

PPSC Lecturer Commerce- MCQs Past Paper

The Doing Business Report" is prepared by which of the following organizations every year?

- (A) World Bank (B) Asian Development Bank (ADB)
- (C) International Monetary Fund (IMF) (D) World Trade Organization (WTO)

Answer: World Bank

2. Accounting for Intangible Assets are related to–

- (A) AS - 10 (B) AS - 12
- (C) AS - 24 (D) AS - 26

Answer: AS - 26

3. Indian Accounting Standard – 28 is related to–

- (A) Accounting for taxes on income
- (B) Financial Reporting of Interests in Joint Venture
- (C) Impairment of Assets
- (D) Provisions, Contingent Liabilities and Contingent Assets

Answer: Impairment of Assets

4. Recording of capital contributed by the owner as liability ensures the adherence of principle of–

- (A) Consistency (B) Going concern
- (C) Separate entity (D) Materiality

Answer: Separate entity

5. Bad loans in banking terminology are generally known as–

- (A) BPOs (B) Prime Asset
- (C) NPAs (D) CBS

See Answer:

6. An association of cement manufacturers is an example of–

- (A) Diagonal combination (B) Vertical combination
- (C) Horizontal combination (D) Lateral combination

Answer: Horizontal combination

7. The product range is widest in case of–

- (A) Chain store (B) Departmental store
(C) Speciality shop (D) One price shop

Answer: Departmental store

8. A public corporation is set up—
(A) By a Special Act of Parliament
(B) By a special order of the Government
(C) Under Indian Companies Act, 1956
(D) By none of the above

Answer: By a Special Act of Parliament

9. The minimum number of members required for registration of a cooperative society are—
(A) Two (B) Seven
(C) Ten (D) Twenty

Answer: Ten

10. Insurable interest must be present at the time of insurance proposal and payment of claims in—
(A) Fire Insurance (B) Marine Insurance
(C) Life Insurance (D) Motor Insurance

Answer: Fire Insurance

11. A machinery is purchased for Rs. 3,00,000 and Rs. 50,000 is spent on its installation. Rs. 5,000 is spent on fuel. What will be the amount of capital expenditure ?
(A) Rs. 3,00,000 (B) Rs. 3,50,000
(C) Rs. 3,55,000 (D) None of these

Answer: Rs. 3,50,000

12. Which of the following errors are not disclosed by Trial Balance ?
(A) Compensatory Errors (B) Errors of Principle
(C) Errors of Omission (D) All the three

Answer: All the three

13. A large amount spent on special advertisement is—
(A) Capital Expenditure (B) Revenue Expenditure
(C) Revenue Loss (D) Deferred Revenue Expenditure

Answer: Deferred Revenue Expenditure

14. Double Entry System was introduced in—
(A) America (B) Japan
(C) India (D) Italy

Answer: Italy

15. According to going concern concept a business entity is assumed to have–

- (A) A long life (B) A small life
- (C) A very short life (D) A definite life

Answer: A long life

16. Which of the following companies do not have the obligation to get its Articles of Association registered along with the Memorandum of Association ?

- (A) Public Company limited by shares
- (B) Unlimited companies
- (C) Private companies limited by shares
- (D) Companies limited by guarantee

Answer: Public Company limited by shares

17. What does management audit imply ?

- (A) Complete audit (B) Detailed audit
- (C) Efficiency audit (D) Interim audit

Answer: Efficiency audit

18. Which one of the following statements is correct ?

- (A) Internal audit and Management audit are the same
- (B) Internal audit and statutory audit are the same
- (C) Internal audit is compulsory in all cases
- (D) Statutory audit of company accounts is compulsory

Answer: Statutory audit of company accounts is compulsory

19. Where does an auditor of a cooperative society submit the audit report ?

- (A) To the managing committee of the society only
- (B) To the Registrar of Cooperative Societies of the State concerned only
- (C) To the State Assembly concerned
- (D) To the Registrar of Cooperative Societies of the State concerned and a copy to the society

Answer: To the Registrar of Cooperative Societies of the State concerned only

20. Which one of the following statements is correct ?

- (A) Audit of an educational institution is compulsory if it is run by a charitable trust
- (B) A club is treated as a **commercial** establishment
- (C) The accounts of a charitable trust can be audited by any person who belongs to accountancy profession
- (D) Audit of a charitable trust is not compulsory under law

Answer: Audit of an educational institution is compulsory if it is run by a charitable trust

1. DAGMAR approach in marketing is used to measure:

- A. Public relations
- B. Advertising results
- C. Selling volume
- D. Consumer satisfaction

2. Cost of capital from all the sources of funds is called

- A. Specific cost
- B. Composite cost
- C. Implicit cost
- D. Simple Average cost

3. A company plans to create the largest possible total sales volume. It should use

- A. Concentrated marketing
- B. Differentiated marketing
- C. Homogeneous marketing
- D. Undifferentiated marketing

4. Zero sum game is also known as?

- A. Right issue
- B. Bonus issue
- C. Private placement
- D. Preferential Allotment

5. An investment centre is a responsibility centre where the manager has control over

- A. Costs
- B. Costs and profits
- C. Costs, profits and product quality
- D. Costs, profits and assets

6. Who cannot be a complainant under the Consumer Protection Act 1986 in India?

- A. Central/State Governments
- B. Recognised Consumer Association
- C. A retail dealer
- D. One or more consumers where there are numerous consumers having the same interest

7. In 1952 Urwick produced a consolidated list of ten principles that included the principle that no one should be responsible for more than 5 or 6 direct subordinates whose work is interlocked. What is the correct label for this principle?

- A. Specialisation
- B. Coordination
- C. Authority
- D. Span of control

8. Capital rationing is applied in a situation where

- A. It is difficult to bring in required amount of capital
- B. Financial institutions are doubtful or not sure of the viability of the project
- C. A large number of investment proposals compete for limited funds
- D. The dividend is converted into capital for completion of a new project

9. When a firm is credited with high market share in a market identified with low growth rate, it is known as:

- A. Question marks
- B. Cash cow
- C. Dog
- D. Star

10. In testing hypothesis, what is the size of the sample to be reckoned as a small sample?

- A. Less than 30
- B. Less than 25
- C. Less than 40

D. Less than 100

11 Total overheads incurred for running a canteen is re-apportioned among production Departments on what basis:

- A. Floor area
- B. Equitable
- C. No. of employees
- D. Value of Plant

12. Difference between interest on loan charged and interest on deposits offered is known by
the name:

- A. Slack
- B. Spread
- C. Gap
- D. Margin

13. At internal rate of return (IRR), Profitability index of a project will be:

- A. Maximum
- B. Minimum
- C. One
- D. Zero

14. Certain restrictions or conditions imposed by a Government in respect of foreign investment in a country are denoted by:

- A. TRIMS
- B. TRIPS
- C. GATS
- D. Tariff Binding

15. Accumulated profit is shown as a liability in the balance sheet. Which accounting concept

is

behind such a treatment?

- A. Going concern
- B. Business entity
- C. Accrual
- D. Accounting period

16. A company promotes a product by giving T shirts with logo of a sports event, without sponsoring that sports event officially. This is an example of ----

- A. Attack Marketing
- B. Ambush Marketing
- C. Mega Marketing
- D. Meta Marketing

17. In which costing system future costs are considered and expressed in present day value by applying discount rate?

- A. Life Cycle Costing
- B. ABC (Activity Based Costing)
- C. Absorption Costing
- D. Standard Costing

18. Which act restricts the maximum number of partners in a partnership firm which carries banking business to 10 persons?

- A. Partnership Act 1932
- B. Banking Regulation Act 1949
- C. Companies Act 1956
- D. Income Tax Act 1961

19. Which among the following is a Positional average?

- A. Arithmetic Mean
- B. Median
- C. Mode
- D. Geometric Mean
- E. Harmonic Mean

20. Who is father of Z theory

- A. Mc. Gregor
- B. Abraham Maslow
- C. William Ouchi
- D. F W Taylor

NB: Answers are which typed in RED

1. Accounting is?

- (A) An Art
- (B) A Science _
- (C) A Profession
- (D) All of these

Answer.D

2. The Institute of Chartered Accountants of India was established in the year—

- (A) 1947
- (B) 1949
- (C) 1951
- (D) 1956

Answer.B

3. Accounting Standard Board issuing Accounting Standards in India belongs to-

- (A) Ministry of Finance
- (B) Company Law Board
- (C) The Institute of Chartered Accountants of India
- (D) None of the above

Answer.C

4. Which of the following Accounting Standards relates to accounting for fixed assets ?

- (A) AS 3
- (B) AS 10
- (C) AS 14
- (D) AS 16

Answer.B

1. The term e-commerce includes

- A) Electronic trading of Physical goods and intangibles such as information.
- B) The electronic provision of services such as after sales support or online legal advice
- C) All the steps involved in trade, such as on-line marketing ordering payment and support for delivery.
- D) All of the above.

2. Which of the following is the largest community in classification of e-commerce?

- A) Business to Business (B to B)
- B) Business to Consumer (B to C)
- C) Business to Government (B to G)
- D) Government to Government (G to G)

3. Which of the following is not the example of business to consumer (B to C) e-commerce?

- A) Amazon.com
- B) e-bay.com
- C) dell.com
- D) lastminute.com

4. The types of Business to Business e-commerce are

- A) Direct selling and support to Business
- B) Industry portals
- C) Information sites about a industry

D) All of the above

5. Which of the following are the benefits of E-marketing?

- i) Speed
- ii) Reach and Penetration
- iii) Ease and Efficiency
- iv) Low Cost
- v) Targeted audience

- A) i, ii, iii and iv only
- B) ii, iii, iv and v only
- C) i, iii, iv and v only
- D) All i, ii, iii, iv and v

6. is the process of recreating a design by analyzing a final product.

- A) Forward Engineering
- B) Reverse Engineering
- C) Backward Engineering
- D) None of the above

7. is simply the use of electronic means to transfer funds directly from one account to another, rather than by cheque or cash.

- A) M-Banking
- B) O-Banking
- C) E-Banking
- D) D-Banking

8. The telephone banking service includes

- i) Automatic balance voice out
- ii) Inquiry all term deposit account
- iii) Direct cash withdraw
- iv) Utility Bill payments
- v) Voice out last five transactions

- A) i, ii, iii and v only
- B) i, ii, iv and v only
- C) ii, iii, iv and v only
- D) All i, ii, iii, iv and v

9. Which of the following are the forms of E-banking?

- i) Internet Banking
- ii) Telephone Banking

- iii) Electronic Check conversion iv) Electronic Bill Payment
- v) Direct Deposit
- A) i, ii, iii and iv only
- B) ii, iii, iv and v only
- C) i, iii, iv and v only
- D) All i, ii, iii, iv and v

10. What is the full form of SWIFT?

- A) Society for Worldwide Internet Financial Telecommunications.
- B) Secret Wide Interbank Financial Telecommunications
- C) Society for Worldwide Interbank Financial Telecommunications
- D) None of the Above

Answers:

- 1. D) All of the above.
- 2. A) Business to Business (B to B)
- 3. B) e-bay.com
- 4. D) All of the above
- 5. D) All i, ii, iii, iv and v
- 6. B) Reverse Engineering
- 7. C) E-Banking
- 8. B) i, ii, iv and v only
- 9. D) All i, ii, iii, iv and v
- 10.D) None of the Above