TEST BOOKLET
A.O.(PSEBL)/2015

Time Allowed : 2 Hours] [Maximum Marks : 100

All questions carry equal marks.

INSTRUCTIONS

1. Immediately after the commencement of the examination, you should check that test booklet does not have any unprinted or torn or missing pages or items, etc. If so, get it replaced by a complete test booklet.

2. Write your Roll Number only in the box provided alongside. Do not write anything else on the Test Booklet.

3. This Test Booklet contains 100 items (questions). Each item comprises four responses (answers). Choose only one response for each item which you consider the best.

4. After the candidate has read each item in the Test Booklet and decided which of the given responses is correct or the best, he has to mark the circle containing the letter of the selected response by blackening it completely with Black or Blue ball pen. In the following example, response "C" is so marked:

   A  B  C  D

5. Do the encoding carefully as given in the illustrations. While encoding your particulars or marking the answers on answer sheet, you should blacken the circle corresponding to the choice in full and no part of the circle should be left unfilled.

6. You have to mark all your responses ONLY on the ANSWER SHEET separately given according to 'INSTRUCTIONS FOR CANDIDATES' already supplied to you. Responses marked on the Test Booklet or in any paper other than the answer sheet shall not be examined.

7. All items carry equal marks. Attempt all items. Your total marks will depend only on the number of correct responses marked by you in the Answer Sheet. There will be no negative marking.

8. Before you proceed to mark responses in the Answer Sheet fill in the particulars in the front portion of the Answer Sheet as per the instructions sent to you.

9. After you have completed the test, hand over the Answer Sheet, to the Invigilator.
1. 'Introduction to Business' is written by:

(A) Reincke  
(B) Schoell
(C) Copen  
(D) Both (A) and (B)

2. NFIA means:

(A) Net Factor Income from Abroad
(B) No Factor Income from Abroad
(C) Net Financial Income from Aims
(D) None of the above

3. The public documents of a company should not only be read but to be understood as they are and therefore deemed to have read by those who deal with the company. What is the rule known as?

(A) The rule of equality
(B) The rule of Constructive Notice
(C) The rule of Increasing Liability
(D) The rule of abrogation
4. Articles of Association of a company is fundamental documents and it plays very important role in regulating of company because it consists:

(A) How to inform shareholders
(B) Underwriting of shares
(C) Borrowing powers of the company
(D) Registered place

5. Income of a religious trust is chargeable to tax as income of:

(A) An association of persons
(B) A body of individuals
(C) Individual
(D) None of the above

6. "Fiscal Policy incorporates such changes in Government expenditure and taxation designed to influence the pattern and level of activity" defined by:

(A) Harvey and Johnson
(B) J. K. Shaw
(C) M. L. Nehru
(D) M. K. Joho
7. Which one of the following is a formula of Karl Pearson's coefficient of correlation?

(A) \[ r = \frac{\Sigma xy}{\sqrt{\Sigma x^2 \cdot \Sigma y^2}} \]
(B) \[ r = \frac{\Sigma xy}{\sqrt{\Sigma x^2 - \Sigma y^2}} \]
(C) \[ r = \frac{\Sigma xy}{\sqrt{\Sigma x^2}} \]
(D) \[ r = \frac{\Sigma xy}{\sqrt{\Sigma y^2}} \]

8. "The hypothesis is the necessary link between theory and the investigation which leads to the discovery of additions to knowledge" who said?

(A) Goode and Hatt
(B) Hollgon
(C) Secrist
(D) None of these

9. Suppose P is estimated as 60 percent and the confidence level is set at 95 per cent. If the allowable error in estimating the population proportions is not be greater than 2 per cent, calculate the required sample size:

(A) \( r = 2305 \)
(B) \( r = 3405 \)
(C) \( r = 4560 \)
(D) None of these
10. A coin is tossed 4 times. What is the probability of getting exactly 2 heads?

(A) $\frac{2}{8}$  
(B) $\frac{1}{8}$  
(C) $\frac{3}{8}$  
(D) $\frac{4}{8}$

11. That portion of the share capital which can be called up only on the winding up of the company is the:

(A) Authorised capital  
(B) Issued capital  
(C) Subscribed capital  
(D) Reserve capital

12. Range limits can be expressed as:

(A) $R = L - S$  
(B) $R = L + S$  
(C) $\frac{R \times S}{L}$  
(D) All of these

13. Marketing mix involves:

(A) Product mix  
(B) Promotional mix  
(C) Service mix  
(D) All of these
14. According to Sheth, Newman and Gross, which of the following are five consumption values that customers look for in any product or service in a society?

(1) Functional value
(2) Conditional value
(3) Social value
(4) Emotional value
(5) Knowledge value
(6) Business ethics
(7) Human value
(8) Quality value
(9) Prices

Codes:
(A) (1), (2), (3), (4) and (5)
(B) (2), (3), (4) and (8)
(C) (1), (2), (3), (4), (5), (6) and (8)
(D) (2), (4), (5), (7) and (8)

15. Match the following and choose the correct answer from the codes given below:

Part (A)
(Management Thinkers)
(1) Mc Namara C.P.
(2) Lazo H. and A. Corbin
(3) King R. L.
(4) Schwartz G

Part (B)
(Books)
(a) The Present Status of the Marketing Concept
(b) Management in Marketing
(c) The Marketing Concept
(d) Science in Marketing

Codes:
(A) (a) (b) (c) (d)
(B) (c) (a) (b) (d)
(C) (d) (c) (a) (b)
(D) (a) (c) (b) (d)
16. "The marketing concept is a customer orientation backed by integrated marketing aimed at generating customer satisfaction as the key to satisfying organizational goals." Who said it?

(A) P. Kataler  (B) Swarteze Honda

(C) L. G. Peter  (D) None of these

17. "The expected price for a product is the price at which consciously or unconsciously value the product, it is what they think the product is worth." Who referred this statement?

(A) Stanton  (B) Philip Kotler

(C) Manson and Rath  (D) R.S. Dawar

18. The sum of direct materials cost, direct labour cost and factory overhead is called:

(A) Full cost  (B) Factory cost

(C) Total factory cost  (D) None of these

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19. Which of the following is *False*?

(A) Balance sheet is a statement of balances of Personal, Real and Fictitious Assets A/cs which have not been closed by transferring to Trading and P&L A/c

(B) Depreciable fixed assets are valued at Cost *less* Depreciation

(C) Balance Sheet is prepared to ascertain financial position for a given accounting period

(D) Tangible Fixed Assets are depreciated and Intangible Fixed Assets are Amortized

20. Which of the following is *False*?

(A) If opening entry and adjusting entries are not passed both trial balance and balance sheet will be tallied.

(B) Reserve for Discount on Creditors has debit balance.

(C) The value of human resource is generally not shown in Balance Sheet as per Money Measurement Concept

(D) The gain from sale of capital asset need to be added to revenue to ascertain operating profit of a business
21. Which of the following is False?

(A) When a bill is dishonoured the Drawee’s A/c is always debited with total amount (i.e. bill amount + noting charges) in the books of drawer.

(B) When bill has been discounted or endorsed to a creditor, no journal entry is passed by Drawee at the time of honouring of bill at maturity.

(C) At the time of discounting of bill the bank charges the discount for the unexpired term of bill.

(D) When bill is dishonoured by non-acceptance, no accounting entry is passed in books of drawer and drawee.

22. X Ltd. was formed with a capital of Rs. 1,00,000 divided into shares of Rs. 10 each. Out of these 2,000 shares were issued to the vendors as fully paid as purchase consideration. 6,500 shares were offered to the public and of these 6,000 shares were applied for and allotted. The directors called Rs. 6 per share and received the entire amount except a call of Rs. 2 per share on 500 shares. The amount of Issued Capital is:

(A) Rs. 48,000

(B) Rs. 65,000

(C) Rs. 85,000

(D) Rs. 80,000
23. Which of the following is incorrect?

(A) The agreement is voidable if both the parties are under mistake as to essential fact

(B) The contract is not voidable if both the parties are under a mistake as to Indian Law

(C) The contract is void if both the parties are under a mistake as to Foreign Law

(D) The agreement is voidable if one of the parties is under mistake as to the identity of the person contracted with

24. Which of the following is False?

(A) Any difference arising as to ordinary matter connected with the business must be decided with the consent of majority of the partners.

(B) A change in the nature of the business can be made with the consent of all the partners.

(C) The duties of the partners u/s 9 and 10 can be changed by an agreement amongst the partners.

(D) The duties of the partners u/s 12 and 13 can be changed by an agreement amongst the partners.
25. Which of the following is *False*?

(A) Total Assets = Total Equities

(B) Assets = Internal Equity + External Equity

(C) Assets = Capital + Liabilities

(D) Fixed Assets + Current Assets + Cash = Capital + External Liabilities + Creditors

26. Which of the following is *False*?

(A) The relation between consignee and consignor is that of principal and agent.

(B) Consignment goods are dispatched on the basis that the goods will be sold on behalf of, at expense and at the risk of consignor.

(C) Only the possession and not ownership is transferred to consignee.

(D) Only movable property is subject matter of the consignment

27. Securities Premium may *not* be applied:

(A) To issue fully paid bonus shares to creditors

(B) To write-off preliminary expenses

(C) To write-off expenses or commission paid, or discount allowed on issue of debentures

(D) To provide for premium payable on redemption of redeemable preference shares or of any debentures

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28. Issued Capital includes:

(A) Nominal Value of shares offered to the public only

(B) Nominal Value of shares applied by the public only

(C) Nominal Value of shares allotted to the public only

(D) Nominal Value of shares allotted

29. What is the method in which an amount equal to the amount written off as depreciation is invested in outside securities in order to facilitate replacement of an asset at the expiry of its life period, called?

(A) Annuity Method

(B) Sinking Fund Method

(C) Replacement Method

(D) Depletion Method

30. Under which of the following methods of depreciation the amount of an asset is never reduced to zero?

(A) Straight line method

(B) Diminishing balance method

(C) Sums of years digit method

(D) Annuity method
31. If opening stock = Rs. 15,000

Purchases = Rs. 37,500

Direct expenses = Rs. 1,500

Closing stock = Rs. 7,500

Operating expenses = Rs. 3,000, and

Sales are Rs. 60,000 during the year, what is the net profit?

(A) Rs. 12,000  (B) Rs. 10,500

(C) Rs. 7,500  (D) Rs. 3,000

32. XYZ Ltd. issued 10,000 shares of Rs. 100 each at Rs. 120 per share with Rs. 25 on application, Rs. 45 on allotment including premium, Rs. 20 on first call and Rs. 30 on final call. Govind who held 200 shares did not pay any call money and his shares were forfeited. What is the amount to be credited to Share Forfeiture Account on forfeiture?

(A) Rs. 14,000  (B) Rs. 10,000

(C) Rs. 9,000  (D) Rs. 4,000
33. A particular firm provided the following data for a year:

Current ratio 2.5 : 1
Liquid ratio 1.5 : 1

Net working capital Rs. 3,00,000.

What are the current assets and current liabilities of this firm, respectively?

(A) Rs. 3,00,000 and Rs. 1,50,000
(B) Rs. 5,00,000 and Rs. 2,00,000
(C) Rs. 2,00,000 and Rs. 5,00,000
(D) Rs. 3,00,000 and Rs. 1,00,000

34. Consider the following statements:

(1) It is mandatory for all business enterprises to conduct audit of accounts.
(2) Audit Note Book is a tool in the conduct of audit.
(3) Internal check system is an inbuilt mechanism within an organization to check frauds and errors.

Which of the statements given above is/are correct?

(A) (1) only
(B) (2) and (3)
(C) (3) only
(D) (1), (2) and (3)
35. What is cross rate?

(A) A rate of exchange derived from Central Bank

(B) A rate of exchange between two currencies, other than those that form a market’s principal rates

(C) A rate of exchange derived from the quotations for buying currencies

(D) A rate of exchange quoted by a dealer in foreign exchange for selling currencies

36. In foreign trade, what is the price quoted by a supplier which includes all charges incurred up to door delivery of goods to the buyer, called?

(A) Loco price

(B) C.I.F. price

(C) Franco price

(D) Landed price

37. What is outsourcing of production and concentrating on marketing operations in international business, known as?

(A) Licensing

(B) Franchising

(C) Contract manufacturing

(D) Joint venture

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38. Under which one of the following is the term 'Dominant Undertaking' defined?

(A) MRTP Act  (B) FEMA
(C) Companies Act  (D) SEBI

39. Who was conferred the jnanpith award for the year 2011?

(A) Chandra Kanta  (B) Mridula & Garg
(C) Nirmal Verma  (D) Pratibha Rai

40. Kiwis are the inhabitants of:

(A) New Zealand  (B) Hungary
(C) Indonesia  (D) South Africa

41. Revenue from sale of products, is generally, realized in the period in which:

(A) Cash is collected  (B) Sale is made
(C) Products are manufactured  (D) None of these
42. Contra entries are passed only when:

(A) Double column cash book is prepared

(B) Three-column cash book is prepared

(C) Simple cash book is prepared

(D) None of the above

43. The maximum number of partners in case of banking can be:

(A) 20

(B) 15

(C) 10

(D) 5

44. A purchased a car for Rs. 5,00,000, making a down payment of Rs. 1,00,000 and signing a Rs. 4,00,000 bill payable due in 60 days. As a result of this transaction:

(A) Total assets increased by Rs. 5,00,000

(B) Total liabilities increased by Rs. 4,00,000

(C) Total assets increased by Rs. 4,00,000

(D) Total assets increased by Rs. 4,00,000 with corresponding increase in liabilities by Rs. 4,00,000
45. A withdrawal of cash from business by the proprietor should be credited to:

(A) Drawings Account  (B) Capital Account
(C) Cash Account       (D) None of these

46. The balance of the petty cash is:

(A) An expense  (B) Income
(C) An asset    (D) Liability

47. If two or more transactions of the same nature are journalized together having either the debit or the credit account common is known as:

(A) Compound journal entry  (B) Separate journal entry
(C) Posting                (D) None of these

48. Income tax paid by the sole-proprietor from business bank account is debited to:

(A) Income tax account
(B) Bank account
(C) Capital account
(D) Not to be shown in the business books
49. Which of the following is not a transaction?

(A) Goods are purchased on cash basis for Rs. 1,000

(B) Salaries paid for the month of May, 2006

(C) Land is purchased for Rs. 10 lacs

(D) An employee is dismissed from the job

50. The amount due to the retiring partner on account of goodwill is debited to the continuing partners in their:

(A) Profit sharing ratio  
(B) Sacrificing ratio

(C) Capital ratio  
(D) Gaining ratio

51. Which of the following basic factors are used for rating the credit?

(A) The custom of the trade

(B) The debt payment record

(C) The value of purchase

(D) All of the above
52. Given—plant Rs. 30,000, Machinery Rs. 30,000 and stock 35,000. The Assets structure will be:

   (A) Rs. 90,000           (B) Rs. 95,000
   (C) Rs. 99,600           (D) Rs. 92,000

53. The proportion of Equity share capital to the total capital of the firm is known as gear ratio or:

   (A) Capital gearing ratio     (B) Capital ratio
   (C) Quick ratio              (D) All of these

54. The dividend per share in a company is Rs. 2, earning per share is Rs. 5, and the market value is Rs. 25. What will be its yield?

   (A) 20%         (B) 12.5%
   (C) 8%          (D) 25%

55. External short-term consists:

   (A) Customer's credit      (B) Govt. Assistance
   (C) Security of employees  (D) All of these
56. Rahul Ltd. issued 500, 7% Preference Share of Rs. 10 each at par. The expenses of issue are underwriting commission 2%, brokerage 1% and printing Rs. 50. The company is subject to a tax 50%. Find out cost of capital before tax?

(A) Rs. 14.30%  
(B) Rs. 14.58%

(C) Rs. 17.30%  
(D) None of these

57. Which of the following finance functions has written by John J. Hampton?

(A) Managing funds  
(B) Managing Assets

(C) Liquidity functions  
(D) All of these

58. The rate of dividend an equity share is not:

(A) Fixed  
(B) Flating

(C) Equal  
(D) Suitable

59. Expenditure on research and development is as:

(A) Working Capital  
(B) Capital Expenditure

(C) Revenue Expenditure  
(D) Capital Income
60. Gross Domestic Product at market prices includes.................taxes.
   (A) All Direct                              (B) All Indirect
   (C) All Corporate                          (D) None of these

61. Walter's Model is related with:
   (A) Capital Budgeting                      (B) Dividend Policy
   (C) Depreciation                           (D) Investment

62. Both the future and present value of a sum of money are based on:
   (A) Interest rate                          (B) Number of time periods
   (C) Both (A) and (B)                       (D) None of these

63. Where true value of a stock is less than its book value, it is called:
   (A) Stock watering                         (B) Watered stock
   (C) Net Stock                              (D) Stock marketing

64. Long-term finance is required for the purchase of............................assets.
   (A) Fixed                                  (B) Tangible
   (C) Intangible                             (D) Variable

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65. Where book value per share < read value per share, the corporation is said to be:

(A) under-capitalized  (B) over-capitalized

(C) optimum capitalized  (D) standard capitalized

66. The rate of dividend of preference shares is decided at the time of:

(A) Issue  (B) Dissolution of company

(C) Payment  (D) None of these

67. Investment decision includes:

(A) Expansion of existing business

(B) Expansion of new business

(C) Replacement

(D) All of the above

68. Transaction costs include:

(A) Brokerage  (B) Commission

(C) Printing  (D) All of these
69. Stock dividend the number of equity shares.

(A) increases
(B) decreases
(C) neutralises
(D) both (A) and (B)

70. Which of the following pairs is/are not correctly matched?

(A) Payment of dividend at the usual rate: Regular dividend policy
(B) Consistency or lack of variability in the stream of dividend payments: No Dividend policy
(C) Both (A) and (B)
(D) None of the above

71. Which of the following statements is/are incorrect?

(A) Finance is required only at the time of promotion of business
(B) Importance of finance cannot be over-emphasised
(C) Both (A) and (B)
(D) None of the above
72. The explicit costs (in case of cost of debt capital) are measured by the interest rate only adjusted by the :

(A) Tax rate  (B) Profit rate
(C) Capital/net worth  (D) None of these

73. Cost of capital from all the sources of funds is called :

(A) Specific cost  (B) Composite cost
(C) Implicit cost  (D) Simple average cost

74. Which is not the technique of capital structure analysis ?

(A) Trading on equity  (B) Capital gearing
(C) Capital budgeting  (D) Cost of capital

75. "The cost of capital is the minimum rate of return which a firm requires as a condition for undertaking an investment." This definition is given by :

(A) Solomon Ezra  (B) RM Lynch
(C) Milton H. Spencer  (D) None of these

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76. Which factor(s) is/are responsible for over-capitalization?

(A) High promotion expenses  (B) Liberal dividend policy

(C) Both (A) and (B)  (D) None of these

77. The equity shareholders are the residual claimants of all earnings left after meeting all prior:

(A) Claims  (B) benefits

(C) losses  (D) advantageous

78. Patterns of capital structure include:

(A) Only equity shares

(B) Equity Shares + Preference shares

(C) Equity Shares + Debentures

(D) All of the above

79. Interest rate risk is a type of:

(A) Credit risk  (B) Market Risk

(C) Operational risk  (D) All of these
80. Modigliani and Miller's dividend policy of a firm is:

(A) Relevant  (B) Irrelevant
(C) Unrealistic  (D) None of these

81. Which of the following lies to the west of Himachal Pradesh?

(A) Haryana  (B) Uttarakhand
(C) Tibet  (D) Punjab

82. Which district of H.P. gets minimum rainfall?

(A) Una  (B) Lahaul-Spiti
(C) Chamba  (D) Kinnaur

83. Who is the Chairman of Khajjiar Development Board?

(A) Banikhet MLA
(B) Cabinet Minister from Chamba in the state government
(C) Chairman, Dalhousi urban local body
(D) Deputy Commissioner, Chamba
84. Which of the following glaciers is not in Chandra Valley of Lahul?

(A) Kulti  (B) Shilli
(C) Dudhon  (D) Ding

85. Who are Turis?

(A) Brahmans who take the offering (dan)
(B) S.Cs. whose occupation is music and dancing
(C) Stone workers
(D) Makers of grass ropes and bamboo baskets etc.

86. Sutak is pollution that occurs for nearly 13 days:

(A) after a birth in the family
(B) after a death in the family
(C) after both birth and death in the family
(D) annual death rite

87. Upto which year did Nagarkot Fort (Kangra) remain under the possession of Mahmud of Ghazni?

(A) 1192 AD  (B) 1043 AD
(C) 1092 AD  (D) 1143 AD
88. After the rule of which raja "Parkash" became the title of the rulers of Sirmaur?

(A) Mahe Parkash  (B) Subhans Parkash
(C) Udit Parkash  (D) Sumer Parkash

89. Out of the total biogas production in the Himalayas, (approximately) how much is being produced in Himachal Pradesh alone?

(A) 76.32 percent  (B) 80.67 percent
(C) 85.42 percent  (D) 90.86 percent

90. Which one of the following development blocks is not included in the first phase of National Rural Livelihood Mission in Himachal Pradesh?

(A) Haroli  (B) Kandaghat
(C) Ghumarwin  (D) Basantpur

91. Which classical dance form in India draws inspiration from Ras Lila of Lord Krishna?

(A) Bharatnatyam  (B) Kuchipudi
(C) Mohiniattam  (D) All of these

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92. To whom is Fateh Burj in Chappar Chiri (in Punjab) dedicated?

(A) Bhai Mardana  (B) Bhai Motiram Mehra

(C) Banda Bahadur  (D) Bhai Ram Singh

93. Which Indian naval ship evacuated Indians from Yemen in early 2015?

(A) INS Sukanya  (B) INS Sumitra

(C) INS Godavari  (D) INS Krishna

94. With which of the following is social activist Teesta Setalvad associated?

(A) Sablog Trust  (B) Sabrang Trust

(C) Sabarmati Trust  (D) Sarvahitka Trust

95. What is the name of Aligarh Muslim University Library which initially refused entry to the undergraduate girl students?

(A) Zakir Hussain Library

(B) Maulana Azad Library

(C) Sir Syed Ahmed Khan Library

(D) Fakhruddin Ali Ahmed Library
96. How many countries involved in rescue work after the earthquake that hit Nepal on April 25, 2015?

(A) 19  (B) 23
(C) 27  (D) 34

97. Braille system is a technique that enables the:

(A) Visually challenged to read  (B) Visually challenged to write
(C) Dumb to talk  (D) Deaf to hear

98. What is Guantanamo Bay known for?

(A) Piracy by Sudanese pirates
(B) US detention cum torture centre
(C) International boating competitions
(D) Hijacking of ships

99. In which country is Menin Gate Memorial as the remembrance arch to Indian World War heroes?

(A) France  (B) Belgium
(C) Egypt  (D) Singapore

100. For what offence was Edward Snowden charged?

(A) Murder  (B) Fraud
(C) Espionage  (D) None of these