Exam Name : Business Economics & Accounting

Total Questions : 50

Q.1 Which one of the following major forces control the market system?

Marks: 2

Question ID: 5216013

No	Options Details	Select Option
1	Demand	
2	supply	
3	Both a and b	
4	None of these	

Q.2 Which one of the following assumptions is used to study and analysis of consumer behaviour?

Marks: 2

Question ID: 5216014

No	Options Details	Select Option
1	Decisiveness	
2	Transitivity	
3	Non-satiation	
4	All of these	

Q.3	The utility is the quantity of the utility gained from the consumption of various units of a product by an individual for a given period of time is defined as ________.	**Marks:** 2 **Question ID:** 5216015

No	Options Details	Select Option
1	Ordinal utility	
2	Total Utility (TU)	
3	Marginal utility	
4	Cardinal utility	

Q.4	The law of diminishing marginal utility is valid for which one of these categories of goods?	**Marks:** 2 **Question ID:** 5216016

No	Options Details	Select Option
1	Durable goods	
2	Nondurable goods	
3	Consumer goods	
4	All of these	

Q.5 Who amended and improved the theory of cardinal utility?

Marks: 2

Question ID: 5216017

No	Options Details	Select Option
1	William Stanley Jevons (England)	
2	Gossen (Germany)	
3	Alfred Marshall	
4	Karl Menger (Austria)	

Q.6 Which utility cannot be measured in quantitative terms rather it can be measured in qualitative terms?

Marks: 2

Question ID: 5216018

No	Options Details	Select Option
1	Ordinal utility	
2	Marginal utility	
3	Cardinal utility	
4	Total Utility (TU)	

Q.7 Which one of the following is not a type of capital?

Marks: 2

Question ID: 5216019

No	Options Details	Select Option
1	Physical capital	
2	Money capital	
3	Human capital	
4	None of these	

Q.8 Which one of the following law brings out the relationship between varying factor properties and output?

Marks: 2

Question ID: 5216020

No	Options Details	Select Option
1	Laws of returns	
2	Law of diminishing returns	
3	Law of variable proportions	
4	None of these	

Q.9	Which one of the following statement is not correct regarding production in the long run?	Marks: 2 Question ID: 5216021

No	Options Details	Select Option
1	In this run, input-output relations are studied in the manner that all the inputs to be variable.	
2	It is a period of time where one input is used for production is fixed and there are other variables inputs which can be changed.	
3	It is a period of time in which all inputs used for production and under the control of the producer can be varied.	
4	This input-output relations are studied under Laws of Returns to Scale.	

Q.10 A general equilibrium occurs for the whole system when every individual unit attains equilibrium simultaneously. The producer can be at an equilibrium level under which situations?

Marks: 2

Question ID: 5216022

No	Options Details	Select Option
1	When the price levels remain constant and any quantity of the product can be sold at the set price.	
2	When price levels fall with an increase in output then the producer follows their own prices. The sales can be increased only by reducing prices.	
3	Both a and b	
4	None of these	

Q.11 Which one of the following laws of returns to scale occur when there is an increase in input in the short run while one production variable like labour or capital is kept constant and only applies in the short run because, in the long run, all factors are variable?

Marks: 2

Question ID: 5216023

No	Options Details	Select Option
1	Diminishing returns to scale	
2	Constant returns to scale	
3	Increasing returns of scale	
4	None of these	

Q.12	Which one of the following is an element of cost that refers to the amount or costs incurred in the process of producing final goods or services?	Marks: 2 Question ID: 5216024

No	Options Details	Select Option
1	Material	
2	Labour	
3	Expenses	
4	None of these	

Q.13	Which one of the following is a types of costs under Short-Run Total Cost (SRTC) that is remains constant even when the output is zero and is represented by a straight horizontal line to the x-axis (output)?	Marks: 2 Question ID: 5216025

No	Options Details	Select Option
1	Total Fixed Cost (TFC)	
2	Total Variable cost (TVC)	
3	Average Total Cost	
4	Average Variable Cost	

Q.14 Which one of the following statement is not correct?

Marks: 2

Question ID: 5216026

No	Options Details	Select Option
1	The economies of scale and increasing returns to scale are depicted by the negative slope of the LRAC.	
2	The positive slope of the LRAC curve represents economies of scale or decreasing returns to scale.	
3	The negative slope of the LRMC curve highlights the increasing returns to scale or economies of scale.	
4	The positive slope of LRMC curve represents diseconomies of scale or decreasing returns to scale.	

Q.15 Which one of the following refer to the minimum per unit costs that an organisation achieves by increasing its capacity?

Marks: 2

Question ID: 5216027

No	Options Details	Select Option
1	External economies of scale	
2	Internal diseconomies of scale	
3	Internal economies of scale	
4	External diseconomies of scale	

Q.16	Which one of the following statement is not correct?	Marks: 2 Question ID: 5216028

No	Options Details	Select Option
1	An organisation can maximise the profit by lowering the cost of production or by increasing the revenue.	
2	The total revenue of the organisation divided by the total number of units sold is Average Revenue.	
3	The variation or change in total revenue resulting from the sale of an extra or additional unit is called marginal revenue.	
4	The average revenue is the revenue earned by selling an extra unit of the commodity.	

Q.17	Which one of the following is not a type of business activity?	Marks: 2 Question ID: 5216029

No	Options Details	Select Option
1	Production	
2	Supply	
3	Marketing	
4	Finance	

Q.18	Which one of the following accounting concepts helps in ascertaining actual profit and actual loss during a particular time period?	**Marks:** 2 **Question ID:** 5216030

No	Options Details	Select Option
1	Conservatism concept	
2	Realisation concept	
3	Matching concept	
4	Accrual concept	

Q.19	Which one of the following statements is correct regarding the given accounting models: Economic Transactions--> Accounting Models-->Financial Statements	**Marks:** 2 **Question ID:** 5216031

No	Options Details	Select Option
1	It processes economic transactions to prepare a set of financial statements.	
2	This accounting model states that the assets of a business organisation are equal to liabilities and capital.	
3	Both a and b	
4	None of these	

Q.20 Which one of the following is the statement that summarises, and presents the financial position of an organisation as on a particular date, by showing the assets and liabilities of the organisation?

Marks: 2

Question ID: 5216032

No	Options Details	Select Option
1	Balance sheet	
2	Profit and loss account	
3	Financial statements	
4	Cash flow statement	

Q.21 The Institute of Chartered Accountants of India (ICAI) has provided ______ Accounting Standards, (as on 1st July, 2017) which should be followed while preparing any type of financial statement of an organisation.

Marks: 2

Question ID: 5216033

No	Options Details	Select Option
1	23	
2	27	
3	29	
4	32	

Q.22	Financial ratios are divided into _____ broad categories.	**Marks:** 2 **Question ID:** 5216034

No	Options Details	Select Option
1	two	
2	three	
3	four	
4	five	

Q.23	Which of one of the following ratio measure the efficiency of a firm with which it manages its assets?	**Marks:** 2 **Question ID:** 5216035

No	Options Details	Select Option
1	Leverage ratio	
2	Turnover ratio	
3	Valuation ratio	
4	Profitability ratio	

Q.24	In this comparative analysis, the firm’s financial performance is compared and judged with its competitors and industry groups. It is also known as the cross-section analysis. It is:	Marks: 2 Question ID: 5216036

No	Options Details	Select Option
1	Inter-firm analysis	
2	Time analysis	
3	Both a and b	
4	None of these	

Q.25	The DuPont analysis breaks down the organised equation for ROE into three components. Which one of the following is the equity multiplier?	Marks: 2 Question ID: 5216037

No	Options Details	Select Option
1	Net profit margin	
2	Total asset turnover	
3	Financial leverage	
4	None of these	

Q.26 Which one of the following guidelines are important for analysing financial statements of a firm?

Marks: 2

Question ID: 5216038

No	Options Details	Select Option
1	Use ratios to raise reasonable and logical questions and learn tricks applied by the accountant	
2	Review financial statements of the firm as per the accounting standards	
3	Read notes and keep in mind that a financial statement is the blend of art and science	
4	All of these	

Q.27 In accounting equation, the total amount of assets is always _____ to the sum total of equity and outside liabilities.

Marks: 2

Question ID: 5216039

No	Options Details	Select Option
1	double	
2	equal	
3	greater	
4	lower	

Q.28	_____, the father of accounting, published the first book on double entry system and developed the fundamental accounting model and the T-account format.	**Marks:** 2 **Question ID:** 5216040

No	Options Details	Select Option
1	Benedetto Cotrugli	
2	Piero della Francesca	
3	Luca Pacioli	
4	Fibonacci	

Q.29	Which one of the following statement is not correct?	**Marks:** 2 **Question ID:** 5216041

No	Options Details	Select Option
1	Increases (+) in assets are debits and decreases (-) in assets are credits.	
2	Increases (+) in liabilities are credits and decreases (-) in liabilities are debits.	
3	Increases (+) in capital are credits and decreases (-) in capital are debits.	
4	Increases (+) in expenses/losses are credits and decreases (-) in expenses/losses are debits.	

Q.30	The transactions are first recorded in the book of journal in a ______ order to show which accounts should be debited and which should be credited.	Marks: 2 Question ID: 5216042

No	Options Details	Select Option
1	logical	
2	chronological	
3	hierarchical	
4	mathematical	

Q.31	The book which comprises all the accounts is referred to as a ________.	Marks: 2 Question ID: 5216043

No	Options Details	Select Option
1	ledger	
2	journal	
3	balance sheet	
4	Original book of accounts	

Q.32 Which one of the following is not a sub-system of the overall accounting system of any organisation?

Marks: 2

Question ID: 5216044

No	Options Details	Select Option
1	Financial Accounting	
2	Cost Accounting	
3	Production Accounting	
4	Management Accounting	

Q.33 Which one of the following refers to the department where some product is worked upon in an organisation?

Marks: 2

Question ID: 5216045

No	Options Details	Select Option
1	Product centre	
2	Service centre	
3	Both a and b	
4	None of these	

Q.34	In which of the following costing the overhead rates are calculated by dividing the budgeted yearly overhead by the budgeted annual activity units?	Marks: 2 Question ID: 5216046

No	Options Details	Select Option
1	Process costing	
2	Job costing	
3	Standard costing	
4	None of these	

Q.35	A standard costing committee is usually formed for setting the required standards. Who can be the members of standard costing committee?	Marks: 2 Question ID: 5216047

No	Options Details	Select Option
1	Product manager and production manager	
2	Personnel manager and purchase manager	
3	Sales manager, cost accountant and chief engineer	
4	All of these	

Q.36 Which one of the following costing method is considered to be a more logical method for assigning manufacturing overhead costs to products?

Marks: 2

Question ID: 5216048

No	Options Details	Select Option
1	Activity-Based Costing (ABC) method	
2	Standard costing	
3	Both a and b	
4	None of these	

Q.37 An effective decision-maker determines the optimal solution under which constraints?

Marks: 2

Question ID: 5216049

No	Options Details	Select Option
1	Legal constraints and financial constraints	
2	Infrastructural constraints and technological constraints	
3	Both a and b	
4	None of these	

Q.38 Which one of the following is a type of costs that do not change with the output volume, and the costs curve is a horizontal line?

Marks: 2

Question ID: 5216050

No	Options Details	Select Option
1	Total Fixed Costs	
2	Unit Fixed Costs	
3	Total Variable Costs	
4	Average Variable Costs	

Q.39 Which one of the following determines the relationship between the product volume, costs, revenues, and profits?

Marks: 2

Question ID: 5216051

No	Options Details	Select Option
1	Contribution margin	
2	Break-even analysis	
3	Revenue analysis	
4	None of these	

Q.40	Which one of the following columns is not a part of differential analysis model that is used in production decision making?	Marks: 2 Question ID: 5216052

No	Options Details	Select Option
1	Alternative	
2	Status quo	
3	Difference	
4	Addition	

Q.41	Which of one of the following market condition, the marginal revenue curve lies below the demand curve?	Marks: 2 Question ID: 5216053

No	Options Details	Select Option
1	Perfectly Competitive Market	
2	Imperfectly Competitive Market	
3	Both a and b	
4	None of these	

Q.42 A bank branch of a bank is:

Marks: 2
Question ID: 5216054

No	Options Details	Select Option
1	A cost centre	
2	A revenue centre	
3	A profit centre	
4	An investment centre	

Q.43 On which one of the following factors the production budget depends?

Marks: 2
Question ID: 5216055

No	Options Details	Select Option
1	Sales budget in terms of volume and the time period	
2	The policy of inventory of the organisation	
3	The capacity of production of the organisation	
4	All of these	

Q.44 Budgeted balance sheet displays estimated assets, liabilities, and owners’ equity at the end of the budget period. It is prepared using the:

Marks: 2

Question ID: 5216056

No	Options Details	Select Option
1	Initial balance sheet and profit plan	
2	Capital expenditure budget and cash budget	
3	Investment and financing budget	
4	All of these	

Q.45 Which one of the following variances are caused due to difference between the planned and the actual sales volume?

Marks: 2

Question ID: 5216057

No	Options Details	Select Option
1	Marketing/volume variances	
2	Price variances	
3	Efficiency variances	
4	All of these	

Q.46 Which one of the following is a measure of an investment's rate of return, which excludes external factors, such as inflation, cost of capital and various financial risks?

Marks: 2

Question ID: 5216058

No	Options Details	Select Option
1	Time Value of Money (TVM)	
2	Accounting Rate of Return (ARR)	
3	Internal Rate of Return (IRR)	
4	Net Present Value (NPV)	

Q.47 Economics is a field of social science that deals with the production, distribution and consumption of products and services that are often limited in number.

Marks: 2

Question ID: 5216059

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.48 The First Law of Economics is called the law of competition.

Marks: 2

Question ID: 5216060

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.49 The increase in the population increases demand and the decrease in the population decreases demand.

Marks: 2

Question ID: 5216061

No	Options Details	Select Option
1	TRUE	
2	FALSE	

Q.50	The change in demand happens when the demand for a commodity changes due to the change in any other factor than the price of commodity, which is graphically expressed as the shift in the demand curve.	**Marks:** 2 **Question ID:** 5216062

No	Options Details	Select Option
1	TRUE	
2	FALSE	