# Paper 1: Fundamentals of Economics and Management (FEM)

1. **Any point beyond PPF curve can be attained by**
   (a) Increasing supply of factor inputs
   (b) Technological innovation
   (c) Both
   (d) None

2. **The difference between Gross National Product (GNP) and Gross Domestic Product GDP) is**
   (a) Excess of subsidies over indirect taxes
   (b) Depreciation
   (c) Net foreign income from abroad
   (d) Excess of indirect taxes over subsidies

3. **If the balance on current and capital accounts of Balance of Payments (BoP) taken together is negative, then**
   (a) It is a case of BoP surplus
   (b) It is a case of BoP surplus where the official reserve account is in surplus
   (c) It is a case of BoP deficit
   (d) It is case of BoP disequilibrium

4. **When a firm enters the law of diminishing returns to scale**
   (a) TVC curve begins to fall at an increasing rate
   (b) TVC curve begins to increase at an increasing rate
   (c) TVC curve begins to fall at an decreasing rate
   (d) TVC curve begins to increase at an decreasing rate

5. **Which of the following is not a type of elasticity in economics…………………**
   (a) Income elasticity
   (b) Price elasticity
   (c) Utility elasticity
   (d) Cross elasticity

6. **The quantity of a commodity which an individual is willing to purchase over a specific period of time is a function of**
   (a) Price of the product
   (b) Disposal income
   (c) Taste and price of other commodities
   (d) All the three

7. **Goods which are not perfect substitute of each other but have to be consumed in a fixed ratio will have rate of substitution**
   (a) Unity
   (b) Less than 1
   (c) More than 1
   (d) Zero

8. **If there are 5000 customers for the product, the aggregate market demand for the product at market price ₹2 in the question No. 269 will be ………….**
   (a) 40,000
   (b) 30,000

(c)  20,000

(d)  16,000

9.   **A natural monopoly has declining – over large range of output**
   (a)  Long run average cost
   (b)  Short run average cost
   (c)  Long run total cost
   (d)  Long run marginal cost

10.   **If in 2000 nominal GDP is = ₹70000 Crore and the prices in 2000 were 40% more than the real GDP in 2000 using 1996 as a base year is**
   (a) ₹45,000 Crore

   (b) ₹50,000 Crore

   (c) ₹42,000 Crore

   (d) ₹98000 Crore

11.   **The philosophy of management known as total quality management developed primarily out of the work of:**
   a.  Henri Fayol
   b.  Frederick Taylor
   c.  Robert McNamara
   d.  W. Edwards Deming

12.   **Needs that impel creativity and innovation, along with the desire to have  a  productive impact on our surroundings are _____ needs.**
   a.  Existence
   b.  Relatedness
   c.  Growth
   d.  None of the Above

13.   **An organizational design with low departmentalization, wide spans of control, authority centralized in a single person and little formalization are characteristics of _____.**
   a.  Simple structure
   b.  Functional structure
   c.  Divisional structure
   d.  None of given option

14.  **Autocratic, Democratic and Laissez-faire leader behavior styles were introduced by _____.**
   a.  University of Iowa researcher
   b.  Michigan Studies
   c.  Ohio State Studies
   d.  None of given option

15. **Managers today realize that long-term success can be achieved primarily by satisfying the customer. Customers are demanding quicker service, higher quality, and more _____.**
    a. Value for their money
    b. Personal attention
    c. Variety in services
    d. Online choices

16. **Which type of departmentalization achieves economies of scale by placing people with common skills and orientations into common units?**
    a. Geographic
    b. Product
    c. Process
    d. Functional

17. **Neoclassical economics concerns itself with the determination of various prices. In the branch of Microeconomics, economists are concerned with _____, while in Macroeconomics they consider _____**
    a. Price rises: price falls
    b. Real prices: nominal prices
    c. Individual product prices: the aggregate price level
    d. Costs to consumers: costs to producer

18. **In Glass and Benshoff's (1999) PARS model, which conceptualizes "processing" in group work, PARS is an acronym in which "S" stands for**
    a. System
    b. Sociometry
    c. Subgrouping
    d. Self

19. **Leadership can _____ subordinates to help the organization achieve its goals.**
    a. Motivate
    b. Communicate
    c. Direct
    d. All of the above

20. **Under Herzberg's theory, factors causing dissatisfaction is called**
    a. Demotivators
    b. Negative stimuli
    c. Hygiene factors
    d. Defectors

# Paper 2: Fundamentals of Accounting (FOA)

1. **The expenses and incomes pertaining to full trading period are taken to the Profit and Loss Account of a business, irrespective of their payment or receipt. This is in recognition of**
   (a) Time period Concept
   (b) Going Concern Concept
   (c) Accrual Concept
   (d) Duality Concept

2. **In which of the following statement opening stock is shown?**
   (a) Profit and loss account (Right Answer)
   (b) Balance sheet
   (c) Cash flow statement
   (d) Owner's equity

3. **Which of the following transactions of a business is/ are recorded in Journal Proper?**
   **(i) Purchase of goods on credit**
   **(ii) Sale of Office Furniture for cash**
   **(iii) Discounting of Bill of Exchange with a bank**
   **(iv) Endorsement of a Bill of Exchange in settlement of debt of the business**
   (a) Only (i) above
   (b) Only (iv) above
   (c) Both (ii) and (iv) above
   (d) (i),(iii) and (iv) above

4. **If you start with cash book favorable balance in Bank Reconciliation Statement, which item will be added?**
   (a) Cheque deposited but not credited by the bank
   (b) Cheques omitted to be deposited into bank
   (c) Any amount directly collected by bank on behalf of customer but not recorded in cash book
   (d) Debit side of cash book was overcast

5. **During the year 2011-2012, the value of closing inventory was overstated by ₹ 25,000. Which of the following is true?**
   (a) The cost of goods sold was overstated during 2011-2012 and income will be understated during 2012-2013
   (b) The income was overstated during 2011-12 and closing inventory will be overstated during 2012-2013
   (c) The retained earnings was overstated during 2011-2012 and retained earnings will be understated during 2012-2013
   (d) The cost of goods sold was understated during 2011-2012 but retained earnings will not be affected during 2012-2013

6. **Which of the following statements is true?**
   (a) Bank charges increase debit balance shown as per Bank Column of the Cash Book.
   (b) Bank charges increase debit balance as per Bank pass book.
   (c) A cash sale of a non-trading asset is recorded in the journal proper.
   (d) Cash discount allowed by the business will appear on the debit side of the debtor's account.

7. **If actual bad debts are more than the provision for bad debts, then there will be a**
   (a) Credit balance of Provision for Bad Debts Account
   (b) Debit balance of Provision for Bad Debts Account
   (c) Debit balance of Bad Debts Account
   (d) Debit balance of Discount on Debtors Account

8. **The creation of provision for doubtful debts given as an adjustment requires**
   (a) Debit Profit and Loss Account and deduct the provision from debtors
   (b) Credit Profit & Loss Account and deduct the provision from debtors
   (c) Credit Profit and Loss Account and add the provision to debtors
   (d) Debit Profit & Loss Account and add the provision to debtors

9. **Property, Plant and Equipment are conventionally presented in the Balance Sheet at**
   (a) Replacement cost – Accumulated Depreciation
   (b) Historical cost – Salvage Value
   (c) Historical cost – Depreciation portion thereof
   (d) Original cost adjusted for general price-level changes

10. **ABC holds an average inventory of ₹ 36,000(CP) with an inventory turnover of 5 times. If the firm makes a gross profit of 25% on sales, find the total sales of the company**
    (a) ₹ 2,40,000
    (b) ₹ 2,10,000
    (c) ₹ 2,00,000
    (d) ₹ 1,80,000

11. **The drawer of a trade bill passes relevant entries with regard to the transaction involved in it. But, in case of an accommodation bill, he passes an entry in addition to the usual entries. The additional entry so passed is with respect to**
    (a) Discounting of the bill with the bank
    (b) Payment of the bill on due date
    (c) Remitting or receiving the amount
    (d) Sending the bill to bank for collection

12. **Tick the correct match**

| A | | B | |
|---|---|---|---|
| 1. | **Wages and Salary** | 1. | **Trial balance** |
| 2. | **AS 10** | 2. | **Depreciation accounting** |
| 3. | **Process of spreading cost** | 3. | **Profit and Loss A/c** |
| 4. | **Check arithmetic accuracy** | 4. | **Accounting for Fixed Asset** |

    (a) (1, 2), (2, 3), (3, 4), (4,1)
    (b) (1, 3), (2, 4), (3, 2), (4, 1)
    (c) (1, 4) (2, 2) (3, 1), (4, 3)
    (d) (1, 4), (2, 3), (3, 2), (4, 1)

13. **Selling price per unit is ₹ 15, total variable cost per unit is ₹ 9, and total fixed costs are ₹ 15,000 of "XIT". What is the breakeven point in units for "XIT"?**
    (a) 3,000 units
    (b) 1,000 units
    (c) 1,667 units
    (d) 2,500 units

14. **A job needs 3,000 actual labor hours to be completed. It is expected there will be 25% idle time. If the wage rate is ₹ 12.50 per hour, what is budgeted labor cost for the job?**
    (a) ₹ 26,000
    (b) ₹ 37,500
    (c) ₹ 50,000
    (d) ₹ 42,000

15. **Cost of material consumed under LIFO costing method is ₹ 6,000. Conversion Cost is ₹ 16,500. 1,000 units of the product were manufactured out of which 800 @ ₹ 30 units sold. There were no beginning and ending inventories of work in process and finished goods.**
    **Required: Calculate per unit cost with the help of given information.**
    (a) ₹ 22.50
    (b) ₹16.50
    (c) ₹ 6.00
    (d) ₹ 28.13

16. **The following information was taken from Smart Company's accounting records for the year ended March 31, 2015 :**

| | ₹ |
|---|---|
| Increase in raw materials inventory | 15,000 |
| Decrease in finished goods inventory | 35,000 |
| Raw materials purchased | 4,30,000 |
| Direct labour payroll | 2,00,000 |
| Factory overhead | 3,00,000 |
| Freight | 45,000 |

   There was no work in process inventory at the beginning or end of the year. Smart's 2,000 cost of goods sold is:
    (a) ₹ 9,50,000
    (b) ₹ 9,65,000
    (c) ₹ 9,75,000
    (d) ₹ 9,95,000

17. **The cost of goods sold was ₹ 2,40,000. Beginning and ending inventory balances were ₹ 20,000 and ₹ 30,000, respectively. What was the inventory turnover ratio?**
    (a) 8.0 times
    (b) 12.0 times
    (c) 7.0 times
    (d) 9.6 times

18. **Nelson Company has following FOH detail.**

| | Budgeted (₹) | Actual (₹) |
|---|---|---|
| Production Fixed overheads | 36,000 | 39,000 |
| Production Variable overheads | 9,000 | 12,000 |
| Direct labor hours | 18,000 | 20,000 |

    (a) Under applied by ₹1,000
    (b) Over applied by ₹ 1,000

(c) Under applied by ₹ 11,000

(d) Over applied by ₹ 38,000

19. **Under Halsey premium plan, if the employee completes his job in less than the standard time fixed for the job, he is given:**
    (a) Only wages for the actual hours taken
    (b) Wages for the actual hours taken plus bonus equal to one half of the wage of the time saved
    (c) Wages for the actual hours taken plus bonus equal to one third of the wage of the time saved
    (d) Only the bonus equal to one half of the time saved

20. **If, COGS = ₹ 70,000 GP Margin = 30% of sales. What will be the value of Sales?**
    (a) ₹ 200,000
    (b) ₹ 66,667
    (c) ₹ 100,000
    (d) ₹ 62,500

# Paper 3: Fundamentals of Laws and Ethics (FLE)

1. **'Consideration is the price for which the promise of the other is bought, and the promise thus given for the value is enforceable.' This definition of consideration is**
   (a) By Pollock
   (b) By Justice Patterson
   (c) By Cheshire and Fifoot
   (d) In section 2(d) of the Contract Act

2. **A promise to pay a time barred debt is enforceable, if some conditions are fulfilled. Which of the following conditions is not required?**
   (a) It must be signed by the promisor
   (b) It must be definite and express
   (c) It must be in writing
   (d) It must be registered

3. **A man cannot acquire rights under a contract to which he is not a party. Which one of the following is not an exception to this rule**
   (a) Beneficiaries under trust
   (b) Family settlement
   (c) Gift
   (d) Assignment of rights

4. **A minor enters into agreement representing himself to be a major consider the following statement:**

   **(I) Minor commits fraud if the other party does not have personal knowledge of his age**

   **(II) Such agreement is not enforceable**

   **(III) The doctrine of estoppel does not apply in minor's case**

   **(IV) Other party is entitled to get back the benefit passed to minor, if innocent about his age**
       **Which of the statements given above are correct?**

       (a) 1,3 and 4

    (b) 2 and 3
    (c) 1,2 and 4
    (d) 2 and 4

5. **"Goods" means**

    (a) every kind of movable property other than actionable claims and money

    (b) some kinds of immovable property only

    (c) every kind of movable property including actionable claims and money

    (d) Both 'a' and 'b'

6. **Where a contract of sale purports to effect a present sale of future goods, the contract operates as**
    (a) a sale
    (b) an agreement to sell
    (c) both 'a' and 'b'
    (d) all the above

7. **Where a contact of sale is subject to any condition to be fulfilled by the seller and the seller commits a breach of that condition**
    (a) the buyer has to compulsorily treat the breach of condition as breach of warranty only
    (b) the buyer may voluntarily waive the condition
    (c) the buyer may do nothing
    (d) the buyer may contact another seller

8. **Merchantable quality of goods means**
    (a) that the goods are commercially saleable
    (b) they are fit for the purpose for which they are generally used
    (c) both 'a' and 'b'
    (d) the quality should be of high standard

9. **A partnership in a non-banking business can have:**
    (a) Not more than 2 partners
    (b) Not more than 10 partners
    (c) Not more than 20 partners
    (d) Unlimited partners

10. **The partnership relation does not exist when:**
    (a) A creditor taking a share of profits in lieu of interest and part payment of principal.
    (b) A person receives a share of profit as a part of his remuneration.
    (c) Share of profits given to workers as bonus.
    (d) None of the above.

11. **Where the goodwill of the firm is sold after dissolution, a partner may carry on a business, competing with that of the buyer and he, subject to the agreement between the buyer and him self, may not:**
    (a) Use the firm name
    (b) Represent himself as carrying on the business of the firm
    (c) Solicit the customers of the old firm.
    (d) All the above

12. **The term 'Negotiable instrument' is defined in the Negotiable Instruments Act, 1881, under section**
    (a) 12
    (b) 13

(c) 13A

(d) 2(d)

13. **'At sight' and 'on presentation' under section 21 of the Negotiable Instrument Act, 1881, means**
   (a) on presentation
   (b) on demand
   (c) on coming into vision
   (d) none of the above

14. **Issuance of notice by the holder in case of dishonour is primarily provided in …………**
   (a) Sec.93
   (b) Sec. 58
   (c) Sec. 138
   (d) Sec. 86

15. **Ensuring the safety, health and welfare of the employees is the primary purpose of the …........**
   (a) Factories act, 1948
   (b) Payment of wages Act, 1936
   (c) Equal Remuneration Act, 1976
   (d) Industrial Disputes Act, 1947

16. **…………. is a scientific and systematic effort to modify the characteristics of an employee's job.**
   (a) Job redesign
   (b) Time-out
   (c) Mentoring
   (d) Employee empowerment

17. **First to lay down the guidelines for fixation of Minimum Wages was………….**
   (a) Indian Labour Conference
   (b) England Labour Conference
   (c) London Labour Conference
   (d) American labour Conference

18. **Employee's State Insurance Act, ………. is a pioneering measure in the field of social insurance of our country.**
   (a) 1948
   (b) 1950
   (c) 1952
   (d) 1954

19. **The term 'business ethics' came into common use in year ……….**
   (a) 1950
   (b) 1960
   (c) 1970
   (d) 1980

20. **Which of the following Act made code of ethics mandatory for all organizations?**
   (a) The Companies Act, 1956
   (b) The Sarbanes-Oxley Act, 2002
   (c) The Partnership Act, 1932
   (d) None of the above

# Paper 4: Fundamentals of Business Mathematics and Statistics (FBMS)

1. **The fourth proportional of 0.2, 0.12 and 0.3 is:**
   (a) 0.13
   (b) 0.15
   (c) 0.18
   (d) 0.8

2. **If X = 8, Y = 27, then the value of** $\left( x^{\frac{4}{3}} + y^{\frac{2}{3}} \right)^{\frac{1}{2}}$ **is**

   (a) 2
   (b) 5
   (c) 1
   (d) 4

3. **If y varies inversely with the square x and x = 2 when y = 9, then the value of y when X = 3 is :**
   (a) 6
   (b) 12
   (c) 4
   (d) 9

4. **If $^{n}p_5 = 20.\ ^{n}p_3$ , then the value of n is:**
   (a) 6
   (b) 8
   (c) 7
   (d) None of these

5. **If f(x) = x – [x] where [x] denotes the greatest integer contained in x but not greater than x, then f(2.9) :**
   (a) 0.1
   (b) -0.1
   (c) 0.9
   (d) None of these

6. **The value of $\log_{(.01)}(.0001)$ is :**
   (a) $\dfrac{1}{3}$

   (b) $-\dfrac{1}{3}$

   (c) $\dfrac{3}{2}$

   (d) $-\dfrac{3}{2}$

7. $\left[ \log\left(\dfrac{a^2}{bc}\right) + \log\left(\dfrac{b^2}{ac}\right) + \log\left(\dfrac{c^2}{ab}\right) \right]$ is equal to :

   (a) 0
   (b) 1
   (c) 2
   (d) abc

8. $\displaystyle \lim_{x \to 0} \dfrac{e^{px} - e^{qx}}{x}$ is evaluated as

   (a) q - p
   (b) $\dfrac{p}{q}$
   (c) p - q
   (d) None of these

9. Geometric mean (G.M.) of six numbers is 16. If G.M. of first four of them is 8 then G.M. of other two is
   (a) 8
   (b) 16
   (c) 32
   (d) None of these

10. Two positive observations have arithmetic mean 3 and geometric mean $2\sqrt{2}$ . If each observation is multiplied by 2 then harmonic mean will be

    (a) $\dfrac{16}{3}$
    (b) $\dfrac{8}{3}$
    (c) 12
    (d) None of these

11. If group $G_1$ has a.m = 20, mode = 25, s.d = 10 and group $G_2$ has a.m = 18, median = 18, s.d = 9 then
    (a) $G_1$ is more skewed than $G_2$
    (b) $G_1$ is less skewed than $G_2$
    (c) $G_1$ and $G_2$ are equally skewed
    (d) None of these

12. If 2, 3 and $4^{th}$ terms in the Binomial expansion of $(x + a)n$ are 240, 720 and 1080 the value of x, a and n respectively are ……….
    (a) (2, 3, 5)
    (b) (3, 2, 5)
    (c) (5, 2, 3)
    (d) (3, 5, 2)

13. If the equations $X^2+2X-3=0$ and $X^2+MX+2=0$ have common roots, the value of M is equal to …………..
    (a) (1/4,4/3)
    (b) (11/3,15/4)
    (c) 7/3,-3
    (d) 13/2,14/3

14. **If the coefficient of skewness, mean and variance of a set of values are -3, 40 and 4 respectively then media of the values is**
   (a) 46
   (b) 42
   (c) 41
   (d) None of these

15. ------------------------- **is the quadratic equation whose roots are 2+5 and 2-** $\sqrt{5}$
   (a) $X^2$-4X-1=0
   (b) $2X^2$-4X=1
   (c) $X^2$-2X-1=0
   (d) $2X^2$-2X-1=0

16. **If the regression coefficient byx is 0.5, what is the value of a in the given equation 2Y = aX – 16.80**
   (a) 4
   (b) 0.5
   (c) 1.0
   (d) 3.32

17. **What is the slope and Y intersect of line 6x+5y=12**
   (a) (-6/5,12)
   (b) (12,-6/5)
   (c) (12/5,-12)
   (d) (-6/5,-12)

18. **A manufacturer produces two items X and Y. X requires 20kg of raw material and Y requires 25 kg. If raw material availability with him is 2 tons. This can be expressed in the form of which of the following linear equation.**
   (a) (20x+25y≤2000)
   (b) (20x+25y=2000)
   (c) (25x+20y>2000)
   (d) (20x+25y≥2000)

19. **Two coins are tossed five times, find the probability of getting an even number of heads**
   (a) 0.5
   (b) (b) 1
   (c) (c) 0.4
   (d) (d) 0.25

20. **If mean, mode and standard deviation of 10 observations are 65, 80 and 25 respectively then type of skewness of the data is**
   (a) Symmetric
   (b) Positively skewed
   (c) Negatively Skewed
   (d) None of them

# Paper 1: Fundamentals of Economics and Management (FEM)

| 1. | c | 2. | c | 3. | c | 4. | a | 5. | c |
|---|---|---|---|---|---|---|---|---|---|
| 6. | d | 7. | d | 8. | a | 9. | a | 10. | b |
| 11. | d | 12. | c | 13. | a | 14. | a | 15. | a |
| 16. | d | 17. | c | 18. | d | 19. | d | 20. | c |

# Paper 2: Fundamentals of Accounting (FOA)

| 1. | c | 2. | a | 3. | b | 4. | c | 5. | c |
|---|---|---|---|---|---|---|---|---|---|
| 6. | b | 7. | b | 8. | a | 9. | c | 10. | a |
| 11. | c | 12. | b | 13. | d | 14. | b | 15. | a |
| 16. | d | 17. | d | 18. | a | 19. | b | 20. | c |

# Paper 3: Fundamentals of Laws and Ethics (FLE)

| 1. | a | 2. | d | 3. | c | 4. | b | 5. | a |
|---|---|---|---|---|---|---|---|---|---|
| 6. | b | 7. | b | 8. | c | 9. | c | 10. | d |
| 11. | d | 12. | b | 13. | b | 14. | a | 15. | a |
| 16. | a | 17. | a | 18. | a | 19. | c | 20. | b |

## Paper 4: Fundamentals of Business Mathematics and Statistics (FBMS)

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **1.** | c | **2.** | b | **3.** | c | **4.** | b | **5.** | c |
| **6.** | d | **7.** | a | **8.** | c | **9.** | d | **10.** | a |
| **11.** | b | **12.** | a | **13.** | c | **14.** | b | **15.** | a |
| **16.** | c | **17.** | a | **18.** | a | **19.** | a | **20.** | c |