

# National Testing Agency

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## Finance for Non Finance

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## Finance for Non Finance

<b>Section Id :</b>	899514137
<b>Section Number :</b>	1
<b>Section type :</b>	Online
<b>Mandatory or Optional :</b>	Mandatory
<b>Number of Questions :</b>	100
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**Section Marks :** 100  
**Mark As Answered Required? :** Yes  
**Sub-Section Number :** 1  
**Sub-Section Id :** 899514169  
**Question Shuffling Allowed :** Yes

**Question Number : 1 Question Id : 8995149577 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**  
**Correct Marks : 1 Wrong Marks : 0**

Finance is considered to be the \_\_\_\_\_ of any and every business organisation.

1. Core
2. Core Ingredient
3. Life Blood
4. Catalyst

**Options :**

89951437658. 1  
89951437659. 2  
89951437660. 3  
89951437661. 4

**Question Number : 2 Question Id : 8995149578 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**  
**Correct Marks : 1 Wrong Marks : 0**

A business needs \_\_\_\_\_ as it helps establish a business, run a business, expand, modernize & diversify a business and purchase the assets.

1. Organising Function
2. Finance Function
3. Controlling Function
4. Planning Function

**Options :**

89951437662. 1  
89951437663. 2  
89951437664. 3

89951437665. 4

**Question Number : 3 Question Id : 8995149579 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The finance function could be classified into three broad categories viz. \_\_\_\_\_.

1. Equity, debentures & bonds
2. FDI, FII & Private Equity
3. Long Term Finance, Medium Term Finance, Short Term Finance
4. None of these

**Options :**

89951437666. 1  
89951437667. 2  
89951437668. 3  
89951437669. 4

**Question Number : 4 Question Id : 8995149580 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The Investment Decisions, Financing Decisions, Dividend Decisions and Liquidity Decisions are four broad objectives of \_\_\_\_\_.

1. Strategic Function
2. Tactical Function
3. Frontline Function
4. None of these

**Options :**

89951437670. 1  
89951437671. 2  
89951437672. 3  
89951437673. 4

**Question Number : 5 Question Id : 8995149581 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

The decisions revolving around capital structure & how to pay for investments & expenses are known as \_\_\_\_\_.

1. Investment Decision
2. Financing Decision
3. Dividend Decision
4. Liquidity Decision

**Options :**

89951437674. 1  
89951437675. 2  
89951437676. 3  
89951437677. 4

**Question Number : 6 Question Id : 8995149582 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The decisions pertaining to ensuring that a firm has enough money to pay its bills when they are due and have sufficient cash reserves to meet unforeseen emergencies are \_\_\_\_\_.

1. Investment Decision
2. Financing Decision
3. Dividend Decision
4. Liquidity Decision

**Options :**

89951437678. 1  
89951437679. 2  
89951437680. 3  
89951437681. 4

**Question Number : 7 Question Id : 8995149583 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not part of the finance function?

1. Ensuring enough funds at reasonable cost
2. Ensuring safety of funds
3. Ensuring efficient effective and profitable utilization of funds
4. Ensuring that funds remain idle

**Options :**

89951437682. 1  
89951437683. 2  
89951437684. 3  
89951437685. 4

**Question Number : 8 Question Id : 8995149584 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

The ultimate responsibility of carrying out finance functions lies with \_\_\_\_\_.

1. Top management
2. Treasurer
3. Tactical management
4. Controller

**Options :**

89951437686. 1  
89951437687. 2  
89951437688. 3  
89951437689. 4

**Question Number : 9 Question Id : 8995149585 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

The terms treasurer & controller are typically \_\_\_\_\_.

1. British
2. American
3. Japanese
4. Swiss

**Options :**

89951437690. 1  
89951437691. 2  
89951437692. 3  
89951437693. 4

**Question Number : 10 Question Id : 8995149586 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

The controller's functions relate more to the \_\_\_\_\_ side of the balance sheet.

1. Liabilities
2. Assets
3. P & L
4. Reserves

**Options :**

89951437694. 1  
89951437695. 2  
89951437696. 3  
89951437697. 4

**Question Number : 11 Question Id : 8995149587 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

The financial statements represent the financial information in \_\_\_\_\_ form and provide information about the financial position of the firm to various stakeholders.

1. Concise & Capsule
2. Organised
3. Organic
4. Legal Format

**Options :**

- 89951437698. 1
- 89951437699. 2
- 89951437700. 3
- 89951437701. 4

**Question Number : 12 Question Id : 8995149588 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The balance sheet balances the assets of the firm against its \_\_\_\_\_,

1. Capital
2. Lending
3. Financing
4. Development

**Options :**

- 89951437702. 1
- 89951437703. 2
- 89951437704. 3
- 89951437705. 4

**Question Number : 13 Question Id : 8995149589 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The proforma for balance sheet, in India, has been stipulated by the \_\_\_\_\_.

1. MCCIA
2. ICAI
3. MCA
4. SEBI

**Options :**

89951437706. 1  
89951437707. 2  
89951437708. 3  
89951437709. 4

**Question Number : 14 Question Id : 8995149590 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Looking from a technical perspective, the income statement is \_\_\_\_\_ to the balance sheet.

1. Substitute
2. Complementary
3. Reduntant
4. Adjunct

**Options :**

89951437710. 1  
89951437711. 2  
89951437712. 3  
89951437713. 4

**Question Number : 15 Question Id : 8995149591 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**



Revenues from operations and other income are included in \_\_\_\_\_.

1. Net Profit
2. Total Revenue
3. Net Worth
4. Gross Profit

**Options :**

89951437714. 1  
89951437715. 2  
89951437716. 3  
89951437717. 4

**Question Number : 16 Question Id : 8995149592 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

The net profit figure shown in the income statement is transferred to \_\_\_\_\_.

1. P&L appropriation account
2. Balance sheet
3. Income statement
4. Trading account

**Options :**

89951437718. 1  
89951437719. 2  
89951437720. 3  
89951437721. 4

**Question Number : 17 Question Id : 8995149593 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Which of the following provides details showing how the firm generated funds during the period under review and how these funds are utilised?

1. Balance sheet
2. The income statement / profit & loss statement
3. Statement of appropriation of profit
4. Statement of changes in financial position

**Options :**

89951437722. 1  
89951437723. 2  
89951437724. 3  
89951437725. 4

**Question Number : 18 Question Id : 8995149594 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

A ratio, as we all know, is an \_\_\_\_\_ relationship between two related figures.

1. Predictive
2. Arithmetical
3. Algebraic
4. None of these

**Options :**

89951437726. 1  
89951437727. 2  
89951437728. 3  
89951437729. 4

**Question Number : 19 Question Id : 8995149595 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following ratio indicates the short-term position of the organization?

1. Liquidity
2. Profitability
3. Turnover
4. Leverage

**Options :**

89951437730. 1

89951437731. 2

89951437732. 3

89951437733. 4

**Question Number : 20 Question Id : 8995149596 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which liabilities consist of sundry creditors, bills payable, outstanding expenses and bank overdraft or cash credit?

1. Fixed
2. Contingent
3. Miscellaneous
4. Current

**Options :**

89951437734. 1

89951437735. 2

89951437736. 3

89951437737. 4

**Question Number : 21 Question Id : 8995149597 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following ratio indicates the long-term financial stability of the organization?

1. Liquidity
2. Profitability
3. Turnover
4. Leverage

**Options :**

89951437738. 1  
89951437739. 2  
89951437740. 3  
89951437741. 4

**Question Number : 22 Question Id : 8995149598 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

The earnings per share (eps) ratio, the price earnings ratio (p/e ratio) & the dividend payout ratio (d/p ratio) are treated as part of ratio.

1. Liquidity
2. Miscellaneous
3. Turnover
4. Leverage

**Options :**

89951437742. 1  
89951437743. 2  
89951437744. 3  
89951437745. 4

**Question Number : 23 Question Id : 8995149599 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

For the ratios to convey some meaningful implications, they need to be compared with some yardsticks. Which of the following are those yardsticks?

- a. Ratios of the same organization may be compared with each other on year to year basis to evaluate the performance of the organization on year to basis
  - b. Ratios of one organization can be compared with the ratios of another organization
  - c. Ratios of an organization can be compared with some standard ratios that can be considered to be the thumb rule for the evaluation of the performance
  - d. Ratios of one organization can be compared with the ratios of another comparable organization
- 1. a, b & c
  - 2. a, b & d
  - 3. a, c & d
  - 4. b, c & d

**Options :**

89951437746. 1

89951437747. 2

89951437748. 3

89951437749. 4

**Question Number : 24 Question Id : 8995149600 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not one of the limitations of ratio analysis?

- 1.It is difficult to decide on the proper basis of comparison
- 2.It cannot provide predictive insight
- 3.While calculating ratios, the financial statements are considered in isolation
- 4.Ratio analysis ignores non-financial figures / inputs

**Options :**

89951437750. 1

89951437751. 2

89951437752. 3

89951437753. 4

**Question Number : 25 Question Id : 8995149601 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Du Pont analysis is the technique used for analyzing the organisation's power in respect of \_\_\_\_\_.

1. Liquidity
2. Profitability
3. Solvency
4. Earnings

**Options :**

89951437754. 1  
89951437755. 2  
89951437756. 3  
89951437757. 4

**Question Number : 26 Question Id : 8995149602 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

A company's balance is also known as \_\_\_\_\_.

1. Income statement
2. Statement of financial position
3. Funds flow statement & cash flow statement
4. Statement showing changes in working capital

**Options :**

89951437758. 1  
89951437759. 2  
89951437760. 3  
89951437761. 4

**Question Number : 27 Question Id : 8995149603 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

A balance sheet can help you determine whether a business is \_\_\_\_\_.

- 1.Going concern
- 2.Really sick
- 3.Really worth
- 4.Really profitable

**Options :**

89951437762. 1  
89951437763. 2  
89951437764. 3  
89951437765. 4

**Question Number : 28 Question Id : 8995149604 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

The balance sheet analysis could be divided into which of the following two parts?

- a. Analysis of assets on the balance sheet
  - b. Analysis of liabilities on the balance sheet
  - c. Analysis of the contingent liabilities on the balance sheet
  - d. Analysis of the pre-paid expenses on the balance sheet
1. a & b
  2. a & c
  3. a & d
  4. b & d

**Options :**

89951437766. 1  
89951437767. 2  
89951437768. 3  
89951437769. 4

**Question Number : 29 Question Id : 8995149605 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

The current assets are the \_\_\_\_\_ of the firm.

- 1.Liquid assets
2. IPR Assets
- 3.Technology assets
4. Investments

**Options :**

89951437770. 1  
89951437771. 2  
89951437772. 3  
89951437773. 4

**Question Number : 30 Question Id : 8995149606 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Working capital is considered as short-term funds as it depends upon the current assets & current liabilities. Current assets or liabilities are those which can be converted into cash within the span of \_\_\_\_\_.

- 1.Five years
- 2.Three years
- 3.Two years
- 4.One year

**Options :**

89951437774. 1  
89951437775. 2  
89951437776. 3  
89951437777. 4

**Question Number : 31 Question Id : 8995149607 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**



The overdraft is a credit facility where the borrower is allowed to overdraw from his firm's \_\_\_\_\_ current account.

1. FD Account
2. SB Account
3. Current Account
4. Margin money account

**Options :**

89951437778. 1  
89951437779. 2  
89951437780. 3  
89951437781. 4

**Question Number : 32 Question Id : 8995149608 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

In a Usance Bill discount transaction, the seller sells the goods to \_\_\_\_\_.

1. Bank
2. Factor
3. Sole Distributor
4. Purchaser

**Options :**

89951437782. 1  
89951437783. 2  
89951437784. 3  
89951437785. 4

**Question Number : 33 Question Id : 8995149609 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the short term facility is not directly provided by the commercial bank?

1. Letter of Credit
2. Certificates of Deposits
3. Export Credit
4. Commercial Paper

**Options :**

89951437786. 1

89951437787. 2

89951437788. 3

89951437789. 4

**Question Number : 34 Question Id : 8995149610 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Which of the following statement about equity shares is incorrect?

- 1.It represents ownership capital
- 2.There is an assured return
- 3.The ownership can change hands
4. It is a permanent capital

**Options :**

89951437790. 1

89951437791. 2

89951437792. 3

89951437793. 4

**Question Number : 35 Question Id : 8995149611 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

A right under the rights issue is an \_\_\_\_\_.

1. Option
2. Obligation
3. Outright sale
4. Outright purchase

**Options :**

89951437794. 1  
89951437795. 2  
89951437796. 3  
89951437797. 4

**Question Number : 36 Question Id : 8995149612 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Which of the following statement is incorrect?

1. Deventure is a basic debt instrument issued by the borrowing company
2. Deventure is a kind of alternative to term loan
3. Deventure is a long term promissory note for raising loan capital
4. Deventure is purely loan & cannot be converted into equity

**Options :**

89951437798. 1  
89951437799. 2  
89951437800. 3  
89951437801. 4

**Question Number : 37 Question Id : 8995149613 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

The automatic route did not facilitate investments in which of the following sector?

1. Real sector
2. Industrial sector
3. Financial Institutions in India
4. Infrastructure

**Options :**

89951437802. 1  
89951437803. 2  
89951437804. 3  
89951437805. 4

**Question Number : 38 Question Id : 8995149614 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is incorrectas regards the cash credit?

- 1.Under a cash credit facility, a pre-determined limit is fixed
- 2.The borrower cannot draw funds as required
- 3.Balance outstanding must not exceed the cash credit limit
- 4.Adequate security must be available

**Options :**

89951437806. 1  
89951437807. 2  
89951437808. 3  
89951437809. 4

**Question Number : 39 Question Id : 8995149615 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is considered clean advance?

- 1.Documentary bills are purchased
- 2.Bill with road receipt
- 3.Documentary Usance Bills discounted
- 4.Promissory note

**Options :**

89951437810. 1  
89951437811. 2  
89951437812. 3  
89951437813. 4

**Question Number : 40 Question Id : 8995149616 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

A certificate of deposit is issued by \_\_\_\_\_.

1. Commercial bank
2. RBI
- 3.Nabard
4. a depositor

**Options :**

89951437814. 1  
89951437815. 2  
89951437816. 3  
89951437817. 4

**Question Number : 41 Question Id : 8995149617 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is basically a negotiable instrument, denominated in u.s.dollars, that represents a non-u.s. company's publicly traded local currency (Indian Rupee) equity shares?

1. ADR
2. FCCB
3. ECB
4. FCEB

**Options :**

89951437818. 1  
89951437819. 2  
89951437820. 3  
89951437821. 4

**Question Number : 42 Question Id : 8995149618 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

A \_\_\_\_\_ is a set of institutional infrastructure / arrangement through which financial surpluses in the economy are mobilised from those having surplus and transferred to those deficit spenders.

1. Financial markets
2. Financial instruments
3. Financial services
4. Financial system

**Options :**

89951437822. 1  
89951437823. 2  
89951437824. 3  
89951437825. 4

**Question Number : 43 Question Id : 8995149619 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The \_\_\_\_\_ are favourably inclined towards term loans as term loans earn a fixed rate of interest, have definite maturity period, term loans are secured lendings & certain restrictions can be put to protect their interest.

1. Lending institutions
2. Brokers
3. Borrowers
4. Merchant bankers

**Options :**

89951437826. 1  
89951437827. 2  
89951437828. 3  
89951437829. 4

**Question Number : 44 Question Id : 8995149620 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

\_\_\_\_\_ is a measure of profitability which relates income to investment, both measured in accounting terms.

1. ARR
2. IRR
3. ROI
4. EPS

**Options :**

89951437830. 1  
89951437831. 2  
89951437832. 3  
89951437833. 4

**Question Number : 45 Question Id : 8995149621 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The \_\_\_\_\_ is examined to determine the extent of profitability of the project and its sufficiency in relation to the repayment obligations pertaining to term assistance.

1. Technical feasibility
2. Economic viability
3. Financial feasibility
4. Commercial viability

**Options :**

89951437834. 1  
89951437835. 2  
89951437836. 3  
89951437837. 4

**Question Number : 46 Question Id : 8995149622 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following institutions comprise those institutions which garner the savings of the people by offering their own shares and stocks, and which provide long-term funds, especially in the form of direct investment in securities and underwriting capital issues of business enterprises?

1. Investing institutions
2. Pension funds
3. NBFCs
4. None of these

**Options :**

89951437838. 1  
89951437839. 2  
89951437840. 3  
89951437841. 4

**Question Number : 47 Question Id : 8995149623 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**



One of the most important finance functions is to intelligently allocate capital to long-term assets, which is also known as \_\_\_\_\_.

1. Capital budgeting
2. Dividend function
3. Master budgeting
4. Profit planning

**Options :**

89951437842. 1  
89951437843. 2  
89951437844. 3  
89951437845. 4

**Question Number : 48 Question Id : 8995149624 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not a step of the five step capital budgeting process?

1. Planning
2. Control over progress
3. Execution
4. Forms and procedures

**Options :**

89951437846. 1  
89951437847. 2  
89951437848. 3  
89951437849. 4

**Question Number : 49 Question Id : 8995149625 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not one of the disadvantages of the pay-back period method?

1. It ignores what happens after the initial investment is recouped.
2. It fails to take into account the time value of money.
3. It doesn't take into account the interest factor involved in an investment outlay
4. It cannot be adopted by a small firm having limited manpower, not having special skills to apply other sophisticated techniques.

**Options :**

89951437850. 1  
89951437851. 2  
89951437852. 3  
89951437853. 4

**Question Number : 50 Question Id : 8995149626 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

The project / proposal to be accepted if NPV is \_\_\_\_\_.

1. Positive
2. Negative
3. Zero
4. None of these

**Options :**

89951437854. 1  
89951437855. 2  
89951437856. 3  
89951437857. 4

**Question Number : 51 Question Id : 8995149627 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Which of the following is not a merit of the profitability index method?

- 1.It requires less computational work then irr method
- 2.It helps to accept / reject investment proposal on the basis of value of the index
- 3.Some people may feel no limitation for index number due to several limitation involved in their competitions
- 4.It is useful to tank the proposals on the basis of the highest/lowest value of the index

**Options :**

- 89951437858. 1
- 89951437859. 2
- 89951437860. 3
- 89951437861. 4

**Question Number : 52 Question Id : 8995149628 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not one of the four different components of working capital management?

- 1.Cash and cash equivalents
2. Inventory
- 3.Debtors / accounts receivables
- 4.Contingent liabilities

**Options :**

- 89951437862. 1
- 89951437863. 2
- 89951437864. 3
- 89951437865. 4

**Question Number : 53 Question Id : 8995149629 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The approach of working capital estimate depending upon undertaking the detailed analysis of / for each component of working capital & taking into account factors like depreciation, safety margin & number of shifts working is known as \_\_\_\_\_.

1. Working capital as a percentage of net sales approach
2. Working capital as a percentage of total assets or fixed assets approach
3. Working capital based on operating cycle approach
4. None of these

**Options :**

89951437866. 1  
89951437867. 2  
89951437868. 3  
89951437869. 4

**Question Number : 54 Question Id : 8995149630 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not a motive for the firm to hold cash?

1. Transaction motive
2. Precautionary motive
3. Speculative motive
4. Contingency motive

**Options :**

89951437870. 1  
89951437871. 2  
89951437872. 3  
89951437873. 4

**Question Number : 55 Question Id : 8995149631 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

When the motive in holding cash is to meet contingencies or unexpected expenditures in future & ensure providing cushion or buffer to meet & withstand unexpected emergency, it is known as

- 
- 1.Transaction motive
  - 2.Precautionary motive
  - 3.Speculative motive
  4. Contingency motive

**Options :**

89951437874. 1  
89951437875. 2  
89951437876. 3  
89951437877. 4

**Question Number : 56 Question Id : 8995149632 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not one of the components of the “float”?

1. Mail time
2. Processing time
3. Holding time
4. Collection time

**Options :**

89951437878. 1  
89951437879. 2  
89951437880. 3  
89951437881. 4

**Question Number : 57 Question Id : 8995149633 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is concerned with trade-off between the profits from increased sales generated by credit policies and the costs of such policies.

- 1.Receivables management
2. Cash management
- 3.Cost management
- 4.Yield management

**Options :**

89951437882. 1  
89951437883. 2  
89951437884. 3  
89951437885. 4

**Question Number : 58 Question Id : 8995149634 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not one of the major tools used for monitoring receivables?

- 1.Average collection period
- 2.Aging schedule
- 3.Collection experience matrix
- 4.Exception report

**Options :**

89951437886. 1  
89951437887. 2  
89951437888. 3  
89951437889. 4

**Question Number : 59 Question Id : 8995149635 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The three components of inventory management would not include which of the following?

- 1.Raw materials & bought-in components
- 2.Work-in-progress
- 3.Deliveries in pipeline
- 4.Finished goods

**Options :**

89951437890. 1  
89951437891. 2  
89951437892. 3  
89951437893. 4

**Question Number : 60 Question Id : 8995149636 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

In Inventory Management, which of the following attempts to determine the order size that would minimize the total inventory costs?

- 1.Economic order quantity
- 2.Re-order level
- 3.ABC Analysis
- 4.Stock-out level

**Options :**

89951437894. 1  
89951437895. 2  
89951437896. 3  
89951437897. 4

**Question Number : 61 Question Id : 8995149637 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Loans from commercial banks, public deposits, accrual accounts are the sources of \_\_\_\_\_.

1. Term loan
2. Demand loan
3. Capex
4. Working capital

**Options :**

89951437898. 1

89951437899. 2

89951437900. 3

89951437901. 4

**Question Number : 62 Question Id : 8995149638 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**

Outstanding amounts payable to the suppliers are known as \_\_\_\_\_.

1. Sundry debtors
2. Bills payables
3. Trade credit
4. Trade advance

**Options :**

89951437902. 1

89951437903. 2

89951437904. 3

89951437905. 4

**Question Number : 63 Question Id : 8995149639 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No**

**Correct Marks : 1 Wrong Marks : 0**



Compounding & discounting are the two most common methods of \_\_\_\_\_ cash flows for the time value of money.

1. Finding out
2. Working out
3. Manipulating
4. Adjusting

**Options :**

89951437906. 1  
89951437907. 2  
89951437908. 3  
89951437909. 4

**Question Number : 64 Question Id : 8995149640 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

If Rs 1000 are invested @ 10% compound interest for 3 years, the interest amount received after 3 years would be Rs. \_\_\_\_\_.

1. 329
2. 331
3. 333
4. 336

**Options :**

89951437910. 1  
89951437911. 2  
89951437912. 3  
89951437913. 4

**Question Number : 65 Question Id : 8995149641 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The DCF technique is based on the recognition of \_\_\_\_\_ value of money.

1. Present
2. Future
3. Time
4. Real

**Options :**

89951437914. 1  
89951437915. 2  
89951437916. 3  
89951437917. 4

**Question Number : 66 Question Id : 8995149642 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

The Decision Rule is: 'Accept the project / proposal if "IT" is more than one, &, reject the project / proposal if "IT" is less than one. The firm may be indifferent if "IT" is equal to 1.  
This decision rule is applicable to which of the following?

1. Profitability Index
2. IRR
3. NPV
4. Terminal Value

**Options :**

89951437918. 1  
89951437919. 2  
89951437920. 3  
89951437921. 4

**Question Number : 67 Question Id : 8995149643 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Which of the following is based on the assumption that all future cash inflows are re-invested elsewhere at the then prevailing rate of interest until the end of the economic life of the project?

1. NPV
2. IRR
3. Profitability index
4. Terminal Value

**Options :**

89951437922. 1  
89951437923. 2  
89951437924. 3  
89951437925. 4

**Question Number : 68 Question Id : 8995149644 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The decision rule, “ the project / proposal is to be accepted if “it” or the “k”, is more than the minimum rate (“k”) or the opportunity cost of capital. Reject the project/proposal if “it ”is less than the minimum rate “k”. The firm may remain indifferent if “it” is just equal to the minimum rate “k”, is applicable to which of the following?

1. NPV
2. IRR
3. Profitability Index
4. Terminal Value

**Options :**

89951437926. 1  
89951437927. 2  
89951437928. 3  
89951437929. 4

**Question Number : 69 Question Id : 8995149645 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

What are the main objectives of cost accounting?

1. Ascertaining cost price
2. Fixing selling price
3. Cost reduction
4. All the above

**Options :**

89951437930. 1  
89951437931. 2  
89951437932. 3  
89951437933. 4

**Question Number : 70 Question Id : 8995149646 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Cost is defined as total of all \_\_\_\_\_.

1. Expenses
2. Incomes
3. Margin
4. Depreciation

**Options :**

89951437934. 1  
89951437935. 2  
89951437936. 3  
89951437937. 4

**Question Number : 71 Question Id : 8995149647 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Elements of costs are \_\_\_\_\_.

1. Material
2. Labour
3. Expenses
4. All of above

**Options :**

89951437938. 1  
89951437939. 2  
89951437940. 3  
89951437941. 4

**Question Number : 72 Question Id : 8995149648 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Rent, depreciation are examples of \_\_\_\_\_.

1. Direct expenses
2. Indirect expense
3. Semi-fixed costs
4. Semi-variable costs

**Options :**

89951437942. 1  
89951437943. 2  
89951437944. 3  
89951437945. 4

**Question Number : 73 Question Id : 8995149649 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Which of the following is the analysis of relationship between sales revenue, costs, output & the profit ?

1. Cost volume profit analysis
2. PV Ration analysis
3. Profit analysis
4. Break-even analysis

**Options :**

89951437946. 1  
89951437947. 2  
89951437948. 3  
89951437949. 4

**Question Number : 74 Question Id : 8995149650 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following would change proportionately with the level of output?

1. Fixed cost
2. Variable cost
3. Semi-variable cost
4. Semi-fixed cost

**Options :**

89951437950. 1  
89951437951. 2  
89951437952. 3  
89951437953. 4

**Question Number : 75 Question Id : 8995149651 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Sales minus variable costs gives us the \_\_\_\_\_.

1. Break Even Point
2. Margin of Safety
3. PV Ratio
4. Contribution

**Options :**

89951437954. 1  
89951437955. 2  
89951437956. 3  
89951437957. 4

**Question Number : 76 Question Id : 8995149652 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

The financial services are categorised into two broad categories viz. \_\_\_\_\_.

1. Funds-based & Asset-based
2. Fee-based & A
3. Funds-based & Fee-based
4. EMI & Down-Payment-based

**Options :**

89951437958. 1  
89951437959. 2  
89951437960. 3  
89951437961. 4

**Question Number : 77 Question Id : 8995149653 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Leasing could broadly be categorised into \_\_\_\_\_ categories.

1. 4
2. 6
3. 8
4. 9

**Options :**

- 89951437962. 1
- 89951437963. 2
- 89951437964. 3
- 89951437965. 4

**Question Number : 78 Question Id : 8995149654 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

In case of Hire-Purchase, the manufacturer sells the asset to the hiree, who loans it to the hirer, in exchange of / for the payment to be made over a period of time. The hiree \_\_\_\_\_ a manufacturer or a finance company.

1. has to be
2. need not be
3. may be
4. is

**Options :**

- 89951437966. 1
- 89951437967. 2
- 89951437968. 3
- 89951437969. 4

**Question Number : 79 Question Id : 8995149655 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**



Venture Capital is provided by the Venture Capital Funds which are prepared to finance risky projects that appear to have promising \_\_\_\_\_.

1. Markets
2. Market capitalisation
3. Talent
4. Prospect

**Options :**

89951437970. 1  
89951437971. 2  
89951437972. 3  
89951437973. 4

**Question Number : 80 Question Id : 8995149656 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The term “ANGEL”, with reference to funds provided to entrepreneurs, was first introduced by \_\_\_\_\_ in 1978.

1. William Wetzel
2. Herfert
3. Vijay Govindrajan
4. C.K.Prahlad

**Options :**

89951437974. 1  
89951437975. 2  
89951437976. 3  
89951437977. 4

**Question Number : 81 Question Id : 8995149657 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

There is no "set amount" for \_\_\_\_\_ and the range can go anywhere from a few thousand to a few million dollars.

1. Merchant Bankers
2. Angel Investors
3. Venture Capital
4. Crowd Funding

**Options :**

89951437978. 1  
89951437979. 2  
89951437980. 3  
89951437981. 4

**Question Number : 82 Question Id : 8995149658 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

A \_\_\_\_\_, from a different perspective, can also be viewed as corporatisation of private investment.

1. Venture Capital
2. Angel Finance
3. Mutual Fund
4. Crowd Funding

**Options :**

89951437982. 1  
89951437983. 2  
89951437984. 3  
89951437985. 4

**Question Number : 83 Question Id : 8995149659 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not true about mutual fund investment?

1. Investment Variety
2. Capital Appreciation
3. Professional Management by AMC
4. Low /No liquidity

**Options :**

89951437986. 1  
89951437987. 2  
89951437988. 3  
89951437989. 4

**Question Number : 84 Question Id : 8995149660 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

In the context of Mutual Fund, which of the following refers to the amount which the Unit Holders would receive per Unit if the Scheme is closed?

1. NAV
2. IRR
3. ARR
4. NPV

**Options :**

89951437990. 1  
89951437991. 2  
89951437992. 3  
89951437993. 4

**Question Number : 85 Question Id : 8995149661 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Merchant banking activities in India are mainly regulated by \_\_\_\_\_.

1. RBI
2. MCA
3. BSE
4. SEBI

**Options :**

89951437994. 1  
89951437995. 2  
89951437996. 3  
89951437997. 4

**Question Number : 86 Question Id : 8995149662 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Which of the following is not one of the 5-c's of credit rating?

1. Covenants
2. Capacity
3. Competency
4. Collateral

**Options :**

89951437998. 1  
89951437999. 2  
89951438000. 3  
89951438001. 4

**Question Number : 87 Question Id : 8995149663 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No  
Correct Marks : 1 Wrong Marks : 0**

Which of these pair pertaining to Credit Rating Agency & the Country is not correct?

1. CRA-USA
2. CRB-Australia
3. SAE-Philippines
4. CIBIL-India

**Options :**

89951438002. 1  
89951438003. 2  
89951438004. 3  
89951438005. 4

**Question Number : 88 Question Id : 8995149664 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following organisations does not offer Corporate Governance Rating in India?

1. CARE
2. CRISIL
3. SEBI
4. ICRA

**Options :**

89951438006. 1  
89951438007. 2  
89951438008. 3  
89951438009. 4

**Question Number : 89 Question Id : 8995149665 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Who has come out with the concept of Grand Strategies?

1. Hamel
2. Michael Porter
3. Peter Drucker
4. Glueck

**Options :**

89951438010. 1  
89951438011. 2  
89951438012. 3  
89951438013. 4

**Question Number : 90 Question Id : 8995149666 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The strategy adopted when an organisation aims at high growth by substantially broadening the scope of one or more of its business in terms of their respective customer group, customer functions & alternative technologies either singly or jointly in order to improve its performance is referred to as

- 
1. Stability Strategy
  2. Expansion Strategy
  3. Retrenchment Strategy
  4. Combination Strategy

**Options :**

89951438014. 1  
89951438015. 2  
89951438016. 3  
89951438017. 4

**Question Number : 91 Question Id : 8995149667 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The strategy employed by an organisation when it uses a mix of stability, expansion & retrenchment strategies on one product at different times or different products at different times is known as

- \_\_\_\_\_.
1. Stability Strategy
  2. Expansion Strategy
  3. Retrenchment Strategy
  4. Combination Strategy

**Options :**

89951438018. 1  
89951438019. 2  
89951438020. 3  
89951438021. 4

**Question Number : 92 Question Id : 8995149668 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Which of the following is not one of the reasons why Seller prefers M&A?

1. Increase the value of the owner's stock & investment in the firm
2. Increase the firm's growth rate by receiving more resources
3. Balance or fill product line
4. Deal with Top Management problems

**Options :**

89951438022. 1  
89951438023. 2  
89951438024. 3  
89951438025. 4

**Question Number : 93 Question Id : 8995149669 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

In M&A, the issues relating to commonality of interests between the firms, strengths, weaknesses, the prospect & impact of synergy helping both the organisations to achieve the objective efficiently would be considered as \_\_\_\_\_.

1. Strategic Issues
2. Succession Issues
3. Legal Issues
4. Financial Issues

**Options :**

89951438026. 1  
89951438027. 2  
89951438028. 3  
89951438029. 4

**Question Number : 94 Question Id : 8995149670 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The issues pertaining to valuation of seller firm, sources of financing for merger, value of selling firm may be assessed based on the assets, market standing, earning potential, share prices, sources of financing, share swap ratio, valuation (firm's value, firm's book value, firm's appraisal value, firm's market value) & firm's EPS etc. are the \_\_\_\_\_ covered under the M&A.

1. Strategic Issues
2. Managerial Issues
3. Accounting Issues
4. Financial Issues

**Options :**

89951438030. 1  
89951438031. 2  
89951438032. 3  
89951438033. 4



**Question Number : 95 Question Id : 8995149671 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

Reliance Industries Ltd. acquiring IPCL would be considered as \_\_\_\_\_.

1. Horizontal Merger
2. Vertical Merger
3. Concentric Merger
4. Conglomerate Merger

**Options :**

89951438034. 1  
89951438035. 2  
89951438036. 3  
89951438037. 4

**Question Number : 96 Question Id : 8995149672 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The RP Goenka Group (RPG), which was mainly into tea & jute, acquiring the music company HMV or the tyre company CEAT is an example of \_\_\_\_\_.

1. Horizontal Merger
2. Vertical Merger
3. Concentric Merger
4. Conglomerate Merger

**Options :**

89951438038. 1  
89951438039. 2  
89951438040. 3  
89951438041. 4

**Question Number : 97 Question Id : 8995149673 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The definition of NPA, with focus on over 90 days overdues has been changed with effect from 31<sup>st</sup> march, 2004 with a view to moving towards international best practices & to ensure greater transparency. It has been effective from the year ending\_\_\_\_\_.

1. March 31, 1999
2. March 31, 2004
3. March 31, 2009
4. March 31, 2014

**Options :**

89951438042. 1  
89951438043. 2  
89951438044. 3  
89951438045. 4

**Question Number : 98 Question Id : 8995149674 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The Lok Adalats, which have been set up to minimise litigation & facilitate dues settlement/ recovery of bank loans, can take up cases for amounts upto \_\_\_\_\_

1. RS. 1 LAKH
2. RS. 2 LAKHS
3. RS. 5 LAKHS
4. RS. 10 LAKHS

**Options :**

89951438046. 1  
89951438047. 2  
89951438048. 3  
89951438049. 4

**Question Number : 99 Question Id : 8995149675 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

An enactment was passed by the Government of India. Its aim is to promote entrepreneurship, availability of credit, and balance the interests of all stakeholders by consolidating and amending the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time-bound manner and for maximization of value of assets of such persons and matters connected therewith or incidental thereto. Which is that act?

1. Recovery of Debt due to Banks & Financial Institutions Act, 1993
2. IBC Act, 2016
3. SARFAESI Act, 2002
4. Compromise Settlement. 2001

**Options :**

- 89951438050. 1
- 89951438051. 2
- 89951438052. 3
- 89951438053. 4

**Question Number : 100 Question Id : 8995149676 Question Type : MCQ Option Shuffling : No Is Question Mandatory : No Correct Marks : 1 Wrong Marks : 0**

The Insurance Sector Reforms were initiated consequent upon the recommendations of which Committee?

1. Narasimham Committee
2. Raja Chelliah Committee
3. Malhotra Committee
4. Kohli Committee

**Options :**

- 89951438054. 1
- 89951438055. 2
- 89951438056. 3
- 89951438057. 4