

**QUESTION BOOKLET AND ANSWER KEY  
FOR RECRUITMENT TEST OF  
Manager (Finance & Accounts)  
Code 2.1  
HELD ON 13.11.2011**

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## English Version

1. ਜਿਹੜੇ ਸ਼ਬਦ ਕਿਸੇ ਕੰਮ ਦੇ ਹੋਣ ਜਾਂ ਵਾਪਰਨ ਬਾਰੇ, ਕਾਲ ਸਹਿਤ ਜਾਣਕਾਰੀ ਦੇਣ :  
A) ਵਿਸ਼ੇਸ਼ਣ B) ਪੜਨਾਵ C) ਨਾਵ D) ਕਿਰਿਆ
2. ਉਠ ਤੋਂ ਛਾਨਣੀ ਲਾਹਿਆਂ ----- ਅਖਾਣ ਪੂਰੀ ਕਰੋ :  
A) ਭਾਰ ਹੋਲਾ ਨਹੀਂ ਹੁੰਦਾ B) ਉਠ ਬੈਠ ਜਾਂਦਾ ਹੈ  
C) ਉਠ ਤੁਰ ਨਹੀਂ ਸਕਦਾ D) ਉਠ ਦਾ ਭਾਰ ਘਟ ਜਾਂਦਾ ਹੈ
3. ਬੁੱਧ ਸ਼ਬਦ-ਜੋੜ ਵਾਲਾ ਸ਼ਬਦ ਚੁਣੋ :  
A) ਚੰਗਾ B) ਚੱਗਾ C) ਚੁੰਗਾ D) ਚੰਗਾਂ
4. ਕਿਹੜਾ ਸ਼ਬਦ 'ਸਬਰ' ਦਾ ਸਾਮਾਨਾਰਥੀ ਨਹੀਂ ਹੈ :  
A) ਸੰਤੋਖ B) ਭੁੱਖ C) ਸੰਤੁਸ਼ਟੀ D) ਰੱਜ
5. ਪੰਜਾਬੀ ਭਾਸ਼ਾ ਨੂੰ ਲਿਖਣ ਲਈ ਕਿਹੜੀ ਲਿਪੀ ਦੀ ਵਰਤੋਂ ਹੁੰਦੀ ਹੈ :  
A) ਦੇਵਨਗਰੀ B) ਫਾਰਸੀ C) ਗੁਰਮੁਖੀ D) ਰੋਮਨ

Directions:- Q. Nos. 6-8 Choose the correct preposition to be filled in the blanks.

6. Will he accede ..... my request?  
A) to B) with C) for D) upon
7. Ramu's success can be ascribed ..... his hard work.  
A) with B) to C) for D) by
8. This story is replete ..... humorous incidents.  
A) to B) on C) with D) for

Directions :- Q. Nos. 9-10 Mark the underlined part of the following sentences that contain an error:

9.

She	made	Ramesh	to do	the whole work
A	B	C	D	

10.

Lie	the child	down	to sleep
A	B	C	D

11. Who has been elected the first woman Managing Director of International Monetary fund.  
A) Ban ki-moon B) Christine Legarde C) Ruth Kelly D) Cristine Dia
12. India's HNI (High Networth Individual) population in 2010 became the world's  
A) 12<sup>th</sup> B) 5<sup>th</sup> C) 8<sup>th</sup> D) 16<sup>th</sup>
13. How many Indians are there in top 48 Philanthropists announced by 'Forbes Asia'  
A) 6 B) 5 C) 4 D) 8

14. Which of the following is not in the list of 500 largest companies compiled by "Fortune" magazine ?  
A) ONGC                      B) SBI                      C) Reliance Industries                      D) Bharti Airtel
15. Mr. Veerappa Moily has which of the following portfolios in cabinet  
A) Parliamentary Affairs                      B) Home affairs  
C) Shipping                      D) Corporate affairs
16. Which one of the following countries is not a member of SAARC?  
A) Nepal                      B) Iran                      C) Pakistan                      D) Bangladesh
17. Dr. Amartya Sen is a famous:  
A) Physicist                      B) Economist                      C) Engineer                      D) Industrialist
18. Sunil Mittal and \_\_\_\_\_ have been selected for "Business Leader for the World 2011" Award  
A) Venu Srinivasan                      B) Dominic Barton  
C) Mukesh Ambani                      D) Dominique Strauss-Kahn
19. BIS stands for  
A) Bombay Investment Stocks                      B) Bureau of Indian Standards  
C) Bank of Investment and Savings                      D) Bureau of Indian Stocks
20. What is the full form of term PAC?  
A) Public Accounts Committee                      B) Parliamentary Accounts Committee  
C) Parliamentary Accounts Commission                      D) Public Accounts Commission
21. Six bells commence tolling together and toll at intervals 2,4,6,8,10 and 12 seconds respectively. How many times they toll together in 30 minutes?  
A) 4                      B) 10                      C) 15                      D) 16
22. Starting at 5 A.M. from X, A reaches Y at 9 A.M. While B starting from Y at 5 A.M. reaches X at 8 A.M. At what time they meet?  
A) At about 6.15 A.M.                      B) At about 6.30 A.M.  
C) At about 6.45 A.M.                      D) Data not adequate
23. If 15 men can do a work in 60 hours, how long will it take for 36 men to do it?  
A) 18 hours                      B) About 22 hours                      C) 25 hours                      D) About 28 hours
24. 'A' divided Rs.200 amongst 15 children giving to some Rs.20 and to remaining Rs.10. How many children received Rs.20?  
A) 7                      B) 12                      C) 10                      D) 5
25. A and B decide to undertake a business activity. A contributes Rs.1500 and B Rs.900 in a business. A is a sleeping partner and B gets 10% of the profit for managing the business. And the rest of the profit is divided in proportion of their capitals. If the total profit is Rs.800, what is the profit of B?  
A) 350                      B) 420                      C) 370                      D) 400

26. There are 12 pipes that are connected to a tank. Some of them are fill pipes and the others are drain pipes. Each of the fill pipes can fill the tank in 8 hours and each of the drain pipes can drain the tank completely in 6 hours. If all the fill pipes and drain pipes are kept open, an empty tank gets filled in 24 hours. How many of the 12 pipes are fill pipes?  
A) 5                      B) 6                      C) 7                      D) 8
27. There are three different physics books, three different chemistry books and two different mathematics books. In how many ways these books can be placed on a shelf when books in each subject are kept together?  
A) 72                      B) 112                      C) 216                      D) 432
28. Each of the eight captains of IPL teams shook-hands with all of the other captains before and after the inaugural ceremony. How many hand shakes were there in all?  
A) 16                      B) 28                      C) 56                      D) 112
29. A, B and C hired a ground for Rs.12000. A used this ground for 8 cows for 3 weeks. B used it for 6 cows for 8 weeks and C used it for 18 cows for 4 weeks. What amount of rent should C pay?  
A) Rs.3000                      B) Rs.4000                      C) Rs.5000                      D) Rs.6000
30. In a class of 50 students, the average score was found to be 24. The following table gives some information.
- | Marks | No of students |
|-------|----------------|
| 5-15  | 5              |
| 15-25 | a              |
| 25-35 | 10             |
| 35-45 | b              |
| 45-55 | 5              |
- What is the value of b?  
A) 0                      B) 5                      C) 15                      D) 30
31. LIBOR stands for  
A) London Interbank Outstanding Rate                      B) Lone Interbank Offer Rate  
C) London Interbank off Bid Rate                      D) London Interbank Original Rate
32. Which is time adjusted Method of Capital Budgeting?  
A) Payout Period Method                      B) Pay-off Method  
C) Pay-back Period Method                      D) Net Present Value Method
33. In VED method of inventory management, D stands for  
A) Demand                      B) Deliverable                      C) Desirable                      D) Dividend
34. Which of the following examples would be deductible as an expense on the corporation's income statement?  
A) Interest paid on outstanding bonds  
B) Cash dividends paid on outstanding common stock  
C) Cash dividends paid on outstanding preferred stock  
D) All of the above

35. Which one of the following is NOT an element of the marketing mix?  
 A) Product                      B) Price                      C) Place                      D) Plan
36. Which of the following expenses are allocated on time basis?  
 A) Salary                      B) Wages                      C) Interest                      D) All the above
37. EBIT is usually the same thing as:  
 A) Funds provided by operations                      B) Earnings before taxes  
 C) Net income                      D) Operating Profit
38. Demutualization move in India has been for  
 A) Public Sector Banks                      B) Public Sector Insurance Companies  
 C) Stock Exchanges                      D) Financial Institutions
39. Which types of schemes are not offered by mutual funds in India?  
 A) Leveraged Schemes                      B) Interval Schemes  
 C) Growth Schemes                      D) Close ended Schemes
40. BIFR has been taking care of  
 A) Takeover of Companies                      B) Sick Companies  
 C) New Companies                      D) Banking Companies
41. A change in option premium expected from a small change in the strike price, all other things being the same is known as:  
 A) Theta                      B) Gamma                      C) Delta                      D) Vega
42. Which of the following is not an assumption of Black-Scholes option Model?  
 A) The risk from interest rate is constant                      B) The market operates continuously  
 C) Option is of American type                      D) Shares pay no dividends
43. Capital Asset Pricing Model is used for determining price of  
 A) Land & Building                      B) Machinery                      C) Shares                      D) Inventory
44. 'Repo' is an instrument of which of the following markets  
 A) Money Market                      B) Foreign Exchange Market  
 C) Primary Capital Market                      D) Secondary Capital Market
45. The statement "whether or not certain individuals or groups of individuals possess inside information which can be used to make above average profits in market" is related with which form of efficient Market Hypothesis.  
 A) Weak form                      B) Random Walk                      C) Semi-strong form                      D) Strong form
46. Which of the following terms is not associated with venture capital?  
 A) Buyouts                      B) Bridge loan                      C) Start ups                      D) Second round finance money
47. Which of the following is not associated with money market in India?  
 A) CBLO                      B) SEBI                      C) DFHI                      D) LAF
48. Identify the Committee which is associated with "Corporate Governance"  
 A) Narasimham Committee                      B) Kumaramanglam Committee  
 C) Kalyan Sundram Committee                      D) Tandon Committee

49. An agreement enforceable by law is called:  
A) Void Contract    B) Voidable Contract    C) Valid Contract    D) Illegal Contract
50. Which of the following terms is NOT used in the field of Banking/Finance?  
A) Goods & Service    B) Refund  
C) Tax Deducted at Source    D) Fundamental Duties of a citizen
51. 'Business Correspondent' model is launched to help customer of which of the following industries?  
A) Hotel    B) Telecom    C) Banking    D) Airlines
52. Which of the following is NOT a currency?  
A) Dollar    B) Yen    C) Won    D) Tora
53. Book building in capital market is a term used for:  
A) ADRs    B) GDRs    C) Fixed deposits    D) IPOs
54. If the 'source' are more than the 'uses', it results in:  
A) No change in working capital    B) Decrease in working capital  
C) Increase in working capital    D) None of these
55. During inflation, the tendency to hold monetary asset will:  
A) Increase    B) Remain Constant    C) Decrease    D) No Change
56. Mutual funds in India are registered as a:  
A) Trust    B) Partnership    C) Company    D) Chit Fund
57. Which is e-commerce?  
A) Buying and selling international goods  
B) Buying and selling products and services over the internet  
C) Buying and selling products and services not found stores  
D) Buying and selling products having to do with computers.
58. Modvat is known as:  
A) CENVAT    B) MAT    C) DET    D) GAT
59. Which one of the following is not the advantage of capitalism?  
A) Capital formation    B) Economic Inequalities  
C) Adaptability    D) Monopolistic profit
60. Hypothecation is:  
A) A transaction of conditional sale  
B) A legal transaction whereby goods may be made available as security for a debt  
C) Transfer of ownership by borrower to the lender  
D) None of these
61. A mortgage means:  
A) Sale of an immovable property after a specified date in case of default in payment of a debt by the owner  
B) Bailment of an immovable property for the security of a loan  
C) Transfer of an interest in specific immovable property for the purpose of securing a loan, an existing or future debt, or the performance of an engagement which may give rise to pecuniary liability  
D) Pledging a property for a banker's advance

62. **FII means:**  
A) Foreign Investment Interest                      B) For Investment Institution  
C) Foreign Institutional Investors                  D) None of the above
63. **A Volatile Stock has a**  
A) Low beta                      B) High beta                      C) Beta equal to 1              D) Beta equal to 0
64. **The 'liquidity' of a stock refers to**  
A) The ease with which securities can be converted into various form  
B) The ease with which the company can liquidate its securities  
C) A & B  
D) Stocks being long term in nature, can never achieve liquidity
65. **A simultaneous purchase and sale of a security in different stock exchange to derive benefit from the price differential is called.**  
A) Arbitrage    B) Dealing in specified securities  
C) Forward contract                                  D) Badla Transaction
66. **Which of the following have favourable impact on stock market:**  
(i) Low deficit financing  
(ii) High Freight movement of railways  
(iii) Low foreign Exchange position  
A) Only ii                      B) only iii                      C) i & ii                      D) ii & iii
67. **Book value per share:**  
A) Is calculated by dividing EPS by return on net worth  
B) Is calculated by dividing return on networth by EPS  
C) A & B  
D) None of the above
68. **If the Company offers additional shares to the existing share holders, it is called:**  
A) Bonus shares              B) Right Shares              C) Both of these              D) None of these
69. **Insider trading:**  
A) Is allowed by SEBI subject to certain guidelines issued by them  
B) Cannot be avoided in Indian capital markets  
C) Is a fair manner of regulating stock prices  
D) Is Prohibited by SEBI
70. **A "Letter of Credit" is obtained by:**  
A) An Importer              B) An Exporter              C) An Indent House              D) Bank
71. **The term 'Beta,' is synonymous with:**  
A) Unsystematic Risk              B) Market Risk              C) Default Risk              D) Total Risk
72. **Profit will be same under Absorption Costing and Marginal Costing only when:**  
A) There is no opening or closing stock  
B) There is only closing stock  
C) There is only opening stock  
D) Opening stocks are lower than closing stocks

73. The gap between two Annual General body meetings of a Company shall not exceed  
A) 12 months      B) 15 months      C) 18 months      D) 20 months
74. When the U.S. demand for pounds increases under a flexible exchange rate system:  
A) The dollar depreciates      B) The pound depreciates  
C) The dollar appreciates      D) None of the above
75. Developing nations complain that:  
A) Their export proceeds are very unstable  
B) Their industrialization is discouraged  
C) The present international monetary system favours developed countries  
D) All of the above
76. When no imported inputs are used in the production of the commodity, the effective tariff on the commodity is:  
A) Equal to the nominal tariff rate on the commodity      B) Greater than the nominal rate  
C) Smaller than the nominal rate      D) Any of the above is possible
77. If \$ 4.50 is needed to purchase £2, the exchange rate is:  
A) \$9=£1      B) \$2.25=£1      C) \$0.50=£1      D) \$0.40=£1
78. When a nation imposes an import tariff:  
A) Domestic consumption of the importable commodity falls  
B) Domestic production of the import-competing commodity increases  
C) The volume of imports of the importable commodity falls  
D) All of the above
79. Hedging refers to:  
A) The acceptance of foreign exchange risk  
B) The covering of a foreign exchange risk  
C) Foreign exchange speculation  
D) Foreign exchange arbitrage
80. Marketing research does not normally  
A) Gather environmental information      B) Provide a continuous source of information  
C) Relate to all aspects of marketing operations      D) Describe the current situation
81. Logical models form the basis for computing systems that generate useful information dealing with  
A) Dynamic situations      B) Uncertain situations  
C) Complex situations      D) All of the above
82. PERT and CPM are  
A) network techniques      B) assignment techniques  
C) project evaluation techniques      D) all of the above
83. A person who has the responsibility for development of a new product (such as instant coffee) in a firm is called a  
A) brand manager      B) project manager  
C) development manager      D) market manager



84. You are the Managing Director of a joint stock company. Which of the following statements clearly speaks your position?  
A) You are a member of the Board of Directors  
B) You are a member of appointing committee  
C) You are not a member of the Board of Directors  
D) You are a part-time employee of the company
85. Quantitative techniques used to solve business problems are called  
A) Operations management  
B) operation science  
C) Operation research  
D) management operation
86. An example of a global allocation problem is  
A) defining plant capacities  
B) scheduling an entire development project  
C) setting general inventory guidelines  
D) all of the above
87. A periodic report can be used to  
A) identify the problem  
B) evaluate solution  
C) identify solution  
D) select solution
88. Time Study determines the time content of a job. It is a  
A) Technique of standardization of work methods  
B) Technique of standardization of working conditions  
C) Technique of planning for large daily task  
D) Technique to maximize employment
89. It is the value assigned to the expected benefits for desirable notional gains:  
A) Cost price  
B) Shadow price  
C) Real price  
D) Opportunity cost
90. This approach states that once the key factor is located, management can plan matching resources-which together then constitute the system  
A) The marginal approach  
B) The limiting factor approach  
C) The differential approach  
D) The cost-benefit approach
91. It is the application of mathematics and the laws and methods of physical science to the sphere of business and enterprise management. The reference is to  
A) Operations research  
B) Operations analysis  
C) Management science  
D) All of the above
92. Which of the following industries is least likely to follow the conventional life-cycle model?  
A) Software development  
B) Coal mining  
C) Insurance broking  
D) Hairdressing
93. An 'industry recipe' can be defined as:  
A) An accepted pattern of operating and competing  
B) A tactic for anticipating a competitor's next move  
C) The hidden competences that are difficult to imitate  
D) A strategic group

94. **A global economy means:**  
A) Greater convergence of national economic and social identities  
B) Greater divergence  
C) Unrestricted movement of people across national boundaries  
D) A global culture
95. **Which of the following would NOT normally be an advisable strategy in the introductory stage of the industry life cycle?**  
A) Differentiating on superior product technology  
B) Internationalization  
C) Collaborating with competitors to build the industry's profile  
D) Aiming to maximize efficiency and lower costs
96. **At the introductory stage of an industry, products and services are likely to be differentiated on:**  
A) Reliability      B) Quality      C) Dependability      D) Functionality
97. **'Bill of lading' is issued by:**  
A) Indian Commercial Banks      B) Foreign Banks  
C) Shipping Company      D) Exporters
98. **If a company revalues its assets, its networth:**  
A) Will improve      B) Will remain same  
C) Will be positively affected      D) None of the above
99. **Proprietary ratio is calculated by:**  
A) Total assets/Total outside liability      B) Total outside liability/Total tangible assets  
C) Fixed assets/Long term source of fund      D) Proprietors' Funds/Total tangible assets
100. **Financial leverage means:**  
A) Use of more debt capital to increase profit      B) High degree of solvency  
C) Low bank finance      D) Low current Liabilities

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Key 2.1							
Q.No.	Ans.	Q.No.	Ans.	Q.No.	Ans.	Q.No.	Ans.
1	D	26	C	51	D	76	A
2	A	27	D	52	D	77	B
3	A	28	C	53	D	78	B
4	B	29	D	54	C	79	B
5	C	30	A	55	C	80	B
6	A	31	B	56	A	81	D
7	B	32	D	57	B	82	C
8	C	33	C	58	A	83	B
9	D	34	A	59	C	84	A
10	A	35	D	60	B	85	C
11	B	36	D	61	C	86	D
12	A	37	D	62	C	87	A
13	C	38	C	63	B	88	C
14	D	39	A	64	B	89	B
15	D	40	B	65	A	90	B
16	B	41	C	66	C	91	D
17	B	42	C	67	A	92	D
18	B	43	C	68	B	93	A
19	B	44	A	69	D	94	A
20	A	45	D	70	A	95	D
21	D	46	B	71	B	96	A
22	C	47	B	72	A	97	C
23	C	48	B	73	C	98	A
24	D	49	C	74	A	99	D
25	A	50	D	75	C	100	A