

S.No	Question	A	B	C	D	E	Ans
UNIT-III							
1	Exchange value of a unit of good expressed in terms of money is called	Cost	Capital	Price	Expenditure		C
2	The price of a product is determined by the _____ of that product	Demand and supply	Place and time	Production and sales	Cost and income		A
3	The price at which demand and supply of a commodity equal is Known as	High price	Equilibrium price	Low price	Marginal price		B
4	A market where large number of buyers and sellers dealing in Homogeneous product with perfect knowledge is called	Imperfect competition	Monopoly	Perfect competition	Monopolistic competition		C
5	In which market, single market price prevails for the commodity	Monopoly market	Oligopoly market	Duopoly market	Perfect competition market		D
6	The Price determined in the very short period is known as_____.	Market price	Short run price	Secular price	Normal price		A
7	. In which period, the supply of commodity is fixed	Very short period	Short period	Long period	Very long period		A
8	Charging very high price in the beginning and reducing it gradually is called	Differential pricing	Skimming pricing	Sealed bid pricing	Penetration pricing		B
9	. If monopoly arises on account of legal support or as a matter of legal Privilege, it is called as	Private monopoly	Government monopoly	Legal monopoly	Single price monopoly		C
10	Under which pricing method, price just equals the total cost	Marginal cost pricing	Cost plus pricing	Going rate pricing	Full cost pricing		D
11	_____ is a place in which goods and services are bought and sold.	Market	Factory	Workshop	Warehouse		A

1 2	_____ is the example for perishable goods.	Pens	Belts	Vegetables	Cloths		C
1 3	_____ is a form of market organization in which There is only one seller of the commodity.	Duopoly	Monopoly	Perfect Competition	Oligopoly		B
1 4	If average Revenue is greater than the Average cost, monopolist Earns ____.	Loss	Profit	No loss No profit	None		B
1 5	. The firm is said to be in equilibrium, when it's Marginal Cost (MC) Equals to ____.	Marginal Revenue	Total cost	Total revenue	Average Revenue		A
1 6	_____ is a position where the firm has no incentive either to expand or contract its output.	Maximum output	Minimum output	Equilibrium	None		C
1 7	Marginal revenue, Average revenue and Demand are the same in _____ Market Environment	Monopoly	Duopoly	Imperfect Competition	Perfect Competition		D
1 8	_____ is a period in which supply can be increased by altering the Variable factors and fixed costs will remain constant.	Short – run	Market period	Mid – term	Long – run		A
1 9	The total supply of a good is produced by a single private person or Firm is called as_____.	Government Monopoly	Legal Monopoly	Private Monopoly	Natural Monopoly		C
2 0	. In perfect competition market, seller is the _____.	Price – Maker	Price – Taker	Price changer	Price Dictator		B
2 1	Charging Very Low price in the beginning and increasing it gradually is called _____	Differential pricing	Sealed bid Pricing	Skimming Pricing	Penetration Pricing		D
2 2	. If Average Revenue is less than the Average Cost, Monopoly secures ____.	Profits	Losses	Abnormal Profits	Super Profits		B
2 3	In Monopoly market environment, seller is the	Price - Taker	Price - Acceptor	Price - Maker	None		C

	_____.		er				
24	In cost based pricing, the selling price is fixed based on_____	Full/partial cost	Profit	Margin	Value Perceived		A
25	Marginal cost pricing is_____	Cost based pricing method	Competition based pricing	Demand based pricing	Strategy based pricing		A
26	Going rate pricing is a kind of_____ pricing method	Cost based pricing method	Competition based pricing	Demand based pricing	Strategy based pricing		B
27	IN marginal cost pricing selling price is fixed in a way that it covers fully variable/marginal cost and contributes to the recovery of _____ costs	Fixed	promotional	production	Other overheads		A
28	Charging extra for users of transport network during peak hours to reduce traffic congestion is referred to _____ pricing	Traffic pricing	Social cost based pricing	Congestion pricing	None of these		B
29	Cost plus pricing is also called as _____ pricing	Marginal cost	Mark-up	Mark-down	Going rate pricing		B
30	A Partnership firm can be formed with a minimum of Two Partners and it can have a maximum of _____ Partners .	20	30	40	50		A
31	"People may come and people may leave, but I go on forever" is Applicable to _____Business organization.	Sole proprietorship	Company	Partnership	Joint Hindu Family		B
32	_____ is Supreme Authority for Company Organization.	Directors	Debenture holders	Share holders	Creditors		C
33	"One man one vote" Principle is adopted in _____.	Partnership firms	Company	Hindu family business	Co-operative		D

					enterprises		
34	The management of 'Joint Hindu Family' business vests in the eldest member of the family, called _____	Kartha	Director	Grand father	Manager		A
35	Minimum Two and maximum members are permitted in Private limited company are_____.	20	50	10	unlimited		B
36	Minimum and maximum members are permitted in Public limited company_____.	50, Unlimited	20 ; 50	7 ; Unlimited	7 ; 50		C
37	. Liability of sole proprietor is _____	Limited	Minimum	Unlimited	None		C
38	Liability of Shareholder _____.	Limited to the share capital	Maximum	Unlimited	None		A
39	Certificate of commencement of business should be obtained by----- -- company to start its functions.	Private	Statutory	Chartered	Public		D
40	Company operates in more than one Country is called as _____.	Private company	Multinational company	Govt. company	Indian company		B
41	_____ is not required to private company to start its functions	Certificate of incorporation	Certificate of commencement of business	Registration	None		B
42	_____ partner can enjoy profits but no liability for losses	Minor	Sleeping	Active	Nominal		A
43	In public sector unit's ownership is in the hands of _____.	Public	Government	Private	None		B
44	Promoting balanced regional development is one of the	Private sector	Joint sector	Public sector	None		C

	objectives of ____ units						
45	If either state government or central government or both have got not less than 51% of share in the organization. Then that is called____.	Private organization	Partnership organization	Joint sector organization	Government organization		
46	The loss or decrease in the value of asset is called as_____	Depreciation	Appreciation	Realization	Outstanding		A
47	_____is the person to whom firm owes money.	Debtor	Creditor	Sales person	Proprietor		B
48	The net profit or loss is transferred to _____in balance sheet.	Fixed assets	Cash in hand	Capital a/c	Cash at bank		C
49	If permanent assets are shown first in the balance sheet then the assets are shown as order of _____	liquidity	preference	permanency	tangible		C
50	_____ payment is legal obligation .	Interest	Dividend	Bonus	Loan		A

UNIT-IV							
1.	A company's 'return on investment' indicates its ____	Profitability	Solvency	Stock turnover	Debtors collection		A
2.	_____ ratio would a business be most likely to use its 'solvency'.)	Gross profit ratio	Debt-equity ratio	Debt collection period	Current ratio		B
3.	Higher 'Assets turnover ratio' explains ____.	More profitability	Higher sales turnover	Better utilization of assets	large liability base		C
4.	Which of the following measures company's liquidity position -----	Stock Turnover ratio	Debt collection period	Net profit ratio	Current ratio		D
5.	The difference between current assets and current liabilities is called____.	Working capital	Cost of goods sold	Outsiders funds	Shareholders funds		A

6.	Debtor's is a current asset, where as creditor's is _____.	Fixed Asset	Current Liability	Fixed Liability	Long-term Liability		B
7.	What is the Desirable current Ratio _____?	1:2	3:2	2:1	1:1		C
8.	Long-term stability of an enterprise indicates by ____ ratios.	Liquidity	Profitability	Turnover	Solvency		D
9.	The Liquidity ratios assess the capacity of the company to repay Its _____ Liability.	Solvency	Long-term	Profitability	Turnover		A
10.	In which Book-keeping system, business transactions are recorded as two separate accounts at the same time? ()	Single entry	Double entry	Triple entry	None		B
11.	In which Concept "Business is treated separate from the Proprietor?")	Cost concept	Dual aspect concept	Business entity concept	Matching concept		C
12.	When a deduction allowed from the gross or catalogue price to traders; then it is called as ____.	Cash discount	Credit discount	Trade discount	None		C
13.	"Out standing wages" is treated as _____	Liability	Income	Asset	Expense		A
14.	How many types of accounts are maintained to record all types of business transactions?	Five	Three	four	Two		B
15.	Which connects the link between Journal and Trial Balance?	Trading Account	Profit & Loss account	Ledger	Balance sheet		C
16.	Which assets can be converted into cash in short period?	Intangible Assets	Fixed Assets	Fictitious Assets	Current Assets		D
17.	"Bank over draft" is a _____.	Liability	Asset	Expense	Income		A
18.	Profit and Loss account is prepared to find out the business _____	Gross result	Net result	Financial position	Liquidity position		B
19.	The statement of "Debit and credit balances of Ledger accounts" is called as _____.	Journal	Ledger	Trial balance	Balance sheet		C
20.	_____ is a person who owes money to the firm	Share holder	Owner	Creditor	Debtor		D

21.	The statement reveals the financial positions of a business at any given date is called _____.	Balance sheet	Trading account	Profit and loss account	Trial balance		A
22.	_____ is called as 'Book of Original Entry'.	Ledger	Journal	Trial Balance	Trading account		B
23.	. Debit what comes in; Credit what goes out is ____ account principle?	Nominal	Personal	Real	None		C
24.	The process of entering transactions in to Ledge accounts known as ____	Journal entry	First entry	Posting	None		C
25.	Debit Expenses and Losses; Credit Incomes and Gains is ____ account Principle	Personal	Real	Nominal	None		C
26.	"Prepaid Insurance Premium" is treated as ____	Gain	Income	Liability	Asset		D
27.	Acid Test Ratio is also called as _____.	Current Ratio	Absolute Liquid Ratio	Debt-Equity Ratio	Quick Ratio		D
28.	The relationship between two numerical values is called as ____.	Discount	Ratio	Ledger	Account		B
29.	"Gross Profit" can be found out by preparing _____.	P & L account	Balance sheet	Trading account	Trial balance		C
30.	"Net Profit" can be found out by preparing _____	Trading account	Trial balance	Profit and Loss account	Balance sheet		C
31.	The book in which all the transactions are recorded in chronological order is _____	Journal	Ledger	Trial balance	Balance sheet		A
32.	_____is a book of prime or original entry.	Journal	Ledger	Trial balance	Balance sheet		A
33.	The process of recording transactions in journal is called _____	Ledger	Single entry book keeping	Journalizing	posting		C
34.	In case of personal accounts receivers account is _____.	Debited	credited	posted	journalized		A
35.	In case of personal accounts givers account should be _____.	Debited	credited	posted	journalized		B

36.	In case of real accounts debit is given to _____	What comes in	All incomes and gains	What goes out	All expenses and losses		A
37.	In case of real accounts credit is given to _____	What goes out	What comes in	The receiver	The giver		A
38.	Expenses and losses should be _____ in journal.	credited	Debited	Not to be considered in journals	Appear both in debit and credit		B
39.	While passing journal entries, accounts dealing with incomes and gains should be _____.	credited	Debited	Not to be considered in journals	Appear both in debit and credit		A
40.	Cash purchases from Deepak should be credited to _____.	Purchases a/c	Cash a/c	Deepak a/c	Goods a/c		B
41.	Cash purchases of goods from Suneel should be debit _____.	Purchases a/c	Cash a/c	Suneel a/c	drawings a/c		A
42.	A credit sale of goods to Ram should be debited to _____.	Ram a/c	Sales a/c	Credit a/c	Cash a/c		A
43.	Purchase of furniture for cash from Mr. X should be debited to _____.	Furniture a/c	Purchase a/c	Cash a/c	Mr. X.a/c		A
44.	A sale of goods to Varma for cash should be debited to _____.	Goods a/c	Cash a/c	Sales a/c	Varma a/c		B
45.	Withdrawal of cash from business by the proprietor should be debited to _____.	Proprietor a/c	Cash a/c	Sales a/c	Drawing a/c		D
46.	The heading for profit and loss a/c will be 'Profit and Loss a/c' _____.	As on or as at	Year beginning-----	date	For the year/period ending --- ----		D
47.	The heading of Balance sheet will be 'Balance Sheet' _____	As on or as at	Year beginning-----	Year ended	From ---- to -----		A
48.	If the total of credit side of trading a/c is more than the total of debit side, the difference is called _____	Net profit	Gross profit	Net loss	Gross loss		B
49.	Gross profit is transferred to _____a/c	Sales a/c	Profit and loss a/c	capital a/c	Balance sheet		B

50.	Opening stock + purchases + direct expenses for purchase of goods –closing stock is called ____.	sales	Gross profit	Cost of goods sold	Net profit		C
UNIT-V							
51.	Financing decision refers as ____	Investment decision	Utilization of funds	Acquisition of funds	Dividend policy decision		C
52.	Excess of current assets over current liabilities is known as ____	Long run capital	Fixed capital	Net worth	Net working capital		D
53.	Long term investment of funds is called ____	Capital Budgeting	Revolving capital	Working capital	Operational capital		A
54.	A rate at which N.P.V = 0, then the rate is called ____	Minimum Rate of Return	Required Rate of Return	Internal Rate of Return	Average Rate of Return		C
55.	____ is the life blood of the business.	Price	Finance	Cost	Production		B
56.	Which method takes into consideration “The Time Value of Money”?	NPV method	Pay Back Period method	Traditional method	ARR method		A
57.	Under Capital budgeting, only ----- Proposals are considered	Long-term	Short term	Very short term	Mid-term		A
58.	The investment in short-term assets is known as ____	Capital Budgeting	Working Capital Management	Fixed investment	Fixed capital management		B
59.	Which assets yield a return over a period of time in future?	Short term assets	Current assets	Long term assets	Fictitious assets		C
60.	What is the current asset from the following?	Creditors	Bills payables	Bank O.D	Debtors		D
61.	What is the formula of Net Present Value (NPV)?	P V of cash inflow / P.V of cash flow	Cost of the project/Average returns	Average investment/Average earnings	NPV of inflows-NPV of outflows		D
62.	What is the formula for profitability index	NPV of inflows-NPV of outflows	Average investment/average earnings	Cost of project/average annual earnings	P V of cash inflow / P.V of cash		D

					flow		
63.	The process of evaluating the relative worth of long-term investment Proposals are called_____.	Working capital management	Current liabilities management	Capital Budgeting	Current assets management		C
64.	What is the formula for Pay Back period?	Actual investment/Average earnings	Cash inflows/ cash outflows	Average investment/average earnings	Annual earnings /cost of the project		A
65.	_____ decision relates to the selection of assets in which funds will be invested by a firm.	finance	investment	dividend	none		B
66.	_____ method is one of the traditional methods.	Pay back period	Net present value	Profitability index	internal rate of return		A
67.	Funds needed for short-term purpose is known as _____.	Fixed capital management	Longterm capital management	Capital Budgeting	Working capital management		D
68.	Average Rate of Return (ARR)_____	Cost of the project /Average earnings	Average earnings /Average investment	NPV of inflows/ NPV of outflows	Average investment/Average earnings		B
69.	The Pay Back Period also called as _____	Pay reserve method	Pay off Period	Current Period	None		B
70.	_____share holders have preference over dividends	Preference	Equity	Debenture	General		A
71.	Interest is paid on loan and dividend is paid on _____.	Debentures	Securities	Public Deposits	Shares		D
72.	_____cycle is required for estimation of working capital	Gross working capital	Operating	Money	Business		B
73.	Long term investment of funds is called_____	Capital	Net working capital	Gross working capital	Capital budgeting		D
74.	Value printed on share is called as _____	Face value	Equity	Premium	Preference		A
75.	Raising capital for long term from general public is called_____	Ploughing-back	Trade credit	Equity	Public deposit		C
76.	In_____ table we see present value if there are constant cash flows.	Annuity	Present value	Compound interest	Simple interest		A
77.	Present value calculation is reciprocal of _____calculation.	Simple interest	Compound	Annuity	Pay back period		B

			interest				
78.	The process of evaluating the relative worth of long term investment proposal is called_____	Capital discountin g	Capital budgetin g	Capital rationing	Capital expendit ure		B
79.	The process of reducing the future cash inflows to their present values is called _____	Pay back period	depreciat ion	straight line method	discountin g		D
80.	Under capital budgeting, only_____ proposals are considered.	Long term	Short term	Medium term	Very short term		A
81.	_____ cycle is required for estimation of working capital.	Gross working capital	Operatin g	Money	Business		B
82.	Net working capital is a difference between _____.	Fixed & current assets	Current assets & current liabilities	Current assets & fixed liabilities	Current liabilities & fixed assets		B
83.	Long term investment of funds is called _____.	capital	Net working capital	Gross working capital	Capital budgetin g		D
84.	Plough back of funds is _____ source of fund.	Long term	Net working capital	Preferen ce share	bond		A
85.	The evaluation of long term proposal is made based on their _____.	depreciati on	liquidity	profitabil ity	none		C
86.	The period with in which original investment is recovered is called _____.	ARR	Payback period	NPV	PI		B
87.	The projects with _____ payback period are given top priority for selection.	high	low	one	Less than one		B
88.	Pay back method emphasizes on _____.	Post payback	Time value of money	Cost of capital	liquidity		D
89.	The rate of return that equates the present value of future cash inflows to the original investment is called _____.	ARR	Pay back period	NPV	IRR		D
90.	The difference between the present value of future cash inflows and the original investmen g t is called _____	ARR	Pay back period	NPV	IRR		D
91.	The ratio between the present value of future cash inflows and original investment is called _____.	ARR	Profitabil ity Index	NPV	IRR		B
92.	The modern methods of	Pay back	ARR	Non-	Time		D

	investment appraisal are based on _____.	period		discounted methods	value of money		
93.	Expand DCF _____.	Discounted Cash Flow	Dividend Cash Fund	Debenture Cash Fund	Debtor Cash Fund		A
94.	Expand NPV _____.	Net Positive Value	Net Preference Value	Net Present Value	none		C
95.	_____ method of capital budgeting do not consider present value of money concept.	Net Present Value	Bayback period	Profitability Index	Internal Rate of Return		B
96.	In _____ table we see present value if there are constant cash flows.	annuity	Present value	Compound interest	Simple interest		A
97.	At IRR, the profitability index is _____ and net present value is _____.	zero, one	One, zero	One, one	Zero, zero		B
98.	Present value factor is also called _____.	Discount factor	Profitability index	depreciation	Accounting Rate of Return		A
99.	Which of the following is not a current liability _____.	Bank O.D	Bills payables	Dividends payables	Long term loans		D
100.	The present value of Rs. 1/- due in three years in time at 10% discounting is _____.	0.75	0.832	0.909	none		D