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**Roll No. ....**

## **BBA-211**

**B. B. A. (SECOND SEMESTER)  
END SEMESTER EXAMINATION,  
July/Aug., 2022**

**ECONOMICS FOR LIFE**

**Time : Three Hours**

**Maximum Marks : 100**

**Note : (i) All questions are compulsory.**

**(ii) Each question carries 2 marks.**

1. \_\_\_\_\_ regulates the mutual fund industry in India.
  - (a) RBI
  - (b) SEBI
  - (c) IRDA
  - (d) Government
2. An individual can open how many accounts under PPF all across the country either in Post Office or any Bank ?
  - (a) Unlimited

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- (b) Only one either at PO or bank
  - (c) One at PO and one at Bank
  - (d) 5 PPF Accounts can be opened by an individual
3. \_\_\_\_\_ schemes are not exposed to sudden and large movement of funds.
- (a) Fixed maturity plan
  - (b) Open ended funds
  - (c) Closed ended funds
  - (d) Interval funds
4. Under PPF, Account will be mature after \_\_\_\_\_ financial years excluding FY of account opening.
- (a) 5
  - (b) 10
  - (c) 15
  - (d) 21

5. Under PPF, any account in which the account holder, having deposited five hundred rupees in the initial year, fails to deposit the minimum amount in the following years, shall be treated as :
- (a) Freezed
  - (b) Silent
  - (c) Discontinued
  - (d) Dormant
6. The premium is lowest for \_\_\_\_\_
- (a) Money back policy.
  - (b) Term insurance.
  - (c) Whole life policy.
  - (d) Endowment policy.
7. Which of the following is the regulator of insurance sector in India ?
- (a) RBI
  - (b) AMFI
  - (c) IRDA
  - (d) SEBI

8. A contract that pledges payment of an agreed upon amount to the person (or his/her nominee) on the happening of an event covered against is technically known as :
- (a) Death coverage
  - (b) Life insurance
  - (c) Savings for future
  - (d) Provident fund
9. The insurance companies collect a fixed amount from its customers at a fixed interval of time. What is it called ?
- (a) Installment
  - (b) Contribution
  - (c) Premium
  - (d) EMI
10. What is the minimum deposit to be made in a Financial Year under Public Provident Fund Account (PPF) ?
- (a) ₹ 100
  - (b) ₹ 50
  - (c) ₹ 1000
  - (d) ₹ 500

11. Interest under PPF account shall be credited to the account at the end of :
- (a) maturity
  - (b) each month
  - (c) each year
  - (d) quarterly basis
12. What is the primary goal of financial management ?
- (a) To minimize the risk
  - (b) To maximize the return
  - (c) To maximize the owner's wealth
  - (d) To raise profit
13. What is the maximum deposit admissible in a Financial Year under Public Provident Fund Account (PPF) ?
- (a) ₹ 500
  - (b) ₹ 4.5 Lakhs
  - (c) ₹ 1.5 Lakhs
  - (d) ₹ 3 Lakhs

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14. The contribution which shall be paid by the employer to the Provident Fund shall be :

- (a) 5%
- (b) 7%
- (c) 12%
- (d) 10%

15. NPS (National Pension System) is governed and regulated by :

- (a) PFRDA
- (b) IRDA
- (c) RBI
- (d) SEBI

16. The eligibility condition for obtaining gratuity under the Payment of Gratuity Act, 1972 is :

- (a) Completion of 2 years of Service
- (b) Completion of 3 years of Service
- (c) Completion of 4 years of Service
- (d) Completion of 5 years of Service

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17. In the case of a monthly rated employee, the fifteen days' wages shall be calculated by dividing the monthly rate of wages last drawn by him by \_\_\_\_\_ and multiplying the quotient by fifteen.

- (a) 30
- (b) 15
- (c) 26
- (d) 25

18. The government has reduced the stipulated period for settlement of various claims like PP withdrawal, pension and insurance by the retirement fund body EPFO to 20 days from the existing \_\_\_\_\_.

- (a) 25 days
- (b) 30 days
- (c) 60 days
- (d) 90 days

19. Time value of money indicates that

- (a) A unit of money obtained today is worth more than a unit of money obtained in future

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- (b) A unit of money obtained today is worth less than a unit of money obtained in future
- (c) There is no difference in the value of money obtained today and tomorrow
- (d) None of the above
20. \_\_\_\_\_ is considered high risk funds but also tend to provide high returns.
- (a) Equity funds
- (b) Money market funds
- (c) Balanced or Hybrid funds
- (d) Debt funds
21. Atal Pension Yojana was launched by Prime Minister Narendra Modi on :
- (a) June 2017
- (b) October 2014
- (c) September 2016
- (d) May 2015

22. Which among the following is the progressive tax ?
- (a) Income tax
- (b) Sales Tax
- (c) Customs duty
- (d) Development subcharge
23. Financial Derivatives include :
- (a) Stocks
- (b) Bonds
- (c) Futures
- (d) None of the above
24. \_\_\_\_\_ is the most famous tool of risk management.
- (a) Certainty risk
- (b) Insurance
- (c) Loss prevention
- (d) Uncertainty risk
25. An insurance agent represents the \_\_\_\_\_.
- (a) Insured
- (b) Insurer
- (c) Government
- (d) Adjustment bureau

26. Which of the following is not a concern of the insurance regulatory framework ?

- (a) It has to safeguard the interests of the customers
- (b) It has to safeguard the interests' of the stakeholders
- (c) It has to ensure the financial soundness of the insurance industry
- (d) It has to help in the healthy growth of the insurance market.

27. PFRDA means :

- (a) Pension fund regulatory and development authority
- (b) Past fund regulatory and development authority of India
- (c) Pure fund regulatory and development authority of India
- (d) Provident fund regulatory and development authority of India

28. Which of the following is not a tax saving investment ?

- (a) Home loan Principal repayment
- (b) Public provident fund
- (c) Life Insurance premium
- (d) Fixed deposits

29. PRAN stands for :

- (a) Personal registration account number
- (b) Personal retirement account number
- (c) Permanent registration account number
- (d) Permanent retirement account number

30. In the Income tax act, \_\_\_\_\_ is a certificate which an employer gives to his employees. It certifies the amount of tax deducted by the employer from the salary of the employee.

- (a) Form 16
- (b) Form 12
- (c) Form 15
- (d) Form 26s

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31. Pension fund regulatory and development authority is authorized by :
- (a) Government of India
  - (b) Ministry of Commerce
  - (c) Ministry of Finance
  - (d) RBI
32. Family Floater cover is the component of which among the following Insurance policy ?
- (a) Travel Insurance
  - (b) Health Insurance
  - (c) Motor Insurance
  - (d) None of these
33. Any periodical payment of a fixed amount made at a regular interval :
- (a) Annuity
  - (b) instalment
  - (c) Fee
  - (d) Deferred Annuity.

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34. Which of the following is an annuity service provider ?
- (a) Life Insurance companies
  - (b) Public sector banks
  - (c) Private sector banks
  - (d) NBFCs
35. NPS is based on \_\_\_\_\_ created for individual members.
- (a) Current account
  - (b) FD account
  - (c) PRA's
  - (d) RD account
36. The premium is lowest for \_\_\_\_\_
- (a) money back policy.
  - (b) term insurance.
  - (c) whole life policy.
  - (d) endowment policy.
37. The uncommitted pension received by a government servant is :
- (a) Fully exempted
  - (b) Upto 50% off
  - (c) Fully taxable
  - (d) Upto 20% off

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38. Specific day at which bond value is repaid is called :

- (a) Valued date
- (b) Repayment date
- (c) Maturity date
- (d) Payment date

39. Financial Management is mainly concerned with \_\_\_\_\_.

- (a) All aspects of acquiring and utilizing financial resources for firms activities
- (b) Arrangement of funds
- (c) Efficient Management of every business
- (d) Profit maximization

40. The Employee Provident Fund Act is applicable to every establishment which is a factory engaged in any industry and in which \_\_\_\_\_ persons are employed

- (a) 20
- (b) 10 or more

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(c) 20 or more

(d) 15 or more

41. Investment is the :

- (a) Net addition made to the national's capital stocks
- (b) Person's commitment to buy a flat or a house
- (c) Employment of funds on assets to earn returns
- (d) Employment of funds on goods and services that are used in production process.

42. How much contribution is done in superannuation fund ?

- (a) 10%
- (b) 15%
- (c) 20%
- (d) 25%

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43. If an organization wishes to venture into Insurance Business it has to obtain a licence first from which of the following ?

- (a) Indian Banks Association (IBA)
- (b) Security and Exchange Board of India (SEBI)
- (c) Tariff Advisory Committee (TAC)
- (d) Insurance Regulatory and Development Authority of India (IRDAI)

44. A(n) \_\_\_\_\_ represents what you give up as a result of making an alternative decision.

- (a) purchase price
- (b) financing cost
- (c) opportunity cost
- (d) liquidity need

45. Which of the following is true about financial statements ?

- (i) Financial statement gives a summary of accounts.
  - (ii) Financial statements can be stated as recorded facts.
- (a) Only (i)
  - (b) Only (ii)
  - (c) Both (i) and (ii)
  - (d) None of the above

46. The formula for calculating gratuity is :

- (a)  $\text{gratuity} = (\text{monthly salary}/25) \times 15 \times \text{no. of years of service}$
- (b)  $\text{gratuity} = (\text{monthly salary}/30) \times 15 \times \text{no. of years of service}$
- (c)  $\text{gratuity} = (\text{monthly salary}/26) \times 15 \times \text{no. of years of service}$
- (d)  $\text{gratuity} = (\text{monthly salary}/15) \times 15 \times \text{no. of years of service}$

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47. The Lock in period in Unit Linked Insurance

Plan is :

- (a) 2 yrs
- (b) 3 yrs
- (c) 4 yrs
- (d) 5 yrs

48. What is the-limit of interest under PPF Account above which it qualify for Income Tax ?

- (a) ₹ 10,000
- (b) ₹ 50,000
- (c) ₹ 25,000
- (d) Interest earned is tax free under Income Tax Act

49. In extended account under PPF with deposits, how many withdrawal(s) can be taken in each FY subject to maximum limit 60% of balance credit at the time of maturity in the block of 5 years ?

- (a) One withdrawal

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- (b) Two withdrawals
- (c) Five Withdrawals
- (d) No withdrawals allowed

50. \_\_\_\_\_ is a method of investing in mutual funds wherein an investor chooses a mutual fund scheme and invests the fixed amount of his choice at fixed intervals.

- (a) Systematic Transfer Plan
- (b) Systematic Withdrawal Plan
- (c) Systematic Investment Plan
- (d) Systematic Innovative Plan

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