



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

- The law of indifference is/are also know by-**
  - Law of substitution
  - law of equimarginal utility
  - Law of diminishing marginal utility
  - All the three
- Which of the following is not a central problem of a society**
  - What to produce
  - How to produce
  - For whom to produce
  - What to eat
- The following table shows the various combinations of two commodities, Gun and Bread that an economy can produce with a given amount of resources. These combinations lies on the same PPF**

Combinations	Gun	Bread in 100 tons
A	0	20
B	1	18
C	2	15
D	3	11
E	4	6
F	5	0

- Based on the details given in the above table, the opportunity of producing 1 gun in combination No. B – is tons of bread**
- 200
  - 100
  - 300
  - 0
- The relationship between aggregate consumption expenditure and aggregate income of household sector is known as ..... function.**
    - Consumption
    - Saving
    - Expenditure
    - Income
  - Personal disposable income is equal to .....**
    - Wages and salaries + Dividends paid at home – Personal income tax
    - Wages and salaries + Dividends paid at home + Factor income received from abroad – Personal income tax
    - Wages and salaries + Dividends paid at home + Factor income received from abroad + Transfers from government – Personal income tax.
    - Wages and salaries + Dividends paid at home + Factor income received from abroad - Transfers from government – Personal income tax.



6. Unemployment that is caused by a mismatch between the composition of the labor force (in terms of skills, occupation, industries, or geographic location) and the make-up of the demand for labor is called
- (a) Real wage unemployment
  - (b) Deficient-demand unemployment
  - (c) Frictional unemployment
  - (d) Structural Unemployment

7. Which of the following statement is true about average cost function
- (a)  $ATC = AFC - AVC$
  - (b)  $AVC = AFC + ATC$
  - (c)  $AFC = ATC + AVC$
  - (d)  $ATC = AFC + AVC$

8. The output and cost pattern of a product are given below

Output (q)	0	1	2	3	4	5
Total in ₹Cost (Tc)	35	42	53	08	75	88

From the above details what is the fixed cost or sunk cost

- (a) ₹25
  - (b) ₹17.5
  - (c) ₹22
  - (d) ₹35
9. The relationship between the labour hour worked and total output relationship in respect of a product is given below

Hours of labour worked	Total output	Marginal/ incremental output
0	0	0
1	50	50
2		60
3	175	
4		65
5	300	
6	355	55
7	350	-5
8	340	-10

From the above details what is the average output per hour when 2 hours of labour are deployed

- (a) 55
  - (b) 50
  - (c) 60
  - (d) 65
10. If the price of burger rises from ₹12 per piece to ₹20 per piece as a result of which the daily sales decreases from 300 to 200 pieces per day. The price elasticity of demand can be estimated as
- (a) 0.5
  - (b) 0.8
  - (c) 0.25
  - (d) 2.10



11. **Which of the following is a factor that affects delegation of authority from the delegant's aspect?**
  - (a) Love for authority
  - (b) Fear of exposure
  - (c) Experiences of the superior
  - (d) Fear of criticism
  
12. **Standing plans that furnish broad guidelines for channeling management thinking in specified direction are called**
  - (a) Single-use plans
  - (b) Programs
  - (c) Procedures
  - (d) Policies
  
13. **Allocating extrinsic rewards for behaviour that has been previously intrinsically rewarded tends to decrease the overall level of motivation, and is called:**
  - (a) Reward Evaluation Theory
  - (b) Extrinsic Evaluation Theory
  - (c) Cognitive Evaluation Theory
  - (d) Intrinsic Evaluation Theory
  
14. **The \_\_\_\_\_ style of leadership is where the focus of power is with the manager. The manager alone exercises decision-making, authority and the control of rewards or punishments.**
  - (a) democratic
  - (b) laissez-faire
  - (c) authoritarian
  - (d) None of the above
  
15. **The difference between an e-business enhanced organization and an e-business enabled organization is:**
  - (a) Only an e-business enhanced organization uses the Internet.
  - (b) Only an e-business enhanced organization relies on an intranet.
  - (c) Only e-business enhanced organizations use e-business tools and applications.
  - (d) Only e-business enhanced organizations have e-business units within their organization.
  
16. **Which of the following is NOT associated with learning organizations or knowledge management?**
  - (a) COIN
  - (b) A recommended response to a rapidly changing world.
  - (c) Systematic gathering and sharing of useful information.
  - (d) PSTN
  
17. **Budgeting, paying the bills, and collection of funds are activities associated with the**
  - (a) management function
  - (b) finance/accounting function
  - (c) production/operations function
  - (d) staffing function



18. Which of the following would not be an operations function in a fast-food restaurant?
- (a) making hamburgers and fries
  - (b) advertising and promotion
  - (c) maintaining equipment
  - (d) designing the layout of the facility
19. The theory that an individual tends to act in a certain way, with the expectation that the act will be followed by a given outcome and according to the attractiveness of the outcome is \_\_\_\_.
- (a) Equity theory
  - (b) Three-needs theory
  - (c) Motivation-hygiene theory
  - (d) Expectancy theory
20. Leaders who inspire followers to transcend their own self-interests for the good of the organization, and are capable of having a profound and extraordinary effect on followers are \_\_\_\_ leaders.
- (a) Transactional
  - (b) Transformational
  - (c) Democratic
  - (d) Autocratic

## Paper 2: Fundamentals of Accounting (FOA)

1. Withdrawal of goods from stock by the owner of the business for personal use should be recorded by
- (a) Debiting Stock Account and crediting Capital Account
  - (b) Debiting Capital Account and crediting Drawings Account
  - (c) Debiting Drawings Account and Crediting Stock Account
  - (d) Debiting Stock Account and Crediting Drawings Account
2. The Periodical total of the Sales Return Book is posted to the
- (a) Debit of Sales Account
  - (b) Debit of Sales Return Account
  - (c) Credit of Sales Return Account
  - (d) Debit of Debtors Account
3. The process of balancing of an account involves equalization of both sides of the account. If the debit side of an account exceeds the credit side, the difference is put on the credit side. The said balance is
- (i) A Debit balance
  - (ii) A Credit balance
  - (iii) An expenditure or an Asset
  - (iv) An Income or a Liability
- (a) Only (ii) above
  - (b) Only (iv) above
  - (c) Both (i) and (iii) above
  - (d) Both (ii) and (iii) above



4. **If Machinery Account is debited with the amount of repairs incurred on the machine, this is an example of**
- (a) Compensating error
  - (b) Error of principle
  - (c) Error of commission
  - (d) Error of omission
5. **While checking the accounts of ABC the following discrepancies were noticed, even though the Trial Balance was made to balance by putting the difference to Suspense A/c.**
- (i) Sales day book for the month of June'12 was found overcast by ₹ 7,000.
  - (ii) A credit purchase of ₹ 3,000 was omitted to be recorded in the days book.
  - (iii) ₹ 4,300. Received from A credited to A A/c ₹ 3,400.
  - (iv) Purchase of Office Equipment worth ₹ 5,000 included in trading purchases.
- From the above details what would have been the difference in Trial Balance which was made to balance by opening Suspense A/c.**
- (a) Debit side short by ₹ 9,100
  - (b) Credit side short by ₹ 9,100
  - (c) Debit side more by ₹ 7,900
  - (d) Credit side more by ₹ 6,100
6. **Which of these types of expenditure would not be treated as a Capital Expenditure**
- (a) Acquisition of an Asset
  - (b) Extension of an Asset
  - (c) Improvement of the existing Asset
  - (d) Maintenance of the Asset
7. **Difference in Bank Balance as per Pass Book and Cash Book may arise on account of**
- (a) Cheque issued but not presented
  - (b) Cheque issued but dishonoured
  - (c) Cheque deposited and credited by bank
  - (d) All of (a) and (b) above
8. **Which of the following accounts appear(s) in the Balance Sheet of a business?**
- i. Stock at the end of the financial year
  - ii. Stock at the beginning of the financial year
  - iii. Drawings
  - iv. Prepaid Rent
  - v. Interest received but not yet earned
- (a) Only (i) above
  - (b) Only (iii) above
  - (c) Both (i) and (iii) above
  - (d) (i), (iii), (iv) and (v) above



9. **Computers taken on hire by a business for a period of twelve months should be classified as**
- (a) Current assets
  - (b) Intangible assets
  - (c) Deferred revenue expenditure
  - (d) Not an asset

10. **Tick the correct match**

A		B	
1.	Current Asset	1.	Depreciation
2.	Nominal A/c	2.	Land
3.	Non Depreciable Asset	3.	Insurance A/c
4.	Non Cash Expense	4.	Prepaid Rent A/c

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

11. **Closing Stock lying unsold with the consignee is valued at—**

- (a) Cost Price
- (b) Market Price
- (c) Realizable Price
- (d) Least of cost or net realizable value

12. **An amount of ₹6,000 is credited twice in the bank column of cash book. Taking credit balances as per pass book as the starting point what adjustment needs to be done to arrive at the balance as per cash book**

- (a) ₹12,000 add to the balance as per pass book
- (b) Add ₹8,000 to the balance as per cash book
- (c) Deduct ₹6,000 from the balance as per pass book
- (d) Add ₹4,000 to the balance as per pass book

13. **The cost data pertaining to Product "X" of XL Ltd. are as follows :**

Maximum capacity	30,000 units
Normal capacity	15,000 units
Increase in inventory	1,880 units
Variable cost per unit	₹ 12
Selling price per unit	₹ 50
Fixed manufacturing overhead costs	₹ 3,60,000

**If the profit under Absorption costing method is ₹ 1,01,000, the profit under Marginal costing method would be**

- (a) ₹ 1,46,120
- (b) ₹ 1,23,560
- (c) ₹ 55,880
- (d) ₹ 73,340

14. **What would be the margin of safety ratio based on the following information?**

Sales price	= ₹ 100 per unit
Variable cost	= ₹ 25 per unit
Fixed cost	= ₹ 50 per unit



- (a) 25%  
(b) 33.333%  
(c) 66.666%  
(d) 75%
15. Which of the following loss is not included as part of the cost of transferred or finished goods, but rather treated as a period cost?  
(a) Operating loss  
(b) Abnormal loss  
(c) Normal loss  
(d) Non-operating loss
16. Mr. Aslam is running his own personal Financial services business. He has been offered a job for a salary of ₹ 45,000 per month which he does not availed. ₹ 45,000 will be considered as:  
(a) Sunk Cost  
(b) Opportunity cost  
(c) Avoidable cost  
(d) Historical cost
17. The component of Factory overhead are as follow  
(a) Direct material + Indirect material + Direct expenses  
(b) Indirect material + Indirect labor + Others indirect cost  
(c) Direct material + Indirect expenses + Indirect labor  
(d) Direct labor + Indirect labor + Indirect expenses
18. If a predetermined FOH rate is not applied and the volume of production is reduced from the planned capacity level, the cost per unit expected to:  
(a) Remain unchanged for fixed cost and increase for variable cost  
(b) Increase for fixed cost and remain unchanged for variable cost  
(c) Increase for fixed cost and decrease for variable cost  
(d) Decrease for both fixed and variable costs
19. Bharat Ltd estimated that during the year 75,000 machine hours would be used and it has been using an overhead absorption rate of ₹ 6.40 per machine hour in its machining department. During the year the overhead expenditure amounted to ₹ 472,560 and 72,600 machine hours were used. Which one of the following statements is correct?  
(a) Overhead was under-absorbed by ₹ 7,440  
(b) Overhead was under-absorbed by ₹ 7,920  
(c) Overhead was over-absorbed by ₹ 7,440  
(d) Overhead was over-absorbed by ₹ 7,920
20. The following data relate to two output levels of a department :
- |               |          |          |
|---------------|----------|----------|
| Machine hours | 17,000   | 18,500   |
| Overheads (₹) | 2,46,500 | 2,51,750 |
- The variable overhead rate per hour is ₹ 3.50. The amount of fixed overheads is:  
(a) ₹ 5,250  
(b) ₹ 59,500  
(c) ₹ 1,87,000  
(d) ₹ 2,46,500



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

1. **The issue of fraudulent asset valuation is included in**
  - (a) Ethics in compliance
  - (b) Ethic in finance
  - (c) Ethics in marketing
  - (d) Ethics in production
  
2. **Invariably business have unethical practice because**
  - (a) Of government
  - (b) Fear of tax
  - (c) Greed
  - (d) None of the above
  
3. **An accident report shall be confirmed by the manager by sending a separate report in Form No.18 with details of number of person killed or injured to the inspector of factory within ..... hrs of the accident.**
  - (a) 24 hr
  - (b) 30hr
  - (c) 18 hr
  - (d) 12 hr
  
4. **What do you mean by wages?**
  - (a) Remuneration by way of salaries , Allowances , Expressed in terms of money
  - (b) Remuneration by way of salaries , Allowances , Expressed in terms of monetary
  - (c) Remuneration by way of salaries , Allowances , P.F Expressed in terms of money
  - (d) Remuneration by way of salaries , gratuity Allowances , Expressed in terms of money
  
5. **From economic and ..... point of view woman was subject to man.**
  - (a) Economically
  - (b) Logically
  - (c) Social
  - (d) Historical
  
6. **The rule nemo dat quod non habet means:**
  - (a) No-one should interfere in another's business
  - (b) No-one should be retained in a partnership against his will
  - (c) No-one can give what he has not got
  - (d) None of these
  
7. **A notice of protest under section 102 of the Negotiable Instruments Act, 1881**
  - (a) may be given by the notary public who makes the protest
  - (b) must always be given by the notary public who makes the protest
  - (c) must be given by the holder
  - (d) none of the above





8. **Under section 118 of the Negotiable Instruments Act, 1881, it is presumed, until the contrary is proved, that every transfer of a negotiable instrument was made**
- (a) after its maturity
  - (b) before its maturity
  - (c) at its maturity
  - (d) none of the above
9. **If a contract of sale stipulates that price will be fixed by a third party on valuation of the goods, and the third party shows inability to do so, then,**
- (a) the agreement is void
  - (b) the buyer shall pay reasonable price
  - (c) the buyer shall pay market price
  - (d) the agreement is valid
10. **Where goods are known to be dangerous to the seller, and he also knows that the buyer is ignorant about it, there is an implied warranty**
- (a) that buyer must be informed about the dangerous nature of goods
  - (b) that the buyer must examine the goods before taking delivery
  - (c) the seller must warn the buyer
  - (d) both 'a' and 'c'
11. **It is necessary to determine the precise moment of time at which the ownership of goods passes from seller to the buyer because**
- (a) risk passes with property
  - (b) action can be taken only by the owner
  - (c) suit for price by the seller does not lie unless the property has passed to the buyer
  - (d) all the above
12. **In case of carriage of goods by sea, where the seller has to deliver the goods to the buyer at the port of destination, the contract is known as**
- (a) F.O.B. Contract
  - (b) CLE Contract
  - (c) Ex-ship Contract
  - (d) FAS Contract
13. **A firm in steel business has 15 partners. It wants to include 15 more persons:**
- (a) It can admit 15 more partners.
  - (b) It can enter into partnership with a firm consisting of 15 partners in order to enjoy the same effect.
  - (c) Both of above
  - (d) None of above
14. **The principle of.....is applicable to partners in a partnership:**
- (a) Uberrimae fidei/Utmost Good Faith
  - (b) Ultimate Trust
  - (c) Insurable Interest
  - (d) Blind Faith



- 15. Which of the following statements is true in respect of an HUF :**
- (a) A member of HUF can ask for an account of past profits
  - (b) On the death of a co-parcener the family business is dissolved
  - (c) A coparcener is liable to extent of his share in the family state
  - (d) A coparcener is an agent of another coparcener
- 16. After a firm is dissolved, every partner or his representative may restrain any other partner or his representative from carrying on similar business in the firm's name or by using firm's property for own benefit, until:**
- (a) The affairs of the firm are completely wound up
  - (b) Dissolution of the firm
  - (c) Date of public notice of dissolution
  - (d) Date of signing of dissolution deed
- 17. An advertisement for sale goods by auction**
- (a) Amounts to an invitation to offer
  - (b) Amounts to an offer to hold such sale
  - (c) Amounts to an implied offer
  - (d) Amount to a general offer
- 18. Communication of offer is complete when**
- (a) It comes to the knowledge of the offeree
  - (b) It is posted to the offeree
  - (c) When the offeror writes the letter but does not post it
  - (d) None of the above
- 19. Which of the following statements is false in respect of formal contract?**
- (a) It should be in a particular form
  - (b) It should be in writing and witnessed
  - (c) It should have consideration
  - (d) Consideration is not necessary
- 20. A contract or an obligation to perform a promise could arise in the following ways**
- (a) By agreement and contract
  - (b) By standard form of contracts
  - (c) By promissory estoppel
  - (d) None of the above



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

- Two numbers are in the ratio is 5 : 8 and if 6 be subtracted from each of them then the remainders are in the ratio 1 : 2, then the numbers are :
  - 15, 12
  - 12, 18
  - 15, 24
  - None of these
- If the first and third numbers of four positive numbers in continued proportion be 3 and 12 respectively then fourth number is
  - 27
  - 36
  - 48
  - None of these
- If  $\frac{(2^{x+1})^y \cdot (2^{2x})2^x}{(2^{y+1})^x \cdot 2^{2y}} = 1$ , then the value of y is :
  - 0
  - 1
  - X
  - 2X
- If it rains on Republic Day parade an Auto Riksha earns ₹ 240, on the other hand it does not rain he losses ₹ 60. The probability of rain on Republic Day parade is 0.6. What is the value of expected income of an Auto Riksha on Republic Day parade.
  - ₹ 150
  - ₹ 45
  - ₹ 120
  - ₹ 10
- If  $\frac{(x - \sqrt{24})(\sqrt{75} + \sqrt{50})}{\sqrt{75} - \sqrt{50}} = 1$ , then the value of X is:
  - 6
  - 5
  - 8
  - None of these
- If  $x \propto a^2$ , then  $a \propto \dots\dots$ 
  - $x^4$
  - $\sqrt{x}$
  - $\frac{1}{\sqrt{x}}$
  - None of these



7. If  ${}^n C_6 : {}^{n-3} C_3 = 33 : 4$ , then  $n$  :
- (a) 9
  - (b) 10
  - (c) 11
  - (d) None of these
8. The value of  $\log_{\sqrt{2}} 32$  is :
- (a)  $\frac{5}{2}$
  - (b) 5
  - (c) 10
  - (d)  $\frac{1}{10}$
9. The point, ----- is on the line  $Y=2X-3$  .....
- (a) (2,-1)
  - (b) (4,3)
  - (c) (4,5)
  - (d) (3,-1)
10. For the line  $2X-Y=5$  if  $X=4$  then  $Y=$  .....
- (a) 2
  - (b) 3
  - (c) -1
  - (d) 0
11. On deduction of 1 from the numerator of a fraction it becomes equal to  $\frac{2}{3}$ , however if 2 is deducted from the denominator it becomes equal to 1. The number is.....
- (a)  $\frac{5}{9}$
  - (b)  $\frac{7}{9}$
  - (c)  $\frac{7}{8}$
  - (d)  $\frac{3}{5}$
12. If 2 is added to numerator and deducted from the denominator it becomes equal to 1, on the other hand if 3 is added to denominator and 3 is added to numerator it becomes equal to  $\frac{1}{3}$ . The number is .....
- (a)  $\frac{4}{9}$
  - (b)  $\frac{7}{10}$
  - (c)  $\frac{8}{12}$
  - (d)  $\frac{9}{15}$
13. Two groups of 10 and 15 observations have means 10 and 20 respectively. Then grouped mean is
- (a) 15
  - (b) 16
  - (c) 14
  - (d) none of these



14. Geometric mean of first group of five observations is 8 and that of second group of 4 observations is  $128\sqrt{2}$ . Then grouped geometric mean is
- (a) 64
  - (b)  $32\sqrt{2}$ ,
  - (c) 32
  - (d) None of these

15. If two groups with 2 and 3 observations have harmonic means  $\frac{2}{5}$ , and  $\frac{1}{5}$ , respectively then combined harmonic mean of 5 observations is

- (a)  $\frac{1}{2}$ ,
- (b)  $\frac{1}{4}$ ,
- (c)  $\frac{1}{3}$ ,
- (d) none of these

16. If the regression coefficient  $b_{xy}$  is 2.5, what is the value of a in the given equation  $2X = aY + 12.6$
- (a) 4
  - (b) 2.5
  - (c) 5.0
  - (d) 3.32

17. If the regression coefficient  $b_{xy}$  is 2.0, what is the value of a in the given equation  $2.9X = aY + 15$
- (a) 5.8
  - (b) 2.9
  - (c) 6.18
  - (d) 4.32

18. Average rainfall in Andhra = 40.0cm, standard deviation of rainfall = 3.0cm, Mean of Paddy yield = 800qt, standard deviation of paddy production = 10qt, correlation = 0.6, the estimate of production of paddy in 2007 corresponding to the estimate of 72cm rainfall is.....
- (a) 772qt
  - (b) 753.84Qt
  - (c) 641.90Qt
  - (d) 978

19. A company produces two items X and Y. Both the items are produced in two machines I and II. The total time available in each machine and the time required for each product in each machine are given below:

MACHINE	X	Y	TIME
Available (Hours)			
I	3	1	20
II	3	4	40

This situation can be expressed in the following set of linear equation:



(a)  $2x+y \leq 20$   
 $3x+4y \leq 40$   
 $x \geq 0, y \geq 0$

(b)  $x+y \leq 20$   
 $x+4y \leq 240$   
 $x \geq 0, y \geq 0$

(c)  $2x+4 \leq 20$   
 $3x+4y \geq 40$   
 $x \geq 0, y \geq 0$

(d)  $2x+3y \geq 20$   
 $x+y \leq 40$   
 $x \geq 0, y \geq 0$

20. A and B decides to meet at 2 to 3 PM, but agrees that they would not wait more than 10 minutes for each other. The probability that they actually meet is .....

- (a) 10/36
- (b) 11/36
- (c) 25/36
- (d) 26/36

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

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

### Paper 2: Fundamentals of Accounting (FOA)

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



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

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

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

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

*Thank You*