

43/2014

Maximum : 100 marks

Time : 1 hour and 15 minutes

1. Who acclaimed Laureus World Sportsman of the year 2013?
(A) Novak Djokovi (B) Rafael Nadal
(C) Roger Federer (D) Usain Bolt
2. How many islands are there in Andaman and Nicobar islands?
(A) 520 (B) 510
(C) 572 (D) 562
3. Which session of Indian National Congress was presided over by Gandhiji?
(A) Kanpur (B) Calcutta
(C) Lahore (D) Belgaum
4. The inventor of AK-47 assault rifle, who died recently is :
(A) V.I. Chelikin (B) G. A. Yanov
(C) Mikhail Kalashnikov (D) U. V. Minaev
5. What is the name of the scheme which was started by the Government of India in 1999-2000 to provide food to senior citizens who cannot take care of themselves and are not under the National Old Age Pension Scheme (NOAPS), and who have no one to take care of them in their village?
(A) Ganga Kalyan Yojana
(B) Annapurna Yojana
(C) Swarnajayanti Gram Swarozgar Yojana
(D) Jawahar Gram Samaridhi Yojana
6. The Rolling Plan concept was formulated by :
(A) Gunnar Myrdal (B) Mahalanobis
(C) Adam Smith (D) B. R. Ambedkar
7. The First Five Year Plan focused on :
(A) Agriculture (B) Industry
(C) Modernisation (D) Urban development
8. The Capital of India is situated on the banks of the river :
(A) Hooghly (B) Yamuna
(C) Gomati (D) Narmada

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[P.T.O.]

9. Which is the least populated district in Kerala as per 2011 Census?
(A) Alappuzha (B) Pathanamthitta
(C) Kasargode (D) Wayanad
10. What was the name of the Typhoon which makes landfall in the central Philippines on November 8, 2013?
(A) Typhoon Elaine (B) Typhoon Haiyan
(C) Typhoon Angela (D) Typhoon Ketsana
11. Maharaja Chithira Thirunal Balarama Varma of Travancore issued the Temple Entry Proclamation on :
(A) 15, Nov. 1936 (B) 1, Nov. 1936
(C) 12, Nov. 1936 (D) 13, October 1936
12. Who is the author of the book Advaita Deepika?
(A) Chattampi Swamikal (B) Srinarayana Guru
(C) Ayya Vaikundar (D) Kumaranasan
13. Atma Vidya Sangham was founded by :
(A) Vagbhadananda (B) Mannathupadmanabhan
(C) Brahmananda Swami Sivayogi (D) Pandit Karuppan
14. An invocation dance performed by women of Bengal, who are unable to give birth to children
(A) Chhau dance (B) Brita dance
(C) Santhal dance (D) Lathi dance
15. The Mars Orbiter Mission (MOM), informally called *Mangalyaan*, was launched by the Indian Space Research Organisation (ISRO) on :
(A) 2 October 2013 (B) 5 September 2013
(C) 3 November 2013 (D) 5 November 2013
16. The instrument of instructions contained in the Government of India Act 1935 have been incorporated in the constitution of India in the year 1950 as :
(A) Fundamental rights (B) Extend of Executive Power of State
(C) Directive Principles of state policy (D) None of these
17. Oscar for the best Director in 2013 was awarded to :
(A) Michel Hazanavicius (B) Ang Lee
(C) Michael Haneke (D) Benh Zeitlin

18. Who got Vayalar Award for the year 2013?
(A) Perumbadavam Sreedharan (B) M. K. Sanu
(C) C.V. Balakrishnan (D) Prabha Varma
19. The first Green field International Airport of India is :
(A) New Delhi (B) Mumbai
(C) Chennai (D) Bangaluru
20. Regur soil is also called :
(A) Red Soil (B) Laterite soil
(C) Black Soil (D) Alluvial Soil
21. "Payoffs" in Game theory means :
(A) outcome of a game when different alternatives are adopted by players
(B) number of players involved in a game
(C) value of a game
(D) strategies used by players
22. Which of the following is not a major requirement of a Linear Programming Problem?
(A) There must be alternative course of action among which to decide
(B) An objective for the firm must exist
(C) The problem must be of maximization type
(D) Resources must be limited
23. The activity which can be delayed without affecting the execution of the immediate succeeding activity is determined by :
(A) free float (B) float
(C) total float (D) independent float
24. A degenerate solution is one that :
(A) gives an optimum solution to the LPP
(B) gives zero value to one or more of the basic variables
(C) yields more than one way to achieve the objective
(D) makes use of all the available resources
25. The time between the placement of an order and its delivery is called as :
(A) Buffer time (B) Capital time
(C) EOQ (D) Lead time

26. Market segmentation :
- (A) allows the achievement of greater market share.
 - (B) break down large markets into smaller markets
 - (C) provides an opportunity to surpass competitors
 - (D) provides a commercially viable method of serving customers with similar needs
27. A commonly used basis for segmenting consumer markets is :
- (A) organisational size
 - (B) demographics
 - (C) product type
 - (D) price
28. Marketing managers cannot control _____ but they can at times influence it.
- (A) where advertising is placed
 - (B) how products or services are delivered
 - (C) the external environment
 - (D) how products are priced
29. In which stage of the product life cycle is advertising and promotion aimed at retaining existing customers and persuading them to switch from competitor products?
- (A) introduction
 - (B) growth
 - (C) maturity
 - (D) decline
30. The fifth 'P' of marketing is :
- (A) position
 - (B) placement
 - (C) proceeds
 - (D) people
31. Which of the following is not a selection technique?
- (A) performance appraisal
 - (B) interviews
 - (C) psychometric testing
 - (D) ability test
32. Human resource management is normally _____ in nature.
- (A) proactive
 - (B) reactive
 - (C) combative
 - (D) none of the above
33. The human resource management function aims at :
- (A) ensure that human resource possess adequate tool, equipment and material to perform their job
 - (B) helping the organization deal with its employees in different stages of employment
 - (C) improving an organization's creditworthiness among financial institutions
 - (D) none of the above

34. Human Resource Management aims to maximize organizational :
(A) effectiveness (B) economy
(C) efficiency (D) profit
35. The top most goal of human resource management :
(A) legal compliance (B) competitive edge
(C) work force adaptability (D) productivity
36. Personal car service to an executive is an example of :
(A) incentive (B) fringe benefit
(C) perquisite (D) all above
37. Wages positioned above the minimum wage, but below the living wages are described as :
(A) fair wage (B) real wage
(C) minimum wage (D) living wage
38. Wages adjusted for the prevailing rate of inflation is called :
(A) real wage (B) minimum wage
(C) fair wage (D) living wage
39. Stock option and performance shares are :
(A) base salary (B) short-term incentive plan
(C) long term incentive plan (D) all the above
40. The variable which are added to the constraints to convert them into equality are :
(A) slack (B) surplus
(C) basic (D) artificial
41. _____ method is used to test the optimality of a transportation problem.
(A) Vogel's approximation (B) Lowest cost entry
(C) Stepping stone (D) North West
42. PERT is used for projects involving activities of _____ nature.
(A) continues (B) non-repetitive
(C) repetitive (D) none of the above
43. If the maxmin and minimax are equal, the game has _____ point.
(A) equal (B) tip
(C) belt (D) saddle

44. _____ is a hygiene factor of motivation.
- (A) achievement (B) working condition
(C) recognition (D) responsibility
45. For _____ "Management is what a manager does".
- (A) Henry Fayol (B) Louis Allen
(C) G. R. Terry (D) Harold Koontz
46. Which of the following is not an element of planning?
- (A) policies (B) rules
(C) strategy (D) none of these
47. General statements that guide decision-making are :
- (A) procedures (B) policies
(C) programmes (D) rules
48. Subordinate has to work under more than one boss in which type of organization :
- (A) line (B) line and staff
(C) functional (D) both (A) and (B)
49. Expectancy theory of motivation is given by :
- (A) Herzberg (B) Vroom
(C) Porter and Lawler (D) Maslow
50. Decisions taken under competitive situation is :
- (A) Queuing theory (B) Waiting line theory
(C) Theory Y (D) Game theory
51. Which of the following statement is true?
- (A) Both assets and owner's equity would be increased by purchase of furniture on credit
(B) Patent right is in the nature of nominal A/C
(C) $\text{Capital} + \text{liabilities} - \text{assets} = 0$
(D) No journal entries required in the journal proper for loss by theft
52. The going concern concept is not valid :
- (A) When a company is declared sick by BIFR
(B) When a liquidator is appointed for a company in liquidation
(C) When a company is expected to be wound up due to financial crisis
(D) All of the above

53. The working rule "Anticipate no profits but provide for all possible losses" is the convention of :
(A) Materiality (B) Conservatism
(C) Full disclosure (D) Consistency
54. An amount of Rs. 20,000 received from issue of further shares by incurring Rs. 2,500 issue expenses will be treated as follows :
(A) Rs. 20,000 capital receipt and Rs. 2,500 deferred revenue expenditure
(B) Rs. 17,500 capital receipt
(C) Rs. 20,000 capital receipt and Rs. 2,500 revenue expenditure
(D) Rs. 22,500 capital receipt
55. When closing stock appears in the trial balance which of the following treatment is correct?
(A) The amount of closing stock will be deducted from purchases
(B) The amount of closing stock will be credited to trading A/C
(C) Amount of closing stock will be added to purchases
(D) No further adjustment is required in the trading A/C
56. Which of the following treatment is correct in respect of reserve for discount on creditors?
(A) It should be debited to P and L A/C
(B) It should be shown on the liability side of the balance sheet as a deduction from creditors
(C) It should be added to sundry creditors in the balance sheet
(D) No adjustment is required in the P and L A/C
57. Sundry debtors stood at Rs. 50,200. Bad debts to be written off Rs. 200 and a reserve for doubtful debts to be created at 5% on debtors. There was already a reserve appearing in the books amounting to Rs. 300. The amount to be debited in the P and L A/c will be :
(A) Rs. 2,500 (B) Rs. 2,800
(C) Rs. 2,200 (D) Rs. 2,700
58. The net profits of a company amounted to Rs. 33,000 during a year. The manager is entitled to a commission of 10% on profits after charging such commission. The manager's commission will be :
(A) Rs. 3,000 (B) Rs. 3,300
(C) Rs. 3,330 (D) Rs. 2,970
59. In a trial balance the debtors and creditors appeared as Rs. 12,000 and Rs. 7,400 respectively. It is found that included in debtors is Rs. 2,000 due from 'M' and included in creditors Rs. 1,000 due to him. If 5% reserve for doubtful debts and 2.5% reserve the discount on creditors is to be created the provision and reserve will be Rs. :
(A) 600 and 160 (B) 500 and 185
(C) 600 and 185 (D) 550 and 160

60. In the absence of an agreement, Section 13 of Indian Partnership Act says that interest on loan given by a partner will be calculated at the rate of :
- (A) 5% (B) 8%
(C) 10% (D) 6%
61. 'X' and 'Y' are partners in a firm sharing profits and losses in the ratio 2:1. They admit 'Z' as new partner who will be paid $\frac{1}{6}$ th share in profits. The new profit sharing ratio will be :
- (A) 10:5:3 (B) 6:2:1
(C) 12:8:6 (D) 2:1:6
62. On admission of a partner if goodwill is raised at its full value, it should be debited to :
- (A) Cash A/C (B) Old partner's capital A/C
(C) Goodwill A/C (D) None of the above
63. The amount of compensation payable to a retiring partner by remaining partners will be based on :
- (A) Old ratio (B) Gaining ratio
(C) New ratio (D) Capital ratio
64. When a partner dies and the remaining partners carry on business without final settlement the executors of the deceased partner are entitled to :
- (A) 6% interest on the amount due up to date of payment
(B) Such share of profits as may be attributable to the use of the amount due in the business
(C) Either of the above two options at the discretion of executors
(D) None of the above
65. Which of the following statement is not true in relation to stocks issued by a company?
- (A) Stocks are fully paid up
(B) Stocks can be registered or unregistered
(C) Shares of a company cannot be offered directly in the form of stocks
(D) Stocks cannot be transferred in parts
66. Section 78 of Companies Act gives the purposes for which securities premium A/C can be applied. Identify the inappropriate one :
- (A) Issue of bonus shares
(B) Acquisition of capital assets
(C) Premium payable on redemption of preference shares or ordinary shares
(D) Writing off preliminary expenses

67. When shares are forfeited the share capital A/C will be :
(A) Debited with called up amount on shares
(B) Credited with the paid up amount on shares
(C) Debited with unpaid amount on shares
(D) Debited with the paid up amount on shares
68. The maximum discount that can be allowed on reissue of forfeited shares is :
(A) The amount now standing unpaid on forfeited shares
(B) The amount already received on forfeited shares + the original discount on reissued shares
(C) The amount received on forfeited shares – the original discount on reissued shares
(D) None of the above
69. After forfeited shares are issued at a discount the balance in the share forfeited A/C will be :
(A) Debited to share capital A/C (B) Credited to capital A/C
(C) Credited to capital reserve A/C (D) Credited to P and L A/C
70. Which of the following is not a determinant for valuation of shares?
(A) The purpose of valuation (B) Prospects for bonus and rights issue
(C) Past performance of the company (D) The original issue price of shares
71. Yield value of shares is given by :
(A) $\{(\text{Probable earnings rate}) / (\text{Normal earnings rate})\} \times (\text{face value})$
(B) $\{(\text{Probable earnings rate}) / (\text{Normal earnings rate})\} \times (\text{paid up value})$
(C) $\{(\text{Normal earnings rate}) / (\text{Probable earnings rate})\} \times (\text{face value})$
(D) $\{(\text{Normal earnings rate}) / (\text{Probable earnings rate})\} \times (\text{paid up value})$
72. Value of shares according to fair valuation method is given by :
(A) $(\text{Value of shares on net assets basis} + \text{value of shares on earnings basis}) / 2$
(B) $\{(\text{Value of shares on earnings basis}) / (\text{Value of shares on net assets basis})\} \times 2$
(C) $\{(\text{Value of shares on net assets basis}) / (\text{Value of shares on earnings basis})\} \times 2$
(D) None of the above
73. Population per bank in India is approximately :
(A) 5000 (B) 20000
(C) 12500 (D) 45000
74. In India bank nationalisation took place in two stages in the years :
(A) 1969 and 1979 (B) 1969 and 1980
(C) 1959 and 1980 (D) 1969 and 1982

75. Which of the following statement is correct :
- (A) 70% of rural population is serviced by 37% of bank branches
 - (B) Bank branches are evenly spread out
 - (C) Most of the banks have almost nil NPA
 - (D) None of the above
76. During depression it is advisable to :
- (A) Lower bank rate and sell securities in the open market
 - (B) Increase bank rate and purchase securities in the open market
 - (C) Increase bank rate and sell securities in the open market
 - (D) Lower bank rate and purchase securities in the open market
77. Direct action by RBI may take the form of :
- (A) Levying penal interest rates on defaulting banks
 - (B) Imposing lending restrictions on banks
 - (C) Cancelling license of banks
 - (D) All of the above
78. Section 17 of Banking Regulation Act relates to :
- (A) Prohibition of charge on unpaid capital
 - (B) Licensing of banking companies
 - (C) Transfer to reserve fund out of profits
 - (D) Maintenance of a percentage of liquid assets as SLR
79. A scheme of amalgamation of banking companies is to be sanctioned by RBI under section :
- (A) 44 A
 - (B) 45
 - (C) 45 A
 - (D) 44
80. The supervision of co-operative banks and regional rural banks is carried out by
- (A) RBI
 - (B) NABARD
 - (C) State co-operative banks
 - (D) None of the above
81. Which of the following case will not affect current ratio?
- (A) Dishonour of bill receivables
 - (B) Purchase of fixed assets
 - (C) Issue of new shares
 - (D) Payment of a current liability
82. Current assets and current liabilities are Rs. 1,50,000 and Rs. 1,00,000. If a creditor is paid by cheque Rs. 5,000, the new current ratio will be :
- (A) 1.46:1
 - (B) 1.52:1
 - (C) 1.50:1
 - (D) None of the above

83. If the inventory turnover ratio is 5 times and the average stock at cost is Rs. 75,000, cost of goods sold will be Rs. :
 (A) 1,40,000 (B) 15,000
 (C) 70,000 (D) 3,75,000
84. A change from FIFO method of stock valuation to LIFO method will affect inventory turnover ratio in the following way
 (A) Increased (B) Unchanged
 (C) Decreased (D) Doubled
85. Which of the following is not an assumption of break-even analysis?
 (A) All elements of cost can be separated into fixed and variable components
 (B) Fixed costs remain constant at all levels of output
 (C) Variable costs remain constant irrespective of the level of output
 (D) All of the above

A company sold in two successive periods 7000 units and 9000 units @ Rs. 100 per unit and it incurred a loss of Rs. 10,000 and made a profit of Rs. 10,000 respectively. Calculate the following (Q. 86-88) :

86. The amount of fixed expenses :
 (A) Rs. 70,000 (B) Rs. 90,000
 (C) Rs. 80,000 (D) Rs. 50,000
87. Break-even sales in units :
 (A) 6400 (B) 8000
 (C) 7200 (D) 8800
88. Sales to earn a profit of Rs. 40,000 :
 (A) Rs. 12,00,000 (B) Rs. 8,00,000
 (C) Rs. 10,00,000 (D) Rs. 10,20,000
89. The BEP is not affected by :
 (A) Selling price per unit (B) Variable cost per unit
 (C) Number of units sold (D) Total fixed cost
90. The MM hypothesis of dividend policy says that :
 (A) Dividend policy affects share prices
 (B) Dividend policy has no effect on share prices
 (C) The value of shares is related to net assets
 (D) None of the above

A company issued 10% perpetual debt of Rs. 1,00,000, the tax rate being 35%. Determine the after tax cost of capital under the following situations (Q. 91-93) :

91. Issued at par :
(A) 6% (B) 6.5%
(C) 7.2% (D) 5.56%
92. Issued at 10% discount :
(A) 6.65% (B) 7%
(C) 7.22% (D) 6.86%
93. Issued at 10% premium :
(A) 5.91% (B) 6.5%
(C) 7.2% (D) 6.2%
94. It is better for a company to remain _____ during a period of depression.
(A) Low geared (B) High geared
(C) Equally geared (D) 100% geared
95. _____ of capitalisation is to be preferred by an existing company.
(A) Fair capitalisation theory (B) Earnings theory
(C) Cost theory (D) None of the above
96. Which of the following does not use discounted cash flow criterion for capital budgeting?
(A) Profitability index method (B) Net present value method
(C) Pay back method (D) Internal rate of return method
97. Which of the following is a motive of holding cash?
(A) Precautionary (B) Speculative
(C) Transaction (D) All of the above
98. The AamAdmiBimaYojana of LIC which came into force on 1.1.2013 provides for coverage of Rs. _____ on natural death.
(A) 50,000 (B) 30,000
(C) 20,000 (D) 1,00,000
99. Sales and production budgets are _____ budgets.
(A) Fixed (B) Master
(C) Operating (D) Financial
100. Permanent Account Number (PAN) was introduced in :
(A) 1996 (B) 1990
(C) 1998 (D) 1994