

Roll No.

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(Write Roll Number from left side exactly as in the Admit Card)

Signature of Invigilators

1. \_\_\_\_\_

2. \_\_\_\_\_

**0617**

Question Booklet Series

**X**

PAPER-II

Question Booklet No.

(Identical with OMR Answer Sheet Number)

Subject Code : 06

COMMERCE

Time : 1 Hour 15 Minutes

Maximum Marks: 100

*Instructions for the Candidates*

- Write your Roll Number in the space provided on the top of this page as well as on the OMR Sheet provided.
- At the commencement of the examination, the question booklet will be given to you. In the first 5 minutes, you are requested to open the booklet and verify it:
  - To have access to the Question Booklet, tear off the paper seal on the edge of this cover page.
  - Faulty booklet, if detected, should be get replaced immediately by a correct booklet from the invigilator within the period of 5 minutes. Afterwards, neither the Question Booklet will be replaced nor any extra time will be given.
  - Verify whether the Question Booklet No. is identical with OMR Answer Sheet No.; if not, the full set to be replaced.
  - After this verification is over, the Question Booklet Series and Question Booklet Number should be entered on the OMR Sheet.
- This paper consists of fifty (50) multiple-choice type questions. All the questions are compulsory. Each question carries *two* marks.
- Each Question has four alternative responses marked: (A) (B) (C) (D). You have to darken the circle as indicated below on the correct response against each question.

*Example:* (A) (B) (●) (D), where (C) is the correct response.
- Your responses to the questions are to be indicated correctly in the OMR Sheet. If you mark your response at any place other than in the circle in the OMR Sheet, it will not be evaluated.
- Rough work is to be done at the end of this booklet.
- If you write your Name, Roll Number, Phone Number or put any mark on any part of the OMR Sheet, except the space allotted for the relevant entries, which may disclose your identity, or use abusive language or employ any other unfair means, such as change of response by scratching or using white fluid, you will render yourself liable to disqualification.
- Do not tamper or fold the OMR Sheet in any way. If you do so, your OMR Sheet will not be evaluated.
- You have to return the Original OMR Sheet to the invigilator at the end of the examination compulsorily and must not carry it with you outside the Examination Hall. You are, however, allowed to carry question booklet and duplicate copy of OMR Sheet after completion of examination.
- Use only Black Ball point pen.**
- Use of any calculator or mobile phone etc. is strictly prohibited.**
- There are no negative marks for incorrect answers.**

[Please Turn Over]



## COMMERCE

## PAPER II

1. Sampling error decreases as
  - (A) Sample size decreases
  - (B) Population size decreases
  - (C) Sample size increases
  - (D) Population size increases
  
2. The normal distribution is also known as
  - (A) Asymmetric distribution
  - (B) Symmetric distribution
  - (C) Platykurtic distribution
  - (D) Leptokurtic distribution
  
3. If two variables are linearly related, the coefficient of correlation will be
  - (A) + 1
  - (B) - 1
  - (C)  $\pm 1$
  - (D) 0
  
4. For testing goodness of fit we use
  - (A) Normal test
  - (B) t - test
  - (C) F - test
  - (D)  $\chi^2$  - test (chi-square)
  
5. If  $r_{xy} = 0$ , the two regression lines will
  - (A) Coincide
  - (B) Be parallel
  - (C) Perpendicular
  - (D) Intersect
  
6. Giffen goods are those goods
  - (A) For which demand increases as price increases.
  - (B) Which have a high income elasticity of demand.
  - (C) Which are in very short supply.
  - (D) Which have a low cross elasticity of demand.
  
7. The short run average cost curve is U-shaped because of
  - (A) The operation of the representative firm.
  - (B) The existence of the optimum firm.
  - (C) The operation of increasing costs.
  - (D) The operation of the law of variable proportions.
  
8. The sale of branded articles is very common in the situation of
  - (A) Perfect competition
  - (B) Monopoly
  - (C) Monopolistic competition
  - (D) Oligopoly
  
9. Total revenue will be maximum when
  - (A) Price elasticity of demand is equal to one.
  - (B) Price elasticity of demand is less than one.
  - (C) Price elasticity of demand is greater than one.
  - (D) Price elasticity of demand is infinity.
  
10. Price discrimination will be profitable if
  - (A) It is practised under perfect competition.
  - (B) It is practised under monopoly.
  - (C) It is practised under oligopoly.
  - (D) Price elasticity of demand is different under different parts of the market.

**11.** Match the Industrial Policies in *List I* with their respective thrusts in *List II* and select the correct answer using the codes given below the Lists:

<i>List I</i>	<i>List II</i>
(a) Industrial Policy 1948	(i) Bent on developing heavy industry
(b) Industrial Policy 1956	(ii) Breaking the vicious circle inhibited by infrastructural gap and inadequacies of performance
(c) Industrial Policy 1980	(iii) Mixed Economy
(d) Industrial Policy 1977	(iv) Redefining industrial sickness, unemployment, rural-urban disparities

*Codes:*

- |     |       |       |      |
|-----|-------|-------|------|
| (a) | (b)   | (c)   | (d)  |
| (A) | (i)   | (ii)  | (iv) |
| (B) | (i)   | (iii) | (iv) |
| (C) | (iii) | (i)   | (ii) |
| (D) | (iii) | (ii)  | (i)  |

**12.** Which one of the following cannot be attributable to a feature of market economy?

- (A) Free Enterprise
- (B) Existence of Market & Price
- (C) Central Planning
- (D) Entrepreneurial Activism

**13.** Kyoto Protocol Pertains to

- (A) Capital Formation
- (B) Globalisation
- (C) Environmental Protection
- (D) Unemployment Reduction

**14.** Which one of the following was not related to the steps initiated to overcome the deep economic crisis of 1991?

- (A) Fiscal Correction aimed at reducing deficit
- (B) For laying strong foundation of mixed economy
- (C) Abolishing Industrial licensing raj
- (D) Establishing Foreign Investment Promotion Board

**15.** Match factors of Business Environment in *List I* with their respective classifications in *List II* and select correct answers using codes given below the Lists.

<i>List I</i>	<i>List II</i>
(a) Stakeholders	(i) Non-Economic Environment
(b) Marketing Intermediaries	(ii) Macro-Economic Environment
(c) Balance of Payment Situation	(iii) Micro-Economic Environment
(d) Demographic Factors	(iv) Internal Environment

*Codes:*

- |     |      |       |       |
|-----|------|-------|-------|
| (a) | (b)  | (c)   | (d)   |
| (A) | (i)  | (ii)  | (iii) |
| (B) | (i)  | (iv)  | (ii)  |
| (C) | (iv) | (iii) | (ii)  |
| (D) | (iv) | (iii) | (i)   |

**16.** Span of control refers to span of \_\_\_\_\_.

- (A) Authority
- (B) Accountability
- (C) Activity
- (D) Responsibility

17. Maslow's Hierarchy of needs structure comprises of

- (A) Five needs hierarchy
- (B) Seven needs hierarchy
- (C) Three needs hierarchy
- (D) Six needs hierarchy

18. Importance of subordinates role in decision making process refers to

- (A) Centralised Organisation Structure
- (B) Decentralised Organisation Structure
- (C) Matrix Organisation Structure
- (D) Functional Organisation Structure

19. In 'Line and Staff' organisation, the authority lies in

- (A) Line
- (B) Staff
- (C) Both Line and Staff
- (D) Neither Line nor Staff

20. Business ethics deals with

- (A) Personal values in the work-place.
- (B) Corporate values regarding business profitability.
- (C) Integration of personal and corporate values in work-related contexts.
- (D) Values integrating business, society and nature.

21. Product variations refer to the

- (A) Length of the Product portfolio.
- (B) Breadth of the Product portfolio.
- (C) Width of the Product portfolio.
- (D) Depth of the Product portfolio.

22. 'Time' and 'Breadth' dimensions are the two major dimensions of

- (A) Social Marketing
- (B) Sales Management
- (C) Societal Marketing
- (D) Consumerism

23. Consumerism tries to increase

- (A) Rights and powers of consumers
- (B) Rights and powers of sellers
- (C) Rights and powers of distributors
- (D) Rights and powers of government

24. Putting a price tag of Rs. 199/- on any product is

- (A) Premium pricing strategy
- (B) Perceived value pricing strategy
- (C) Psychological pricing strategy
- (D) Skimming pricing strategy

25. Which of the following variables is not used by the marketers for demographic segmentation?

- (A) Gender
- (B) Age
- (C) Income
- (D) Lifestyle

26. X and Y are partners in a firm sharing profits in the ratios of 2 : 1. Z is admitted with a  $\frac{1}{3}$  profit sharing. What will be the new profit sharing ratio of X, Y & Z?

- (A) 3 : 3 : 3
- (B) 4 : 3 : 2
- (C) 4 : 2 : 3
- (D) 2 : 3 : 4

27. Which one of the following will not affect the working capital?

- (A) Realisation of Cash from Debtors
- (B) Sale of Plant and Machinery in Cash
- (C) Issue of Equity Shares
- (D) Redemption of Debentures

28. If margin of safety is Rs. 2,40,000 (40% of sales) and  $\frac{P}{V}$  ratio is 30%. Then fixed cost is

- (A) Rs. 1,08,000
- (B) Rs. 3,60,000
- (C) Rs. 1,80,000
- (D) Rs. 1,00,000

29. ABC Ltd. forfeited 100 shares of Rs. 10 each for non-payment of final call of Rs. 2 each. Out of these 60 shares were re-issued at Rs. 9 per share as fully paid. Amount transferred to Capital Reserve is

- (A) Rs. 400
- (B) Rs. 420
- (C) Rs. 600
- (D) Rs. 480

30. When a partnership is dissolved and the following claims need to be met out of cash received on piece-meal basis, then which is the correct sequence in which these claims have to be met?

- (i) Any partner's loan
- (ii) Capital and Current Account Balances
- (iii) Expenses of Dissolution
- (iv) Outsider's claim

Codes:

- (A) (iii) (iv) (i) (ii)
- (B) (ii) (iii) (i) (iv)
- (C) (i) (ii) (iv) (iii)
- (D) (i) (ii) (iii) (iv)

31. HR plans of any organization does not include

- (A) Personnel plans
- (B) Production plans
- (C) Compensation plans
- (D) Training and development plans

32. Providing Leave Travel Allowance (LTA) to the workers/employees fulfills their

- (A) Basic needs
- (B) Self actualisation needs
- (C) Social needs
- (D) Self-esteem needs

33. An interview, in which we ask about a candidate's behaviour in a certain given situation is

- (A) Situational interview
- (B) Situational test
- (C) Behavioural tests
- (D) Job related questions

34. The term job enlargement means

- (A) Redesigning jobs for workers.
- (B) Assigning additional activities for workers.
- (C) Moving workers from one job to other.
- (D) Increasing the job time.

35. Which one of the following is not usually an example of indirect participation by the employees in participative management?

- (A) Worker-director
- (B) Joint management council member
- (C) Collective bargaining
- (D) Suggestion-box scheme

36. Which of the following committees are related to banking sector reforms in India?

- (A) Narasimham committee and L.C. Gupta committee
- (B) L.C. Gupta committee and Verma committee
- (C) Narasimham committee and Verma committee
- (D) Verma committee and Malhotra committee

37. SIDBI was set up in

- (A) 1989
- (B) 1990
- (C) 1988
- (D) 1991

38. CBS implies

- (A) Core Banking System
- (B) Central Banking System
- (C) Core Banking Solution
- (D) Central Banking Solution

39. In 1969, \_\_\_\_\_ commercial banks were nationalised.

- (A) 6
- (B) 20
- (C) 14
- (D) 11

40. NABARD came into existence on

- (A) July 14, 1982
- (B) June 14, 1982
- (C) June 12, 1982
- (D) July 12, 1982

41. Market values are often used in computing the weighted average cost of capital because

- (A) This is the simplest way to do the calculation.
- (B) This is consistent with the goal of maximising shareholder value.
- (C) This is required by SEBI.
- (D) This is a very common mistake.

42. Two firms that are virtually identical except for their capital structure are selling in the market at different values. According to M & M

- (A) One of the firms will be at greater risk of bankruptcy.
- (B) The firm with greater financial leverage will have the higher value.
- (C) This proves that markets cannot be efficient.
- (D) This situation will not continue for long because arbitrage will eventually cause the firms to sell at the same value.

43. Consider the following statements about the dividend growth model

- (i) The model prices shares on the basis of the present value of expected future dividends.
- (ii) The model relies on the ability to predict a constant future growth rate of dividend payments.
- (iii) The dividend growth model does not accommodate future changes in shareholder's required rate of return.

Choose the correct option from the following:

- (A) (i) and (ii) are correct.
- (B) (ii) and (iii) are correct.
- (C) Only (i) is correct.
- (D) Only (iii) is correct.

44. The dividend irrelevance theorem to share valuation was propounded by

- (A) James E. Walter
- (B) Myron Gordon
- (C) Modigliani and Miller
- (D) David Durand

45. Cost of debt is cheaper than the cost of equity because of the following:

- (i) Interest rate remains fixed as per contract.
- (ii) The amount of interest payment depends on the performance of the firm.
- (iii) Interest payment brings tax savings to the firm.

Choose the correct option from the following:

- (A) (i) and (ii) are correct.
- (B) (i) and (iii) are correct.
- (C) (ii) and (iii) are correct.
- (D) Only (iii) is correct.

46. When managers in an international business consider market segmentation in foreign countries, they need to be cognizant of the differences between countries in the structure of market segments and existence of market segments that

- (A) Exist in the home country.
- (B) Transcend national borders.
- (C) Are divided by gender.
- (D) Are based on home market models.

47. Ultimately \_\_\_\_\_ was replaced by \_\_\_\_\_ on 1st January 1995.

- (A) GATS, WTO
- (B) WTO, GATT
- (C) GATT, WTO
- (D) IMF, GATT

48. The main promoter of trade liberalisation was

- (A) GATT
- (B) NAFTA
- (C) CEPTA
- (D) CISA

49. The first wave of emerging market TNCs made a global appearance because of \_\_\_\_\_.

- (A) Prior connections
- (B) The advantage of low cost labour and raw material
- (C) The search for new markets
- (D) The use of technological advantages

50. Which of the following is not a common feature of direct lending by Exim Bank?

- (A) That they are for medium or long term.
- (B) The size of the loan is high.
- (C) Security is not insisted upon.
- (D) Interest rates are relatively low.



X-9

0617-II

**ROUGH WORK**

*0617-II*

**X-10**

**ROUGH WORK**

**X-11**

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**ROUGH WORK**

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**ROUGH WORK**