

FINANCIAL MANAGEMENT

1. Which of the following is the responsibility of financial management?
 - [A] Allocation of funds to current and capital assets
 - [B] Obtaining the best mix of financing alternatives
 - [C] Development of an appropriate dividend policy
 - [D] All of the above
2. The main focus of finance for the last 40 years has been
 - [A] Mergers and acquisitions
 - [B] Conglomerate firms
 - [C] Inventory Control
 - [D] The receipt and disbursement of fund
3. An example of liquidity ratio is :
 - [A] Fixed Asset turnover
 - [B] Current Ratio
 - [C] Acid Test or Quick ratio
 - [D] [B] and [C]
4. A firm has higher turnover ratio than the industry which implies
 - [A] The firm has higher P/E ratio than other firms in the industry
 - [B] The firm is likely to avoid insolvency in the short run than other firms in the industry
 - [C] The firm is more profitable than other firms in the industry
 - [D] The firm is utilizing more assets efficiently than other firms in the industry
5. Return on Total Asset is a function of
 - [A] Interest rate and the pre tax profit
 - [B] The debt equity ratio
 - [C] The Asset Turnover ratio
 - [D] None of the above
6. _____ provides a snapshot of the financial conditions of the firm at a particular time.
 - [A] The Balance sheet
 - [B] The income statement
 - [C] The statement of the cash flows
 - [D] All of the above

7. In finance net working capital means

- [A] Total assets
- [B] Fixed Assets
- [C] Current Assets
- [D] Current assets - Current liabilities

8. Preferred Shareholders' claims on assets and income of the firm come _____ those of creditors _____ those of common shareholders

- [A] before; and also after
- [B] after; but before
- [C] after; and also after
- [D] equal to; and equal to

9. The return which the company pays on borrowed fund is also known as

- [A] Dividend
- [B] Interest
- [C] Bonus
- [D] All of the above

10. The following are the external sources of cash

- [A] Long term loans
- [B] Short term loans
- [C] Issue of Shares
- [D] All of the above

11. _____ varies inversely with productivity

- [A] Liquidity
- [B] Risk
- [C] Financing
- [D] Liabilities

12. The standard liquid ratio is

- [A] 2:1
- [B] 1:2
- [C] 1:1
- [D] 1:3

13. Reserve and surplus are which form of financing?

- [A] Security Financing
- [B] Internal Financing
- [C] Loan Financing
- [D] International Financing

14. Proprietary ratio is calculated by
- [A] Total Assets/ Total Outside liabilities
 - [B] Total outside liabilities/ Total Tangible Assets
 - [C] Fixed Assets/ Long term sources of fund
 - [D] Proprietors Fund/ Total Tangible assets
15. Quick asset does not include
- [A] Government Bonds
 - [B] Book debts
 - [C] Advance for supply of raw materials
 - [D] Inventories
16. An asset is a
- [A] Source of fund
 - [B] Use of fund
 - [C] Inflow of fund
 - [D] None of the above
17. If a company issues bonus share, the debt equity ratio
- [A] Will remain unaffected
 - [B] Will be affected
 - [C] Will Improve
 - [D] None of the above
18. Which of the following could be considered as an application of fund ?
- [A] An increase in long term liability
 - [B] A decrease in cash for payment of short term loan
 - [C] An increase in accounts payable with increase in stock
 - [D] An increase in cash with equal decrease in debtors
19. In which of the following option distribution of profit to shareholders is made ?
- [A] Bonus share
 - [B] Stock split
 - [C] Stock Purchase
 - [D] All of these
20. Current Ratio is 2:5. Current liability is Rs. 30,000. The net working capital is
- [A] Rs. 18,000
 - [B] Rs. 45,000
 - [C] Rs.(-) 45,000
 - [D] Rs.(-) 18,000

MARKETING MANAGEMENT

1. In company's micro environment 'customers markets' are of
 - [A] 5 types
 - [B] 4 types
 - [C] 3 types
 - [D] 2 types
2. Which of the following best define marketing?
 - [A] The maximization of company's sales
 - [B] Improving the market share of organization
 - [C] Matching the resources of organization with identified customers' needs.
 - [D] Increasing the profitability of buyer supplier-supplier relationship
3. Which of the following is not one of McCartry's four P's?
 - [A] Product
 - [B] Place
 - [C] Profit
 - [D] Price
4. Which of the following is not part of the marketing environment?
 - [A] Customers
 - [B] Institutional Partners
 - [C] Organization supply channels
 - [D] Technology
5. Which of the following is not a part of reactive marketing research?
 - [A] Questioner
 - [B] Test Marketing
 - [C] Focus Groups
 - [D] Observation
6. In Maslow's hierarchy of needs, what is shown as the highest level of need?
 - [A] Ego Status
 - [B] Belonging
 - [C] Self-Actualization
 - [D] Security
7. In life style segmentation, individuals are measured by acquisition, competition and getting ahead are best
 - [A] Self explorers
 - [B] Conspicuous consumers
 - [C] Belongs
 - [D] Survivor
8. In a market with a small number of high value buyers which promotional technique is mostly used?
 - [A] Public Relations (PR)
 - [B] Personal Selling
 - [C] Advertising
 - [D] Point of sale display
9. The most expensive stage of the new product process is
 - [A] Screening and generation
 - [B] Business Analysis
 - [C] Idea Generation
 - [D] Commercialization
10. Market Segmentation
 - [A] Identifies and describes target market
 - [B] Often result in firms aiming at smaller and less profitable market
 - [C] Implies that each individual should be treated as a separate segment of market
 - [D] Is accurately described by all of the above

11. The bases used in business market segmentation includes
- [A] Customer location
 - [B] Purchase criteria
 - [C] Customer size
 - [D] All of the above
12. _____ is the strategy by which one attempts to distinguish its products from competitive brands offered to the same aggregate market?
- [A] Product Segmentation
 - [B] Market Segmentation
 - [C] Market Differentiation
 - [D] Product Differentiation
13. Modern marketing includes all of the above, except
- [A] Directing the activities of the marketing functions
 - [B] Playing a role in the strategy planning
 - [C] Securing the success or failure of strategy implementation
 - [D] Collecting data
14. Data gathered for market information system as a decision support system are organized, stored and updated in a computerized
- [A] Data Base
 - [B] Fact sheet
 - [C] Test Proposition
 - [D] Scientific Method
15. _____ is a tentative supposition about a possible solution to a problem
- [A] Situation Analysis
 - [B] Researcher Hypothesis
 - [C] Test Proposition
 - [D] Scientific Method
16. A market researcher would not use _____ as a source when gathering primary data for a market research project
- [A] Personal Interviews
 - [B] Telephone Interviews
 - [C] Observation Data
 - [D] Government Records
17. Cognitive Dissonance
- [A] Occurs with all products
 - [B] Cannot be alleviated once it has occurred
 - [C] Is defined as post purchase physiological tension
 - [D] Happens more with low investment product
18. Which of the following statements about consumer involvement in the purchase decision process is true?
- [A] Limited problem solving typically tends to lower consumer involvement
 - [B] Extended problem solving is more likely to be used when purchasing low involvement product
 - [C] If consumer makes a low involvement purchase
 - [D] None of the above
19. Promotional activities during the maturity stage of the product life cycle (PLC) are often designed to
- [A] Create demand for the product class
 - [B] Remind repeat purchase
 - [C] Gain new distributors
 - [D] Create primary demand
20. Another name for multi-product branding is
- [A] Co-branding
 - [B] Dual branding
 - [C] Mixed branding
 - [D] Blanket branding

RESEARCH METHODOLOGY AND STATISTICAL ANALYSIS

1. The chapter that deals the way in which research was conducted is the _____ chapter.
[A] Introduction
[B] Literature review
[C] Research and Methodology
[D] None of the above
2. Every research proposal regardless of the length should include two basic sections. They are
[A] Research question and research methodology
[B] Research proposal and bibliography
[C] Research methodology and schedule
[D] Research question and bibliography
3. The purpose of research proposal is
[A] To generate monetary sources for the organization
[B] To present management question to be researched
[C] To discuss the research efforts of others
[D] To discuss related management questions
4. Secondary data can always be obtained more quickly at a lower cost than _____ data.
[A] Tertiary
[B] Collective
[C] Research
[D] Primary
5. The standard deviation is
[A] The square root of the variances
[B] A measure of the variability
[C] An approximate indicator of how numbers vary from the mean
[D] All of the above
6. A graph that uses vertical bars to represent data is called a _____.
[A] Line graph
[B] Bar graph
[C] Scatter plot
[D] Vertical graph
7. The goal of _____ is to focus on summarizing and explaining a specific set of data
[A] Inferential statistics
[B] Descriptive statistics
[C] None of the above
[D] All of the above
8. Which is not a measure of variability?
[A] Median
[B] Variance
[C] Standard deviation
[D] Range
9. Which of the following is the formula for range?
[A] $H+L$
[B] $L+H$
[C] $L-H$
[D] $H-L$
10. In random experiment observation of random variables are classified as
[A] Events
[B] Composition
[C] Traits
[D] Functions

11. In binomial distribution the formula for calculating Standard deviation is
- [A] Square root of p
 - [B] Square root of pq
 - [C] Square root of npq
 - [D] Square root of np
12. In probability, Events which can occur together are classified as
- [A] Collectively exclusive events
 - [B] Mutually exhaustive events
 - [C] Mutually exclusive events
 - [D] Collectively exclusive events
13. In measuring probability of any certain event, Zero represents
- [A] Impossible event
 - [B] Possible event
 - [C] Certain event
 - [D] Sample event
14. For a random experiment all possible outcomes are called
- [A] Numerical space
 - [B] Event space
 - [C] Sample space
 - [D] Both [B] and [C]
15. In hypothesis testing, Type 2 error occurs when
- [A] The null hypothesis is not rejected when the null hypothesis is true
 - [B] The null hypothesis is rejected when the null hypothesis is true
 - [C] The null hypothesis is not rejected when the alternative hypothesis is true
 - [D] The null hypothesis is rejected when the alternative hypothesis is true
16. Null and alternative hypothesis are statements about
- [A] Population parameter
 - [B] Sample parameter
 - [C] Sample statistics
 - [D] None of the above
17. A result is called statistically significant when
- [A] The null hypothesis is true
 - [B] The alternative hypothesis is true
 - [C] The p -value is less or equal to the significant level
 - [D] The p value is larger than the significant level
18. In most of the situation parametric test
- [A] have the same power as non parametric test
 - [B] are less powerful than non parametric test
 - [C] are more powerful than non parametric test
 - [D] are less sensitive than non parametric test
19. An advantage of a non parametric statistics is that
- [A] You need a computer to calculate them
 - [B] They have many assumptions to meet
 - [C] They are easy to calculate
 - [D] They are very powerful
20. If you have nominal data, which non parametric statistics should you use?
- [A] Chi-Square
 - [B] Spearman's rho
 - [C] The t - Test
 - [D] Wilcoxon

SPECIALIZATION PAPERS (GROUP-B : BANKING)

COURSE - 204[B]

INDIAN FINANCIAL SYSTEM

1. The Capital market of Indian Financial System deals with which of the following funds?
[A] Hedge funds.
[B] Short term funds.
[C] Long term funds.
[D] Charitable funds.
2. Preference shareholders have preference in payment of _____
[A] Dividend.
[B] Repayment of capital.
[C] Interest.
[D] Both [A] and [B].
3. Long term funds are required to purchase _____
[A] Fixed assets.
[B] Current assets.
[C] Both [A] and [B]
[D] Raw Materials.
4. _____ are financial institutions which deal with short-term funds in the economy.
[A] Money market.
[B] Capital market.
[C] Stock market.
[D] RBI.
5. A _____ is a financial instrument whose value depends on the value of another underlying security.
[A] Certificate of deposit.
[B] Commercial Paper.
[C] Cash Credit.
[D] Derivative.
6. _____ refers to an institution established outside India that proposes to invest in all securities traded in the Indian Primary and Secondary market.
[A] FDI
[B] FII
[C] FEMA
[D] FERA
7. External Commercial Borrowings can be assessed under the route of _____
[A] Automatic route.
[B] Approval route.
[C] Both [A] and [B].
[D] Transfer route.
8. A _____ gives the buyer of the option the right but not the obligations to buy the underlying asset on or before a certain future date at a specified price.
[A] Call option.
[B] Put option.
[C] Swaps.
[D] ECB.
9. _____ are customised arrangements between counterparts to exchange sequence of cash flows over a period in the future as per the terms of agreement.
[A] Options.
[B] Futures.
[C] Forwards.
[D] Swaps.
10. The future contracts are traded in the _____
[A] OTCEI
[B] Stock Exchanges.
[C] Banks.
[D] RBI.

11. Commercial Paper is an unsecured _____
- [A] Promissory note.
 - [B] Bill of exchange.
 - [C] Cheque.
 - [D] None of the above.
12. A _____ gives the buyer of the option the right but not the obligation to sell the underlying asset on or before a certain future date for a specified price.
- [A] Call option.
 - [B] Put option.
 - [C] Either [A] or [B].
 - [D] Swaps.
13. _____ is required to finance the recurring activities of a firm.
- [A] Long term finance.
 - [B] Shareholder's funds.
 - [C] Both [A] and [B]
 - [D] Short term finance.
14. Treasury Bills are specialised instruments used by the Government to raise _____
- [A] Short term funds.
 - [B] Long term funds.
 - [C] Medium term funds.
 - [D] All of the given options.
15. Derivatives are a mechanism to hedge _____
- [A] Market risks.
 - [B] Interest rate risks.
 - [C] Exchange rate risks.
 - [D] All of the above.
16. _____ are bonds wherein the interest rate is not fixed and is linked to a benchmark rate.
- [A] Floating rate bonds.
 - [B] Zero Coupon bonds.
 - [C] Municipal bonds.
 - [D] None of the above.
17. Treasury Bills are basically an instrument to borrow _____
- [A] Long term funds.
 - [B] Short term funds.
 - [C] Both [A] and [B].
 - [D] Interest and royalty.
18. Debentures are issued against a charge on the _____ of the company.
- [A] Promoters.
 - [B] Assets.
 - [C] Liabilities.
 - [D] Cash.
19. Which of the following bodies specifically issue guidelines regarding raising of capital through debentures issue?
- [A] MCA.
 - [B] ICAI.
 - [C] RBI.
 - [D] SEBI.
20. _____ refers to a period of time given to a business to pay for goods that they have received
- [A] Letter of Credit.
 - [B] Bank Overdraft.
 - [C] Trade Credit.
 - [D] Both [A] and [B].

COURSE - 205-B
FINANCIAL SERVICES

1. Formal merchant Banking Activity in India originated in
[A] 1978
[B] 1969
[C] 1769
[D] 1987
2. In India Merchant banking activity was originated with the merchant banking division set up by
[A] Barclays Bank
[B] Grindlays Bank
[C] Yes Bank
[D] None of the above
3. Financial services company exclude
[A] Commercial banks
[B] Insurance Companies
[C] Trading Concern
[D] Credit Rating
4. All merchant bankers must have a minimum worth of
[A] 5 crore
[B] 1 crore
[C] 10 crore
[D] 20 crore
5. Functions of financial service exclude _____
[A] Mobilisation of savings
[B] Allocation of funds
[C] Non-Banking
[D] None of the above
6. _____ is an intermediary to link up the sources of ideas and the sources of fund
[A] Venture Capital
[B] Merchant Banking
[C] Leasing
[D] None of the above
7. A merchant bank can help an organization specifically in promotional functions, _____
[A] Sponsoring the issue
[B] Marketing an issue
[C] Underwriting an issue
[D] All of these
8. Financial services through the network of elements such as _____, serve the need of the individual, institutions and corporate.
[A] Financial Institutions
[B] Financial Markets
[C] Financial Instruments
[D] All of the above
9. The _____ has to manage the post issue activities
[A] Merchant Banker
[B] Lead Manager
[C] Bank promoter
[D] All of the above
10. In simple terms, the management of issues for raising funds through various types of instruments by companies is known as
[A] Demat Service
[B] Underwriting
[C] Issue management
[D] Custodial service

11. The direct sale of securities to select investor is _____
- [A] Right Issue
 - [B] Private Placement
 - [C] Bonus Issue
 - [D] None of the above
12. Foreign capital has significant role for every national economy, regardless of its level of _____.
- [A] Development
 - [B] Employment
 - [C] GDP
 - [D] Balance of payments
13. Foreign capital flows contribute in filling up the resource gap in countries where domestic savings are inadequate to finance
- [A] Trade
 - [B] Business Activities
 - [C] Investment
 - [D] Economy
14. The money market instrument used as an international financial instrument is _____.
- [A] Debenture
 - [B] Stock certificate
 - [C] Bond
 - [D] Certificate of deposit
15. SEBI regulation of FII was enacted in the year
- [A] 1995
 - [B] 1991
 - [C] 2000
 - [D] 1996
16. Which of the following is required in a foreign collaboration?
- [A] Agreement
 - [B] Government
 - [C] Legal Identity
 - [D] All of the above
17. Corporate counseling refers to rejuvenating the corporate units which are having signals to
- [A] Low Profitability
 - [B] Low productivity
 - [C] Low Efficiency
 - [D] All of the above
18. Merchant Banker has a crucial role to play in issue management for
- [A] Preference share
 - [B] Equity share
 - [C] Debentures
 - [D] All of these
19. Mutual fund cash flow means :
- [A] cash flow into mutual funds
 - [B] cash flow out of mutual funds
 - [C] cash flow into and out of mutual funds
 - [D] all of the above
20. Which of the following instrument is not mandatorily rated by CRISIL?
- [A] Equity Shares
 - [B] Debentures
 - [C] Fixed deposit scheme
 - [D] Short term instrument