

Signature and Name of Invigilator

1. (Signature) _____
(Name) _____
2. (Signature) _____
(Name) _____

OMR Sheet No. :
(To be filled by the Candidate)

Roll No.

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(In figures as per admission card)

Roll No. _____
(In words)

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PAPER - II
COMMERCE

Time : 2 hours]

[Maximum Marks : 200

Number of Pages in this Booklet : 56

Number of Questions in this Booklet : 100

Instructions for the Candidates

- Write your roll number in the space provided on the top of this page.
- This paper consists of hundred multiple-choice type of questions.
- At the commencement of examination, the question booklet will be given to you. In the first 5 minutes, you are requested to open the booklet and compulsorily examine it as below :
 - To have access to the Question Booklet, tear off the paper seal on the edge of this cover page. Do not accept a booklet without sticker-seal and do not accept an open booklet.
 - Tally the number of pages and number of questions in the booklet with the information printed on the cover page. Faulty booklets due to pages/questions missing or duplicate or not in serial order or any other discrepancy should be got replaced immediately by a correct booklet from the invigilator within the period of 5 minutes. Afterwards, neither the Question Booklet will be replaced nor any extra time will be given.
 - After this verification is over, the Test Booklet Number should be entered on the OMR Sheet and the OMR Sheet Number should be entered on this Test Booklet.
- Each item has four alternative responses marked (1), (2), (3) and (4). You have to darken the circle as indicated below on the correct response against each item.
Example : ① ② ● ④ where (3) is the correct response.
- Your responses to the items are to be indicated in the **OMR Sheet given inside the Booklet only**. If you mark your response at any place other than in the circle in the OMR Sheet, it will not be evaluated.
- Read instructions given inside carefully.
- Rough Work is to be done in the end of this booklet.
- If you write your Name, Roll Number, Phone Number or put any mark on any part of the OMR Sheet, except for the space allotted for the relevant entries, which may disclose your identity, or use abusive language or employ any other unfair means, such as change of response by scratching or using white fluid, you will render yourself liable to disqualification.
- You have to return the original OMR Sheet to the invigilators at the end of the examination compulsorily and must not carry it with you outside the Examination Hall. You are however, allowed to carry original question booklet on conclusion of examination.
- Use only Blue/Black Ball point pen.
- Use of any calculator or log table etc., is prohibited.
- There are no negative marks for incorrect answers.
- In case of any discrepancy in the English and Hindi versions, English version will be taken as final.

परीक्षार्थियों के लिए निर्देश

- इस पृष्ठ के ऊपर नियत स्थान पर अपना रोल नम्बर लिखिए।
- इस प्रश्न-पत्र में सौ बहुविकल्पीय प्रश्न हैं।
- परीक्षा प्रारम्भ होने पर, प्रश्न-पुस्तिका आपको दे दी जायेगी। पहले पाँच मिनट आपको प्रश्न-पुस्तिका खोलने तथा उसकी निम्नलिखित जाँच के लिए दिये जायेंगे, जिसकी जाँच आपको अवश्य करनी है :
 - प्रश्न-पुस्तिका खोलने के लिए पुस्तिका पर लगी कागज की सील को फाड़ लें। खुली हुई या बिना स्टीकर-सील की पुस्तिका स्वीकार न करें।
 - कवर पृष्ठ पर छपे निर्देशानुसार प्रश्न-पुस्तिका के पृष्ठ तथा प्रश्नों की संख्या को अच्छी तरह चैक कर लें कि ये पूरे हैं। दोषपूर्ण पुस्तिका जिनमें पृष्ठ/प्रश्न कम हों या दुबारा आ गये हों या सीरियल में न हों अर्थात् किसी भी प्रकार की त्रुटिपूर्ण पुस्तिका स्वीकार न करें तथा उसी समय उसे लौटाकर उसके स्थान पर दूसरी सही प्रश्न-पुस्तिका ले लें। इसके लिए आपको पाँच मिनट दिये जायेंगे। उसके बाद न तो आपकी प्रश्न-पुस्तिका वापस ली जायेगी और न ही आपको अतिरिक्त समय दिया जायेगा।
 - इस जाँच के बाद प्रश्न-पुस्तिका का नंबर OMR पत्रक पर अंकित करें और OMR पत्रक का नंबर इस प्रश्न-पुस्तिका पर अंकित कर दें।
- प्रत्येक प्रश्न के लिए चार उत्तर विकल्प (1), (2), (3) तथा (4) दिये गये हैं। आपको सही उत्तर के वृत्त को पेन से भरकर काला करना है जैसा कि नीचे दिखाया गया है।
उदाहरण : ① ② ● ④ जबकि (3) सही उत्तर है।
- प्रश्नों के उत्तर केवल प्रश्न पुस्तिका के अन्दर दिये गये OMR पत्रक पर ही अंकित करने हैं। यदि आप OMR पत्रक पर दिये गये वृत्त के अलावा किसी अन्य स्थान पर उत्तर चिह्नित करते हैं, तो उसका मूल्यांकन नहीं होगा।
- अन्दर दिये गये निर्देशों को ध्यानपूर्वक पढ़ें।
- कच्चा काम (Rough Work) इस पुस्तिका के अन्तिम पृष्ठ पर करें।
- यदि आप OMR पत्रक पर नियत स्थान के अलावा अपना नाम, रोल नम्बर, फोन नम्बर या कोई भी ऐसा चिह्न जिससे आपकी पहचान हो सके, अंकित करते हैं अथवा अभद्र भाषा का प्रयोग करते हैं, या कोई अन्य अनुचित साधन का प्रयोग करते हैं, जैसे कि अंकित किये गये उत्तर को मिटाना या सफेद स्याही से बदलना तो परीक्षा के लिये अयोग्य घोषित किये जा सकते हैं।
- आपको परीक्षा समाप्त होने पर मूल OMR पत्रक निरीक्षक महोदय को लौटाना आवश्यक है और परीक्षा समाप्ति के बाद उसे अपने साथ परीक्षा भवन से बाहर न लेकर जायें। हालांकि आप परीक्षा समाप्ति पर मूल प्रश्न-पुस्तिका अपने साथ ले जा सकते हैं।
- केवल नीले/काले बाल प्वाइंट पेन का ही प्रयोग करें।
- किसी भी प्रकार का संगणक (कैलकुलेटर) या लाग टेबल आदि का प्रयोग वर्जित है।
- गलत उत्तरों के लिए कोई नकारात्मक अंक नहीं हैं।
- यदि अंग्रेजी या हिंदी विवरण में कोई विसंगति हो, तो अंग्रेजी विवरण अंतिम माना जाएगा।

J-00818



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P.T.O.

COMMERCE

PAPER - II

Note : This paper contains **hundred (100)** objective type questions of **two (2)** marks each. **All** questions are **compulsory**.

1. The central bank can significantly influence the savings, investments and consumer spending in the economy through which of the following policy ?
 - (1) Fiscal Policy
 - (2) Monetary Policy
 - (3) Industrial Policy
 - (4) Foreign Exchange Policy

2. Which one of the following is **not** the characteristic of capitalism ?
 - (1) Individuals and associations behave with economic motive of maximising their profit with least sacrifice or cost.
 - (2) The country's major means of production are either owned by the Government or their use is controlled by the Government.
 - (3) Producers, consumers and employees compete among themselves, as the resources and opportunities are limited.
 - (4) Price, the invisible hand, plays a predominant role in the flow of the factors of production and consumption.

3. Which of the following is **not** the salient feature of the industrial policy developments since 1991 ?
 - (1) The scope of the private sector has been enormously expanded.
 - (2) Public sector has been withdrawing partially or fully from several of the enterprises by divestment.
 - (3) The Indian industry is increasingly exposed to foreign competition.
 - (4) Monopoly or dominant position for the public sector in most of the industries and control of the commanding heights of the economy by the public sector.

4. Which of the following does **not** form the part of the important information to be incorporated in the Memorandum of Association as specified in the Companies Act, 2013 ?
 - (1) The name of the company and the state in which it is situated.
 - (2) The objects for which the company is proposed to be incorporated.
 - (3) The rules, regulations and bye-laws for the internal management of the company.
 - (4) The liability of the members of the company, whether limited or unlimited.



5. **Assertion (A) :** The volume of imports tends to be very high when there is a conjuncture of high rate of economic growth and a sharp fall in the relative price of imports and vice versa.
- Reason (R) :** High rate of growth, ceteris paribus, is associated with rise in imports and increase in the imports, ceteris paribus, is associated with a fall in the relative price of imports.
- Code :**
- (1) Both (A) and (R) are correct and (R) is the right explanation of (A).
 - (2) Both (A) and (R) are correct but (R) is not the right explanation of (A).
 - (3) (A) is correct but (R) is not correct.
 - (4) (R) is correct but (A) is not correct.
6. Which of the following statements is **not** correct relating to consumerism ?
- (1) Consumerism is a manifestation of the failure of the business to guarantee and ensure consumer legitimate rights.
 - (2) The government does not have any role in consumer protection as it is the part of business organisations alone.
 - (3) The consumers should accept consumerism as a means of asserting and enjoying their rights.
 - (4) Consumerism evolution is not a set-back for marketing but rather points to the next stage in the evolution of enlightened marketing.
7. Which one of the following is **not** covered in the approach adopted by "Niti Aayog" ?
- (1) Five year planning approach
 - (2) Three year action agenda
 - (3) Seven year strategy
 - (4) Fifteen year vision
8. **Assertion (A) :** Personal transactions of the owners of the business are not recorded in the books.
- Reasoning (R) :** According to the business entity concept, each business enterprise is considered as an accounting unit separate from owners.
- Code :**
- (1) Both (A) and (R) are correct and (R) is the correct explanation of (A).
 - (2) Both (A) and (R) are correct but (R) is not the correct explanation of (A).
 - (3) (A) is correct but (R) is not correct.
 - (4) (A) is wrong but (R) is correct.
9. Which one of the following is **not** an example of 'financing activities' with reference to cash flow statement ?
- (1) Repayment of bank loan
 - (2) Interest on debentures/Dividend paid
 - (3) Cash proceeds from public deposits
 - (4) Sale of fixed assets



10. Which one of the following statements is **true** about estimated costs and standard costs ?
- (1) Standard costs are based on scientific analysis and engineering studies while estimated costs are based on historical basis.
 - (2) Standard cost emphasis is on "what cost will be" while estimated cost emphasis is on "what cost should be".
 - (3) Standard costs are more frequently revised compared to estimated cost.
 - (4) Estimated costs are more stable than standard costs.
11. Which one of the following statements is **not** true ?
- (1) An expenditure intended to benefit current year is revenue expenditure.
 - (2) Amount paid for acquiring goodwill is capital expenditure.
 - (3) Wages paid for installation of a new machine is usually debited to wages account.
 - (4) Revenue expenditure is not intended to benefit future period.
12. X Ltd. forfeited 20 shares of ₹ 10 each, ₹ 8 called up, on which John had paid application and allotment money of ₹ 5 per share, of these, 15 shares were reissued to Parker as fully paid up for ₹ 6 per share. What is the balance in the share Forfeiture Account after the relevant amount has been transferred to Capital Reserve Account ?
- (1) NIL
 - (2) ₹ 5
 - (3) ₹ 25
 - (4) ₹ 100
13. X and Y sharing profits in the ratio of 7 : 3, admit Z for $\frac{3}{7}$ share in the new firm in which he takes $\frac{2}{7}$ from X and $\frac{1}{7}$ from Y. The new ratio of X, Y and Z will be :
- (1) 7 : 3 : 3
 - (2) 4 : 2 : 3
 - (3) 14 : 6 : 15
 - (4) 29 : 11 : 30
14. **Assertion (A)** : A high operating ratio indicates a favourable position.
Reasoning (R) : A high operating ratio leaves a high margin to meet non operating expenses.
Code :
- (1) **(A)** and **(R)** both are correct and **(R)** correctly explains **(A)**.
 - (2) Both **(A)** and **(R)** are correct but **(R)** does not explain **(A)**.
 - (3) Both **(A)** and **(R)** are incorrect.
 - (4) **(A)** is correct but **(R)** is incorrect.



15. The following are the two statements regarding concept of profit. Indicate the **correct** code of the statements being **correct** or **incorrect**.

Statement (I) : Accounting profit is a surplus of total revenue over and above all paid-out costs, including both manufacturing and overhead expenses.

Statement (II) : Economic or pure profit is a residual left after all contractual costs have been met, including the transfer costs of management, insurable risks, depreciation and payments to shareholders sufficient to maintain investment at its current level.

Code :

- (1) Both the statements are correct.
 - (2) Both the statements are incorrect.
 - (3) **Statement (I)** is correct while **Statement (II)** is incorrect.
 - (4) **Statement (I)** is incorrect while **Statement (II)** is correct.
16. Which one of the following sets is **incorrect** to show the inter-relationships among price elasticity coefficient, change in price and change in total revenue ?

	Price elasticity coefficient	Change in price	Change in Total Revenue
(1)	Zero	Increase	Increase
		Decrease	Decrease
(2)	Less than 1	Increase	Decrease
		Decrease	Increase
(3)	Equal to 1	Increase	No change
		Decrease	No change
(4)	More than 1	Increase	Decrease
		Decrease	Increase

17. Which one of the following is **not** the basic property of indifference curves ?

- (1) Indifference curves have a negative slope.
- (2) Indifference curves of imperfect substitutes are concave to the origin.
- (3) Indifference curves do not intersect nor are they tangent to one another.
- (4) Upper indifference curves indicate higher level of satisfaction.



18. When labour is plotted on X-axis and capital is plotted on Y-axis and an iso-quant is prepared, then which of the following statements is/are **false** ?
- (a) Marginal rate of technical substitution of labour for capital is equal to the slope of the iso-quant.
 - (b) Marginal rate of technical substitution of labour for capital is equal to change in the units of capital divided by the change in the units of labour.
 - (c) Marginal rate of technical substitution of labour for capital is the ratio of marginal productivity of capital to marginal productivity of labour.

Code :

- (1) (a) and (b) statements
- (2) Only (c) statement
- (3) Only (a) statement
- (4) Only (b) statement

19. Match the items of **List - II** with the items of **List - I** and indicate the code of **correct** matching. The items relate to economies of scale/scope.

List - I

List - II

- | | |
|------------------------|---|
| (a) Economies of scale | (i) arise with lower average costs of manufacturing a product when two complementary products are produced by a single firm |
| (b) Internal economies | (ii) Mean lowering of costs of production by producing in bulk |
| (c) External economies | (iii) Arise when cost per unit depends on size of the firm |
| (d) Economies of scope | (iv) Arise when cost per unit depends on the size of the industry, not the firm |

Code :

- | | | | | |
|-----|------|-------|-------|-------|
| | (a) | (b) | (c) | (d) |
| (1) | (ii) | (iv) | (i) | (iii) |
| (2) | (i) | (ii) | (iii) | (iv) |
| (3) | (ii) | (iii) | (iv) | (i) |
| (4) | (iv) | (iii) | (ii) | (i) |

20. A firm that produces highly substitute goods can adopt which one of the following pricing strategies ?

- (1) Transfer pricing
- (2) Going Rate pricing
- (3) Product bundling
- (4) Full cost pricing

21. In a perfectly competitive market, a firm in the long run operates at the level of output where :

- (1) $AC = MC$ when MC is lowest
- (2) $MC = AR = MR$ when MC is lowest
- (3) $MR = MC$
- (4) $AR = MR = AC = MC$



22. Assignment of numerals to the objects to represent their attributes is known as :
- (1) Nominal data (2) Ordinal data (3) Interval data (4) Ratio data
23. A graph of a cumulative frequency distribution is called :
- (1) Frequency polygon (2) Frequency curve
(3) Ogive (4) Pie diagram
24. In the case of classification of data, the class having its upper limit is treated as the lower limit of its next class is called :
- (1) Open ended class (2) Close ended class
(3) Exclusive class (4) Inclusive class
25. For a standard normal probability distribution, the mean (μ) and the standard deviation (σ) are :
- (1) $\mu = 0, \sigma = 1$ (2) $\mu = 16, \sigma = 4$
(3) $\mu = 25, \sigma = 5$ (4) $\mu = 100, \sigma = 10$
26. Match the items of **List - II** with the items of **List - I** and select the code of **correct** matching.
- | List - I | List - II |
|--|--|
| (a) Standard error of mean | (i) $H_a : \mu_1 \neq \mu_2$ |
| (b) Base of point estimate of the mean of the population | (ii) Values based on all the observations of the population |
| (c) Non-specific hypothesis | (iii) Mean of the sampling distribution of mean |
| (d) Parameter value of descriptive statistics | (iv) Standard deviation of the sampling distribution of mean |
- Code :**
- | | (a) | (b) | (c) | (d) |
|-----|-------|-------|-------|------|
| (1) | (iv) | (iii) | (i) | (ii) |
| (2) | (i) | (ii) | (iii) | (iv) |
| (3) | (iv) | (iii) | (ii) | (i) |
| (4) | (iii) | (iv) | (i) | (ii) |
27. There is a very high inverse relationship between measures of 'Overweight' and 'life expectancy'. Which one of the following value of the coefficient of correlation is consistent with the statement ?
- (1) 0.80 (2) 0.20 (3) - 0.20 (4) - 0.80



28. Match the items of **List - II** with the items of **List - I** and select the code of **correct** matching.

List - I	List - II
(a) Chi-square Test	(i) Testing the significance of the differences of the mean values among more than two sample groups.
(b) ANOVA (F-test)	(ii) Testing the goodness of fit of a distribution
(c) Z - test	(iii) Testing the significance of the difference of the mean values between two large sized samples
(d) t - test	(iv) Testing the significance of the difference of the mean values between two small sized samples when population standard deviation is not available

Code :

	(a)	(b)	(c)	(d)
(1)	(i)	(ii)	(iii)	(iv)
(2)	(iv)	(iii)	(ii)	(i)
(3)	(i)	(ii)	(iv)	(iii)
(4)	(ii)	(i)	(iii)	(iv)

29. Match the items of **List - II** with **List - I** and choose the **correct** code :

List - I	List - II
(a) Sales Executive	(i) Top- middle Management
(b) Branch Manager	(ii) Middle Management
(c) Foreman	(iii) Lower Management
(d) Production Manager	(iv) Operating Force

Code :

	(a)	(b)	(c)	(d)
(1)	(iv)	(ii)	(iii)	(i)
(2)	(ii)	(iii)	(iv)	(i)
(3)	(iii)	(iv)	(ii)	(i)
(4)	(i)	(ii)	(iii)	(iv)

30. Select the **correct** code of the statements being **correct** or **incorrect**.

Statement (I) : It is a significant feature of human that he plans.

Statement (II) : A plan is a trap to capture the future.

Code :

- (1) Statement **(I)** is correct but **(II)** is incorrect.
- (2) Statement **(II)** is correct but **(I)** is incorrect.
- (3) Both the statements **(I)** and **(II)** are correct.
- (4) Both the statements **(I)** and **(II)** are incorrect.



31. **Assertion (A)** : Management is a set of principles relating to its functions.
Reasoning (R) : Management is essential to run all types of organizations.

Code :

- (1) (A) and (R) both are correct ; and (R) is the right explanation of (A).
- (2) (A) and (R) both are correct ; but (R) is not the right explanation (A).
- (3) Both (A) and (R) are incorrect.
- (4) (A) is correct ; but (R) is incorrect.

32. Match the items of **List - II** with **List - I** ; and choose the **correct** code :

List - I	List - II
(Critical Control Standards)	(Critical Points)
(a) Physical standards	(i) Material cost per unit
(b) Cost standards	(ii) Labour hours per unit of output
(c) Revenue standards	(iii) Timing of production
(d) Program standards	(iv) Average sales per customer

Code :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (1) | (ii) | (i) | (iv) | (iii) |
| (2) | (ii) | (i) | (iii) | (iv) |
| (3) | (i) | (ii) | (iv) | (iii) |
| (4) | (iv) | (i) | (iii) | (ii) |

33. Which among the following is **not** a correct statement with regard to Corporate Governance in India ?

- (1) Every company must appoint an individual or firm as auditor.
- (2) The independent directors must attend at least three meetings a year.
- (3) One or more women directors are recommended for certain classes of companies.
- (4) The maximum number of permissible directors cannot exceed 15 in a public limited company.

34. The popular statement, - "if all you have is a hammer, everything looks like a nail", is given by :

- (1) A.H. Maslow (Hierarchy of Needs)
- (2) Henry Fayol (Industrial and General Administration)
- (3) F.W. Taylor (Scientific Management)
- (4) Fredrick Herzberg (Hygiene Theory)

35. Functional Leadership Theory is associated with :

- (1) Hackman and Walton and McGrath
- (2) Bernard and Ordway Tead
- (3) Koontz and O'Donnell
- (4) Alford and Beatty



36. When two separate companies or two divisions within the same company agree to place both of their respective brands on a particular product or enterprise, this arrangement is termed as :
- (1) Differential Branding (2) Cobranding
(3) Dual Branding (4) Both Cobranding and Dual Branding
37. The tangible goods for which a consumer wants to compare quality, price and perhaps style in several stores before making a purchase are called :
- (1) Convenience Goods (2) Shopping Goods
(3) Speciality Goods (4) Unsought Goods
38. When a company treats each single customer as a separate segment, this is called :
- (1) Niche Marketing (2) Nano Marketing
(3) Single Marketing (4) Micro Marketing
39. Under which of the following conditions, the level of consumer's involvement will **not** be high ?
- (1) The consumer considers the amount of money involved to be large.
(2) The product is seen as having low potential for providing significant benefits.
(3) The consumer lacks information about alternatives for satisfying the need.
(4) The product has considerable social importance.
40. **Statement (I) :** The mindset which is commonly associated with a long - ago era when the demand for goods generally exceeded the supply, and the primary focus in business was to effectively produce medium quantities of products ; finding the customers was viewed as a relatively major function.
- Statement (II) :** The firms with product orientation typically focus on the quality and quantity of offerings while assuming that customers will seek out and buy reasonably priced, well made products.
- From the above statements indicate the **correct** code of being statements **correct** or **incorrect**
The statements relate to concepts of marketing.
- (1) Both the statements **(I)** and **(II)** are not correct.
(2) Both the statements **(I)** and **(II)** are correct.
(3) Statement **(I)** is correct but statement **(II)** is not correct.
(4) Statement **(I)** is not correct but statement **(II)** is correct.



41. Match the items of **List - II** with **List - I** to identify the **correct** code which are related to legal forces affecting international marketers.

List - I		List - II	
(a) Tariff	(i)	A regulation specifying the proportion of a finished product's components and labour that must be provided by importing country.	
(b) Import Quota	(ii)	Tax imposed on product entering a country and used to protect domestic producers and/or raise revenue.	
(c) Local-content Law	(iii)	A requirement that a product contain or exclude certain ingredients or that it be tested and certified as meeting certain restrictive standards.	
(d) Local-operating Law	(iv)	Limiting amount of a particular product that can be brought into a country, to protect domestic industry or broadening access to its markets.	
(e) Standards and Certification	(v)	A refusal to buy products from a particular company or country.	
(f) Boycott	(vi)	A constraint on how, when or where retailing can be conducted.	

Code :

	(a)	(b)	(c)	(d)	(e)	(f)
(1)	(iii)	(iv)	(ii)	(i)	(vi)	(v)
(2)	(vi)	(ii)	(i)	(iv)	(iii)	(v)
(3)	(ii)	(iv)	(i)	(vi)	(iii)	(v)
(4)	(iv)	(vi)	(i)	(ii)	(iii)	(v)

42. Match the items of **List - II** with **List - I** which are related to personal selling process and identify the **correct** code :

List - I		List - II	
(a) Prospecting	(i)	Attention, Interest, Desire, Action	
(b) Preapproach	(ii)	Identifying Profiles, leads, Records and Qualifying capability and willingness	
(c) Presentation	(iii)	Reduce Dissonance, Build goodwill	
(d) Post sales services	(iv)	Information, habits, preferences	

Code :

	(a)	(b)	(c)	(d)
(1)	(i)	(iii)	(iv)	(ii)
(2)	(iii)	(iv)	(ii)	(i)
(3)	(ii)	(iv)	(i)	(iii)
(4)	(iv)	(iii)	(ii)	(i)



43. Which of the following is **not** an approach to the Capital Structure ?
- (1) Gross Profit Approach (2) Net Operating Income Approach
(3) Net Income Approach (4) Modigliani and Miller Approach
44. Which one of the following methods of Capital Budgeting assumes that cash-inflows are reinvested at the project's rate of return ?
- (1) Net Present Value (2) Accounting Rate of Return
(3) Internal Rate of Return (4) Discounted Pay Back Period
45. Cost of Equity Share Capital is more than cost of Debt because :
- (1) Equity shares are not easily saleable.
(2) Equity shares do not provide the fixed dividend rate.
(3) Generally the face value of equity shares is less than the face value of debentures.
(4) Equity shares have high risk than debts.
46. Negative Net Working Capital implies that :
- (1) Long-term funds have been used for fixed assets.
(2) Short-term funds have been used for fixed assets.
(3) Long-term funds have been used for current assets.
(4) Short-term funds have been used for current assets.
47. Which of the following is an implicit cost of increasing proportion of debt of a company ?
- (1) P.E. Ratio of the company would increase.
(2) Rate of return of the company would decrease.
(3) Tax-shield would not be available on new debts.
(4) Equity shareholders would demand higher return.
48. Profitability Index of a Project is the ratio of present value of cash inflows to :
- (1) Total cash inflows (2) Total cash outflows
(3) Present value of cash outflows (4) Initial cost minus Depreciation
49. Which one of the following statements is **false** ?
- (1) Effective dividend policy is an important tool to achieve the goal of wealth maximisation.
(2) According to Walter, the optimal payout ratio for a growth firm is 100%.
(3) MM model asserts that the value of the firm is not affected whether the firm pays dividend or not.
(4) 'Bird-in-the-hand theory' in reference to dividend decision has been developed by Myron Gordon.



50. Which one of the following statements defines the **correct** meaning of the term “boundary spanning” ?
- (1) It refers to an obligation of an individual, firm or institution to account for its activities and accept responsibility for them.
 - (2) It refers to the process that helps the organization and its employees to link with their external environment through specific activities/functions.
 - (3) It refers to the science of morals, principles and rules of conduct.
 - (4) It refers to multiculturalism management.
51. The VRIO framework, used in HR function in today’s era, refers to four criteria. Identify the correct code which stands as **correct** explanation to VRIO as proposed by Barney.
- (1) Valence - Recruiting - Industrial relations - Opportunities
 - (2) Vision - Rewards - Improvements - Options
 - (3) Value - Rarity - Imitability - Organization
 - (4) Versatile - Resource - Information - Outsourcing
52. **Assertion (A)** : Induction is an informal information sharing session on miscellaneous issues in an organization.

Reasoning (R) : The rationale of induction is to ensure effective integration of staff into or across the organization for their mutual benefit.

Code :

- (1) Assertion **(A)** and Reasoning **(R)** both are correct and **(R)** is correct explanation of **(A)**.
- (2) Assertion **(A)** and Reasoning **(R)** both are correct but **(R)** is not the correct explanation of **(A)**.
- (3) Assertion **(A)** is correct statement but Reasoning **(R)** is an incorrect statement.
- (4) Assertion **(A)** is an incorrect statement but Reasoning **(R)** is a correct statement.



53. Match the items of **List - II** with the items of **List - I** pertaining to the ranking methods used in performance management systems ; and select the code of correct matching.

List - I (Ranking methods)	List - II (Methodology)
(a) Simple ranking	(i) Based on overall performance.
(b) Alternation ranking	(ii) Ends up with predetermined number of people in each group.
(c) Paired comparison	(iii) Based on particular trait only for quantity/quality of work.
(d) Forced distribution	(iv) Based on a trait or a set of trait and avoids central tendency.

Code :

	(a)	(b)	(c)	(d)
(1)	(ii)	(iii)	(iv)	(i)
(2)	(i)	(iv)	(iii)	(ii)
(3)	(iv)	(ii)	(i)	(iii)
(4)	(iii)	(i)	(ii)	(iv)

54. **Assertion (A) :** Compensation has two vital domains economic concept and psychological concept.

Reasoning (R) : Compensation basically represents an employment contract.

Code :

- (1) **(A)** is correct and **(R)** is right explanation of **(A)**.
- (2) **(A)** is correct but **(R)** is not the right explanation of **(A)**.
- (3) **(A)** is correct but **(R)** is incorrect.
- (4) **(A)** is incorrect but **(R)** is correct.

55. Which of the following is **not** the primary objective of industrial relations and labour laws ?

- | | |
|-------------------------------|---|
| (1) Maintaining social equity | (2) Providing credit facilities to industries |
| (3) International uniformity | (4) Promoting economic growth |

56. **Assertion (A) :** In real terms, workers' participation in management has failed in India.

Reasoning (R) : There is lack of attitudinal change, multiplicity of unions and absence of a procedure to determine a sole bargaining agent in an organization.

Code :

- (1) **(A)** is correct and **(R)** is correct explanation of **(A)**.
- (2) **(A)** is correct but **(R)** is not the correct explanation of **(A)**.
- (3) **(A)** is correct but **(R)** is incorrect.
- (4) **(A)** is incorrect but **(R)** is correct.



57. Which one of the following is **not** the function of NABARD ?
- (1) To provide refinance assistance by way of short term credit to state cooperative banks and sectoral rural banks, etc., approved by the RBI for some specific purposes.
 - (2) To undertake inspection of cooperative societies other than primary cooperative societies and RRBs.
 - (3) To promote research in various aspects of the problems of urban development.
 - (4) To subscribe to share capital or invest in securities of any institution concerned with agricultural and rural development.
58. Which one of the following financial institutions co-ordinates the functions and operations of all the financial institutions into a single integrated financial structure so that each may contribute to the growth of the economy ?
- (1) IFCI
 - (2) UTI
 - (3) IDBI
 - (4) SIDBI
59. **Assertion (A) :** The Reserve Bank of India is entrusted with the management of the public debt and issue of new loans and treasury bills on behalf of the central and state Governments.
- Reasoning (R) :** The Governor and the Deputy Governors of Reserve Bank of India are appointed by the Central Government.
- Code :**
- (1) (A) is correct but (R) is not correct.
 - (2) (A) and (R) both are correct but (R) is not the right explanation of (A).
 - (3) (A) and (R) both are correct and (R) is the right explanation of (A).
 - (4) (A) and (R) both are not correct.
60. _____ refers to the process of removing or stripping the legal status of a currency.
- (1) Digitisation
 - (2) Financial Inclusion
 - (3) Demonetisation
 - (4) Micro finance
61. Which one of the following is **not** the objective of UTI ?
- (1) To mobilise savings of the community by offering savers the triple benefits of safety, liquidity and profitability of Investments.
 - (2) To channelise the pooled savings into productive outlets.
 - (3) To provide finance under hire purchase finance and housing finance to its members.
 - (4) To give every one a chance to indirectly own shares and securities in a large number of select companies.



62. Which one of the following is the main objective of IFCI ?

- (1) To offer both small and large investors the means of acquiring shares in the widening prosperity resulting from the steady industrial growth of the country.
- (2) To upgrade technology, modernization and to promote marketing of products of small scale sector.
- (3) To serve as the apex institution for term finance for industry with coordination, regulation and supervision of the working of other financial institution.
- (4) To provide medium and long term financial assistance to industrial undertakings, particularly in those circumstances in which banking accommodation is in appropriate or resource to capital market is impracticable.

63. Match the items of **List - II** with the items of **List - I** and indicate the **correct** code :

List - I	List - II
(a) Term finance	(i) Providing finance to new or existing industrial units for encouraging commercial application of technology/ expansion.
(b) Refinance	(ii) Delivering of banking services at affordable cost to the vast sections of disadvantaged and low income groups.
(c) Financial inclusion	(iii) Providing replenishment finance to eligible institutions for their loans to industrial concerns.
(d) Venture capital	(iv) Providing finance to the borrowers for expansion and modernization of plant and equipment.

Code :

	(a)	(b)	(c)	(d)
(1)	(i)	(ii)	(iii)	(iv)
(2)	(i)	(ii)	(iv)	(iii)
(3)	(iv)	(iii)	(ii)	(i)
(4)	(iv)	(iii)	(i)	(ii)



64. **Assertion (A) :** An export processing zone is different from free trade zone as it promotes units primarily devoted to exports.

Reasoning (R) : Goods imported to a free trade zone may be re-exported without any processing, in the same form. But, goods exported by units in an EPZ are expected to have undergone some value addition by manufacturing/processing.

Code :

- (1) (A) is correct and (R) is correct explanation of (A).
- (2) (A) is correct but (R) is not the correct explanation of (A).
- (3) (A) is correct but (R) is incorrect.
- (4) (A) is incorrect but (R) is correct.

65. Match the items of **List - II** with the items of **List - I** relating to liberalisation of agricultural trade.

List - I	List - II
(a) Tariffication	(i) They have demonstrably adverse effects on other member countries.
(b) Prohibited subsidies	(ii) They act on goods which are contingent upon export performance.
(c) Actionable subsidies	(iii) Replacement of existing non-tariff restrictions.
(d) Non-actionable subsidies	(iv) For industrial research in disadvantaged regions.

Code :

- | | (a) | (b) | (c) | (d) |
|-----|------------|------------|------------|------------|
| (1) | (ii) | (iii) | (i) | (iv) |
| (2) | (iv) | (i) | (ii) | (iii) |
| (3) | (iii) | (ii) | (i) | (iv) |
| (4) | (ii) | (iv) | (iii) | (i) |



66. Match the items of **List - II** and with the items of **List - I** relating to WTO impact :

List - I

List - II

- | | |
|-----------|--|
| (a) NAMA | (i) Liberalisation of international investments. |
| (b) GATTs | (ii) Includes industrial goods, textile, jewellery, fish and fisheries product manufacturing industries. |
| (c) TRIMs | (iii) Liberalisation of trade in goods and services. |
| (d) TRIPs | (iv) Provides monopoly power to owners of intellectual property. |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (ii) | (i) | (iv) | (iii) |
| (2) | (iv) | (ii) | (iii) | (i) |
| (3) | (ii) | (iii) | (i) | (iv) |
| (4) | (iii) | (ii) | (iv) | (i) |

67. Indicate the **correct** code of the following statements being correct or incorrect. The statements relate to the type of transactions recorded in the current/capital accounts of the Balance of Payments.

Statement (I) : The capital account consists of long-term capital transactions only.

Statement (II) : The current account includes all transactions which give rise to or use up national income.

Code :

- (1) Both the statements are correct.
- (2) Both the statements are incorrect.
- (3) Statement **(I)** is correct while Statement **(II)** is incorrect.
- (4) Statement **(I)** is incorrect while Statement **(II)** is correct.



68. Select the **correct** code of the following statements being correct or incorrect.

Statement (I) : International liquidity encompasses the international reserves only.

Statement (II) : International liquidity covers only official holdings of gold, foreign exchange, SDRs and reserve position in the IMF available for the settlement of the international transactions.

Code :

- (1) Both the statements are correct.
- (2) Both the statements are incorrect.
- (3) Statement **(I)** is correct while Statement **(II)** is incorrect.
- (4) Statement **(I)** is incorrect while Statement **(II)** is correct.

69. Match the items of **List - II** with the items of **List - I** and select the code of correct matching. The items relate to International Trade Theories.

List - I

List - II

- | | |
|-----------------------------|-------------------------------------|
| (a) Comparative Cost Theory | (i) Adam Smith |
| (b) Opportunity Cost Theory | (ii) Gottfried Haberler |
| (c) Factor Endowment Theory | (iii) David Ricardo |
| (d) Absolute Cost Theory | (iv) Eli Heckscher and Bertil Ohlin |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (i) | (ii) | (iii) | (iv) |
| (2) | (iii) | (ii) | (iv) | (i) |
| (3) | (iv) | (iii) | (ii) | (i) |
| (4) | (i) | (iv) | (iii) | (ii) |



70. Which one of the following is **not** the guiding principle of the World Bank regarding its lending operations ?

- (1) Proper assessment of the repayment prospects of loans.
- (2) Lending should be only for specific projects which are economically and technically sound and of a high priority nature.
- (3) The lending should be to enable a country to meet foreign exchange content of the project cost.
- (4) The bank does expect the borrowing country to spend the loan in a particular country.

71. Total return on a security is equal to the following :

(1)
$$\frac{\text{Periodic cash receipts} + \text{Capital gains}}{\text{Purchase Price of the security}}$$

(2)
$$\frac{\text{Periodic cash receipts} + \text{Capital gains}}{\text{Current Market Price of the security}}$$

(3)
$$\frac{\text{Periodic cash receipts}}{\text{Current Market price of the security}}$$

(4)
$$\frac{\text{Periodic cash receipts} - \text{Capital gains}}{\text{Purchase Price of the security}}$$

72. Risk of a portfolio can be minimised by which one of the following ?

- (1) Combining two securities having perfect positive correlation in their expected returns.
- (2) Combining two securities having perfect negative correlation in their expected returns.
- (3) Combining two securities having partially positive correlation in their expected returns.
- (4) Combining two securities having partially negative correlation in their expected returns.

73. The certificate which evidences an unsecured corporate debt of short-term maturity, is known as :

- | | |
|----------------------------|---------------------------------|
| (1) Certificate of Deposit | (2) Short-term loan certificate |
| (3) Treasury Bill | (4) Commercial paper |



77. **Statement (I) :** Designing a distribution system for a service (for-profit or non-business context) involves to select the parties only through which ownership will pass.

Statement (II) : The ownership channel for most of the services is long and quite complex because of inseparability characteristic.

Statement (III) : Short channels usually mean more control on the part of the seller.

Identify the **correct** code of being the statements correct or incorrect. These statements relate to channel strategies of products/services.

- (1) Statements **(I)** and **(II)** are correct but **(III)** is not correct.
- (2) Statements **(I)** and **(III)** are correct but **(II)** is not correct.
- (3) Statements **(I)** and **(II)** are not correct but **(III)** is correct.
- (4) Statements **(I)**, **(II)** and **(III)** all are not correct.

78. An enormous collection of data on various topics from a variety of internal and external sources, compiled by a firm for its own use or for use by its clients, is called :

- | | |
|-----------------|--------------------|
| (1) Data-base | (2) Data warehouse |
| (3) Data mining | (4) M.I.S. |

79. **Statement (I) :** A form of non-store retailing that uses advertising to contact consumers who, in turn, purchase products without visiting a retail store is called Direct selling.

Statement (II) : A form of non-store retailing in which personal contact between a sales person and a consumer occurs away from a retail store is called Direct Marketing.

In the light of above statements, identify the **correct** code of statements being correct or incorrect.

- (1) Statement **(I)** is correct but Statement **(II)** is not correct.
- (2) Statement **(I)** is not correct but Statement **(II)** is correct.
- (3) Both the statements are correct.
- (4) Both the statements are not correct.



80. 34% of the customers who fall in one of the categories of diffusion process who are deliberate customers to accept an innovation just before the average adopter in a social system. Such customers who are above average in social and economic measures, rely quite a bit on advertisements and salesmen are known as :

- (1) Early Adopters (2) Early Majority (3) Late Majority (4) Late Adopters

81. The G. E. Business Model is explained on which one of the following parameters ?

- (1) Market Attractiveness and Business Position.
(2) Business Attractiveness and Market Position.
(3) Industry Growth rate and Company's Market share.
(4) Company's Growth rate and Industry's Position.

82. A reduction from the list price that is offered by a seller to buyers in payment for marketing functions the buyers will perform is known as :

- (1) Trade Discount (2) Functional Discount
(3) Cash Discount (4) Both Trade and Functional Discount

83. Match the items of **List - II** with the items of **List - I** relating to Personnel Management (PM) and Human Resource Management (HRM) ; and select the code of correct matching.

List - I

List - II

- | | |
|-----------------------|--|
| (a) Focus of PM | (i) Development attitude by making people contribute their best. |
| (b) Focus of HRM | (ii) Exercising it as a functional area of management. |
| (c) Philosophy of PM | (iii) Exercising it as humane management. |
| (d) Philosophy of HRM | (iv) Profit maximization by controlling people. |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (ii) | (iii) | (iv) | (i) |
| (2) | (iii) | (ii) | (i) | (iv) |
| (3) | (iv) | (i) | (ii) | (iii) |
| (4) | (i) | (iii) | (iv) | (ii) |



84. Select the **correct** code of the following statements being correct or incorrect.

- I Strategic HRM focuses on specific organizational intentions about what needs to be done while HR strategies focus on long-term issues only.
- II Strategic HRM focuses on macro concerns such as structure and culture while HR strategy focuses on specific issues assigned.
- III Human Resource strategy decisions are derived from strategic HRM.

Code :

- (1) Statements I and II are correct while III is incorrect.
- (2) Statements II and III are correct while I is incorrect.
- (3) Statements I and III are correct while II is incorrect.
- (4) All the statements are correct.

85. Which of the following code represents the full form of the term "BARS" in performance management systems ?

- (1) Business Appraisal and Rating Systems.
- (2) Balanced Assessment Reviewing Scorecard.
- (3) Behaviourally Anchored Rating Scale.
- (4) Benchmarking Appraisal Reviewing Strategy.

86. Match the items of **List - II** with the items of **List - I** relating to training, and select the code of correct matching.

List - I

List - II

- | | |
|--------------------------|---|
| (a) Andragogy | (i) Strategies or styles of instructions |
| (b) Pedagogy | (ii) Ultimate knowledge level with which trainee leaves the training sessions |
| (c) Terminal behaviour | (iii) Lack of commitment of management and scarcity of resources in training |
| (d) Training impediments | (iv) Art and Science of training the adults |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (i) | (iv) | (iii) | (ii) |
| (2) | (ii) | (iii) | (i) | (iv) |
| (3) | (iv) | (i) | (ii) | (iii) |
| (4) | (iii) | (ii) | (iv) | (i) |



87. Which of the following statements does not stand as a principle of compensation administration ?

- (1) An enterprise should have a clear -cut plan to determine differential pay level in terms of divergent job requirements.
- (2) People and jobs should never be mingled.
- (3) The compensation system should be designed with subjectivity with respect to individual skill sets exercised from time to time.
- (4) There should be established wage grievance handling procedures.

88. Match the items of **List - II** with the items of **List - I** relating to industrial relations and select the code of correct matching.

List - I

List - II

- | | |
|---|--|
| (a) Healthy labour-management relations | (i) Industrial Disputes Act |
| (b) Industrial Peace Law | (ii) Guiding principles for a grievance procedure |
| (c) Industrial Democracy | (iii) Workers' participation in management |
| (d) National Commission on Labour, 1969 | (iv) Voluntary arbitration and responsible trade union |

Code :

- | | | | | |
|-----|------------|------------|------------|------------|
| | (a) | (b) | (c) | (d) |
| (1) | (iv) | (i) | (iii) | (ii) |
| (2) | (ii) | (iii) | (iv) | (i) |
| (3) | (iii) | (i) | (iv) | (ii) |
| (4) | (ii) | (iv) | (i) | (iii) |

89. In recent years which among the following countries has been the largest source of foreign investment in India ?

- (1) Australia (2) Japan (3) China (4) Mauritius



90. **Assertion (A)** : The Government of India has been opening up domestic market to foreign players in baby steps.

Reasoning (R) : Allowing foreign firms free play in India's retail sector has always been a political hot potato.

Code :

- (1) (A) and (R) both are correct ; and (R) is the right explanation of (A).
- (2) (A) and (R) both are correct ; but (R) is not the right explanation of (A).
- (3) (A) and (R) both are incorrect.
- (4) (A) is correct ; but (R) is incorrect.

91. Select the **correct** code of the following statements being correct or incorrect.

Statement (I) : A Global Depository Receipt (GDR) is a bank certificate issued in more than one country for shares in a foreign company.

Statement (II) : A GDR is very similar to American Depository Receipt (ADR)

Statement (III) : GDRs are called EDRs when private markets are attempting to obtain Euros.

Code :

- (1) Statements (I), (II) and (III) are correct.
- (2) Statements (I) and (II) are correct but (III) is incorrect.
- (3) Statements (I) and (III) are correct but (II) is incorrect.
- (4) Statements (II) and (III) are correct but (I) is incorrect.

92. In December 1999, European commission members signed a treaty that committed them to adopting a common currency known as Euro. This is better known as :

- | | |
|----------------------|--------------------------|
| (1) Treaty of Rome | (2) Treaty of Maastricht |
| (3) Treaty of Lisbon | (4) Treaty of London |



93. Select the **correct** code of the following statements being **correct** or **incorrect**.

Statement (I) : The 'law of one price' states that in competitive markets free of transportation costs and barriers to trade, identical products sold in different countries must sell for the same price when their price is expressed in terms of the same currency.

Statement (II) : An 'Efficient market' has no impediments to the free flow of goods and services, such as trade barriers.

Code :

- (1) Statement (I) is correct but (II) is incorrect.
- (2) Statement (II) is correct but (I) is incorrect.
- (3) Both statements (I) and (II) are correct.
- (4) Both statements (I) and (II) are incorrect.

94. Which among the following is **not** a correct statement regarding patent ?

- (1) A patent is a legal protection granted for an invention that is new, non-obvious and useful.
- (2) The patent grants the patent holder the exclusive right to make use or sell the patented products or process.
- (3) The exclusive purpose of the patent system is to benefit the patent holder.
- (4) The Indian Patent Act, 1970, was amended and made effective from January 1, 2005.

95. Which one of the following is agricultural income under the Income Tax Act, 1961 ?

- (1) Interest on arrears of rent in respect of agricultural land.
- (2) Interest received by a money-lender in the form of agricultural produce.
- (3) Income from sale of trees of forest which are of spontaneous growth and in relation to which forestry operations alone are performed.
- (4) Interest on capital received by a partner from the firm engaged in agricultural operations.



96. Under the Income Tax Act, 1961 "block of assets" for the purpose of charging depreciation means :
- (1) Value of all the assets after depreciation
 - (2) Value of all tangible assets after charging depreciation
 - (3) Value of all those assets to which one rate of depreciation is applicable
 - (4) Gross value of machinery and plant less accumulated depreciation
97. The maximum amount of exemption of compensation received at the time of voluntary retirement U/S 10(10C) of the Income Tax Act, 1961, is :
- (1) ₹ 1,00,000 (2) ₹ 2,50,000 (3) ₹ 5,00,000 (4) ₹ 10,00,000
98. Which one of the following statements is **not** correct with reference to the assessment of firms ?
- (1) All partnership firms formed under the Indian Partnership Act, 1932, are assessed as firms under the Income Tax Act, 1961.
 - (2) Income of a firm is taxable at a flat rate of 30% without any exemption.
 - (3) Partners' share in the income of a firm is not chargeable to tax in the hands of partners.
 - (4) Remuneration paid to partners of a firm (assessed as such) is allowed as deduction subject to statutory limit.
99. The due date of first instalment of advance tax by assesseees other than companies is :
- (1) 15th April (2) 15th June (3) 15th September (4) 15th December
100. Which one of the following items is **not** allowed as deduction while computing income from business and profession ?
- (1) Fees paid to the lawyer for drafting partnership deed
 - (2) Loss due to embezzlement by an employee
 - (3) Legal expenses paid to protect the building of the business
 - (4) Cost of installing a new telephone

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Space For Rough Work

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Paper-II