

Exam Name : GDMM Paper 3 Business Economics & Financial Accounting

Total Questions : 50

Q.1 An increase in supply _____ the price and _____ the quantity demanded.

Marks: 2

Question ID:
5226805

No	Options Details	Select Option
1	lowers, raises	
2	raises, lowers	
3	lowers, lowers	
4	raises, raises	

Q.2 A businessman opportunity should be accepted if it has _____ net present value.

Marks: 2

Question ID:
5226806

No	Options Details	Select Option
1	zero	
2	positive	
3	negative	
4	constant	

Q.3 In a monopolistic competition, a business obtains its maximum-profit position where

Marks: 2

Question ID:
5226807

No	Options Details	Select Option
1	MR > MC	
2	MR	
3	MR = MC	
4	MR + MC = 1	

Q.4 The fundamental concept of Economics about resources is that the resources are

Marks: 2

Question ID:
5226808

No	Options Details	Select Option
1	equally distributed	
2	unequally distributed	
3	scarce	
4	unlimited	

Q.5 Consider a world without scarcity of resources. Then what would be the consequences?

Marks: 2

Question ID:
5226809

No	Options Details	Select Option
1	All prices would be zero	
2	Markets would be unnecessary	
3	Economics would no longer be a useful subject	
4	All of the above	

Q.6 Who is considered the founder of Microeconomics?

Marks: 2

Question ID:
5226810

No	Options Details	Select Option
1	Adam Smith	
2	John Keynes	
3	Friedrich Hayek	
4	Milton Friedman	

Q.7 Who is considered the founder of modern Macroeconomics?

Marks: 2

Question ID:

5226811

No	Options Details	Select Option
1	Adam Smith	
2	John Keynes	
3	Friedrich Hayek	
4	Milton Friedman	

Q.8 When analyzing the impact of a variable on the economic system, the other things

Marks: 2

Question ID:

5226812

No	Options Details	Select Option
1	must be kept constant	
2	must also be analyzed	
3	must not be taken into consideration	
4	none of these	

Q.9 Inputs are combined with technology to produce outputs. The fundamental inputs (also called factors of production) are **Marks: 2**

Question ID:
5226813

No	Options Details	Select Option
1	land and capital	
2	land and labor	
3	land, labor, and capital	
4	land, labor, capital, and investment	

Q.10 Goods produced to produce yet other goods is called

Marks: 2
Question ID:
5226814

No	Options Details	Select Option
1	final goods	
2	capital	
3	investment	
4	resources	

Q.11 ___ is the art of recording, classifying and summarizing in a significant manner, and in terms of money transactions and events which are in part at least, of a financial character and interpreting the results thereof.

Marks: 2

Question ID:
5226815

No	Options Details	Select Option
1	Journal Entry	
2	Ledger	
3	Accounting	
4	None	

Q.12 Any form of accounting which enables a business to be conducted more efficiently can be regarded as ___ accounting.

Marks: 2

Question ID:
5226816

No	Options Details	Select Option
1	Financial	
2	Management	
3	Cost	
4	None	

Q.13 Inflation accounting is also called ____

Marks: 2

Question ID:

5226817

No	Options Details	Select Option
1	Revaluation	
2	Replacement	
3	None	
4	All	

Q.14 A process of accounting that recognizes the impact of transactions on the financial statements in the time periods when revenues and expenses occur instead of when cash is received or disbursed is called ____ basis

Marks: 2

Question ID:

5226818

No	Options Details	Select Option
1	Accrual	
2	Cash	
3	None	
4	a & b	

Q.15

A process of accounting where revenue and expense recognition would occur when cash is received and disbursed is called ____

Marks: 2

Question ID: 5226819

No	Options Details	Select Option
1	Cash	
2	Accrual	
3	None	
4	a & b	

Q.16

____ they are the present obligations arising from past events. It also arises when an asset is created or acquired.

Marks: 2

Question ID: 5226820

No	Options Details	Select Option
1	Asset	
2	Liabilities	
3	Equity	
4	All	

Q.17 ____ is an increase in economic benefits during the accounting period in the form of inflows or enhancements of assets or a decrease in liabilities, thereby increases equity and net worth.

Marks: 2

Question ID:
5226821

No	Options Details	Select Option
1	Income	
2	Equity	
3	Expenses	
4	None	

Q.18 ____ is a residual interest in the assets after deducting liabilities

Marks: 2

Question ID:
5226822

No	Options Details	Select Option
1	Income	
2	Equity	
3	Expenses	
4	None	

Q.19 ___ concept implies that each transaction and event must be expressible in monetary terms

Marks: 2

Question ID:
5226823

No	Options Details	Select Option
1	Money measurement	
2	Business Entity	
3	Going Concerned	
4	None	

Q.20 ___ implies that a business unit is separate and distinct from the person who owns or controls it

Marks: 2

Question ID:
5226824

No	Options Details	Select Option
1	Money measurement	
2	Business Entity	
3	Going Concerned	
4	None	

Q.21 What is the function of a central bank (or a state bank)?

Marks: 2

Question ID:

5226825

No	Options Details	Select Option
1	taking deposits from the people	
2	implementing monetary policy	
3	lending to businesses	
4	determining inflation and tax rates	

Q.22 The branch of economics concerned with overall performance of the economy is known as

Marks: 2

Question ID:

5226826

No	Options Details	Select Option
1	Microeconomics	
2	Macroeconomics	
3	Econometrics	
4	Keynesian Economics	

Q.23 The branch of economics concerned with the use of statistical methods to obtain empirical results for economic relations is known as

Marks: 2

Question ID:
5226827

No	Options Details	Select Option
1	Microeconomics	
2	Macroeconomics	
3	Econometrics	
4	Keynesian Economics	

Q.24 The branch of economics concerned with the behavior of markets, firms, and households is known as

Marks: 2

Question ID:
5226828

No	Options Details	Select Option
1	Microeconomics	
2	Macroeconomics	
3	Econometrics	
4	Bayesian Economics	

Q.25

An economy is producing efficiently when no individual's economic welfare can be improved unless

Marks: 2**Question ID:**

5226829

No	Options Details	Select Option
1	supply is increased	
2	demand is increased	
3	someone else is improved	
4	someone else is made worse off	

Q.26

Taxes are used to discourage _____ of a commodity.

Marks: 2**Question ID:**

5226830

No	Options Details	Select Option
1	consumption	
2	production	
3	saving	
4	inflation	

Q.27 The three fundamental economic problems every human society must confront and resolve are

Marks: 2

Question ID:
5226831

No	Options Details	Select Option
1	what, how and when	
2	what, where and when	
3	what, how, and for whom	
4	how, where, and for whom	

Q.28 The three fundamental economic problems of what, how, and for whom are solved by

Marks: 2

Question ID:
5226832

No	Options Details	Select Option
1	supply	
2	demand	
3	consumption	
4	markets	

Q.29 Fiscal policy consists of government's

Marks: 2

Question ID:
5226833

No	Options Details	Select Option
1	revenue and taxation	
2	taxation and credit control	
3	expenditure and investment	
4	expenditure and taxation	

Q.30 Which economic term is used to measure the overall performance of an economy?

Marks: 2

Question ID:
5226834

No	Options Details	Select Option
1	GDP	
2	GNP	
3	Gini	
4	HDI	

Q.31 ____concept tells that to recognize revenue it has to be realized.

Marks: 2

Question ID:
5226835

No	Options Details	Select Option
1	Accrual concept	
2	Matching concept	
3	Realization concept	
4	None	

Q.32 The conventions, concepts, rules and procedures that together make up accepted accounting practice at any given time are called ____

Marks: 2

Question ID:
5226836

No	Options Details	Select Option
1	AICPA	
2	GAAP	
3	GAPA	
4	None of the above	

Q.33 ____ is the after-tax cash flow generated by a business minus the cost of the capital it has deployed to generate that cash flow.

Marks: 2

Question ID:
5226837

No	Options Details	Select Option
1	EVA	
2	GAAP	
3	AICPA	
4	None of the above	

Q.34 Prepaid Insurance A/cis ____ A/c

Marks: 2

Question ID:
5226838

No	Options Details	Select Option
1	Real	
2	Personal	
3	Nominal	
4	None	

Q.35 Outstanding wages A/c is ___ A/c

Marks: 2

Question ID:
5226839

No	Options Details	Select Option
1	Personal	
2	Real	
3	Nominal	
4	None	

Q.36 Bad Debts A/c is ___ A/c

Marks: 2

Question ID:
5226840

No	Options Details	Select Option
1	Real	
2	Personal	
3	Nominal	
4	None	

Q.37 The___ accounting system provides a system of checks and balances

Marks: 2

Question ID:

5226841

No	Options Details	Select Option
1	Single Entry	
2	Financial Entry	
3	Double Entry	
4	Triple Entry	

Q.38 It means that cash is received by the business from the proprietor. It results in the immediate receipt of cash

Marks: 2

Question ID:

5226842

No	Options Details	Select Option
1	Antony commenced business with Rs 10,000	
2	Bought goods for cash rs 2,000	
3	Charged commission to Chander rs 100	
4	Sold goods for cashrs1000	

Q.39 ____ is a brief explanation to a journal entry, given below the journal entry, within brackets

Marks: 2

Question ID:
5226843

No	Options Details	Select Option
1	Narration	
2	Ledger	
3	Credit	
4	Debit	

Q.40 ____ is written in a ledger A/c at the time of its closing to indicate that the balance in that A/c has been carried down to the next period.

Marks: 2

Question ID:
5226844

No	Options Details	Select Option
1	c/f	
2	c/d	
3	b/d	
4	b/f	

Q.41 Petty Cashbook is prepared to

Marks: 2

Question ID:
5226845

No	Options Details	Select Option
1	Meet the requirements of small business	
2	Meet the small expenses paid in cash	
3	Cover small and miscellaneous incomes	
4	All of the above	

Q.42 Who draws B/E?

Marks: 2

Question ID:
5226846

No	Options Details	Select Option
1	Debtor	
2	Bank	
3	Fixed asset	
4	Creditor	

Q.43 Commerce is ____

Marks: 2

Question ID:

5226847

No	Options Details	Select Option
1	Industry and trade	
2	Trade and aids to trade	
3	Industry and business	
4	Industry and aids to trade	

Q.44 In the double-entry system, every business transaction affects

Marks: 2

Question ID:

5226848

No	Options Details	Select Option
1	Two sides of the same account	
2	The same side of two accounts	
3	Two accounts only	
4	Two or more accounts	

Q.45 The concept of conservatism takes into account

Marks: 2

Question ID:

5226849

No	Options Details	Select Option
1	All expected income and losses	
2	All expected income but no losses	
3	All expected losses but no expected income	
4	None	

Q.46 Financial position of the business means

Marks: 2

Question ID:

5226850

No	Options Details	Select Option
1	Position about profits and losses	
2	Position about incomes and expenses	
3	Position about liquid funds	
4	What the business owes to others and what it owns at a given point of time	

Q.47 A Bank Reconciliation Statement is a

Marks: 2

Question ID:

5226851

No	Options Details	Select Option
1	Part of Pass Book	
2	Part of Cash Book	
3	Statement prepared by the bank	
4	Statement prepared by the customer	

Q.48 Income from the sale of scrap is usually shown in

Marks: 2

Question ID:

5226852

No	Options Details	Select Option
1	Profit and Loss account	
2	Trading account	
3	Manufacturing account	
4	All of the above	

Q.49 Sales to Ram Rs. 450 posted to his account as Rs. 550 would affect

Marks: 2

Question ID:

5226853

No	Options Details	Select Option
1	Sales account	
2	Ram's account	
3	Cash account	
4	None	

Q.50 Trial Balance contains the balances of

Marks: 2

Question ID:

5226854

No	Options Details	Select Option
1	All real and personal accounts	
2	All personal and nominal accounts	
3	All nominal and real accounts	
4	All accounts	