

# ENTRANCE EXAMINATION-2017

## M.Com. (BUSINESS MANAGEMENT)

### SET-A

ROLL NO.

--	--	--	--	--	--	--	--	--	--

Signature of Invigilator

Time: 1 Hour 45 Minutes

Total Marks: 100

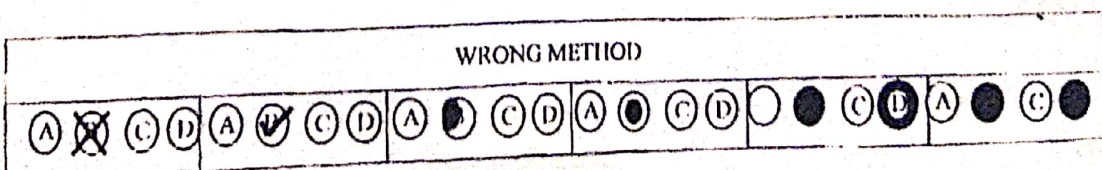
#### Instructions to Candidates

- Do not write your name or put any other mark or identification anywhere in the OMR Answer Sheet. **IF ANY MARK OF IDENTIFICATIONS IS DISCOVERED ANYWHERE IN OMR ANSWER SHEET, the OMR sheet will be cancelled, and will not be evaluated.**
- This Question Booklet contains this cover page and a total of **100 Multiple Choice Questions of 1 mark**. Space for rough work has been provided at the beginning and end. Available space on each page must also be used for rough work.
- Each correct answer carries one mark.
- There is negative marking. For each wrong answer 0.25 mark will be deducted.
- USE OF CALCULATOR IS PERMITTED.
- USE/POSSESSION OF ELECTRONIC GADGETS LIKE MOBILE PHONE, iPhone, iPad, pager ETC. is not permitted.
- Candidate should check the serial order of questions at the beginning of the test. If any question is found missing in the serial order, it should be immediately brought to the notice of the Invigilator. No pages should be torn out from this question booklet.
- Answers must be marked on the OMR answer sheet which is provided separately. OMR answer sheet must be handed over to the invigilator before you leave the seat.
- The OMR answer sheet should not be folded or wrinkled. The folded or wrinkled OMR/Answer Sheet will not be evaluated.
- Write your Roll Number in the appropriate space (above) and on the OMR Answer Sheet. Any other details, if asked for, should be written only in the space provided.
- There are four alternative answers to each question marked A, B, C and D. Select one of the answers you consider most appropriate and fill up the corresponding oval/circle in the OMR Answer Sheet provided to you. The correct procedure for filling up the OMR Answer Sheet is mentioned below.
- Use Black or Blue Ball Pen only for filling the ovals/circles in OMR Answer Sheet while answering the Questions. For your Choice of answers darken the correct oval/circle completely. If the correct answer is 'B', the corresponding oval/circle should be completely fill and darkened as shown below.

CORRECT  
METHOD



WRONG METHOD



1. Which of the following is not an inflow of cash
  - A. Sale of fixed asset
  - B. Issue of debentures for cash
  - C. Funds from operation
  - D. Acquisition of assets
2. Increase in the amount of bills payable results in-----
  - A. decrease in cash
  - B. increase in cash
  - C. no change in cash
  - D. none of these
3. A bank reconciliation statement is prepared to know the causes for the differences between:
  - A. The balances as per cash column of cash book and the pass book
  - B. The balances as per bank column of cash book and the pass book
  - C. The balances as per bank column of cash book and cash column of cash book
  - D. None of the above
4. "Business unit separate and distinct from the owner or owners", is based on:
  - A. Money measurement concept
  - B. Going concern concept
  - C. Business entity concept
  - D. Dual aspect concept
5. .... is an example for fictitious asset.
  - A. Machinery
  - B. Bank
  - C. Patent
  - D. Preliminary expenses
6. .... are liabilities which are due within a short period.
  - A. Fixed liabilities
  - B. Long term liabilities
  - C. Current liabilities
  - D. Contingent liabilities
7. If a company proposes to discontinue its business from March 2005 and decides to dispose off all its assets within a period of four months, the balance sheet as on March 31, 2005 should indicate the assets at their:
  - A. Historical cost
  - B. Net realisable value
  - C. Cost less depreciation
  - D. Cost price or market value whichever is less
8. A company offers to the public 10,000 shares for subscription. The company receives application for 12,000 shares. If the shares are allotted on pro-rata basis, then applicants for 12,000 shares are to be allotted as:
  - A. 4 shares for every 5 shares applied.
  - B. 2 shares for every 3 shares applied.
  - C. 5 shares for every 6 shares applied.
  - D. 3 shares for every 4 shares applied.
9. B sold 50 televisions at Rs. 15,000 per television. He was entitled to commission of Rs. 500 per television sold plus one fourth of the amount by which the gross sale proceeds less total commission there on exceeded a sum calculated at the rate of Rs. 12,500 per television sold. Amount of commission will be --
  - A. 45,000
  - B. 50,000
  - C. 40,000
  - D. 35,000



10. The following information pertains to X Ltd.: (1) Equity share capital called up Rs. 10,00,000; (2) Calls in arrears Rs. 50,000; (3) Calls in advance Rs. 20,000; (4) Proposed dividend 10%. The amount of proposed dividend payable is -
- A. 95,000 B. 90,000  
C. 98,000 D. 1,00,000
11. Economic life of an enterprise is split into the periodic interval as per \_\_\_\_\_ Concept
- A. Money Measurement B. Matching.  
C. Going concern. D. Accrual
12. A purchased goods costing 2,00,000, B sold 4/5th of the goods for Rs 2,50,000. Balance goods were taken over by B at cost less 20%. If a same set of books is maintained, find out profit on venture.
- A. Rs. 82000 B. Rs. 90000  
C. Rs. 50000 D. 60000
13. An old machine was purchased for Rs. 60,000. It was repaired for Rs. 5,000 and Rs. 5,000 paid on its installation. Machinery repairs a/c will be debited by
- A. 10,000 B. 5,000  
C. 15,000 D. 70,000
14. Dividends are usually paid as a percentage of \_\_\_\_\_
- A. Authorised share capital B. Net profit  
C. Paid up capital D. Called up capital
15. Liability for bill discounted is a \_\_\_\_\_
- A. Current liability B. Contingent liability  
C. Fixed liability D. None of these
16. What is the effect on a company's balance sheet of issuing bonus shares?
- A. the bank balance will be increased B. the total liability will be increased  
C. the reserves will be reduced D. the share capital will be reduced
17. A Company wishes to earn a 20% profit margin on selling price. Which of the following is the profit mark up on cost, which will achieve the required profit margin?
- A. 33% B. 25%  
C. 20% D. 30%
18. If Average Stock = Rs 12,000. Closing stock is Rs 3,000 more than opening stock then the value of closing stock will be:
- A. 12,000 B. 24,000  
C. 10,500 D. 13,500
19. The expired portion of capital expenditure is
- A. Asset B. Liability  
C. Expense D. Income

20. A company issued Rs. 100,000 15% Debentures at a discount of 5% redeemable after 10 years at a premium of 10%. Loss on issue of debentures will be:  
 A. Rs. 15,000  
 B. Rs. 12,000  
 C. Rs. 10,000  
 D. None of the three
21. A manager gets 5% commission on sales, cost price of goods sold is Rs. 40,000 which he sells at a margin of 20% on sale. Manager Commission will be:  
 A. Rs. 2000  
 B. Rs. 2500  
 C. Rs. 2800  
 D. 3000
22. A loan due for repayment in 20 months time has been included as a current liability. What will be the effect when this is corrected?  
 A. increase net assets  
 B. increase net current assets  
 C. no effect on net current assets  
 D. reduce net current assets
23. Win Ltd. issued 20,000, 8% debentures at par, which are redeemable after 5 years at a premium of 20%. The amount of loss on redemption of debentures to be written off every year will be  
 A. 40000  
 B. 10000  
 C. 2000  
 D. 8000
24. Debenture Carrying charge on particular asset of the company known as  
 A. Fixed  
 B. Mortgage  
 C. Naked  
 D. floating
25. Companies profit divided among shareholders called  
 A. Interest  
 B. Dividend  
 C. Dividen  
 D. surplus
26. A and B are partners sharing profits and losses in the ratio of 3:2 (A's Capital is Rs. 30,000 and B's Capital is Rs. 15,000). They admitted C and agreed to give 1/3rd share of profits to him. How much C should bring in towards his capital?  
 A. 9000  
 B. 15000  
 C. 14500  
 D. 11250
27. Mr. Prakash sells goods at 20% above cost. His sales were Rs. 10,20,000 during the year. However, he sold damaged goods for Rs. 20,000 costing Rs. 30,000. This sale is included in Rs. 10,20,000. The amount of gross profit is :  
 A. 190000  
 B. 250000  
 C. 240000  
 D. 200000
28. Goods costing Rs. 100000 are consigned at 20% on invoice price. What is its load?  
 A. 125000  
 B. 25000  
 C. 75000  
 D. 20000



29. What is the rate of depreciation, under straight line method when cost of machine is Rs 105000, residual value Rs 5000 & useful life is 10 yrs?

- A. 26%
- C. 9.5%

- B. 26.5%
- D. 10%

30. \_\_\_\_\_ indicates the amount which the proprietor has invested in the firm

- A. Asset
- C. Income

- B. Liability
- D. capital

31. Choose the correct alternative which can be substituted for the given word in the bracket to make the sentence meaningful.

The seniors \_\_\_\_\_ (apology) for their rude behavior with juniors.

- A. apologetic
- C. apologized

- B. apologising
- D. Apologetic

32. Rearrange the following parts (1, 2, 3 and 4) in proper sequence to obtain a correct sentence.

- 1. pending because it wasn't
- 2. Too many cases still lie
- 3. is the convict
- 4. confirmed that the accused really

- A. 2, 1, 4, 3
- C. 1, 4, 3, 2

- B. 3, 4, 1
- D. 2, 1, 3

33. Select the correctly spelled word

- A. dilogue
- C. dilouge

- B. dilouge
- D. dialogue

34. Choose the appropriate meaning of the idiom/phrase

Caught between two stools

- A. met with an accident

- B. difficulty in choosing between two alternatives

- C. struck in a calamity

- D. none of these

35. Fill in the blanks with appropriate preposition

He comes \_\_\_\_\_ a family which has a passion \_\_\_\_\_ playing cricket.

- A. from, in
- C. of, in

- B. off, for
- D. of, for

36. Choose the pair of words which have a similar relationship to that between the given pair of words:  
If Charles Darwin is to biologist, then Archimedes is to \_\_\_\_\_.

- A. mathematics
- C. literature

- B. sociology
- D. Religion

37. Pick the word/phrase which is most nearly opposite in meaning to given word: MAJESTIC

- A. inferior
- C. royal

- B. magnificent
- D. splendid

38. Which institution has topped the Times Higher Education (THE)'s Asia University ranking 2017
- A. Peking University, China                      B. Indian Institute of Science, Bangalore  
C. National University of Singapore              D. IIT Kanpur
39. Who of the following took charge as new deputy Chief Ministers of Uttar Pradesh?
- A. Lalji Tandon and Sangeet Som                      B. Anil Rajbhar and Manoj Sinha  
C. Keshav Prasad Maurya and Dinesh Sharma                      D. Kalraj Mishra and Bhupendra Singh Chaudhary
40. Which city has become the first Indian city to offer 1Gbps wired broadband internet service?
- A. Chennai                      B. Hyderabad  
C. Bengaluru                      D. Kochi
41. Who will be the Chairman of the new entity formed by the merger of Vodafone & Idea ?
- A. Kumaramangalam Birla                      B. Aditya Birla  
C. Ratan Tata                      D. None of these
42. Under what brand name does Salman Ishaan propose to launch a range of smartphones in India ?
- A. Being smart                      B. Ishaan  
C. Hello                      D. In mobile
43. Which accounting firm that handles the car accident end processes has owned up for the error of opening the wrong envelope for best price ?
- A. PWC                      B. EY  
C. KWC                      D. JWC
44. Which company has sued the makers of Jolly LLP ? because it shows their brand of footwear as a downmarket brand ?
- A. Bata                      B. woodland  
C. Redtape                      D. Liberty
45. Who has been appointed by the govt as the new Chairman of SEBI ?
- A. Ajay Tyagi                      B. Vijay Tyagi  
C. Alok Kumar                      D. Bimal Jalan
46. Under what brand name will Hindustan Unilever launch FMCG products to take on the challenge of Patanjali ?
- A. Ayush                      B. Paras  
C. Nature                      D. Pavitra
47. Which international airline will invest in a 100 % foreign owned airline in India, a first after the change in policy ?
- A. Qatar Airways                      B. British Airways  
C. Lufthansa                      D. None of these



48. What is the name given to the digital payments literacy campaign of Govt of India ?  
 A. VISAKA B. NASAKA  
 C. DIGIKA D. LIPIKA
49. Which country announced demonetization after India but has now withdrawn after chaos ?  
 A. Venezuela B. Nepal  
 C. Bangladesh D. Nigeria
50. Entrepreneurship program conducted by which e-learning provider has been approved by "Startup India" as the official programme ?  
 A. UpGrad B. Liquid  
 C. EDX D. Courser
51. Marketing focuses on the needs of  
 A. Shareholder's wealth B. Producer  
 C. Retailer D. Customer
52. A PEST analysis is an analysis of the  
 A. external macro-environment B. external micro-environment  
 C. internal micro-environment D. internal macro-environment
53. Market segmentation is the identification of portions of a market that are  
 A. different from one another B. similar to one another  
 C. opposite to one another D. none of these
54. In which state is Airtel p...ment ... in the country ?  
 A. Rajasthan B. Goa  
 C. Bihar D. U.P.
55. Coordination between different departments at the same level in a chain of command is called  
 A. Vertical coordination B. Horizontal coordination,  
 C. Organization coordination, D. None of the above
56. A Likert scale is,  
 A. Semantic Scale B. Semantic Differential Scales  
 C. A Summated Instrument Scale D. Thurstone scales
57. To know degree of association between variables, one needs to undertake,  
 A. Chi-square test B. Non parameter test  
 C. Correlation test D. Testing of equality of Means and Variances
58. Grapevine is created in an  
 A. Formal organization B. Informal organization  
 C. Free organization D. Multi-level organization

59. A good budget is
- |             |                 |
|-------------|-----------------|
| A. Fixed    | B. Rigid        |
| C. Flexible | D. Liked by all |
60. Select the option that is not an important source of international finance-
- |                     |                        |
|---------------------|------------------------|
| A. Forward contract | B. Eurocurrency loans  |
| C. Eurobonds        | D. Depository receipts |
61. Which among the following is not a component of planning
- |               |                |
|---------------|----------------|
| A. Policy     | B. Budgets     |
| C. Procedures | D. Compliances |
62. Bonds that are sold outside the country in whose currency they are denominated
- |                   |                    |
|-------------------|--------------------|
| A. Eurobonds      | B. Foreign bonds   |
| C. Yankee bonds ; | D. Samurai bonds ; |
63. The view that the exchange rate between the currencies of two countries equals
- |                                |  |
|--------------------------------|--|
| A. International fisher effect | B. Purchasing power parity             |
| C. Interest rate parity        | D. Forward rates and future spot rates |
64. The rate at which a currency can be bought or sold for immediate delivery is
- |                          |                      |
|--------------------------|----------------------|
| A. Forward exchange rate | B. Cash rate         |
| C. Spot exchange rate    | D. Rate of the other |
65. Those participants in foreign exchange market that seek to earn riskless profits
- |                 |                |
|-----------------|----------------|
| A. Hedgers      | B. Speculators |
| C. Arbitrageurs | D. Traders     |
66. Determining optimum capital structure is-
- |                           |                         |
|---------------------------|-------------------------|
| A. An investment decision | B. A financing decision |
| C. A dividend decision    | D. A liquidity decision |
67. Select the correct statement about Profit Maximisation-
- |                                     |   |
|-------------------------------------|---|
| A. It ignores the timing of returns | B. It is quite accurate                   |
| C. It takes in to account risk      | D. It does not assume perfect competition |
68. The change in the shareholder's return caused by the change in the profit is called
- |                           |                       |
|---------------------------|-----------------------|
| A. Operating leverage     | B. Financial leverage |
| C. Risk -return trade off | D. Profit planning    |
69. Select the incorrect statement -
- |   |   |
|---|---|
| A. Dividends rate for ordinary shareholders is not fixed        | B. The payment of dividends to shareholders is a legal obligation |
| C. Ordinary shareholders are generally called owners of residue | D. Preference shareholders receive dividend at fixed rate         |



70. Which of these is not a financial asset?  
 A. Bonds  
 B. Lease obligations  
 C. Shares  
 D. Patents
71. Financial decisions of the firm are guided by  
 A. Firm's wealth  
 B. Risk-return trade-off  
 C. Retention ratio  
 D. Financial leverage
72. The change in profit due to the change in sales is referred to as ,  
 A. Financial leverage  
 B. Operating leverage  
 C. Profit planning  
 D. Dividend-payout ratio
73. The expected rate of return that an investor could earn by investing his money in financial assets of equivalent risk is called.  
 A. Retention ratio  
 B. Dividend-payout ratio  
 C. Optimum capital structure  
 D. Opportunity cost of capital
74. \_\_\_\_\_ is a planned effort to enable employees to learn job-related knowledge, skills, and behavior.  
 A. Selection  
 B. Employee relations  
 C. Training  
 D. Coordinating
75. When a group of employees and supervisors meet regularly to discuss the management problems and solutions it is \_\_\_\_\_  
 A. management circle  
 B. quality circle  
 C. production circle  
 D. performance circle
76. A need to discover what we are, and to develop to the fullest potential refers to  
 A. growth needs  
 B. self-actualization  
 C. esteem needs  
 D. social needs
77. Communication serves four major functions within a group. Which one is not a part of the four functions?  
 A. Information  
 B. Negotiation  
 C. Motivation  
 D. Control
78. Which of the following strategies could be used to make the practice of HRM more effective ?  
 A. Inducing work measurement  
 B. Conducting a productivity audit  
 C. Improving employee motivation  
 D. Introducing new technology
79. Which of the following refers to the process through which an organization seeks applicants for potential employment ?  
 A. Orientation  
 B. Selection  
 C. Recruitment  
 D. Work analysis

- AM58/1



90. The term total cost used for the purpose of determining economic order quantity consists of  
 A. carrying cost  
 B. ordering cost  
 C. both (a) and (b) above  
 D. fixed cost
91. Inventory refers to the aggregate of those items owned by a firm that  
 A. are held for the purpose of making sales to customers in the ordinary course of business  
 B. are in the process of production for such sale  
 C. are to be currently consumed in the production of goods to be available for sale  
 D. all of the above
92. The statement that shows the cause of change in the financial position of an organization is known as  
 A. balance sheet  
 B. funds flow statement  
 C. statement of financial position  
 D. none of the above
93. Balance sheet is a statement which discloses an organization's  
 A. assets  
 B. liabilities  
 C. owner's equity  
 D. all of the above
94. Current liabilities need to be paid  
 A. within one accounting cycle  
 B. beyond one accounting cycle  
 C. within three years  
 D. within six months
95. The assets that are expected to be converted into cash within the normal operating cycle is known as  
 A. intangible assets  
 B. current assets  
 C. fixed assets  
 D. none of the above
96. Accounting is the art of recording and summarizing business transactions according to  
 A. rules of accounting  
 B. conventions  
 C. both (a) and (b) above  
 D. none of the above
97. The conservatism principle calls for conservative approach on the part of accountant in his  
 A. estimates  
 B. opinions  
 C. selection of procedure  
 D. all of the above
98. The results of business activities are reflected in  
 A. profit and loss account  
 B. profit and loss appropriation account  
 C. balance sheet  
 D. none of the above
99. The matching principle attempts to find satisfactory bases of association between  
 A. assets and liabilities  
 B. expenses and revenues  
 C. internal equities and external liabilities  
 D. none of them

100. According to accounting equation

A. assets are equal to liabilities

B. assets are equal to liabilities and equities

C. assets are equal to equities

D. none of the above

