

1. Under which one of the following consumer rights, a business firm sets up its own consumer grievance redressal cell ?
 - (1) Right to safety
 - (2) Right to be heard
 - (3) Right to consumer education
 - (4) Right to be assured
2. Which one of the following quality certification marks is used for electrical goods ?
 - (1) Agmark
 - (2) Hallmark
 - (3) FPO mark
 - (4) ISI mark
3. Which one of the following statements is incorrect ?
 - (1) Minors cannot be the members of Joint Hindu Family business
 - (2) The risk of Failure of business is borne all alone by the sole proprietor
 - (3) The minimum number of partners needed to start a partnership firm is two
 - (4) The principle of 'one man one vote' governs the cooperative society
4. Regarding factors influencing the choice of form of business organisation, which one of the following sets is not correct ?

Factor	Most advantageous	Least advantageous
(1) Availability of capital	Partnership	Company
(2) Transfer of ownership	Public limited company	Partnership
(3) Continuity	Company	Sole proprietorship
(4) Ease of formation	Sole proprietorship	Company
5. Which one of the following activities is not an economic activity ?
 - (1) Farmer growing rice for her own consumption
 - (2) A factory owner producing school bags for sale in the market
 - (3) A doctor operating in his own clinic
 - (4) A teacher teaching in a school
6. Which one of the following causes of risks, come under the category of economic causes ?
 - (1) Floods and earthquakes
 - (2) Negligence of employees
 - (3) Levy of higher taxes
 - (4) Mechanical failures
7. Which one of the following is not an example of Joint Ventures in India ?
 - (1) AVI Oil India Pvt. Ltd.
 - (2) Green Gas Ltd.
 - (3) Delhi Aviation Fuel Facility Pvt. Ltd.
 - (4) Indian Railways

8. Which one of the following is mainly / popularly categorised as business services ?
- (1) Banking, insurance, warehousing services
 - (2) Education and health care services
 - (3) Restaurant services
 - (4) Recreational services
9. Respecting the religious sentiments and dignity of people by a business firm in the conduct of its operations falls under which one of the following categories of social responsibility ?
- (1) Economic responsibility
 - (2) Legal responsibility
 - (3) Ethical responsibility
 - (4) Discretionary responsibility
10. The classification of retailers as itinerant retailers is based on which one of the following bases ?
- (1) Size of business
 - (2) Type of ownership
 - (3) Merchandise handled
 - (4) Place of business

11. Which two of the following are not covered under the category of Fixed shop - Large stores ?
- (A) General stores
 - (B) Departmental stores
 - (C) Second - hand goods shops
 - (D) Chain stores

Option :

- (1) (A) and (B)
 - (2) (A) and (C)
 - (3) (B) and (D)
 - (4) (C) and (D)
12. Which one of the following sets is not correct to differentiate the domestic business and international business ?

	Basis	Domestic business	International business
(1)	Nationality of buyers & sellers	One nation participants	Different countries participants
(2)	Mobility of factors of production	Relatively less within a country	Relatively more across nations
(3)	Political system & risk	Single country	Different countries, different political systems & degrees of risks
(4)	Business regulation & policies	Single country	Multiple countries

13. Which one of the following statements regarding sources of funds is false ?
- (1) Equity share capital and retained Earnings are owner's funds
 - (2) Public deposits are borrowed funds raised externally for medium term
 - (3) The source of factoring is external and it is used as short term and medium term funds
 - (4) The source of commercial papers is external and it is used as a source for short - term

14. Which one of the following is not a financial instruments used in international capital markets ?
- (1) I C D
 - (2) G D R
 - (3) A D R
 - (4) I D R

15. Which one of the following is not a money market instrument ?

- (1) Commercial paper
- (2) Certificate of deposit
- (3) Debenture
- (4) Treasury bill

16. Which two of the following sets of basis differentiating primary and secondary capital markets are correct ?

Basis	Primary Market	Secondary Market
(A) Security	Sale of new Securities	Trading of existing shares only
(B) Buying of Security	Securities can be sold here	Trading of Share Securities on stock exchanges
(C) Flow of Funds	From Savers to Investors	Enhancing liquidity of shares. No funds to the companies
(D) Price determination	By the Management of the Company	By the Management of the Company

Option :

- (1) (A) and (B)
 - (2) (B) and (C)
 - (3) (C) and (D)
 - (4) (A) and (C)
17. Which one of the following is not a component of economic environment ?
- (1) Rates of saving and investment
 - (2) Concern with quality of life
 - (3) Agricultural and industrial production trends
 - (4) Volume of imports and exports
18. Free flow of goods and services across nations and free flow of information and technology are the steps leading towards which one of the following ?
- (1) Demonetization
 - (2) Globalization
 - (3) Privatization
 - (4) Liberalisation

19. Which one of the following sets of philosophies/bases of differencing between selling concept and marketing concept is incorrect ?

Philosophy/Base	Selling concept	Marketing concept
(1) Starting point	Factory	Market
(2) Main focus	customer needs	Existing product
(3) Means	selling and promoting	Integrated marketing
(4) Ends	profit through sales volume	Profit through customer satisfaction

- Set-02 4 Commerce P-II 01 - 80
20. 'A startling colour scheme, photograph or type face' falls under which one of the following functions of packaging ?
- (1) Product identification
 - (2) Product protection
 - (3) Facilitating use of the product
 - (4) Product promotion
21. 'Insurance and healthcare' for the purpose of marketing falls under which one of the following categories ?
- (1) Physical products
 - (2) Services
 - (3) Ideas
 - (4) Events
22. 'Providing security and protection from physical and emotional harm', as a hierarchy of needs as per Maslow's Need hierarchy theory of motivation, falls under which one of the following categories ?
- (1) Esteem Needs
 - (2) Affiliation/Belonging Needs
 - (3) Self Actualisation Needs
 - (4) Security Needs
23. 'Vitality and endurance, decisiveness, persuasiveness, stability in behaviour, intellectual ability and knowledge' as qualities of a good leader were given by who among the following ?
- (1) George R. Terry
 - (2) Chester I. Barnard
 - (3) Ordway Tead
 - (4) Ghiselli
24. "All subordinates under one superior communicate through him only as he acts as a hub. The subordinates are not allowed to talk among themselves". This pattern of communication belongs to which one of the following communication networks ?
- (1) Single chain
 - (2) Free flow
 - (3) Wheel
 - (4) Circular
25. Which one of the following is not the part of capital Gearing ratio ?
- (1) Debt - equity ratio
 - (2) Debt service ratio
 - (3) Return on capital Employed
 - (4) Equity ratio
26. Which one of the following is the correct equation of working capital for Accounting purposes ?
- (1) (Current Assets + Retained Earnings) – Current Liabilities
 - (2) Current Assets – Current Liabilities
 - (3) Current Assets – (Current Liabilities + Preliminary Expenses)
 - (4) Total Current Assets

27. Which one of the following is broadly associated with 'Factoring' ?
- (1) Inventory Management
 - (2) Trading on Equity
 - (3) Capital Structure
 - (4) Receivables Management
28. As per the Adam Smith's definition, working capital is also known as which one of the following ?
- (1) Random capital
 - (2) Circulating capital
 - (3) Effective capital
 - (4) Desired capital
29. Which one of the following is not the part of Current Assets ?
- (1) Work - in - progress
 - (2) Interest accrued
 - (3) Preliminary expenses
 - (4) Loose tools
30. **Statement (I)** : Initially Human Resource Management was known as Personnel Management.
Statement (II) : The concept of Human Resource Management was given by Herbert Simon.
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 **(II)** is correct but **(I)** is incorrect
31. To measure the individual's potential for learning new skills is done by which one of the following tests used for selection of employees ?
- (1) Intelligence Test
 - (2) Personality Test
 - (3) Interest Test
 - (4) Aptitude Test
32. Which one of the following management scholar is not associated with Human Resource Management ?
- (1) Kurt Lewin
 - (2) A.H. Maslow
 - (3) Adam Smith
 - (4) Max Weber
33. Which one among the following is not included in 'recent trends in management' ?
- (1) Total Quality Management (TQM)
 - (2) Crisis Management
 - (3) Change Management
 - (4) Management By Exceptions (MBE)

34. Which one of the following does not fall under 'Crisis Management' ?
- (1) Emotional Crisis
 - (2) Confrontational Crisis
 - (3) Natural Disasters
 - (4) Rumours
35. "To manage is to forecast and plan, to organise, to command, to co - ordinate and to control". This definition is given by :
- (1) Henry Fayol
 - (2) George R. Terry
 - (3) F.W. Taylor
 - (4) Louis Allen
36. Who is the father of principles of Management ?
- (1) F. W. Taylor
 - (2) Henry Fayol
 - (3) George R. Terry
 - (4) R.S. Davar
37. Management is considered to be :
- (1) A Science
 - (2) An Art
 - (3) Both Science and Art
 - (4) A hobby
38. Who developed the CPM Method of control ?
- (1) Due De Meemoues Co.
 - (2) De pont Co.
 - (3) Gast Niksons Co.
 - (4) Kirloskar Co.
39. Who has said that "Planning is a trap laid down to capture the future" ?
- (1) F.W. Taylor
 - (2) L.F. Urwick
 - (3) L.A. Allen
 - (4) M.E Hurley
40. Which one of the following is right sequence of staffing activities ?
- (1) Recruitment, Selection, Induction, Placement
 - (2) Recruitment, Selection, Placement, Induction
 - (3) Selection, Recruitment, Induction, Placement
 - (4) Selection, Recruitment, Placement, Induction

41. Who was the third partner in Garner Vs. Murray case ?
- (1) Wiliam
 - (2) Wales
 - (3) Wilikins
 - (4) Walshe
42. In which of the following year, the Indian Partnership Act was enacted ?
- (1) 1920
 - (2) 1927
 - (3) 1932
 - (4) 1935
43. **Statement (I) :** Inflation Accounting is the practice of adjusting financial statements according to price indexes.
- Statement (II) :** Numbers are restated to reflect current values in hyper - inflationary business environment.
- 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 **(II)** is correct but **(I)** is incorrect
44. Inflation Accounting practices are observed in which one of the following ?
- (1) Public sector undertakings
 - (2) Selected Multinational Corporations
 - (3) Indian Film Industry
 - (4) Agro - produce Organizations
45. Which one of the following transactions will affect the fund in a Funds Flow statement ?
- (1) Purchase of goods on credit
 - (2) Sale of goods on credit
 - (3) Purchase of machines and tools on credit
 - (4) Depositing cash into the bank
46. Which one of the following transactions will not affect the funds in a Fund Flow statement ?
- (1) Issue of shares inconsideration of purchasing of machines and tools
 - (2) Issue of debentures
 - (3) Redemption of preference shares
 - (4) Purchase of furnitures
47. Which one of the following is not a Human Resource Accounting approach ?
- (1) Dynamic cost Approach
 - (2) Historical cost Approach
 - (3) Replacement cost Approach
 - (4) Opportunity cost Approach

48. Net Benefit Model of Human Resource Accounting is also known as :
- (1) Lev and Schwartz Model
 - (2) Morse Model
 - (3) Jaggi and Lau Model
 - (4) Organ's Model
49. Who among the following has given the equation of Human Resource Accounting - $TV = (N)r^n (T)^n (V)$?
- (1) Jaggi and Lau
 - (2) Lev and Schwartz
 - (3) Flamholtz
 - (4) Likert
50. How will you compute Average Capital Employed (ACE) ?
- (1) $(\text{Capital Employed in the beginning of year} + \text{Capital Employed at the end of year})/2$
 - (2) $\text{Last three year's Capital Employed}/3$
 - (3) $\text{Current year's Capital Employed} - \text{Net Profit}$
 - (4) $\text{Current year's Capital Employed} - \text{EBIT}$
51. Which among the following is also known as Financial Structure of a firm ?
- (1) Liabilities side of the Balance Sheet
 - (2) Assets side of the Balance Sheet
 - (3) $\text{Long term Liabilities} + \text{Preliminary expenses}$
 - (4) $\text{Long term liabilities} - \text{Preliminary expenses}$
52. How will you compute Average Collection Period (ACP) ?
- (1) $365 \text{ days} \div \text{Receivables Turnover Ratio}$
 - (2) $365 \text{ days} \div \text{Payables Turnover Ratio}$
 - (3) $\text{Receivables turnover Ratio} \div 12 \text{ months}$
 - (4) $\text{Payables Turnover Ratio} \div 12 \text{ months}$
53. Which of the following is another name of Acid Test ratio ?
- (1) Speedly Ratio
 - (2) Quick Ratio
 - (3) Fast Ratio
 - (4) Kinetic Ratio
54. Which of the following is not included in the cost of Production ?
- (1) Direct Expenses
 - (2) Office Overhead
 - (3) Direct Material
 - (4) Factory Overhead

55. **Statement (I) :** RDBMS has the additional, significant advantage over the hierarchical database of being non - navigational.
- Statement (II) :** Database management systems are categorized according to their data structures or types.
- 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 **(II)** is correct but **(I)** is incorrect
56. Which one of the following describes List 'F' under the process of liquidation accounting ?
- (1) Debenture - holders
 - (2) Preference shareholders
 - (3) Equity shareholders
 - (4) Unsecured creditors
57. Which one of the following is not a reason for liquidation of a company ?
- (1) If a company passes a special resolution for liquidation
 - (2) If accounts are not maintained
 - (3) If statutory report is not submitted to the Registrar
 - (4) If a company has less than eight members as its shareholders
58. Which one of the following is not a popular accounting software in India ?
- (1) Stata
 - (2) Busy
 - (3) My Books
 - (4) Vyapar
59. Which one of the following is the most appropriate limitation of computerised Accounting System ?
- (1) Breaches of security
 - (2) Ill - effect on health
 - (3) Staff opposition
 - (4) Reliability of data
60. DBMS stands for :
- (1) Data Base Management System
 - (2) Data Base Monitoring System
 - (3) Data Base Measurement System
 - (4) Data Base Maintenance system
61. "Book - keeping is an art of recording business dealings in a set of books." This definition is given by whom ?
- (1) R.N. Carter
 - (2) J.R. Batliboi
 - (3) Northcott
 - (4) Finney and Miller

62. The person who first published the principles of double entry system was :
- (1) Lucas Pacioli
 - (2) F.W. Taylor
 - (3) J.R. Batliboi
 - (4) R.N. Carter
63. Which one of the following error is disclosed by the Trial Balance ?
- (1) Error of Principle
 - (2) Error of Omission
 - (3) Compensation errors
 - (4) Error of balancing of Account
64. Variable cost ratio is 60%, Fixed cost is ₹ 12,000, Break even point will be :
- (1) ₹ 20,000
 - (2) ₹ 72,000
 - (3) ₹ 60,000
 - (4) ₹ 30,000
65. If sales is ₹ 1,00,000 in 2020 and ₹ 4,00,000 in 2021 and loss ₹ 15,000 in 2020 and profit ₹ 45,000 in 2021, then profit volume Ratio will be :
- (1) 50%
 - (2) 20%
 - (3) 30%
 - (4) 40%
66. Total of prime cost and Factory Overhead is called :
- (1) Direct Cost
 - (2) Factory Cost
 - (3) Cost of Production
 - (4) Total Cost
67. In contract account, the amount of work in progress consists of :
- (1) Cost of work certified
 - (2) Cost of work uncertified
 - (3) Cost of work certified and uncertified
 - (4) Cost of work completed
68. The system of recording transaction based on dual aspect concept is called :
- (1) Double Account System
 - (2) Single Account System
 - (3) Double Entry System
 - (4) Single Entry System

69. Court can make an order to dissolve the firm when :
- (1) Any partner has become fully mad
 - (2) Partnership deed is fully followed
 - (3) Future loss are expected
 - (4) Firm is running legal business
70. At the time of retirement of any partner, profit on revaluation will be credited to which one of the following ?
- (1) Capital Account of retiring partner
 - (2) Capital Account of all partners in the old profit ratio
 - (3) Capital Account of the remaining partners in old profit ratio
 - (4) Capital Account of the remaining partner in their new profit ratio
71. The shares on which there is no any pre fixed rate of dividend is decided, but the rate of dividend is fluctuating every year according to the availability of profit, such shares are called :
- (1) Non cumulative preference shares
 - (2) Non convertible preference shares
 - (3) Equity shares
 - (4) Cumulative preference shares
72. When a company issues shares at a premium, the amount of premium may be received by the company :
- (1) Along with application money
 - (2) Along with allotment money
 - (3) Along with calls
 - (4) Along with any of the above
73. A company forfeited 300 shares of ₹ 10 each, ₹ 8 per share called up on which 'X' had paid application and allotment money of ₹ 6 per share. Then share forfeiture account will be credited with :
- (1) ₹ 600
 - (2) ₹ 1,800
 - (3) ₹ 1,200
 - (4) ₹ 2,400
74. The amount of discount on reissue of forfeited shares cannot exceed :
- (1) 5% of the paid up capital
 - (2) 10% of the capital reissued
 - (3) The amount received on forfeited shares
 - (4) The amount not received on forfeited shares
75. The debentures whose principal amount is not repayable by the company during its life time, but the payment is made only at the time of liquidation of the company, such debentures are called :
- (1) Bearer Debentures
 - (2) Redeemable Debentures
 - (3) Irredeemable Debentures
 - (4) Non - Convertible Debentures

76. To which one of the following is Debenture redemption Reserve transferred after the redemption of all debentures ?
- (1) Capital Reserve Account
 - (2) General Reserve Account
 - (3) Statement of profit and loss
 - (4) Sinking Fund Account
77. Profit on cancellation of own debentures by the company, purchased from the open market, will be transferred to which one of the following ?
- (1) Statement of profit & loss
 - (2) General Reserve
 - (3) Capital Reserve
 - (4) Credit side of sinking fund
78. Which one of the following is not a source of cash ?
- (1) Issue of shares
 - (2) Purchase of Machinery
 - (3) Sale of Assets
 - (4) Dividend received
79. According to convention of conservation, closing stock is valued at :
- (1) Cost price
 - (2) Realisable price
 - (3) Cost price or realisable value whichever is less
 - (4) Real value
80. The Objective of preparing a Bank Reconciliation Statement is :
- (1) To find out the balance of cash Book
 - (2) To find out the Bank balance
 - (3) To reconcile the cash balance of cash book
 - (4) To reconcile the bank balance of cash book with the balance of pass book