

**COMMERCE**

## Paper – II

1. Globalisation means
  - (A) inviting foreign companies in the country
  - (B) integrating with different economies
  - (C) exporting to several countries
  - (D) establishing business undertakings abroad.
2. Liberalisation means
  - (A) removal of cumbersome economic policies and practices
  - (B) removal of tax laws
  - (C) removal of public enterprises
  - (D) removal of governmental assistance and incentives.
3. Green Accounting is a tool for
  - (A) promotion of agriculture
  - (B) promotion of agro-based industries
  - (C) promotion of forestation
  - (D) promotion of green land.
4. Which is not a feature of mixed economy ?
  - (A) Existence of individual ownership system
  - (B) Freedom for individual businesses
  - (C) Freedom for establishing joint ventures
  - (D) Non-interference of government in businesses.
5. Which is not a feature of capitalistic system ?
  - (A) Private property
  - (B) Direct motivation
  - (C) Removal of inequalities
  - (D) Concentration of wealth in private hands.

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6. The "Going Concern concept" is the basis for
- (A) depreciating fixed assets over their useful lives
  - (B) disclosing the market value of securities
  - (C) consolidating the accounts of subsidiary companies with those of parent company
  - (D) disclosing operating information in the income statement.
7. Expenditure incurred in connection with the purchase of new machine is a
- (A) Capital Expenditure
  - (B) Revenue Expenditure
  - (C) Deferred Revenue Expenditure
  - (D) Prepaid Expenditure.
8. The court may dissolve a firm when
- (A) a partner has become a person of unsound mind
  - (B) a partner has become a person of sound mind
  - (C) the business was formed for a fixed term
  - (D) the business was formed for a short term.
9. In case of a holding company, capital profit arising due to revaluation of assets and liabilities of a subsidiary company is
- (A) added to goodwill
  - (B) added to the balance of P & L Account
  - (C) added to Capital Reserve
  - (D) deducted from Capital Reserve.
10. Given :

Profit after interest and taxes	Rs.	10,000
Interest	Rs.	3,000
Taxes	Rs.	3,500

Interest Coverage Ratio is

- (A) 4.5
- (B) 5.5
- (C) 5.0
- (D) 6.5.

11. According to the Modern Theory of Costs, Average Variable Cost Curve is

- (A)  $u$ -shaped
- (B)  $L$ -shaped
- (C) Saucer type
- (D)  $V$ -shaped.

12. Which of the following relations is true ?

- (A)  $MR = AR \left( 1 - \frac{1}{|e|} \right)$
- (B)  $AR = MR \left( 1 - \frac{1}{|e|} \right)$
- (C)  $MR = AR \left( 1 + \frac{1}{|e|} \right)$
- (D)  $AR = MR \left( 1 + \frac{1}{|e|} \right)$ .

13. Short-run Supply Curve of a competitive firm is

- (A) identical to its  $MC$  Curve
- (B) upward rising portion of the  $MC$  Curve
- (C) identical to the  $AVC$  Curve
- (D) upward rising portion of the  $AVC$  Curve.

14. The first order equilibrium condition of multiplant monopoly is

- (A)  $MR = MC$
- (B)  $MR_1 = MR_2 = MC$
- (C)  $MR = MC_1 = MC_2$
- (D)  $AR_1 = AR_2 = MC_1 = MC_2$ .

15. In Full Cost Pricing policy

- (A)  $p = AVC + GPM$  ( Gross Profit Margin )
- (B)  $p = AVC + NPM$
- (C)  $p = AC + GPM$
- (D)  $p = AC + NPM$  ( Net Profit Margin ).

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16. Type-II error is
- (A) acceptance of true null hypothesis
  - (B) rejection of false null hypothesis
  - (C) rejection of true null hypothesis
  - (D) acceptance of false null hypothesis.
17. Third Order Central Moment of the Normal Distribution is
- (A) greater than one
  - (B) negative
  - (C) zero
  - (D) less than one.
18. Which one is the Probability Sampling ?
- (A) Judgement Sampling
  - (B) Purposive Sampling
  - (C) Stratified Random Sampling
  - (D) Quota Sampling.
19. ANOVA test is a test of
- (A) equality of two variances
  - (B) equality of two means
  - (C) equality of more than two variances
  - (D) equality of more than two means.
20. Which one of the following computer packages cannot be used for statistical analysis ?
- (A) MS Word
  - (B) MS Excel
  - (C) SPSS
  - (D) E-views.

21. Procedure is a component of
- (A) Coordinating
  - (B) Directing
  - (C) Planning
  - (D) Organising.
22. Decentralisation of Authority is a form of
- (A) Planning
  - (B) Directing
  - (C) Organising
  - (D) Controlling.
23. The concept of committee comes within the scope of
- (A) Controlling
  - (B) Planning
  - (C) Organising
  - (D) Coordinating.
24. Which one of the following is not a component of Direction ?
- (A) Motivation
  - (B) Leadership
  - (C) Communication
  - (D) Strategy.
25. Corporate Governance Voluntary Guidelines were issued in
- (A) 2010
  - (B) 2009
  - (C) 2008
  - (D) 2007.

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26. Which of the following is not a major segmentation variable ?
- (A) Geographic
  - (B) Demographic
  - (C) Psychographic
  - (D) Economic.
27. In the context of marketing, find the odd one out :
- (A) Negative Demand
  - (B) No Demand
  - (C) Latent Demand
  - (D) Imaginary Demand.
28. Catalogues, mailings, telemarketing, and electronic shopping stand for ..... as a communication platform.
- (A) Public Relations
  - (B) Sales Promotion
  - (C) Direct Marketing
  - (D) Personal Selling.
29. Each channel alternative needs to be evaluated against economic, ..... , and adaptive criteria.
- (A) coordination
  - (B) control
  - (C) communication
  - (D) plan.
30. Product-form Pricing is essentially
- (A) Promotion Pricing
  - (B) Discriminatory Pricing
  - (C) Market-penetration Pricing
  - (D) Product-mix Pricing.

31. Which of the following is not considered a reason for preferring the market value weights to the book value weights ?
- (A) It represents the current value
  - (B) Market value is taken as an index of efficiency of the firm
  - (C) It resembles the value-maximization objective of the firm
  - (D) Fluctuating market values give a shifting standard rather than a fixed standard.
32. If Degree of Operating Leverage ( DOL ) is 1.24 and Degree of Financial Leverage ( DFL ) is 1.89, Degree of Combined Leverage ( DCL ) would be
- (A) 2.14
  - (B) 2.18
  - (C) 2.31
  - (D) 2.34.
33. Current assets are twice the current liabilities. If the working capital is Rs. 60,000, current assets would be
- (A) Rs. 60,000
  - (B) Rs. 1,00,000
  - (C) Rs. 1,20,000
  - (D) Rs. 1,10,000.
34. Depreciation is included in costs in case of
- (A) Payback Period
  - (B) Accounting Rate of Return
  - (C) Present Value Index method
  - (D) Internal Rate of Return method.
35. Dividend yield is calculated as
- (A) dividend per share/market value per share
  - (B) market value per share/dividend per share
  - (C) dividend per share/earnings per share
  - (D) earnings per share/dividend per share.

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36. Which one of the following can be considered as the last resort to settle industrial disputes ?
- (A) Arbitration
  - (B) Adjudication
  - (C) Negotiation
  - (D) Conciliation.
37. Which of the following is used for off-the-job training ?
- (A) Simulation technique
  - (B) Job Enlargement
  - (C) Job Rotation
  - (D) Transfer.
38. Find the odd one out.
- HRD culture is characterised by which of the following practices ?
- (A) Openness
  - (B) Reactiveness
  - (C) Trust
  - (D) Collaboration.
39. .... method does not come under the category of modern methods of performance appraisal.
- (A) Potential Appraisal
  - (B) 360° Appraisal
  - (C) Checklist
  - (D) Performance Simulation.
40. Which of the following factors positively influences morale most ?
- (A) Organisational Image
  - (B) Working Environment
  - (C) Job Satisfaction
  - (D) Compensation.



41. Which one of the following is not related to the RBI ?
- (A) Custodian of Foreign Currency Reserves
  - (B) Controller of Credit
  - (C) Lender of Last Resort
  - (D) Collector of Public Deposits.
42. Which one of the following is a public sector scheduled bank ?
- (A) Dena Bank
  - (B) IDBI Bank
  - (C) AXIS Bank
  - (D) ICICI Bank.
43. The high level of NPA in India can be attributed to
- (A) growth of bank advances
  - (B) poor post-loan supervision and follow-up
  - (C) introduction of banking reforms
  - (D) implementation of BASEL II.
44. Unit Trust of India was set up as a trust in terms of the UTI Act in the year
- (A) 1953
  - (B) 1956
  - (C) 1963
  - (D) 1966.
45. Three pillars of the new accord as proposed by the Basel Committee on Banking Supervision are
- (A) minimum capital requirements, supervisory review and market discipline
  - (B) minimum capital requirements, bank management and market discipline
  - (C) minimum capital requirements, bank management and market regulation
  - (D) minimum capital requirements, supervisory review and market regulation.

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46. Full form of IDA is
- (A) International Development Agency
  - (B) Indian Development Association
  - (C) International Development Association
  - (D) Indian Development Agency.
47. TRIMS means
- (A) trade-related invisible measure of services
  - (B) trade-related investment measures
  - (C) trade-related investment measures of services
  - (D) trade-related invisible measures.
48. WTO replaced the
- (A) GATS
  - (B) UNCTAD
  - (C) GSTP
  - (D) GATT.
49. Which one of the following is not the function of EXIM Bank ?
- (A) Custodian of Foreign Exchange Reserves
  - (B) Merchant Banking
  - (C) Lease Financing
  - (D) Loan and Guarantee.
50. The SDR is also known as
- (A) Paper Gold
  - (B) Gold Parity
  - (C) Euro-dollar
  - (D) Specially Designed Rights.