Test Series: March, 2018

FOUNDATION COURSE

MOCK TEST PAPER

PAPER – 4 PART II: BUSINESS AND COMMERCIAL KNOWLEDGE

QUESTIONS

Max. Marks: 40

1. Which of the following statements distinguishes business from entrepreneurship?
   (a) Entrepreneurs are the business owners too
   (b) All business owners are entrepreneurs too
   (c) Entrepreneurs seek out new opportunities and pursue innovative business ideas
   (d) (a) and (b)
2. Business and technology are:
   (a) Interrelated
   (b) Interdependent
   (c) Interrelated & Interdependent
   (d) None of the above
3. Which pharmaceutical company has the slogan 'caring for life'?
   (a) Dr. Reddy's
   (b) Lupin Ltd.
   (c) Cipla Ltd.
   (d) Sun Pharmaceutical Industries Ltd.
4. Public policies are of three types:
   (a) Restrictive, Regulatory, Participative
   (b) Restrictive, Regulatory, Facilitating
   (c) Voluntarily, Participative, Facilitating
   (d) Regulatory, Voluntarily, Continuous
5. How many members of SEBI should be from RBI?
   (a) 4
   (b) 3
   (c) 1
   (d) 2
6. A portion of the after-tax profits paid out to the owners of a business as a return on their investment is:
   (a) Dividend
   (b) Expense
   (c) Expenditure
   (d) Deferred income

7. Which of the following statements does not comprise business activity?
   (a) Sale of old furniture by a household for a profit
   (b) A carpenter made furniture for his domestic use
   (c) Steel furniture industry
   (d) Domestic appliances industry
8. Which of the following is not a part of the economic environment?
   (a) Market and trade cycles
   (b) Consumer buying patterns
   (c) Strength of consumer spending
   (d) Interest and exchange rates
9. State Bank of India was formerly known as:
   (a) Bank of Madras
   (b) Bank of Calcutta
   (c) Imperial Bank
   (d) Indian Bank
10. OCBs mean
   (a) Overseas Corporate Bodies
   (b) Ordnance Commission Bilateral secretariat
   (c) Oversees Civic Boards
   (d) Oversees Commercial Bilateral Treaties
11. What is the constitution of Competition Commission of India?
   (a) A chairperson and 6 members appointed by the Central Government
   (b) A chairperson and 5 members appointed by the Central Government
   (c) A chairperson and 5 members appointed by the RBI
   (d) A chairperson and 6 members appointed by the RBI
12. What is meant by B2B?
   (a) Buying behaviour that concerns the process that buyers go through when deciding whether or not to purchase goods or services.
   (b) A company's business model is management's storyline for how the strategy will be a money maker.
   (c) Marketing activity directed from one business to another.
   (d) None of the above
13. The Indian Companies Act, 2013 provides for the registration of:
   (a) Private Limited and Public Limited Company
   (b) One Person Company and Small Company
   (c) Defunct Company

(d) All of the above

14. The businesses should continuously _____ and _____ to the environment if it is to service and prosper.
    (a) Identify, appraise
    (b) Monitor, adapt
    (c) Identify, monitor
    (d) Monitor, appraise
15. Who founded Wipro Limited?
    (a) Azim Premji
    (b) Mohamed Premji
    (c) Ratan Tata
    (d) Narayan Murthy
16. Reforms in Dowry Act and Divorce Act are the examples of:
    (a) Economic Reforms
    (b) Cultural Reforms
    (c) Commercial Reforms
    (d) Socio-cultural Reforms
17. Since when has IFCI been converted into a private limited company?
    (a) 1991
    (b) 1992
    (c) 1993
    (d) 1994
18. 'Personal selling' is done through:
    (a) Written communication
    (b) Oral communication
    (c) TV and media
    (d) Sign language
19. A partnership may not be formed to carry on:
    (a) Any trade
    (b) Occupation
    (c) Profession
    (d) Social enterprise
20. Relationship between organisation and environment can be described through:
    (a) Exchange of information
    (b) Exchange of resources

(c) Exchange of influence and power

(d) All of the above

21. American Express was ranked the 17th most admired company by Fortune in which year?

(a) 2014

(b) 2015

(c) 2016

(d) 2017

22. The form of privatization, where government keeps hold of responsibility and private enterprise handles the management of it fully or partly is known as:

(a) Disinvestment

(b) Deregulation

(c) Delegation

(d) Decentralization

23. Where is the head office of NABARD?

(a) Mumbai

(b) Delhi

(c) Gurugram

(d) Benlgaluru

24. What is a bull market?

(a) A market in which the stock prices are increasing consistently.

(b) A market in which the stock prices are decreasing consistently.

(c) A market in which the stock prices are stable over a long time.

(d) None of the above

25. The maximum number of members of a private company is limited to

(a) 50

(b) 20

(c) 100

(d) 200

26. The performance of business in the private sector is measured by:

(a) Profitability

(b) Customer Satisfaction

(c) No of employees

(d) The salary of Managing Director

27. Who was the founder of Walmart?

(a) Sam Walton

(b) Bret Biggs

(c) Greg Penner

(d) Luca Maestri

28. FIPB stands for:

(a) Foreign Institutional Promotion Board

(b) Foreign Institutional Preparatory Board

(c) Foreign Investment Priority Board

(d) Foreign Investment Promotion Board

29. Which one of the following is an Indian Regulatory Body that facilitates business organizations?

(a) EXIM Bank

(b) NABARD

(c) IRDA

(d) IFCI

30. _____ is the measure of return on investments in terms of percentage

(a) Yield

(b) Index

(c) Equity

(d) Bonus

31. A HUF cannot comprise members of a:

(a) Hindu & Sikh family

(b) Parsi family

(c) Buddhist family

(d) Muslim family

32. The term PESTLE analysis is used to describe a framework for analyzing:

(a) Macro Environment

(b) Micro Environment

(c) Both Macro and Micro Environment

(d) None of above

33. Indane LPG is the product of which corporation in India?

(a) IOCL

(b) NTPC

(c) ONGC

(d) PGCIL

34. Simplification of trade restrictions related to import is an example of:

(a) Globalization

(b) Privatization

(c) Disinvestment

(d) Aggregation

35. The RBI has been vested with extensive power to control and supervise commercial banking system under the-

(a) Reserve Bank of India Act, 1934

(b) The Banking Regulation Act, 1949

(c) Both (a) and (b)

(d) The Companies Act, 2013

36. _____ is a strategy that is used to minimize the risk of a particular investment and maximize the returns of an investment.

(a) Cap

(b) Encryption

(c) Hedge

(d) Term insurance

37. All are elements of macro environment except:

(a) Society

(b) Government

(c) Competitors

(d) Technology

38. Where are the headquarters of L&T?

(a) Bengaluru

(b) Delhi

(c) Mumbai

(d) Chennai

39. Hyundai India Limited came to India through the FDI route. It followed the path of:

(a) Divestment in Public Sector Unit

(b) Joint Venture

(c) By creating a 100% Indian subsidiary

(d) Replacement of a government sector business

40. _____ 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