

# **MOCK MCQ TEST**

**SUBJECT: BUSINESS LAWS (BL)**

**PAPER CODE: BBA 201**

DELHI INSTITUTE OF ADVANCED STUDIES

**FOR PRIVATE CIRCULATION**

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1. A contract is made where:
  - A. X agrees with Y to discover a treasure by magic.
  - B. X bids at a public auction
  - C. A sees a sea
  - D. A sit in a public Omni bus.
  
2. In case of void agreements, collateral transactions are
  - A. Also void
  - B. Unenforceable
  - C. Not affected
  - D. Illegal
  
3. The delivery of goods by one person to another for some purpose, upon a contract and that they shall, when the purpose is accomplished, be returned or otherwise disposed of by accounting to the directions of the person delivering them, then it is called:
  - A. Contingent contract
  - B. Bailment
  - C. Pledge
  - D. Contract of indemnity
  
4. A, a minor bought 11 expensive coats from B. he was, at that time, adequately provided with clothes, but B did not know this fact. In such a case
  - A. Minor is personally liable to pay for the coast
  - B. Minor's property can be attached for payment
  - C. Minor is liable since he has Misled into supply of coats
  - D. Minor is not liable at all
  
5. A husband, by a registered agreement promised to pay wife Rs 5,000 p.m. there was no consideration moving from the wife to the husband. This contract is
  - A. Void
  - B. Illegal
  - C. Valid
  - D. Unenforceable
  
6. In Indian Contract Act, the term consensus ad idem means
  - A. Parties under a mistake
  - B. Parties under the free consent
  - C. Parties agreeing upon the same thing in same sense

D. None of these

7. Sonia contracts with Anshul to buy a necklace, believing it is made of pearls whereas in fact it is made of imitation pearls of no value. Anshul knows that Sonia is mistaken and takes no steps to correct the error. Now Sonia wants to cancel the contract based on fraud. Which of the following statement is correct?
- A. Sonia can cancel the contract alleging fraud
  - B. Sonia cannot cancel the contract
  - C. Sonia can cancel the contract alleging undue influence
  - D. Sonia can claim damages
8. Which of the following is false with respect to minor entering a contract?
- A. An agreement with or by a minor is void ab initio
  - B. A minor can be a beneficiary of a contract
  - C. The guardian of a minor is responsible for his acts
  - D. A minor cannot ratify a contract on attaining majority
9. Anuj agrees to pay Rs10,000 to Manoj if a certain ship returns within a year. However, the ship sinks within the year. In this case, the contract becomes:
- A. Valid
  - B. Void
  - C. Voidable
  - D. Illegal
10. A invites B for coffee in Coffee day Restaurant and B accepts the invitation. On the appointed date, B goes there but A does not come. In this case
- A. B has no remedy against A.
  - B. B has to wait for another invitation from A.
  - C. B can sue A for not honoring his words.
  - D. A has to invite B again, to keep the promise.
11. Where a contract has to be inferred from the conduct of parties, it is called
- A. Express contract.
  - B. Implied contract.
  - C. Tacit contract.
  - D. Unlawful contract
12. Voidable contract is one
- A. Which is lawful.
  - B. Which is invalid.
  - C. Which is valid if it is not avoided by the party entitled to do so.
  - D. Which is unlawful.

13. Undue influence can be presumed between
- A. Guardian and Ward
  - B. Mother and Daughter
  - C. Doctor and Patient
  - D. All of the above
14. Wagering Agreement is a \_\_\_\_\_ agreement
- A. Valid
  - B. Voidable
  - C. Void
  - D. Illegal
15. A minor was facing a criminal prosecution for smuggling drugs. He borrowed Rs. 5000 to hire an advocate to defend him in the court of law. What is the remedy available to the creditor if the minor does not return the money on his own?
- A. The creditor cannot recover the amount from the minor since a contract with a minor is void ab initio
  - B. The amount of loan can be recovered from minor's property since it is a loan for necessities
  - C. The creditor can recover his amount of loan from the minor on his (minor's) attaining the age of majority
  - D. The creditor can recover his amount from the parent or guardian of the minor
16. Future goods mean goods to be manufactured or produced or acquired by the seller
- A. In future prescribed time
  - B. After making of contract
  - C. Before making of contract
  - D. None of above
17. A sold a stolen car to B which was subsequently recovered by the police from B's possession and he (B) was forced to return the same to the true owner. Here, there is breach of implied condition as to
- A. Merchantability
  - B. Fitness for buyer's purpose
  - C. Title
  - D. None of these
18. Where the goods are sold by description, there is an implied condition that the goods shall
- A. Be fit for buyer's purpose
  - B. Free from any defects
  - C. Correspond with the description

D. Free from any encumbrance

19. As per the doctrine of caveat emptor incorporated in Section 16, there is no implied conditions or warranty in a contract of sale as to the

- A. Merchantability.
- B. Wholesomeness.
- C. Quality or fitness for buyer's purpose.
- D. None of these.

20. Where the seller wrongfully neglects or refuses to deliver the goods to the buyer, the buyer may sue for:

- A. Damages for non-delivery
- B. Damages for non-acceptance
- C. Specific performance
- D. Compensation

21. The unpaid seller has right of stoppage of goods in transit only where the buyer

- A. Becomes insolvent
- B. Refuses to pay price
- C. Acts fraudulently
- D. All of these

22. An unpaid seller is having rights against

- A. Goods only
- B. The buyer only
- C. Both goods and buyer
- D. None of the above

23. Seller has right of resale where

- A. Goods are perishable
- B. Seller has reserved such right.
- C. Seller gives notice
- D. All of these.

24. The voluntary transfer of possession from one person to another is called

- A. Transfer
- B. Change of possession
- C. Delivery
- D. None of above

25. The agent having in customary course of business as such agent authority either to sell goods or to consign goods for the purpose of sale or to buy goods or to raise money on the security of goods is called
- A. Agent
  - B. Mercantile agent
  - C. Partner
  - D. None of above
26. According section 5(2) subject to provision of any law for the time being in force a contract of sale may be
- A. Made in writing
  - B. By words of mouth
  - C. Partly in writing or partly in words of mouth
  - D. All above ways
27. A stipulation in contract of sale with reference to goods which are the subject there of may be
- A. A condition
  - B. A warranty
  - C. Both (a) and (b)
  - D. None of above
28. Where an unpaid seller has made part delivery of the goods he may exercise his Right of \_\_\_\_\_
- A. Return of remaining goods
  - B. Lien on the remaining goods
  - C. Sale to any other person
  - D. None of above
29. Delivery of key of the warehouse by the seller to the buyer will amount to:
- A. Symbolic Delivery
  - B. Actual Delivery
  - C. Constructive Delivery
  - D. No delivery
30. The Right of Lien is exercised:
- A. To retain the possession of goods
  - B. To regain the possession of goods
  - C. To resell the goods
  - D. To transfer the goods

31. Which company shares can be freely transferable?
- A. Private company
  - B. Public company
  - C. Both a & b
  - D. None of the above
32. Maximum number of members in case of public company is:
- A. 50
  - B. 100
  - C. Unlimited
  - D. 200
33. The liability of members if company is limited by guarantee.
- A. Unpaid value of shares
  - B. Guarantee amount
  - C. Unlimited liability
  - D. None of the above
34. The liability of members if company is limited by shares
- A. Unpaid value of shares
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  - D. None of the above
35. The companies which are formed under special charter granted by the king or queen of England are called
- A. Statutory companies
  - B. Registered companies
  - C. Chartered companies
  - D. None of these
36. In the MOA there are 7 clauses. We can alter all clauses expect one clause. What is that clause?
- A. Objects clause
  - B. Name clause
  - C. Association clause
  - D. None of these
37. Ultra vires means
- A. Beyond the powers
  - B. Within the powers
  - C. Both
  - D. None of the above



38. Alteration of objects clause of MOA of a company requires
- A. Special resolution
  - B. Approval of CLB
  - C. Ordinary resolution
  - D. Approval of ROC
39. AOA is a
- A. Public document
  - B. Managerial document
  - C. Private document
  - D. Internal document
40. Memorandum of association contains:
- A. The exact address of the registered office
  - B. The name of the state in which the company will have its registered office
  - C. The name of the country in which the company will have its registered office
41. Memorandum of association governs the relationship of the company:
- A. With the outside world
  - B. With the shareholders
  - C. With other companies
  - D. of the above
42. The association clause of a public company must be signed by:
- A. 10 persons
  - B. 12 persons
  - C. 7 persons
  - D. 5 persons
43. Quorum should be present at the
- A. Commencement of meeting
  - B. Middle of the meeting
  - C. End of the meeting
  - D. Any time during meeting.
44. Total managerial remuneration cannot exceed \_\_\_\_% of net profit
- A. 11
  - B. 12
  - C. 13
  - D. 14
45. When a private company is converted into public company. In which form it should be
- A. Schedule III
  - B. Schedule IV

- C. Schedule VI
- D. None of these

46. The undertaking contained in a promissory note, to pay a certain sum of money is

- A. Conditional
- B. Unconditional
- C. May be conditional or unconditional depending upon the circumstances
- D. None of the above.

47. A bill of exchange contains a/an

- A. Unconditional undertaking
- B. Unconditional order
- C. Conditional undertaking
- D. Conditional order.

48. Cheque is a

- A. Promissory note
- B. Bill of exchange
- C. Both (a) and (b) above
- D. None of the above.

49. The term 'negotiation' in section 14 of the Negotiable Instruments Act, 1881 refers to

- A. The transfer of a bill of exchange, promissory note or cheque to any person, so as to constitute the person the holder thereof
- B. The payment by a bank on a negotiable instrument after due verification of the instrument
- C. The bargaining between the parties to a negotiable instrument
- D. All of the above.

50. If an instrument may be construed either as a promissory note or bill of exchange, it is

- A. A valid instrument
- B. An ambiguous instrument
- C. A returnable instrument
- D. None of the above.

51. When an endorser willing to transfer to an endorsee only a part of the amount of the instrument, then it is which type of endorsement?

- A. Restrictive endorsement
- B. Conditional endorsement
- C. Special endorsement
- D. Partial endorsement

52. If a cheque is refused by the State Bank of India (SBI) due to inadequacy of funds for the cheque to clear, then it is said to be
- A. Bounced cheque
  - B. Cancelled cheque
  - C. Either a or b
  - D. Both a and b
53. If the words "not negotiable" are used with special crossing in a cheque, the cheque is
- A. Not transferable
  - B. Transferable
  - C. Negotiable under certain circumstances
  - D. None of the above
54. Crossing of a cheque effects the
- A. Negotiability of the cheque
  - B. Mode of payment on the cheque
  - C. Both (a) and (b)
  - D. None of the above
55. Notice of dishonour must be given
- A. To the drawer and drawee only
  - B. To the drawer, acceptor and endorser(s) only
  - C. To all the parties liable on the instrument or to their duly authorized agent
  - D. To all the parties who are secondarily liable on the instrument or to their duly authorized agent
56. Presentation is required for
- A. Acceptance
  - B. Sight
  - C. Payment
  - D. Any of the above three purposes
57. A minor cannot be a \_\_\_\_\_ of the instrument
- A. Drawer
  - B. Drawee
  - C. Payee
  - D. Acceptor
58. Presentment of an acceptance is required in case of
- A. Every Bill of exchange
  - B. Every Bill of exchange payable after sight
  - C. Every promissory note
  - D. Every cheque

59. In case of insolvency of a drawee, a bill should be presented for acceptance to the

- A. Official receiver
- B. Acceptor for honour
- C. Drawee incase of need

60. A drawee is need to be given a deliberation of

- A. 24 hrs
- B. 48 hrs
- C. 72hrs
- D. 10 days

Answer Key of QUESTIONS

1	D	11	B	21	A	31	B	41	A	51	D
2	C	12	C	22	C	32	C	42	C	52	A
3	B	13	D	23	D	33	B	43	D	53	A
4	C	14	C	24	C	34	A	44	A	54	C
5	C	15	A	25	B	35	C	45	C	55	D
6	C	16	A	26	A	36	C	46	B	56	D
7	D	17	C	27	C	37	A	47	B	57	C
8	C	18	C	28	B	38	A	48	B	58	C
9	B	19	C	29	A	39	D	49	A	59	A
10	A	20	A	30	A	40	B	50	B	60	B

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**Q1.** Which of the following statements is correct?

- A. Marketing is the term used to refer only to the sales function within a firm
- B. Marketing managers usually don't get involved in production or distribution decisions
- C. Marketing is an activity that considers only the needs of the organization, not the needs of society as a whole
- D. Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large

**Q2.** Which of the following is NOT an element of the marketing mix?

- A. Distribution
- B. Product
- C. Target market
- D. Pricing

**Q3.** Marketing decision makers in a firm must constantly monitor competitors' activities-their products, prices, distribution, and promotional efforts-because

- A. The competitors may be violating the law and can be reported to the authorities
- B. The actions of competitors may threaten the monopoly position of the firm in its industry
- C. The actions of competitors may create an oligopoly within an industry
- D. New product offerings by a competitor with the resulting competitive variations may require adjustments to one or more components of the firm's marketing mix

**Q4.** \_\_\_\_\_ is the collection and interpretation of information about forces, events, and relationships that may affect the organization.

- A. Environmental scanning
- B. Stakeholder analysis
- C. Market sampling
- D. Opportunity analysis

**Q5.** When companies make marketing decisions by considering consumers' wants and the long-run interests of the company, consumer, and the general population, they are practicing which of the following principles?

- A. Innovative marketing
- B. Consumer-oriented marketing
- C. Value marketing
- D. Societal marketing

**Q6.** The \_\_\_\_\_ holds that consumers will favour products that are available and highly affordable (therefore, work on improving production and distribution efficiency).

- A. Product concept
- B. Production concept
- C. Production cost expansion concept
- D. Marketing concept

**Q7.** The term marketing refers to:

- A. New product concepts and improvements
- B. Advertising and promotion activities
- C. A philosophy that stresses customer value and satisfaction
- D. Planning sales campaigns

**Q8.** The term "marketing mix" describes:

- A. A composite analysis of all environmental factors inside and outside the firm
- B. A series of business decisions that aid in selling a product
- C. The relationship between a firm's marketing strengths and its business weaknesses
- D. A blending of four strategic elements to satisfy specific target markets

**Q9.** Early adopters of which opinion leaders are largely comprised of and tend to be

- 
- A. Generalized; that is, they tend to lead the group on most issues
  - B. More likely to buy new products before their friends do and voice their opinions about them
  - C. From the upper class; people from other classes are more likely to be followers
  - D. Quiet, withdrawn people who don't make fashion statements or take risks easily



**Q10.** A marketing philosophy summarized by the phrase "a good product will sell itself" is characteristic of the \_\_\_\_\_ period.

- A. Production
- B. Sales
- C. Marketing
- D. Relationship

**Q11.** Today's marketers need \_\_\_\_\_

- A. Neither creativity nor critical thinking skills
- B. Both creativity and critical thinking skills
- C. Critical thinking skills but not creativity
- D. Creativity but not critical thinking skills

**Q12.** The process that turns marketing strategies and plans into marketing actions in order to accomplish strategic marketing objectives is called \_\_\_\_\_

- A. Marketing strategy.
- B. Marketing control.
- C. Marketing analysis.
- D. Marketing implementation

**Q13.** Segmentation is the process of:

- A. Dividing the market into homogenous groups
- B. Selecting one group of consumers among several other groups
- C. Creating a unique space in the minds of the target consumer
- D. None of these

**Q14.** Good marketing is no accident, but a result of careful planning and \_\_\_\_\_.

- A. Execution
- B. Selling.
- C. Research.
- D. Strategies.

**Q15.** The traditional view of marketing is that the firm makes something and then \_\_\_\_\_ it.

- A. Markets.
- B. Sells.
- C. Prices.
- D. Services.

**Q16.** A true definition of a product is the detailed version of the product only if it is stated in

- A. Meaningful marketer view
- B. Meaningful supplier view
- C. Meaningful consumer view
- D. Meaningful Manager view
- E. None of these

**Q17.** A version of products containing only those features which are absolutely necessary for it to function.

- A. Expected Product
- B. Augmented Product
- C. Generic Product
- D. Potential product
- E. None of these

**Q18.** \_\_\_\_\_ outline the planned price, marketing budget, distribution and describe the target market, planned product positioning, profit goals, market share, sales for the first few years.

- A. Product development
- B. Business analysis
- C. Marketing strategy
- D. Test Market
- E. Sequential product development

**Q19.** What would be the assumed percentage of newly launched product, will sure fail and cannot achieve their potential to survive?

- A. Up to 90%
- B. Up to 80%
- C. Up to 70%
- D. Up to 60%
- E. Up to 50%

**Q20.** The cost, potential sale, profit of the offering is calculated at different price levels in \_\_\_\_\_ stage of “Product Development Process”.

- A. Evaluation
- B. Testing
- C. Idea screening
- D. Idea generation
- E. Feature specification

**Q21.** \_\_\_\_\_ is the reason for failure in “New Product Development Strategy”

- A. Poor product design
- B. Incorrect positioning
- C. Price too high
- D. Market size overestimated
- E. All of the above

**Q22.** Encourage all stakeholders like customers, dealers, employees etc to send ideas to the idea manager and formally recognize the program to reward best new ideas is characteristic of which stage in the “New Product Development Process”.

- A. Idea generation
- B. Idea screening
- C. Testing
- D. Development
- E. Evaluation

**Q23.** Strategies that are used for new product pricing are called which of the following?

- A. Market-skimming pricing and Market-penetration pricing
- B. Market-skimming pricing and Market-product pricing
- C. Market-segmentation pricing and Market-penetration pricing
- D. None of the above

**Q24.** What is captive product pricing?

- A. Setting prices across an entire product line
- B. Pricing bundles of products sold together
- C. Pricing products that must be used with the main product
- D. Pricing low-value by-products, to get rid of them

**Q25.** Target pricing is the same as finding out an ideal starting selling price?

- A. TRUE
- B. FALSE

**Q26.** When initiating price changes the company must anticipate possible reactions from both buyers and competitors.

- A. True
- B. False

**Q27.** The firm uses any existing brand to introduce in market a new product, the brand is classified as:

- A. Brand extension
- B. Sub-brand
- C. Parent brand
- D. Product extension

**Q28.** The pricing objectives are

- A. Maximum current profit, market share and market skimming
- B. Survival
- C. Product quality leadership
- D. All of the above

**Q29.** Product quality leadership is based on

- A. High quality and low pricing
- B. High quality and premium pricing
- C. Low quality and premium pricing
- D. None of the above

**Q30.** The process of setting a low initial price for attracting a large number of buyers quickly to cover a large market share is known as

- A. Going-rate pricing
- B. Penetration pricing
- C. Value based pricing
- D. Skimming pricing

**Q31.** \_\_\_\_\_ is not a function of wholesaler

- A. Warehousing
- B. Transporting
- C. Risk bearing
- D. None of these

**Q32.** \_\_\_\_\_ are retail stores owned by a group of consumers themselves

- A. Super Bazar
- B. Shopping mall
- C. Consumer co-operative store
- D. None of these

**Q33.** \_\_\_\_\_ means moving of finished goods from one end of a producer to consumer.

- A. Exchange of goods
- B. Transfer of goods
- C. Physical distribution
- D. None of these

**Q34.** \_\_\_\_\_ are the retailers who have no fixed place of business.

- A. Large scale retailers
- B. Itinerant retailers
- C. Small scale retailers
- D. None of these

**Q35.** In a small market, \_\_\_\_\_ is better.

- A. Three level channel
- B. Two level channel
- C. Direct marketing
- D. All of these

**Q36.** If goods directly move from producer to consumer, it is known as

- A. One level channel
- B. Zero level channel
- C. Two level channel
- D. None of these

**Q37.** Smaller companies tying up with leading companies to distribute through its network is known as \_\_\_\_\_ Distribution.

- A. Syndicated
- B. selective
- C. exclusive
- D. intensive

**Q38.** \_\_\_\_\_ factor is not considered as an important one while selecting channel of distribution

- A. Product
- B. Market factor
- C. Colour
- D. None of these

**Q39.** \_\_\_\_\_ are generally food stores that are much smaller in size than supermarkets.

- A. Convenient store
- B. Discount store
- C. Specialty store
- D. None of these

**Q40.** \_\_\_\_\_ are those who obtain title to goods with a view to selling them at profit

- A. Merchant middlemen

- B. Agent middle men
- C. Facilitators
- D. All of these

**Q41.** The retailer sells goods in \_\_\_\_\_

- A. Huge quantity
- B. Small quantity
- C. Not sufficient
- D. None of these

**Q42.** \_\_\_\_\_ marketing uses telecommunication devices to reach prospective customers

- A. Direct marketing
- B. Telemarketing
- C. Catalogue marketing
- D. All of these

**Q43.** Sorting and grading of goods is considered as the function of

- A. Wholesalers
- B. Retailers
- C. Managers
- D. None of these

**Q44.** Departmental store is an example of

- A. Second hand goods seller
- B. Large scale retailer
- C. Multiple shop
- D. None of these

**Q45.** \_\_\_\_\_ means the set of marketing intermediaries through which the goods flow from the producer to consumer.

- A. Channel of distribution
- B. Direct marketing
- C. Intensive distribution

D. None of these

**Q46.** A strength of radio advertising is \_\_\_\_\_

- A. the ability to reach segmented audiences
- B. the ability to reach prospective customers on a personal and intimate level
- C. low cost per thousand
- D. short lead-times
- E. All of the above

**Q47.** Marketers can enhance the consumers' ability to access knowledge structures by \_\_\_\_\_

- A. using loud music
- B. using colorful ads
- C. employing verbal framing
- D. repeating brand information
- E. increasing curiosity about the brand

**Q48.** All marketing activities that attempt to stimulate quick buyer action or immediate sales of a product are known as \_\_\_\_\_

- A. Sponsorship
- B. Advertising
- C. personal selling
- D. sales promotion
- E. Publicity

**Q49.** A detergent that advertises how clean it gets clothes is appealing to the \_\_\_\_\_ consumer need

- A. Functional
- B. Symbolic
- C. Biological
- D. Utilitarian
- E. Experiential

**Q50.** Which of the following is NOT a requirement for setting advertising objectives?



- A. Objectives must be stated in terms of profits.
- B. Objectives must be realistic.
- C. Objectives must be internally consistent.
- D. Objectives must be clear and in writing.

**Q51.** The series of steps that must be followed by salespersons is classified as:

- A. Marketing process
- B. Selling process
- C. Intermediation process
- D. Nominal process

**Q52.** The promotion tools such as sweepstakes, event sponsorship, samples and coupons are classified in category of:

- A. Organizational Promotion
- B. Consumer Promotions
- C. Inbound Promotion
- D. Outbound Promotion

**Q53.** The consumer promotion technique in which customer purchase proof is sent to manufacturer which then refunds some part of price is called:

- A. Cash refund
- B. Coupon
- C. Sample
- D. Premium

**Q54.** The short-term benefit given to the customers to attract more customers is called:

- A. Sales Promotion
- B. Inbound Promotion
- C. Outbound Promotion
- D. Organizational Promotion

**Q55.** \_\_\_\_\_ is irregular in nature.

- A. Promotion mix
- B. Sales promotion

- C. Trade promotion
- D. Discount coupon
- E. Media planning

**Q56.** Which type of promotional tool is nonpublic, immediate, interactive and customized?

- A. Indirect marketing
- B. Direct marketing
- C. Viral marketing
- D. E-commerce

**Q57.** The best promotional tool in any marketing is \_\_\_\_\_

- A. Word of mouth publicity
- B. Self-liquidating promotion
- C. Push promotion
- D. Dealers promotion method

**Q58.** “Sales promotion means any steps that are taken for the purpose of obtaining or increasing sales” was stated by

- A. Kollar and Clark
- B. Hanson
- C. Bordan
- D. AHR Detens

**Q59.** The producer gives a guarantee to the consumer that they will maintain the product in proper condition during a certain period is known as

- A. Pre sales service
- B. After sales service
- C. Marketing method
- D. Sales promotion

**Q60.** The customer gets an offer of gift on some fixed date and the winners are announced through draw is called:

- (1) Lucky draw
- (2) Instant draw and assigned gift

(3) Quantity gifts

(4) Rebate

**Answer Key**

1	D	11	B	21	E	31	D	41	B	51	B
2	C	12	D	22	A	32	C	42	B	52	B
3	D	13	A	23	B	33	C	43	B	53	A
4	A	14	A	24	C	34	B	44	B	54	A
5	D	15	B	25	A	35	C	45	A	55	B
6	A	16	C	26	A	36	B	46	E	56	B
7	C	17	C	27	A	37	A	47	D	57	A
8	D	18	C	28	D	38	C	48	D	58	D
9	B	19	A	29	B	39	A	49	A	59	B
10	A	20	C	30	B	40	A	50	B	60	A

# **MOCK MCQ TEST**

**SUBJECT: BECSR (BUSINESS ETHICS AND  
CORPORATE SOCIAL RESPONSIBILITY)**

**PAPER CODE: BBA 205**

DELHI INSTITUTE OF ADVANCED STUDIES

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**MOCK MCQ TEST**

**SUBJECT: BECSR (BUSINESS ETHICS AND CORPORATE SOCIAL RESPONSIBILITY)**

**PAPER CODE: BBA 205**

1. Choose the Incorrect Statement
  - a) Fulfilling Social Responsibility is Part of Business Ethics
  - b) Behaviour of an Individual helps in understanding his Values.
  - c) It is easier to change one's attitude than his values
  - d) Attitude is a human trait but behaviour is an inborn attribute
  
2. Which of the following statements most accurately describe the nature of an ethical issue in business?
  - a) Ethical issues can be resolved if you do what you think is right
  - b) Ethical issues can be resolved by following the guidance of religious beliefs
  - c) Ethical issues are difficult because all the choices may do some harm
  - d) Ethical issues are difficult because the results of a decision are hard to predict
  
3. Which statements are characteristic of virtue ethics?
  - a) Our character traits are easily modified, almost on a day-to-day basis if we so choose.
  - b) Like Kantian ethical theory, virtue ethics requires that we disregard personal emotions and feelings.
  - c) Virtue ethics is about describing people as good or bad.
  - d) All of the above.
  - e) None of the above.
  
4. \_\_\_\_\_ builds trust among individuals and in business relationships, which validates and promotes confidence in business relationships.
  - a) Ethical conduct
  - b) Social responsibility
  - c) Ethical responsibility
  - d) Business ethics
  
5. \_\_\_\_\_ is the most reliable method to discover solutions to problems and difficulties which seem to be difficult to be tackled by reason and intellect.
  - a) Chetna
  - b) Self introspection

- c) Brain-stilling
  - d) Self- introspection
6. The 4th and 5th step in ethical decision making process is .....
- (i) Consider available alternatives
  - (ii) Make a decision
  - (iii) Eliminate non value adding alternatives
  - (iv) Compare and Weigh the alternatives
- a) (i) and (ii)
  - b) (i) and (iv)
  - c) (ii) and (iii)
  - d) (iii) and (iv)
7. Which one of these scenarios are ethical issues?
- (i) A company is thinking of employing a robot that will make most of the workforce redundant
  - (ii) Someone creates an AI
  - (iii) A judge decides to give someone a prison sentence
  - (iv) Someone hacks a computer
- a) (i) and (ii)
  - b) (i) and (iii)
  - c) (ii) and (iii)
  - d) (iii) and (iv)
8. The questions: “Is there an ethical dilemma here, and if so, how do you define it?” would be utilized during which step of the Professional and Ethical Practice Decisional Strategy?
- a) consult with peers and experts.
  - b) enhance ethical sensitivity.
  - c) identify potential courses of action.
  - d) identify the problem.
9. Identify which one feature explains Indian Ethos?
- a) Believes in Ego Assertion
  - b) Based on Spirit of Sacrifice and Self Control
  - c) Emphasise on Individual Achievement
  - d) Your Status defines your Character
10. There are two abilities that you must have to properly understand ethics. The first is the ..... and the second ability is .....

- a) ability to discern; concentration
- b) ability to visualize; devotion
- c) ability to distinguish; dedication
- d) ability to judge; dedication

11. Which of these statements is not an accurate description of ethical relativism?

- a) Ethical relativism is a convenient philosophy for managers working in many countries
- b) It is acceptable to give and take bribes if that is common practice in an industry or country
- c) Morality depends on a particular society
- d) Any gift to an employee is unacceptable as it may affect their judgement

12. There are several practical steps that managers can take to improve the level of socially responsible behaviour in their company. Which of the following is least likely to work?

- a) Publishing a statement of ethical policy in a booklet for staff
- b) Creating a system of ethical reporting which is widely accessible on their website
- c) Leading by example
- d) Creating ethical structures

13. The Theory of \_\_\_\_\_ posits that three levels of moral reasoning exist which an individual can engage in to assess ethical issues, dependent on their cognitive capacity.

- a) Egoism
- b) Power distance
- c) Cognitive moral development
- d) Uncertainty avoidance

14. Which of the following is NOT a feature of Vedantic Management?

- a) The Purpose of Vedantic Management is achieving the goals of the organization.
- b) It does not require the organization to follow any ethical/ moral values.
- c) Corporate responsibility towards the society is a precondition for introducing Vedantic Management in an organization.
- d) It does not involve introducing any religion/ belief system in the management practices.



15. According to Carrol, there are four main criteria for evaluating corporate social performance. Which of the following is not one of those criteria?
- a) Legal responsibilities -- to follow prevailing laws
  - b) Ethical responsibilities -- acting to meet a wider social interest
  - c) Economic responsibilities -- to make sufficient profit to stay in business and provide employment
  - d) Career responsibilities -- to ensure high rewards to senior managers and directors
16. A Location where internal and external knowledge is stored for more efficient management and utilization by the organization is.....
- a) knowledge management
  - b) knowledge Repository
  - c) a data warehouse
  - d) Organizational memory
17. \_\_\_\_\_ in the Vedas refers to the highest truth and power and it is very much understood as the performance of Vedic sacrifices and other rituals in the Vedas and Dharmasastras.
- a) Karmas
  - b) Ethics
  - c) Spirituality
  - d) Dharma
18. Jatin is a full-time student who is captain of the Cricket team and vice president of the Commerce club. He also works part-time. The primary stressor in his life would be \_\_\_\_\_.
- a) Exhaustion
  - b) Eustress
  - c) Conflict
  - d) Overload
19. A network engineer installs 5 computers in a firm using a Manual. After this experience, he further installs 50 computers in another firm without use of manual. Engineer has transferred his knowledge from \_\_\_\_\_
- a) Explicit to Tacit
  - b) Tacit to Explicit
  - c) Explicit to General
  - d) General to Expertise

20. Which of the following are examples of knowledge workers?
- Architects.
  - Lawyers.
  - IT and Software designers.
  - Artists.
21. Karma is of three types. Find out the incorrect option?
- Mimasa
  - Prarabdha
  - Sanchita
  - Agami
22. Which among the following is not a feature of Nishkam Karma?
- Freedom
  - Reward Commitment
  - Perfection as Aim
  - Reactionless
23. Which one of the following is not recommended as a method for a company to protect itself against sexual harassment charges?
- Develop a zero-tolerance policy on harassment and communicate it to employees.
  - Retaliate swiftly against employees who bring forth charges of harassment.
  - Give swift and sure punishment to harassers.
  - Train managers at all levels on sexual harassment issues.
24. The basic QWL intervention involves.....
- individual incentives.
  - organizational restructuring.
  - team efforts.
  - new technology.
25. Implementation of TQM Programme has four Phases. What is the Sequence of these phases?
- Creation of Proper Cultural Environment for instituting statistical process control.
  - Actual applications of statistical process control to the problems of quality.
  - Use of Advanced Techniques to obtain optimum Results
  - Problem Solving
- 1, 2,3,4
  - 2,1,3,4

- c) 1,4,2,3  
d) 4,2,3,1
26. Karma yoga is .....
- a) concentrate fully and completely on each duty.
  - b) a preliminary to the use of japam.
  - c) the way of knowledge.
  - d) the way of psychological experiment.
27. \_\_\_\_\_ is the systematic process of analyzing and evaluating jobs to determine their relative worth in an organization.
- a) Job analysis
  - b) Job design
  - c) Job evaluation
  - d) Job enrichment
28. If learning insight and judgment abilities are merged together with knowledge in a person, the person has \_\_\_\_\_
- a) Knowledge
  - b) Understanding
  - c) Wisdom
  - d) Intelligence
29. Job sharing, work sharing, phased retirement, all these are examples of.....
- a) Part time employment
  - b) Full time employment
  - c) Compressed work week
  - d) Alternative work schedules
30. When the management conducts QWL programs in association with the union, it...
- a) Leads to effective negotiations that enable designing contracts that satisfy both the parties
  - b) Improves the efficiency of the management and strengthens employee organizations
  - c) Encourages participative management and involves employees in decision making
  - d) All of the above
31. Personal Progress Indicators for Individuals are.....
- a) Raise in Personal Wealth
  - b) Increase in Savings

- c) Fulfilment of Security Needs
- d) Increase in Investment

32. Gemini's Four R's of Transformation are.....

- a) Reframe, Repeat, Revitalise, Renew
- b) Reframe, Restructure, Revitalise, Renew
- c) Retreat, Repeat, Revitalise, Renew
- d) Retreat, Repeat, Restructure, Renew

33. Which one of the following is not a type of Organisational Change?

- a) Transactional Change
- b) Planned Change
- c) Instrumental Change
- d) Emergent Change

34. Which areas manager should focus for Company's Progress?

- (i) Company's Customers (ii) Customer Service (iii) Market Share (iv) Employees (v) Social Issues
- a) (i), (ii), (iii) (iv)
- b) (i), (ii), (iv), (v)
- c) (ii), (iii), (v)
- d) All of the above

35. Point out the correct Statement(s)

- a) Organisational Transformation is a process of profound and radical changes
- b) Business Transformation is a Changed Management Strategy
- c) Business Transformation involves making changes in one of the processes of business
- d) Availability of funds is one of the most important key drivers of Business Transformation

36. Which technique is not suitable or ethical for overcoming resistance to change?

- a) Manipulation
- b) Coercion
- c) Negotiation
- d) Participation

37. Forced Transformation is the effect of.....

- a) Rapidly declining Performance
- b) Changing Trends in Market conditions

- c) Self Renewal
- d) All of the above

38. All are the examples of Economic Progress Indicators for Companies except

- a) Change in Revenue
- b) Change in Market Share
- c) Good Working Conditions
- d) Increase in Goodwill

39. "Renewing" in Business Transformation Model is associated with..... of the organisation.

- a) Mind
- b) Body
- c) Spirit
- d) Environment

40. Social Progress Indicators for Society are.....

- a) Access to Education
- b) Supportive Government Policies
- c) Political Democracy
- d) Quality Education

41. The three stages of the change process are.....

- a) unfreezing, adjustment, and refreezing.
- b) adjustment, unfreezing, and refreezing.
- c) adjustment, unfreezing, and re-adjustment.
- d) adjustment, re-adjustment, and unfreezing.

42. Identify the External factors that demand for Organisational Transformation.

- a) Employee Turnover Ratio
- b) Social Changes
- c) Changing behaviour and Values of work force
- d) Deficiencies in the existing organisational structure

43. The Top Management of company starts the Transformation Process with the "Creation of a Vision" that is shared by everybody in the company. Shared vision consists of all except.....

- a) Shared Values
- b) Shared Purposes
- c) Shared Results

d) Shared Relationships

44. What are the three Phases of Transformation?

- a) Automation, Enhancement, Redefinition
- b) Automation, Reevaluation, Redefinition
- c) Reevaluation, Redefinition, Implementation
- d) Discontinuing, Replanning, Reshaping

45. Identify the Principle(s) of achieving competitive success in business.

- a) Focus on Short Term Rewards first and then consider Long term rewards
- b) Focus on constant and never ending improvement
- c) Always focus on Profit first then on service
- d) Set Realistic Goals and Expectations

46. Under the \_\_\_\_\_, both internal and external corporate governance mechanisms are intended to induce managerial actions that maximize profit and shareholder value.

- a) Shareholder theory.
- b) Agency theory.
- c) Stakeholder theory.
- d) Corporate governance theory

47. Which of the following statements is false about responsibilities of a consumer:

- a) Consumer must follow the instructions and use the product safety.
- b) Consumer must ask for cash memo i.e proof of purchase
- c) Consumer must file a complaint in a consumer court even if the amount of loss is small.
- d) A consumer must encourage unethical practices like black marketing, hoarding etc.

48. The ethical roots of the classical model of corporate social responsibility are found in which of the following statement?

- a) The idea that the interests of stakeholders are as important as the interests of a corporation's stockholders.
- b) The ethical imperative to cause no harm.
- c) The free market theory which holds that managers are ethically obliged to make as much money as possible for their stockholders because to do otherwise would undermine the very foundations of our free society
- d) The ethical imperative to prevent harm

49. In case an aggrieved consumer is not satisfied with the decision of the National Commission, he can make a further appeal in.....
- a) State commission
  - b) District Forum
  - c) Supreme Court of India
  - d) All the above
50. Which of the following is a standardised approach to Corporate Sustainability Reporting?
- a) GRI
  - b) Universal Declaration of Human Rights
  - c) UNHCR Global Pact
  - d) UN Global Compact
51. Carroll's model of social responsibility includes the social responsibilities categories of \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ plus those at the discretion of the firm.
- a) consumerism; discrimination; environment
  - b) ethical responsibilities; discrimination; legal responsibilities
  - c) ethical responsibilities; legal responsibilities; economic responsibilities
  - d) occupational safety; legal responsibilities; economic responsibilities
52. Who can make regulations under Consumer Protection Act related with the provisions of this act with the prior approval of Central Govt.
- a) Central Consumer Protection Council
  - b) Ministry of Affairs
  - c) Supreme Court of India
  - d) National Consumer Dispute Redressal Commission
53. The Consumer Protection Act provides relief to customers such as replacement of product, removal of defect in the product, compensation for any loss or injury suffered by the consumer. Which consumer right has been highlighted in this statement.
- a) Right to Safety
  - b) Right to Seek Redressal
  - c) Right to be informed
  - d) Right to consumer education
54. Which of the following statement is False?

- a) Any business takes inputs from industry, does its processing and provides the outputs to the same society.
- b) Any business takes inputs from society, does its processing and provides the outputs to the same society.
- c) Corporate social responsibility activities and programmes are now quite an integral part of organisational objectives.
- d) Social responsibilities refer to business man's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest.

55. The \_\_\_\_\_ should get full information about long-term plans, budgets, competitive developments, quarterly results, etc.

- a) board of directors
- b) shareholders
- c) customers
- d) government

56. Which of the following statements does not represent a market failure, i.e., a situation in which the pursuit of profit will not result in a net increase in consumer satisfaction?

- a) The costs of pollution, groundwater contamination and depletion, soil erosion and nuclear waste disposal are borne by parties external to the economic exchange between buyer and seller.
- b) Where there is no mechanism for pricing, for setting a value on, public goods, there is no guarantee that the markets result in the optimal satisfaction of the public interest in regard to public goods.
- c) Situations in which externalities have been internalized result in an equilibrium in the exchange price between true costs and benefits.
- d) The pursuit of individual self-interest results in a worse outcome than would have occurred had the behavior of the parties involved in the economic exchange been coordinated through cooperation or regulation rather than mere competition.

57. What best describes CSR?

- a) The duty of care a corporation has towards its employees and customers.
- b) A Corporation's requirement to make as much as profit possible
- c) A Corporation's obligation to society that goes the requirements of law economics to take into account the social and environmental impact of its decisions.



d) A Corporation's obligation to consider the impact of its decisions on the environment.

58.----- may be defined as the enhancement of long-term shareholders while at the same time protecting the interests of other stakeholders.

- a) Business ethics
- b) CSR
- c) Cultural relativism
- d) Corporate governance

59. Who is not a consumer under consumer Protection Act?

- a) Any person who buys any goods for a consideration
- b) Any person who buys goods and uses them exclusively for the purpose of earning his livelihood by means of self employment.
- c) Any person who avails services with the approval of hirer
- d) Any person who obtains goods for resale or commercial purposes.

60. From the point of view of business which one of the following is a reason because of which consumer protection is important?

- a) Dynamic Environment
- b) Fast Technological Development
- c) Government intervention
- d) Competitive Marke

**Answer Key**

1	B	11	D	21	A	31	C	41	A	51	C
2	D	12	A	22	B	32	B	42	B	52	D
3	E	13	C	23	B	33	D	43	D	53	B
4	A	14	C	24	C	34	A	44	A	54	A
5	C	15	C	25	C	35	A,B	45	B,D	55	A
6	B	16	B	26	A	36	B	46	A	56	C
7	A	17	C	27	C	37	A,B	47	C, D	57	C
8	D	18	D	28	C	38	C	48	C	58	D
9	B	19	A	29	A	39	C	49	C	59	D
10	C	20	C	30	D	40	D	50	A	60	D

# **MOCK MCQ TEST**

**SUBJECT: MANAGEMENT ACCOUNTING**

**PAPER CODE: BBA 207**

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**MOCK MCQ TEST**

**SUBJECT: MANAGEMENT ACCOUNTING**

**PAPER CODE: BBA 207**

1. Management accounting and financial accounting differ in that management accounting information is prepared
  - a) following prescribed rules
  - b) using whatever methods, the company finds beneficial.
  - c) for shareholders.
  - d) to summarize the whole company with little detail.
  
2. The primary objective of management accounting is
  - a) to provide shareholders and potential investors with useful information for decision making.
  - b) to provide banks and other creditors with information useful in making credit decisions.
  - c) to provide management with information useful for planning and control of operations.
  - d) to provide the relevant taxation authorities with information about taxable income.
  
3. Management accounting is the branch of accounting concerned with reporting to
  - a) internal managers.
  - b) shareholders.
  - c) the government
  - d) bankers.
  
4. Which of the following characteristics does NOT pertain to management accounting?
  - a. provides information and estimates about future activity
  - b. generates specific-purpose financial statements and reports
  - c. provides financial and operating data multidisciplinary in scope
  - d. has externally imposed standards

5. Which of the following does NOT describe management accounting?
- evaluation of segments or products within the firm
  - emphasis on the future
  - externally focused
  - detailed information
6. Management accounting reports are prepared
- to meet the needs of decision makers within the firm.
  - whenever shareholders request them.
  - according to guidelines prepared by the shares and Financial Services Authority.
  - according to financial accounting standards.
7. Management accounting is
- Subjective
  - Objective
- Only A
  - Only B
  - Both A and B
  - None of the above
8. The use of management accounting is
- Optional
  - Compulsory
  - Legally obligatory
  - Compulsory to some and optional to others
9. The management accounting can be stated an extension of
- Cost Accounting
  - Financial Accounting
  - Responsibility Accounting
- Both A and B
  - Both A and C
  - Both B and C
  - A, B and C
10. Which of the following is true about management accounting?
- Management accounting is associated with presentation of accounting data.
  - Management accounting is extremely sensitive to investors needs.

- a) Only A
  - b) Only B
  - c) Both A and B
  - d) None of the above
11. Management accounting assists the management
- a) Only in control
  - b) Only in direction
  - c) Only in planning
  - d) In planning, direction and control
12. Which of the following are tools of management accounting?
- A) Decision accounting
  - B) Standard costing
  - C) Budgetary control
  - D) Human Resources Accounting
- a) A, B and D
  - b) A, C and D
  - c) A, B and C
  - d) A, B , C, D
13. Management accounting is related with
- A) The problem of choice making
  - B) Recording of transactions
  - C) Cause and effect relationships
- a) A and B
  - b) B and C
  - c) A and C
  - d) All are false
14. Management accountancy is a structure for
- a) Costing
  - b) Accounting
  - c) Decision making
  - d) Management
15. The prime function of financial accounting is to
- a) Classify and Record the economic data
  - b) To achieve non-economic goals
  - c) Provide information for control
  - d) None of the above.

16. If net profit is ₹ 50,000 after writing off goodwill ₹ 10,000 then the Cash Flow from operating activities will be:

- a) ₹ 60,000
- b) ₹ 40,000
- c) ₹ 50,000
- d) ₹ 30,000

17. Net Profit during the year ₹ 1,00,000

Debtors in the beginning the year of ₹ 30,000

Debtors at the end of the year ₹ 36,000

What is the amount of Cash From Operating Activities?

- a) ₹ 30,000
- b) ₹ 94,000
- c) ₹ 1,06,000
- d) ₹ 1,66,000

18. Net Profit during the year ₹ 30,000

Creditors in the beginning ₹ 24,000

Creditors at the end ₹ 16,000

What is the amount of cash from operating activities?

- a) ₹ 30,000
- b) ₹ 34,000
- c) ₹ 22,000
- d) ₹ 40,000

19. Financing Activities bring changes in

- a) Size and composition of owner equities
- b) Borrowing of the enterprise
- c) Both a and b
- d) None of the above

20. For year 2018 Equity Share Capital is Rs 3,00,000 Preference Share

Capital is Rs.1,00,000, 10% debentures is Rs.2,00,000 and Share premium is Rs.30,000. For year 2019 Equity Share Capital is Rs 4,00,000

Preference Share Capital is Rs.60,000 10% debentures is Rs.1,00,000 and Share premium is 40,000. Also given, Dividend paid on shares Rs 15,000 and Interest paid on debentures Rs. 20,000. Determine net cash flow from financing activities.

- a) Inflow of Rs 65,000

- b) Outflow of Rs 65,000
- c) Inflow of Rs 56,000
- d) Outflow of Rs 56000

21. Which of the following falls under Profitability Ratios?

- A) General Profitability ratios
- B) Overall Profitability ratios
- C) Comprehensive Profitability ratios

- a) A and B
- b) A and C
- c) B and C
- d) None of the above

22. While calculating Gross Profit Ratio,

- a) Closing stock is deducted from cost of goods sold
- b) Closing stock is added to cost of goods sold
- c) Closing stock is ignored
- d) None of the above

23. Gross Profit Ratio is calculated by

- a)  $\frac{\text{Gross Profit}}{\text{Gross sales}} \times 100$
- b)  $\frac{\text{Gross Profit}}{\text{Net sales}} \times 100$
- c)  $\frac{\text{Net Profit}}{\text{Gross sales}} \times 100$
- d) None of the above

24. Given Sales is Rs.2,40,000 and Gross Profit is 60,000, the Gross Profit Ratio is

- a) 24%
- b) 25%
- c) 40%
- d) 44%

25. If selling price is fixed 25% above the cost, the Gross Profit Ratio is

- a) 13%
- b) 28%
- c) 26%
- d) 20%

26. Determine Stock Turnover Ratio if, Opening stock is Rs 31,000,

Closing stock is Rs 29,000, Sales is Rs 3,20,000 and Gross profit ratio



is 25% on sales.

- a) 12 times
- b) 11 times
- c) 8 times
- d) 10 times

27. Which of the following is not included in quick assets?

- a) Debtors
- b) Stock
- c) Cash at bank
- d) Cash in hand

28. Quick ratio is 1.8:1, current ratio is 2.7:1 and current liabilities are Rs 60,000. Determine value of stock.

- a) Rs 54,000
- b) Rs 60,000
- c) Rs 1,62,000
- d) None of the above

29. A Current Ratio of Less than One means

- a) Current Liabilities < Current Assets,
- b) Fixed Assets > Current Assets,
- c) Current Assets < Current Liabilities,
- d) Share Capital > Current Assets.

30. A firm has Capital of Rs. 10,00,000; Sales of Rs. 5,00,000; Gross Profit of Rs. 2,00,000 and Expenses of Rs. 1,00,000. What is the Net Profit Ratio?

- a) 20%
- b) 50%
- c) 10%
- d) 40%

31. A Company has a material standard of 1 kg. per unit of output. Each kg. has a standard price of Rs. 25 per kg. Company paid Rs. 1,27,500 for 5000 kg., which they used to produce 4,700 units. What is the direct material price variance?

- a) Rs. 2,500 unfavourable
- b) Rs. 2,600 favourable
- c) Rs. 12,600 unfavourable
- d) Rs. 10,000 unfavourable

32. Company has a material standard of 1.1 kg. per unit of output. Each kg. has a standard price of Rs.25 per. Company paid Rs.1,18,800? for 5,100 kg. which they used to produce 4,900 units. What is the direct materials quantity variance?
- a) Rs.7,250 favourable
  - b) Rs.5,000 favourable
  - c) Rs.7,250 unfavourable
  - d) Rs.5,000 unfavourable

*The next 3 questions refer to the following information.*

A Company has a standard of 1 direct labor hour per unit at Rs.12 per hour. 3,850 labor hours costing Rs.46,970 were used to produce 4,000 units.

33. Company's labor price variance is
- a) Rs.770 favourable
  - b) Rs.770 unfavourable
  - c) Rs.1,030 favourable
  - d) Rs.1,030 unfavourable
34. Company's labor quantity variance is
- a) Rs.1,830 unfavourable
  - b) Rs.1,830 favourable
  - c) Rs.1,800 favourable
  - d) Rs.1,800 unfavourable
35. Company's total labor variance is
- a) Rs.770 unfavourable
  - b) Rs.800 unfavourable
  - c) Rs.1,030 favourable
  - d) Rs.1,930 favourable
36. Material cost variances is measured as
- a. Total standard cost - Total actual cost
  - b. Standard cost of revised standard mix - Standard cost of actual mix
  - c. (Standard unit price - Actual unit price) \* Actual quantity used
  - d. (Standard quantity - Actual quantity) \* Unit standard price
37. When the actual cost is less than the standard cost, the difference is termed as
- a. Favourable variance
  - b. Adverse variance
  - c. Both a and b
  - d. None of the above

38. The formula to estimate Labour Mix variance is

- a. Total standard labour cost of actual output - Total actual cost of actual output
- b. (Standard rate per hour - Actual rate per hour) \* Actual Hours
- c. (Revised standard time - Actual time) \* Standard rate
- d. Abnormal idle hours \* Standard hourly rate

39. Given standard time per unit is 80 hours, standard time per hour @ Rs 1 per hour, actual time per unit is 90 hours and actual rate per hour @ Rs 1.10 per hour. Determine labour cost variance, labour rate variance and labour efficiency variance.

- a. Rs 11, Rs 22 and Rs 10 all unfavorable
- b. Rs 19, Rs 9 and Rs 10 all favorable
- c. Rs 19, Rs 9 and Rs 10 all unfavorable
- d. Rs 11, Rs 22 and Rs 10 all favorable

40. The formula used for calculation of labour rate variance is

- a. Total standard labour cost of actual output - Total actual cost of actual output
- b. (Standard rate per hour - Actual rate per hour) \* Actual Hours
- c. (Standard time - Actual time) \* Standard rate per hour
- d. Abnormal idle hours \* Standard hourly rate

41. The data related to Production of T are for material X standard data and actual data are 40 kgs @ Rs 10 and 55 kgs @ Rs 9, respectively. The standard data and actual data for material Y are 50 kgs @ Rs 5 and 35 kgs @ Rs 7.

Determine material usage variance.

- a. Rs 75 favorable
- b. Rs 75 unfavorable
- c. Rs 90 unfavorable
- d. Rs 90 favorable

42. Material yield variance arises when

- a. Actual output > Standard output
- b. Actual output < Standard output
- c. Both a and b
- d. None of the above

43. While calculating material mix variance, if revised standard quantity is greater than actual quantity, the variance is
- Unfavorable
  - Favorable
  - Neither favorable nor unfavorable
  - None of the above
44. To produce Product A 2 kg of material X at Rs 10 per kg is required . During February 800 units of Product, A were produced. Actual price paid for material X is Rs 9 per kg and total cost Rs 15,300. Determine material cost variance.
- Rs 700 favorable
  - Rs 700 unfavorable
  - Inadequate data
  - None of the above
45. In a manufacturing firm, the standard quantity of material was set at 10 kg and standard price was fixed at Rs. 2 per kg. The actual quantity consumed was 12 kg and the actual price paid was Rs 1.90 per kg. Determine material usage variance.
- Rs 4 favorable
  - Rs 4 unfavorable
  - Rs 2.80 unfavorable
  - Rs 1.20 favorable
46. Marginal Cost is the aggregate of all
- Fixed overheads
  - Variable Costs
  - Contribution Costs
  - Work Cost
47. The other name of Marginal Costing is...
- Direct Costing
  - Variable Costing
  - Incremental Costing
  - All of the above
48. While making make or buy decision under marginal costing, external purchase price of the articles must be compared with its
- Fixed Cost

- b. Total Cost
- c. Variable Cost
- d. Prime Cost.

49. Shut down cost is:

- a. Avoidable Fixed Cost
- b. Unavoidable Fixed Cost
- c. Avoidable Variable Cost
- d. Unavoidable Variable Cost

50. Profit volume ratio can be improved by

- a. Reducing variable cost
- b. Reducing the selling price
- c. Increasing the fixed cost
- d. Increasing the key factor

51. When Profit is Rs.5000 and P/V ratio is 20%, Margin of Safety is-----

- a. 10000
- b. 25000
- c. 30000
- d. 50000

52. When selling price of product A is Rs.25 and product B is Rs. 20 and respective variable cost is Rs. 23 and Rs.16. The fixed cost is Rs.750, which of the following sales mix of product A and product B should be adopted to maximize the profit.

- a) 250 units of A & 250 units of B
- b) 500 units of B only
- c) 400 units of A & 100 units of B
- d) 150 units of A & 350 units of B

53. The breakdown of cost of a component of a company is Material Rs.275, Labour Rs. 175, other Variable costs Rs.50 and Depreciation Rs.125. At what price the product should be available in the market so that company should buy from the market.

- a) Rs. 575
- b) Rs. 600
- c) Rs.500
- d) None

54. Costs Which -----between different alternatives are to be ignored.

- a) Are differential costs
- b) Are incremental costs
- c) Are constant costs
- d) Are relevant costs

55. When selling price is Rs.200 Per unit, Variable Cost Rs.150 per unit and Fixed Cost is Rs.50000 at which capacity level the cost per unit would be minimum.

- a) 50%
- b) 60%
- c) 75%
- d) 85%

Next 5 questions are based on the information given below:

	2018	2019
	Rs.	Rs.
Sales	4000000	5000000
Profit	500000	700000

56. The profit volume ratio (P/V Ratio)

- a) 15%
- b) 20%
- c) 25%
- d) 30%

57. The Break-Even Point sales are

- a) Rs.2000000
- b) Rs.2500000
- c) Rs.3000000
- d) Rs. 4000000

58. The Variable Cost in 2018 are

- a) Rs.2800000
- b) Rs.3000000
- c) Rs.3200000
- d) Rs.3400000

59. The Fixed Cost are

- a) Rs.200000
- b) Rs.300000
- c) Rs.400000
- d) Rs.500000

60. If projected sales in the year 2020 to be Rs.6500000 find out the corresponding profit

- a) Rs. 700000
- b) Rs. 800000
- c) Rs. 900000
- d) Rs.1000000

**Answer Key**

1	b	11	d	21	a	31	a	41	b	51	b
2	c	12	c	22	a	32	a	42	c	52	d
3	b	13	c	23	b	33	b	43	b	53	d
4	d	14	c	24	b	34	c	44	a	54	c
5	c	15	a	25	d	35	d	45	b	55	d
6	a	16	a	26	c	36	a	46	b	56	b
7	a	17	b	27	b	37	a	47	d	57	c
8	a	18	c	28	a	38	b	48	c	58	c
9	d	19	c	29	c	39	c	49	b	59	b
10	a	20	b	30	c	40	b	50	a	60	d

# **MOCK MCQ TEST**

**SUBJECT: INDIAN ECONOMY**

**PAPER CODE: BBA 209**

DELHI INSTITUTE OF ADVANCED STUDIES



**FOR PRIVATE CIRCULATION**

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**MOCK MCQ TEST**  
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1. The best indicator of economic growth of any country is:
  - a. Agriculture
  - b. Transport
  - c. Gross Domestic Product
  - d. Population
  
2. In agricultural sector net value added is estimated by
  - a. Income method
  - b. Expenditure method
  - c. Production method
  - d. All the three
  
3. National income is
  - a. NDP at factor cost
  - b. NNP at factor cost
  - c. GNP at market prices
  - d. NNP at market prices
  
4. To get the Net National Product, what is deducted from the Gross National Product:
  - a. Direct Taxes
  - b. Imports
  - c. Interim payments
  - d. Depreciation
  
5. Economic Development means economic growth with:
  - a. Price Stability
  - b. Social Change
  - c. Inflation
  - d. Deflation
  
6. NITI Aayog means-
  - a. National Institution for Transforming India
  - b. Natural Institution for Transferring India
  - c. National Institution for Technological India

7. The Planning Commission was formed on -
  - a. 26th January 1950
  - b. 15th August 1947
  - c. 15th March 1950
  
8. The Planning Commission was dissolved on
  - a. 15th August 2017
  - b. 17th August 2014
  - c. 26th January 2015
  
9. NITI Aayog, was formed via a resolution of the Union Cabinet on
  - a. 15th August 2017
  - b. 17th August 2014
  - c. 1st January 2015
  
10. NITI Aayog is the premier 'Policy Think Tank' of the Government of India, providing-
  - a. directional and policy inputs
  - b. Regulatory policy planning
  - c. Monetary instructions
  
11. The major objectives of NITI Aayog are to -
  - a. provides technical advice to the Centre and States
  - b. design strategic and long-term policies/ programmes for Govt.
  - c. Both of these
  
12. Cooperative Federalism means-
  - a. Empowering & keeping state in front to act for national interest
  - b. Centre exerting power & control
  - c. More sphere of public sector and the Govt.
  
13. As per Union Budget documents, Nominal GDP of India in the year 2019-20 was
  - a. 2.96 Trillion USD
  - b. 3.27 Trillion USD
  - c. 4.56 Trillion USD
  
14. NITI Aayog works on-
  - a. Private Public Partnership model
  - b. Centre-State partnership model
  - c. Regional developmental

- d. All above
15. Who is the Chairperson of NITI Aayog-
- Shri V.K. Saraswat
  - Dr. Rajiv Kumar
  - Shri Narendra Modi
16. NITI Aayog has framed its initiatives for
- "25-year Road map", "5- year vision, strategy and 1-year action plans"
  - "15-year Road map", "7- year vision, strategy and 3 years action plans"
  - "5-year Road map", "2- year vision, strategy and 1-year action plans"
17. As per Ministry of Statistics & Program Implementation, what is the contribution of Primary sector to the GDP of India in the year 2018-19-
- 50.1 %
  - 15.87%
  - 29.73%
18. As per Ministry of Statistics & Program Implementation, what is the contribution of Tertiary/ Services sector to the GDP of India in the year 2018-19-
- 54.40 %
  - 15.87%
  - 29.73%
19. As per Ministry of Statistics & Program Implementation, what is the contribution of secondary sector to the GDP of India in the year 2018-19-
- 54.40 %
  - 15.87%
  - 29.73%
20. When did India become the member of World Trade Organization-
- On 1 January , 1995
  - On 15 July, 2009
  - On 1 April 2011
21. According to 'Ease of doing business index' what is India's ranking-
- 63
  - 68
  - 85

22. According to nominal Net State domestic product per capita ----- is the richest state in India.
- Haryana
  - Delhi
  - Goa
23. According to nominal Net State domestic product per capita ----- is the poorest state in India.
- Haryana
  - Bihar
  - Orrisa
24. What is India's ranking on Human Development Index released by UNDP in the year 2019-
- 187
  - 154
  - 129
25. Human Development Index assesses the parameter
- Life Expectancy Index
  - Education Index
  - GNI Index
  - All the three
26. The gender inequality index in India measures-
- public-private partnership
  - discrimination between males & females
  - discrimination between educated & uneducated
27. In gender inequality index India ranks at 122 out of 162 countries
- 157
  - 104
  - 122
28. Economic Development in a country involves-
- rise in the level of production
  - advancement of technology
  - improvement in living standards
  - All above

29. The Regional Councils of NITI Aayog include-
- Chief Minister of particular state
  - Central Ministers & Secretaries of the sector
  - domain experts of the sector
  - All the three
30. "Antyodaya" scheme of NITI Aayog prioritizes
- Elimination of poverty
  - spread of education
  - the service & upliftment of poor, marginalized & downtrodden
31. "Sustainability" as an indicator of economic growth means-
- elimination of poverty
  - more productivity
  - responsible use of resources
32. First Five Year Plan was based on ...
- Harrod-Domar Model
  - Mahalanobis Model
  - Sukhmoy Chakraborty
33. Which one of the following programs has been implemented to establish girls' schools in the districts having low female literacy rate?
- Kasturba Gandhi Education Scheme (KGES)
  - Indira Gandhi Education Scheme (IGES)
  - Mother Teresa Education Scheme (MTES)
34. In terms of total trade (export + import), which among the following is the largest trading partner of India?
- U.S.
  - China
  - U.K.
35. A Closed economy means:
- Money supply is controlled
  - Digital financing take place
  - Neither exports nor imports

36. What is Literacy rate
- Number of illiterate persons to total populations
  - Number of graduate peoples to total population
  - Number of literate persons to total population
37. Measuring number of people who die is
- Infant note
  - Migration Note
  - Mortality rate
38. The vicious circle theory states that
- growing government assistance create addiction to welfare programs.
  - low income levels create pressure for money creation.
  - low income levels create pressure for cheap imports.
  - low per capita income creates low savings that keep incomes low
39. Most of the underdeveloped economies suffer from \_\_\_\_\_ which do not let the rate of growth go up from a lower level.
- High population pressures
  - High infant mortality
  - Hugh monetary mismanagement
  - High level of technological unemployment
40. The rate of growth of an economy mainly depends upon:
- The rate of growth of the labour force
  - The proportion of national income saved and invested
  - The rate of technological improvements
  - All of the above
41. With economic growth, the proportion of labour-force engaged in agriculture:
- Increases
  - Decreases
  - Remains unaffected
  - Changes in an uncertain manner
42. The Gini coefficient is a technique frequently used to show:
- variations in life expectancy
  - income inequality
  - differences in infant mortality
  - the education gap

43. Disguised unemployment means:
- Unemployment in agriculture
  - Unemployment due to recession
  - Unemployment due to downturn in business activity
  - Marginal Productivity of Labour (MPL) is zero.
- 44 During the recessionary phase of a business cycle:
- The natural rate of unemployment will increase dramatically
  - Potential national income will exceed actual national income
  - Actual national income will exceed potential national income
  - The real rate of interest will exceed the nominal rate of interest.
45. India is passing through the phase of population:
- Explosion
  - Control
  - Stability
  - None of the above
- 46 If an economy is underdeveloped, it means:
- Agriculture is the main occupation
  - Standard of living of people is low
  - Production Techniques are backward and obsolete
  - All of the above
- 47 When and by whom was HDI introduced?
- In 1990 by UNDP
  - In 1989 by World Bank
  - In 1990 by UNO
  - In 1989 by IMF
- 48 Indicator of HDI is:
- Longevity
  - Educational Attainment
  - Standard of Living
  - All of the above
- 49 Which plan gave emphasis on removal of poverty for the first time?
- Fourth
  - Fifth
  - Sixth



- d. Seventh
- 50 Which are the economic consequences of problem of poverty?
- increasing Unemployment
  - Capital Deficiency
  - Inadequate economic development
  - All of the above
- 51 What is the full form of IRDP?
- Integrated Rural Development Programme
  - Intelligent Rural Development Programme
  - Induced Rural Development Programme
  - None of the above.
- 52 What are the salient demographic features of India's population?
- Growth rate of population
  - Uneven distribution of population
  - Age composition
  - All of the above
- 53 Having insufficient income to provide a minimum standard of living is-
- Absolute poverty
  - Relative poverty
  - None
- 54 In which among the following year was 'liberalized industrial policy' in India was announced for the first time?
- 1992
  - 1995
  - 1991
- 55 "Zero Defect Zero Effect" slogan is related to which of the following scheme?
- Digital India
  - Make in India
  - Startup India
  - Clean India mission

56. After agriculture, -----provides highest employment to the local & neighborhood residents.
- Cottage Industry
  - Rural Industry
  - Small scale sector
57. Small scale industries are the industries which have investment in Plant and Machinery or Equipment, not more than
- Rs. 5crores
  - Rs.10 crores
  - Rs.15 crores
58. Parallel economy emerges due to
- Tax avoidance
  - tax evasion
  - tax abiding
59. When was the first five-year plan of India started?
- 1949
  - 1950
  - 1952
  - 1951
60. What was the main theme of the 12th five-year plan of India
- Faster and more inclusive growth
  - Faster, more inclusive and sustainable growth
  - Growth with justice and equity
  - Sustainable Development.

### Answer Key

1	c	11	c	21	a	31	c	41	b	51	a
2	c	12	a	22	c	32	a	42	b	52	d
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4	d	14	d	24	c	34	b	44	a	54	c
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6	a	16	b	26	b	36	c	46	D	56	c
7	c	17	b	27	c	37	c	47	a	57	b
8	b	18	a	28	d	38	d	48	D	58	b
9	c	19	c	29	d	39	a	49	b	59	d
10	a	20	a	30	c	40	d	50	d	60	b

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