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NET, IAS, State-SET (KSET, WBSET, MPSET, etc.), GATE, CUET, Olympiads etc.: Commerce MCQs (Practice_Test 48 of 99)

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1. One of the uses of 'Commercial Paper' is that it can
 - a. help to understand business news
 - b. transactions
 - c. be circulated to raise money just like a Bill of Exchange
 - d. be issued to finance an important transaction
2. The gilt-edged market refers o the marketfor
 - a. industrial securities
 - b. govt. And semi-govt. Securities ties
 - c. shares and debentures
 - d. public limited company securities
3. Match List I with List II and select the correct answer using the codes given below the lists:

List-I	List-II
a. Simple Association	a. Pool
b. Federation	b. Chamber of Commerce
c. Partial consolidation	c. Merger
d. Complete Consolidation	d. Holding Company

Table Supporting: NET, IAS, State-SET (KSET, WBSET, MPSET, Etc.) , GATE, CUET, Olympiads Etc. : Commerce MCQs

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4. The combination of firms in successive stages of the same industry may be referred to as

- a. Horizontal integration
 - b. Vertical integration
 - c. Forward integration
 - d. Backward integration
- 5. Modernisation of an industrial unit involves mainly
 - a. technological up gradation of its production process
 - b. technological reorientation towards low-cost production
 - c. reengineering the basics of production and procedures
 - d. reduction in labour and cost to the absolute minimum
- 6. Which one of the following statements is true?
 - a. Supplier's credit and buyer's credit are one and same thing
 - b. EXIM bank generally deals with export transactions above ₹ 5 crore
 - c. The main focus of EXIM bank is on Export and Import credits for shortterm
 - d. ECGC provides no protection against hazards of nature
- 7. Which one of the following statements is true in the context of Import-Export Trade?
 - a. Under a C & F contract, the cost of insurance is to be borne. By the buyer or the importer
 - b. Marine insurance covers the risks during the sea voyages only
 - c. The standard 'all risks cover' automatically covers war risk as well
 - d. Under a C & F contract, the exporter need not bother about insuring goods
- 8. The special facilities and benefits provided to approved Export Houses (EH) , Trading Houses (TH) and Star Trading Houses (STH) may be arranged in descending order as
 - a. EH, TH and STH
 - b. STH, EH and TH
 - c. TH, STH and EH
 - d. STH, TH and EH
- 9. A letter of credit is opened on behalf of
 - a. an exporter
 - b. an importer
 - c. a buying agent
 - d. a bank
- 10. Which of the following guarantees are offered by the ECGC which help the banks to extend credit to exporters?
 - a. Packing credit guarantee
 - b. Post shipment export credit guarantee

- c. Export production finance guarantee
- d. Transfer of funds guarantee
- o Select the correct answer using the codes given below

■ CODES:

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

11. Which of the following statements are correct?

- a. Bill of lading is a document of title.
 - b. Green shipping bill is used for export of goods entitled to duty draw back.
 - c. An airway bill is not a document of title.
 - d. A consular invoice and a proforma invoice are one and the same.
- i. 2 and 4
 - ii. 1,3 and 4
 - iii. 1,2 and 4
 - iv. 1,2 and 3

12. Actuary is a person who

- a. acts as an insurance agent
- b. certifies the loss incurred by the insured
- c. audits claims relating to insurance claims
- d. computes the net liability of an insurance business

13. Life insurance is a contract on the life-of a man in which the insurer promises to pay a sum of money. For the Consideration of a definite premium, to the insured person on his death or on attaining a particular age. Which one of the following assumptions is implicit in the above definition?

- a. It is a contract of indemnity
- b. It is a contract of guarantee
- c. It is a contract of compensation
- d. It is a contract of return on investment

14. 'Causa promixa' implies that the loss must arise from

- a. the nearest place
- b. an ascertainable source
- c. the cause insured against
- d. unforeseen sources

15. Which of the following risks are NOT covered by a marine insurance policy?
- a. Damage caused by delay in ships transit
 - b. Damage caused by unsuitable package
 - c. Loss due to sinking of the vessel
 - d. Loss due to jettison
- Select the correct answer using the codes given below
- a. 1,3 and 4
 - b. 1 and 2
 - c. 2 and 4
 - d. 1,2, 3