

National management college-Perundurai

CA-Foundation – Business Economics & BCK

Monthly Test - 6

Max.Time: 50 minutes

24/02/2023

Total Marks : 40

Answer all the questions

1. ABC Ltd. takes over XYZ Ltd. in such a manner that forthwith ABC Ltd. will control all the business operations of XYZ. It may be called as :
(a) Merger (b) Demerger (c) Acquisition (d) None of these
2. _____ refers to economic insolvency, wherein the person's assets are liquidated, to pay off all liabilities with the help of a bankruptcy trustee or a Court of law.
(a) Recovery (b) Bad Debts (c) Insolvency (d) Bankruptcy
3. The financial recovery of a company that has been performing poorly for an extended time is called as:
(a) Sustenance (b) Turnaround (c) Capital Recovery
(d) None of these
4. _____ is the term which may be used for basic facilities like buildings, roads, power supplies, etc.
(a) Infrastructure (b) Utilities (c) Capital Items (d) Revenue Items.
5. _____ is the type of insurance which is for a certain time period which provides for no defrayal to the insured industrial, excluding losses during the period, and that becomes null upon its expiration.
(a) Term Insurance (b) Fixed Insurance (c) Specific Insurance
(d) None of these
6. When two or more products separated in the course of the same processing operation, usually having same substantial values are called as:
(a) Joint Product (b) By Product (c) Main Product (d) Mixed Product
7. _____ is a set of all the variable external to the firm but influence its decision making fund in town are also influenced by it.
(a) Business Environment (b) Business Organisation
(c) Business Corpus (d) None of these
8. The affairs of a corporation should be executed in a manner so as to ensure that they are conducted in an ethical manner and as per provisions of law. This system of overseeing the affairs of a Corporation is called as:

- (a) Governance (b) Observation (c) Corporate Governance
(d) Corporate Observations

9. The BCK philosophy that pro-motes the belief and evaluates the business performance on the basis of attainment of profit, care for people and care for the plant at equal importance Is called as:

- (a) Bottom Line (b) Social Line (c) Triple Bottom Line
(d) Triple Social Line

10. _____ is the systematic process of easing of government's control over the private business activity.

- (a) Globalization (b) Liberalization (c) Privatization (d) None of these

11. The procedure wherein a person in debt negotiates the price with the lender of a loan, in order to reduce the instalments is called as:

- (a) Debt Settlement (b) Debt Repayment (c) Debt Negotiation
(d) None of these

12. When the interest is calculated on interest also, it is regarded as:

- (a) Simple Interest (b) Simple Annuity
(c) Compound Interest (d) Compound Annuity

13. When the cheque is drawn by a bank on its own name to make payment to other organizations, banks, corporations, etc., then it is called as :

- (a) Cashier's Cheque (b) Self Cheque (c) Yourself Cheque
(d) None of these

14. Sometimes, banks offer services to other Corporate entities, large institutions & other financial institutions. The Single term used for all these services offered by the bank is _____.

- (a) Complete Banking (b) Centralized Banking
(c) Wholesale Banking (d) None of these

15. When the rates of interest can be changed contractually by lender, depositor or the payee, these are called as _____.

- (a) Changing rates (b) Administered Rates (c) Adjustable Rates
(d) Accepted Rates

16. _____ is a technology where the banking organizations resort to the use of electronics, computers and other networks to execute transactions and transfer funds.

- (a) E-cash (b) Digi-cash (c) Hedge (d) Cap

17. A guarantee given by the lender that there will be no change in the quoted mortgage rates for a specified period of time, which is called the _____.

- (a) Lock-in period
- (b) Maturity
- (c) Holding Period
- (d) Due date

18. A document is issued by a bank, on behalf of the buyer or the importer, stating its commitment to pay a third party (Seller or the exporter), a specific amount, for the purchase of goods by its customer, who is the buyer. Such document is called as:

- (a) Letter of Guarantee
- (b) Letter of Credit
- (c) Letter of import
- (d) None of these

19. If a scheduled bank has surplus funds, then it can be deposited with the RBI for short periods. Such rate of interest offered by the RBI is called as:

- (a) Repo Rate
- (b) Reverse Repo Rate
- (c) Conversion Rate
- (d) None of these

20. There may be any aspect of the external environment which causes problems and which may prevent a business in achieving its objectives. These are technically termed as:

- (a) Threats
- (b) Limitations
- (c) Disadvantages
- (d) Hindrances.

21. All the consumers have different characteristics. Therefore, they are usually divided into similar nature groups in order to deliver specially designed advertisements that meet these characteristics as closely as possible.

It refers to _____.

- (a) Market Segmentation
- (b) Market Division
- (c) Effective Marketing
- (d) Mass Marketing.

22. The strategy plays an inevitable role in the growth of any organization. The management's storyline for how the strategy will be a money market is called as _____.

- (a) Super Strategy
- (b) Mega Strategy
- (c) Vision Strategy
- (d) Business Model

23. What is price sensitivity?

- (a) The effect a change in price will have on customers.
- (b) Charging a relatively high price for a short time where a new, innovative, or much-improved product is launched onto a market.
- (c) A strategy involves setting lower prices in order to discourage or deter potential new entrants to the suppliers market.

(d) It measures the responsiveness of a change in demand for a product following a change in its own price.

24. A desire for a specific product or service to satisfy the underlying need is called as _____.

- (a) Customer loyalty (b) Customer need (c) Customer Satisfaction
(d) Customer want

25. The basic requirement that an individual buyer wishes to satisfy is _____.

- (a) Customer loyalty (b) Customer need (c) Customer Satisfaction
(d) Customer want

26. _____ is a strategy which involves setting low prices in order to discourage or deter potential new entrants to the supplier's market.

- (a) Pre-Emptive Pricing (b) Low Pricing (c) Cut-throat Pricing
(d) Bargaining Pricing.

27. _____ ratio is calculated by dividing the market price of the share by the Earnings per share.

- (a) EPS (b) DPS (c) P/E Ratio (d) D/P Ratio

28. The collection of various types of securities related to various companies is called as:

- (a) Portfolio (b) Investment (c) Bundle (d) Stock

29. When the assets of a division are sold off piecemeal, rather than as an operating activity, it is called as :

- (a) Liquidation (b) Merger (c) Amalgamation
(d) Absorption

30. Risk is a probable chance that investments' actual returns will be _____ than as calculated.

- (a) Increased (b) Reduced (c) Equal
(d) None of the above

31. What is a financial instrument?

(a) Anything that ranges from cash, deed, negotiable instrument, or for that matter any written and authenticated evidence that shows the existence of a transaction or agreement.

(b) Is basically any security that is held with the government and has the highest possible rate of interest.

(c) Is a contract where the borrower, who is also the purchaser, pays a series of

in statements that includes the interest of the principal amount

(d) None of the above

32. The lowest price at which an owner is willing to sell his security is:

(a) Bid (b) ASK (c) Cags (d) Sale value

33. SEBI, RBI & IRDA are _____.

(a) Regulatory Bodies (b) Cluster Bodies (c) Goal sector bodies
(d) None of these

34. Which one of the following is not a non-funding Institution?

(a) RBI (b) SEBI (c) TRAI (d) IFCI

35. _____ focuses on training the trainers in entrepreneurship development.

(a) NIESBUD (b) NISBUD (c) EDI (d) None of the above.

36. The RBI has been vested with extensive power to control and supervise commercial banking system under which Act?

(a) The Reserve Bank of India Act, 1933
(b) The Reserve Bank of India Act, 1934
(c) The Reserve Bank of India Act, 1935
(d) The Reserve Bank of India Act, 1936

37. The Securities Appellate Tribunal is a member Tribunal.

(a) Two (b) Three (c) Four (d) Five

38. In April 1988, the SEBI was constituted as the Regulator of Capital Markets in India under:

(a) A resolution of the Govt, of India
(b) A resolution of RBI
(c) Recommendations of Group of Ministers
(d) Recommendations of Finance Minister.

39. Which of these is a regulatory institution?

(a) RBI (b) SEBI (c) IRDAI
(d) Municipal Development Agency

40. Which of the following statements about RBI is incorrect?

(a) It deals largely with Governments, Central and State Banks.
(b) Its role is to ensure monetary stability, including stability of domestic price levels.
(c) One of its missions is to protect the interest of policyholders.
(d) The RBI is the sole authority for the issue of currency in India.

