

SAMPLE MULTIPLE CHOICE QUESTIONS

SYBAF SEM III

BUSINESS ECONOMICS III

1. Macroeconomics is the study of _____
 - a. Individual Households
 - b. Total Income earned by an economy
 - c. Average Income earned by an economy
 - d. Totals and average income earned by the economy
2. Which of the following is not a part of GNP calculations?
 - a. Private Consumption
 - b. Exports of goods and services
 - c. Depreciation
 - d. Income earned from abroad
3. Which of the following is not an injection into the circular flow of national income?
 - a. Government expenditure
 - b. Government salaries paid to civil servants
 - c. Government taxation
 - d. The purchase of a domestically produced goods by a foreign company
4. Which one of the following is an injection into the circular flow of income?
 - a. Personal income tax
 - b. Government purchases of factor services
 - c. Imports
 - d. Business tax
5. Which out of the following is included in National Income estimation?
 - a. Old-age pension
 - b. Scholarship

- c. Unemployment Fund
 - d. Subsidized Lunch at Office
6. Unilateral transfers are not _____.
- a. unrequited transfers
 - b. one-way transfers
 - c. include gifts
 - d. Salary payments
7. A deficit in India's Balance of Trade in recent times is not due to _____ .
- a. The rise in the price of crude oil
 - b. increase in imports
 - c. reduction in exports
 - d. Reduction in imports
8. When expenditure exceeds total tax revenue, it is called:
- a. Surplus budget
 - b. Balanced budget
 - c. Deficit budget
 - d. Equal budget
9. The government provides subsidies in various sectors. Which of the following are the effects of subsidies?
- a. Increases inflation
 - b. Increases fiscal deficit
 - c. Decreases export competitiveness
 - d. Increases surplus
10. The Fiscal Responsibility and Budget Management Act (FRBM Act) aimed for _____
- a. Eliminating both revenue deficit and fiscal deficit
 - b. Giving flexibility to RBI for inflation management
 - c. Correcting budget deficit
 - d. Increasing government surplus

11. Maximum Social Advantage is achieved,

- a. at the point where the marginal social benefit of public expenditure and the marginal social sacrifice of taxation are equated
- b. at the point where the marginal social benefit of public expenditure is higher than the marginal social sacrifice of taxation
- c. at the point where the marginal social benefit of public expenditure is lower than the marginal social sacrifice of taxation
- d. at the point where the marginal social benefit of public expenditure and the marginal social sacrifice of taxation are zero

12. A multilevel decentralized fiscal system involving sharing of fiscal responsibilities between central, state and local governments is referred to as:

- a. Fiscal Union
- b. Fiscal Federalism
- c. Fiscal Equalisation
- d. Fiscal Generalism

13. Which tax cannot be shifted to others?

- a. Excise duty
- b. Sales tax
- c. Entertainment tax
- d. Wealth tax

14. Fiscal Federalism refers to _____.

- a. Sharing of political power between center and states
- b. Organizing and implementing economic plans
- c. Division of economic functions and resources among different layers of Govt.
- d. Understanding resource allocation

15. Loans taken by the government for the purpose of war, earthquakes for covering budget deficit are?

- a. Productive Debts

- b. Unproductive Debts
 - c. Voluntary Debts
 - d. Foreign debt
16. In India, deficit financing is used for raising resources for
- a. economic development
 - b. redemption of public debt
 - c. adjusting the balance of payments
 - d. reducing the foreign debt
17. Policy related to public revenue and expenditure is called _____.
- a. Monetary policy
 - b. Tax policy
 - c. Fiscal policy
 - d. Expenditure policy
18. Wiseman-Peacock hypothesis support in a much stronger manner the possibility of _____.
- a. An upward trend in public expenditure
 - b. A downward trend in public expenditure
 - c. A constancy of public expenditure
 - d. A mixed trend in public expenditure
19. Fiscal policy refers to the_____.
- a. government's ability to regulate the functioning of financial markets.
 - b. spending and taxing policies used by the government to influence the level of economic activity.
 - c. techniques used by firms to reduce their tax liability.
 - d. the policy by MAS to affect the cash rate.
20. If the economy were in a recession, we would expect
- a. government expenditure to be low and tax revenues to be low, probably leading to a budget surplus.

- b. government expenditure to be high and tax revenues to be low, probably leading to a budget surplus.
 - c. government expenditure to be high and tax revenues to be low, probably leading to a budget deficit.
 - d. government expenditure to be high and tax revenues to be high, probably leading to a budget deficit.
21. If the government wants to try to reduce unemployment, it could _____ spending and/or taxes should be _____.
- a. decrease; increased
 - b. increase; increased
 - c. decrease; decreased
 - d. increase; decreased
22. Fiscal policy is the policy of:
- a. RBI
 - b. NABARD
 - c. Government
 - d. Foreign Agency
23. The following is an example of direct taxes:
- a. Sales tax
 - b. Income tax
 - c. Excise duties
 - d. Toll tax
24. If the rate of tax falls with an increase in income, it is called:
- a. Proportional tax
 - b. Progressive tax
 - c. Regressive tax
 - d. Falling tax
25. The difference between revenue expenditure and revenue receipts is
- a. Revenue deficit

- b. Fiscal deficit
 - c. Budget deficit
 - d. Primary deficit
26. The difference between total expenditure and total receipts is
- a. Fiscal deficit
 - b. Budget deficit
 - c. Primary deficit
 - d. Revenue deficit
27. When expenditure exceeds total tax revenue, it is called:
- a. Surplus budget
 - b. Balanced budget
 - c. Deficit budget
 - d. Equal budget
28. Which of the following is not a fiscal instrument?
- a. Open market operations
 - b. Public expenditure
 - c. Taxation
 - d. Public debt
29. Which of the following is part of the fiscal policy of the govt.?
- a. sale of securities
 - b. government spending & taxation
 - c. credit rationing
 - d. open market operation
30. In Irving Fisher's quantity theory of money, velocity was determined by
- a. interest rates
 - b. real GDP
 - c. the institutions in an economy that affect individuals' transactions.

- d. the price level
31. Keynes argued that the transactions component of the demand for money was primarily determined by the level of people's _____, which he believed were proportional to _____.
- a. transactions; income
 - b. transactions; age
 - c. incomes; wealth
 - d. incomes; age
32. Which one of the following is not the function of Money.
- a. Medium of exchange
 - b. Store of value
 - c. Allocation of Resources
 - d. Money as a Unit of Measurement
33. Keynes argued that when interest rates were low relative to some normal value, people would expect bond prices to _____ so the quantity of money demanded would _____.
- a. increase; increase
 - b. increase; decrease
 - c. decrease; increase
 - d. decrease; decrease
34. Friedman's assumption that money and goods are substitutes indicates that _____
- a. changes in the money supply have only indirect effects on aggregate spending.
 - b. changes in the money supply may have a direct effect on aggregate spending.
 - c. interest rates have no effect on money demand, implying the velocity is constant.
 - d. interest rates have an effect on money demand, implying the velocity is constant.
35. Stagflation means:
- a. Inflation with stagnation
 - b. Recession with stagnation
 - c. Inflation galloping like stage

- d. Inflation & increasing output
36. In the liquidity trap, the money demand curve
- a. is horizontal
 - b. is vertical
 - c. is negatively sloped
 - a. is positively sloped
37. If GDP for Maldives is \$435 million in 2002 and the GDP per capita is \$1576.087, the population of the country must be
- a. 276,000
 - b. 1576.086
 - c. 0.276
 - d. 3.623
38. Excess demand for money, according to Say's law in the Economy:
- a. Is greater
 - b. Is very less
 - c. Is equal to zero
 - d. There is no relationship between excess demand for money and Say's Law
39. Say's law of market states that
- a. Overproduction is impossible
 - b. Underproduction is very possible
 - c. Overproduction always occurs
 - d. Underproduction always happens
40. Which of the following is the most liquid measure of money supply in India?
- a. M2
 - b. M1
 - c. M3
 - d. M4

41. The Keynesian theory of money demand predicts that people will increase their money holdings if they believe that
- interest rates are about to fall
 - bond prices are about to rise
 - expected inflation is about to fall
 - bond prices are about to fall.
42. Friedman's assumption that money and goods are substitutes indicates that _____
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 - interest rates have no effect on money demand, implying the velocity is constant.
 - interest rates have an effect on money demand, implying the velocity is constant.
43. In the liquidity trap, the money demand curve
- is horizontal
 - is vertical
 - is negatively sloped
 - is positively sloped.
44. Inflation is the state in which _____
- The value of money decreases
 - The value of money increases
 - The value of the money increases first and then decreases
 - The value of money decreases first and increases later
45. Which of the following is not usually a macro-economic objective?
- More inequality
 - Higher GDP
 - Lower inflation
 - Lower unemployment
46. Say's law states that ____
- we can have an inflation or recession, but never both at the same time

- b. the normal state of economic affairs is recession
 - c. demand creates its own supply
 - d. supply creates its own demand
47. An empirical law to the effect of growing public expenditure was propounded by?
- a. Wagner
 - b. Peacock
 - c. Wiseman
 - d. Smith
48. Which of the following taxes is the most likely to be regressive?
- a. Sales tax on mobile phone
 - b. Excise duties on Kerosene
 - c. Import duties on electronic goods
 - d. Entrainment tax
49. Maximum Welfare Principle of Budget Determination is associated with
- a. Adam Smith
 - b. Edwin Seligman
 - c. Hugh Dalton
 - d. Richard Musgrave
50. The concept of 'Canon of taxation' was first propounded by?
- a. Dalton
 - b. J.M. Keynes
 - c. Adam Smith
 - d. Edwin Canon

SAMPLE MULTIPLE CHOICE QUESTIONS

SYBAF SEM III

COST ACCOUNTING

1. _____ does not deal with the accumulation, classification, analysis, allocation, summarization, interpretation, reporting and control of current and perspective costs.
A] Cost Accounting
B] Financial Accounting
C] Cost Accountancy
D] Batch Accountancy
2. The amount of expenditure incurred on, or attributable to, a specified thing or an activity or cost unit is known as _____.
A] Product
B] Cost
C] Batch
D] Unit
3. The aggregate amount of all the items of expenses paid or payable for the particular product or service is called as _____.
A] Direct cost
B] Committed cost
C] Total Cost
D] All Cost
4. _____ cost represents the increase or decrease in total cost which occurs with change in output.
A] Conversion cost
B] Marginal cost
C] Explicit cost
D] Direct Cost
5. The expenses which can be directly charged to jobs, products, processes, cost centres or cost units is termed as _____.
A] Direct Cost
B] Indirect Cost
C] Committed Cost
D] Joint cost
6. The Technique and _____ of ascertaining the cost is known as Costing.
A] Batch
B] Method
C] Process
D] Pattern

- 7 _____ is applied where production is carried out as per specific order and customer specifications.
- A] Batch costing
 - B] Job costing
 - C] Contract costing
 - D) All Costing
8. Marginal costing is also known as _____ costing.
- A] Variable
 - B] Semi-variable
 - C] Fixed
 - D) All Costing
- 9 _____ is the system of costing under which costs are determined after they have been incurred.
- A] Uniform costing
 - B] Historical costing
 - C] Standard costing
 - D) Record Costing
- 10 The branch of accounting dealing with the classification, recording, allocation, summarization and reporting of current and prospective costs is known as _____.
- A] Cost Accountancy
 - B] Costing
 - C] Cost Accounting
 - D) Financial Accounting
- 11 The term _____ is comprehensively used to include various aspects such as costing, cost accounting, cost control, cost audit and budgetary control.
- A] Cost Accountancy
 - B] Costing
 - C] Cost Accounting
 - D) Financial Accounting
- 12 _____ is concerned with ascertainment of cost.
- A] Cost Accountancy
 - B] Costing
 - C] Cost Accounting
 - D) Financial Accounting

13. Reconciliation is usually done between
 - a. Gross profit and net profit
 - b. Previous year's profit and Current year's profit
 - c. Costing profit and Financial accounts profit
 - d. Current year profit with next year provisions

14. In Reconciliation Statement, Expenses shown only in Financial Accounts are
 - a. added to financial profit
 - b. deducted from financial profit
 - c. ignored
 - d. added to costing profit

15. In Reconciliation Statement, Expenses shown only in Cost Accounts are
 - a. added to financial profit
 - b. deducted from financial profit
 - c. ignored
 - d. deducted from costing profit

16. In Reconciliation Statement, transfers to reserves are
 - a. added to financial profit
 - b. deducted from financial profit
 - c. ignored
 - d. added to costing profit

17. In Reconciliation Statement, Incomes shown only in Financial Accounts are
 - a. added to financial profit
 - b. deducted from financial profit
 - c. ignored
 - d. deducted from costing profit

18. In Reconciliation Statement, Closing Stock Undervalued in Financial Accounts
 - a. added to financial profit
 - b. deducted from financial profit
 - c. ignored
 - d. added to costing profit

19. In Reconciliation Statement, Closing Stock Overvalued in Financial Accounts is
 - a. added to financial profit
 - b. deducted from financial profit
 - c. ignored
 - d. deducted from costing profit

20. In Reconciliation Statement, Opening Stock Overvalued in Financial Accounts is
 - a. added to financial profit
 - b. deducted from financial profit

- c. ignored
 - d. added to costing profit
21. In Reconciliation Statement, Opening Stock Undervalued in Financial Accounts
- a. added to financial profit
 - b. deducted from financial profit
 - c. ignored
 - d. deducted from costing profit
22. In Reconciliation Statement, Depreciation Overcharged in Financial Accounts is
- a. added to financial profit
 - b. deducted from financial profit
 - c. ignored
 - d. added to costing profit
23. In Reconciliation Statement, Depreciation Undercharged in Financial Accounts
- a. added to financial profit
 - b. deducted from financial profit
 - c. ignored
 - d. deducted from costing profit
24. In Reconciliation Statement, Overheads Under-Recovered in Cost Accounts are
- a. added to financial profit
 - b. deducted from financial profit
 - c. ignored
 - d. added to costing profit
25. In Reconciliation Statement, Overheads Over-Recovered in Cost Accounts are
- a. added to financial profit
 - b. deducted from financial profit
 - c. ignored
 - d. deducted from costing profit
26. In Reconciliation Statement, Expenses shown only in Financial Accounts are
- a. added to costing profit
 - b. deducted from financial profit
 - c. added to financial loss
 - d. deducted from costing profit
27. Process costing is applied when
- (a) Small number of different products are manufactured
 - (b) Large number of different products are manufactured
 - (c) Large number of identical products are manufactured
 - (d) Small number of customised made - to - order products are manufactured
28. Which of the following does not use process costing?

(c) Investment Centre

(d) Sales Centre

39. Contract Costing is a variant of Costing
- A Job
 - B Process
 - C Unit
 - D Batch
40. Which of the following is not a contract cost?
- A Direct Wages
 - B Depreciation on Plant
 - C Architect Certificate
 - D Sub-contract Expenses
41. If Contract is 40% completed than profit taken to profit and loss account is
- A $\frac{1}{3}$ rd of Notional Profit
 - B $\frac{2}{3}$ rd of Notional Profit
 - C entire profit
 - D Nil
42. If Contract is 65% completed than profit taken to profit and loss account is
- A $\frac{1}{3}$ rd of Notional Profit
 - B $\frac{2}{3}$ rd of Notional Profit
 - C entire profit
 - D Nil
43. If Contract is 100% completed than profit taken to profit and loss account is
- A $\frac{1}{3}$ rd of Notional Profit
 - B $\frac{2}{3}$ rd of Notional Profit
 - C entire profit
 - D Nil

44. If Contract is less than 25% completed than profit taken to profit and loss account is
- A 1/3rd of Notional Profit
 - B 2/3rd of Notional Profit
 - C entire profit
 - D Nil
45. If Contract is less than 35% completed than profit taken to profit and loss account is
- A 1/3rd of Notional Profit
 - B 2/3rd of Notional Profit
 - C entire profit
 - D Nil
46. If Contract is less than 80% completed than profit taken to profit and loss account is
- A 1/3rd of Notional Profit
 - B 2/3rd of Notional Profit
 - C entire profit
 - D Nil
47. Work Certified is valued at
- A Market Price
 - B Cost or Market Price whichever is less
 - C Estimated Price
 - D Cost Price
48. Cost of material lost or destroyed in Contract is
- A debited to the Contract Account
 - B credited to the Contract Account

- C credited to P/L Account
- D debited to P/L Account

49. is the person for whom the contract is undertaken.

- A Contractor
- B Contractee
- C Architect
- D Auditor

50. In Contract Costing payment of Cash to the contractor is made on the basis of

- (a) Retention Money
- (b) Work Certified
- (c) Work Uncertified
- (d) Work in Progress

SAMPLE MULTIPLE CHOICE QUESTIONS

SYBAF SEM III

FINANCIAL MARKET OPERATIONS

1. Every financial market has the following characteristic:
 - A) It determines the level of interest rates.
 - B) It allows common stock to be traded.
 - C) It allows loans to be made.
 - D) It channels funds from lenders-savers to borrowers-spenders.

2. Financial markets have the basic function of
 - A) bringing together people with funds to lend and people who want to borrow funds.
 - B) providing credit
 - C) assuring that governments need never resort to printing money.
 - D) borrowing

3. Which of the following can be described as involving direct finance?
 - A) A corporation's stock is traded in an over-the-counter market.
 - B) People buy shares in a mutual fund.
 - C) A pension fund manager buys commercial paper in the secondary market.
 - D) borrowing money from a friend

4. The ultimate source of money in India is _____.
 - [a] Commercial banks
 - [b] Indian companies
 - [c] RBI
 - [d] IMF

5. Successful financial intermediaries have higher earnings on their investments because they are better equipped than individuals to screen out good from bad risks, thereby reducing losses due to
 - A) moral hazard.
 - B) adverse selection.
 - C) bad luck.
 - D) financial panics.

6. The organized financial system includes _____.
 - [a] Commercial banks
 - [b] Indigenous banks

- [c] Chit funds
- [d] Betting and Gambling

7. Finance Function comprises
- [a] Safe custody of funds, Expenditure of funds , procurement and effective use of funds
 - [b] expenditure
 - [c] procurement
 - [d] investment
8. In financial markets, lenders typically have inferior information about potential returns and risks associated with any investment project. This difference in information is called
- A) comparative informational disadvantage.
 - B) asymmetric information.
 - C) variant information.
 - D) caveat venditor.
- Answer:
9. Which of the following statements about the characteristics of debt and equity are true?
- A) They can both be long-term financial instruments and involve a claim on the issuer's income.
 - B) you can buy them from vegetable vendor
 - C) you can buy from real estate broker
 - D) only the government can float such securities
10. Which of the following are long-term financial instruments?
- A) A negotiable certificate of deposit
 - B) A banker's acceptance
 - C) A U.S. Treasury bond
 - D) A U.S. Treasury bill
11. Which of the following are short-term financial instruments?
- A) A negotiable certificate of deposit
 - B) capital asset
 - C) A U.S. Treasury bond
 - D) debentures
12. 12) Which of the following are short-term financial instruments?
- A) A banker's acceptance
 - B) A share of Walt Disney Corporation stock
 - C) A Treasury note with a maturity of 4 years

D) Cash

13. 13) Which of the following are primary markets?
- A) The New York Stock Exchange
 - B) The U.S. government bond market
 - C) The over-the-counter stock market
 - D) The options markets
14. A corporation acquires new funds only when its securities are sold
- A) in the secondary market by an investment bank.
 - B) in the primary market by an investment bank.
 - C) in the secondary market by a stock exchange broker.
 - D) in the secondary market by a commercial bank.
15. Intermediaries who are agents of investors and match buyers with sellers of securities are called
- A) investment bankers.
 - B) traders.
 - C) brokers.
 - D) dealers.
16. Intermediaries who link buyers and sellers by buying and selling securities at stated prices are called
- A) investment bankers.
 - B) traders.
 - C) brokers.
 - D) dealers.
17. An important financial institution that assists in the initial sale of securities in the primary market is the
- A) investment bank.
 - B) commercial bank.
 - C) stock exchange.
 - D) brokerage house.
18. Which of the following statements about financial markets and securities are true?
- A) A bond is a long-term security that promises to make periodic payments called dividends to the firm's residual claimants.
 - B) A debt instrument is intermediate term if its maturity is less than one year.

- C) A debt instrument is long term if its maturity is ten years or longer.
- D) The maturity of a debt instrument is the time (term) to that instrument's expiration date.

19. 21) Which of the following statements about financial markets and securities are true?
- A) Few common stocks are traded over-the-counter, although the over-the-counter markets have grown in recent years.
 - B) A corporation acquires new funds only when its securities are sold in the primary market.
 - C) Capital market securities are usually more widely traded than longer term securities and so tend to be more liquid.
 - D) RBI is the regulator of the financial markets
20. Which of the following markets is sometimes organized as an over-the-counter market?
- A) The stock market
 - B) The bond market
 - C) The foreign exchange market
 - D) The federal funds market
21. Which of the following instruments is not traded in a money market?
- A) Banker's acceptances
 - B) Treasury Bills
 - C) Eurodollars
 - d) Residential mortgages
22. _____ refers to the market where borrowers and lenders exchange short-term funds to solve their liquidity needs.
- A. Money market
 - B. Capital Market
 - C. Stock Exchange
 - D. Gold
23. The ___ is a market for financial investments that are direct or indirect claims to capital.
- A. Money
 - B. Stock Exchange
 - C. Capital market
 - D. Gold
24. The capital market is market for ___ that are direct or indirect claims to capital.

- A. Stock
 - B. Financial investments
 - C. Trader
 - D. Intermediaries
25. The ___ refers to the markets for those financial instruments /claims/obligations that are commonly and readily transferable by sale.
- A. Gold
 - B. Silver
 - C. MCX
 - D. Securities market.
26. The ___ provides the channel for sale of new securities.
- A. Primary market
 - B. Secondary Market
 - C. Money Market
 - D. Gold
27. In ___ resources are mobilised by companies through issue of new securities.
- A. Secondary Market
 - B. Derivatives
 - C. Primary market
 - D. Gold Market
28. The ___ is a market where existing securities are traded.
- A. Secondary market.
 - B. Primary
 - C. Derivatives
 - D. MCX
29. The ___ is a market for old securities, i.e., those which have been already issued and listed.
- A. Primary Market
 - B. Gold Market
 - C. Gold Bullion
 - D. Stock exchange.
30. ___ refers to the work of investigation, analysis and processing of new project proposals.
- A. Government
 - B. Organisation
 - C. Non Government
 - D. Stock Broker
31. The ___ has made it mandatory for all Qualified Institutional Buyers (QIBs) to pay 100 percent of the application money while bidding for public issues.
- A. SEBI
 - B. RBI
 - C. IRDA
 - D. NHB
32. The SEBI has introduced a new facility ___ route to applying for IPOs from September 2008 onwards.
- A. ASBA
 - B. SCSB
 - C. QIB
 - D. SCSC

33. Banks offering ASBA are called _____
- A. SCSB
 - B. NON – SCSB
 - C. QIB
 - D. SCSC
34. _____ is a financial market for buying & Selling debt securities
- A. Debt Market
 - B. Equity Market
 - C. Mutual Funds
 - D. Derivatives
35. Fixed Return on the bond is often termed as the Fixed-----
- A. Interest Rate
 - B. Dividend Rate
 - C. Profit
 - D. Surplus
36. The ‘financial services’ can also be called _____.
- a. Financial Intermediaries
 - b. Owners
 - c. Employees
 - d. Broker
37. _____ was the first Indian commercial bank to take up the activities in 1972
- a. HDFC
 - b. ICICI
 - c. SBI
 - d. TJSB
38. _____ the first financial institution to take up the activities 1973
- a. HDFC
 - b. ICICI
 - c. SBI
 - d. TJSB
39. 1980’s there were _____ merchant bankers belonging to three major segments viz., commercial banks, all India financial institutions, and private firms.
- a. 30
 - b. 31
 - c. 32
 - d. 33
40. _____ is a type of electronic card which is used for transactions made online through a computer or Smartphone.
- a. E – Wallet
 - b. Debit Card
 - c. Credit Card
 - d. Smart Card
41. The Advantage of Mutual Fund is
- a. Diversification
 - b. Risky
 - c. Non – Liquidity
 - d. Non – Diversification
42. Equity instruments should be valued at _____
- a. Cost Price

- b. NAV
 - c. Market Price
 - d. Average Price
43. Mutual Funds is regulated by_
- a. SEBI
 - b. RBI
 - c. IRDA
 - d. State Government
44. _____ refers to the market where borrowers and lenders exchange short-term funds to solve their liquidity needs.
- a. Money market
 - b. Capital Market
 - c. Stock Exchange
 - d. Gold
45. The __ is a market for financial investments that are direct or indirect claims to capital.
- a. Money
 - b. Stock Exchange
 - c. Capital market
 - d. Gold
46. The capital market is market for __ that are direct or indirect claims to capital.
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 - b. Financial investments
 - c. Trader
 - d. Intermediaries
47. The __ refers to the markets for those financial instruments /claims/obligations that are commonly and readily transferable by sale.
- a. Gold
 - b. Silver
 - c. MCX
 - d. Securities market.
48. The __ provides the channel for sale of new securities.
- a. Primary market
 - b. Secondary Market
 - c. Money Market
 - d. Gold
49. In __ resources are mobilised by companies through issue of new securities.
- a. Secondary Market
 - b. Derivatives
 - c. Primary market
 - d. Gold Market
50. The __ is a market where existing securities are traded.
- a. Secondary market.
 - b. Primary
 - c. Derivatives
 - d. MCX

SAMPLE QUESTIONS FOR WEBSITE
SUBJECT: INFORMATION TECHNOLOGY-I
CLASS: SYBAF
SEM –III

1. _____ is a set of rules for two devices to communicate.
 - A. Topology
 - B. Protocol
 - C. Transmission mode
 - D. Transfer
2. _____ is a set of rules for two devices to communicate.
 - A. Topology
 - B. Protocol
 - C. Transmission mode
 - D. Transfer
3. Dimension of e-commerce that enables commerce across National boundaries is called _____.
 - A. Interactivity
 - B. Global Reach
 - C. Richness
 - D. Ubiquity
4. . In _____ e-commerce the consumers deal with each other.
 - A. B2B
 - B. C2C
 - C. C2B
 - D. B2C
5. A web address is also called a -----
 - A. URL
 - B. LUR
 - C. RLU
 - D. LRU
6. The internet also known simply as -----
 - A. NIT
 - B. NAT
 - C. NET
 - D. NFT
7. ___ an/a unique name that identifies an e-mail user.
 - A. Network name
 - B. Node name
 - C. User name
 - D. Host name
8. To remove the content of selected cells you must issue _____ command
 - A) Edit >> Delete
 - B) Edit >> Clear >> Contents

C) Edit >> Clear >> All

D) Data >> Delete

9. The short cut key Ctrl + R is used in Excel to

A) Right align the content of cell

B) Remove the cell contents of selected cells

C) Fill the selection with active cells to the right

D) Reset

10. Which of the cell pointer indicate that you can move the content to other cell?

A) Doctor's symbol (Big Plus)

B) small thin plus icon

C) Mouse Pointer with anchor at the tip

D) Star Sign

11. You can merge the main document with data source in Excel. In mail merge operation, Word is usually

A) server

B) source

C) client

D) link

12. Which menu provides you options like Animation Scheme, custom Animation, Slide Transition?

A. Insert Menu

B. Format Menu

C. Tools Menu

D. Slide Show Menu

13. The difference between Slide Design and Auto Content Wizard is

a. Both are same

b. AutoContent Wizard is just the wizard version of Slide Design

c. Slide Design does not provide sample content but Auto Content Wizard provides sample content too!

d. Slide Design asks your choice in steps but Auto Content Wizard does not let you make choices

14. Which command will you use in PowerPoint if you need to change the color of different objects without changing content?

- a. Design Template
- b. Color Scheme
- c. Font Color
- d. Object Color

15. Which of the following pane is NOT available in Task Pane?

- a. Slide Design
- b. Master Slide
- c. Slide Layout
- d. Slide Transition

16. Which of the following pane is NOT available in Task Pane?

- a. Slide Design
- b. Master Slide
- c. Slide Layout
- d. Slide Transition

17. Which tab is not available on left panel when you open a presentation?

- A. Outline
- B. Slides
- C. Notes
- D. Animation

18. Which of the following is best for quick copy operation?

- A. Copy and Paste
- B. Windows Clipboard
- C. Drag and Drop
- D. Auto Text

19. The ability to combine name and addresses with a standard document is called

- A. document formatting
- B. database management
- C. mail merge
- D. form letters

20. Which of the following can be used to navigate documents?

- A. frames
- B. hyperlinks
- C. web toolbar

D. format

21. Which would you choose to move selected text from one place to another?

A. Move and Paste

B. Copy and Paste

C. Cut and Paste

D. Delete and Paste

22. Which key deletes the character to the right of the cursor?

A. End

B. Backspace

C. Home

D. Delete

23. The physical components of a computer are called?

A: Software

B: Hardware

C: ALU

D: CPU

24. What is the name of programs that control the computer system?

A: Hardware

B: Keyboard

C: Software

D: Mouse

25. What is the name of programs that control the computer system?

A: Hardware

B: Keyboard

C: Software

D: Mouse

26. What is the meaning of 'DATA'?

A: A table that contain list of users and password

B: List of software

C: A piece of information

D: digital spreadsheets

27. _____ storage of data provides safely from theft, fire etc.

A. Onsite

B. Remote

C. Firewall

D. Win Zip

28. Deduplication and Data compression are _____ technologies.
- A. Storage
 - B. Data Reduction
 - C. Data Enhancement
 - D. Tiered
29. _____ monitors are still favoured by some in high end graphics work where absolute colour control required.
- A. LCD
 - B. TFT
 - C. CRT
 - D. Flat Panel
30. _____ ports are most commonly used to connect digital cameras and external hard disks to computers.
- A. Fire Wire
 - B. SATA
 - C. SCSI
 - D. USB
31. In _____ topology each computer can work as a server as well as node.
- A. Star
 - B. Bus
 - C. Ring
 - D. Mesh
32. In _____ topology there is direct link between any two computers.
- A. Star
 - B. Bus
 - C. Ring
 - D. Mesh
33. P2P stands for _____.
- A. Person To Person
 - B. Peer To Peer
 - C. Peer To Person
 - D. Person To Peer
34. In MAN computers are connected to each other with the help of _____ cable.
- A. Twisted Pair
 - B. Coaxial
 - C. Fiber Optic
 - D. Microwave
35. _____ is a large network of computer.
- A. LAN
 - B. MAN
 - C. WAN
 - D. WLAN

36. LAN covers _____ area.

- A. Small
- B. Large
- C. Bigger
- D. Geographical

37. Which of the following is not a topology?

- A. Star
- B. Satellite
- C. Bus
- D. Ring

38. _____ language is of zero and one.

- A. Assembly
- B. Machine
- C. High Level
- D. 4th Generation

39. _____ is single user and single- tasking operating system.

- A. DOS
- B. UNIX
- C. Windows
- D. Linux

40. _____ is multi user and multi- tasking operating system.

- A. DOS
- B. UNIX
- C. Windows
- D. Linux

41. _____ must be refreshed several times each second to prevent data loss.

- A. RAM
- B. ROM
- C. DRAM
- D. SRAM

42. _____ is used to store date, time etc.

- A. BIOS
- B. CMOS
- C. Cache Memory
- D. Virtual Memory

43. _____ is an example of line printer.

- A. Dot Matrix
- B. Daisy Wheel
- C. Chain Type
- D. Thermal

44. _____ is an example of output device.
- A. OMR
 - B. OCR
 - C. BCR
 - D. CRT
45. _____ can read printed or typed or even neatly written hand documents.
- A. MICR
 - B. OMR
 - C. OCR
 - D. BCR
46. In serial port at a time _____ is transferred.
- A. Bit
 - B. Byte
 - C. Rays
 - D. Waves
47. _____ is the largest computer.
- A. Mini
 - B. Mainframe
 - C. Micro
 - D. Supercomputer
48. MMX stands for _____ Extensions.
- A. Main memory
 - B. Multimedia
 - C. More memory
 - D. Secondary memory
49. Software developed by user is called as _____
- A. System
 - B. Application
 - C. General-Purpose
 - D. Online
50. To start Microsoft PowerPoint application
- A. Click on Start >> Programs >> All Programs >> Microsoft PowerPoint
 - B. b.Hit Ctrl + R then type ppoint.exe and Enter
 - C. Click Start >> Run then type PowerPoint then press Enter
 - D. d.Start

SAMPLE MULTIPLE CHOICE QUESTIONS

SYBAF SEM III

DIRECT TAXATION

1. Income tax extends to _____ of India.
 - a. Citizens
 - b. whole
 - c. states
 - d. Union Territories
2. Year prior to the Assessment year is called as _____.
 - a. Assessment Year
 - b. Previous Year
 - c. Financial Year
 - d. Calendar Year
3. The Finance Bill is introduced by _____.
 - a. State Government
 - b. Parliament
 - c. Finance Minister
 - d. Central Government
4. The Income Tax Act provides for _____ of the assessee.
 - a. determination of total income
 - b. Sub-sections
 - c. Income
 - d. sections
5. The dividend income in the hands of the shareholders will be exempt from tax u/s _____.
 - a. 10(11)
 - b. 10(35)
 - c. 10(34)
 - d. 10(10AA)
6. Leave salary received during the period of service is _____.
 - a. Exempt u/s 10 (10 AA)
 - b. Exempt u/s 10 (10 A)
 - c. Fully Taxable
 - d. Partly Taxable
7. Residential status of an individual depends on the stay of the assessee in India during the _____.
 - a. Calendar Year
 - b. Accounting Year
 - c. Assessment Year
 - d. Previous Year
8. Commuted pension is exempted in the hands of _____ employees.
 - a. Private Limited Company

- b. Government
 - c. Handicap
 - d. Insane
9. Dividend is exempt in case of _____.
- a. It is paid by an Indian Company
 - b. It is paid by a foreign company
 - c. It is paid by a multinational company
 - d. it is paid by a joint venture unit.
10. M, a chartered accountant is employed with M Ltd., as an internal auditor and requests the employer to call the remuneration as internal audit fee. M shall be chargeable to tax for such fee under the head.
- a. Income from salaries
 - b. Profits and gains from business and profession
 - c. Income from other sources
 - d. Income from house property
11. Employee M is neither a government employee nor covered under Payment of Gratuity Act, 1972. He has completed 16 years and 8 Months of service. The number of completed years considered for gratuity exemption shall be
- a. 17 years
 - b. 16 years
 - c. 16 years and 8 months
 - d. 18 years
12. M is entitled to children education allowance @ Rs. 80 p.m. per child for 3 children amounting Rs. 240 p.m. It will be exempt to the extent of
- a. Rs. 200 p.m.
 - b. Rs. 160 p.m.
 - c. Rs. 240 p.m.
 - d. Rs. 250 p.m.
13. Compensation for termination of employment
- a. Is not taxable
 - b. Is taxable as capital gains
 - c. Is taxable in case of only 'specified' employees
 - d. Is taxable as 'profit in lieu of salary
14. Deductions available to non- government employees for entertainment allowance is _____.
- a. 20% Basic
 - b. Rs. 5,000 p.a.
 - c. Lower of a, b or amount received
 - d. Nil
15. Expenses exceeding 20,000 paid in cash are disallowed u/s _____.
- a. 40 A (2)
 - b. 40 AB
 - c. 40 A (3)
 - d. 43 B
16. Deduction u/s 80C is allowed to the maximum limit of

- a. 70,000
 - b. 1,50,000
 - c. 30,000
 - d. 1,00,000
17. Interest on deposits (not being time deposits) in a saving account with a bank deduction shall be allowed u/s. 80TTA with reference to such income not exceeding
- a. 5,000
 - b. 10,000
 - c. 25,000
 - d. 50,000
18. . If the owned building is let-out to be used as show room for display of goods, rent will be taxed as_____.
- a. Business income
 - b. Income from house property
 - c. Income from other sources
 - d. Income from salary
19. Mr. Arjun earns saving bank interest of 17,000 during the previous year 2019-20. He is entitled to a deduction under section 80 TTA of _____.
- a. Rs.12,000
 - b. Rs.10,000
 - c. Rs. 5000
 - d. Nil
20. Municipal taxes deduction is done from -----
- A. GAV
 - B. NAV
 - C. MUCICIPAL VALUATION
 - D.)FAIR RENT
21. An assessee has borrowed money for purchase of a house property & Interest is paid outside India. Such interest shall -----
- a) Be allowed as deduction
 - b) Not to be allowed as deduction
 - c) outstanding
 - d)income
22. Municipal Tax paid is allowed as deduction for
- a) SOHP only
 - b) LOHP only
 - c) partly SOHP
 - D)90% OF SOHP
23. Sushant has taken a house on rent and sublets the same to Mr. A. Income from such house property shall be taxable under the head.
- a. Income from house property
 - b) Income from other sources
 - c) Business income
 - d) None of the above
24. Deduction under section 80CCC is allowed to the extent of
- a) Rs 2,00,000
 - b) Rs 4,00,000
 - c) Rs1,50,000
 - d) Rs 125000

25. Annual value of a SOP will be -----
- Nil
 - Amount of fair rent
 - Amount of actual rent
 - Amount of municipal valuation
26. Income is taxable under the head house property only when the assessee is the _____ of such house property.
- Owner
 - Tenant
 - Illegal owner
 - Settled out of india
27. Income from House cannot be taxed under the head house property if the owner occupies the property for his _____ .
- Personal purpose
 - Business and profession purpose
 - Rental purpose
 - Other purpose.
28. Arrears of rent received after sale of property _____ % of deduction is allowed
- 30
 - 20
 - 10
 - Nil
29. In Fair rent of a house is Rs 50000, actual rent is Rs 45000 (due to vacancy for 3 months) municipal valuation is Rs 48000. GAV o will be RS -----
- 48000
 - 50000
 - 45000
 - 42000
30. Mr X has received dividend from Indian company RS 10000, dividend from foreign company Rs 5000 and Interest on debenture RS 7000.Total income from other source will be RS -----
- 12000
 - 22000
 - 7000
 - 5000
31. Income under the head income from other sources is taxable on
- Due basis
 - Receipt basis
 - On the basis of method of accounting regularly employed by the assesses
 - Not fixed
32. Income Tax, Wealth Tax & Fringe Benefit tax are _____.
- Allowed u/s 40(b)
 - Disallowed
 - Allowed u/s 40(a)

- (D) Allowed u/s 37
33. Expenditure incurred on family planning amongst the employees is allowed to
- (A) Any assessee
 - (B) A company assessee
 - (C) An assessee which is a company or co-operative society
 - (D) A Firm
34. Any activity carried on with a view to earn profit is called _____.
- (A) Commerce
 - (B) Trade
 - (C) Business
 - (D) Trade, Commerce & Business
35. Where the amount of an expenditure claimed as deduction exceed 10,000, it is not made by account payee cheque/draft.
- (A) 20% of such payment shall be disallowed
 - (B) 100% of such payment shall be disallowed
 - (C) 20% of the excess over 20,000 of such payment shall be disallowed
 - (D) 40% of such payment shall be disallowed
36. Depreciation is allowed in case of
- (A) tangible fixed assets only
 - (B) Intangible assets only
 - (C) Tangible and intangible assets
 - (D) Wasting assets only
37. Bonus paid to employee is allowed as deduction, from income from business, on _____
- (A) Accrual basis
 - (B) Payment basis
 - (C) Declaration
 - (D) None of the above
38. Gift received by the Doctor from his clients during the course of carrying on his profession is taxable under the head_____.
- (A) Salary
 - (B) Other sources
 - (C) Professional Income
 - (D) None of the above
39. Capital Expenditure incurred on repairs of factory building is_____.
- (A) Not allowed as business deduction
 - (B) Allowed as business deduction
 - (C) is allowed 50%
 - (D) None of the above
40. Mr. X is a proprietor of a business and during the year he paid salary of Rs. 40,000 to his wife who is B.com Qualified and handles the accounts of the business. The Net profit as per Books of Accounts is Rs. 2,30,000/- what shall be the taxable income from business?

- (A) 2,50,000
 - (B) 1,90,000
 - (C) 2,70,000
 - (D) 2,30,000
41. Income earned by the magician is income from_____.
- (A) Business
 - (B) Profession
 - (C) Vocation
 - (D) Salary
42. Income earned by the Lawyer is income from_____.
- (A) Business
 - (B) Profession
 - (C) Vocation
 - (D) Salary
43. Perquisite received by the assessee during the course of carrying on his business or profession is taxable under the head.
- (A) Salary
 - (B) Other source
 - (C) Business / Professional Income
 - (D) None of the above
44. Short - term capital gain arise on transfer of listed shares and units held by the assessee for not more than
- a. 36 months from the date of acquisition
 - b. 12 months from the date of acquisition
 - c. 54 months from the date of acquisition
 - d. 24 months from the date of acquisition
45. The assessee is allowed to opt for market value as on 1-4-2001 in case of
- a. All capital assets
 - b. All capital assets other than depreciable asset
 - c. Only house properties
 - d. Other sources
46. Income from sale of rural agricultural land is
- a. Taxable capital gain
 - b. Not taxable as capital gain
 - c. Taxable income from business
 - d. Taxable as income from salary
47. Conversion of personal effect into stock in trade shall
- a. Be subject to capital gain
 - b. Not be subject to capital gain
 - c. Shall be subject to tax under business head
 - d. Shall be subject to tax under salary head

48. Where the entire block of the depreciable asset is transferred after 36 months, there will be
- a. Short- term capital gain
 - b. Long- term capital gain
 - c. short- term capital gain or loss
 - d. Long- term capital gain or loss
49. In Income Tax Act, 1961, deduction under sections 80C to 80U cannot exceed
-
- A. Gross total income
 - B. Total income
 - C. Income from business or profession
 - D. Income from house property
50. Gross Income from Salary is Rs. 100,000; Net Income from House Property 600,000; Net Income from Business & Profession is Rs. 20,000. Find Net Taxable Income.
- A. 670,000
 - B. 700,000
 - C. 620,000
 - D. 720,000

SAMPLE MULTIPLE CHOICE QUESTIONS

SYBAF SEM III
BUSINESS LAW

1. Partner by estoppel is also known as
 - a. Secret partner
 - b. Holding out
 - c. Nominal partner
 - d. Sleeping partner

2. Section _____ of the Partnership Act states about who can be partner.
 - a. 11
 - b. 12
 - c. 13
 - d. 14

3. Section _____ of the Partnership Act states about the particular partnership
 - a. 8
 - b. 9
 - c. 10
 - d. 11

4. ___ is not open to public inspection of Partnership Firm
 - a. Partnership deed
 - b. Constitution of India
 - c. Name of Director of company
 - d. Name of the CEO

5. ___ is not required in partnership firm
 - a. Memorandum of Association
 - b. Name
 - c. Address
 - d. Partner

6. Every partner has ___ authority to act as an agent of the Partnership firm
 - a. Express
 - b. Implied
 - c. No
 - d. One time

7. _____ can be altered anytime by agreements between all the partners.

- a. Memorandum of association
 - b. Partnership Deed
 - c. Article of association
 - d. Liability of the partner
8. In which year did factories act come into force?
- a. 23rd September, 1948
 - b. 1st April, 1949
 - c. 4th April, 1949
 - d. 12th September, 1948
9. How many days in advance does the occupier of a factory premises gives notice of occupancy to the chief inspector?
- a. 15 days
 - b. 20 days
 - c. 10 days
 - d. 25 days
10. What are the general duties of an Occupier?
- A. Maintenance of a plant of work in factory are safe, with risks to health.
 - B. Specifying the area
 - C. Specifying the area Ensure safety and absence of risks to health in, use, handling, storage and transport of articles and substances.
 - D. Defining the local mean time ordinarily deserved therein
11. Which provisions regarding health are mentioned in the sections 11 to 20 in factories act?
- A. Cleanliness and Disposal of waste
 - B. Dust and fumes
 - C. Ventilation and temperature
 - D. Crèches and washing facility
12. As per the factories act, after how many years should the factory premises be painted and refurbished?
- a. 5 years
 - b. 2 years

- c. 10 years
- d. Annually

13. As per section 2 in factories act, who will be called as an adult?

- a. A person who has completed 21 years of age
- b. A person who is less than 19 years of age
- c. A person who has completed 24 years of age
- d. A person who has completed 18 years of age

14. Section 2(g) under the act defines _____

- a. Factory
- b. Manufacturing process
- c. Worker
- d. Occupants

15. Arrangements for drinking water is mentioned in

- a. Section 18
- b. Section 28
- c. Section 39
- d. Section 40A

16. If there are ____ numbers of employees, then the employer has to provide a canteen.

- a. 250
- b. 510
- c. 320
- d. 100

17. Which of the following diseases is not mentioned in the section 89 of factories act?

- a. Anthrax
- b. Asbestosis
- c. Phosphorus
- d. Pneumonia

18. If a company has _____ number of employees, then the appointment of a safety officer is mandatory under the factories act.
- a. 500
 - b. 100
 - c. 1000
 - d. 10000
19. Fitness certificate granted under "sub section 2" of the act is valid for how many months?
- a. 10 months
 - b. 24 months
 - c. 6 months
 - d. 12 months
20. From the below mentioned options, which of the following is not mentioned under the welfare provision in the factories act?
- a. Canteen
 - b. Creches
 - c. Drinking water
 - d. First aid
21. How many hours in a week can an adult work as per factories act?
- a. 9 hours
 - b. 56 hours
 - c. 34 hours
 - d. 48 hours
22. If there are 100 workers in a factory, then one seat is allotted to how many workers
- a. 25
 - b. 50
 - c. 100
 - d. 75
23. What is the maximum amount of fees to be paid for licensing process?
- a. 5 years

- b. 1 year
- c. 3 years
- d. 7 years

24. Under section 106, a complaint must be filed within ____ months of the date when the commission of the offence came to the knowledge of an inspector.

- a. 6 months
- b. 3 months
- c. 1 months
- d. 12 months

25. In cubic meters how much space is allotted to each worker after the commencement of factories act?

- a. 9.5
- b. 10
- c. 14.2
- d. 12.4

26. LLP is a body corporate and the obligation are to be met out of the of the _____ LLP.

- a. agreement
- b. assets
- c. shares
- d. owner

27. A LLP is _____ for the wrongful acts of a partner if done in the ordinary course of business.

- a. not liable
- b. liable

c. share

d. capital

28. When a LLP is continued after the death of a partner, the legal representatives of the deceased partner is _____ as holding out.

a. no liable

b. liable

c. share

d. capital

29. Shall _____ be given a statutory protection against discharge or harassment.

a. holding out

b. whistle blower

c. principal

d. agent

30. When a partner is guilty of fraud, his liability is _____

a. not liable

b. unlimited

c. share

d. capital

31. The tribunal is of the opinion that the LLP is to wound up, intimation to ROC is to be given within _____ days
- a. 30
 - b. 15
 - c. 60
 - d. 25
32. If agreement is silent on the profit sharing ratio, it shall be _____ .
- a. not equal
 - b. seniority basic
 - c. equal
 - d. not sharing
33. Profit sharing of a partner is determined by _____ and not continuation.
- a. law
 - b. agreement
 - c. not sharing
 - d. notification
34. The contribution constitute capital of LLP and is kind of _____ to the external world.
- a. Movable
 - b. capital
 - c. Gold
 - d. Policy
35. Contribution can be _____
- a. tangible
 - b. labour
 - c. Gold
 - d. Policy
36. When an unlisted public company gets converted to LLP:
- a All shareholders to agree
 - b Some shareholders agreeing is sufficient
 - c Company itself can apply as it is a separate entity
 - d. no conversion
37. Once a firm/private company/ unlisted public company gets converted to LLP, all official correspondence must bear a statement regarding the conversion for a period of:
- (a) 1 month

- (b) 6 months
- (c) 9 months
- (d) 12 months

38. The newly formed LLP on conversion of firm, to comprise of only _____ existing partners.

- a. existing
- b. Some shareholders agreeing is sufficient
- c. Company itself can apply as it is a separate entity
- d. no conversion

39. Conversion of a private company to LLP, the Registrar of Companies with which registered to be intimated within _____ days of registration.

- a. 10
- b. 15
- c. 30
- d. 45

40. A LLP _____ convert to a firm.

- a. will
- b. should
- c. can
- d. will not

41. Public listed company _____ convert to LLP.

- a. will
- b. should
- c. can not
- d. may

42. A converted LLP if continues with informing the concerned authority regarding the conversion, penalty of Rs. _____ to Rs. _____ may be.

- a. 10,000 to 1 lakh
- b. 50,000 to 10 lakh
- c. 55,000 to 5 lakh
- d. 25,000 to 10 lakh

43. In case of voluntary winding up, the LLP is to be wound up within what period of the Liquidator submitting the report?

- (a) 3 months
- (b) 6 months
- (c) 1 year
- (d) 2 years

44. Which is not a ground for Tribunal to order winding up of LLP?

- (a) Number of partners falls below 2

- (b) Unable to pay off the debts
- (c) Annual returns not submitted for 1 year
- (d) LLP acting against the interest of the sovereignty

45. There are _____ modes of winding up and dissolution.

- a. 2
- b. 4
- c. 6
- d. 8

46. Voluntary winding up of LLP requires _____ resolution.

- a. ordinary
- b. special
- c. notification
- d. no law

47. If the tribunal is of the opinion that the LLP is to be wound up, intimation to ROC is to be given within _____ days.

- a. 30
- b. 40
- c. 60
- d. 90

48. During the winding up LLP is still in _____ .

- a. ordinary
- b. existence
- c. notification
- d. no law

49. Winding up of LLP is _____ of the law

- a. process
- b. special
- c. notification
- d. no law

50. Registrar can declare a LLP as defunct if no business is being carried on for _____years.

- a. 2
- b. 4
- c. 6
- d. 5

SAMPLE MULTIPLE CHOICE QUESTIONS
SYBAF SEM III
FINANCIAL ACCOUNTING

- 1) The essential elements of a firm are:
 - a) Unequal share of P & L
 - b) No Agreement
 - c) Minimum two partners
 - d) Minimum three partners

- 2) Under Fixed Capital Method interest on Capital is credited to
 - a) Capital A/c
 - b) Current A/c
 - c) Drawings A/c
 - d) Realisation Account

- 3) Under Fluctuating Capital Method, partner's salary is credited to
 - a) Capital A/c
 - b) Current A/c
 - c) Drawings A/c
 - d) Realisation Account

- 4) Under Fixed Capital Method profits & losses are shared by the partners in
 - a) Capital ratio
 - b) Equal ratio
 - c) Agreed ratio
 - d) Unequal Ratio

- 5) Under Fluctuating Capital Method, profits & losses are shared by the partners in
 - a) Capital ratio
 - b) Equal ratio
 - c) Agreed ratio
 - d) Unequal Ratio

- 6) In absence of any provision in Partnership Deed, profits & losses are shared by partners.
 - a) Equally
 - b) Capital Ratio
 - c) Interest Ratio
 - d) Unequal Ratio

- 7) In absence of any agreement partners are entitled to receive interest on loan at
 - a) 15%
 - b) 10%
 - c) 6%
 - d) 8%

- 8) A partner acts as an
 - a) Agent of the firm
 - b) Employee of the firm

- c) Third party
 - d) Servant
- 9) In absence of any agreement partners are entitled to get
- a) Salary
 - b) Commission
 - c) Interest on loan
 - d) Profit sharing in capital ratio
- 10) Interest on capital is paid to partners vide agreement out of
- a) Past profit
 - b) Reserve
 - c) Current profit
 - d) Future profit
11. Which of the following statements is false?
- AS 11 should be applied in accounting for transactions in foreign currencies
 - AS 11 deals with accounting for foreign currency transaction in the nature of forward exchange contracts
 - AS 11 specifies the currency in which an enterprise should present its financial statements
 - The principal issues in accounting for foreign currency transactions are to decide which exchange rate to use and how to recognize in the financial statements the financial effect of changes in exchange rates
12. Average rate
- a. is the exchange rate at the balance sheet date
 - b. is the mean of the exchange rates in force during a period
 - c. is the ratio for exchange of two currencies
 - d. is the rate at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction
13. Closing rate
- a. is the exchange rate at the balance sheet date
 - b. is the mean of the exchange rates in force during a period
 - c. is the ratio for exchange of two currencies
 - d. is the rate at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction
14. Exchange rate
- a. is the exchange rate at the balance sheet date
 - b. is the mean of the exchange rates in force during a period
 - c. is the ratio for exchange of two currencies
 - d. is the rate at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction
15. Currency other than the reporting currency of an enterprise
- a. Non-Reporting currency
 - b. U.S. Dollars

- c. Foreign Currency
 - d. Indian Rupees
16. Currency used in presenting the financial statements
- a. Reporting currency
 - b. Non-Foreign Currency
 - c. Official Currency
 - d. Indian Rupees
17. Money held and assets and liabilities to be received or paid in fixed or determinable amounts of money
- a. Current items
 - b. Non-monetary items
 - c. Monetary items
 - d. Forward Exchange Contract
18. X ltd imported goods worth \$10,000 on 1st April 2019. Payment of \$10,000 was made on 1st June 2019. On 1 April 2019 \$1=₹65 , 1st June 2019 \$1=₹67. On 1st June 2019 x ltd will record _____
- a) Foreign exchange fluctuation (Loss) ₹20,000
 - b) Foreign exchange fluctuation (Gain) ₹20,000
 - c) Foreign exchange fluctuation (Loss) ₹25,000
 - d) Foreign exchange fluctuation (Gain) ₹25,000
19. A foreign currency transaction should be recorded, on initial recognition
- a. in the reporting currency, by applying to the foreign currency the exchange rate between the reporting currency and the foreign currency at the date of the recognition
 - b. in the Indian Rupees, by using the exchange rate between the Indian Rupee and the U.S. Dollars at the date of the transaction
 - c. in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction
 - d. in the reporting currency, by applying to the foreign currency amount the average exchange rate between the reporting currency and the foreign currency during the financial year
20. Which of the following statements is false?
- a. At each balance sheet date, foreign currency monetary items should be reported using the closing rate
 - b. At each balance sheet date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency should be reported using the exchange rate at the date of the transaction
 - c. At each balance sheet date, non-monetary items, which are carried at fair value denominated in a foreign currency should be reported using the exchange rates that existed when the values were determined

- d. At each balance sheet date, foreign currency monetary items should be reported using the average rate during the year
21. Bills under discount is a
- Contingent liability
 - Non-current liability
 - Current liability
 - Fixed liability
22. After payment of outside liabilities
- Govt. dues should be paid
 - Partner's loan should be paid
 - Partner's capital should be paid
 - Expenses should be paid
23. After payment of partners loan payment should be made to
- The partner having surplus capital
 - The partner having deficiency
 - Govt. Loan
 - Secured Loan
24. In case an asset of a firm purchased by any partner
- Added to Partners capital
 - Agreed value should be distributed among all the partners.
 - Book value should be distributed among all the partners
 - Deducted from Partners capital
25. The amount finally left unpaid on partner's capital account should be in
- Capital ratio
 - Equally
 - Profit sharing ratio
 - Ratio of drawings
26. A, B and C are partners sharing P & L in the ratio of 3 : 2 : 1. Their capitals are ₹ 60,000, ₹ 40,000, ₹ 25,000 respectively. Creditor's are ₹ 90,000 and Bank overdraft ₹ 30,000 Cash realised is ₹ 75,000. The payment to creditors will be ₹
- 56,250
 - 18,750
 - 20,000
 - 18,000
27. A, B and C are partners sharing P & L in the ratio of 2 : 2 : 1. Their capitals are ₹ 15,000, ₹ 12,000 and ₹ 4,000 respectively, Creditor is ₹ 20000, first realization is ₹ 10,000, ₹ 10,000 will be paid to
- Creditors
 - A
 - B
 - C
28. The firm of M.N.O. has been dissolved when their capitals were ₹ 10,000, ₹ 7,000 and ₹ 3,000 respectively after payment of the liabilities, the assets were realised as under : I. ₹ 8,000 II. ₹ 7,500 III. ₹ 6,000 The amount paid to M will be
- 5,500
 - 8,500
 - 6,500
 - 5,000
29. X and Y are partners sharing Profits & Losses in the ratio of 2 : 1. Their Capital is ₹ 6,000 and ₹ 8,000 respectively. The capital ratio will be :

- a) 3 : 4
 - b) 4 : 3
 - c) 2 : 1
 - d) 1 : 1
30. Red, White and Blue are partners sharing Profits & Losses in the ratio of 5 : 3 : 2. Their capitals are ₹ 45,000, ₹ 12,000 and ₹ 43,000 respectively. Reserves are ₹ 10,000. The absolute surplus of Blue is
- a) ₹ 10,000
 - b) ₹ 25,000
 - c) 15,000
 - d) 20,000
31. On amalgamation, Profit & Loss A/c (Dr.) balance of the amalgamating firm
- A. Closed by debit to Realisation account
 - B. Closed by debit to Partners Capital account
 - C. Closed by credit to Partners Capital account
 - D. Closed by credit to Realisation account
32. Profit which arises on account of realisation is called as
- A. Revaluation Loss
 - B. Revaluation Profit
 - C. Realisation Loss
 - D. Realisation Profit
33. Loss which arises on account of realisation is called as
- A. Revaluation Loss
 - B. Revaluation Profit
 - C. Realisation Loss
 - D. Realisation Profit
34. On amalgamation, Fictitious Assets of the vendor firm are transferred to
- A. partners capital account
 - B. purchasing firm account
 - C. realisation account
 - D. profit and loss adjustment account
35. If on amalgamation, Any unrecorded Assets of the vendors firm taken over by its partners
- A. No entry is passed
 - B. Realisation Account is debited and his capital account is credited for the agreed value of such asset
 - C. His capital account is debited and asset account is credited for the agreed value of such Asset
 - D. His capital account is debited and the realisation account is credited for the added value of such asset
36. If business of M/s SUNIL & Co. is taken over by a new firm M/s SUSHIL Co.; then Ms. SUNIL & Co. is Known as which firm?
- A. Purchasing firm

- B. Vendor firm
- C. Old firm
- D. Existing firm

37. If purchase consideration is more than the net asset taken over, in the books of company taking over the firm the difference is

- A. debited to Goodwill account
- B. credited to Capital Reserve
- C. debited to security premium
- D. credited to Goodwill account

38. Net Asset taken over less purchase consideration

- A. treated as Capital Reserve
- B. treated as goodwill
- C. treated as security premium
- D. treated as deferred revenue expenditure

39. On amalgamation of firm, in realisation account, if any asset is sold in the market then will be debited to

- A. Cash account
- B. Asset account
- C. New Firm account
- D. Partners' Capital account

40. On amalgamation of firm, in realization account, if any liability is paid then will be credited to

- A. Cash account
- B. Liability account
- C. New Firm account
- D. Partners' Capital account

41. A partnership firm has –

- a. Limited Capital
- b. Limited Managerial Skill
- c. Limited Liability
- d. Limited Capital and Managerial Skill

42. The form of organization suitable for large scale business is –

- a. Sole Trader
- b. Partnership Firm
- c. Co-operative
- d. Limited Company

43. On conversion of a firm into a Limited Company.

- a. A new company is formed
- b. Old firm is dissolved
- c. A new partner is admitted
- d. A New Company is formed and old firm is dissolved

44. On conversion of a firm into a Limited Company.
- Purchase consideration is decided
 - Assets are not revalued
 - Liabilities are not revalued
 - Purchase consideration is not settled
45. As per Net Asset Method purchase consideration is equal to –
- Gross Assets at Book Value
 - Liabilities at Book Value
 - Assets taken over at agreed value less liabilities taken over at agreed valued
 - Fictitious assets at book value
46. Purchase consideration may be settled in –
- Cash only
 - Shares of Ltd. Company only
 - Debentures of Ltd. Company only
 - Cash / Shares / Debentures of Ltd. Company
47. A new company is formed is formed on _____ of a firm into a limited company.
- Conversion
 - Admission of partner
 - Retirement of partner
 - Death of partner
48. Asset taken over by a partner is –
- Debited to partner's capital A/c
 - Credited to partner's capital A/c
 - Debited to Realisation A/c
 - Credited to Realisation A/c
49. General reserve is distributed among the partners in the ratio of –
- Profit Sharing
 - Capitals
 - Final Claims
 - Equally
50. Profit or loss on disposal of asset not taken over by a Ltd. Company is transferred to –
- Realisation A/c
 - P & L A/c
 - Capital Accounts
 - Current Accounts

