

SET 2013
PAPER – II
COMMERCE

Signature of the Invigilator

Question Booklet No.

1.

OMR Sheet No..

Subject Code

ROLL No.

Time Allowed : 75 Minutes

Max. Marks : 100

No. of pages in this Booklet : 08

No. of Questions : 50

INSTRUCTIONS FOR CANDIDATES

1. Write your Roll No and the OMR Sheet No in the spaces provided on top of this page.
2. Fill in the necessary information in the spaces provided on the OMR response sheet.
3. This booklet consists of fifty (50) compulsory questions each carrying 2 marks.
4. Examine the question booklet carefully and tally the number of pages/questions in the booklet with the information printed above. **Do not accept a damaged or open booklet.** Damaged or faulty booklet may be got replaced within the first 5 minutes. Afterwards, neither the Question Booklet will be replaced nor any extra time given.
5. Each Question has four alternative responses marked (A), (B), (C) and (D) in the OMR sheet. You have to completely darken the circle indicating the most appropriate response against each item as in the illustration.



6. All entries in the common OMR response sheet for Papers I and II are to be recorded in the original copy only.
7. Use only Blue/Black Ball point pen.
8. Rough Work is to be done on the blank pages provided at the end of this booklet.
9. If you write your Name, Roll Number, Phone Number or put any mark on any part of the OMR Sheet, except in the spaces allotted for the relevant entries, which may disclose your identity, or use abusive language or employ any other unfair means, you will render yourself liable to disqualification.
10. You have to return the Original OMR Sheet to the invigilators at the end of the examination compulsorily and must not carry it with you outside the Examination Hall. **You are, however, allowed to carry the test booklet and the duplicate copy of OMR Sheet** on conclusion of examination.
11. Use of any calculator, mobile phone or log table etc. is strictly prohibited.
12. **There is no negative marking.**

09-13

COMMERCE
PAPER-II

Note : This paper contains **fifty (50)** objective type questions; each question carrying **two (2)** marks.
Attempt **all** the questions.

1. "In environment, there are external factors, which constantly spin out opportunity and threats to the business firm". Who made this statement ?
(A) William Gluck and Jouch
(B) Copen
(C) Torch
(D) Richman
2. 'CENVAT' is related with :
(A) Special Excise Duty
(B) Money
(C) Foreign Currency
(D) Transport
3. The New Economic Policy 1991 was introduced in :
(A) May 1991
(B) June 1991
(C) July 1991
(D) August 1991
4. Opportunity Cost means :
(A) Cost of a homogeneous product
(B) Cost of the last unit
(C) Cost of next best alternative
(D) Cost of all units produced
5. Who has given the following formula for determining dividend policy ?
$$P = \frac{D + \frac{r(E - D)}{k}}{K}$$

(A) Modigliani-Miller
(B) James E. Walter
(C) Myron Gordon
(D) David Durand
6. Cost of intangible fixed assets are _____ over their useful lives :
(A) Depreciated
(B) Amortized
(C) Charged
(D) Allocated
7. In profit maximization it is assumed that :
(A) Cost function is only known
(B) Both cost and demand functions are known
(C) Cost function is only unknown
(D) Both cost and demand functions are unknown
8. Shift in demand curve occurs due to :
(A) Change in own price of the commodity
(B) Change in only price of other commodity
(C) Change in only relative price of the commodity
(D) Change in any of the parameters of the demand function
9. Price effect is equal to :
(A) Substitution Effect (S.E.) – quantity demanded (q) × Income Effect (I.E.)
(B) I.E. – Q × S.E.
(C) Q × I.E. – S.E.
(D) S.E. + Q × I.E.
10. Frequency density corresponding to a class is its :
(A) Frequency divided by the class width
(B) Frequency multiplied by the class width
(C) Frequency divided by the class interval
(D) Frequency multiplied by the class interval

11. Which of the following pairs is known as probability sampling ?
- (A) Purposive sampling and stratified sampling
 - (B) Purposive sampling and judgment sampling
 - (C) Multi-stage sampling and judgment sampling
 - (D) Multi-stage sampling and stratified sampling
12. In case of normal distribution the value of the kurtosis co-efficient, γ is :
- (A) Positive
 - (B) Negative
 - (C) Zero
 - (D) Exactly equal to three
13. Indexing is an important :
- (A) Method of filing
 - (B) Method of maintaining books of account
 - (C) Aid to filing
 - (D) Method of maintaining statistical books
14. The oldest form of business organisation is :
- (A) Partnership
 - (B) Sole proprietorship
 - (C) Joint stock company
 - (D) Co-operative
15. Partnership may come into existence :
- (A) By the operation of the law
 - (B) By an expressed agreement
 - (C) By an expressed or implied agreement
 - (D) By inheritance of property
16. The philosophy of the marketing concept may be best described by :
- (A) 'Exchange-and-Earn'
 - (B) 'Convenience and Sell'
 - (C) 'Produce and trade'
 - (D) 'Sense and Respond'
17. Aim of 'Relationship marketing' is to :
- (A) Establish relationship with the market
 - (B) Establish relationship with the customers
 - (C) Establish relationship with wealthy people
 - (D) Establish relationship with customers, suppliers, distributors and other marketing partners
18. Generic strategies suggested by Michael Porter are :
- (A) Marketing, technology and sourcing
 - (B) Technology, production and marketing
 - (C) Cost leadership, differentiation and focus
 - (D) Technology leadership, sourcing and marketing
19. Which of the following sources of funds has an Implicit Cost of Capital ?
- (A) Equity Share Capital
 - (B) Preference Share Capital
 - (C) Debentures
 - (D) Retained Earnings
20. Debt financing is a cheaper source of finance because of :
- (A) Time-value of money
 - (B) Rate of interest
 - (C) Tax-deductibility of interest
 - (D) Dividend not payable to lenders

21. In order to find out Cost of Equity under CAPM, which of the following is not required ?
- (A) Beta factor
 (B) Market rate of return
 (C) Market price of equity share
 (D) Risk-free rate of interest
22. Which principle of management is violated by matrix organization structure ?
- (A) Division of labour
 (B) Unity of direction
 (C) Unity of command
 (D) Unity of labour
23. Which of the following decreases group cohesiveness ?
- (A) Agreement on group goals
 (B) Frequency of interaction
 (C) Large group size
 (D) Small group size
24. Which one of the following does not come under the functions of Human Resource Management ?
- (A) Planning
 (B) Organising
 (C) Recruitment
 (D) Profitability
25. SIDBI was set up under an act of Parliament known as :
- (A) The SIDBI Act, 1988
 (B) The SIDBI Act, 1989
 (C) The SIDBI Act, 1990
 (D) The SIDBI Act, 1991
26. The full form of IDFC is :
- (A) Infrastructure Development Financial Company Limited
 (B) Infrastructure Development Finance Corporation
 (C) Industrial Development Finance Company Limited
 (D) Industrial Development Finance Corporation
27. 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
28. The head office of the Exim Bank is in :
- (A) New Delhi
 (B) Mumbai
 (C) Kolkata
 (D) Chennai
29. Which of the following is not the characteristic of the SDR ?
- (A) It is an international currency
 (B) It is not backed by any national currency
 (C) It is backed by gold
 (D) It can be used as a reserve currency
30. Unrequited transfers are entered in the :
- (A) Current account of the Balance of Payments
 (B) Capital account of the Balance of Payments
 (C) Trade account of the Balance of Payments
 (D) Accommodating part of the Balance of Payments

31. In which year 15 Banks were nationalized in India ?
- 1973
 - 1976
 - 1969
 - 1971
32. Performing assets means :
- Money at Call and Short Notice
 - Cash Balance
 - Cash Balance with RBI
 - Those loans and advances which generate income
33. Material Cost Variance is due to :
- Change in price of material
 - Change in quantity used
 - Change in material mix
 - All of the above
34. Profit will be the same under absorption costing and marginal costing only when :
- There is no opening or closing stocks
 - There is only closing stocks
 - There is only opening stocks
 - Opening stocks are lower than closing stocks
35. Law of variable proportions is :
- A short-run law of utility function
 - A long-run law of utility function
 - A short-run law of production
 - A long-run law of production
36. In monopolistic competition transacted goods are :
- Homogeneous
 - Differentiated
 - Complementary to each other
 - Not substitutable
37. Any hypothesis is tested under :
- Null hypothesis, H_0
 - Alternative hypothesis, H_1
 - Both null and alternative hypotheses
 - Both type-I and type II errors
38. Given $r_{13} = 0.7$, $r_{23} = 0.8$ and $r_{12} = 0.6$, the value of $r_{12,3}$ is :
- 0.9304
 - 0.9034
 - 0.9340
 - 0.0934
39. An association of persons becomes partnership :
- When its purpose is to carry on some charitable work
 - When its purpose is to render welfare services
 - When its objective is to earn profits
 - When its objective is to render social services
40. A Government company is one in which :
- The entire share capital is held by central government / state government
 - 50% of capital is held by central government and the remaining 50% is held by state government
 - At least 51% of the capital is held by central and / or state governments
 - At least 51% of the capital is held by central or state government

41. High customer loyalty is generated by :
- (A) Value proposition
 - (B) High perceived value
 - (C) Low customer cost
 - (D) Delivery of high customer value
42. For effective segmentation following criteria must be met :
- (A) Measurability, Accessibility, Differentiability
 - (B) Profitability, Measurability, Accessibility
 - (C) Differentiability, Profitability, Accessibility
 - (D) Measurability, Profitability, Accessibility, Differentiability and Actionability
43. Float management is related to :
- (A) Cash management
 - (B) Inventory management
 - (C) Receivables management
 - (D) Raw-materials management
44. Which of the following investment appraisal methods is not based on DCF approach ?
- (A) NPV
 - (B) IRR
 - (C) Pay Back Period
 - (D) Profitability index
45. Human Resource Development consists of :
- (A) Training
 - (B) Career Planning and Development
 - (C) Performance Appraisal
 - (D) All of these
46. Recruitment deals with :
- (A) Identification of existing sources of applicants and developing them
 - (B) Creation of new sources of applicants
 - (C) Identification of new sources of applicants
 - (D) All of the above
47. CBS implies :
- (A) Core banking system
 - (B) Central banking system
 - (C) Core banking solution
 - (D) Central banking solution
48. An asset is classified as doubtful one if it has remained in the substandard category for a period of :
- (A) 12 months
 - (B) 3 months
 - (C) More than 3 months
 - (D) 9 months
49. The theory of comparative advantage was developed by :
- (A) Adam Smith
 - (B) Heckscher-Ohlin
 - (C) David Ricardo
 - (D) W.W. Leontief
50. The first Round of the GATT was held at :
- (A) Annecy in 1949
 - (B) Torquay in 1956
 - (C) Geneva in 1956
 - (D) Geneva in 1947

ROUGH WORK

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