



## CBRT - 2020 Question Paper Grid

Government of Goa

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### Assistant Professor(Commerce)

Passage:

Read the following passage and answer the below questions:

The Indian economy rests on agricultural base and for decades and generations the picture that India presented to the world was one of famine and of an unchanging peasantry reluctant to depart from the cultural practices handed down to them by their forefathers. Indian agriculture, it was said was a gamble on the rains. Some visionaries and civil servants had sought to change all this. Their experiments at rural transformation were watched with amused interest and if their efforts did not meet with more than temporary and isolated success, it was because they were operating individuals and in very limited areas within what was basically an inhospitable and unresponsive administrative environment. The scale of effort was enlarged during the Second World war with the launching of the "grow more food campaign." But, the administrative structure remained largely unaltered.

It was to change all this, that the Community Development Programme was introduced. There were three problems that had to be tackled. First, if the farmer was to change methods, he had to be educated to see the possibility to change through actual demonstration in his field at no cost to himself. If the farmer tilled the land in the same manner as his father before him, it was because tradition had no optimised risks and the farmer had no margin on the basis of which to gamble on strange new practices and risk not merely a financial loss but his very survival. Second, there was no one agency to whom the farmer could turn for assistance or advice. If he wanted better seeds, he had to go to the Agriculture Department. For irrigation he had to knock at the doors of the Irrigation Department. Roads were the responsibility of the Public Works Department. Land problems had to be taken up with the revenue authorities and so on. In short, the administration was totally fragmented at the point which touched the life of the farmer. Coordination was difficult and the totality of the farmer's problem could never be adequately comprehended, let alone ameliorated, by the administration. Third, even if the administration sought to promote rural transformation and the farmers were willing, how was the new knowledge to be transmitted not merely to every village but to each cultivator?

The Community Development Programme sought to provide answers to these three problems. Something in the nature of the single-line administration was established under a chain of command running through the District Development Officer and Block Development Officer to the multipurpose village-level worker. Instead of having to go to several departments to get anything done, the farmer could now deal with a single community development authority with which all the executive agencies involved in rural development were associated. The many thousands of field demonstrations laid out under the Community Development Programme demonstrated the possibility of change in a manner that carried conviction and at no risk to the peasant. Once the farmer was persuaded, his alleged age-old conservatism vanished and the next problem was to satisfy his evergrowing demands. Meanwhile, the establishment of a National Extension Service first time created a permanent transmission system for the propagation and demonstration of new ideas and methods, not just in isolated pockets, but over very wide areas.

Itemcode : **PO1121**

**Q1** : Which of the following was the objective of launching Community Development Programme?

- (a) To eradicate illiteracy of the rural folk
- (b) To switch over to mechanization in agro-sector
- (c) To solve the diverse problems of farmers on a single platform
- (d) To minimise farmer's financial losses and risks

Key: **C**

Itemcode : **PO1122**

**Q2** : For the people in the world, the image of Indian village is that of

- (a) an opponent of traditionalism and conservatism
- (b) a rule-bound, conservative and culture-groomed person
- (c) a visionary and a perfect gambler
- (d) an inhospitable and unresponsive person

Key: **B**

Itemcode : **PO1123**

**Q3** : What was the probable disadvantage of the fragmented administration to the farmers?

- (a) Loss of time, money and energy
- (b) Exposure to novel techniques and strategies
- (c) Availability of manures, fertilisers and seeds
- (d) Uncertainty of rains during the crop season

Key: **A**

Itemcode : **PO1124**

**Q4 :** What was the impact of these demonstrations on the farmers?

- (a) Their unreasonable demands increased disproportionately
- (b) Their tendency to cling to past traditions vanished
- (c) National Extension Service was established by them
- (d) Their standard of living remained unaltered

Key: **B**

Itemcode : **PO1125**

**Q5 :** The apparent plus-point of the Community Development Programme demonstrations was that

- (a) they were free from nay cost or risk to the farmers
- (b) they were not against the farmers' traditional practices
- (c) they were conducted by multipurpose workers
- (d) the changes as demonstrated were all familiar to farmers

Key: **A**

Itemcode : **PO1111**

**Q6 :** There are six persons Ashwin, Kiran, Komal, Dipen, Esha and Mittal. Komal is the sister of Mittal. Kiran is the brother of Esha's husband. Dipen is the father of Ashwin and grandfather of Mittal. There are two fathers, three brothers and a mother in the group. Who is the mother?

- (a) Ashwin
- (b) Kiran
- (c) Komal
- (d) Esha

Key: **D**

Itemcode : **PO1112**

**Q7 :** Pick the odd one out.

- (a) Dog : Kennels
- (b) Rabbit : Burrows
- (c) Lion : Den
- (d) Spider : Spider-Web

Key: **D**

Itemcode : **PO1113**

**Q8 :** Read the following information carefully and answer the questions below.

1.  $P \times Q$  means P is the father of Q
2.  $P - Q$  means P is the sister of Q
3.  $P + Q$  means P is the mother of Q
4.  $P \div Q$  means P is the brother of Q

In the expression,  $B + D \times M \div N$ , how is M related to B?

- (a) Son
- (b) Grandson
- (c) Granddaughter
- (d) Daughter

Key: **B**

Itemcode : **PO1114**

**Q9 :** The question given below has a set of three or four statements. Each set of statements is further divided into three segments. Choose the alternative where the third segment in the statement can be logically deduced using both the preceding two, but not just from one of them.

Statement - I. Some pens are books.  
 II. All temples are books.  
 III. Some libraries are temples.

Conclusion - I. Some libraries are pens.  
 II. Some pens are temples.  
 III. Some libraries are books.

- (a) Only I follows
- (b) Only II follows
- (c) None follows
- (d) Only I and II follows

Key: **C**

Itemcode : **PO1115**

**Q10 :** The question given below has a set of three or four statements. Each set of statements is further divided into three segments. Choose the alternative where the third segment in the statement can be logically deduced using both the preceding two, but not just from one of them.

Statement - I. Some buttons are rivers.  
 II. Some rivers are shirts.  
 III. All shirts are people.

Conclusion - I. Some people are rivers.  
 II. Some people are buttons.  
 III. Some shirts are buttons.

- (a) Only I follows  
 (b) Only II follows  
 (c) Only III follows  
 (d) Only I and II follows  
 Key: **A**

**Itemcode** : **PO1116**

**Q11** Pratap correctly remembers that his mother's birthday is before 23rd April but after 19th April, whereas his sister : correctly remembers that their mother's birthday is not on or after 22nd April. On which day in April is definitely their mother's birthday?

- (a) 20th  
 (b) 21st  
 (c) 20th or 21st  
 (d) Cannot be determined

Key: **C**

**Itemcode** : **PO1117**

**Q12** The following question presents a related pair of words linked by a colon, four pairs of words follow the linked pair. : Choose the pair of words whose relationship is most like the relationship expressed in the original linked pair.  
 PHYSIQUE : STURDY

- (a) intellect : noble  
 (b) punctuality : tardy  
 (c) investment : sound  
 (d) fabric : worn

Key: **C**

**Itemcode** : **PO1118**

**Q13** The following question presents a related pair of words linked by a colon, four pairs of words follow the linked pair. : Choose the pair of words whose relationship is most like the relationship expressed in the original linked pair.  
 JUGGERNAUT : INEXORABLE

- (a) cosmonaut : worldly  
 (b) colossus : gigantic  
 (c) demagogue : liberal  
 (d) philistine : cultivated

Key: **B**

**Itemcode** : **PO1119**

**Q14** The following question presents a related pair of words linked by a colon, four pairs of words follow the linked pair. : Choose the pair of words whose relationship is most like the relationship expressed in the original linked pair.

INCUBATOR : INFANT

- (a) henhouse : chicken  
 (b) greenhouse: plant  
 (c) archives : document  
 (d) cooler : wine

Key: **B**

**Itemcode** : **PO1120**

**Q15** In each question below is given a statement followed by three courses of action numbered (X), (Y), and (Z). A course of : action is a step or administrative decision to be taken for improvement, follow-up or further action in regard to the problem, policy, etc. On the basis of the information given, in the statement, you have to assume everything in the statement to be true, then decide which of the suggested courses of action logically follow(s) for pursuing.

Statement: Many political activists have decided to stage demonstrations and block traffic movement in the city during peak hours to protest against the Citizen Amendment Act.

Courses of action:

(X) The government should immediately ban all forms of agitations in the country.

(Y) The police authority of the city should deploy additional forces all over the city to help traffic movement in the city.

(Z) The state administration should carry out prevention arrests of the known criminals staying in the city.

- (a) Only (X)  
 (b) Only (Y)  
 (c) Only (Z)  
 (d) Only (X) and (Y)

Key: **B**

**Itemcode** : **PO1126**

**Q16** Who recently became the fastest to reach 7,000 Test runs?  
 :

- (a) Joe Root  
 (b) David Warner  
 (c) Steve Smith  
 (d) Ross Taylor

Key: **C**

**Itemcode** : **PO1127**

**Q17** What was the theme of "International Anti-Corruption Day"?

:

- (a) United Against Corruption
  - (b) Corruption- a challenge for all
  - (c) Stop Corruption
  - (d) Corruption- A threat to society
- Key: **A**

Itemcode : **PO1128**

**Q18** Which Indian Tennis icon recently announced his retirement?

:

- (a) Mahesh Bhupati
- (b) Leander Paes
- (c) Sania Mirza
- (d) Jawala Gutta

Key: **B**

Itemcode : **PO1129**

**Q19** Central Institute of Indian Languages is located at?

:

- (a) Bangalore
- (b) Mysore
- (c) Bhopal
- (d) Lucknow

Key: **B**

Itemcode : **PO1130**

**Q20** "Macintosh" an Operating System is a product of ?

:

- (a) Microsoft
- (b) Apple
- (c) Intel
- (d) Google

Key: **B**

Itemcode : **PO1131**

**Q21** Full form of URL is?

:

- (a) Uniform Resource Locator
- (b) Uniform Resource Link
- (c) Uniform Registered Link
- (d) Unified Resource Link

Key: **A**

Itemcode : **PO1132**

**Q22** Which Indian State is earlier known as "Magadha"?

:

- (a) Madhya pradesh
- (b) Bihar
- (c) Karnataka
- (d) Uttar Pradesh

Key: **B**

Itemcode : **PO1133**

**Q23** The term "Slam" is associated with

:

- (a) Cricket
- (b) Tennis
- (c) Boxing
- (d) Football

Key: **B**

Itemcode : **PO1134**

**Q24** Which State in India is to have India's First Artificial Intelligence Centre?

:

- (a) Andhra Pradesh
- (b) Maharashtra
- (c) Kerala
- (d) Tamil Nadu

Key: **B**

Itemcode : **PO1135**

**Q25** Who is the author of the book "Exam Warriors"?

:

- (a) Shashi Tharoor
- (b) Narendra Modi
- (c) Manmohan Singh

(d) Derrick O Brian  
Key: **B**

Itemcode : **PO1031**

**Q26** Which of the following is not shown by a funds flow statement on cash basis?  
:

- (a) The changes in Working Capital
- (b) The uses of Cash
- (c) Decrease in Cash
- (d) Increase in Cash

Key: **A**

Itemcode : **PO1062**

**Q27** Which of the following errors will not cause a mismatch in the trial balance?  
:

- (a) Recording a transaction in the wrong subsidiary book
- (b) Posting to an account on the wrong side
- (c) Omitting to write the cash balance in the trial balance
- (d) Wrong casting of a subsidiary book

Key: **A**

Itemcode : **PO1063**

**Q28** As per Marginal Costing approach the measurement of Fixed Cost is the result of the product of which of the following?  
:

- (a) Break-even sales and margin of safety
- (b) Sales and margin of safety
- (c) Sales and profit-volume ratio
- (d) Profit-volume ratio and break even sales

Key: **D**

Itemcode : **PO1064**

**Q29** The following data is obtained from the records of the Plum Ltd.:  
:

Particulars	First year (Rs.)	Second year (Rs.)
Sales	1,28,000	1,44,000
Profit	16,000	22,400

Which of the following is the break-even sale of the company in rupees?

- (a) Rs.1,36,000
- (b) Rs.1,30,000
- (c) Rs.1,00,000
- (d) 88,000

Key: **D**

Itemcode : **PO1065**

**Q30** Which of the following is not a limitation of a Balance Sheet?  
:

- (a) It does not contain certain assets and liabilities despite its claim to be the statement of all assets and liabilities
- (b) Assets and liabilities are shown in the liquidity or permanency order in the balance sheet of a company.
- (c) The values of various assets within the balance sheet are not always measured according to the same rule.
- (d) Balance sheet is prepared on a particular date and hence there is every possibility of window-dressing

Key: **B**

Itemcode : **PO1066**

**Q31** Which of the following statements is/are true regarding Contribution in Marginal Costing?  
:  
I. Contribution is the difference between the sales value and the marginal cost of the product.  
II. Contribution includes fixed cost and profit.  
III. Contribution is equal to fixed cost less loss.  
IV. Contribution is equal to sales less loss

- (a) Only (I) above
- (b) Only (IV) above
- (c) Both (II) and (III) above
- (d) (I), (II) and (III) above

Key: **D**

Itemcode : **PO1067**

**Q32** All the following items are excluded from cost while preparing a cost sheet except  
:

- (a) Goodwill written off
- (b) Provision for taxation
- (c) Property tax on Factory Building
- (d) Interest Paid

Key: **C**

Itemcode : **PO1068**

**Q33** Which of the following budgets is based on the belief that planning is a continuous process and managers should look

: ahead and review future plans?

- (a) Rolling budget
- (b) Participative budget
- (c) Zero-based budget
- (d) Strategic budget

Key: **A**

Itemcode : **PO1069**

**Q34** Which of the following statements is false in respect of Activity Based Costing?

:

- (a) It does not segregate variable and fixed costs
- (b) It tends to be more costly than the traditional methods of costing
- (c) It deals with the prime costs and variable overhead costs only
- (d) It highlights the causes of costs

Key: **C**

Itemcode : **PO1070**

**Q35** Which of the following is true?

:

- (a) The initial public issues are made in primary market whereas all subsequent issues are made in the secondary markets.
- (b) Primary markets are legal whereas secondary markets are not.
- (c) Primary markets deal in shares whereas secondary markets are meant for debentures
- (d) Corporate raise resources directly from the investors through the Primary Market, whereas in the Secondary Markets, investors buy and sell securities from one another

Key: **D**

Itemcode : **PO1071**

**Q36** Which short-term (up to one year) instrument is issued by government as a means of financing its cash requirements?

:

- (a) ADRs
- (b) Treasury Bills
- (c) Equity
- (d) GDRs

Key: **B**

Itemcode : **PO1072**

**Q37** As per stock market trading, the Best Sell order is with which of the following feature?

:

- (a) Average Buy Price
- (b) Lowest Sell Price
- (c) Average Sell Price
- (d) Highest Buy Price

Key: **B**

Itemcode : **PO1073**

**Q38** Which of the following is TRUE about Primary Markets?

:

- (a) Primary Market is the place where public can buy and sell securities from one another
- (b) Primary Markets refer to the mobilization of funds from the public by corporate through the issue of shares / debentures.
- (c) Primary Markets are places where only short term instruments are traded.
- (d) Primary Markets are markets where commodities are sold.

Key: **B**

Itemcode : **PO1074**

**Q39** Which of the following is not true of Demat account?

:

- (a) One is not restricted to having account with only one DP.
- (b) One does not need to keep any minimum balance of securities in a Demat account with a DP.
- (c) One cannot open more than one account with the same DP.
- (d) One can dematerialise and hold investments such as debt instruments, mutual fund units, government securities etc. in a single demat account.

Key: **C**

Itemcode : **PO1075**

**Q40** Listing of Securities means

:

- (a) Admission of securities of an issuer to trading privileges without a formal agreement with the stock exchange.
- (b) Admission of securities of an issuer to trading privileges on a stock exchange through a formal agreement.
- (c) Admission of securities of an issuer to clearing privileges on a stock exchange without a formal agreement.
- (d) Admission of securities of an issuer to clearing privileges on a stock exchange through a formal agreement.

Key: **B**

Itemcode : **PO1076**

**Q41** Demutualisation of stock exchanges refers to \_\_\_\_\_.

:

- (a) The legal structure of an exchange whereby the ownership, the management and the trading rights at the exchange are

segregated from one another.

(b) The legal structure of an exchange whereby the ownership and the management at the exchange are segregated from one another.

(c) The legal structure of an exchange whereby the ownership, the management and the trading rights at the exchange vests in one person.

(d) None of the above.

Key: **A**

Itemcode : **PO1077**

**Q42** Which of the following is true with regard to the degree of operating leverage (DOL) for a company?

:

(a) DOL is zero at the operating break-even point.

(b) DOL of a company is positive above the operating break-even point

(c) DOL of a company is positive below the operating break-even point

(d) DOL of a company is negative above the operating break-even point

Key: **B**

Itemcode : **PO1078**

**Q43** If the net present value (NPV) of an investment is positive, the impact on Benefit Cost Ratio (BCR), Net Benefit Cost Ratio (NBCR), Internal Rate of Return (IRR) and cost of capital (K) would be

(a)  $IRR = K$  and  $NBCR > 1$

(b)  $IRR = K$  and  $BCR > 1$

(c)  $IRR > K$  and  $NBCR > 1$

(d)  $IRR > K$  and  $BCR > 1$

Key: **D**

Itemcode : **PO1079**

**Q44** Which of the following statements is/are true as per the Net Operating Income Approach?

:

I. Overall capitalization rate remains constant for all degrees of leverage.

II. Cost of equity remains constant for all degrees of leverage.

III. Cost of equity is a constant linear function of the debt-equity ratio.

IV. Cost of debt remains constant for all degrees of leverage.

(a) (I), (III) and (IV) above

(b) Only (IV) above

(c) Both (I) and (II) above

(d) Both (II) and (IV) above

Key: **A**

Itemcode : **PO1080**

**Q45** The orange juice manufacturers know that orange juice is most often consumed in the mornings. However, they would like to change this and make the drink acceptable during other time periods during the day. Which form of segmentation would they need to work with and establish strategy reflective of their desires?

(a) Gender segmentation

(b) Benefit segmentation

(c) Occasion segmentation

(d) Age and life-cycle segmentation

Key: **A**

Itemcode : **PO1081**

**Q46** Using a successful brand name to introduce additional items in a given product category under the same brand name (such as new flavors, forms, colors, added ingredients, or package sizes) is called a(n):

(a) Line Extension

(b) Brand Extension

(c) Multi Branding

(d) New Brands

Key: **A**

Itemcode : **PO1082**

**Q47** Describe the status of the following person (i.e. individual, HUF, Firm, Company etc.) X and Y are legal heirs of Z. Z died in 2018 and X and Y carry on his business without entering into a partnership.

(a) Firm

(b) Limited Liability Partnership

(c) Company

(d) Body of Individual

Key: **D**

Itemcode : **PO1083**

**Q48** For the assessment year 2019-20, the surcharge at 12% is payable by a domestic company if the total income exceeds which of the following?

(a) Rs.10 Lakhs

(b) Rs.1 Crore.

(c) Rs.10 Crore.

(d) Rs.25 Crore.

Key: **C**

Itemcode : **PO1084**

**Q49** In respect of a resident assessee, who is of the age of 60 years or more at any time during the previous year but less than 80 years on the last day of Previous Year relevant to Assessment Year 2019-20:

- (a) Rebate of tax payable subject to a maximum of Rs.20,000
- (b) Higher basic exemption of Rs.1,50,000
- (c) Higher basic exemption of Rs.3,00,000.
- (d) Higher basic exemption of Rs.1,35,000.

Key: **C**

Itemcode : **PO1085**

**Q50** As per the GST, from which date interest is liable in case of excess input tax credit claimed?

- (a) From the late date of the month in which credit is claimed
- (b) From the due date for filing GSTR-02 of the month in which credit is claimed
- (c) From the due date for filing GSTR-03 of the month in which credit is claimed
- (d) From the date of utilization of credit

Key: **C**

Itemcode : **PO1086**

**Q51** Which of the following is not an item of revenue expenditure?

- (a) Interest on deposits accepted
- (b) Annual insurance premium on inventory
- (c) Customs duty paid in connection with the import of equipment
- (d) Repairs and maintenance on machinery

Key: **C**

Itemcode : **PO1087**

**Q52** Which of the following statements is true?

- (a) The losses from the sale of capital assets need not be deducted from the revenue to ascertain net income
- (b) Going concern concept requires that always non-monetary assets should be valued and recorded at market value
- (c) According to consistency concept, the results of one accounting period of a business cannot be compared with that of in the past
- (d) In terms of conservatism concept all probable losses must be considered in computation of income

Key: **D**

Itemcode : **PO1088**

**Q53** In which of the following situations, Price Earnings Ratio (P/E) is applied

- (a) To determine the financial risk of a business entity
- (b) To determine the expected market value of the shares of a company
- (c) To assess the earning potential of a company in the near future
- (d) To examine the operational efficiency of a company

Key: **B**

Itemcode : **PO1089**

**Q54** Which of the following should be considered as a cause of material cost variance resulting from favorable materials price variance coupled with an un-favorable materials usage variance?

- (a) Labour efficiency problems
- (b) Machine efficiency problems
- (c) The purchase of lower than standard quality materials
- (d) The purchase and use of higher than standard quality materials

Key: **C**

Itemcode : **PO1090**

**Q55** Sometimes it may become necessary to reduce the selling prices to the level of marginal cost or even below the marginal cost. In the following circumstances the selling price may be fixed even below the marginal cost except

- (a) To dispose off perishable products
- (b) To explore foreign markets
- (c) To avoid extra losses by closing down the business
- (d) To increase the current demand for the product

Key: **D**

Itemcode : **PO1091**

**Q56** Farewell Ltd. produces and sells a product 'Fema' which earns a P/V ratio of 20%. The present sales of the company is Rs.60,000 per month for which it incurs Rs.80,000 as fixed cost per annum. The variable cost is likely to increase by 5% and the fixed cost is likely to increase to Rs.90,000 during the next period. The percentage increase in selling price to maintain the existing level of profit is

- (a) 4.00%
- (b) 5.00%
- (c) 5.39%
- (d) 5.50%

Key: **C**

Itemcode : **PO1092**

**Q57** CVP Analysis studies the relationship of cost, volume and profit. Selling price affects the volume of sales, which directly

: affects the volume of production and volume of production influences the cost. The following assumptions are held good by the above linear relationship except

- (a) Every cost can be classified as fixed cost or variable cost
- (b) The selling price of the product remains the same even if volume varies
- (c) Variable costs vary in proportion to change in activity
- (d) In case of more than one product the product mix varies

Key: **D**

Itemcode : **PO1093**

**Q58** \_\_\_\_\_ is the total number of outstanding contracts that are held by market participants at the end of each day.

:

- (a) Outstanding position
- (b) Outstanding Interest
- (c) Open position
- (d) Open Interest

Key: **D**

Itemcode : **PO1094**

**Q59** What is the purpose of 'Trade Log' report on the NEAT system?

:

- (a) There is no report as 'Trades Log' report.
- (b) To show the trades that has only been cancelled or modified orders for the dealers belonging to a trading member for the current trading day.
- (c) To show the details of the trade related activity by the trading member for a specific day.
- (d) To show the trades that was done by the trading member for the last seven days.

Key: **C**

Itemcode : **PO1095**

**Q60** Which of the following statement(s) is/are true pertaining to Mark - to - Market margin?

:

- a. It is calculated by marking each transaction in security to the closing price of the security at the end of trading.
- b. The margin is collected from the member before the start of the trading of the next day.
- c. The MTM margin is collected on the gross open position of the member.

- (a) a,b
- (b) a,b,c
- (c) a,c
- (d) b,c

Key: **B**

Itemcode : **PO1096**

**Q61** A depository participant \_\_\_\_\_

:

- (a) is an investor who buys/sells shares through the depository.
- (b) Trades in the dematerialised shares.
- (c) Destroys the share certificates and makes a credit entry for his clients.
- (d) is an agent of the depository and takes physical share certificates from his clients and sends them for dematerialisation.

Key: **D**

Itemcode : **PO1097**

**Q62** The capital markets consist of the primary market and secondary market. Which of the following statements is TRUE regarding the differences between the two markets?

:

- (a) New issues are distributed to investors in the primary market while existing securities are traded in the secondary market.
- (b) Existing securities are traded in the primary market while new issues are distributed to investors in the secondary market.
- (c) New issues are traded in the primary market while existing securities are distributed in the secondary market.
- (d) Existing securities are distributed to investors in the primary market while new issues are traded in the secondary market.

Key: **D**

Itemcode : **PO1098**

**Q63** Which of the following is true with regard to the degree of operating leverage (DOL) for a company?

:

- (a) DOL of a company is positive above the operating break-even point
- (b) DOL of a company is positive below the operating break-even point
- (c) DOL of a company is negative above the operating break-even point
- (d) DOL is zero at the operating break-even point.

Key: **A**

Itemcode : **PO1099**

**Q64** Which of the following is not an assumption made under the Modigliani and Miller approach for explaining the irrelevance of dividends policy for a firm?

:

- (a) Existence of perfect capital markets
- (b) Non-existence of differential tax rates for the dividend income and capital gains
- (c) Absence of transaction costs
- (d) Higher growth rate of dividends compared to cost of equity capital.

Key: **D**

Itemcode : **PO1100**

**Q65** Consider the following projects.

:

- I. Project B which has a Net Benefit Cost Ratio less than one but more than zero.
- II. Project C whose present value of inflows is less than the present value of outflows.
- III. Project D which has a cost of capital less than the internal rate of return.
- IV. Project E which has the highest annual capital charge compared to all other projects.

Which of the projects mentioned above could be accepted?

- (a) Only (I) above
- (b) Both (I) and (III) above
- (c) Both (III) and (IV) above
- (d) (II), (III) and (IV) above

Key: **B**

Itemcode : **PO1101**

**Q66** Managers subscribing to \_\_\_\_\_ assumptions attempt to structure, control and closely supervise their employees.

:

- (a) Theory 'X'
- (b) Theory 'Y'
- (c) Both Theory 'X' and Theory 'Y'
- (d) Neither Theory 'X' nor Theory 'Y'

Key: **A**

Itemcode : **PO1102**

**Q67** According to Fiedler's Contingency Model of Leadership, which one of the following is a situational variable?

:

- (a) Leader - Member relationship
- (b) Organisational System
- (c) Degree of task structure
- (d) Leader's position power

Key: **B**

Itemcode : **PO1103**

**Q68** Which of the following is not a segment of David McClelland's Theory of Needs?

:

- (a) Need for Self Actualization
- (b) Need for Achievement
- (c) Need for Affiliation
- (d) Need for Power

Key: **A**

Itemcode : **PO1104**

**Q69** A small voluntary group of employees doing similar or related work who meet regularly to identify, analyses and solve product quality problems and to improve general operations is known as

:

- (a) Task Group
- (b) Kaizen Groups
- (c) Quality Circles
- (d) Informal Groups

Key: **C**

Itemcode : **PO1105**

**Q70** Theories of motivation can be classified as content theories of motivation and process theories of motivation. Which of the following statements is/are true with respect to content theories of motivation?

:

- I. Maslow's self-actualization and esteem needs correspond to Herzberg's motivators.
- II. McClelland's need for achievement corresponds to Alderfer's relatedness needs.
- III. Maslow's esteem needs correspond to McClelland's need for power.
- IV. Herzberg's hygiene factors correspond to McClelland's need for achievement, Maslow's social needs and Alderfer's growth needs.

- (a) Only (I) above
- (b) Both (I) and (III) above
- (c) Both (II) and (IV) above
- (d) (II), (III) and (IV) above

Key: **B**

Itemcode : **PO1106**

**Q71** A company using high price and high promotion policy is adopting the following strategy:

:

- (a) Slow skimming
- (b) Rapid Penetration
- (c) Slow Penetration
- (d) Rapid Skimming

Key: **D**

Itemcode : **PO1107**

**Q72** A is a promotion strategy that calls for using the sales force and trade promotion to move the product through channels.

:

- (a) Push strategy

- (b) Pull strategy
  - (c) Blocking strategy
  - (d) Integrated strategy
- Key: **A**

Itemcode : **PO1108**

**Q73** Technological advances, shifts in consumer tastes, and increased competition, all of which reduce demand for a product are typical of which stage in the PLC?

- (a) Decline stage
  - (b) Introduction stage
  - (c) Growth stage
  - (d) Maturity stage
- Key: **A**

Itemcode : **PO1109**

**Q74** "SALARY" for the purpose of calculating House Rent Allowance paid to an employee, is taken as:-

- (a) Basic + Dearness Allowance + All other taxable allowances
  - (b) Basic + Dearness Allowance + All other taxable allowances + All other taxable perquisites
  - (c) Basic + Dearness Allowance + Commission based on fixed percentage of turnover.
  - (d) Basic + Dearness Allowance + All other taxable allowances + Commission based on fixed percentage of turnover
- Key: **C**

Itemcode : **PO1110**

**Q75** The Managerial Grid was given by

- (a) Rensis Likert
  - (b) Kurt Lewin
  - (c) Hersey Blanchard
  - (d) Blake and Mouton
- Key: **D**