

ENTRANCE EXAMINATION FOR ADMISSION, MAY 2012.

Ph.D. (COMMERCE)

COURSE CODE : 105

Register Number :

\_\_\_\_\_  
*Signature of the Invigilator*  
(with date)

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COURSE CODE : 105

Time : 2 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. Read each of the question carefully and shade the relevant answer (A) or (B) or (C) or (D) in the relevant box of the ANSWER SHEET using HB pencil.
4. Avoid blind guessing. A wrong answer will fetch you -1 mark and the correct answer will fetch 4 marks.
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 and the answer sheet on your table and wait for the invigilator to collect them.
9. Use of Calculators, Tables, etc. are prohibited.

1. Gilt edged securities refer to
  - (A) Government securities
  - (B) Securities issued by municipal corporations
  - (C) Securities issued by first class companies
  - (D) None of these
  
2. C.R.A. is banking parlance stands for
 

(A) Credit Rating Association	(B) Credit Rating Agency
(C) Credit Risk Assessment	(D) None of these
  
3. Banking ombudsman means
  - (A) Person appointed to recover dues from defaulting borrowers
  - (B) A person to whom customer can approach for redress of his grievances
  - (C) A person appointed to settle dispute between employees and management
  - (D) A person appointed by RBI to oversee the functioning of Foreign Banks
  
4. At what frequency can Banks pay interest on Saving Bank Account as per RBI guidelines?
 

(A) Monthly	(B) Quarterly	(C) Half Yearly	(D) Yearly
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5. Under which principle is the treasurer entitled to succeed to all the rights of the insured regarding the subject matter of insurance after the claim of insurance has been fully and finally settled?
 

(A) Principle of indemnity	(B) Principle of subrogation
(C) Principle of insurance	(D) Principle of causapromima
  
6. Which one of the following securities cannot be issued by a public limited company in India?
  - (A) Participatory preference shares
  - (B) Redeemable preference shares
  - (C) Deferred shares
  - (D) Debentures
  
7. A Country's terms of trade are generally determined by
  - (A) The value of gold reserve held by its central bank
  - (B) Supply and demand in the world market
  - (C) Its rate of capital formation
  - (D) The number of competitors whose economics are based on the free market

8. Euro currency market is an international banking market whose major location is in
  - (A) London
  - (B) Germany
  - (C) France
  - (D) Norway
  
9. The main objective of micro finance systems
  - (A) Credit supply to poor
  - (B) Financial services inclusion to poor
  - (C) Involvement in business to poor
  - (D) Upliftment to poor
  
10. Venture capital is a long term commitment of investment in business and investment is based on
  - (A) Past track record
  - (B) Regular return
  - (C) Credibility of the projects success
  - (D) None of all
  
11. The VSAT communication network for banks and financial institutions launched by RBI is known as
  - (A) SWIFT
  - (B) SBI NET
  - (C) BANK NET
  - (D) INFINET
  
12. The regulatory authority for the activities of merchant bankers in India is
  - (A) RBI
  - (B) Ministry of Finance
  - (C) SEBI
  - (D) Indian Banks Association
  
13. The lowering of CRR is aimed at
  - (A) Increasing the supply of credit of commercial banks
  - (B) Increasing the value of rupee in the foreign exchange market
  - (C) Decreasing the lending capacity of the commercial bank
  - (D) Reducing the supply of money
  
14. Commercial papers are
  - (A) Unsecured promissory notes
  - (B) Secured promissory notes
  - (C) Sold at the premium
  - (D) Issued for a period of 1 to 2 years



15. The essential condition of equilibrium under price discrimination is  
 (A)  $MR_a = MR_b = MC$  (B)  $MR_a = MR_b < MC$   
 (C)  $MR_a = MR_b > MC$  (D)  $MR_a > MR_b > MC$
16. Marginal revenue is \_\_\_\_\_ at maximum total revenue and negative beyond that point  
 (A) +1 (B) -1 (C) Zero (D) None
17. Luxuries are goods and services for which  
 (A)  $E_1 < 1$  (B)  $E_1 \leq 1$  (C)  $E_1 \geq 1$  (D)  $E_1 > 1$
18. The Competition Act was enacted in the year  
 (A) 2002 (B) 1930  
 (C) 1986 (D) None of the above
19. Which one is not included in economic environment of external environment?  
 (A) Industry (B) Transportation  
 (C) GNP (D) Product life cycle
20. Chi-square and 't' distribution are both  
 (A) Always symmetrical distribution (B) Used for hypothesis testing  
 (C) Dependent on DOF (D) Both ((B) & ((C) but not ((A)
21. "Decision tree" in a business enterprises  
 (A) Improve organizational effectiveness  
 (B) Reduces the work load of employees  
 (C) Enhances workers participation in management  
 (D) None of the above
22. Which of the following is not one of the seven major parts to the research report?  
 (A) Results (B) Abstract (C) Method (D) Footnotes
23. 'Research methods':  
 (A) is a term used to refer to all aspects of the implementation of methods  
 (B) are the procedures a researcher uses to gather information  
 (C) are a set of abstract concepts together with propositions about they are related  
 (D) none of the above

24. Which of the following is a relative measure of dispersion?
- (A) Standard deviation (B) Variance  
(C) Coefficient of variation (D) All of the above
25. Which of the following is correctly matched?
- (A) Pictogram – oral presentation of data  
(B) Histogram – graphic presentation of data  
(C) Histogram – diagrammatic presentation of data  
(D) Cartogram – diagrammatic and graphic presentation of data
26. Which of the following will give a more “accurate” representation of the population from which a sample has been taken?
- (A) A large sample based on the convenience sampling technique  
(B) A small sample based on the simple random sampling  
(C) A large sample based on simple random sampling  
(D) A small cluster sample
27. The doctrine of indoor management implies that
- (A) The outsiders need not necessarily know about the internal management of the company other than what is stated in articles of association  
(B) The outsiders have the right to think that the internal management as per the articles of association  
(C) Both are right  
(D) None of the above
28. Classical condition is a theory of
- (A) Attitude (B) Learning  
(C) Perception (D) Behaviour
29. Horizontal co-ordination is related to
- (A) Co-operation (B) Interested parties  
(C) Differential level of management (D) Equal level of management
30. Operating lease is favoured by the lessee in respect of assets which depreciate in value on account of
- (A) Obsolescence (B) Wear and tear  
(C) Exhaustion (D) Passage of time

31. International financial management involves varied problems because
- (A) It involves large number of transactions
  - (B) The business environment has to operate in different environments
  - (C) There is risk involved in dealing with unknown parties
  - (D) Financial management differs from one country to another country
32. The value of inventory will be the least in case of:
- (A) Aggregate or total inventory method
  - (B) Item by item method
  - (C) Group method
  - (D) None of the above
33. Conversion cost is the sum total of
- (A) Direct material & direct labour cost
  - (B) Direct wages, direct expenses & factory overheads
  - (C) Indirect wages and factory overheads
  - (D) Total of all direct expenses
34. Observing changes in the financial variables across the years
- (A) Vertical analysis
  - (B) Horizontal analysis
  - (C) Inter-Firm analysis
  - (D) None of the above
35. Cash from operation is equal to
- (A) Net profit plus increase in outstanding expenses
  - (B) Net profit plus increase in debtors
  - (C) Net profit plus increase in stocks
  - (D) Net profit plus increase in prepaid expenses
36. Overhead cost variance is the difference between
- (A) Recovered overheads and actual overheads
  - (B) Budgeted overheads and actual overheads
  - (C) Budgeted overheads and standard overheads
  - (D) Budgeted overheads and recovered overheads



37. The costing method in which fixed factory overheads are added to inventory is  
 (A) Direct costing (B) Marginal costing  
 (C) Absorption costing (D) Standard costing
38. Internal rate of return is the rate of return  
 (A) That is associated with the internally generated fund  
 (B) The is used for internal calculations  
 (C) That discounts the future cash flow streams  
 (D) Rate of return earned on the initial investment in the project
39. In which of the following cases will a project not be accepted?  
 (A) Net present value  $> 0$   
 (B)  $0 < \text{benefit cost ratio} < 1$   
 (C)  $0 < \text{net benefit cost ratio} < 1$   
 (D) All of the above
40. Float denotes the  
 (A) difference between bank balance and the balance shown in the Firm's books  
 (B) a instrument to expedite cash inflows  
 (C) difference between cash inflows and outflows  
 (D) none of the above
41. Which of the following models on dividend policy stresses on the investor's preference for the current dividend?  
 (A) Traditional model (B) Walter model  
 (C) Gordon model (D) Miller and Modigliani model
42. If 182 days T-Bills are issued at a discount price of Rs. 96.52, then the yield is  
 (A) 6.98% (B) 7.13% (C) 7.23% (D) 7.58%
43. Rent theory of profit is associated with the name of  
 (A) Hawley (B) Walker (C) Schumpeter (D) J.B. Clark
44. Risk theory of profit was advocated by  
 (A) Hawley (B) J.R. Clark (C) Marshall (D) Schumpeter

45. 'Sensitivity Training' is a function of  
 (A) Planning (B) Directing (C) Leadership (D) Staffing
46. 'SWOT' is used for  
 (A) Planning (B) Organizing (C) Motivating (D) Controlling
47. Credit Creation is possible  
 (A) to limited extent (B) to any extent  
 (C) to the extent of the multiplier (D) none of these
48. What is 'Bank Rate' in India at present?  
 (A) 6% (B) 7% (C) 9.5% (D) 8%
49. A line drawn from origin reflects  
 (A) Scale (B) Proportion  
 (C) Both above (D) None of the two
50. A risk free stock has a beta of  
 (A) -1 (B) Zero (C) 0.5 (D) 1
51. A security is said to be aggressive when n  
 (A) Has a beta of  $> 1$  (B) Plots on the upper part of SML  
 (C) Gives below average returns (D) Both (A) and (B) above
52. Which of the following is not a non diversifiable risk?  
 (A) Interest rate risk (B) Purchasing power risk  
 (C) Operating risk (D) Market risk
53. Which is an example of pegged currency?  
 (A) Sterling (B) Malaysian Ringgit  
 (C) Australian Dollar (D) Argentine Peso
54. Which of the following methods does a firm resort to avoid dividend payments?  
 (A) Share splitting (B) Declaring bonus shares  
 (C) All of the above (D) Both (A) and (B)



55. Buying and selling call or put option with the same strike price but different expiration dates is called
- (A) Long hedge (B) Short hedge  
(C) Horizontal option spread (D) Nearby contract
56. Why do you need to review the existing literature?
- (A) To make sure you have a long list of references  
(B) Because without it, you could never reach the required word-count  
(C) To find out what is already known about your area of interest  
(D) To help in your general studying
57. Sampling frame is:
- (A) A summary of the various stages involved in designing a survey  
(B) An outline view of all the main clusters of units in a sample  
(C) A list of all the units in the population from which a sample will be selected  
(D) A wooden frame used to display tables of random numbers
58. What is the difference between a bar chart and a histogram?
- (A) A histogram does not show the entire range of scores in a distribution  
(B) Bar charts are circular, whereas histograms are square  
(C) There are no gaps between the bars on a histogram  
(D) Bar charts represents numbers, whereas histograms represent percentages
59. What is meant by a 'spurious' relationship between two variables?
- (A) One that is so ridiculously illogical it cannot possibly be true  
(B) An apparent relationship that is so curious it demands further attention  
(C) A relationship that appears to be true because each variable is related to a third one  
(D) One that produces a perfect negative correlation on a scatter diagram
60. The sampling distribution refers to:
- (A) The distribution of the various sample sizes which might be used in a given study  
(B) The distribution of the different possible values of the sample mean together with their respective probabilities of occurrence  
(C) The distribution of the values of the items in the population  
(D) The distribution of the values of the items actually selected in a given sample

61. The normal distribution is a  
 (A) Discrete distribution (B) Continuous distribution  
 (C) Positively skewed distribution (D) None of the above
62. Soundness of a tool is adjudged by  
 (A) Testing validity (B) Testing reliability  
 (C) Pilot testing (D) Both (A) & (B)
63. Choose the pair of symbol the best represents parameter and statistics  
 (A)  $\mu, \sigma$  (B)  $\bar{X}, S$   
 (C)  $N, n$  (D) All of these
64. "Sensitivity training" is a function of  
 (A) Planning (B) Directing (C) Leadership (D) Staffing
65. The lack of faith and confidence of managers in subordinate is an important barrier of  
 (A) Effective leadership (B) Effective control  
 (C) Effective delegation (D) Effective direction
66. Management by objectives (MBO) is not only a technique of management but is philosophy of management "was said by"  
 (A) F.W. Taylor (B) Chester Bernard  
 (C) Peter Drucker (D) Henry Fayol
67. The important principle propounded by Graicunas is  
 (A) Principles of Span of Control (B) Principles of balance  
 (C) Principles of standardization (D) Principle of delegation
68. An enterprise get more output and mutual co-operation from its subordinates by adopting  
 (A) Motivation by leadership (B) Motivation by participation  
 (C) Motivation by goals (D) Motivation by change
69. Herzberg's theory of motivation is known by the name  
 (A) Need hierarchy theory (B) Theory X  
 (C) Hygiene theory (D) None of the above

70. Extreme of decentralization is called as  
 (A) Bottom up management (B) Autonomy  
 (C) Departmentalization (D) Leadership management
71. The effective principle of direction does not include  
 (A) Harmony of objectives (B) Effective leadership  
 (C) Effective communication (D) Personality
72. The certificate to commence business is to be called for perusal and returned for opening of an account of  
 (A) Public limited company (B) Club and association  
 (C) Private limited company (D) Trust
73. Which is the smallest organizational sub unit for which separate cost allocation is attempted?  
 (A) Cost unit (B) Cost centre  
 (C) Costing (D) Management costing
74. The process of managing the sales ledger of a client by a financial service company is called  
 (A) Forfeiting (B) Factoring  
 (C) Leasing (D) Securitization of debt
75. The security return is calculated by ( $P_t$  - today's price,  $P_o$  - yesterday's price)  
 (A)  $\frac{P_o - P_t}{P_o}$  (B)  $\frac{P_o - P_t}{P_t}$  (C)  $\frac{P_t - P_o}{P_o}$  (D)  $\frac{P_t - P_o}{P_t + P_o / 2}$
76. The instruments that are "marked" to market are  
 (A) Forwards (B) Futures (C) Swaps (D) Options
77. In an option contract, that can be exercised only at the time of maturity is called  
 (A) Double option (B) American option  
 (C) Put option (D) European option
78. Red ink interest is noted in which one of the following?  
 (A) Current account (B) Account current  
 (C) Capital account (D) Cash account



79. Valuation balance sheet is prepared by  
 (A) LIC (B) GIC  
 (C) Govt. companies (D) Public utility companies
80. When key factor is operating the formula for calculating profitability is  
 (A) Contribution / key factor (B) Sales / key factor  
 (C) Profit / key factor (D) None of the above
81. Depreciation is charged against  
 (A) Profit (B) Assets  
 (C) Company (D) Books of account
82. Sales value variance is the difference between  
 (A) Standard sales and actual sales  
 (B) Budgeted sales and actual sales  
 (C) Budget sales and standard sales  
 (D) None of the above
83. Privatization of ownership through sale of equity share is called  
 (A) Denationalization (B) Disinvestment  
 (C) Contracting (D) None of these
84. Bills receivable is dishonored implies  
 (A) No change in current ratio (B) Current ratio declined  
 (C) Current ratio is improved (D) None of these
85. Writing off the expired cost of intangible assets is called  
 (A) Amortization (B) Capitalization  
 (C) Depletion (D) Depreciation
86. To measure change in total monetary worth one should calculate  
 (A) Price index (B) Quantity index  
 (C) Value index (D) None of the above

87. Sensex is based on  
 (A) 50 shares (B) 30 shares (C) 60 shares (D) 40 shares
88. Prospect theory is related to  
 (A) Marketing (B) Finance (C) HR (D) Psychology
89. SEC means  
 (A) Security and exchange commission  
 (B) Stock exchange commission  
 (C) Special exchange commission  
 (D) Script exchange commission
90. The dividend paid on the preference share is not deductible expenditure for \_\_\_\_\_.  
 (A) Corporate tax (B) Gift tax  
 (C) Income tax (D) Property tax
91. The term Allonge refers to  
 (A) The sheets of paper used in writing a deed  
 (B) The stamps affixed on document  
 (C) A sheet of paper attached to mortgage deed for the purpose of witness  
 (D) A sheet of papers attached to a negotiable instrument for the purpose of making endorsement thereof when there is no space in the instrument
92. Which of the following factor increase the growth rate of the company?  
 (A) External borrowings  
 (B) Increase of corporation's retention rate  
 (C) Increase the corporation's rate of return  
 (D) All of the above
93. Opportunity cost helps in  
 (A) Ascertainment of cost (B) Controlling cost  
 (C) Managerial decision (D) Ascertainment of profit
94. A growth company is one where  
 (A)  $r = K_e$  (B)  $r < K_e$  (C)  $r > K_e$  (D) None

95. The ability of a firm in employing loan funds having a fixed interest to enhance returns to the owner is known as
- (A) Leverage (B) Trading on equity  
(C) Income gearing (D) None of all
96. In a bullish market it is better to buy shares whose beta is
- (A) more than 1 (B) less than 1  
(C) equal to 1 (D) negative
97. Purchase and sale of shares before or after official trading hours of stock exchange is known as
- (A) Margin trading  
(B) Short selling or short buying  
(C) Kerb trading  
(D) Hammering
98. A low proprietary ratio reflects
- (A) Sound capital structure of the company  
(B) Over-trading  
(C) Proprietors have larger stab in company  
(D) None of the above
99. Which of the speculator expect price of the securities to rise in near future?
- (A) Stag (B) Bull  
(C) Bear (D) None of the above
100. Under tax credit method VAT is equal to
- (A) Sum of wages, profits, rent and interest  
(B) Output – Input  
(C) Percentage of sales  
(D) Tax charged on sales – Tax paid on inputs