europeans in Calcutta was the first life insurance company on Indian soil. All the insurance companies established during that period were brought up with the purpose of looking after the needs of the European community and Indian natives were not being insured by these companies. However, later with the efforts of eminent people like Babu muttylal Seal, foreign insurance companies started insuring Indian lives too. But Indian lives were being treated as sub standard lives and heavy extra premium were being charged upon them. The Bombay Mutual Life Assurance Society heralded the birth of the first Indian life insurance company in the year 1870 and covered Indian lives at normal rates. Starting as an Indian enterprise with highly patriotic motives, insurance companies came into existence to carry the message of insurance and social security through insurance to various sectors of society. In 1907, the Hindustan Cooperative Insurance Company took birth in one of the rooms of 'The Jorsanko', house of the great poet Rabindranath Tagore in Calcutta. The Indian Mercantile, General Assurance and Swadeshi life (later Bombay Life) were some of the companies established during the same period. Prior to 1912, India had no legislation to regulate the insurance business. In the year 1912, Life Insurance Companies Act and Provident Fund Act were passed. The Life Insurance Companies Act 1912 made it necessary that the premium rate tables and periodical valuations of companies should be certified by an actuary. But the Act discriminated between foreign and Indian Companies on many accounts, putting Indian Companies at a disadvantage

95.The insurance business in India was started first by which one of the Following?

1. Americans
2. Indian merchants
3. Europeans
4. Afro-Indians

Comprehension:

Read the given passage carefully and answer the questions that follow

Companies often define themselves in terms of products: They are in the "auto business" or the "clothing business". 'Market definitions of a business, however, describe the business as a customer - satisfying process. Products are transient, basic needs and customer groups endure forever. Transportation is a need: the horse and carriage, automobile, railroad, airline, ship and truck are products that meet the need. Viewing business in terms of customers can suggest additional growth opportunities. There exists a difference between a target market definition and a strategic market definition. To define its mission, a company should address Peter Drucker's classic question: What is our business?

96.Which of the following is the correct combination Product Definition and Market Definition of Xerox Company?

- 1.Product Definition- We sell photocopies
Market Definition -We help improve office efficiency
2. Product Definition- We make photo machines
Market Definition -We improve copy speeds.
3. Product Definition- We sell copying equipment
Market Definition -We make office more efficient

4. Product Definition - We make copying equipment

Market Definition - We help improve office productivity

Comprehension:

Read the given passage carefully and answer the questions that follow

Companies often define themselves in terms of products: They are in the "auto business" or the "clothing business". 'Market definitions of a business, however, describe the business as a customer - satisfying process. Products are transient, basic needs and customer groups endure forever. Transportation is a need: the horse and carriage, automobile, railroad, airline, ship and truck are products that meet the need. Viewing business in terms of customers can suggest additional growth opportunities. There exists a difference between a target market definition and a strategic market definition. To define its mission, a company should address Peter Drucker's classic question: What is our business?

97. Pepsi could define its 'target market' as:

1. Everyone who drinks carbonated soft drinks and are competitors
2. Anyone who drinks liquid
3. Everyone who drinks non-milk drinks
4. Anyone who drinks competitor's drinks.

Comprehension:

Read the given passage carefully and answer the questions that follow

Companies often define themselves in terms of products: They are in the "auto business" or the "clothing business". 'Market definitions of a business, however, describe the business as a customer - satisfying process. Products are transient, basic needs and customer groups endure forever. Transportation is a need: the horse and carriage, automobile, railroad, airline, ship and truck are products that meet the need. Viewing business in terms of customers can suggest additional growth opportunities.

There exists a difference between a target market definition and a strategic market definition. To define its mission, a company should address Peter Drucker's classic question: What is our business?

98. Which of the following is NOT a major characteristic of a good mission statement?

1. They have very limited words
2. They focus on a limited number of goals
3. They stress the company's major competitive spheres in which company will operate
4. They have a long term view

Comprehension:

Read the given passage carefully and answer the questions that follow

Companies often define themselves in terms of products: They are in the "auto business" or the "clothing business". 'Market definitions of a business, however, describe the business as a customer - satisfying process. Products are transient, basic needs and customer groups endure forever. Transportation is a need: the horse and carriage, automobile, railroad, airline, ship and truck are products that meet the need. Viewing business in terms of customers can suggest additional growth opportunities. There exists a difference between a target market definition and a strategic market definition. To define its mission, a company should address Peter Drucker's classic question: What is our business?

99. Which of the following is the correct product definition of 'Blue Star'?

1. We provide climate control in homes and offices
2. We supply air conditioners
3. We make air cooling systems
4. We make air conditioners

Comprehension:

Read the given passage carefully and answer the questions that follow

Companies often define themselves in terms of products: They are in the "auto business" or the "clothing business". Market definitions of a business, however, describe the business as a customer - satisfying process. Products are transient, basic needs and customer groups endure forever. Transportation is a need: the horse and carriage, automobile, railroad, airline, ship and truck are products that meet the need. Viewing business in terms of customers can suggest additional growth opportunities. There exists a difference between a target market definition and a strategic market definition. To define its mission, a company should address Peter Drucker's classic question: What is our business?

100. Which of the following is the correct market definition of 'BPCL'?

1. We distribute oil products
2. We are the largest oil supply in India
3. We supply energy
4. Bharat's own oil distribution company

Aaifer

DEC 2019

Q. NO	ANS						
1	A	26	A	51	D	76	B
2	A	27	B	52	D	77	B
3	B	28	A	53	B	78	D
4	B	29	B	54	D	79	C
5	D	30	D	55	C	80	A
6	B	31	D	56	B	81	C
7	C	32	A	57	D	82	C
8	D	33	A	58	B	83	C
9	C	34	A	59	B	84	C
10	D	35	A	60	B	85	D
11	A	36	C	61	C	86	B
12	C	37	C	62	A	87	B
13	B	38	A	63	C	88	A
14	C	39	A	64	A	89	B
15	C	40	B	65	C	90	A
16	D	41	A	66	C	91	A
17	C	42	A	67	B	92	B
18	B	43	B	68	B	93	D
19	C	44	B	69	B	94	D
20	C	45	B	70	D	95	C
21	A	46	C	71	C	96	D
22	D	47	C	72	D	97	A
23	A	48	B	73	B	98	A
24	B	49	D	74	D	99	D
25	C	50	A	75	B	100	C

2019 JUNE

1. Miller-O'Connell model is used in the management of

1. inventory
2. leverage
3. receivables
4. Cash

Options

1. 1
2. 2
3. 3
4. 4

2. Deduction u/s 37(1) is allowed under tax laws for those expenditures which are

1. revenue
2. capital
3. both revenue and capital
4. deferred revenue expenses

Options

1. 1
2. 2
3. 3
4. 4

3. Which is the most appropriate mode of entry in international business to an enterprise with little experience of international markets?

1. Acquisition

2. Strategic Alliance

3. Joint Venture

4. Exporting

Options

1. 1

2. 2

3. 3

4. 4

4. Which of the following is an instance of non-conventional dumping?

1. Sporadic dumping

2. Predatory dumping

3. Reverse dumping

4. Persistent dumping

Options

1. 1

2. 2

3. 3

4. 4

5. In which of the following commodities, when a consumer spends so much that negative income effect overwhelms the positive substitution effect so as the underlying demand curve is positively sloped?

- I. Inferior goods
2. Superior goods
3. Giffen goods
4. Normal goods

Options

1. 1
2. 2
3. 3
4. 4

6. Which among the following is NOT a correct statement?

- I. Hedge funds are not mutual funds.
2. Hedge funds can be sold to public.
3. Investors in mutual funds must pay various fees and expenses.
4. Mutual funds provide economies of scale to investment decisions.

Options

1. 1
2. 2
3. 3
4. 4

7. Consumer behaviour does NOT consist which of the following activities?

1. Obtaining
2. Consuming
3. Disposition

4. Producing

Options

1. 1
2. 2
3. 3
4. 4

8. Following are the events of an organizational culture :

- (a) Customer orientation and employee policies
- (b) Quality orientation, directing and motivating styles
- (c) Decision making, products and services and responsibilities to society
- (d) Reaction to competitors and gratitude towards nation
- (e) Role ambiguities, trade union and policies

Select the correct sequence for the above events :

1. (a), (b), (d) and (e)
2. (a), (e), (d) and (e)
3. (b), (a), (d) and (e)
4. (a), (b), (o) and (d)

Options

1. 1
2. 2
3. 3
4. 4

9. Following are the information for a house property :

Municipal value 4,50,000 Fair rental value 5,00,000 Standard rent 4,80,000 Actual rent 2,40,000

What is the gross annual value of the house properly?

1. 4,80,000
2. 5,00,000
3. 4,20,000
4. 4,50,000

Options

1. 1
2. 2
3. 3
4. 4

10. The channel alternative is NOT to be assessed on the basis of

1. economic criteria
2. control criteria
3. adaptive criteria
4. accumulation criteria

Options

1. 1
2. 2
3. 3
4. 4

11. The social environment of the job affects people and is also affected by them and not by management alone, is the main proposition of

- I. contingency theory of organization
2. system theory of organization
3. classical theory of organization
4. Neoclassical theory of organization

Options

1. 1
2. 2
3. 3
4. 4

12. Excess capacity is NOT noticed in which of the following market conditions?

1. Monopoly
2. Monopolistic competition
3. Oligopoly
4. Perfect competition



Options

1. 1
2. 2
3. 3
4. 4

13. Currency swap is a method of

1. hedging against foreign exchange risk
2. speculating in foreign exchange
3. leverage instrument used by cooperative banks

4. mode of payment in international trade

Options

1. 1
2. 2
3. 3
4. 4

14. Following are the steps in the activity-based cost allocation :

- (a) Identification of the main activities
- (b) Collection of cost pool
- (c) Determination of the activity cost drivers
- (d) Calculation of activity driver rate
- (e) Charging the cost of activities to products

Select the correct sequence of the above steps :

1. (a), (b), (c), (e), (d)
2. (a), (b), (e), (d), (c)
3. (a), (b), (c), (d), (e)
4. (a), (d), (c), (b), (e)

Options

1. 1
2. 2
3. 3
4. 4

15. Assertion (A) : According to Net Income (NI) approach, capital structure decision is relevant in the valuation of firm

Reason (R) A firm can change its total value and its overall cost of capital by change In the degree of leverage in its capital structure.

In the context of the above two statements, which one of the following options is coned?

1. Both (A) and (R) are correct and (R) is the tight explanation of (A)
2. Both (A) and (R) are correct and (R) is not the right explanation of (A)
3. Both (A) and (R) are incorrect
4. (A) is correct and (R) is not correct

Options

1. 1
2. 2
3. 3
4. 4

16. The retail supply chain does NOT include

1. manufactures
2. retailers
3. wholesalers
4. regulators

Options

1. 1
2. 2
3. 3
4. 4

17. Capital structure and leverage decisions come in the ambit of

1. investment decisions
2. distribution decisions
3. financing decisions
4. dividend decisions

Options

1. 1
2. 2
3. 3
4. 4

18. New reform in Indian banking system include

- (a) Digitisation of bank operations
- (b) Banking consolidation
- (c) Borrowing from Government
- (d) Agency work

Choose the correct option from the following:

1. (a) and (b)
2. (c) and (d)
3. (b), (d) and (c)
4. (a) (c) and (d)

Options

1. 1
2. 2
3. 3
4. 4

19. Doctrine of Caveat Emptor' means 1. buyer should make payment well in time 2. buyer should be beware of all aspects of buying 3. buyer will be responsible for the whole payment 4. buyer will not be responsible at any cost

Options

1. 1

2. 2

3. 3

4. 4

20. Under which of the following situations, economies of scale exists to the potential and persisb?

I. When fimt is too small and too specialized

2. When finis' decision to hire inputs do not result in an increase in the input costs

3. When fine is too large and overdiversified

4_ When long•run cost of producing a wit falls as the output increases

Options

1. 1

2. 2

3. 3

4. 4

21. Building long-term mutually satisfying relations with key customers, suppliers, distributors in order to earn and retain their, long•term peference and business is known as

I. relationship marketing

2. social marketing

3. niche marketing

4. service marketing

Options

1. 1

2. 2

3. 3

4. 4

22. The essence of the law of diminishing returns is

1. inelastic production

2. negative marginal production

3. declining total production

4. declining average production

Options

1. 1

2. 2

3. 3

4. 4

23. Under which of the following situations, the decision outcome on evaluation of investment opportunities vary, under NPV and IRR methods per se?

(a) Time disparity

(b) Cost disparity

(c) Life disparity

(d) Volume disparity

Choose the correct combination of situations :

- I. (a) and (d) only
2. (b) and (d) only
3. (a), (b) and (c) only
4. (b), (e) and (d) only

Options

1. 1
2. 2
3. 3
4. 4

24. Assertion (A): U-shaped long-run average cost curve is based on the assumption that economies of scale prevails at small levels of production and diseconomies of scale prevails at larger level of production

Reason (R): Decreasing returns to scale arises primarily because as the scale of operation increases, it becomes even more difficult to manage the firm effectively.

In the context of the above two statements, which one of the following codes is correct?

- I. Both (A) and (R) are correct and (R) is the right explanation of (A)
2. Both (A) and (R) are correct and (R) is not the right explanation of (A)
3. (A) is correct and (R) is not incorrect
4. Both (A) and (R) are incorrect

Options

1. 1
2. 2
3. 3
4. 4

25. Which of the following are included in digital payment system?

- (a) RTGS
- (b) Demand draft
- (c) NEFT
- (d) Cheque

Choose the correct option from the following:

- 1. (a), (c) and (d)
- 2. (b) and (d) only
- 3. (a) and (c) only
- 4. (b), (c) and (d)

Options

- 1. 1
- 2. 2
- 3. 3
- 4. 4



26. Which one of the following analysts is suitable for risk-return analysis in financial decisions?

- 1. CAPM analysis
- 2. SWOT analysis
- 3. Capital gaging
- 4. EVA analysis

Options

- 1. 1
- 2. 2
- 3. 3

4. 4

27. Which one of the following is used for international money transfer?

1. RTGS

2. N EFT

3. SWIFT

4. DD

Options

1. 1

2. 2

3. 3

4. 4

28. Assertion (A): Reserve Bank of India is an important regulatory and administrative authority to execute FEMA provisions

Reason (R) : Being monetary authority and custodian of foreign exchange, Reserve bank of India enjoys requisite expertise of FEMA administration.

In the context of the above two statements, which one of the following option is correct?

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 and (R) is not correct

Options

1. 1

2. 2

3. 3

4. 4

29. Match List-I with List-II :

List I	List-II
(a) Net income approach	(1) Inventory management
(b) Gordon model	(ii) Capital budgeting
(c) Internal rate of return	(iii) Capital structure theory
(d) Reorder level	(iv) Dividend theory

Choose the correct option from those given below : .

(a)-(ii); (b)-(Iii); (c)-(iv); (d)-(i)

2. (a)-(iii); (b)-(iv); (c)-(ii); (d)-(i)

3. (a)-(iii); (b)-(iv); (c)-(i); (d)-(ii)

4. (a)-(ii); (b)-(i); (c)-(iv); (d)-(iii)

Options

1. 1

2. 2

3. 3

4. 4

30. Which of the following types of goodwill is considered to be the best?

1. Dog goodwill

2. Cat goodwill

3. Rat goodwill

4. Cow goodwill

Options

1. 1
2. 2
3. 3
4. 4

31. Which of the following characteristics are related to relationship marketing?

- (a) Product feature orientation
- (b) Product benefit orientation
- (c) Frequent consumer contact
- (d) High concern for quality

Choose the correct option from the following :

1. (b), (a) and (d)
2. (a), (b) and (c)
3. (a), (c) and (d)
4. (a), (b) and (d)

Options

1. 1
2. 2
3. 3
4. 4

32. Assertion (A) Brainstorming technique demands generaticsi of a number of alternatives to a problem

Reason (R): Participants generate as many alternatives as possible without

evaluating them in brainstorming Sessions

In the context of the above two statements which one of the following codes is correct?

1 Statement (A) is correct and (R) is the correct explanation of (A)

2 Both (A) and (R) are correct but (R) is not the right explanation of (A)

3 Statement (A) is correct but (R) is incorrect

4 Both (A) and (R) are correct

Options

1. 1

2. 2

3. 3

4. 4

33. Match List-I with List-II:

List-I (Objectives of business firms)	List-II: (Hypothesis)
(a) Maximization of firms' growth rate	(i) Baumol's hypothesis
(b) Managerial utility function	(ii) Marris hypothesis
(c) Satisfying behaviour	(iii) Williamson hypothesis
(d) Sales Maximization	(iv) Cyert•March hypothesis

Choose the correct option from those given below :

1. (a)-(iv); (b)-(iii); (c)-(i); (d) (ii)

2. (a)-(iv); (b)-(iii); (c)-(i);(d)-(ii)

3. (a)-(iii); (b)-(i); (c)-(iv); (d)-(ii)

4. (a)-(i); (b)-(ii); (c)-(iii);(d)-(iv)

Options

1. 1

2. 2

3. 3

4. 4

34. Statement (I) : t-test and F-test are based on the identical assumptions

Statement (II) : t-test is used for comparison between two groups whereas F-test is used for comparison between more than two groups.

In the context of the above two statements, which one of the following codes is correct?

I. 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 (II) is correct but (I) is incorrect

Options

1. 1

2. 2

3. 3

4. 4

35. Which of the following are NOT sources of secondary data?

(a) Interview

(b) Questionnaire

(c) Observation

(d) Unpublished thesis

(e) Annual report

Choose the correct option from the following:

1. (a), (d) and (e)

2. (b), (c) and (d)

3. (c), (d) and (e)

4. (a), (b) and (c)

Options

1. 1

2. 2

3. 3

4. 4

36. With of the following is NOT a main stage in a customer relationship life cycle'

I. Customer acquisition

2. Customer development

3. Customer satisfaction

4. Customer annoyance

Options

1. 1

2. 2

3. 3

4. 4

37. List out from the given statements important ethical principles that a business should follow :

(a) To take the necessary action for the development of the concerned industry or business

(b) Pay taxes and discharge other obligations promptly.

(c) To ensure the best utilisation of the human resources.

(d) Refrain from secret kickbacks or pay-offs to customers, suppliers, administrators, etc.

(e) Ensure payment of fair wages and fair treatment of employees.

Choose the correct answer from the options given below :

1. (c), (d) and (e)

2. (b), (d) and (e)

3. (a), (b) and (c)

4. (a), (c) and (e)

Options

1. 1

2. 2

3. 3

4. 4

38. SUGAM is also known as

1. ITR-1

2. ITR-2

3. ITR-3

4. ITR-4

Options

1. 1

2. 2

3. 3

4. 4



39. A firm commies 90000 units of a certain item of raw material in its production process annually. It cosh: t 3 per wit, the cast per purchase order is t 300 and the inventory carrying cost is 20% per year. What is the E0Q?

- I. 9470 units
2. 9487 units
3. 9480 units
4. 9840 units

Options

1. 1
2. 2
3. 3
4. 4

40. Which of the following committees is related to the investor protection?

- I. Bhagwati Committee
2. N. K. Mitra Committee
3. .I. R. Verna Committee
4. L. C. Gupta Committee

Options

1. 1
2. 2
3. 3
4. 4

41. Match List-I with List-II :

List-I	List-II
--------	---------

(a) Ind AS-I6	(i) Income tax
(b) Ind AS-38	(ii) Leasing
(c) Ind AS-I 7	(iii) Intangible assets
(d) Ind AS-I 2	(iv) Property, plant and equipments

Choose the correct option from those given below :

I. (a)-(iv); (b)-(iii); (c)-(i); (d) (ii)

2. (a)-(iv); (b)-(iii); (c)-(ii);(d)-(i)

3. (a)-(iii); (b)-(ii); (c)-(iv); (d)-(i)

4. (a)-(iv); (b)-(ii); (c)-(i);(d)-(iii)

Options

1. 1

2. 2

3. 3

4. 4



42. Arrange the following in order of their manifestations :

(a) Offer

(b) Acceptance

(c) Breach of contract

(d) Contract

Choose the correct option from the following :

1. (a), (b), (c) and (d)

2. (a), (b), (d) and (c)

3. (b), (c), (a) and (d)

4. (a), (d), (c) and (b)

Options

1. 1

2. 2

3. 3

4. 4

43. Which among the following institutions is NOT a part of World Bank group?

1. International Development Association (IDA)

2. International Monetary Found (IMF)

3. International Finance Corporation (IFC)

4. Multilateral Investment Guarantee Agency (MIGA)

Options

1. 1

2. 2

3. 3

4. 4

44. Redressal mechanism for consumer disputes under Section 9 of the Consumer

Protection Act envisages a

1. single-tier system

2. two-tier system

3. three-tier system

4. open system independent of hierarchy

Options

1. 1
2. 2
3. 3
4. 4

45. Which of the following reflects the sum of perceived tangible and intangible benefits and costs to a customer?

1. Customer satisfaction
2. Customer delight
3. Customer value
4. Customer expectation

Options

1. 1
2. 2
3. 3
4. 4



46. Chalpathi Rao Committee was constituted for restructuring of

1. State Financial Corporation in India
2. Commercial Banks in India
3. Co-operative Banks in India
4. Regional Rural Banks in India

Options

1. 1
2. 2
3. 3

4. 4

47. A company issues 10% irredeemable preference shares. The face value per share is 100, but the isms price is t 95. What is the cost of preference share

- I. 10.63%
2. 10.73%
3. 10.83%
4. 10.53%

Options

1. 1
2. 2
3. 3
4. 4

48. Match List-I with List-II :

List-I (Theories of Profit)	List-II (Economists)
(a) Risk theory of profit	(i) Schumpeter
(b) Innovation theory of profit	(ii) Walker
(c) Rent theory of profit	(iii) Hawley
(d) Dynamic theory of profit	(iv) Clark

Choose the correct option from those given below :

- I. (a)-(iii); (b)-(iv); (c)-(ii); (d)-(i)
2. (a)-(iv); (b)-(ii); (c)-(iii), (d)-(i)
3. (a)-(iii); (b)-(i); (c)-(ii), (d)-(iv)

4. (a)-(iv); (b)-(i); (c)-(ii), (d)-(iii)

Options

1. 1

2. 2

3. 3

4. 4

49. One belt, one road initiative (BRI) is NOT intended to

1. trade protectionism

2. strengthening logistic and supply chain

3. improve cost competitiveness

4. rebalance trade dominance

Options

1. 1

2. 2

3. 3

4. 4

50. Which among the following is NOT included in negotiable instrument?

1. Cheque

2. Demand Draft

3. Promisory Note

4. Mutual Fund

Options

1. 1

2. 2

3. 3

4. 4

51. Which of the following does not come under the definition of information as per the Right to Information Act (RTI Act) 2005?

1. Log books
2. Data material held in electronic form
3. File noting
4. Circular

Options 1. 1
2. 2
3. 3
4. 4



52. Which of the following are the rights of a statutory auditor?

- (a) to receive remuneration
- (b) to attend Board of Directors meeting
- (c) to attend General meeting
- (d) to visit the branch office

Choose the correct answer from the following:

1. (a) and (b)
2. (a) (b) and (d)
3. (a) (c) and (d)
4. (a) (b) (c) and (d)

Options 1. 1
2. 2
3. 3
4. 4

53. Quantitative import restrictions that limit the quantity of a product being imported is called

1. Embargo
2. Quota
3. Trade restrain
4. Import tariff

Options 1. 1
2. 2
3. 3
4. 4

54. The current market price of a company's share is rupees 9 and the expected dividend per next year is rupees if the dividend is expected to grow at a constant rate of 8% age the shareholders required rate of return will be

1. 8 %
2. 25%
3. 20%
4. 13%

Options 1. 1
2. 2
3. 3
4. 4

55. Statement (I): Though closely related, job evaluation and performance appraisal are not the same

Statement (II): The purpose of job evaluation is to fix the remuneration and other relevant benefits

In the context of the above two statements which one of the following codes is correct?

1. Both statements (I) and (II) are correct
2. Both the statements (I) and (II) are incorrect
3. Statement (I) is correct while statement (II) is incorrect
4. Statement (I) is incorrect while statement (II) is correct

Options 1. 1
2. 2
3. 3
4. 4

56. The attitude based on beliefs ,opinion ,knowledge for information about the particular event which the employees posses is

1. Behavioural attitude
2. positive attitude
3. cognitive attitude
4. affective attitude

Options 1. 1
2. 2
3. 3
4. 4

57. The arithmetic mean of 10 items is 50. If each item is increased by 5, the new arithmetic mean would be

1. 50
2. 55
3. 60
4. 45

Options 1. 1
2. 2
3. 3
4. 4

58. Which among the following is not true about BASEL?

1. Initially it was named as Committee of Banking Regulations and Supervisory Practices
2. BASEL was established by the Central Bank Governors of 15 countries
3. It was established by the end of 1974
4. disturbances in international currency and banking markets were responsible for its establishment

Options 1. 1
2. 2
3. 3
4. 4

59. Creditworthiness score in India ranges between

1. 300 to 600
2. 2.300 to 900
3. 3.500 to 1000
4. 900 to 1600

Options 1. 1
2. 2
3. 3
4. 4

60. A sale and lease back arrangement is more suitable for lessee having

1. Liquidity crisis
2. surplus fund
3. high profit
4. no profit no loss

Options 1. 1
2. 2
3. 3
4. 4

61. X is an individual of 55 years of age having gross total income 350000 rupees. What is the tax liability for assessment year 2018 to 19?

1. 5000 rupees
2. 2500 rupees
3. 2580 rupees
4. 3000 rupees

Options 1. 1
2. 2
3. 3
4. 4

62. Statement (I): the arithmetic mean is an all purpose average.
Statement (II): median and mode are called positional averages.

1. Both statements (I) and (II) are correct
2. Both the statements (I) and (II) are incorrect
3. Statement (I) is correct while statement (II) is incorrect
4. Statement (I) is incorrect while statement (II) is correct

Options 1. 1
2. 2
3. 3
4. 4

63. Match List - I with List - II :

List – I	List - II
(a) Fiscal, monetary and industrial policies	(i) Social responsibilities
(b) Social obligations towards several stakeholders	(ii) Stakeholders/interest group

(c) Consumers, shareholders, suppliers, creditors etc.	(iii) Business ethics
(d) Moral principles that defines the light or wrong	(iv) Economic policies

Choose the correct option from given below :

1. (a) – (iii); (b) – (iv); (c) – (ii); (d) – (i)
2. (a) – (i); (b) – (ii); (c) – (iv); (d) – (iii)
3. (a) – (ii); (b) – (iv); (c) – (iii); (d) – (i)
4. (a) – (iv); (b) – (i); (c) – (ii); (d) – (iii)

Options 1. 1

2. 2

3. 3

4. 4

64. Assertion (A): at times a business may face the situation where it has to shut down its operations

Reason (R): if the revenue is less than its variable cost the operation should be closed down.

In the context of the above two statements which one of the following is correct

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 and (R) is the not right explanation of (A)
4. Both (A) and (R) are incorrect

Options 1. 1

2. 2

3. 3

4. 4

65. Promoting team spirit, harmony and unity within the organisation who is the principal of

1. Order
2. scalar chain
3. Spirit de corps
4. Equity

- Options**
1. 1
 2. 2
 3. 3
 4. 4

66. Match List - I with List - II :

List – I	List - II
(a) Interbank call market	(i) Money Market
(b) Commercial bills	(ii) Promissory note
(c) Consumers, shareholders, suppliers, creditors etc.	(iii) Short-term maturity
(d) Moral principles that defines the light or wrong	(iv) Government papers

Choose the correct option from given below :

1. (a) – (i); (b) – (ii); (c) – (iii); (d) – (iv)
2. (a) – (iii); (b) – (i); (c) – (ii); (d) – (iv)
3. (a) – (i); (b) – (iii); (c) – (iv); (d) – (ii)
4. (a) – (iv); (b) – (iii); (c) – (ii); (d) – (i)

- Options**
1. 1
 2. 2
 3. 3
 4. 4

67. Organization structure that shows a unique combination of strategy, structure and management process is known as

1. free- form organization
2. virtual organization
3. network organization
4. horizontal organization

Options 1. 1

2. 2
3. 3
4. 4

68. Which one is NOT true regarding the Market Stabilization Scheme (MSS)?

1. It absorbs surplus liquidity of enduring nature arising out of large capital flows
2. It absorbs surplus liquidity through sale of short-dated government securities and treasury bills
3. Mobilised surplus liquidity is held in the MSS account with the Reserve Bank of India
4. MSS account liquidity can be used for normal government expenditure of capital nature

Options 1. 1

2. 2
3. 3
4. 4

69. Find the marginal revenue of a firm that sells a product at a price of ₹10 and the price elasticity of demand for the product is (—) 2.

1. ₹ 5
2. ₹ 10
3. ₹ 30
4. ₹ 15

Options 1. 1

2. 2
3. 3
4. 4

70. A statement of change in financial position typically would NOT disclose the effect of

1. share capital issued to acquire productive facilities
2. dividends on share declared
3. cash dividend declared but not yet paid
4. purchase and retirement of treasury stock

Options 1. 1
2. 2
3. 3
4. 4

71. Match List - I with List - II :

List-I	List-II
(a) $j = \frac{\bar{X} - M_o}{\sigma}$	(i) Kelly's coefficient of skewness
(b) $j = \frac{Q_3 - Q_1 - 2M_e}{Q_3 - Q_1}$	(ii) Bowley's measure of skewness
(c) $j = \frac{P_{90} + P_{10} - 2P_{50}}{P_{90} - P_{10}}$	(iii) Karl Pearson's coefficient of skewness

Choose the correct option from given below :

5. (a) – (iii); (b) – (ii); (c) – (i)
6. (a) – (iii); (b) – (i); (c) – (ii)
7. (a) – (i); (b) – (ii); (c) – (iii)
8. (a) – (ii); (b) – (i); (c) – (iii)

Options 1. 1

- 2.2
- 3.3
- 4.4

72. Match List - I with List - II :

List – I (Trade and Finance Institution)	List – II (Headquarters)
(a) WTO	(i) Brussels
(b) IMF	(ii) Geneva
(c) FAO	(iii) Washington
(d) EU	(iv) Rome

Choose the correct option from the given below :

- 1. (a) – (ii); (b) – (iii); (c) – (iv); (d) – (i)
- 2. (a) – (i); (b) – (ii); (c) – (iii); (d) – (iv)
- 3. (a) – (iii); (b) – (ii); (c) – (i); (d) – (iv)
- 4. (a) – (i); (b) – (iii); (c) – (ii); (d) – (iv)

Options 1.1

- 2.2
- 3.3
- 4.4

73. What is the probability that sum of outcomes on pair of dice is equal to 8?

- 1. 6/36
- 2. 5/36
- 3. 4/36
- 4. 3/36

Options 1.1

- 2.2

- 3.3
- 4.4

74. Statement (I): If the tax liability has been reduced within the legal framework, it is tax planning.

Statement (II): If tax liability has been reduced to get benefit of deduction available under the income tax, it is called tax evasion.

In the context of the above two statements, which one of the following codes is correct?

- 1. Both the Statements (I) and (II) are correct
- 2. Statement (I) is correct but (II) is incorrect
- 3. Both Statements (I) and (II) are incorrect
- 4. Statement (II) is correct but (I) is incorrect

- Options**
- 1.1
 - 2.2
 - 3.3
 - 4.4



75. Peter F. Drucker noted the relationship between selling and marketing in which of the following terms?

- 1. Marketing is a subsidiary component of selling
- 2. The aim of marketing is to make selling superfluous
- 3. The aim of selling is to make marketing superfluous
- 4. Selling and marketing are essentially the same thing

- Options**
- 1.1
 - 2.2
 - 3.3
 - 4.4

76. Which of the following does NOT fall in the ambit of the objectives of Competition Act, 2002?

1. Encourage Competition
2. Prevent abuse of dominant position
3. Prevent monopolistic rights arising out of intellectual property
4. Regulate mergers and acquisitions

Options 1. 1
2. 2
3. 3
4. 4

77. SIDBI was set up as a subsidiary of IDBI to

1. takeover the functions of small business financing of IDBI
2. takeover the venture capital operation of IDBI
3. reconstruct and rehabilitate the sick and closed industrial units financed by IDBI
4. facilitate, finance and promote India 's foreign trade

Options 1. 1
2. 2
3. 3
4. 4

78. After US dollar, which of the following currencies has largest weightage in determining the value of SDR?

1. Japanese Yen
2. Chinese Yuan (Renminbi)
3. Euro
4. British Pound

Options 1. 1
2. 2
3. 3
4. 4

79. Which of the following is true about India Trade Policy (Export-Import), 2015—2019?

- (a) Doubling the exports (both merchandise and services)
- (b) Achieve 3 • 5% share in global exports
- (c) Introduced two new schemes (MEIS and SEIS)
- (d) Introduced simplified Aayat-Niryat Form

Choose the correct answer from the following :

- 1. (a) and (b) only
- 2. (a) and (c) only
- 3. (a), (b) and (c) only
- 4. All are correct

Options 1. 1

- 2. 2
- 3. 3
- 4. 4

80. Redeemable preference shares of 2,00,000 are to be redeemed at par for which fresh equity shares of 80,000 are issued at a discount of 10%. What amount should be transferred to Capital Redemption Reserve Account?

- 1. ₹ 2,00,000
- 2. ₹ 1,20,000
- 3. ₹ 1,28,000
- 4. ₹ 72,000

Options 1. 1

- 2. 2
- 3. 3
- 4. 4

81. Match List - I with List - II :

List – I	List - II
----------	-----------

(a) Cyber Crime	(i) Intellectual Property Right Act
(b) Doctrine of Caveat Emptor	(ii) Negotiable Instrument Act
(c) Dishonour of Bill	(iii) Sale of Goods Act
(d) Patent and Copyrights	(iv) The Information Technology Act

Choose the correct option from given below :

9. (a) – (iii); (b) – (iv); (c) – (i); (d) – (ii)
10. (a) – (iii); (b) – (ii); (c) – (iv); (d) – (i)
11. (a) – (iv); (b) – (iii); (c) – (ii); (d) – (i)
12. (a) – (ii); (b) – (iv); (c) – (iii); (d) – (i)

Options 1. 1

2. 2

3. 3

4. 4

82. Which of the following commodities is kept outside the purview of GST?

1. Tobacco products
2. Petroleum products
3. Edible oils
4. Insurance products

Options 1. 1

2. 2

3. 3

4. 4

83. When a company distributes its products through a channel structure that includes one or more resellers, it is known as

1. direct marketing
2. indirect marketing
3. integrated marketing

4. multi-level

- Options**
1. 1
 2. 2
 3. 3
 4. 4

84. Statement (I): Agreement without consideration is always valid.
Statement (II): All contracts are agreements but all agreements are not contracts.

In the context of the above two statements, which one of the following codes is correct?

1. Statements (I) and (II) both are correct
2. Both Statements (I) and (II) are incorrect
3. Statement (I) is incorrect and Statement (II) is correct
4. Statement (I) is correct but Statement (II) is incorrect

- Options**
1. 1
 2. 2
 3. 3
 4. 4



85. 'Motivation-force or level of efforts is not equal to satisfaction and performance' is propounded by

1. Porter-Lawler model
2. Vroom 's expectancy theory
3. X and Y theory
4. Adam' s equity theory

- Options**
1. 1
 2. 2
 3. 3
 4. 4

86. Product A requires 10 kg of material at the rate of 5 per kg. The actual consumption of material for the manufacturing of product A comes to 12 kg of material at the rate of 6 per kg. Direct material cost variance is

1. ₹ 22 (favourable)
2. ₹ 22 (unfavourable)
3. ₹ 12 (favourable)
4. ₹ 12 (unfavourable)

Options 1. 1

2. 2
3. 3
4. 4

87. In tax laws, donation to approved and notified association for scientific research is allowed as

1. 125% of the donation
2. 100% Of the donation
3. 175% of the donation
4. 150% of the donation

Options 1. 1

2. 2
3. 3
4. 4

88. In which of the following pricing policies, a firm charges higher initial price for the product and reduces it over time as the demand at higher price is satisfied?

1. Peak load Pricing
2. Incremental pricing
3. Skimming
4. penetration pricing

Options 1. 1

2. 2
3. 3

4.4

89. Study the following information :

Covariance between X and Y series = -17.8

Standard deviation of X series = 6.6

Standard deviation of Y series = 4.2

No. of pairs of observation = 20

The coefficient of correlation is

1. - 0.642
2. 0.642
3. 0.253
4. - 0.253

Options 1. 1
2. 2
3. 3
4. 4

90. Return of income is submitted under which Section of Income-tax Act?

1. Section 138 (1)
2. Section 142 (1)
3. Section 139 (1)
4. Section 129 (1)

Options 1. 1
2. 2
3. 3
4. 4

91. Amount unutilised in capital gain account scheme for which exemption claimed u/s 54 shall be treated as long-term capital gain, if

1. 2 years have expired from the date of transfer
2. 2 years have expired from the date of deposit
3. 3 years have expired from the date of transfer
4. 3 years have expired from the date of deposit

Options 1. 1

2. 2
3. 3
4. 4

92. Match List - I with List - II :

List – I	List - II
(a) Sec 6 (i)	(i) Agriculture Income
(b) Sec 10AA	(ii) Leave Travel Concession
(c) Sec 10 (i)	(iii) Resident
(d) Sec 10 (5)	(iv) Leave Salary

Choose the correct option from given below :

1. (a) – (i); (b) – (iv); (c) – (iii); (d) – (ii)
2. (a) – (iii); (b) – (iv); (c) – (ii); (d) – (i)
3. (a) – (iii); (b) – (ii); (c) – (iv); (d) – (i)
4. (a) – (iii); (b) – (iv); (c) – (i); (d) – (ii)

Options 1. 1

2. 2
3. 3
4. 4

93. For a very large population the ratio between $SE_{\bar{x}}$ and σ is 8 : 40. The Sample size n will be

1. 5
2. 25
3. 32
4. 48

Options 1. 1
2. 2
3. 3
4. 4

94. As per Section 52 of the companies Act, 2013, the balance in the Security Premium Account cannot be utilized for

1. payment of dividend
2. writing off discount on issue of shares
3. issue of fully paid-up bonus share
4. capital losses

Options 1. 1
2. 2
3. 3
4. 4



95. Which one of the following is NOT the pre-requisite of price discrimination?

1. Firm must have monopoly power
2. Product have multiple close substitutes and different uses
3. Markets are separated and segmented
4. Price elasticity of product must differ in different markets

Options 1. 1
2. 2
3. 3
4. 4

96. Which of the following is the predecessor of the IRDA Act, 1999?

1. The Insurance Act, 1938
2. The Life Insurance Corporation Act, 1956
3. The Marine Insurance Act, 1963
4. The Public Liability Insurance Act, 1991

- Options**
1. 1
 2. 2
 3. 3
 4. 4

97. Match List - I with List - II :

List – I	List - II
(a) 80 TTA	(i) Deduction in respect of payment of interest on loan taken for higher education
(b) 80 CCD	(ii) Deduction in respect of interest on loan taken for residential house property
(c) 80 E	(iii) Deduction in respect of interest on deposits in savings account
(d) 80 EE	(iv) Deduction in respect of contribution to national pension system

1. (a) – (iii); (b) – (iv); (c) – (i); (d) – (ii)
2. (a) – (iii); (b) – (iv); (c) – (ii); (d) – (i)
3. (a) – (iii); (b) – (i); (c) – (ii); (d) – (iv)
4. (a) – (i); (b) – (ii); (c) – (iii); (d) – (iv)

- Options**
1. 1
 2. 2
 3. 3
 4. 4

98. Which of the following are considered non-parametric tests?

- (a) Mann-Whitney U test
- (b) Kruskal-Wallis test
- (c) (c) F-test
- (d) (d) T-test
- (e) (e) Chi-square test

Choose the correct option from the following :

- 1. (a), (b) and (e)
- 2. (a), (b) and (c)
- 3. (a), (b), (c) and (d)
- 4. (a), (b), (c), (d) and (e)

Options 1. 1
2. 2
3. 3
4. 4



99. Shopping goods have which of the following features?

- (a) These products are generally durable in nature
- (b) Consumers generally compare the goods of various sellers and then buy such goods
- (c) Per unit price of these goods is generally high
- (d) These goods are regularly and continuously in demand
- (e) These goods are sold as a result of aggressive promotional efforts

Choose the right answer from the option given below :

- 1. (c), (d) and (e)
- 2. (a), (b) and (c)
- 3. (b), (c) and (d)
- 4. (a), (c) and (e)

Options 1. 1

- 2. 2
- 3. 3
- 4. 4

100. If 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

Options

- 1. 1
- 2. 2
- 3. 3
- 4. 4



JUNE 2019

Q. NO	ANS						
1	D	26	A	51	C	76	C
2	A	27	D	52	C	77	A
3	C	28	D	53	B	78	C
4	C	29	B	54	D	79	D
5	C	30	B	55	A	80	C
6	B	31	A	56	C	81	C
7	D	32	A	57	B	82	B
8	D	33	A	58	B	83	B
9	A	34	A	59	B	84	C
10	D	35	D	60	A	85	A
11	D	36	C	61	C	86	B
12	D	37	B	62	A	87	B
13	A	38	D	63	D	88	C
14	C	39	B	64	B	89	A
15	A	40	B	65	C	90	C
16	D	41	B	66	B	91	C
17	C	42	B	67	C	92	D
18	A	43	B	68	D	93	B
19	B	44	C	69	A	94	A
20	D	45	C	70	B	95	B
21	A	46	D	71	A	96	A
22	D	47	D	72	A	97	A
23	C	48	C	73	B	98	A
24	B	49	A	74	B	99	B
25	C	50	D	75	B	100	C

2018 DECEMBER

List – I	List - II
(a) AS – 1	(i) Accounting for fixed assets
(b) AS – 3	(ii) Disclosure of accounting policies
(c) AS – 10	(iii) Leases and its accounting
(d) AS – 19	(iv) Cash flow statements

1. Match the item of list I with the items of List II and choose the correct answer from the code given below.

options

1. (a) – (iii); (b) – (i); (c) – (iv); (d) – (ii)
2. (a) – (iii); (b) – (iv); (c) – (ii); (d) – (i)
3. (a) – (iii); (b) – (ii); (c) – (i); (d) – (iv)
4. (a) – (i); (b) – (ii); (c) – (iii); (d) – (iv)

2. Cost plus pricing is considered appropriate for which combination of the following?

- (i) Product Tailoring
- (ii) Public Utility Pricing
- (iii) Refusal Pricing
- (iv) Monopoly Pricing

Choose the correct answer from the code given below :

Code:

options

1. Only (i) and (ii)
2. Only (iii) and (iv)

3. Only (ii), (iii) and (iv)
4. Only (i), (ii) and (iii)

3. Choose the correct code for the following statements being correct or incorrect.

Statement I : Punctuality and team spirit among employees of an organization has great contribution in enhancing profits of the business but they do not appear as an asset in the balance sheet.

Statement II : Financial statements do not reflect the correct financial position of a business.

Code:

Options

1. Both the statements I and II are incorrect.
2. Statement I is correct, but II is incorrect.
3. Statement I is incorrect, but II is correct.
4. Both the statements I and II are correct.

4. "Everyone benefits when the focus is on common interest and promotion of harmony" is the underlying assumption of which one of the following approaches to industrial relations?

Options

1. Unitary approach
2. Human Relations approach
3. Marxist approach
4. Pluralistic approach

5. Which one of the following statements is not true?

Options

1. Long-term liabilities due for payment within a year should be treated as current liabilities.
2. Cost of sales is a better numerator than sales while calculating stock turnover.
3. Higher operating ratio indicates higher profits.
4. Conversion of debentures into preference shares will decrease debt – equity ratio

6. Given is the information related to a house :

Municipal Value (M. V.)	₹ 1,50,000
Fair Rent	₹ 1,80,000
Standard Rent	₹ 1,60,000
Actual Rent	₹ 20,000 pm

Municipal tax paid by owner is 20% of M.V. Unrealised rent ₹ 40,000 (conditions of rule 4 satisfied). What is the annual value of the house?

Options

1. ₹ 2,10,000
2. ₹ 1,60,000
3. ₹ 1,70,000
4. ₹ 1,50,000



7. Which Of the following are included in the international liquidity? Indicate the correct code.

- (i) Foreign exchange
- (ii) Borrowing capacity of the various countries
- (iii) Gold reserves

Choose the correct answer from the code given below :

Code:

Options

1. (ii) and (iii)
2. (i) and (ii)
3. (i) and (iii)

4. (i), (ii) and (iii)

8. Which one of the following statements is not true?

Options

1. Profits earned from non-operating activities is added to net profit while calculating profits from operations.
2. Any transaction that increases working capital is a source of funds.
3. Major source of working capital in the long run, is profits from operations.
4. Depreciation is a source of funds.

9. Match the item of list I with the items of List II and choose the correct answer from the code given below.

List – I (Type of Interview)	List – II (Usual Application)
(a) Structured	(i) A realistic approach that yields comparable answers plus indepth insights
(b) Unstructured	(ii) Useful to understand applicant's reasoning and analytical abilities under modest stress
(c) Mixed	(iii) Useful for valid results, especially when dealing with large number of applicants
(d) Behavioural	(iv) Useful when the interviewer tries to probe personal details of the candidate to why they are not fit for the job

Options

1. (a) – (i); (b) – (iv); (c) – (ii); (d) – (iii)
2. (a) – (iii); (b) – (iv); (c) – (i); (d) – (ii)
3. (a) – (iv); (b) – (ii); (c) – (i); (d) – (iii)
4. (a) – (iii); (b) – (i); (c) – (ii); (d) – (iv)

10. The monopoly involves a social cost mainly due to its emphasis on which one of the following?

Options

1. Attempting to stall entry of other firms in the market.
2. Earning net profit in all possible situations.
3. Charging different prices from different categories of buyers of the same product.
4. Lower output at a higher cost in a normal profit situation.

11. Which one of the following demands states are adequately buying all the products put into the marketplace?

Options

1. Irregular demand
2. Overfull demand
3. Latent demand
4. Full demand

12. Which one of the following is not true for introducing multiple brand in a category?

Options

1. Yielding economics of scale in advertising, sales merchandising and physical distribution
2. Attracting consumers seeking variety who may otherwise have switched to another brand
3. Increasing shelf presence and retailer dependence in the store
4. Decreasing interval competition within the firm

13. Match the item of list I with the items of List II and choose the correct answer from the code given below.

List I	List II
(a) Claims	(i) Company car, club memberships, paid
(b) Fringe benefits	(ii) Telephone/mobile allowance, internet allowance medical allowance
(c) Perquisites	(iii) Canteen, uniform, accident relief

Code:

Options

1. (a) – (i), (b) – (ii), (c) – (iii)
2. (a) – (ii), (b) – (i), (c) – (iii)
3. (a) – (iii), (b) – (ii), (c) – (i)
4. (a) – (ii), (b) – (iii), (c) – (ii)

14. "Skimming in e- Banking method of

Options

1. Stealing credit card information
2. Intimating the customer about his heavy withdrawals
3. Converting Debit Card into Credit Card
4. Transferring cash from one account to another account

15. Which one of the following item is not a part of job specification ?

Options

1. Location
2. Judgement

3. Emotional Characteristics
4. Initiative

16. Match the item of list I with the items of List II and choose the correct answer from the code given below.

List I	List II
(a) The economy was characterised by small region suppliers who sold goods on local basis	(i). Mass marketing
(b) Standardised, branded goods were sold at national level	(ii) Hyper-segmentation
(c) Era of market differentiation based on demographic, socio-economic and life style factors	(iii) Segmentation
(d) Technological advancements, especially in the area of digital communication, allow marketers to communicate with individual consumers or very small groups	(iv) Fragmentation

Code:

Options

1. (a) – (i); (b) – (iv); (c) – (ii); (d) – (iii)
2. (a) – (iv); (b) – (i); (c) – (ii); (d) – (iii)
3. (a) – (i); (b) – (ii); (c) – (iii); (d) – (iv)
4. (a) – (iv); (b) – (i); (c) – (iii); (d) – (ii)

17. Which one of the following statement is correct?

Options

1. One of the objectives of setting up SEBI is to protect the interests of investors
2. SEBI is constituted from amongst the directors of various stock exchanges

3. The purpose of issuing different type of rules and regulations by SEBI is to bring monetary gains to investors
4. SEBI has been constituted under the Securities (Contract and Regulation) Act,1956.

18. Who among the following is not an observer country of the SAARC?

Options

1. Canada
2. USA
3. Iran
4. China

19. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R). Read the statements and choose the correct answer using the code given below.

Assertion (A): Training aids in encouraging and achieving self-development and self-confidence

Reason (R) : It helps a person handle stress, tension, frustration and conflict.

Code:

Options:

1. Both (A) and (R) are correct and (R) is the right explanation of (A).
2. Both (A) and (R) are correct and (R) is not the right explanation of (A).
3. Both (A) and (R) are incorrect.
4. (A) is correct but (R) is not correct.

20. Choose the correct code for the following statements being correct or incorrect.

Statement I: An option which gives its holder the privilege of selling to other party a fixed amount of some stock at a stated price on or before a predetermined date is known as call option.

Statement II: In an option, the holder has the privilege of purchasing from other party a fixed amount of some stock at a stated price on or before a predetermined date is known as put option.

Code:

Options:

1. Statement II is correct, but I is incorrect.
2. Both the Statement I and Statement II are correct.
3. Both the Statement I and Statement II are incorrect.
4. Statement I is correct, but II is incorrect.

21. A company purpose to introduce a new product in the market. The company wants to maintain P/V ratio at 25%. If variable cost of the product is ₹ 300, what will be the selling price?

Options:

1. ₹100
2. ₹400
3. ₹300
4. ₹200



22. Which of the following variables is not known in Internal Rate of Return method of capital budgeting?

Options:

1. Amount of cash outflows
2. Discount rate
3. Amount of cash inflows
4. Life of the project

23. X Ltd forfeited 40 shares of ₹10 each and on which ₹ 4 per share were paid. If the forfeited shares are reissued as ₹ 8 per share paid up, what is the minimum price the company must charge?

Options:

1. ₹ 4 per share
2. ₹ 10 per share
3. ₹ 2 per share
4. ₹ 8 per share

24. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R). Read the statements and choose the correct answer using the code given below.

Assertion (A): Among all methods of charging depreciation on fixed assets, diminishing balance method is the best method

Reason (R) : Diminishing balance method of charging depreciation has been permitted under the Income Tax Act, 1961 for claiming deduction for depreciation.

Code:

Options:

1. Both (A) and (R) are correct and (R) is not the right explanation of (A).
2. Both (A) and (R) are correct.
3. Both (A) and (R) are correct and (R) is the right explanation of (A).
4. (A) is correct but (R) is not correct.

25. In which One of the following forms of workers participation in management is the role of the workers council not just advisory but the management is under a moral obligation to acknowledge, accept and implement the unanimous decision of the council?

Options:

1. Decisive Participation
2. Administrative Participation
3. Associative Participation
4. Consultative Participation

26. The probable error of the coefficient of correlation (r) is calculated by which one of the following formula ?

Options:

1. $0.6745 \frac{(1 - r^2)}{\sqrt{n}}$

2. $0.6745 \frac{(1 + r^2)}{n}$

3. $0.6745 \frac{1 + r^2}{\sqrt{n}}$

4. $0.6745 \sqrt{\frac{1 - r^2}{n}}$

27. Which of the following statements is / are false?

(i) capital profits can never be distributed as dividend to the shareholders

(ii) dividends are paid out of profit and therefore do not affect the liquidity position of the firm

(iii) every company should follow the policy of low dividend payment

(iv) walters model suggest that dividend payment does not affect the market price of the share

Option

1.(ii) (iii) and (iv)

2.(i) (ii) (iii) and(iv)

3.(i) (ii)and (iii)

4.(iii) and (iv)

28. The inverse relationship between the variation in the price and the variation in the quantity demanded is not due to

Option

1. Gossen's laws of consumption
2. Law of substitution
3. Price effect
4. entry and exit of buyers

29. Which one of the following is not the function of the reserve Bank of India?

Option

1. Issue of banknotes
2. controller of credit
3. custodian of cash reserves of commercial banks
4. Accepting deposits and advancing loans to public

30. Indicate the most popular route of privatisation adopted by the government of India in recent decades

Option

1. cross holdings
2. Strategic sale
3. Spontaneous privatization
4. Management employee buyout

31. A firm has inventory turnover of 3 e and cost of goods sold is rupees 270000. With better inventory management the inventory turnover is increased to would result in

Option

1. Increase in inventory by rupees 54000
2. Decrease in inventory by rupees 36000
3. decrease in inventory by rupees 90000
4. Increase in cost of goods sold by rupees 20000

32. Match the items of List I with the items of List II and choose the correct answer from the code given below.

List I	List II
(a) Job context	(i) Procedures used
(b) Job-related tangibles and intangibles	(ii) Work schedule
(c) Work activities	(iii) Work standards
(d) Work performance	(iv) Services rendered

Option

1. (a)-(ii), (b)-(iv), (c)-(i), (d)-(iii)
2. (a)-(i), (b)-(iv), (c)-(ii), (d)-(iii)
3. (a)-(iv), (b)-(iii), (c)-(i), (d)-(ii)
4. (a)-(iii), (b)-(iv), (c)-(ii), (d)-(i)

33. To examine whether the company is pursuing its best opportunities with respect to markets, products and channels is the purpose of which one of the following types of marketing control?

Option

1. Annual plan control
2. strategic control
3. profitability control
4. Efficiency control

34. if a perpendicular on x axis from the point of intersection of both "less than" and "more than" frequency curve is drawn, it gives the value of

Option

1. Median
2. Mode
3. Arithmetic mean
4. third quartile

35. Which one of the following is agricultural income under Income tax Act?

Option

1. Income from the land used for storing agricultural products
2. Dividend from a company engaged in agriculture
3. Income from the sale of replanted trees where denuded parts of the forest and subsequent operations in forestry are carried out
4. Income from dairy farm, poultry farm etc

36. The theory suggesting that the patterns of international trade are determined by factor endowment rather than productivity was propounded by which one of the following?

Option

1. Michael Porter
2. David Ricardo
3. Heckscher and Bertil Ohlin
4. Adam Smith

37. which one of the following is not the correct property of normal distribution?

Option

1. Continuous distribution
2. equality of Central values (mean , median and mode)
3. Standard deviation is the sole parameter of the distribution
4. Uni model distribution

38. Arrange the following stages of staffing in correct sequence and indicate the code of correct sequence

Option

- (i) performance appraisal
- (ii) Recruitment
- (iii) Transfers
- (iv) Selection
- (v) Induction and orientation

Choose the correct answer from the code given below:

Code:

Options

1. (iv) (ii) (v) (iii) (i)
2. (i) (ii) (iv) (v) (iii)
3. (ii) (i) (iv) (v) (iii)
4. (ii) (iv) (v) (i) (iii)

39. Combined leverage can be used to measure the relationship between

Option

1. EBIT and EPS
2. Sales and EBIT

3.Sales and EPS

4.PAT and EPS

40.Which among the following is not included in seven Ps of marketing mix given by Booms and Bitner?

Option

1. Politics
2. Physical evidence
3. People
4. process

41. Match the items of List I with the items of List II and choose the correct answer from the code given below.

List I	List II
(a) Behaviour referent	(i)Wide ranging cultural. structural and personnel strategies
(b) Focus of attention for interventions	(ii) Manage climate and culture
(c) Conflict handling	(iii) Few
(d) Job categories and grades	(iv)Values/mission

Option

1. (a)-(iii), (b)-(i), (c)-(ii), (d)-(iii)
2. (a)-(i), (b)-(ii), (c)-(iv), (d)-(iii)
3. (a)-(iv), (b)-(i), (c)-(ii),(d)-(iii)
4. (a)-(iv), (b)-(ii), (c)-(i), (d)-(iii)

42.on fulfilling certain conditions for an undertaking setup in special economic zones, deduction under section 10 AA of the Income tax Act is allowed for

Option

1. 10 years
2. Unlimited period
3. 5 years
4. 15 years

43. choose the correct code for the following statements being correct or incorrect.

Statement 1: thousands of employees died everyday in factories due to accidents

Statement 2: to make an accident free plant to cost and decrease productivity

Code:

Option

1. Statement 1 is correct but 2 is incorrect
2. Both the statements 1 and 2 are incorrect
3. Statement 2 is correct but 1 is incorrect
4. Both statements 1 and 2 are correct

44. Given below are two statements one labelled as assertion (A) and other labelled as reason(R).Read the statements and choose the correct answer using the code given below.

Assertion (A):purchase decisions are not based on how customers perceive prices but on the marketers stated price

Reason (R):customers may have a lower price threshold below which prices signal inferior or un acceptable quality and an upper price threshold were the the product appears not worth the money

Option

1. Both (A) and (R) are correct but (R) is not the right explanation of (A)
2. Both (A) and (R) are incorrect

3. Both (A) and (R) are correct and (R) is write explanation of (A)

4.(A) is incorrect but (R) is correct

45. Cardinal utility analysis of consumers behaviour is based on which combination of the following assumptions:

(i) utility is measurable in terms of Cardinal numbers

(ii) constancy of the marginal utility of money

(iii) Utilities of different goods are interdependent

(iv) Gossen's first law of consumption

Choose the correct answer from the code given below

Option

1. Only (iii) and (iv)

2. Only (ii) (iii) and (iv)

3. Only (i) (ii) and (iv)

4. Only (i) and (ii)



46. Match the items of List I with the items of Lin II and choose the correct answer from the code given below.

List I	List II
(a) Rival Firms	(i) External Environment
(b) Technology	(ii) Social and Cultural Environment
(c) Improving Quality	(iii) Internal Environment
(d) Ethics in Business	(iv) Global Environment

Option

1. (a)-(iv), (b)-(i), (c)-(ii), (d)-(iii)

2. (a)-(ii), (b)-(iii), (c)-(iv), (d)-(i)

3. (a)-(i), (b)-(ii), (c)-(iii),(d)-(iv)

4. (a)-(iii), (b)-(i), (c)-(iv), (d)-(ii)

47. Which among the following is not an internal factor of pricing decision?

Option

1. Consumer expectation from company by past pricing
2. Consumer behaviour for given product
3. position of product in product cycle
4. Price elasticity as per sales of product

48. Banking Ombudsman scheme was introduced by RBI with effect from

Option

1. 2005
2. 1998
3. 1995
4. 2001



49. which one of the following is not the basic function of WTO?

Option

1. to facilitate the implementation, administration and operation of trade agreements
2. to facilitate the expansion and balanced growth of international trade
3. to carry out periodic reviews of the trade policies of its member countries
4. To settle differences and disputes among its member countries

50. Given below are two statements one labelled as assertion (A) and other labelled as reason (R). Read the statements and choose the correct answer using the code given below.

Assertion (A): technological change and skill requirements have been made a subject of investigation in an organisation

Reason (R): the neoclassical economic theory stated that technological changes required a border variety of skills and higher average skills from the code given below.

Options

1. Both (A) and (R) are correct but (R) is not the right explanation of (A)
3. Both (A) and (R) are correct and (R) is write explanation of (A)
- 4.(A) is incorrect but (R) is correct
4. Both (A) and (R) are incorrect

51. Match the items of List I with the items of List II and choose the correct answer from the code given below.

List I

(i) Balance of trade

(ii) Current account

(iii) Balance of payments

(iv) Capital account

List II

(A) Imports and exports of goods and services and unilateral transfer of goods and services

(B) Transactions leading to changes in the financial assets and liabilities of a country

(C) All economic transactions between a country's residents and residents of other countries

(D) Value of exports and imports of a county

Code :

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

52. Which of the following statements is/are true ?

(i) Tax-shield on depreciation and interest is an important variable both for the lessor and the lessee.

(ii) Lease transactions in India are governed by the lease Act.

(iii) A lessee should evaluate the lease options against the buying option.

(iv) As per AS — 19, financial lease is shown in the balance sheet of the lessee as an asset.

Choose the correct answer from the code given below :

Code:

(1) (i), (iii) and (iv)

(2) Only (ii)

(3) (ii), (iii) and (iv)

(4) (i) and (iv)

53. Banks are required to classify Non-Performing Assets into

(1) Doubtful assets, bad debts and loss assets

(2) Standard assets, and sub-standard assets

(3) Doubtful assets, and bad debts

(4) Sub-standard assets, doubtful assets, and loss assets

54. The companies having business in a large number of countries around the world at present are called

(1) Global Corporations (GCs)

(2) Multinational Corporations (MNCs)

(3) Multinational Enterprises (MNEs)

(4) Transnational Corporations (TNCs)

55. Bretton Woods Conference resulted into the establishment of which of the following ?

(1) IDA and ADB

(2) IMF and IDA

(3) IMF and IBRD

(4) IBRD and IFC

56. Choose the correct code for the following statements being correct or incorrect.

Statement I : A well-chosen marketing channel must be aligned to company's marketing strategy with respect to segmentation, targeting and positioning.

Statement II : Marketing channels are set of interdependent organizations participating in the process of making the product available for the use of consumption.

Code :

- (1) Both the statements I and II are incorrect.
- (2) Both the statements I and II are correct.
- (3) Statement I is correct, but II is incorrect.
- (4) Statement II is correct, but I is incorrect.

57. Choose the correct code for the following statements being correct or incorrect.

Statement 1: FX Spot is an agreement between two parties to buy one currency against selling another currency at an agreed price for settlement on the spot date.

Statement 11: The date of maturity of a forward contract is more than two business days in future.

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 H is incorrect.
- (4) Statement II is correct, but I is incorrect.

58. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R). Read the statements and choose the correct answer using the code given below.

Assertion (A): Databases assist in market segmentation, especially behavioural segmentation such as developing loyalty segments

Reason (R) : Customer Relationship Management (CRM) databases have become an asset for the analysis of customer behaviour.

Code :

- (1) Both (A) and (R) are correct and (R) is the right explanation of (A).
- (2) Both (A) and (R) are incorrect.
- (3) (A) is correct but (R) is not correct
- (4) Both (A) and (R) are correct but (R) is not the right explanation of (A).

59. Match the items of list I with the items of List II and choose the correct answer from the code given below.

List I (Propounder of Theory)

List II (Theory of Motivation)

(i) Dr. Willian Ouchi

(A) X Theory

(ii) Douglas McGregor

(B) Need Hierarchy Theory

(iii) Frederick Herzberg

(C) z Theory

(iv) A.H. Maslow

(D) Hygiene Theory

Code :

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

60. Choose the correct code for the following statements being correct or incorrect.

Statement I: When the two securities returns are perfectly positively correlated, the risk of their portfolio is just a weighted average of the individual risks of the securities. In such case, diversification does not provide risk reduction but only risk averaging.

Statement II : Total risk of a portfolio of two risk securities can be completely eliminated when their returns are perfectly negatively correlated and their proportionate holdings in the portfolio are inversely related to the relative individual risks of the securities.

Code :

- (1) Both the statements I and II are incorrect.
- (2) Both the statements I and II are correct.
- (3) Statement II is correct, but I is incorrect.

(4) Statement I is correct, but II is incorrect.

61. Foreign investment can be made through which of the following routes ?

(i) Foreign Direct Investment (FDI)

(ii) Foreign Portfolio Investment (FPI)

(iii) Private Equity Investment (PE)

(iv) Foreign Venture Capital Investors (FVCI)

Choose the correct answer from the code given below :

Code :

(1) (i),(ii), (iii) and (iv)

(2) (i), (iii) and (iv)

(3) (i), (ii) and (iv)

(4) (i) and (iv)

62. Which one among the following is the oldest form of organization ?

(1) Line Organization

(2) Committee Organization

(3) Functional Organization

(4) Project Organization

63. Which one of the following is not the advantage of database management system?

(1) Shared data

(2) Improved data integrity

(3) Centralized control

(4) High acquisition costs

64. Match the items of list I with the items of List II and choose the correct answer from the code given below.

List I

List II

- | | |
|--------------------------|--|
| (i) Mobile defense | (A) occupying the most desirable position in consumers' minds, making the brand almost impregnable. |
| (ii) Contraction defense | (B) The leader stretches its domain over new territories through market broadening and market diversification. |
| (iii) Position defense | (C) Large companies give up weaker markets and reassign resources to stronger ones. |

- (1) (i)-(A),(ii)-(B),(iii)-(C)
 (2) (i)-(A),(ii)-(C),(iii)-(B)
 (3) (i)-(B),(ii)-(C),(iii)-(A)
 (4) (i)-(B),(ii)-(A),(iii)-(C)

65. Match the items of List I with the items of List II and choose the correct answer from the code given below.

List I

- (i) Income elasticity less than unity
 (ii) Cross elasticity less than unity
 (iii) Cross elasticity less than zero
 (iv) Income elasticity less than zero

List II

- (A) Competitive goods
 (B) Inferior goods
 (C) Superior goods
 (D) Complementary goods

Code :

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

66. Choose the correct code for the following statements being correct or incorrect.

Statement I : If the value of β_2 , i.e., $\frac{\mu_4}{\sigma_4}$, of a distribution gives the value more than 3, its curve is platykurtic.

Statement II : In a moderately asymmetrical distribution, the standard deviation is 1.25 times of mean deviation.

Code :

- (1) Statement II is correct, but I is incorrect.
- (2) Both the statements I and II are correct.
- (3) Both the statements I and II are incorrect.
- (4) Statement I is correct, but II is incorrect.

67. Under Sec. 194 IB of the Income Tax Act, 1961 an individual or HUF (who is not required to get his accounts audited u/s 44 AB) who is responsible for paying to a resident any rent, shall deduct income tax, for the use of any land and building or both, if the rent exceeds

- (1) Rs 15,000 per month
- (2) Rs 25,000 per month
- (3) Rs 50,000 per month
- (4) Rs 40,000 per month

68. Sales of a firm are 40 lacs; variable costs 10 lacs; fixed costs 15 lacs; interest 5 lacs. Combined leverage of the firm will be

- (1) 2
- (2) 3
- (3) 8
- (4) 2.5

69. The Industrial Policy, 1956 has been prompted by which combination of the following developments ?

- (i) Adoption of the Constitution of India.
- (ii) Implementation of Economic Planning.
- (iii) Acceleration of Economic Growth and Industrialisation.
- (iv) Availability of Sufficient Funds for Investment in Public Sector.

Choose the correct answer from the code given below :

Code :

- (1) Only (ii) and (iv)
- (2) Only (i), (ii) and (iv)
- (3) Only (ii), (iii) and (iv)
- (4) Only (i) and (ii)

70. Match the items of List I with the items of List II and code given below.

List I

List II

- | | |
|--|------------------------------------|
| (i) Compensation received by an employee from his employer on termination of job | (A) Exemption upto specified limit |
| (ii) Pension received by the widow of an employee | (B) Profits in lieu of salary |
| (iii) Foreign allowance for rendering services abroad | (C) Income from other sources |
| (iv) Children hostel allowance | (D) Fully exempt from tax |

Code :

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

71. Which one of the following initiatives is not the strategy for managing shortage of employees in an organisation ?

- (1) Offer incentives to postpone retirement
- (2) Hire temporary employees
- (3) Attempt to reduce turnover
- (4) Employee training

72. Production function is based on which combination of the main characteristics of the inputs from the following :

- (i) Substitutability
- (ii) Complementarity
- (iii) Flexibility
- (iv) Specificity

Choose the correct answer from the code given below :

Code:

- (1) Only (ii), (iii) and (iv)
- (2) Only (i), (ii) and (iv)
- (3) Only (i) and (ii)
- (4) Only (iii) and (iv)

73. Which one of the following is the main government agency responsible for development and monitoring international trade in India ?

- (1) Federation of Indian Export Organisations
- (2) Department of Commerce
- (3) Export Promotion Council
- (4) Indian Institute of Foreign Trade

74. Which one of the following is not an advantage of external recruitment ?

- (1) Compliance with reservation policy becomes easy
- (2) Benefits of new skills, new talents and new experiences to organisations are available
- (3) Good performance is rewarded
- (4) Scope for resentment, jealousies and heartburn are avoided

75. Choose the correct code for the following statements being correct or incorrect.

Statement I : Intellectual Property (IP) is a category of property that includes intangible creations of the human intellect.

Statement II : IPR does not include trade secrets and moral rights.

Code :

- (1) Both the statements I and II are correct.
- (2) Both the statements I and II are incorrect.
- (3) Statement II is correct, but I is incorrect.
- (4) Statement I is correct, but II is incorrect.

76. Critical path indicates which one of the following ?

- (1) Recorded time of completing a task
- (2) Average time of completing a task
- (3) Shortest route of completing a task
- (4) Longest route of completing a task

77. In which one of the following modes of entry into foreign market are risk and profit potential the highest ?

- (1) Direct exporting
- (2) Direct investment
- (3) Indirect exporting
- (4) Joint ventures

78. Which of the following is not a method of preparation of cash budget ?

- (1) Proforma Balance Sheet method
- (2) Receipts and Payments method
- (3) Cash Cycle method
- (4) Adjusted Net Income method

79. For the following two statements regarding infrastructural services in the country, choose the correct code for the statements being correct or incorrect.

Statement I : Most infrastructure services are provided by public monopolies which generally suffer with severe problems like lack of accountability, low productivity, poor financial performance and over-employment.

Statement H : There is a need now to induce more private sector investment and participation in provision of social overheads as it may encourage better risk sharing, accountability, monitoring and management of infrastructure sector.

Code :

- (1) Both I and II are correct.

- (2) I is correct, but II is incorrect.
- (3) I is incorrect, but II is correct.
- (4) Both I and II are incorrect.

80 .Which one of the following modes is not an example of Direct and Database marketing communication ?

- (1) Catalogues
- (2) Social media marketing
- (3) Telemarketing
- (4) Mailings

81 .Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R). Read the statements and choose the correct answer using the code given below.

Assertion (A.) The multilateral trading system is an attempt by governments to make the business environment stable and predictable.

Reason (R) : Promising not to raise trade barriers can be as important as lowering one, because the promise gives businesses a clearer view of their future market opportunities.

Code :

- (1) Both (A) and (R) are correct and (R) is the right explanation of (A).
- (2) Both (A) and (R) are incorrect.
- (3) Both (A) and (R) are correct but (R) is not the right explanation of (A).
- (4) (A) is correct but (R) is incorrect.

82. Match the items of List I with the items of List II and choose the correct answer from the code given below.

List I

List II

- | | |
|-----------------|---|
| (i) NPA | (A) The percentage of deposits to be kept with RBI in the form of cash. |
| (ii) SLR | (B) The rate at which RBI lends money to commercial banks. |
| (iii) Repo Rate | (C) Loans and advances not paid for more than 90 days. |

- (iv) CRR (D) The percentage of net demand and time liabilities to be kept in the form of liquid assets.

Code :

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

83. 'Finance for exporting companies' as part of major programmes of the Exim Bank of India does not include

- (1) Post-shipment credit
(2) Term loans
(3) Overseas investment finance
(4) Working capital

84. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R). Read the statements and choose the correct answer using the code given below.

Assertion (A) : There exists excess capacity of the production for the firms if these incur losses.

Reason (R) : Their production level has to remain below their economic capacity level.

Code :

- (1) Both (A) and (R) are correct and (R) is the right explanation of (A).
(2) (A) is correct but (R) is incorrect.
(3) Both (A) and (R) are correct but (R) is not the right explanation of (A).
(4) (A) is incorrect but (R) is correct.

85 .Which of the following statements relating to the sampling theory are correct ?

- (i) The values of the statistical measures based on the sampled units are called values of statistic.

(ii) In the simple random sampling technique, the element of the population and the unit of the sample are different.

(iii) Snow-ball sampling technique is a probability based sampling technique.

(iv) The law of statistical regularity' and the law of inertia of large numbers' are the main bases of the sample to become representative of the population. Choose the correct answer from the code given below :

Code :

(1) (i), (ii) and (iii)

(2) (i) and (iv)

(3) (ii), (iii) and (iv)

(4) (ii) and (iii)

86. For performance assessment of employees, "helping to meet legal requirements" is the application of which one of the following ?

(1) Administrative purpose

(2) Documentation purpose

(3) Developmental purpose

(4) Organisational maintenance purpose

87. Corporations are controlled and directed by which one of the following ?

(1) Corporate ethics

(2) Corporate codes

(3) Corporate governance

(4) Corporate mechanism

88. According to Donald Kirkpatrick, training programmes can be evaluated at four levels. Indicate the code of correct sequence from the following :

(i) Result

(ii) Reaction

(iii) Learning

(iv) Behaviour

Choose the correct answer from the code given below :

Code :

(1) (iv), (iii),(ii) ,(i)

(2) (ii), (iii), (iv), (i)

(3) (i),(ii),(iii), (iv)

(4) (iii), (iv), (i), (ii)

89. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R). Read the statements and choose the correct answer using the code given below.

Assertion (A) : Consumers need to be given legal protection against certain trade practices and business methods.

Reason (R) : Protection as per market forces and 'Caveat Emptor' is not enough as perfectly competitive market is an economist's dream and consumer sovereignty is a myth.

Code :

(1) (A) is incorrect but (R) is correct.

(2) (A) is correct but (R) is incorrect.

(3) Both (A) and (R) are correct and (R) is the right explanation of (A).

(4) Both (A) and (R) are correct but (R) is not the right explanation of (A).

90. Which of the following sources of finance has an implicit cost of capital ?

(1) Debentures

(2) Equity share capital

(3) Retained earnings

(4) Preference share capital

91. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R). Read the statements and choose the correct answer using the code given below.

Assertion (A) : A low debt-equity ratio is generally recommended for a newly started business.

Reason (R) : During the initial years of the business, debt servicing will prove to be less burdensome.

Code :

- (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 not correct.
- (4) (A) is not correct but (R) is correct.

92. When RBI reduces CRR, it results into

- (1) Increase in deposits
- (2) Decrease in lendable resources
- (3) Decrease in deposits
- (4) Increase in lendable resources

93. Second generation reforms in our country do not comprise of which one of the following ?

- (1) Clean environment
- (2) Population control measures
- (3) Growing Indian transnational corporations
- (4) Exploiting the knowledge based global economy

94. Choose the correct code for the following statements being correct or incorrect.

Statement I : An identifiable group of people contributing their efforts towards attainment of goals is called organization

Statement II : In its broadest sense, organization refers to the relationship between the various factors present in a given endeavour.

Code :

- (1) Statement I is correct, but II is incorrect.
- (2) Statement I is correct, but II is incorrect.
- (3) Both the statements I and II are incorrect.

(4) Both the statements I and II are correct.

95. Advertising method in which a commercial is broadcast simultaneously on several radio stations and/or television channels is known as

- (1) Exclusive drive
- (2) Intensified campaign
- (3) Road side
- (4) Road block

96. A and B are partners in a firm sharing profits in the ratio of 3 : 2. They admit X as a partner for $\frac{1}{3}$ share in profits of the firm. The new profit sharing ratio of A, B and X is

- (1) 3:2:1
- (2) 3:2:3
- (3) 6:4:5
- (4) 3:2:2

97. Match the items of List I with the items of List II and choose the correct answer from the code given below.

List I

List II

(i) Direct investment overseas aimed at manufacturing products not manufactured by the firm in the home country

(A) Inward FDI

(ii) Direct investment in a foreign country aimed to sell the output of the firm's domestic production.

(B) Backward Vertical FDI

(iii) Direct investment overseas aimed at providing inputs for the firms production process in the home country.

(C) Conglomerate F'DI

(iv) Foreign firms investing overseas and taking control over foreign assets.

(D) Forward Vertical FDI

Code :

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

98. Merger of two companies under the Board for Industrial and Financial Reconstruction (BIFR) supervision is known as

- (1) Arranged merger
- (2) Negotiated merger
- (3) Offer for sale
- (4) Reverse merger

99. Which one of the following is not the fund based business of commercial banks ?

- (1) RTGS/NEFT transactions
- (2) Overdraft facility
- (3) Issuance of Letters of Credit
- (4) Acceptance of deposits

100. Choose the correct code for the following statements being correct or incorrect.

Statement I : The geometric mean of the two regression coefficients of X and Y variables gives the value of the coefficient of correlation.

Statement II : If the population distribution is not normal and a sampling distribution of mean is prepared by taking small sized samples, the sampling distribution of mean is not normal.

Code :

- (1) Statement I is correct, but II is incorrect.
- (2) Both the statements I and II are incorrect.
- (3) Both the statements I and II are correct.
- (4) Statement II is correct, but I is incorrect.

DEC 2018

Q. NO	ANS						
1	B	26	A	51	B	76	D
2	D	27	B	52	A	77	B
3	D	28	B	53	D	78	A
4	A	29	D	54	A	79	C
5	C	30	B	55	C	80	B
6	C	31	B	56	B	81	A
7	D	32	A	57	A	82	A
8	D	33	B	58	A	83	A
9	B	34	A	59	B	84	A
10	D	35	C	60	B	85	B
11	D	36	C	61	A	86	B
12	D	37	C	62	A	87	C
13	D	38	D	63	D	88	B
14	A	39	C	64	C	89	D
15	A	40	A	65	B	90	C
16	D	41	C	66	A	91	B
17	A	42	D	67	C	92	D
18	A	43	A	68	B	93	B
19	B	44	D	69	B	94	D
20	C	45	C	70	A	95	D
21	B	46	B	71	D	96	C
22	B	47	B	72	B	97	C
23	A	48	C	73	B	98	A
24	B	49	B	74	C	99	C
25	C	50	B	75	D	100	C

JULY 2018

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 $\frac{3}{7}$ share in the new firm in which he takes $\frac{2}{7}$ from X and $\frac{1}{7}$ 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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Q. NO	ANS						
1	B	26	A	51	C	76	D
2	B	27	A	52	D	77	C
3	D	28	D	53	B	78	B
4	C	29	A	54	B	79	D
5	A	30	C	55	B	80	B
6	B	31	B	56	A	81	A
7	A	32	A	57	C	82	D
8	A	33	B	58	C	83	C
9	D	34	A	59	B	84	B
10	A	35	A	60	C	85	C
11	C	36	D	61	C	86	C
12	C	37	B	62	D	87	C
13	D	38	D	63	C	88	A
14	C	39	D	64	A	89	D
15	A	40	D	65	C	90	A
16	B	41	C	66	D	91	A
17	B	42	C	67	D	92	B
18	B	43	A	68	D	93	C
19	C	44	C	69	B	94	C
20	B	45	D	70	D	95	D
21	D	46	B	71	A	96	C
22	A	47	D	72	B	97	C
23	C	48	C	73	D	98	A
24	C	49	B	74	A	99	B
25	A	50	B	75	B	100	A

**NOVEMBER
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 | List - II |
|-----------------------|---|
| (a) Basic Product | (i) Set of attributes and conditions buyers normally expect |
| (b) Expected Product | (ii) Possible augmentation and transformation the product might undergo in future |
| (c) Augmented Product | (iii) Exceed customer expectations |
| (d) Potential Product | (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 | List - II |
|-----------------------------------|--|
| (a) ABC Analysis | (i) Dividend Decision |
| (b) Walter Model | (ii) Capital Budgeting Decision |
| (c) Capital Rationing | (iii) Capital Structure Decision |
| (d) Net Operating Income Approach | (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.

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

NOVEMBER 2017 Paper II

Answer Key (1-50)

Q	A	Q	A	Q	A	Q	A	Q	A
1	2	11	3	21	*	31	2	41	3
2	2	12	1	22	4	32	3	42	3
3	1	13	2	23	2	33	4	43	4
4	3	14	1	24	4	34	3	44	*
5	1	15	2	25	2	35	2	45	3
6	1	16	1	26	3	36	3	46	1
7	3	17	1	27	1	37	2	47	1
8	3	18	4	28	2	38	1	48	1
9	3	19	1	29	1	39	4	49	4
10	2	20	3	30	4	40	1	50	1

Note: * Marks Given to all Candidates

NOVEMBER 2017
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)

List - II
(Examples)

- | | |
|--------------------------|---|
| (a) Regulatory role | (i) Deciding timing and usage of resources |
| (b) Promotional role | (ii) Capital intensive projects of public sector |
| (c) Enterpreneurial role | (iii) Imposing of high import duty |
| (d) Planning role | (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

13. Which of the following statements are true ? Select the **correct** code.
- (a) The coefficient of rank correlation has the same limits as the Karl Pearson's coefficient of correlation.
 - (b) The coefficient of correlation is independent of the change of origin but not of scale.
 - (c) The covariance between X and Y is defined as $\frac{\sum xy}{n}$ where $x = (X - \bar{X})$, $y = (Y - \bar{Y})$ and n = no. of paired observations.
 - (d) b_{xy} is called regression coefficient of X variable on Y variable.
 - (e) If b_{xy} is 0.4 and b_{yx} is 1.6, coefficient of determination would be 0.8.

Code :

- (1) (a), (b) and (c)
 - (2) (a), (c) and (d)
 - (3) (c), (d) and (e)
 - (4) (b), (c) and (e)
14. The application of χ^2 -test as parametric test will be in which one of the following situations ?
- (1) Test of independence of attributes
 - (2) Test of goodness of fit of a specific type of distribution
 - (3) Test for population variance on the basis of small sized sample variance
 - (4) Test of homogeneity of several populations with respect to some characteristic of interest
15. In which one of the following situations is the application of t-test is most appropriate ?
- (1) Testing the significance of coefficient of correlation between paired observations of small sized sample
 - (2) Testing the significance of coefficient of correlation between paired observations of large sized sample
 - (3) Comparing variances of two small sized samples
 - (4) Testing the significance of the difference among mean values of more than two samples groups
16. Which of the following is **not** a logical data structure ?
- (1) Chain
 - (2) Stack
 - (3) List
 - (4) Tree

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)	List - II (Propounder)
(a) Subsistence Theory	(i) Karl Marx
(b) Surplus Value Theory	(ii) Francis Walker
(c) Wage Fund Theory	(iii) David Richardo
(d) Residual Claimant Theory	(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	List - II
(a) Future	(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
(b) Swap	(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
(c) Hedging	(iii) A contractual agreement for exchanging a stream of payments with opposite and matching needs, to reap the benefit arising due to market discrepancies
(d) Forward	(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)

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) |
|-----|-------------|-----|-------------|-----|-------------|-----|-------------|

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

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

NOVEMBER 2017 Paper III

Answer Key (1-75)

Q	A	Q	A	Q	A	Q	A	Q	A	Q	A	Q	A	Q	A
1	1	11	1	21	3	31	3	41	2	51	4	61	3	71	3
2	4	12	3	22	3	32	3	42	2	52	3	62	2	72	1
3	3	13	2	23	4	33	*	43	3	53	2	63	1	73	2
4	3	14	3	24	1	34	3	44	2	54	3	64	3	74	4
5	3	15	1	25	3	35	4	45	4	55	2	65	2	75	2
6	4	16	1	26	1	36	4	46	3	56	4	66	1		
7	2	17	1	27	1	37	2	47	2	57	4	67	3		
8	2	18	1	28	4	38	3	48	3	58	3	68	1		
9	3	19	1	29	1	39	2	49	1	59	1	69	1		
10	1	20	1	30	1	40	4	50	2	60	1	70	4		

JANUARY 2017

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

- | | |
|---|-----------|
| 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 |

List – II

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.

25. Which of the following statements relating to Henry Fayol are correct ?
Statement I : Authority and responsibility are related and former arises from latter.
Statement II : Espirit de Corps is an extension of the principle of unity of command.
Statement III : Unity of command means only one command at a time.
Statement IV : There are fourteen basic principles identified by Henry Fayol.
Codes :
 (1) Statements I, II and IV (2) Statements II and III
 (3) Statements I and IV (4) Statements II and IV
26. Match the following items of List-I (sources of competition) with List-II (examples for these sources of competition) and indicate the code of correct matching.
- | List – I | | List – II | |
|------------------------------|--|-----------------------------|--|
| a. Directly similar products | | i. OLA Taxi and Metro Rail | |
| b. Available substitutes | | ii. Mercedes and BMW | |
| c. Unrelated products | | iii. PVR and Amusement park | |
- Codes :**
- | | a | b | c |
|-----|-----|-----|-----|
| (1) | iii | ii | i |
| (2) | i | iii | ii |
| (3) | i | ii | iii |
| (4) | ii | i | iii |
27. The marketing task which finds ways to alter the time pattern of demand through flexible pricing, promotion and other incentives is called
 (1) Demarketing (2) Synchromarketing
 (3) Fleximarketing (4) Gorilla Marketing
28. Which of the following is not a reason for a firm to lose its market share to competitors ?
 (1) A product/model is perceived by the target customer group as satisfying needs.
 (2) Customers not being covered by the company's sales force and distribution outlets.
 (3) Customers may have been lost to competitors due to poor service by the firm or its sales personnel or product becoming obsolete or more expensive.
 (4) All the above are correct reasons for given condition.
29. Match the items of List-I with List-II and denote the code of correct matching.
- | List – I | | List – II | |
|---------------------|--|---|--|
| a. Invest Strategy | | i. No receiving of new resources. | |
| b. Protect Strategy | | ii. Well financed marketing efforts. | |
| c. Harvest Strategy | | iii. Selective resource allocation | |
| d. Divest Strategy | | iv. Not warranting substantial new resources. | |
- Codes :**
- | | a | b | c | d |
|-----|----|-----|----|-----|
| (1) | ii | iii | iv | i |
| (2) | i | iii | ii | iv |
| (3) | ii | i | iv | iii |
| (4) | iv | iii | ii | i |

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 Advantage Theory	Cost	i.	The empirical evidence based on US export of labour intensive goods challenging the factor endowment theory.
b. Comparative Advantage Theory	Cost	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.

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

JANUARY 2017 Paper II

Answer Key (1-50)

Q	A	Q	A	Q	A	Q	A	Q	A
1	2	11	3	21	2	31	2	41	3
2	2	12	2	22	2	32	2	42	3
3	3	13	4	23	1	33	3	43	4
4	1	14	4	24	2	34	4	44	1
5	1	15	3	25	4	35	3	45	4
6	3	16	3	26	4	36	2	46	3
7	4	17	2	27	2	37	2	47	1
8	2	18	4	28	1	38	3	48	2
9	1	19	3	29	1	39	2	49	3
10	1	20	1	30	3	40	2	50	3

Note: * Marks Given to all Candidates

JANUARY 2017

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 :
- Scanning and Evaluation of Business Environment
 - Formulating strategies
 - Implementation of Corporate Strategy
 - Deciding about the Mission of the organisation
 - 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

- Indian Railways
- Unit Trust of India
- Bharat Heavy Electricals Limited

List – II

- Government Company
- Department Undertaking
- 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 :

- The liability of the Karta is limited.
- A joint Hindu family business continues to exist on the death of a co-partner.
- A joint Hindu family business ceases to exist on the death of the Karta.
- 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 :

- Statement I is correct, but II is incorrect.
- Statement II is correct, but I is incorrect.
- Both the statements I and II are incorrect.
- 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 |

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
(Common Rating Errors)

List – II
(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

- a. Trade creation
- b. Trade diversion
- c. Trade deflection
- d. Polarisation forces

List – II

- i. Movement of production and resources in opposite directions.
- ii. Become active when a member country does not augment export but simply shifts its imports from low cost source to high cost source.
- iii. Shifting the locus of production from high cost to low cost centre within the union.
- 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

(Type of MNC)

- a. Ethnocentric firms
- b. Polycentric firms
- c. Geo-centric firms

List – II

(Basic feature)

- i. Maintain a balance in home and host market oriented policy.
- ii. Seldom distinguish between domestic & global operation policies.
- 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.
-

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

JANUARY 2017 Paper III

Answer Key (1-75)

Q	A	Q	A	Q	A	Q	A	Q	A	Q	A	Q	A	Q	A
1	4	11	3	21	2	31	3	41	3	51	1	61	3	71	3
2	2	12	3	22	3	32	1	42	2	52	3	62	3	72	1
3	*	13	2	23	1	33	4	43	3	53	1	63	2	73	4
4	4	14	4	24	3	34	4	44	3	54	2	64	4	74	4
5	2	15	2	25	1	35	2	45	3	55	4	65	3	75	4
6	4	16	4	26	3	36	2	46	2	56	4	66	3		
7	2	17	3	27	4	37	1	47	2	57	2	67	1		
8	4	18	4	28	2	38	2	48	3	58	1	68	3		
9	3	19	4	29	4	39	3	49	2	59	3	69	4		
10	2	20	3	30	2	40	*	50	*	60	3	70	2		

Note: * Marks Given to all Candidates

JULY 2016
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
 $\text{Mean} - \text{Mode} = 3(\text{Mean} - \text{Median})$
 (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

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 withdrawl
- (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) ?

- (a) Following earthquake in 2015, IDA has helped Nepal rebuild and recover.
- (b) IDA ranks as the highest performing multilateral development bank in 2016.
- (c) IDA is a subsidiary bank of IBRD.
- (d) 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 :

- (1) Export performance (FOB/FOR) of US \$ 100 million during current and previous two years.
- (2) Export performance (FOB/FOR) of US \$ 500 million during current and previous two years.
- (3) Export performance (FOB/FOR) of US \$ 1000 million during current and previous two years.
- (4) Export performance (FOB/FOR) of US \$ 2000 million during current and previous two years.

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

JULY 2016 Paper II

Answer Key (1-50)

Q	A	Q	A	Q	A	Q	A	Q	A
1	1	11	3	21	3	31	4	41	1
2	2	12	4	22	1	32	1	42	2
3	4	13	3	23	4	33	3	43	1
4	3	14	4	24	1	34	4	44	2
5	1	15	2	25	3	35	4	45	4
6	*	16	3	26	1	36	3	46	4
7	2	17	2	27	4	37	3	47	1
8	2	18	*	28	4	38	1	48	3
9	2	19	2	29	2	39	4	49	3
10	3	20	2	30	4	40	1	50	1

Note: * Marks Given to all Candidates

JULY 2016
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 |

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 | | List – II | |
|-----------------------|--|--|--|
| a. Job specifications | | i. The procedure for determining the duties and skill requirements of a job and the kind of person who should be hired for it. | |
| b. Job description | | ii. A list of human requirements | |
| c. Job analysis | | 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)

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) |

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

JULY 2016 Paper III

Answer Key (1-75)

Q	A	Q	A	Q	A	Q	A	Q	A	Q	A	Q	A	Q	A
1	4	11	4	21	2	31	4	41	2	51	3	61	2	71	2
2	4	12	4	22	4	32	4	42	1	52	3	62	4	72	2
3	3	13	3	23	2	33	1	43	2	53	2	63	4	73	1
4	4	14	2	24	3	34	1	44	3	54	3	64	1	74	3
5	1	15	4	25	3	35	2	45	1	55	2	65	3	75	3
6	2	16	2	26	3	36	2	46	3	56	3	66	3		
7	2	17	2	27	2	37	1	47	4	57	2	67	3		
8	1	18	2	28	3	38	3	48	2	58	3	68	3		
9	2	19	3	29	2	39	1	49	3	59	1	69	4		
10	1	20	3	30	1	40	3	50	3	60	2	70	3		

Note: * Marks Given to all Candidates

DECEMBER 2015

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 Metho (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) \times (Customer loyalty) \times (Price selectivity)
 - (2) (Customer loyalty) \times (Customer selectivity) \times (Price selectivity)
 - (3) (Customer selectivity) \times (Price selectivity) \times (Customer penetration)
 - (4) (Customer penetration) \times (Customer loyalty) \times (Customer selectivity) \times (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 Gaurantee 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

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

December 2015 Paper II

Answer Key (1-50)

Q	A	Q	A	Q	A	Q	A	Q	A
1	4	11	2	21	3	31	1	41	1
2	1	12	2	22	2	32	3	42	1
3	3	13	4	23	2	33	3	43	3
4	2	14	1	24	4	34	2	44	4
5	3	15	2	25	3	35	2	45	4
6	2	16	1	26	3	36	2	46	1
7	3	17	3	27	4	37	4	47	3
8	1	18	3	28	1	38	3	48	4
9	2	19	3	29	2	39	2	49	4
10	4	20	2	30	4	40	2	50	2

Note: * Marks Given to all Candidates

DECEMBER 2015

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.

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 |

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) SAAR | (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) |

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)

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

December 2015 Paper III

Answer Key (1-75)

Q	A	Q	A	Q	A	Q	A	Q	A	Q	A	Q	A	Q	A
1	3	11	3	21	2	31	3	41	2	51	2	61	2	71	4
2	3	12	4	22	3	32	3	42	2	52	1	62	1	72	2
3	3	13	1	23	3	33	1	43	3	53	4	63	3	73	2
4	2	14	4	24	2	34	4	44	4	54	2	64	1	74	1
5	4	15	2	25	1	35	3	45	3	55	4	65	3	75	4
6	2	16	2	26	2	36	3	46	3	56	4	66	1		
7	2	17	2	27	4	37	4	47	2	57	3	67	*		
8	3	18	4	28	3	38	1	48	4	58	4	68	3		
9	3	19	4	29	3	39	4	49	1	59	3	69	4		
10	1	20	2	30	5	40	2	50	2	60	2	70	3		

Note: * Marks Given to all Candidates

JUNE 2015
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.

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

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

JUNE 2015 Paper II

Answer Key (1-50)

Q	A	Q	A	Q	A	Q	A	Q	A
1	3	11	2	21	3	31	2	41	2
2	1	12	4	22	3	32	4	42	2
3	3	13	2	23	2	33	3	43	4
4	3	14	3	24	4	34	3	44	3
5	4	15	1	25	4	35	4	45	2
6	4	16	3	26	3	36	3	46	2
7	2	17	1	27	4	37	1	47	3
8	3	18	4	28	4	38	2	48	3
9	3	19	1	29	2	39	4	49	1
10	4	20	3	30	1	40	1	50	2

Note: * Marks Given to all Candidates

JUNE 2015
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)

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) $(\text{Standard Hours} - \text{Actual Hours}) \times \text{Actual Wage Rate}$
- (3) $(\text{Standard Wage Rate} - \text{Actual Wage Rate}) \times \text{Actual Hours Worked}$
- (4) $(\text{Standard Wage Rate} - \text{Actual Wage Rate}) \times \text{Standard Hours Worked}$

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	List - II
(a) Credit Mobilier	(i) Charles Babbage
(b) Charleton Twist Company	(ii) Henry Fayol
(c) Difference Engine	(iii) Claud Henri Saint Simon
(d) Commentry Four Chambault	(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)

List - II
 (Type of leverages)

- | | |
|--|--------------------------|
| (a) $\frac{\text{Contribution}}{\text{EBIT}}$ | (i) Financial leverage |
| (b) $\frac{\text{EBIT}}{\text{Earnings before Tax (EBT)}}$ | (ii) Super - leverage |
| (c) $\frac{\text{Contribution}}{\text{EBT}}$ | (iii) Operating leverage |

Codes :

- | | (a) | (b) | (c) |
|-----|-------|-------|-------|
| (1) | (ii) | (iii) | (i) |
| (2) | (i) | (ii) | (iii) |
| (3) | (iii) | (ii) | (i) |
| (4) | (ii) | (i) | (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

47. Counter-trade means :
- (1) A sort of bilateral trade where one set of goods is exchanged for another set of goods and a seller provides a buyer with deliveries.
 - (2) A company takes full responsibility for making its goods available in the target market by selling directly to the end-users.
 - (3) The companies in two separate sovereigns agree to exchange one set of goods for another set of goods.
 - (4) A set of multilateral trade where one of goods and services may be exchanged for another set of goods and services among the trading partners.

48. The floating rate system is characterised by :
- (1) the market forces that determine the exchange rate between two currencies.
 - (2) the central banking authorities of the two countries mutually agree upon the rate.
 - (3) help realigning the par value of major currencies.
 - (4) the rate of exchange mutually agreed upon between IMF and its member nations.

49. A practice of selling a commodity in a foreign market at a price lower than the domestic price; and even at equal to the cost of production to capture foreign market is known as :
- (1) Gouging (2) Forging (3) Dumping (4) Forfeiting

50. The highest percentage of export from India went to which of the following regions in 2013-14 ?
- (1) OECD countries (2) USA
(3) SAARC (4) Latin America

51. Match the items of **List - I** with the items of **List - II** and select a **correct** code :

List - I

List - II

- | | |
|-----------|---|
| (a) SEB | (i) Exchange for small companies |
| (b) RBI | (ii) Secondary market in treasury bills |
| (c) STCI | (iii) Regulation of secondary market |
| (d) OTCEI | (iv) Ad-hoc treasury bills |

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|-------|-------|-------|------|
| (1) | (iv) | (ii) | (iii) | (i) |
| (2) | (iii) | (iv) | (ii) | (i) |
| (3) | (iii) | (i) | (ii) | (iv) |
| (4) | (ii) | (iii) | (i) | (iv) |

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)

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

JUNE 2015 PAPER III

Answer Key (1-75)

Q	A	Q	A	Q	A	Q	A	Q	A	Q	A	Q	A	Q	A
1	1	11	3	21	4	31	2	41	1	51	2	61	3	71	4
2	4	12	2	22	1	32	3	42	2	52	4	62	1	72	4
3	2	13	3	23	1	33	3	43	3	53	2	63	2	73	3
4	3	14	4	24	4	34	1	44	4	54	3	64	4	74	1
5	1	15	1	25	3	35	2	45	4	55	2	65	2	75	3
6	3	16	3	26	4	36	2	46	3	56	4	66	3		
7	3	17	2	27	3	37	3	47	1	57	1	67	3		
8	3	18	2	28	1	38	4	48	1	58	4	68	2		
9	3	19	4	29	4	39	3	49	3	59	3	69	2		
10	4	20	1	30	2	40	1	50	1	60	2	70	1		

Note: * Marks Given to all Candidates

DECEMBER 2014
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

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

December 2014 Paper II

Answer Key (1-50)

Q	A	Q	A	Q	A	Q	A	Q	A
1	A	11	C	21	C	31	B	41	D
2	C	12	B	22	B	32	B	42	A
3	D	13	C	23	A	33	C	43	B
4	D	14	B	24	B	34	C	44	A
5	A	15	D	25	B	35	B	45	A
6	C	16	C	26	C	36	C	46	C
7	B	17	D	27	C	37	A	47	B
8	D	18	D	28	C	38	B	48	C
9	C	19	C	29	C	39	C	49	D
10	C	20	B	30	B	40	D	50	C

Note: * Marks Given to all Candidates

DECEMBER 2014
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	List – II
(Sections)	(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

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

December 2014 Paper III

Answer Key (1-75)

Q	A														
1	B	11	B	21	C	31	D	41	A	51	A	61	A	71	D
2	B	12	B	22	D	32	B	42	C	52	B	62	A	72	B
3	A	13	C	23	C	33	C	43	B	53	B	63	A	73	D
4	D	14	A	24	B	34	D	44	A	54	C	64	D	74	B
5	C	15	A	25	C	35	C	45	D	55	D	65	D	75	A
6	D	16	C	26	B	36	A	46	B	56	D	66	D		
7	D	17	B	27	A	37	A	47	D	57	B	67	C		
8	A	18	B	28	D	38	D	48	A	58	C	68	B		
9	A	19	C	29	D	39	A	49	B	59	A	69	B		
10	B	20	C	30	A	40	D	50	D	60	D	70	B		

Note: * Marks Given to all Candidates

JUNE 2014
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 ?
- (A) It is relatively permanent.
 - (B) Its project managers authority is distributed reasonably.
 - (C) There is slow information processing.
 - (D) Its project heads have to share resources with functional heads.
22. Consider the following leadership styles :
- | | |
|------------------|---------------|
| 1. Telling | 2. Autocratic |
| 3. Selling | 4. Motivating |
| 5. Participating | 6. Delegating |
| 7. Charismatic | |
- Select the four styles of leadership explained by Hersey and Blanchard.
- (A) 1, 2, 6 and 7 (B) 2, 3, 4 and 5
(C) 1, 3, 5 and 6 (D) 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) (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.
24. Who has modified Maslow's Hierarchical levels of needs and developed ERG model ?
- (A) Frederick Herzberg
 - (B) David C. McClelland
 - (C) Douglas McGregor
 - (D) Clayton Alderfer
25. Taylor's differential piece work plan provides that
- (A) All labourers should be assigned different amount of work.
 - (B) All labourers should be put in different time-period.
 - (C) Those who produce above standard should receive higher wages than those producing below standard.
 - (D) Payment should be the same on a fixed standard.
26. Which one of the following stages of the marketing research process is most expensive ?
- (A) Data analysis
 - (B) Data collection
 - (C) Developing the research plan
 - (D) Report writing
27. The people to adopt a new product first are called
- (A) Early adopters
 - (B) First users
 - (C) Initial adopters
 - (D) Innovators
28. A concept in retailing that helps explain the emergence of new retailers is called the _____ hypothesis.
- (A) Product life cycle
 - (B) Service assortment
 - (C) Retail life cycle
 - (D) 'Wheel-of-retailing'
29. Manufacturers of cars and motor cycles typically seek _____ distribution.
- (A) selective
 - (B) intensive
 - (C) exclusive
 - (D) 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 Bhawe

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)

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

JUNE 2014 Paper II

Answer Key (1-50)

Q	A	Q	A	Q	A	Q	A	Q	A
1	A	11	B	21	C	31	B	41	C
2	D	12	C	22	C	32	C	42	D
3	A	13	C	23	A	33	B	43	D
4	C	14	D	24	D	34	D	44	A
5	C	15	A	25	A	35	C	45	D
6	B	16	B	26	B	36	A	46	A
7	A	17	C	27	D	37	D	47	D
8	D	18	D	28	D	38	C	48	C
9	D	19	A	29	D	39	B	49	D
10	B	20	A	30	C	40	C	50	B

JUNE 2014
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) Perfectly 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)

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

JUNE 2014 Paper III

Answer Key (1-75)

Q	A														
1	D	11	A	21	C	31	C	41	C	51	C	61	A	71	C
2	C	12	A	22	C	32	C	42	B	52	B	62	A	72	C
3	B	13	D	23	D	33	C	43	C	53	C	63	B	73	D
4	C	14	C	24	B	34	B	44	D	54	B	64	B	74	C
5	D	15	C	25	B	35	C	45	B	55	A	65	C	75	A
6	D	16	A	26	A	36	B	46	D	56	C	66	D		
7	D	17	C	27	C	37	A	47	D	57	B	67	C		
8	B	18	B	28	D	38	B	48	A	58	C	68	A		
9	B	19	A	29	A	39	D	49	A	59	A	69	C		
10	B	20	D	30	A	40	D	50	A	60	B	70	B		

DECEMBER 2013

Paper – II

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

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

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
3. Kyoto Protocol pertains to
 (A) Capital formulation
 (B) Globalisation
 (C) Environmental protection
 (D) Unemployment reduction
4. Uruguay Round pertains to
 (A) WTO
 (B) IMF
 (C) GATT
 (D) World Bank
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)
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
7. Which of the following is a non-operating expense ?
 (A) Salary of Managing Director
 (B) Depreciation
 (C) Advertisement expenditure
 (D) Interest on loan

Codes :

- | | | | |
|-----------|-------|-------|-------|
| (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) $MU_x = MU_y = M_z$
- (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

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

December 2013 Paper II

Answer Key (1-50)

Q	A	Q	A	Q	A	Q	A	Q	A
1	C	11	C	21	B	31	C	41	B
2	B	12	D	22	C	32	B	42	C
3	C	13	B	23	C	33	A	43	A
4	C	14	C	24	B	34	D	44	A
5	B	15	A	25	C	35	C	45	D
6	A	16	B	26	C	36	A	46	C
7	D	17	B	27	D	37	C	47	D
8	D	18	B	28	C	38	B	48	B
9	A	19	C	29	B	39	C	49	C
10	D	20	C	30	A	40	B	50	C

DECEMBER 2013

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) |
| (A) | (c) | (d) | (b) | (a) |
| (B) | (d) | (c) | (a) | (b) |
| (C) | (d) | (a) | (c) | (b) |
| (D) | (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 :

- (i) Bank Rate
- (ii) Credit Rationing
- (iii) Open Market Operations
- (iv) Variable Reserve Ratio
- (v) Selective Credit Control
- (vi) 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 ?

- (i) Micro Finance
- (ii) Rural Finance
- (iii) Self Help Groups
- (iv) Cooperative Banks Finance
- (A) Industrial Finance Corporation of India
- (B) Ministry of Finance
- (C) Reserve Bank of India
- (D) National Bank for Agriculture and Rural Development

60. PIN in banking transaction is known as

- (A) Postal Index Number
- (B) Permanent Identification Number
- (C) Personal Identification Number
- (D) Public Interlocking Numeric

61. Reserve Bank of India was nationalized on

- (A) January 26, 1948
- (B) January 01, 1949
- (C) January 26, 1950
- (D) 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

- (A) VRS for staff
- (B) Capital Buy-Back
- (C) Reconstruction of the company or amalgamation with any other bank
- (D) 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) (a) (b) (c) (d)
- (B) (b) (c) (a) (d)
- (C) (d) (c) (b) (a)
- (D) (c) (a) (d) (b)

64. The main features of TRIMS are :

- (i) All restrictions on foreign capital are imposed.
- (ii) No restriction is imposed on any area of investment.
- (iii) Restrictions on repatriation of dividend is eliminated.
- (iv) Imports of raw material is allowed freely.
- (v) No limit on the extent of foreign investment.

Indicate the correct combination

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

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 :**
- (ii), (iv), (v), (vi)
 - (iii), (v), (vi)
 - (i), (ii), (iv), (v)
 - (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 ?
- ₹ 60,000
 - ₹ 63,000
 - ₹ 72,000
 - ₹ 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 ?
- Deduction in the case of a person with disability
 - Deduction for interest paid on loan taken for pursuing higher education
 - Deduction for interest on loan taken for the construction / purchase of house property
 - 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
- ₹ 4,84,000
 - ₹ 7,50,000
 - ₹ 6,80,000
 - ₹ 41,600
- 75.** Any amount of money received in excess of ₹ 50,000 without consideration is fully taxable in the hands of
- Individuals
 - Individuals and HUF
 - Individuals, HUF and Company
 - All assessees

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

December 2013 Paper III

Answer Key (1-75)

Q	A														
1	D	11	C	21	C	31	D	41	D	51	A	61	B	71	C
2	C	12	D	22	A	32	B	42	C	52	D	62	C	72	B
3	B	13	A	23	A	33	D	43	C	53	B	63	B	73	C
4	C	14	A	24	C	34	B	44	B	54	B	64	B	74	D
5	D	15	D	25	B	35	A	45	C	55	A	65	A	75	B
6	C	16	A	26	A	36	D	46	A	56	B	66	C		
7	C	17	A	27	B	37	D	47	B	57	C	67	B		
8	B	18	D	28	D	38	D	48	A	58	D	68	C		
9	A	19	D	29	B	39	C	49	D	59	D	69	A		
10	D	20	B	30	B	40	D	50	C	60	C	70	C		

JUNE 2013

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

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

JUNE 2013 Paper II

Answer Key (1-50)

Q	A								
1	C	11	A	21	A	31	D	41	A
2	C	12	A	22	*	32	B	42	B
3	A	13	A	23	C	33	A	43	C
4	C	14	C	24	B	34	D	44	A
5	C	15	C	25	C	35	C	45	D
6	B	16	C	26	D	36	D	46	C
7	C	17	A	27	A	37	C	47	B
8	D	18	B	28	D	38	D	48	D
9	D	19	B	29	D	39	C	49	B
10	C	20	A	30	B	40	A	50	B

JUNE 2013
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 :
- (i) jobs satisfaction
 - (ii) satisfaction with wages and promotional opportunities.
 - (iii) Identification with company.
 - (iv) Pride in the work group.
 - (v) Top Management Support.
- Select the correct combination.
- (A) (i), (ii), (iii) and (iv)
 - (B) (i), (ii), (iii) and (v)
 - (C) (i), (ii), (iv), and (v)
 - (D) (i), (iii), (iv) and (v)
53. HRM is viewed as a management process, consisting of four functional activities :
- (i) Acquisition
 - (ii) Motivation
 - (iii) Development
 - (iv) Resolution of industrial disputes
 - (v) Maintenance
- Select the correct combination.
- (A) (i), (ii), (iii) and (iv)
 - (B) (i), (ii), (iii) and (v)
 - (C) (i), (ii), (iv) and (v)
 - (D) (i), (iii), (iv) and (v)
54. O C T A P A C stands for
- (A) Order, Co-ordination, Trust, Authority, Personality and Co-operation.
 - (B) Openness, Confrontation, Trust, Authenticity, Pro-action and Collaboration.
 - (C) Organisation, Conflict, Team, Authority, People and Collaboration.
 - (D) Oneness, Compromise, Tress pass, Authority, Protection and Combination.
55. Technique of 'Transaction Analysis' was developed by
- (A) Elton Mayo
 - (B) Peter Drucker
 - (C) Eric Berne
 - (D) Adam Smith
56. Which one of the following methods is not a demand forecasting method of Human Resource Planning ?
- (A) Managerial judgement
 - (B) Managerial grid
 - (C) Work study techniques
 - (D) Statistical techniques
57. Transaction of Internet Banking excludes
- (A) Withdrawal of cash anywhere in India.
 - (B) Statement of account for a specific period.
 - (C) Transfer of funds from one account to another account.
 - (D) Balance enquiry.
58. Which among the following is not a category of Non-Performing Assets ?
- (A) Substandard Assets
 - (B) Doubtful Debts
 - (C) Loss Assets
 - (D) Devaluated Assets
59. When a loan will be NPA ?
- (A) Interest and/or loan instalments overdue for more than 90 days.
 - (B) Account is out of order for more than 90 days in case of overdraft/cash credit.
 - (C) Bill remains overdue for more than 90 days.
 - (D) 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 :**
- (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.

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

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

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 ?
- $M_1 =$ Currency with the public + demand deposits of the public.
 - $M_2 = M_1 +$ Post Office Savings Deposits.
 - $M_3 = M_1 +$ Time Deposits of the public with Banks.
 - $M_4 = M_3 +$ Total Post Office Deposits.
 - $M_1 =$ Narrow money
 - $M_3 =$ 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 ?
- Domestic industry might be affected adversely by a decline in sales and profits.
 - If dumping is continued for a longer period, survival of the domestic industry may be threatened.
 - Dumping may create BOP problems for the country.
 - 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.
- 100 percent deduction without any qualifying limit.
 - 50 percent deduction without any qualifying limit.
 - 100 percent deduction subject to qualifying limit.
 - 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
- 4 years
 - 8 years
 - 10 years
 - 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
- ₹ 1,10,000
 - ₹ 1,50,000
 - ₹ 99,000
 - None of the above
75. Which of the following expenses is inadmissible while computing income from other sources ?
- Interest paid on amounts borrowed to meet tax liabilities.
 - Collection charges paid to the banker or any other person to collect interest/dividend.
 - Interest on loan taken to invest in securities.
 - Depreciation on let-out machinery and plant.

UGC NET COMMERCE PREVIOUS QUESTION PAPERS

JUNE 2013 Paper III

Answer Key (1-75)

Q	A	Q	A	Q	A	Q	A	Q	A	Q	A	Q	A	Q	A
1	D	11	C	21	A	31	C	41	C	51	D	61	B	71	B
2	B	12	A	22	D	32	C	42	C	52	A	62	B	72	B
3	B	13	B	23	B	33	B	43	A	53	B	63	C	73	D
4	A	14	B	24	C	34	C	44	B	54	B	64	A	74	B
5	D	15	B	25	D	35	B	45	C	55	C	65	C	75	A
6	B	16	A	26	B	36	A	46	B	56	B	66	C		
7	B	17	B	27	A	37	A	47	C	57	A	67	B		
8	D	18	D	28	B	38	D	48	A	58	D	68	A		
9	C	19	C	29	C	39	C	49	D	59	D	69	D		
10	D	20	A	30	C	40	A	50	C	60	C	70	D		