



ENTRANCE EXAMINATION FOR ADMISSION, MAY 2010.

M.Phil./Ph.D (COMMERCE)

COURSE CODE : 243/105

Register Number :

Signature of the Invigilator
(with date)

COURSE CODE : 243/105

Time : 2 Hours

Max : 400 Marks

Instructions to Candidates :

1. Write your Register Number within the box provided on the top of this page and fill in the page 1 of the answer sheet using pen.
2. Do not write your name anywhere in this booklet or answer sheet. Violation of this entails disqualification.
3. Read each question carefully and shade the relevant answer (A) or (B) or (C) or (D) in the relevant box of the ANSWER SHEET using HB pencil.
4. Avoid blind guessing. A wrong answer will fetch you -1 mark and the correct answer will fetch 4 marks.
5. Do not write anything in the question paper. Use the white sheets attached at the end for rough works.
6. Do not open the question paper until the start signal is given.
7. Do not attempt to answer after stop signal is given. Any such attempt will disqualify your candidature.
8. On stop signal, keep the question paper and the answer sheet on your table and wait for the invigilator to collect them.
9. Use of Calculators, Tables, etc. are prohibited.

1. What is the objective of tax management?
 - (A) Minimize tax liability
 - (B) Avoid tax liability
 - (C) Comply the provision of law
 - (D) Above all

2. Choose wrong matching
 - (A) Luca Pacioli → Father of Modern Accounting
 - (B) Luca Pacioli → Summa
 - (C) Luca Pacioli → Double Entry Book Keeping
 - (D) Luca Pacioli → Ethical Approach

3. Managing Earning through accounting Manipulation is known as

(A) Dirty surplus	(B) Earning management
(C) Management by earning	(D) Income surplus

4. Joint control in joint venture is usually established by
 - (A) Equal holding of voting rights by all joint venture partners
 - (B) An informal contractual arrangement
 - (C) Contractual arrangement writing
 - (D) A statutory requirement

5. The payment of bonus to employees based on the profits of the company and its act an incentive for the work force as a whole to work collectively to improve the overall result of the organization is known as

(A) Bonus scheme	(B) ESOP
(C) Profit sharing	(D) None of all

6. The gearing ratio analysis the firm's ability to meet all its liabilities. This ratio is called

(A) Current	(B) Leverage
(C) Solvency	(D) None of all

7. The reliability of ratio is dependent on the reliability of _____ information

(A) Accounting	(B) Financial
(C) Managerial	(D) None of all

8. Long term funds to be used for financing permanent current assets and short term funds to be used for financing temporary current assets is applicable to

(A) Matching approach	(B) Conservative approach
(C) Aggressive approach	(D) None of all

9. The process of ascertainment of present value is called
 (A) Discounting (B) Capitalizing
 (C) Compounding (D) None of all
10. It is a non cancelable contractual commitment on the part of lessee, who acquire most of the economic values associated with the outright ownership of the assets at the end of the lease period
 (A) Financial lease (B) Operating lease
 (C) Sales and leaseback (D) None of all
11. It is known exactly what will happen in future and it cannot be quantified is known as
 (A) Risk (B) Variance
 (C) Uncertainty (D) None of all
12. Company can issue sweat equity shares to its
 (A) Employees (B) Public
 (C) Creditors (D) None of all
13. Choose wrong statement from the followings
 (A) Absorption costing is also known as cost plus costing where a fixed percentage is added to total cost to cover profit.
 (B) Contribution is a pool of amount from which total fixed costs will be deducted to arrive at the profit or loss
 (C) In marginal costing, stock of work in progress and finished goods are valued at marginal cost of production
 (D) None of all
14. Span of Management refers to the
 (A) Number of subordinates supervised by a manager
 (B) Number of supervisors a manager has to report
 (C) Activities performed by a manager
 (D) None of the above
15. Which of the following features is essential for leadership?
 (A) Existence of followings (B) Willing acceptance by the followers
 (C) Both (A) and (B) (D) None of the above
16. In the context of present global economy which philosophy should be adopted by the Indian firms?
 (A) Customer driven philosophy (B) Production driven philosophy
 (C) Sales driven philosophy (D) Distributive driven philosophy

17. Which of the following is not the cause of downward sloping demand curve?
 (A) Substitution effect (B) Income effect
 (C) Law of diminishing marginal utility (D) None of the above
18. The law of variable proportions is not applicable in
 (A) Industrial sector (B) Construction sector
 (C) Agricultural sector (D) None of the above
19. The formula for finding the cost of perpetual debt is
 (A) $K_d = \frac{I}{SV}(1-t)$ (B) $K_d = \frac{D_1}{P_0} + g$
 (C) $K_p = \frac{d}{P_0(1-f)}$ (D) None of these
20. Trading on equity refers to
 (A) Using fixed interest bearing debt capital along with equity capital
 (B) Smaller borrowings and larger profits
 (C) 100% dividend pay out ratio
 (D) Selling of equity shares
21. CAPM is a
 (A) Model for analyzing as to why a rational investor invests his funds in risk free assets
 (B) Model for analyzing as to why rational investor invests his funds in risky ventures when there are chances for him to invest in risk free assets
 (C) Both of the above
 (D) None of the above
22. The mechanism to identify any employees growth potential is called
 (A) Job enrichment (B) Assessment center
 (C) Job evaluation (D) Appraisal
23. Performance appraisal is
 (A) Morale boosting technique
 (B) Training and development activity
 (C) Job analysis technique
 (D) All of these
24. A technique by which a new employee is rehabilitated into the changed surroundings and introduced to the practices, policies and purpose of the organization is called
 (A) Induction (B) Refreshing the employees
 (C) Placement (D) None of the above

25. The leadership style which is based on consultation with his group is called
 (A) Autocratic style (B) Democratic style
 (C) Paternalistic style (D) None of the above
26. The founder of the behaviouralistic approach to management is
 (A) Elton Mayo and his followers (B) Porter and Lawler
 (C) A.H. Maslow (D) None of the above
27. NABARD was earlier
 (A) A part of RBI (B) Agricultural department of RBI
 (C) Only a state level institution (D) None of the above
28. The 'Gold Card Scheme' is announced for
 (A) Importers (B) Employers
 (C) Exporters (D) None of these
29. Balance of payments is
 (A) An increase in imports
 (B) Annual record of a country's monetary transactions
 (C) When imports = exports
 (D) None of the above
30. The rate of exchange is
 (A) Expression of one country's currency in terms of other country's currency
 (B) The rate at which home currency is exchanged for the foreign currency
 (C) Both of the above
 (D) None of the above
31. Marginal revenue is _____ at maximum total revenue and negative beyond that point
 (A) +1 (B) -1 (C) Zero (D) One
32. Luxuries are goods and services for which
 (A) $E_1 < 1$ (B) $E_1 \leq 1$ (C) $E_1 \geq 1$ (D) $E_1 > 1$
33. The most common type of price discrimination is
 (A) Zero Degree (B) First Degree
 (C) Second Degree (D) Third Degree
34. _____ is one of the most important aspects of decision making theory
 (A) Hypothesis testing (B) Analysis
 (C) Interpretation (D) Reporting

35. _____ can be used for standard error
- (A) $S.E = 1 - r^2/\sqrt{n+1}$ (B) $S.E = 1 - r^2/n$
 (C) $S.E = 1 + r^2/\sqrt{n}$ (D) $S.E = 1 - r^2/\sqrt{n}$
36. Hawthorne Experiment was conducted by
- (A) Elton Mayo (B) Henry Fayol
 (C) F.W Taylor (D) P.F. Drucker
37. The excess of total expenditure over total revenue is called as
- (A) Revenue deficit (B) Fiscal Deficit
 (C) Budget Deficit (D) None of the above
38. Which one of the following is exempted from income tax?
- (A) Foregoing of salary (B) Surrender of Salary
 (C) Profits in lieu of Salary (D) None of the above
39. Family Pension is taxed as
- (A) Income from Other Sources (B) Salary Income
 (C) Profits in lieu of Salary (D) All of the above
40. Baggage is a concept applicable in
- (A) Excise Duty (B) Octroi Duty
 (C) Customs Duty (D) Estate Duty
41. When sale of securities are to be carried forward the charges to be payable are called as
- (A) Contango Charges (B) Backwardation Charges
 (C) Security Transaction Tax (D) None of the above
42. The base date for Bombay Stock Exchange Sensex is
- (A) 1st April 1978 (B) 1st April 1980
 (C) 1st April 1981 (D) 1st April 1979
43. Cost Driver is a term used in
- (A) Life Cycle Costing (B) Target Costing
 (C) Activity Based Costing (D) Standard Costing
44. Which one of the following is a recorded fact?
- (A) Market Value of Investments (B) Debtors
 (C) Replacement Cost of Machinery (D) All of the Above

45. Stock at the end results in the
 (A) Application of funds (B) Sources of Funds
 (C) No flow of funds (D) None of the above
46. Overhead Cost Variance is the difference between
 (A) Recovered Overheads and Actual overheads
 (B) Budgeted Overheads and Actual Overheads
 (C) Budgeted Overheads and Standard Overheads
 (D) None of the above
47. Residual Reserve test is applicable in the case of issue of
 (A) Right Shares (B) Preference Shares
 (C) Debentures (D) Bonus Shares
48. The total value of inventory will be the least in case of
 (A) Aggregate or total inventory method (B) Item by Item Method
 (C) Group or category Method (D) All the above
49. Which one of the following companies does not belongs to IT Sector?
 (A) Unitech (B) Tech Mahindra
 (C) Rolta India (D) Technocraft Industries Ltd
50. Which one of the following funds buys the market?
 (A) Hybrid Funds (B) Equity Funds
 (C) Index Funds (D) Liquid Funds
51. The product which is introduced recently in the Commodity market
 (A) Pepper (B) Cauliflower
 (C) Sugar (D) Coriander
52. Blue chip shares indicate
 (A) The share which is not traded
 (B) The shares may traded in OTC market
 (C) The shares are actively traded in the market
 (D) The shares of the foreign company shares
53. CEO of Pepsi
 (A) Kiran Bedi (B) Indira Gandhi
 (C) Selirosaliyo (D) Indira Nooyi
54. The fund which is made up of both portfolio of stock and bonds
 (A) Growth fund (B) Option fund
 (C) Income fund (D) Hybrid fund

55. World Investment Report is an annual publication of
 (A) UNCTAD (B) World Bank
 (C) WTO (D) IMF
56. One SDR was equivalent to
 (A) 0.088671 gms of gold (B) 0.008671 gms of gold
 (C) 0.888671 gms of gold (D) 8.888671 gms of gold
57. This term is derived from the Greek word 'Oikonomia' means House Management".
 What is it?
 (A) Family business (B) Internal business
 (C) Economy (D) Commerce
58. In money market, what is the term used for the non-convertible paper money?
 (A) Fiat Money (B) Benz money
 (C) Ford money (D) None
59. What is known as the cost of living index which represents the goods and services
 purchased by consumers?
 (A) CPI - Consumer Price Index
 (B) RPI - Retail Price Index
 (C) PCE - Personal Consumption Expenditures
 (D) PPI - Producer Price Index
60. Which is the only country having paper currency and have no coins and it introduced
 cheque only in 1997?
 (A) Vietnam (B) Zimbabwe
 (C) Somalia (D) Cambodia
61. If you have caused an accident, which type of automobile insurance would cover
 damage to your own car?
 (A) Term (B) Collision
 (C) Comprehensive (D) Liability
62. Which was the first private mutual fund company in India?
 (A) Kothari pioneer (B) Sahara Mutual fund
 (C) Unit trust of India mutual fund (D) LIC mutual fund
63. Premium implies that the foreign currency is expensive and has a high price than the

 (A) Spot rate (B) Forward rate
 (C) (A) and (B) both (D) None of these

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64. Expecting the opportunity for introducing "a new market or a new product or new Technique" that entrepreneurs are called
 (A) Fabian Entrepreneurs (B) Forced entrepreneurs
 (C) Innovative Entrepreneurs (D) Adoptive entrepreneurs
65. Tandon Committee is connected with
 (A) Fixed capital requirement (B) Permanent capital requirement
 (C) Working capital requirement (D) All of the above
66. A country's terms of trade are generally determined by
 (A) The value of gold reserve held by its central bank.
 (B) Supply and demand in the world market
 (C) Its rate of capital formation
 (D) Number of competitors whose economics are based on free market
67. The best suited fund to the business people is:
 (A) Income fund (B) Balanced fund
 (C) Growth fund (D) Taxation Fund
68. Under factoring the factor acts in the capacity of
 (A) An agent of his client (B) A trustee
 (C) A holder for value (D) An administrator
69. The concept of securitization is associated with
 (A) Capital Market (B) Money Market
 (C) Debt Market (D) Foreign Exchange market
70. Financial derivatives are mainly used for
 (A) Speculative activities (B) Creating more risks
 (C) Hedging risks (D) Earning income
71. Value engineering stresses upon
 (A) Profit maximization (B) Human relations
 (C) Methods study (D) Functional analysis
72. PERT networks are based on
 (A) Two time estimates (B) Three time estimates
 (C) Single time estimate (D) None of the Above
73. The Simulation technique will be useful when
 (A) A precise solution is required
 (B) Problems are complex
 (C) Problems cannot be solved mathematically
 (D) None of the Above

74. Which one of the following forms of organization would best describe the blend of departmentation by function and departmentation by product?
 (A) Virtual organisation (B) Strategic business unit
 (C) Brick and mortar (D) Matrix organisation
75. The continuous process of comparing organizational strategies, products or processes with those of the best-in-class organizations is
 (A) Quality circle (B) Benchmarking
 (C) Kaizen (D) TQM
76. The process of determining how to pursue long term goals with the expected resources available to the organization is called
 (A) Operational planning (B) Strategic planning
 (C) Intermediate planning (D) Tactical planning
77. The quality of information is measured by its
 (A) Accuracy (B) Cost
 (C) Degree of statistical validity (D) Timeliness
78. Dumping is an example of:
 (A) Monopolistic practice in international trade
 (B) Monopoly in international trade
 (C) Oligopoly in international trade
 (D) Perfect competition in international trade
79. Wider span of control is effective in organizations where:
 (A) Authority delegation is inadequate
 (B) Tasks are complex
 (C) Through subordinate training scheme exists
 (D) The leadership style is authoritarian
80. How many broad phases are there in project life cycle?
 (A) 5 (B) 3 (C) 4 (D) 2
81. The term "Capitalization" is used with reference to
 (A) Partnership (B) Joint stock company
 (C) Co-operatives (D) None of these
82. The first stock exchange to be set up in India was in
 (A) Delhi (B) Bombay (C) Calcutta (D) Madras

83. The importer cannot take delivery of goods unless he produces the
 (A) Bill of sight (B) Certificate of Origin
 (C) Shipping Bill (D) Bill of Lading
84. Which one of the following formulae is used to calculate "Cross Relationship" under "Span of Control?"
 (A) $n(n-1)$ (B) $n(2n/2-2)$
 (C) $n(2n/2 + n-1)$ (D) None of these
85. "Motivational Process and not the motivators as such" _____ is associated with the
 (A) Need hierarchy theory (B) Two-factor theory
 (C) ERG theory (D) Expectancy theory
86. The management concept "Administration Industriale et Generale" is associated with
 (A) Henry Fayol (B) F.W. Taylor
 (C) Douglas McGregor (D) Peter Drucker
87. A "Bill of Exchange" is drawn by a
 (A) Creditor (B) Debtors
 (C) Shareholders (D) Debenture Holders
88. Share Premium is a
 (A) Capital Receipt (B) Revenue Receipt
 (C) Investment Receipt (D) None of these
89. Speculation in stock exchange means
 (A) Investment in securities
 (B) Gambling in securities
 (C) Buying and selling of securities with a hope of making profits
 (D) Long term holding of securities
90. EXIM Bank of India was established in the year
 (A) 1964 (B) 1976 (C) 1980 (D) 1982
91. Theory X states that
 (A) Workers prefer to be directed
 (B) Workers exercise self direction and self control
 (C) Workers have inherent liking for work
 (D) None of these

92. When a security or commodity price has reportedly fallen to a certain price, but has than recovered is called as
(A) Support level (B) Resistance level
(C) Tolerance level (D) Repeating level
93. The asset on which a future or option or warrant is based is called as
(A) Underlying asset (B) Fixed asset
(C) Current asset (D) Fictitious asset
94. The smaller price in a foreign exchange quotation is termed as
(A) Bid price (B) Beta Price
(C) Ask Price (D) Gamma Price
95. The arrangement in which investment banker's undertake to ensure the full source of the issue of securities
(A) Underwriting (B) Undertaking
(C) Assurance (D) Commitment
96. Bonds issued by parties outside their domestic financial markets is called as
(A) Foreign Bonds (B) Euro bonds,
(C) Domestic Bonds (D) Dollar Bonds
97. "Magnum Monthly income plan" is an instrument of
(A) Mutual fund (B) Stock Market
(C) Insurance plan (D) Fixed deposit
98. Which of the following is not an example of compressed data?
(A) Frequency Distribution (B) Data Array
(C) Histogram (D) Ogive
99. Continuous data is differentiated from discrete data in that
(A) Discrete data classes are presented by Fractions
(B) Continuous data class may be represented by fractions
(C) Continuous takes on only whole members
(D) Discrete data can take any real number
100. Binomial Distribution may be approximated by a Poisson Distribution if
(A) "n" is large and "p" is large (B) "n" is large "p" is small
(C) "n" is small "p" is small (D) None of the above