

COMMERCE

DEGREE STANDARD

PREVIOUS PAPER – 2013

1. In accounting, profit to incorporation is treated as
 - 1) Revenue Reserve
 - 2) Secret Reserve
 - 3) Capital Reserve
 - 4) General Reserve
2. Receipts and Payments Account is prepared by
 - 1) Manufacturing concerns
 - 2) Non-Trading concerns
 - 3) Trading concerns
 - 4) Companies registered under Companies Act, 1956
3. Owners equity stands for
 - 1) Fixed Assets minus Fixed Liabilities
 - 2) Fixed Assets minus Current Liabilities
 - 3) Current Assets minus Fixed Liabilities
 - 4) Total Assets minus Total outside Liabilities
4. When the Debt Turnover Ratio is 4, what is the average collection period?
 - 1) 5 months
 - 2) 4 months
 - 3) 3 months
 - 4) 2 months
5. Which of the following will result into sources of funds?
 - i) Increase in current assets
 - ii) Decrease in current assets
 - iii) Increase in current liabilities
 - iv) Decrease in current liabilities

Codes:

 - 1) i and iv
 - 2) ii and iii
 - 3) i and iii
 - 4) ii and iv
6. In marginal costing, contribution is equal to
 - 1) Sales - Fixed cost
 - 2) Sales - Variable cost
 - 3) Sales - Profit
 - 4) Sales - Variable cost + Fixed cost
7. The funds available with a company after paying all claims including tax and dividend is called
 - 1) Net Profit
 - 2) Net Operating Profit
 - 3) Capital Profit
 - 4) Retained Earnings

16. Which of the following steps of purchase decision process is in sequence?
- a. Problem recognition
 - b. Search for alternatives
 - c. Evaluation of alternatives
 - d. Purchase action
 - e. Post purchase action

Codes:

- 1) a, c, b, d, e
- 2) a, b, d, c, e
- 3) b, a, c, e, d
- 4) a, b, c, d, e

17. What is customer value?

- 1) Ratio between the customer's perceived benefits and the resources used to obtain these benefits.
- 2) Excess of satisfaction over expectation.
- 3) Post purchase dissonance
- 4) None of the above

18. Match the items of List - I with items of List - II.

List - I

- a. The silent mental repetition of information.
- b. The process by which we select a word or visual image to represent a perceived object
- c. Where information is kept temporarily before further processing
- d. The stage of real memory in which information is processed and held for just a brief period

List - II

- 1. Encoding
- 2. Rehearsal
- 3. Working Memory
- 4. Store house

Codes:

- | | a | b | c | d |
|----|---|---|---|---|
| 1) | 2 | 1 | 4 | 3 |
| 2) | 1 | 2 | 3 | 4 |
| 3) | 3 | 2 | 1 | 4 |
| 4) | 4 | 3 | 2 | 1 |

19. Fill in the blanks

Statements

- a. Loyal customers products.
- b. Loyal customers are sensitive.
- c. Loyal customers pay to competitor's advertising.
- d. Serving existing customer is

Alternatives

- 1. Less attention
- 2. Cheaper
- 3. Less price
- 4. Buy more

Codes:

- | | a | b | c | d |
|----|---|---|---|---|
| 1) | 3 | 1 | 2 | 4 |
| 2) | 4 | 3 | 1 | 2 |
| 3) | 2 | 1 | 3 | 4 |
| 4) | 4 | 3 | 2 | 1 |

20. **Assertion (A) :** High customer expectations lead to dissatisfaction as product performance never matches them.

Reason (R) : Product performance is always customer specific.

Codes:

- 1) Both (A) and (R) are correct
- 2) Both (A) and (R) are incorrect
- 3) (A) is correct, but (R) is incorrect
- 4) (R) is correct, but (A) is incorrect

21. Under which concept of marketing do you find greater emphasis on techniques and technology of production?

- 1) Product
- 2) Selling
- 3) Marketing
- 4) None

22. Which is used for short-term sales achievement?

- 1) Personal selling
- 2) Advertising
- 3) Sales promotion
- 4) Public Relations

23. Public distribution system relates to

- 1) Marketing system
- 2) Retailing system
- 3) Industrial system
- 4) Selling system

24. Who do buy more, complain less, spread positive word of mouth, ensure a large customer base and repeat business?

- 1) Satisfied customers
- 2) Delighted customers
- 3) Industrial customers
- 4) None of the above

25. There are impulses which persuade a customers to buy certain products without evaluating the positive and negative value of the same.

- 1) Emotional motives
- 2) Blind motives
- 3) Egoistic motives
- 4) All the above

26. Which subject is relevant to the study of consumer behaviour?

- 1) Economics
- 2) Psychology
- 3) Sociology
- 4) All the above

27. Find an incorrect statement.

- 1) Consumer attitude can be summarised as evaluation of an object.
- 2) Attitudes are learned.
- 3) Attitudes are synonymous with behaviour.
- 4) Attitudes have motivational qualities.

28. Who is considered Father of Scientific Management?

- 1) Peter Drucker
- 2) F.W. Taylor
- 3) Victor Vroom
- 4) Henryl Fayol

29. Who did give the concept of hierarchy of needs?

- 1) Fredrick Harzberg
- 2) Victor Vroom
- 3) Douglas Mcgregor
- 4) A.H. Maslow

30. **Assertion (A)** : Management is a continuous process.

Reason (R) : Management first plan, then organise and finally perform the function of controlling.

Codes:

- 1) Both (A) and (R) are correct and (R) is correct explanation of (A).
- 2) Both (A) and (R) are correct, but (R) is not a correct explanation of (A).
- 3) (A) is correct, but (R) is incorrect.
- 4) (A) is incorrect. but (R) is correct.

31. Induction of employees relates to

- 1) Organisational awareness
- 2) Training programme
- 3) Introduction
- 4) Assignment of duties

32. 'Kinked' demand curve is related with

- 1) Monopoly
- 2) Discriminating Monopoly
- 3) Oligopoly
- 4) Perfect competition

33. Who is not associated with HRM?

- 1) Michael J Jucius
- 2) Dale Yodar
- 3) Edvoin B. Flippo
- 4) K.K. Devit

34. Merit rating is not known as

- 1) Efficiency Rating
- 2) Service Rating
- 3) job Rating
- 4) Experience Rating

35. Match the items of List - I with the items of List - II

List - I

- a. FEMA
- b. Indian Factories Act
- c. Industrial Dispute Act
- d. Consumer Protection Act

List - II

- 1. 1986
- 2. 1999
- 3. 1948
- 4. 1947

Codes:

- | | a | b | c | d |
|----|----------|----------|----------|----------|
| 1) | 4 | 2 | 3 | 1 |
| 2) | 3 | 2 | 1 | 4 |
| 3) | 2 | 3 | 4 | 1 |
| 4) | 1 | 4 | 3 | 2 |

36. If price of any commodity decreases by 20% and the demand for that commodity increases by 40%, then elasticity of demand would be

- 1) perfectly elastic
- 2) perfectly inelastic
- 3) unit elastic
- 4) highly elastic

37. Which of the following statements is true?

- 1) In case of inferior goods, the income effect is negative, although the substitution effect is positive.
- 2) In inferior goods, the income and substitution effects are positive.
- 3) In inferior goods, the income and substitution effects are negative.
- 4) In case of inferior goods, the income effects is positive although the substitution effect is negative

38. In perfect competition, the demand curve of a firm is
1) Vertical 2) Horizontal
3) Positively sloped 4) Negatively sloped
39. Which one is not non-financial incentive?
1) Additional bonus on minimum wasteful expenditure
2) Permanent job
3) Participatory decision making
4) Recognition of individuality
40. HRM does not include
1) job evaluation 2) performance appraisal
3) sales promotion 4) job enrichment
41. The term $(1 - B)$ is called
1) Level of the test 2) Power of the test 3) Size of the test 4) None of the above
42. The area under normal distribution covered within $\mu \pm 3\sigma$ limits is
1) 0.6827 2) 0.9545 3) 0.9973 4) 1.0000
43. Sampling distribution of mean is very close to the standard normal distribution when
1) Population is normally distributed
2) Population is not normally distributed, but sample size is large
3) Both (1) and (2)
4) Neither (1) nor (2)
44. If the value co-efficient of determinations 0.64, what is the value of coefficient of correlation?
1) 0.40 2) 0.80 3) 0.08 4) 0.04
45. Which one of the following is not a source of conflict in project ranking in capital budgeting decision as per NPV and IRR?
1) Independent Investment Project 2) No Capital Budget Constraints
3) No time disparity 4) None of the above

46. Match the following

List - I

- a. Trade policy
- b. Trade flows
- c. Price trends
- d. Internal sectoral linkages

List - II

- 1. Economic conditions
- 2. Economic policies
- 3. Global linkages
- 4. Structure and Nature of Economy

Codes:

- | | a | b | c | d |
|----|----------|----------|----------|----------|
| 1) | 3 | 1 | 2 | 4 |
| 2) | 2 | 3 | 1 | 4 |
| 3) | 1 | 2 | 3 | 4 |
| 4) | 1 | 2 | 4 | 3 |

47. Which one of the following is not a benefit of privatisation
- 1) Encourage entrepreneurship
 - 2) Concentration of economic power
 - 3) Better management of enterprise
 - 4) Freedom from bureaucracy
48. 'BOLT' systemic the Indian Securities market is related to
- 1) National Stock Exchange
 - 2) Bombay Stock exchange
 - 3) Over the Counter Exchange of India
 - 4) Multi Community Stock Exchange
49. Which one of the following is not a money market instrument?
- 1) Commercial paper
 - 2) Participatory certificates
 - 3) Warrants
 - 4) Treasury Bills
50. Which one is related with microfinancing?
- 1) SHG
 - 2) Anganwadi workers
 - 3) Women Entrepreneurs
 - 4) None of the above
51. Which one of the following is not an element of internal environment?
- 1) Mission/objectives
 - 2) Human Resources
 - 3) Customers
 - 4) Shareholders' values
52. The presence of fixed costs in the total cost structure of a firm result into
- 1) Financial leverage
 - 2) Operating leverage
 - 3) Super leverage
 - 4) None of the above
53. "The cost of capitals declines when the degree of financial leverage increases." Who advocated it?
- 1) Net operating income approach
 - 2) Net income approach
 - 3) Modigliani-Miller approach
 - 4) Traditional approach
54. A view that the dividend policy of a firm has a bearing on share valuation advocated by James E. Walter is based on which one of the following assumptions?
- 1) Retained earnings is only source of financing
 - 2) Cost of capital does not remain constant
 - 3) Return on investment fluctuates
 - 4) All the above

55. Match the following

List - I

- a. Matching approach
- b. Structural ratios Management
- c. Ordering quantity
- d. Bonus Shares

List - II

1. Dividend Policy
2. Inventory
3. Financing Working Capital
4. Capital Structure

Codes:

- | | a | b | c | d |
|----|----------|----------|----------|----------|
| 1) | 1 | 2 | 3 | 4 |
| 2) | 3 | 4 | 1 | 2 |
| 3) | 3 | 4 | 2 | 1 |
| 4) | 2 | 1 | 3 | 4 |

56. **Assertion (A) :** Operating style of the international business can be spread to the entire globe.

Reason (R) : The style is limited to the internal economy only.

Codes:

- 1) Both (A) and (R) are true
2) (A) is true, but (R) is false
3) (A) is false, but (R) is true
4) Both (A) and (R) are false

57. The Comparative Cost Advantage Theory was given by

- 1) David Ricardo
2) Adam Smith
3) Raymond Vernon
4) Michael E. Porter

58. The companies globalise their operations through different means:

- 1) Exporting directly
2) Licensing/Franchising
3) Joint ventures
4) All the above

59. The components of W.T.O. are

- 1) Ministerial Conference
2) Disputes Settlement Body
3) Director General
4) All the above

60. India is not associated with

- 1) SAARC
2) NAFTA
3) BRIC
4) None of the above

61. Which one of the following is true statement?

- 1) A balance of trade deals with export and import of invisible items only.
2) A balance of payment deals with both visible and invisible items.
3) The current account is not a component of balance of payment
4) All the above.

62. SDRs are popularly known as

- 1) Current Notes
2) Paper Gold
3) Silver Coin
4) Gold Coin

63. Which one is not international institution

- 1) IMF
2) IDA
3) IBRD
4) TRAI

64. **Assertion (A) :** Indent may be open or closed. Open indent does not specify the price and other details of the goods. The closed indent specifies the brand, price, number, packing, shipping mode, insurance, etc.

Reason (R) : This is required as a part of export procedures.

Codes:

- 1) Both (A) and (R) are correct.
2) Both (A) and (R) are not correct.
3) (A) is true, but (R) is false
4) (R) is true, but (A) is false.

65. Which one of the statements is not true?

- 1) Institutional infrastructure facilities market intelligence.
2) STC is the chief canalising agent for export and import of agricultural products.
3) IIPPO organises trade fairs and exhibitions.
4) Letter of credit does not indicate that the bank will pay the value of imports to the exporter.

66. Match the items of List - I with items of List - II.

List - I

- a. Selective credit control.
- b. Encourage credit for desirable use
- c. Quantitative credit control
- d. Bank Rate

List - II

- 1. Consumer Credit regulation
- 2. Cash Reserve Ratio
- 3. Variation in Margin
- 4. Re-discounting rate

Codes:

	a	b	c	d
1)	4	2	3	1
2)	3	1	2	4
3)	1	3	2	4
4)	2	1	3	4

67. **Assertion (A)** : Use of paper money is replaced by plastic money. The future will see the electronic money clearance through satellite networking.

Reason (R) : RBI is encouraging e-banking.

Codes:

- 1) (A) is false, but (R) is true.
- 2) (A) is true, but (R) is false.
- 3) Both (A) and (R) are false.
- 4) Both (A) and (R) are true.

68. Which one is not Finance Company?

- 1) Hire-Purchase finance Company
- 2) IRDA
- 3) Mutual Benefit Finance Companies
- 4) Loan Companies

69. The Securities and Exchange Board of India was not entrusted with the function of

- 1) Investor Protection
- 2) Ensuring Fair practices by companies
- 3) Promotion of efficient services by brokers.
- 4) Improving the earnings of equity holders.

70. Which one is not Non-Marketable securities?

- 1) Corporate Securities
- 2) Bank Deposits
- 3) Deposits with Companies
- 4) Post Office Certificates and Deposits.

71. Minimum Alternative Tax (MAT) under Sec. 115 JB of the Income Tax Act is applicable on

- 1) Partnership firm
- 2) Association of persons
- 3) Certain companies
- 4) All types of companies

72. For the Assessment Year 2011 – 12, deduction under Sec. 80G is available without any limit but at the rate of 50% on
- 1) Prime Minister's National Relief Fund
 - 2) National Foundation for Communal Harmony
 - 3) Jawaharlal Nehru Memorial Fund
 - 4) Chief Minister Relief Fund.
73. Interest on capital paid by a firm to its partners, under the Income Tax Act, 1961 is allowed
- 1) 6%
 - 2) 12%
 - 3) 15%
 - 4) 18%
74. Under Capital gains head of the Income Tax Act, the income from sale of Household Furniture is
- 1) Taxable income
 - 2) Capital Gain
 - 3) Revenue Gain
 - 4) Exempted Income
75. Under Section 80E of the Income Tax Act, 1961 deduction in respect of payment of interest on loan taken for higher education shall be allowed upto
- 1) Rs.10,000
 - 2) Rs.15,000
 - 3) Rs.20,000
 - 4) Without any limit

ANSWERS

1-3; 2-2; 3-4; 4-3; 5-2; 6-2; 7-4; 8-2; 9-3; 10-4; 11-3; 12-2; 13-2; 14-4; 15-3; 16-4; 17-1; 18-1; 19-2; 20-2; 21-4; 22-3; 23-2; 24-2; 25-4; 26-4; 27-3; 28-2; 29-4; 30-1; 31-3; 32-3; 33-4; 34-3; 35-3; 36-4; 37-1; 38-2; 39-1; 40-3; 41-2; 42-3; 43-3; 44-2; 45-4; 46-2; 47-2; 48-2; 49-3; 50-1; 51-3; 52-2; 53-2; 54-1; 55-3; 56-2; 57-1; 58-4; 59-4; 60-2; 61-2; 62-2; 63-4; 64-3; 65-4; 66-2; 67-4; 68-2; 69-4; 70-1; 71-3; 72-3; 73-2; 74-4; 75-4.