M.Com.(Business Economics)

1. Which account is prepared to know cash purchase or cash sales?
A) Trading Account B) Debtor's Account
C) Creditor's Account D) Cash A/c

2. Net Assets minus Capital Reserve is _____
A) Goodwill B) Total assets
C) Purchase consideration D) None of these

3. All direct & indirect expenses related to business are charged under_____
A) Profit and loss account
B) Trading account
C) Trading account Profit and Loss account
D) Directly to Balance sheet

4. Generally, depreciation on fixed assets is calculated on which balance?
A) Opening B) Closing
C) Only on additional D) Amount realized on asset sold

5. Bad debts written off always affected the_____
A) Debtors A/c B) Creditor A/c C) Cash A/c D) None of these

6. Which of the following accounting equation is correct?
A) Capital + Liabilities= Assets B) Capital = Assets + Liabilities
C) Capital-Liabilities = Assets D) Capital + Assets = Liabilities

7. All capital expenditures and receipts are taken to
A) Trading and Profit and Loss Account B) Balance sheet
C) Trial balance D) None of the above

8. Which of the following cost is also known as overhead cost or on cost?
A) Cost of direct labour B) Cost of indirect labour
C) Direct expenses D) Indirect expenses

9. Minimum number of members in case of public company is_____
A) 4 B) 5 C) 6 D) 7

10. If company A purchases the majority shares of company B, what combination would this be referred to?
A) Amalgamation B) Takeover C) Absorption D) None of these

11. Merger of two or more companies or business undertaking to form new company means_____
A) Reconstruction B) Amalgamation
C) Absorption D) Commandment of Company

12. Which of following is not method of winding up of a company?
A) Compulsory winding up
B) Voluntary winding up
C) Winding up under the supervision of the court
D) Knowingly winding up

13. Shares received from the new company are recorded at_____
A) Face value B) Average price
C) Market value D) None of the above

14. A Joint Stock Company is managed by the Board of Directors elected by _____
A) Top management B) Shareholders
C) Employees of company D) None of the above

15. Joint Venture is a _____
A) Personal A/c B) Nominal A/c C) Real A/c D) Memorandum A/c

16. By which act government checks restrictive trade?
A) Industrial Policy Act 1991 B) MRTP Act
C) FEMA act D) None of these

17. Relaxing the restrictions and controls imposed on business and industry means_____
A) Liberalization B) Privatization C) Globalization D) None of the above

18. Privatization of ownership through sale of equity share is called_____
A) Denationalization B) Disinvestment
C) Contracting D) None of these

19. Globalization is the term used to describe process of removal of restriction on_____
A) Foreign Trade B) Investment C) Both (A) and (B) D) None of the above

20. Laissez faire policy is adopted in_____
A) Socialist Economic System B) Capitalist Economic system
C) Mixed Economic System D) Socialist Economic System

21. Which of the following is not the objective of Competition Act 2002?
A) Prohibition of abuse of dominant position
B) Prohibition of restrictive trade practices
C) Prohibition of anti-competitive agreement
D) Regulation of combinations

22. FEMA stands for_____
A) Free Export management act B) Foreign Exchange management act
C) Foreign Exchange monitoring act D) Free Export marketing act

23. The concept of small scale industries (SSIs) was brought by the_____

A) Industrial Policy Resolution 1948 B) Industrial Policy Resolution 1956
C) Industrial Policy Statement 1977 D) None of the above

24. What is full form of SWOT?
A) Strengths, Weaknesses, Opportunities and Threats
B) Software Warehousing of Threats
C) Single optimism technique
D) None of these

25. The essential commodities act was passed in the year _____
A) 1952 B) 1945 C) 1959 D) 1955

26. What is IRDA?
A) Industrial Regulation & Development Authority
B) Insurance Regulatory & Development Authority
C) Indian Regulation Development Authority
D) None of these

27. The heavy industry strategy of the Mahalanobis model was initiated in___
A) First plan B) Second plan C) Third plan D) Fourth plan

28. Phillips curve describes the relationship between_____
A) Saving and investment
B) Demand for money and inflation
C) Rate of unemployment and rate of inflation
D) Marginal Tax rate and rate of inflation

29. Which one of the following is called as the Gossen's first law?
A) Law of indifference B) Law of diminishing utility
C) Law of returns to scale D) Law of variable proportions

30. The terms TRIPS and TRIMS are related to:
A) NAFTA B) SAFTA C) EFTA D) GATT

31. IMF is the result of_____
A) Hawana conference B) Rome conference
C) Bretton woods conference D) Geneva conference

32. When a firm's average revenue is equal to its average cost, it gets _____.
A) Super profit B) Normal profit C) Sub normal profit D) None of these

33. Under perfect competition, price is determined by the interaction of total demand and_____
A) Total supply B) Total cost C) Total utility D) Total production

34. The kinked demand curve explains_____

A) Demand flexibility B) Demand rigidity
C) Price flexibility D) Price rigidity

35. With the introduction of GST, imports will be_____
A) More expensive B) More cheaper
C) Neutral with no change D) None of the above

36. The rate of GST as applicable on goods and services are___
A) 0% 5% 12% 16% 28% B) 0% 5% 12% 18% 28%
C) 0% 6% 12% 18% 28% D) 0% 5% 12% 18% 26%

37. GST would not be applicable to_____
A) Alcohol for human consumption B) Petrol
C) Natural gas D) All of these

38. What is cut off turnover limit for compulsory registration under GST?
A) 9 lacs B) 50 lacs
C) Exceeds 20 lacs D) No limit for registration

39. Cost of conversion is equal to___
A) Prime cost plus factory overheads
B) Prime cost plus administrative overheads
C) Direct material plus selling and distribution overheads
D) Direct labour plus factory overheads

40. While preparing the financial statements of an enterprise, the bad debt recovered has to be shown on the_____
A) Debit side of the profit and loss account
B) Credit side of the profit and loss account
C) Debit side of the trading account
D) Assets side of the balance sheet

41. The excess of minimum rent over actual royalties is called _____
A) Short workings B) Interest C) Discount D) Commission

42. Which strategy provides a means for achieving a company's annual objectives?
A) Functional strategy B) Business strategy
C) Operating strategy D) Strategic choice

43. Which of the following helps a manager identify the opportunities and threats in the competitive industrial environment?
A) Analyzing the competitive forces B) Market research
C) Market analysis D) Sales analysis

44. Which factor indicates the nature and direction of the economy in which a firm operates?
A) Economic environment B) Gross national product

C) Competitive position D) Operating environment

45. A _____ is primarily financed by borrowing of all the stock or assets by a small group of investors.
A) Merger B) Takeover C) Leveraged buyout D) Consolidation

46. Which of the following factors does not influence the pricing strategy of a firm?
A) Cost B) Market C) Competition D) R&D

47. There are two major ways in which a firm can gain cost advantage. The first is controlling cost drivers, and the second is _____.
A) Shortening the value chain
B) Technological innovation
C) Introducing cost consciousness in all activities
D) Reconfiguring the value chain

48. MNCs are usually _____ in nature
A) Oligopolistic B) Perfectly competitive
C) Monopolistic D) Monopoly

49. Law of diminishing marginal rate of substitution is associated with____
A) Hicks B) Keynes C) Slutsky D) Marshall

50. What kind of tax is Goods and Service Tax?
A) Direct Tax
B) Indirect Tax
C) Depends on the type of goods and services
D) None of the above

51. What is the target (in terms of GDP) of Fiscal Deficit for FY 2019-20?
A) 3.1% B) 3.5% C) 3.4% D) 4.4%

52. Which of the following does not comes under the developmental expenditure of India?
A) Expenditure on administrative services
B) Defense expenditure
C) Grants to states
D) Expenditure on social welfare schemes

53. Devaluation of a currency means_____
A) Reduction in the internal value of the domestic currency
B) Reduction in the external value of the domestic currency
C) Increment in the internal value of the domestic currency
D) Reduction in the printing of new currency by the RBI

54. Who is the father of green revolution in India?
A) Norman Borlaug B) M.S. Swaminathan

C) Salim Ali D) Sam Pitroda

55. The pure monopolist obtains equilibrium level of output when____

A) Marginal revenue = marginal cost B) Price = marginal cost
C) Price is the lowest D) Price is the highest

56. Hedging refers to____

A) The acceptance of a foreign exchange risk
B) The covering of a foreign exchange risk
C) Foreign exchange speculation
D) Foreign exchange arbitrage

57. For substitutes, cross elasticity of demand is_____

A) Positive B) Negative C) Zero D) Always less than one

58. The characteristics of monopolistic competition are_____

a) Product differentiation
b) Non-price competition
c) Large number of firms and freedom to entry and exit
d) Firms are interdependence

Codes:

A) -a & c are correct
B) -a, b and d are correct
C) -a, b and c are correct
D) -a, c and d are correct

59. Which of the following is true?

a) Indifference curves slope downward from left to right.
b) Indifference curves slope downward from right to left.
c) Indifference curves are convex to the point of origin of the two axes.
d) Indifference curves never intersect each other

Codes:

A) -a, b and c are true.
B) -b, c and d are true.
C) -a, c and d are true.
D) -a and d are true.

60. A demand curve, which is parallel to the horizontal axis, showing quantity, has the price elasticity equal to____

A) Zero B) Infinity C) Less than one D) One

61. An exceptional demand curve is one that moves_____

A) Upward to the right B) Downward to the right
C) Horizontally D) Upward to the left

62. Chi-square test is used to____

A) To test goodness of fit
B) To test the differences in the means of two samples
C) To test the independence of attributes
D) Both A and C

63. Partial correlation is a type of _____
A) Simple correlation B) Multiple correlation
C) Both (A) & (B) D) None of the above

64. Regression analysis is a measure of
A) Degree and direction of relationship B) Degree of association
C) Cause and effect relationship D) None of the above

65. In probability theories, events which can never occur together are classified as_____
A) Collectively exclusive events B) Mutually exhaustive events
C) Mutually exclusive events D) Collectively exhaustive events

66. Probability of rejecting the null hypothesis when it is true is called___
A) Type-II error B) Type-I error C) Standard error D) None of these

67. Chi-squire test is a ___
A) Parametric Test B) Non- Parametric test
C) Small –sample test D) Large –sample test

68. Who is the 'lender of the last resort' in the banking structure of India?
A) State Bank of India B) Reserve Bank of India
C) EXIM Bank of India D) Union Bank of India

69. When was the first five-year plan of India started?
A) 1949 B) 1940 C) 1952 D) 1951

70. In India monetary policy is implemented by___
A) RBI B) The ministry of finance
C) Planning commission D) The parliament

71. The perfect competition is characterized by _____
A) Seller as a price taker B) Firms selling identical products
C) Presence of many firms D) All of these

72. Which market structure indicates the existence of 'few sellers'?
A) Oligopoly B) Monopoly
C) Monopolistic competition D) Perfect competition

73. Opportunity cost means _____
A) Cost of a homogenous products B) Cost of the last unit
C) Cost of next best alternative D) Cost of all units produced

74. What is the base year for calculating Wholesale Price Index?

A) 2004-05 B) 2001-02 C) 2011-12 D)2014-15

75. Which is the correct formula to calculate GDP deflator?

A) Nominal GDP - (minus) Real GDP B) Nominal GDP + Real GDP

C) Nominal GDP/ Real GDP D) Real GDP/ Nominal GDP

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