

2**WRITTEN TEST****Test Booklet No.****COMMERCE**

Name of Applicant Answer Sheet No.

Application ID : Signature of Applicant :

Date of Examination : Signature of the Invigilator(s)

1.

Time of Examination : 2.

Duration : 1 Hour]**[Maximum Marks : 50****IMPORTANT INSTRUCTIONS**

- (i) The question paper is in the form of Test-Booklet containing **50 (Fifty)** questions. All questions are compulsory. Each question carries four answers marked (A), (B), (C) and (D), out of which only one is correct.
- (ii) On receipt of the Test-Booklet (Question Paper), the candidate should immediately check it and ensure that it contains all the pages, i.e., **50** questions. Discrepancy, if any, should be reported by the candidate to the invigilator immediately after receiving the Test-Booklet.
- (iii) A separate Answer-Sheet is provided with the Test-Booklet/Question Paper. On this sheet there are **50** rows containing four circles each. One row pertains to one question.
- (iv) The candidate should write his/her Application number at the places provided on the cover page of the Test-Booklet/Question Paper and on the Answer-Sheet and **NOWHERE ELSE**.
- (v) No second Test-Booklet/Question Paper and Answer-Sheet will be given to a candidate. The candidates are advised to be careful in handling it and writing the answer on the Answer-Sheet.
- (vi) For every correct answer of the question **One (1) mark will be awarded**. For every unattempted question, Zero (0) mark shall be awarded. **There is no Negative Marking**.
- (vii) Marking shall be done only on the basis of answers responded on the Answer-Sheet.
- (viii) To mark the answer on the Answer-Sheet, candidate should **darken** the appropriate circle in the row of each question with Blue or Black pen.
- (ix) For each question only **one** circle should be **darkened** as a mark of the answer adopted by the candidate. If more than one circle for the question are found darkened or with one black circle any other circle carries any mark, the question will be treated as cancelled.
- (x) The candidates should not remove any paper from the Test-Booklet/Question Paper. Attempting to remove any paper shall be liable to be punished for use of unfair means.
- (xi) Rough work may be done on the blank space provided in the Test-Booklet/Question Paper only.
- (xii) *Mobile phones (even in Switch-off mode) and such other communication/programmable devices are not allowed inside the examination hall.*
- (xiii) No candidate shall be permitted to leave the examination hall before the expiry of the time.

DO NOT OPEN THIS QUESTION BOOKLET UNTIL ASKED TO DO SO.

1. Which of the following statements is correct?
- (A) Cash flow decreases due to increase in current assets.
 - (B) Cash flow decreases due to decrease in current assets.
 - (C) Cash flow increases due to increase in current assets.
 - (D) Cash flow increases due to decrease in current liabilities
2. To compute the required rate of return for equity in a company using the CAPM, it is necessary to know all of the following EXCEPT:
- (A) the risk-free rate of return
 - (B) the beta factor
 - (C) the earnings for the next period
 - (D) the market rate of return
3. Internal sources of recruitment includes
- (A) Direct recruitment
 - (B) Re-employment of ex-employees
 - (C) Casual callers
 - (D) All of the above
4. Deduction in respect of Dependent Relative under Section 80DD is available to
- (A) Individual and HUF, who is resident in India
 - (B) Individual, who is resident in India
 - (C) Individual and HUF, who is resident or non-resident in India
 - (D) Individual, who is resident or non-resident in India
5. Which training method creates a situation that replicates the real situation?
- (A) The programmed learning
 - (B) The Simulation
 - (C) The case study
 - (D) The lecture
6. Under the income tax act, the incidence of taxation depends on
- (A) the citizenship of the taxpayer
 - (B) age of taxpayer
 - (C) the residential status of the taxpayer
 - (D) the gender of the taxpayer

7. A firm has a DOL of 3.5 at Q units. What does this tell us about the firm?
- (A) If sales rise by 3.5% at the firm, then EBIT will rise by 1%.
 - (B) If EBIT rises by 3.5% at the firm, then EPS will rise by 1%.
 - (C) If EBIT rises by 1% at the firm, then EPS will rise by 3.5%.
 - (D) If sales rise by 1% at the firm, then EBIT will rise by 3.5%.
8. Future oriented appraisal technique is
- (A) BARS
 - (B) Rating Scale
 - (C) MBO
 - (D) Checklist
9. To accept a project:
- (A) Profitability index should be equal to or less than 1
 - (B) Profitability index should be greater than 1
 - (C) Profitability index should be less than 1
 - (D) Profitability index should be greater than 10
10. Capital Budgeting is a part of:
- (A) Investment Decision
 - (B) Working Capital Management
 - (C) Marketing Management
 - (D) Financing Decision
11. In MM Model, irrelevance of capital structure is based on:
- (A) Cost of Debt and Equity
 - (B) Arbitrage Process
 - (C) Decreasing K_o
 - (D) All of the above
12. Minimum Wages Act was passed in the year:
- (A) 1947
 - (B) 1948
 - (C) 1956
 - (D) 1928
13. Under the marginal costing method, contribution is equal to total sales revenue less
- (A) Fixed Costs
 - (B) Total Costs
 - (C) Direct Labour Costs
 - (D) Variable Costs

- 14.** The technique of using first year figures as base and comparing with following years is called
- (A) Ratio analysis
 - (B) Common size statement
 - (C) Trend analysis
 - (D) None of the above
- 15.** Interest income of a minor child is included in the total income of
- (A) Father
 - (D) Mother
 - (C) Parent whose income is greater
 - (D) Transferor of asset
- 16.** What is the Quorum for Board Meeting?
- (A) One sixth of the total or three directors whichever is higher
 - (B) One fifth of the total or two directors whichever is higher
 - (C) One fourth of the total or four directors whichever is higher
 - (D) One third of the total or two directors whichever is higher
- 17.** The first item in order of payment to be made by liquidator is
- (A) Liquidation expenses
 - (B) Secured creditor
 - (C) Preferential creditor
 - (D) Preference shareholder
- 18.** When amalgamation is in the nature of merger, the accounting method to be followed is:
- (A) Equity method
 - (B) Purchase method
 - (C) Pooling of interest method
 - (D) Consolidated method
- 19.** When there is one Liquidation and one Formation it is known as
- (A) Amalgamation
 - (B) Absorption
 - (C) External reconstruction
 - (D) Acquisition

- 20.** Amount of Securities Premium Account cannot be utilized for
- (A) Buyback of own securities
 - (B) Payment of Dividend
 - (C) Issue of fully paid bonus shares
 - (D) Writing of preliminary expenses
- 21.** The sum of deviations taken from mean is:
- (A) Less than zero
 - (B) Always equal to zero
 - (C) Sometimes equal to zero
 - (D) Never equal to zero
- 22.** Who can make a petition for winding up to the Tribunal?
- (A) Company
 - (B) Contributory
 - (C) Central Government
 - (D) All of the above
- 23.** When 4 coins are tossed, the value of a random variable (Number of Head) is
- (A) 0, 1
 - (B) 1, 2, 3, 4
 - (C) 0, 1, 2, 3
 - (D) 0, 1, 2, 3, 4
- 24.** Each trial in Binomial Distribution has
- (A) 1 outcome
 - (B) 2 outcomes
 - (C) 3 outcomes
 - (D) 4 outcomes
- 25.** DIN with reference to directors is popular for
- (A) Directors Identity Number
 - (B) Directors Index Number
 - (C) Directors Identification Number
 - (D) None of the above
- 26.** Transmission of shares takes place
- (A) By mutual agreement between members
 - (B) By operation of law
 - (C) Both of above
 - (D) None of above

27. In a Poisson Distribution, Mean (M) and Variance (V) are
- (A) Equal
 - (B) Not equal
 - (C) $M > V$
 - (D) $M < V$
28. Full form of IBBI with reference to winding up of a company in India is
- (A) Indian Board of Banking Industry
 - (B) Interim Board of Bankruptcy in India
 - (C) Insolvency and Bankruptcy Board of India
 - (D) None of the above
29. The link between investors and depository is known as
- (A) Investors Participant
 - (B) Depository Participant
 - (C) Stock Participant
 - (D) None of the above
30. A minor can be shareholder of a company in respect of
- (A) Partly paid shares
 - (B) Fully paid shares
 - (C) cannot be a shareholder
 - (D) None of the above
31. How many clear days' notice is needed to hold a valid general meeting of company?
- (A) 10 days
 - (B) 15 days
 - (C) 21 days
 - (D) 28 days
32. Who bears the loss of a firm when all the partners become insolvent?
- (A) Partners
 - (B) Creditors
 - (C) Public
 - (D) Government
33. Controlling function of management is
- (A) Forward looking
 - (B) Backward looking
 - (C) Forward as well as backward looking
 - (D) None of the above

- 34.** Who gave the concept of leadership as a continuum?
- (A) Henri Fayol
 (B) Peter F Drucker
 (C) Tannenbaum
 (D) Philip Kotler
- 35.** A change agent is an individual who
- (A) Supports change
 (B) Opposes change
 (C) Initiates change
 (D) Helps implement change
- 36.** The sender converts the message into communication symbols by
- (A) Media
 (B) Encoding
 (C) Decoding
 (D) Feedback
- 37.** Which is not a non-financial motivation
- (A) Praise
 (B) Co-partnership
 (C) Status
 (D) All of the above
- 38.** Chakravarty Committee was formed in the year
- (A) 1975
 (B) 1982
 (C) 1987
 (D) 1998
- 39.** Who introduced SWOT analysis
- (A) Irving Fisher
 (B) Adam Smith
 (C) Albert Humphrey
 (D) David Ricardo
- 40.** A contributory is:
- (A) A creditor
 (B) A shareholder
 (C) A debenture holder
 (D) A convertible debenture holder
- 41.** Money payable on a negotiable instrument must be
- (A) Conditional
 (B) Certain
 (C) Usually certain
 (D) Usually uncertain

42. If shares are forfeited, share capital account is debited with
- (A) the face value of shares
 - (B) the called up value of the shares
 - (C) the paid up value of shares
 - (D) None of the above
43. With reference to issue of shares, which of the following statement is false:
- (A) A company may issue sweat equity shares
 - (B) Shares may be issued at premium
 - (C) Red Herring prospectus contains all information related to price and quantity of shares
 - (D) All of above
44. In straight line equation $Y = a + bX$, "a" is the:
- (A) X-intercept
 - (B) Y-Intercept
 - (C) X-Slope
 - (D) Y-Slope
45. "LET THE BUYER BEWARE" is the concept of
- (A) Information centre
 - (B) Unfair trade practices
 - (C) Caveat emptor
 - (D) Buyer kingdom
46. Which of the following is not a characteristic of normal Distribution?
- (A) it is symmetrical distribution
 - (B) the mean is always zero
 - (C) it is a bell-shaped distribution
 - (D) the area under the curve equals to 1
47. Which of the following statements is not true
- (A) Chi-square test is a test for goodness of fit
 - (B) Chi-square test is a parametric test
 - (C) Chi-square test is a non-parametric test
 - (D) Chi-square test is a test for the independence of variables
48. In a systematic sampling, the first unit of sample is
- (A) selected at random
 - (B) should be 1
 - (C) Should be less than 10
 - (D) All of the above

49. In stratified sampling, the population is divided into strata (groups), which are
- (A) Always equal
 - (B) Number is always 4
 - (C) Mutually exclusive
 - (D) None of the above
50. Which statement is true about Type 1 error?
- (A) It is committed by rejecting true null hypothesis
 - (B) It is denoted by alpha
 - (C) It is termed as level of significance
 - (D) All of the above

ROUGH WORK

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