

## Examrace

### Competitive Exams: Commerce MCQs (Practice\_Test 28 of 99)

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1. What would be the amount of sales when opening stock is ₹ 50,000; purchases ₹ 1,50,000; wages ₹ 20,000; closing stock ₹ 40,000 and gross profit is  $\frac{1}{7}$  th of sales?
  - a. ₹ 2,00,000
  - b. ₹ 1,86,669
  - c. ₹ 1,80,000
  - d. ₹ 2,10,000
2. Consider the following statements regarding grey market in the context of security exchange:
  - a. It is a market wherein trading in a security takes place before it is officially listed.
  - b. It is legal and a form of private placement business.
  - c. Securities are sold through prospectus.Which of the statements given above is/are correct?
  - a. 1 only
  - b. 2 and 3
  - c. 3 only
  - d. 1,2 and 3
3. How is a speculator, who buys the shares of a new company with a view to selling them at a premium to genuine investors before allotment, known?
  - a. As a Stag
  - b. As a Lame Duck
  - c. As a Bull
  - d. As a Bear
4. In India, what is the term used to describe a company which actually deals with the corpus of the mutual fund?
  - a. Sponsor company

- b. Trustee company
  - c. Asset management company
  - d. Mutual fund company
5. In order to tackle with the grievances of the investors on priority basis, regulatory bodies of capital market have categorized the complaints of the investors in different types:
- a. Type I Non Receipt of Annual Report, right forms/interest on delayed receipt of refund orders/dividend.
  - b. Type II Non Receipt of dividend.
  - c. Type III Non Receipt of share certificates/bonus shares.
  - d. Type IV Non Receipt of refund orders/allotment letters/stock invests.

Which of the above is/are not correctly matched?

- a. 1 only
  - b. 2 and 3
  - c. 2 only
  - d. 1 and 4
6. Which of the following is an important advantage of vertical combination?
- a. It helps in avoiding competition
  - b. It helps in coordinating the sequential operations
  - c. It helps in controlling quality
  - d. It helps in capturing the market
7. In the context of social responsibility of business, the enlightened self interest concept refers to which of the following?
- a. Treating natural resources as the property of future generations.
  - b. Considering long term survival interests of business.
  - c. Contributing to community development.
  - d. Enhancing profit prospects of business.

Select the correct answer using the codes given below

- a. 1 and 2
- b. 4 only

c. 1,2 and 3

d. 3 and 4

8. Which one of the following best explains the term 'Duty Draw Back'

a. Duty free import of raw materials and refund of excise duty on other indigenous purchases

b. Refund of excise duty for manufacture of goods exported out of the country

c. Payment of duties in rupees and not in foreign currency

d. Refund of customs duty paid on imports and excise duty on indigenous purchases

9. Which one of the following is not a feature of a confirmed letter of credit?

a. The negotiating bank adds its own confirmation to the credit

b. The negotiating bank entails a definite commitment on its part to carry out the provisions of payment

c. The opening and negotiating banks carry confirmed guarantee for payment

d. The opening bank cannot modify the letter of credit once it is opened

10. Consider the steps in Risk Management

a. Risk Evaluation

b. Risk Avoidance

c. Risk Identification

d. Risk Elimination

e. Risk Reduction

f. Risk Financing

The correct sequence of these steps are

a. 2 - 4 - 5 - 1 - 6 - 3

b. 3 - 1 - 2 - 4 - 5 - 6

c. 3 - 4 - 2 - 5 - 6 - 1

d. 4 - 1 - 2 - 3 - 5 - 6

11. Match List I (Table Containing Forms of Memorandum of Association) with List II (Type of Company) and select the correct answer using the codes given below:

List-I	List-II
A. Table B	1. Company limited by guarantee not having share capital

B. Table C	2. Company limited by guarantee having a share capital
C. Table D	3. Unlimited liability company
D. Table E	4. Company limited by shares

**A B C D**

a. 4 3 2 1

b. 2 3 4 1

c. 2 1 4 3

d. 4 1 2 3

12. When a statement in lieu of prospectus is to be filed with the Registrar of Companies, it must be drafted in accordance with the particulars set out in which of the following?
- Table E
  - Schedule II
  - Schedule HI
  - Rule 4 CCCA
13. Consider the following conditions to be fulfilled by a company regarding issue of sweat equity shares
- The issue of sweat equity shares is authorized by an ordinary resolution passed by the company in the general meeting.
  - Not less than 6 months should have, at the date of the issue elapsed since the date on which the company was entitled to commence business.
  - All the limitations, restrictions and provisions relating to equity shares shall be applicable to such sweat equity shares.

Which of the conditions given above is/are applicable?

a. 1 only

b. 1 and 2

c. 3 only

d. 1,2 and 3

14. Consider the following cases regarding doctrine of indoor management

- a. Where the outsider had actual or constructive notice of the internal irregularity.
- b. Where the outsider had not made proper enquiries which would have revealed the irregularities, despite so suspicious circumstances as to invite further enquiries.
- c. Where the outsider is found to have relied upon a document which is forged one, for a forgery is a nullity
- d. Where the outsider had relied on a resolution of a company meeting which was not properly passed.

Protection under the doctrine of indoor management cannot be claimed in which of the above circumstances?

- a. 1 and 2
  - b. 2 and 4
  - c. 4 only
  - d. 1,2 and 3
15. Who among the following is an insider/are insiders as per provisions of the SEBI (Insider Trading) Regulations 1992?
- a. A broker who trades in the company's share.
  - b. A lender who has provided term loans to the company.
  - c. A person who is or was connected with the company and is expected to have access to unpublished price sensitive information with respect to the securities of the company.
  - d. An underwriter who regularly underwrites the securities of the company.

Select the correct answer using the code given below

- a. 1 and 2
- b. 1,3 and 4
- c. 3 only
- d. 1,2, 3 and 4