

M.Com
9

ENTRANCE EXAMINATION FOR ADMISSION, MAY 2011.

M.Com. (Business Finance)

COURSE CODE : 351

Register Number :

Signature of the Invigilator
(with date)

COURSE CODE : 351

Time : 3 Hours

Max : 400 Marks

Instructions to Candidates :

1. Write your Register Number within the box provided on the top of this page and fill in the page 1 of the answer sheet using pen.
2. Do not write your name anywhere in this booklet or answer sheet. Violation of this entails disqualification.
3. Avoid blind guessing. A wrong answer will fetch you – 1 mark and the right answer will fetch 4 marks.
4. Each question carries FOUR possible answers. Fill the brackets given at the extreme right of the respective questions with the right answers.
5. Do not write anything in the question paper. Use the white sheets attached at the end for rough works.
6. Do not open the question paper until the start signal is given.
7. Do not attempt to answer after stop signal is given. Any such attempt will disqualify your candidature.
8. On stop signal, keep the question paper on your table and wait for the invigilator to collect them.
9. Use of Calculators, Tables, etc. are prohibited.

1. Which of the following is not a flaw in a contract?
 (A) Inadequacy of consideration (B) Wager in nature
 (C) Illegality of object (D) Uncertainty of object ()

2. An agreement made under coercion, renders the contract
 (A) Valid (B) Void
 (C) Voidable (D) Illegal ()

3. Under which of the following modes is a contract said to have been discharged by operation of law?
 (A) Performance of the contract by both the parties
 (B) Mutual consent of both the parties
 (C) Lapse of time in performance of the contract
 (D) Insolvency of either of the parties ()

4. The bailment of goods as security for payment of a debt is called
 (A) Lien (B) Mortgage
 (C) Hypothecation (D) Pledge ()

5. The liability of a hotel keeper in respect of goods belonging to a guest is that of a
 (A) Pawnee (B) Surety
 (C) Bailee (D) Acceptor ()

6. A pledge is
 (A) A general contract of promise
 (B) A contract of agency
 (C) A contract of indemnity
 (D) A special type of contract of guarantee ()

7. The grace period allowed in case of a bill, except where it is payable on demand is
 (A) 2 days (B) 3 days
 (C) 5 days (D) 7days ()

8. Which Principle of Management emphasizes replacement of rule of thumb method?
 (A) Decision theory (B) Administrative theory
 (C) Scientific Management theory (D) Contingency theory ()
9. The number of subordinates a superior can effectively handle is called
 (A) Organising people (B) Span of control
 (C) Co-ordination (D) Direction ()
10. "Sensitivity Training" is a function of
 (A) Planning (B) Directing
 (C) Leadership (D) Staffing ()
11. "Cost or market price whichever is less" comes under
 (A) Conservatism Concept
 (B) Cost Concept
 (C) Going Concern Concept
 (D) Money Measurement Concept ()
12. Management by exceptions means
 (A) To complete the work in time
 (B) To give directions to subordinates so that they may complete the work in time
 (C) To manage policy matters at the top and leave the rest to the handled by subordinates
 (D) To deal with labour and subordinates to complete work in time. ()
13. The concept of human relations was developed by
 (A) Robert Owen (B) V.V. Giri
 (C) Elton Mayo (D) Edwin B. Filipoo ()
14. Marketing refers to the
 (A) Sale of product
 (B) Goods and services are exchanged too each other
 (C) Goods distribution
 (D) All of these ()

15. Which one of the following is not an element of marketing mix?
 (A) Promotion (B) Place
 (C) Product (D) None of these ()
16. Which of the following point is responsible for effective market segmentation?
 (A) Substantiality (B) Easy accessibility
 (C) Measurability (D) All of these ()
17. The sales concept of marketing is
 (A) Production oriented (B) Consumer oriented
 (C) Promotion oriented (D) Social oriented ()
18. Which among the following is not a feature of marketing?
 (A) Integrated management (B) Consumer orientation
 (C) Profit Maximisation (D) All of these ()
19. The concept of Marketing Myopia was given by
 (A) Peter Drucker (B) Philip Kotler
 (C) Theodore Levitt (D) Henry Fayol ()
20. The concept of Four C's was given by
 (A) Mc Carthy (B) Robert Lauterborn
 (C) Kotler (D) No one ()
21. Four P's of Marketing were given by
 (A) H. Fayol (B) Peter Drucker
 (C) Mc Carthy (D) Philip Kotler ()
22. If Fixed cost are expected to remain unaltered, that would be irrelevant in
 (A) The make or buy decision (B) Product decision
 (C) Product mix decision (D) Sales planning ()
23. The net profit will be maximised when
 (A) Contribution is minimised (B) Contribution is maximised
 (C) Fixed cost is increased (D) Fixed cost remains same ()

24. Which of the following is not a function of a finance manager?
 (A) Mobilization of funds
 (B) Deployment of funds
 (C) Control over use of funds
 (D) Manipulate share price of the company ()
25. The objective of financial management is to
 (A) Generate the maximum net profit
 (B) Generate the maximum retained earnings
 (C) Generate the maximum wealth for its shareholders
 (D) Generate maximum funds for the firm at the least cost ()
26. In Private company maximum number of members permissible is
 (A) 5 (B) 10
 (C) 25 (D) 50 ()
27. Which of the following is not a money market instrument?
 (A) Treasury bills (B) Certificate of deposits
 (C) Debentures (D) Call Money ()
28. Private Banks
 (A) Should not be registered as public limited companies
 (B) Need not adhere to capital adequacy norms determined by RBI
 (C) Are covered by the Banking Regulation Act, 1949
 (D) Both (A) and (B) above ()
29. The minimum maturity of treasury bills is
 (A) 14 days (B) 28 days
 (C) 45 days (D) 60 days ()
30. If a Loan of Rs.3,00,000 is to repaid in 6 annual instalments with a coupon rate of 12% p.a. then the equated annual instalment will be
 (A) Rs. 71,967 (B) Rs. 72,975
 (C) Rs. 74,005 (D) Rs. 75,995 ()

31. Which of the following is diversifiable risk?
 (A) Inflation risk (B) Interest-rate risk
 (C) Market risk (D) Business risk ()
32. Risk-return trade-off implies
 (A) Increasing the profit of the firm through increased production
 (B) Not taking any loans which increases the risk of the firm
 (C) Not granting credit to risky customers
 (D) Taking decisions in such a way which optimizes the balance between risk and return ()
33. Deregulation and Globalization of the financial markets increase the volatility in
 (A) Interest rates (B) Exchange rates
 (C) Prices of financial assets (D) All of the above ()
34. Teeming and Lading relates to
 (A) Pilferage of Stock
 (B) Misappropriation of cash
 (C) Fraud relating to receipt of money from debtors
 (D) Bribery of cash for some benefits ()
35. Fiat money is the money
 (A) Whose face value is less than its intrinsic value
 (B) That is backed only by faith in the world over
 (C) Which has wide acceptability the world over
 (D) Which can be readily converted into an equivalent amount of gold ()
36. The Method of raising equity capital from existing members by offering securities on Prorata basis is referred to as
 (A) Public issue (B) Rights issue
 (C) Bonus issue (D) Private Placement ()
37. The regulatory authority for the activities of merchant bankers in India is
 (A) RBI (B) Ministry of Finance
 (C) Indian Bank's Association (D) SEBI ()

38. The first commercial bank in India to launch a Mutual Fund is
 (A) State Bank of India (B) Canara Bank
 (C) ICICI Bank (D) HDFC Bank ()
39. Who can be a lessor?
 (A) An Individual (B) A Firm
 (C) A Body of Corporate (D) All the above ()
40. Banking Sector reforms are recommended by
 (A) Janakiraman Committee (B) Nadkarni Committee
 (C) Narasimhan Committee (D) L.C. Gupta Committee ()
41. Which of the following cannot be declared as insolvent?
 (A) Minors (B) Lunatics
 (C) Corporations (D) All of these ()
42. A public company must have at least
 (A) Two directors (B) Three directors
 (C) Seven directors (D) Five directors ()
43. In Banking terms by deposit we mean
 (A) Time Deposits (B) Money at call and short notice
 (C) Money kept in a bank account (D) None of these ()
44. A savings account cannot be opened by
 (A) A Minor (B) An Illiterate person
 (C) A firm (D) A sports club ()
45. There cannot be a holder in due course of a cheque bearing
 (A) 'A/c Payee' Crossing (B) 'X Co' Crossing
 (C) Special Crossing (D) 'Not Negotiable' Crossing ()
46. Cash Credit limits are allowed to be parties against
 (A) Shares (B) Goods
 (C) Plant and Machinery (D) Land and Buildings ()

47. The stock exchange publishes an official list of share prices
 (A) Daily (B) Weekly
 (C) Fortnightly (D) Monthly ()
48. The term Gild edged securities refers to
 (A) Shares of private limited companies
 (B) Shares of Cooperative societies
 (C) Shares of Gold Mining companies
 (D) None of these ()
49. Depreciation means
 (A) Fall in the market value (B) Loss due to obsolescence
 (C) Loss due to influence of time (D) All the above ()
50. Contingent liabilities are shown under
 (A) Net worth (B) Term liabilities
 (C) Current liabilities (D) None of these ()
51. In the Union Budget 2010-11 the income tax rate for the income between Rs. 1,80,000 and Rs. 3,00,000 is fixed at
 (A) 10% (B) 15%
 (C) 20% (D) NIL ()
52. Which of the following are the sources of funds?
 (A) Income from investments (B) Sale of fixed assets
 (C) Sale of investments (D) All of these ()
53. The proportion of term liabilities to net worth is ascertained by
 (A) Debt-equity ratio (B) Proprietary ratio
 (C) Capital gearing ratio (D) Acid test ratio ()
54. Valuation Balance sheet is prepared by
 (A) Life Insurance Companies (B) General Insurance Companies
 (C) Government Companies (D) Public Utility Companies ()

55. Income tax deductions is available under the section
 (A) 80 (B) 86
 (C) 10 (D) 89 ()
56. CARE is a
 (A) Advisory body for the planning commission
 (B) Credit Rating Agency
 (C) Credit Controlling Agency
 (D) None of the above ()
57. HRA is a
 (A) Fully taxable allowance (B) Partially taxable allowance
 (C) Fully exempted allowance (D) None of the above ()
58. What is MAT?
 (A) Minimum Alternative Tax (B) Minimum Advance Tax
 (C) Maximum Alternative Tax (D) Maximum Advance Tax ()
59. Who is the present Finance Minister in India?
 (A) P.Chidhamparam (B) Manmohan singh
 (C) Pranab Mukharji (D) None of the above ()
60. Tonnage Tax is applicable to
 (A) Shipping business (B) Software business
 (C) Textile business (D) None of the above ()
61. Accounting Standard is a
 (A) Rules (B) Concepts
 (C) Methods (D) Guidelines ()
62. In custom Act the difference between normal value and export value is known as
 (A) Anti dumping (B) Dumpi margin
 (C) Duty draws back (D) None of the above ()

63. A statement which emerges after the marshalling of entries relating to a person, an assets or item of expense or income for a particular period is known as
 (A) Accounts (B) Journal
 (C) Accounting (D) None of all ()
64. For calculation of income tax dividend coming under the head of
 (A) Salary (B) Income from Business
 (C) Income from Other Sources (D) None of all ()
65. Choose wrong matching
 (A) ABC Analysis → Inventory control
 (B) Cash discount → Settlement discount
 (C) Incremental contribution → Additional Sales × P V ratio
 (D) Ageing schedule → Company solvency position ()
66. HIFO is a method which used to determine
 (A) Pricing material issue (B) Method of costing
 (C) Method of profit (D) Cost price method ()
67. Theory "X" states that
 (A) Workers exercise self-direction
 (B) Workers have inherent liking for work
 (C) Workers prefer to be directed
 (D) Workers have a desire to be innovative and creative ()
68. The term 'CENVAT' is associated with
 (A) Transportation (B) Auditing
 (C) Banking (D) Taxation ()
69. The recent financial melt down emerged first in
 (A) USA (B) UK
 (C) India (D) China ()

70. The successor to Mr.P.Chidambaram as Finance Minister of India was
 (A) Man Mohan Singh (B) Jaswant Singh
 (C) Pranab Mukerjee (D) Praful Patel ()
71. The term NSE relates to
 (A) National Spot Exchange (B) National Stock Exchange
 (C) National Share Evaluation (D) Non Stock Enterprises ()
72. State bank of India was known before nationalization as
 (A) Federal Bank (B) Presidency Bank
 (C) Imperial Bank (D) None of the above ()
73. The phrase 'lenders of last resort' refers to
 (A) World Bank
 (B) Reserve Bank of India
 (C) Industrial Development Bank of India
 (D) Yes Bank ()
74. Which bank in India was renamed as 'AXIS BANK'
 (A) UTI Bank (B) Auxilliary Bank
 (C) American bank (D) State Bank ()
75. The term Scientific Management is associated with
 (A) H. Maslow (B) Peter F Drucker
 (C) F. W. Taylor (D) None of the above ()
76. The influence of staff authority exists within the chain of command mainly because it has got
 (A) Specialized competence and skill
 (B) Power to seek accountability
 (C) Command prerogatives
 (D) None of the above ()

77. Banking Regulation Act 1956 deals with the
 (A) Management of a bank right from starting to till it's winding up
 (B) Methods of functioning of the bank during office hours
 (C) One banks relationship with other banks
 (D) None of the above ()
78. The utility of a commodity is
 (A) The usefulness of a commodity
 (B) The useless of the commodity
 (C) The capacity of that commodity to satisfy human wants
 (D) None of the above ()
79. The present commerce and Industries Minister for the Government of India is
 (A) Mr. P. Chidhambaram (B) Mr. Pranab Kumar Mukarjee
 (C) Mr. Kamal Nath (D) Mr. Kapil Sibal ()
80. Securities and Exchange Board of India is a
 (A) Regulatory body of the Money Market
 (B) A Regulatory body of the Capital Market in India
 (C) A Regulatory body of the Stock Exchange in India
 (D) None of the above ()
81. Articles of Association is an important document which deals with the
 (A) Internal Management of the Company
 (B) Information to the outsiders
 (C) Powers and duties and rights of the different employees in the organization
 (D) All of the above ()
82. Average variable cost or AVC =
 (A) $(AC + MC)/\text{Quantity}$ (B) $TVC/\text{Quantity}$
 (C) $(TVC + TFC)/\text{Quantity}$ (D) $TC/\text{Quantity}$ ()
83. Watered capital means
 (A) Over capitalization
 (B) Under capitalization
 (C) Part of capital not represented by assets
 (D) Excessive capital ()

84. Paired 't' test is used for testing
- (A) The difference between the Proportions of two samples
 - (B) Difference between the means of two independent samples
 - (C) Difference between the means of two dependent samples
 - (D) None of the above ()
85. When shares are forfeited, Capital Account debited by
- (A) Nominal value of shares
 - (B) Paid-up amount of shares
 - (C) Called up amount of shares
 - (D) Forfeited amount of shares ()
86. When all partners are insolvent the loss is borne by
- (A) Government
 - (B) Creditors
 - (C) Partners
 - (D) Employers ()
87. If large values of one item are associated with the small values of the other it is case of
- (A) Chi square
 - (B) Positive Correlation
 - (C) Negative Correlation
 - (D) Non sense Correlation ()
88. Which of the following Index numbers is used for measuring the changes in the general level of prices?
- (A) Consumer Price Index Numbers
 - (B) Cost of Living Index Numbers
 - (C) Fisher's Ideal Index Numbers
 - (D) Wholesale Price Index ()
89. "Statistics is the science which deals with the methods of collecting, classifying, presenting, comparing and interpreting numerical data collected through some light on any sphere of equity" is the definition given by
- (A) King
 - (B) Bowley
 - (C) Buddinton
 - (D) Seligman ()

90. Cluster sampling is a
- (A) Probability Sampling (B) Non Probability Sampling
- (C) Deliberate Sampling (D) None of the above ()
91. Estimate the unknown values of one variable from known of other variables is called
- (A) Correlation (B) Index Number
- (C) Regression (D) None of these ()
92. Classification of the process of arranging data in
- (A) Different columns
- (B) Different rows
- (C) Different columns and rows
- (D) Grouping of related facts in different classes ()
93. In a two-dimensional diagram
- (A) Only height is considered
- (B) Only width is considered
- (C) Both height and width are considered
- (D) None of these ()
94. A business firm have to survive in the present market competition have to adopt which methods to fixing the sales price
- (A) Traditional methods of sale
- (B) Activity based costing
- (C) More discounting methods
- (D) Fundamentals of accounting ()

95. The main objective of Micro Finance System is
 (A) Credit supply to poor
 (B) Financial Services Inclusion to poor
 (C) Involvement in Business to poor
 (D) Upliftment to poor ()
96. The commonly used method of absorbing factory over head is
 (A) Prime cost (B) Machine hours
 (C) Labour cost (D) Material cost ()
97. Which one below is not a Apex bank?
 (A) RBI (B) IDBI
 (C) State Bank of India (D) NABARD ()
98. IMF Stands for
 (A) International machinery fund (B) International monetary fund
 (C) Indian machinery fund (D) Indian monetary fund ()
99. SEC means
 (A) Security & Exchange commission
 (B) Stock Exchange Commission
 (C) Script Exchange Commission
 (D) Special Exchange Commission ()
100. NYSE is acronym for
 (A) New York Stock Exchange
 (B) New York script Exchange
 (C) New York special Exchange
 (D) National York securities Exchange ()