

Test Booklet
Series

A

Written Test Paper, 2021

Test Booklet No.

Name of Applicant Answer Sheet No.

Applicatin No. : SVSU/2020/Estt/T/008/ Signature of Applicant :

Date of Examination: **13 / 11 / 2021** Signature of the Invigilator(s)

Time of Examination : 1.

2.

Duration : 1 Hrs 15 Minutes]

[Maximum Marks : 50

IMPORTANT INSTRUCTIONS

- (i) The question paper is in the form of Test-Booklet containing **50 (Fifty)** questions. All questions are compulsory. Each question carries four answers marked (A), (B), (C) and (D), out of which only one is correct.
- (ii) On receipt of the Test-Booklet (Question Paper), the candidate should immediately check it and ensure that it contains all the pages, i.e., **50** questions. Discrepancy, if any, should be reported by the candidate to the invigilator immediately after receiving the Test-Booklet.
- (iii) A separate Answer-Sheet is provided with the Test-Booklet/Question Paper. On this sheet there are **50** rows containing four circles each. One row pertains to one question.
- (iv) The candidate should write his/her roll number at the places provided on the cover page of the Test-Booklet/Question Paper and on the Answer-Sheet and **NOWHERE ELSE**.
- (v) No second Test-Booklet/Question Paper and Answer-Sheet will be given to a candidate. The candidates are advised to be careful in handling it and writing the answer on the Answer-Sheet.
- (vi) For every correct answer of the question **One (1) mark will be awarded**. For every unattempted question, Zero (0) mark shall be awarded. **There is no Negative Marking**.
- (vii) Marking shall be done only on the basis of answers responded on the Answer-Sheet.
- (viii) To mark the answer on the Answer-Sheet, candidate should **darken** the appropriate circle in the row of each question with Blue or Black pen.
- (ix) For each question only **one** circle should be **darkened** as a mark of the answer adopted by the candidate. If more than one circle for the question are found darkened or with one black circle any other circle carries any mark, the question will be treated as cancelled.
- (x) The candidates should not remove any paper from the Test-Booklet/Question Paper. Attempting to remove any paper shall be liable to be punished for use of unfair means.
- (xi) Rough work may be done on the blank space provided in the Test-Booklet/Question Paper only.
- (xii) *Mobile phones (even in Switch-off mode) and such other communication/programmable devices are not allowed inside the examination hall.*
- (xiii) No candidate shall be permitted to leave the examination hall before the expiry of the time.

DO NOT OPEN THIS QUESTION BOOKLET UNTIL ASKED TO DO SO.

[P.T.O.

PAPER-II
COMMERCE

1. Deduction U/s 80G on account of donation is allowed to
 - (A) A business assessee only
 - (B) Any assessee
 - (C) Individual or HUF only
 - (D) None of the above
2. A new business was set up on 15-11-2008 and it commenced its business from 1-12-2008. The first previous year in this case shall be
 - (A) 15-11-2008 to 31-3-2009
 - (B) 1-12-2008 to 31-3-2009
 - (C) 2008-2009
 - (D) None of the above
3. Dividend paid by an Indian company is
 - (A) Taxable in India in the hands of the recipient
 - (B) Exempt in the hands of recipient
 - (C) Taxable in the hands of the company and exempt in the hands of the recipient
 - (D) None of the above
4. If a general manager asks the sales manager to recruit some salesman on his behalf, it is an instance of
 - (A) Division of authority
 - (B) Decentralisation of authority
 - (C) Delegation of authority
 - (D) Delegation of responsibility
5. In line and staff organisation the staff performs the function of
 - (A) Management
 - (B) Advising the management
 - (C) Assigning responsibility
 - (D) None of the above
6. Which of the following is the test of the long term liquidity of a business?
 - (A) Interest coverage ratio
 - (B) Stock turnover ratio
 - (C) Operating ratio
 - (D) Current ratio
7. The main difference between marginal costing and absorption costing lies in the treatment of
 - (A) Direct cost
 - (B) Fixed overhead
 - (C) Variable overhead
 - (D) Semi-variable overhead
8. Which of the following items is not an appropriation of profit for a limited company?
 - (A) Corporate tax payable
 - (B) Ordinary dividend payable
 - (C) Debenture interest payable
 - (D) Preference dividend payable

9. Social Balance Sheet shows
- (A) Social costs
 - (B) Social revenues
 - (C) Value of employees of the organisation
 - (D) All of the above
10. Which of the following comes under efficiency ratios?
- (A) Average collection period
 - (B) Inventory turnover ratio
 - (C) Fixed assets turnover ratio
 - (D) All of the above
11. Sealed-bid pricing is a type of
- (A) Cost-oriented pricing approach
 - (B) Competition-oriented pricing approach
 - (C) Demand-oriented pricing approach
 - (D) Value-oriented pricing approach
12. Primary research data are collected from
- (A) The most important source
 - (B) A published source
 - (C) A perfect source
 - (D) An original source
13. A graph of cumulative frequency distribution is called
- (A) Frequency Polygon
 - (B) Frequency Curve
 - (C) Bar Chart
 - (D) Ogive
14. Use of preference share capital structure
- (A) Decreases financial leverage
 - (B) Decreases operating leverage
 - (C) Increases financial leverage
 - (D) Increases operating leverage
15. When total utility increases the marginal utility is
- (A) Positive and increasing
 - (B) Negative and increasing
 - (C) Negative and decreasing
 - (D) Positive and decreasing
16. Which of the following comes under efficiency ratios?
- (A) Average collection period
 - (B) Inventory turnover ratio
 - (C) Fixed assets turnover ratio
 - (D) All of the above
17. Which one is not the item of economic cost to the business?
- (A) Owner supplied resources.
 - (B) Market supplied resources.
 - (C) Implicit costs.
 - (D) Non-monetary opportunity costs of using owner supplied resources.

18. A leader who identifies what subordinates need to do to achieve objectives, clarify organizational roles and tasks, set up an organization structure, reward performance and provide for the social needs of their followers, is
- (A) A transformational leader
 - (B) A participative leader
 - (C) A transactional leader
 - (D) An autocratic leader
19. Which of the following is not an assumption of theory X?
- (A) An average human being has an inherent dislike of work and will avoid it if he can.
 - (B) An average human being prefers to be directed, seeks to avoid responsibility, has relatively little ambition, and wants security above all.
 - (C) An average human being learns under proper conditions, not only to accept responsibility but also to seek it. www.netugc.com
 - (D) Most people must be coerced, controlled, directed and threatened with punishment to get them put forth adequate effort.
20. In India, which pricing practice is not permissible?
- (A) Penetrating pricing
 - (B) Skimming pricing
 - (C) Predatory pricing
 - (D) None of the above
21. The process of measuring one's own services and practices against the recognized leaders in order to identify areas for improvement is
- (A) Feedforward
 - (B) Feedback
 - (C) Benchmarking
 - (D) Comparative leadership
22. The budgeted annual sales of a firm is Rs. 80 lakhs and 25% of the same is cash sale. If the average amount of debtors of the company is Rs. 5 lakhs, the average collection period of credit sales is
- (A) 2 months
 - (B) 15 days
 - (C) 1 month
 - (D) 3 months
23. The value of the bond depends on
- (A) Years of Maturity
 - (B) Expected yield to maturity
 - (C) The coupon rate
 - (D) All of these

24. A _____ scale only assigns numbers to objects to classify objects according to the characteristic of interest
- (A) Ratio
 - (B) Ordinal
 - (C) Interval
 - (D) Nomina
25. The gross fiscal deficit is
- (A) Revenue expenditure less total revenue receipts
 - (B) Total expenditure less payment of interest
 - (C) Total borrowing less repayment of past debt
 - (D) Total expenditure less total revenue receipts
26. The cost of capital method includes
- (A) Dividend yield method
 - (B) Earning yield method
 - (C) Dividend yield + growth in dividend method
 - (D) All of the above
27. Which method does not consider the time value of money
- (A) Net present value
 - (B) Internal Rate of Return
 - (C) Average rate of return
 - (D) Profitability Ind
28. Risk in capital budgeting implies that the decision maker knows _ of the cash flows.
- (A) Variability
 - (B) Certainty
 - (C) Probability
 - (D) None of these
29. Which is not a method of performance appraisal?
- (A) Straight ranking method
 - (B) Man-to-man comparison method
 - (C) Check list method
 - (D) None of the above
30. The authoritarian leadership style goes with
- (A) Theory Y
 - (B) Theory Z
 - (C) Theory A
 - (D) Theory X
31. Which of the following is an advantage of standard costing?
- (A) Measuring efficiency
 - (B) Facilitates cost control
 - (C) Determination of variance
 - (D) All of the above
32. The following item is shown in profit and loss appropriation account.
- (A) Dividends declared
 - (B) Discount of issue of shares
 - (C) Non-operating expenses
 - (D) Current assets
33. Which of the following is the test of the long term liquidity of a business?
- (A) Interest coverage ratio
 - (B) Stock turnover ratio
 - (C) Operating ratio
 - (D) Current ratio

34. India is not associated with
 (A) SAARC
 (B) NAFTA
 (C) BRICS
 (D) None of these
35. The licence necessary to obtain foreign exchange to pay for the imports, is called
 (A) Foreign exchange licence
 (B) Import licence
 (C) Quota licence
 (D) None of the above
36. When a company takes over another one and clearly becomes the new owner, the action is called
 (A) Merger
 (B) Acquisition
 (C) Strategic Alliance
 (D) None of the above
37. Nationalization of banks aimed at all of the following except
 (A) Removal of control by a few
 (B) Provision of control by a few
 (C) Provision of adequate credit for agriculture, small industry and export units
 (D) Encouragement of a new class of entrepreneur
38. Spearman's method is the method of calculating coefficient of correlation by
 (A) Irvin Fischer
 (B) Charles Spearman
 (C) Lorenz
 (D) Karl Pearson
39. Correlation between income and demand is
 (A) Negative
 (B) Positive
 (C) Zero
 (D) None of the above
40. Stage of PLC
 (i) Introduction
 (ii) Growth
 (iii) Accessible
 (iv) Maturity
 (v) Decline
 (vi) Attitude
 (A) (i), (ii), (iii) and (iv)
 (B) (ii), (iii), (iv) and (v)
 (C) (i), (ii), (iv) and (v)
 (D) All of the above
41. Promotion mix is the particular combination of promotional tools used by a company to _____ with its audiences.
 (A) Communicate
 (B) Help
 (C) Purchasing Decision
 (D) Plan
42. The first macro-environmental force that a business firm generally monitors is
 (A) Economic environment
 (B) Demographic environment
 (C) Technological environment
 (D) International, Political environment

43. Financial statements provide a true and fair view if
- (A) It is free from any material error and bias.
 - (B) It is prepared using the appropriate accounting policy and applicable accounting standards.
 - (C) It is prescribed in the format prescribed by the regulator or, in the absence of a prescribed format, it is prepared in a manner that facilitates analyses of the financial position and the performance of the reporting enterprise.
 - (D) It conforms to all of the above (A), (B) and (C).
44. In which one of the following market situations the practice of price rigidity is found?
- (A) Perfectly competitive market
 - (B) Monopolistic competitive market
 - (C) Oligopoly market
 - (D) Discriminating monopoly market
45. The third stage in the consumer buying decision process is
- (A) Evaluation of alternatives
 - (B) Information search
 - (C) Purchase decision
 - (D) None of the above
46. Manufacturers of convenience goods typically seek _____ distribution.
- (A) Exclusive
 - (B) Intensive
 - (C) Restrictive
 - (D) Selective
47. Which promotional tool is most cost effective when a product is in the decline stage of its product life cycle?
- (A) Advertising
 - (B) Personal selling
 - (C) Public relations
 - (D) Sales promotion
48. The Bonds and Debentures issued by State Financial Corporations are guaranteed by
- (A) Reserve Bank of India
 - (B) IDBI
 - (C) Central Government
 - (D) State Government
49. Pricing decisions are most complex at which stage of the product life cycle?
- (A) Decline stage
 - (B) Introductory stage
 - (C) Growth stage
 - (D) Maturity stage
50. What is not the advantage of SEZ?
- (A) Improvement of infrastructure in the hinterland.
 - (B) Diversion of large tracts of farm land.
 - (C) Attracting foreign investment.
 - (D) All of the above.

ROUGH WORK

Answer Key: Commerce

Q No.	Correct Choice	Q No.	Correct Choice
1	Option B	26	Option D
2	Option A	27	Option C
3	Option C	28	Option C
4	Option C	29	Option D
5	Option B	30	Option D
6	Option A	31	Option D
7	Option C	32	Option A
8	Option C	33	Option A
9	Option C	34	Option B
10	Option D	35	Option B
11	Option B	36	Option B
12	Option D	37	Option B
13	Option D	38	Option B
14	Option C	39	Option B
15	Option D	40	Option B
16	Option D	41	Option A
17	Option B	42	Option B
18	Option C	43	Option D
19	Option C	44	Option C
20	Option C	45	Option A
21	Option C	46	Option B
22	Option C	47	Option D
23	Option D	48	Option D
24	Option D	49	Option D
25	Option D	50	Option B