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Subject Code No. : **25**

Sl. No. : **0183**

**TEST BOOKLET
LECTURERS IN NON-GOVERNMENT
AIDED COLLEGES
COMMERCE**

Time Allowed : 2 Hours

Maximum Marks : 100

: INSTRUCTIONS TO CANDIDATES :

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS TEST BOOKLET **DOES NOT HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS ETC.** IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET OF THE SAME SERIES ISSUED TO YOU.
2. You have to enter your **Roll No.** on the Test Booklet in the Box provided alongside. **DO NOT** write *anything else* on the Test Booklet.
3. This Test Booklet contains **100** items (questions). Each item (question) comprises four responses (answers). You have to select the correct response (answer) which you want to mark (darken) on the Answer Sheet. In case, you feel that there is more than one correct response (answer), you should mark (darken) the response (answer) which you consider the best. In any case, choose **ONLY ONE** response (answer) for each item (question). If more than one response is darkened it will be considered as wrong answer.
4. You have to mark (darken) all your responses (answers) **ONLY** on the **separate Answer Sheet** provided, by using **BALL POINT PEN (BLACK)**. See instructions in the Answer Sheet.
5. All items (questions) carry equal marks. All items (questions) are compulsory. Each wrong response will result in negative marking of **0.25** mark.
6. Before you proceed to mark (darken) in the Answer Sheet the responses to various items (questions) in the Test Booklet, you have to fill in some particulars in the Answer Sheet as per the instructions in your **Admission Certificate**.
7. After you have completed filling in all your responses (answers) on the Answer Sheet and after conclusion of the examination, you should hand over to the Invigilator the *Answer Sheet* issued to you. You are allowed to take with you the candidate's copy/second page of the Answer Sheet along with the *Test Booklet* after completion of the examination for your reference.

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Candidate's full signature

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Invigilator's signature

(Turn over)

2016

SEAL

UNIT - I

1. When the debt turnover ratio is 4 what is the average collection period ?
- (A) 3 months
(B) 4 months
(C) 3 months
(D) 2 months
2. Income and Expenditure Account of the non-profit organisation is a :
- (A) Real Account
(B) Nominal Account
(C) Personal Account
(D) Representative Personal Account
3. What does the high payout ratio indicate ?
- (A) A higher earnings per share
(B) The management is not ploughing back enough profit
(C) The management ploughing back profit
(D) The company earning high profit
4. Objective of comparative statement is :
- (A) To observe the trend
(B) To make the data simple and understandable
(C) Helps in forecasting
(D) All of the above
5. Insurance expenses paid to bring the machine from the place of purchase to the place of Installation is :
- (A) Capital expenditure
(B) Revenue expenditure
(C) Deferred revenue expenditure
(D) None of the above
6. How are the following items arranged in the Liabilities side of the Balance Sheet of the company ?
- (i) Current liabilities and provisions
(ii) Secured loans
(iii) Share capital
(iv) Unsecured loans
(v) Reserve and surplus
- (A) (i) (iii) (ii) (iv) (v)
(B) (iii) (i) (ii) (iv) (v)
(C) (iii) (v) (ii) (iv) (i)
(D) (iii) (v) (ii) (i) (iv)
7. Which of the following is **not** a typical cash flow under financing activities ?
- (A) Cash inflow from sale of equity securities
(B) Cash inflow from sale of bonds
(C) Cash outflow for payment of amounts borrowed
(D) Cash outflow for loans to other entities
8. Management should **not** use the statement of cash flows for which of the following purposes ?
- (A) To determine dividend policy
(B) To determine cash flow from financing activities
(C) To determine the balance in accounts receivable
(D) To determine cash flow from operations

9. Margin of safety is calculated by using :
- (A) $\frac{\text{Profit}}{\text{P/V Ratio}}$
- (B) $\frac{\text{Fixed Cost}}{\text{Contribution}}$
- (C) $\frac{\text{Break Even Analysis}}{\text{Sales}}$
- (D) $\frac{\text{Profit}}{\text{Sales}}$
10. Which of the following ratio are taken into consideration by a banker before the sanctioning the loan ?
- (A) Proprietary ratio
- (B) Stock turnover ratio
- (C) Debt-equity ratio
- (D) All of the above
11. If the total cost is Rs. 260 and the total variable cost is Rs. 60, what will be the total fixed cost if output is (a) 100 units and (b) 200 units ?
- (A) Rs. 200 and Rs. 200
- (B) Rs. 100 and Rs. 200
- (C) Rs. 260 and Rs. 100
- (D) Rs. 160 and Rs. 100
12. The profit calculated by marginal costing is different because of :
- (A) Capital and Revenue
- (B) Opening Stock
- (C) Valuation of Stock
- (D) Closing Stock
13. In a factory the equivalent production (using FIFO method) was 7,000 units during a period which was 500 units 60% complete on hand at the start and 600 units 75% complete at the end of the period. How many units were completed ?
- (A) 6,750
- (B) 6,850
- (C) 7,050
- (D) 7,150
14. The document which describes the budgeting organisation, producers etc., is known as :
- (A) Budget centre
- (B) Principal budget factor
- (C) Budget manual
- (D) Zero budget
15. Standard price of material per kg. is Rs. 20, standard consumption per unit of production is 5 kg. Standard material cost for producing 100 units is :
- (A) Rs. 20,000
- (B) Rs. 12,000
- (C) Rs. 15,000
- (D) Rs. 10,000
16. Which method of costing is used in mass production industries ?
- (A) Job costing
- (B) Batch costing
- (C) Contract costing
- (D) Process costing

17. In process costing cost per unit increased because of :
- (A) Normal loss
 - (B) Abnormal loss
 - (C) Normal gain
 - (D) Abnormal gain
18. P/V ratio is 0.6 and marginal cost of production is Rs. 20, the selling price is :
- (A) Rs. 40
 - (B) Rs. 60
 - (C) Rs. 50
 - (D) Rs. 80
19. A process loss that does not affect the cost per unit is :
- (A) Abnormal loss
 - (B) Normal loss
 - (C) Standard loss
 - (D) Seasonal loss
20. Indicate which of the following statement is true :
- (A) It is optional for the company to have Financial Accounting.
 - (B) Management Accounting Report are public documents.
 - (C) Financial Accounting is tailored to the specific need of the management.
 - (D) Management Accounting lacks a single unified structure.

UNIT – II

21. The publication of final accounts and statements is compulsory for :
- (A) Sole Trader
 - (B) Partnership Firm
 - (C) Joint Stock Companies
 - (D) All of the above
22. Which of the following is not a kind of leadership style ?
- (A) Autocratic Leadership
 - (B) Participative Leadership
 - (C) Likert Leadership
 - (D) Free-rein Leadership
23. Path Goal Model of Leadership is basically a combination of the following :
- (A) Situational Leadership
 - (B) Conditional Leadership
 - (C) Successful Leadership
 - (D) Effective Leadership
24. In which year FEMA Act was passed ?
- (A) 1969
 - (B) 1973
 - (C) 2002
 - (D) 1999
25. The word 'Communication' has been derived from the Latin word :
- (A) Communes
 - (B) Commune
 - (C) Communicate
 - (D) Common

26. 'Criticism' is matched with one of the following statement :
- Upward Communication
 - Downward Communication
 - Horizontal Communication
 - Lateral Communication
27. Alderfer's ERG Theory is an extension of :
- XY Theory
 - Z Theory
 - Need-Hierarchy Theory
 - Vroom's Expectancy Theory
28. Which of the following is not associated with McClelland's Need Theory ?
- Power Motive
 - Affiliation Motive
 - Achievement Motive
 - Perception Motive
29. Theory Z is related to :
- Leadership
 - Motivation
 - Communication
 - Directing
30. 'Premature Evaluation' and 'Inattention' is related to :
- Psychological Barrier
 - Semantic Barrier
 - Organisational Barrier
 - Personal Barrier
31. The calculation of probable events to provide against the future is termed as :
- Forecasting
 - Programming
 - Recording
 - Searching
32. Who has said 'Planning is fundamentally choosing' ?
- Billy E. Goetz
 - F. W. Taylor
 - McFarland
 - Earl Strong
33. A plan which spells out specific required actions or non-actions and allows no discretion is known as :
- Strategy
 - Rule
 - Objectives
 - Programme
34. Which of the following is the oldest form of organisational structure ?
- Committee Organisation
 - Matrix Organisation
 - Line Organisation
 - Functional Organisation
35. The term span of management is also known as :
- Span of Control
 - Span of Authority
 - Span of Supervision
 - All of the above

UNIT – III

36. Centralisation is a :
- (A) Natural Tendency
 - (B) Rational Approach
 - (C) Planned Approach
 - (D) Democratic Approach
37. 'Motivation means a process of stimulating people to action to accomplish desired goals' this definition is given by :
- (A) George R. Terry
 - (B) M. J. Jucius
 - (C) Dalton
 - (D) William G. Scoll
38. The staffing functions of management precedes :
- (A) Planning
 - (B) Controlling
 - (C) Co-ordinating
 - (D) Directing
39. Which of the following is a principle of direction ?
- (A) Principle of management appraisal
 - (B) Principle of management development
 - (C) Principle of managerial communication
 - (D) Principle of job definition
40. Theory Z of motivation was propounded by :
- (A) William G. Ouchi
 - (B) Victor H. Vroom
 - (C) David McClelland
 - (D) Fredrick Herzberg
41. Which of the following is related to non-probability sampling method ?
- (A) Stratified sampling
 - (B) Quota sampling
 - (C) Systematic sampling
 - (D) Cluster sampling
42. Which is the correct sequence regarding the relationship among the average ?
- (A) $G. M. \geq H. M. \geq A. M.$
 - (B) $A. M. \geq H. M. \geq G. M.$
 - (C) $A. M. \geq G. M. \geq H. M.$
 - (D) $H. M. \geq A. M. \geq G. M.$
43. In the case of open-end classes, which method of Dispersion is preferred ?
- (A) Quartile Deviation
 - (B) Standard Deviation
 - (C) Mean Deviation
 - (D) All of the above
44. What is the situation is a negatively skewed distribution ?
- (A) Mean is maximum, mode is minimum
 - (B) Mode is maximum, mean is minimum
 - (C) Median is maximum, mean is minimum
 - (D) Mode is maximum, medium is minimum

45. What is the correct formula of Absolute measures of skewness ?
- (A) $SK = \bar{X} - Z$
 (B) $Q_1 + Q_2 - 2 \text{ Median}$
 (C) Both (A) and (B)
 (D) None of the above
46. Which value of coefficient of correlation describes as 'no correlation between two variables' ?
- (A) $r = +1$
 (B) $r = -1$
 (C) $r = \infty$
 (D) $r = 0$
47. Which one of the following formula may be used for standard error ?
- (A) $S. E. = 1 - r^2/N$
 (B) $S. E. = 1 - r^2/N + 1$
 (C) $S. E. = 1 - r^2/N$
 (D) $S. E. = 1 + r^2/N$
48. Compute the value of $A + B$ for the following matrices :
- $A = \begin{vmatrix} 1 & 0 & 0 \\ 2 & 3 & 4 \end{vmatrix}$ and $B = \begin{vmatrix} 2 & 1 & 3 \\ 1 & 3 & 2 \end{vmatrix}$
- (A) $\begin{vmatrix} 3 & 1 & 3 \\ 3 & 6 & 6 \end{vmatrix}$
 (B) $\begin{vmatrix} 2 & 1 & 4 \\ 6 & 3 & 4 \end{vmatrix}$
 (C) $\begin{vmatrix} 4 & 4 & 7 \\ 2 & 3 & 2 \end{vmatrix}$
 (D) $\begin{vmatrix} 4 & 1 & 2 \\ 4 & 6 & 5 \end{vmatrix}$
49. The Data of descriptive nature can be classified according to the :
- (A) Number
 (B) Attributes
 (C) Limits
 (D) Points
50. Which of the following is not mathematical average ?
- (A) Arithmetic Average
 (B) Geometric Mean
 (C) Harmonic Mean
 (D) Median
51. Rejecting the null hypothesis when it is true is related to :
- (A) Correct decision
 (B) Incorrect decision
 (C) Type - I error
 (D) Type - II error
52. Given average Mean is 20 and Mode is 18, find out Median :
- (A) 20
 (B) 19.33
 (C) 18.50
 (D) 17.75
53. Chi-square Test in statistics was introduced by :
- (A) William S. Gosset
 (B) R. A. Fisher
 (C) Spearsman
 (D) Karl Pearson

54. ANOVA was introduced and popularised by :
- William S. Gosset
 - R. A. Fisher
 - Spearsman
 - Karl Pearson
55. The hypothesis are generally tested at :
- 5% level of significance
 - 10% level of significance
 - 15% level of significance
 - All of the above
56. In the Regression equation $Y = a + bx$ is :
- Dependent Variable
 - Independent Variable
 - Y-intercept
 - Slope of line
57. Which device is used to accomplished the procedures of regression analysis ?
- Regression Curve
 - Regression Table
 - Regression Line
 - Regression Graph
58. Which of the following is not a method of studying correlation ?
- Scatter Diagram
 - Lorentz curve
 - Concurrent Deviation
 - Method of least square
59. A statistical hypothesis have some assumptions or statements which may or may not be true about a population or equivalently about the probability distribution characterising the given :
- Population
 - Data
 - Methods
 - Problem
60. If $N = 15$, $\sigma_x = 3$, $\sigma_y = 3.03$ and $\sum dx dy = 122$, the value of r will be :
- + 1
 - + 2
 - + 3
 - + 4

UNIT – IV

61. Agreement is based on mutual mistake can be said to be :
- Voidable
 - Void
 - Wagering agreement
 - None of the above
62. When both the offer and acceptance constituting an agreement enforceable at law are made in words spoken or writer is known as :
- Implied contract
 - Quasi contract
 - Express contract
 - Executed contract

63. When both the parties are under a mistake, it is said to be :
- (A) Mistake of law
 - (B) Bilateral mistake
 - (C) Mistake of fact
 - (D) Mistake of foreign law
64. 'An agreement not enforceable by law is said to be void.' Name the Section of Contract Act, 1872 :
- (A) Section 2(g)
 - (B) Section 2(a)
 - (C) Section 2(h)
 - (D) Section 2(b)
65. If unilateral mistake is caused by fraud or misrepresentation in the contract is said to be :
- (A) Void
 - (B) Void ab initio
 - (C) Voidable
 - (D) Illegal
66. If a price is not determined by the parties in a Contract of Sale, the buyer is bound to pay :
- (A) A reasonable price
 - (B) The price to be determined by third persons
 - (C) The price which the buyer thinks is reasonable
 - (D) The price demanded by the seller
67. In a sale, the property of goods :
- (A) Is transferred when goods are delivered to the buyer
 - (B) May be transferred at a future time
 - (C) Is transferred to the buyer
 - (D) All of the above
68. A contract of indemnity includes :
- (A) Express promise
 - (B) Contract of indemnity
 - (C) Implied promise to indemnity
 - (D) Depending promise to indemnity
69. The number of practices in a contract of sale are :
- (A) 1
 - (B) 2
 - (C) 3
 - (D) 4
70. The ownership of goods is transferred to the buyer in hire purchase :
- (A) After the down payment
 - (B) After the first instalment
 - (C) After the last instalment
 - (D) After the contract

71. Which one of the following is not an authorised activity of the merchant banker ?

- (A) To underwriter issue of securities
- (B) To purchase and sell shares on stock exchange
- (C) To provides portfolio management service
- (D) To act as managers, consultant and advisors for the issue of securities

72. Out of the following, which type of credit rating is not in India ?

- (A) Rating of government bonds
- (B) Rating of debentures
- (C) Rating of commercial paper
- (D) Rating of chit funds

73. Registration of credit rating agencies in India is done by :

- (A) Department of Company Affairs
- (B) Company Law Board
- (C) Reserve Bank of India
- (D) SEBI

74. Match the following :

- (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 :

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

75. 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

76. Which one of the following is not a component of New Industrial Policy, 1991 ?

- (A) Industrial licensing
- (B) Foreign Investments
- (C) MRTP Act
- (D) Industrial Policy Resolution

77. What is the popular term for a person of Swedish origin who investigates any administrative action on a complaint mode ?

- (A) Arbitration
- (B) Ombudsman
- (C) Underwriter
- (D) None of the above

78. The term 'GOODS' for the purpose of Sale of Goods Act means every kind of movable property and it includes :
- (A) Stock and share
 - (B) Growing crops grass
 - (C) Both (A) and (B)
 - (D) None of the above
79. Which one of the following is not a financial service ?
- (A) Merchant banker
 - (B) Leasing
 - (C) Stock broking
 - (D) Securitisation
80. On which of the following grounds, a partner may apply to the court for dissolution of the firm ?
- (A) Insanity of a partner
 - (B) Misconduct of a partner
 - (C) Perpetual losses in business
 - (D) All of the above
- (C) To determine the primary objective of economic policy
- (D) To help in widest extension of multilateral trade and payment
82. Venture capital is also known as :
- (A) Seed capital
 - (B) Start up capital
 - (C) Green field capital
 - (D) All of the above
83. The National Commission was established in which year by the Central Government ?
- (A) 1988
 - (B) 1986
 - (C) 1987
 - (D) 1999
84. Brettonwoods Conference which recommended the establishment of IMF and World Bank in the year :
- (A) 1944
 - (B) 1940
 - (C) 1958
 - (D) 1964
85. The macro environment of a business does not include :
- (A) Economic Environment
 - (B) Regulating Agencies
 - (C) Demographic Environment
 - (D) Technological Environment

UNIT – V

81. Which of the following is not an objective of IMF ?
- (A) Reconstruct and develop the countries
 - (B) Promote international monetary co-operation

86. Which of the following is not a component of new Industrial Policy, 1991 ?
- (A) Industrial Licensing
 (B) Foreign Investment
 (C) MRTP Act
 (D) Industrial Policy Resolution
87. From the following which one is not the advantage of globalization ?
- (A) Improved Communication
 (B) Transportation facilities improve
 (C) Traffic barriers increase
 (D) Increase investment option
88. Which of the following is not an objective of MRTP ?
- (A) To control and regulate the concentration of economic power to the common detriments
 (B) To control monopolies and monopolist trade practices
 (C) To regulate restrictive and unfair trade practices
 (D) To regulate import and export of currency and bullion
89. Consumer Protection Act came into force in :
- (A) 1968
 (B) 1980
 (C) 1986
 (D) 1979

90. Match the items of List – I and List – II :

List – I	List – II
(a) Total investment in economy	(i) Capital-Output Ratio
(b) Production	(ii) Output-Man-power Ratio
(c) Demand	(iii) Pro-ductive Wealth
(d) Employment	(iv) Money Supply in System

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

91. What is the sequence for finding NDPMP ?

- (A) GDPMP – IT + S
 (B) GDPMP + Depreciation + NFIA
 (C) NNPMP + IT + S
 (D) NNPMP – NFIA

92. Which one among the following is not the salient feature of industrial policy ?
- (A) Enormous expansion of the private sector
- (B) Limited exposure of Indian industry to foreign competition
- (C) Redefining the role of public sector
- (D) Pruning of the list of items reserved for SSI units
93. Which of the following is true ?
- (A) A consumer court set up 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 guilt.
- (D) None of the above
94. The First Industrial Policy Resolution came into force :
- (A) April 1, 1948
- (B) April 1, 1947
- (C) April 6, 1948
- (D) April 6, 1947
95. Which of the following is not an objective of Privatisation ?
- (A) To reduce revenue for the state by selling its undertaking and thereby bridging fiscal deficit
- (B) To reduce government interference in the economy and promote greater private initiative
- (C) To promote wider share ownership and the development of the capital market
- (D) To promote competition and reward efficiency
96. Which among the following have not been opened for private sector participation ?
- (A) Power Sector
- (B) Telecommunication Sector
- (C) Education Sector
- (D) Railways
97. Which of the following is the basic objective of the World Bank ?
- (A) To provide social services
- (B) To provide financial assistance
- (C) To promote economic growth
- (D) To eradicate poverty
98. The draft Five-year plan in India is approved by :
- (A) National Development Council
- (B) Planning Commission
- (C) Cabinet Committee
- (D) President of India

99. 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.

- (A) Assertion (A) is correct, but Reason (R) is not correct
- (B) Assertion (A) is correct and Reason (R) is right explanation of Assertion (A)

(C) Assertion (A) and Reason (R) both are correct

(D) Assertion (A) and Reason (R) both are incorrect

100. The Second Industrial Policy of India was announced in :

(A) April 30, 1965

(B) April 6, 1948

(C) April 1, 1951

(D) April 10, 1958



SPACE FOR ROUGH WORK