

SECTION A: FINANCIAL LITERACY

1. There are different types of investments. Some of them lose their real yield, due to-
 - (1) Low rate of interest
 - (2) Downfall in the market rate
 - (3) Inflation
 - (4) None of these
2. When you take a credit card from the bank, your relation with the bank changes from-
 - (1) Creditor to debtor
 - (2) Debtor to creditor
 - (3) Buyer to seller
 - (4) Seller to buyer
3. Sunil and Anil are working in the same organization. They decide to join different offices of the same organizations in different cities, as it offers a slightly higher pay. Do you think this will be a wise decision if their travelling expenses to meet their families increase by three folds-
 - (1) Yes
 - (2) No
 - (3) Maybe
 - (4) Depends on the actual hike in the salary
4. Nitish has saved a sum of ₹ 1,00,000, which he needs after two years. Till then he should keep the money safely-
 - (1) At home
 - (2) In a bank
 - (3) In his Godown
 - (4) Give to his parents
5. By the end of the year if your income doubles and the prices of the things you need doubles, the quantity you are able to purchase will be-
 - (1) Double
 - (2) Half
 - (3) Same
 - (4) None of these
6. Banks are following a KYC policy strictly because they want to-
 - (1) Identify theft
 - (2) Prevent money laundering
 - (3) Know about their customers
 - (4) None of these
7. Insurance is a kind of investment. This statement is-
 - (1) True
 - (2) False
 - (3) Depends
 - (4) None of the above
8. Insurance repository works for-
 - (1) Insured
 - (2) Insurer
 - (3) Both (1) and (2)
 - (4) None of these
9. You may not start any business, you may not know how to run the business, still you can become a co-owner of the business, it's possible when you buy-
 - (1) Bonds
 - (2) Shares
 - (3) Mutual funds
 - (4) All of these
10. If you want to buy a car and you don't have enough cash /money, what would you do-
 - (1) Wait and collect the money
 - (2) Cancel the idea
 - (3) Get a bank finance
 - (4) Borrow from your friends
11. In India, the authority to form the rules and regulations regarding insurance is in the hands of-
 - (1) NICL
 - (2) IRDA
 - (3) IR
 - (4) NIA

12. The banks are usually very useful and helpful to their customers by-
- (1) Depositing their money
 - (2) Giving them loans
 - (3) Issuing them debit/credit cards
 - (4) All of these
13. Sunil and Sunit want to secure their future and their options are-
- (1) Take an insurance policy
 - (2) Buy bonds
 - (3) Buy mutual funds
 - (4) All of these
14. Ankit is going out of station for 3 months. He is worried about his house and belongings that he can't take along. He should-
- (1) Leave a guard
 - (2) Buy an insurance
 - (3) Leave a care taker
 - (4) All of these
15. Mehek bought a T.V. She agreed not to take a bill but get a discount of 1%. After a week, she found a fault in the T.V. The seller refused to entertain her. Would she be able to get any relief-
- (1) Yes
 - (2) Can't say
 - (3) Not possible
 - (4) None of the above
16. The feature of mutual funds that makes it a popular investment is-
- (1) Growth
 - (2) Income
 - (3) Both (1) and (2)
 - (4) None of the above
17. Akshay took a health insurance policy. He did not disclose his smoking habit. He developed lung cancer. This is a violation of which principle of insurance-
- (1) Principle of indemnity
 - (2) Principle of insurable interest
 - (3) Principle of utmost faith
 - (4) None of the above
18. Nita and Sunita started their careers together at the same package. After 10 years, Sunita is more stable than Nita. This could be due to Nita's-
- (1) Shopping habits
 - (2) No interest in any investment
 - (3) Unplanned frequent holidays
 - (4) All of these
19. Rahul's shop was insured against theft and burglary. Now he wants to insure it against fire, the company he should approach is-
- (1) Life insurance corporation
 - (2) IRDA
 - (3) IR
 - (4) None of the above
20. The principle of indemnity of insurance cannot be fulfilled in case of-
- (1) Fire insurance
 - (2) Life insurance
 - (3) Marine insurance
 - (4) All of them
21. Easy housing finance is a boon for those-
- (1) Who already have a house
 - (2) Who want to buy a house
 - (3) Who do not have enough saving to buy a house
 - (4) Both (2) and (3)
22. Ashish is exporting his goods for the first time. He is worried about his goods security. He should take _____ insurance policy-
- (1) Cargo insurance
 - (2) Paid insurance
 - (3) Both (1) and (2)
 - (4) None of the above

- 23.** A person who is working in a private sector, wants to get a regular sum of money after retirement, he should opt for a-
- (1) Money back policy
 - (2) Endowment policy
 - (3) Annuity policy
 - (4) All of these
- 24.** A nationalized bank is one which is-
- (1) Established by a special act passed in the parliament
 - (2) Merger of two or more banks
 - (3) Established under companies act
 - (4) None of the above
- 25.** Using banking services online, Satish can now easily-
- (1) Pay his bills
 - (2) Compare saving plans
 - (3) Check his balance
 - (4) All of these
- 26.** A point of sale transaction can be complete only when-
- (1) A debit card is used
 - (2) A PIN is entered
 - (3) Sale document is signed
 - (4) All of these
- 27.** Whenever Arun is travelling, he prefers to carry his smart card, instead of an ATM card because-
- (1) It is an electronic wallet
 - (2) It is a prepaid card
 - (3) It contains a transaction history
 - (4) All of these
- 28.** Suman took a car loan to be repaid in 12 installments. After paying 6 installments, she did not pay anything after that; the financier has the right to-
- (1) Sue her
 - (2) Hire a debt collector
 - (3) Take away the car
 - (4) Both (1) and (2)
- 29.** A mortgage that is essentially linked with a very large final payment is-
- (1) Conventional
 - (2) Graduated payment
 - (3) Balloon
 - (4) None of these
- 30.** In the monetary history of India, 8th November 2016, is very significant due to-
- (1) Starting a new era of digitalization
 - (2) Demonetization of ₹ 500 and 1000 notes
 - (3) Issue of new ₹ 2000 notes
 - (4) All of these
- 31.** Many new services offered by the banks are:
- (1) Telebanking
 - (2) Any Time Banking
 - (3) Mobile Banking
 - (4) All of the above
- 32.** The basic necessity before deciding on any of the investment plans is to find that:
- (1) What is the ROI
 - (2) What is the Risk
 - (3) What is the Cost of Buying, Holding and Selling the investment
 - (4) All of the above
- 33.** Ashish has a tendency of foregoing the cash memo in lieu of 1% discount. This can lead to:
- (1) Loss of revenue to the government
 - (2) Increase in black money
 - (3) Both (1) & (2)
 - (4) None of the above
- 34.** Telebanking is very useful for the people who want to:
- (1) Transfer funds via using their voice
 - (2) Find their account balances
 - (3) Get money in their accounts
 - (4) None of the above

- 35.** A protective shield created by our own efforts, safeguards us in the times of financial crisis. This is done by:
- (1) Saving Plans
 - (2) Investment Plans
 - (3) Both (1) & (2)
 - (4) Earning Plans
- 36.** After 8th November, there has been a spurt in the banking activities using:
- (1) EFT
 - (2) Mobile Banking
 - (3) Both (1) and (2)
 - (4) None of the above
- 37.** Rate of earning is greatly affected by the term of investment. This statement is:
- (1) Conditionally Correct
 - (2) Partially Correct
 - (3) Absolutely Correct
 - (4) Absolutely Ineffective
- 38.** Amit has a friend who deals in shares. Without understanding the offer he puts his savings into the stock market. Is the decision correct?
- (1) Wise
 - (2) Cautious
 - (3) Foolish
 - (4) None of these
- 39.** Repo rate is the term used, when:
- (1) RBI lends to State Government
 - (2) International Aid Agencies lends to Banks
 - (3) Rate at which RBI lends to the Banks
 - (4) Rate at which Banks lends to the RBI
- 40.** Intercity and Intracity Banking, has been possible with the help of:
- (1) Mobile Banking
 - (2) ATM
 - (3) Internet Banking
 - (4) All of these
- 41.** The process of decision making is one that requires one to be very careful regarding:
- (1) Interest rate risk
 - (2) Income risk
 - (3) Liquidity risk
 - (4) All of these
- 42.** The financial cost of an object is not what is displayed. It must be seen how much it costs you in reference to:
- (1) Loss of Saving
 - (2) Opportunity Cost
 - (3) Both
 - (4) None of these
- 43.** Real estate developers advertise a scheme “No EMI for first 5 years”. This is nothing but:
- (1) Making fool of buyers
 - (2) Increasing cost first
 - (3) Buy down
 - (4) None of these
- 44.** The advantages like wealth creation, life cover and tax benefits are the basic features of:
- (1) Life Insurance
 - (2) Fire Insurance
 - (3) Marine Insurance
 - (4) None of the above
- 45.** Kamal is fast approaching his retirement and then he would have to surrender the accommodation provided to him. He should go for a:
- (1) Rented House
 - (2) Shift to a friend’s house
 - (3) Share the same accommodation with the same allottee
 - (4) None of the above
- 46.** The bank asks for a PAN Card copy while opening a new account. The main purpose behind this is to ensure:
- (1) Bank Accounts provide information about tax revenue
 - (2) Bank Accounts are opened by proper procedure
 - (3) More people are brought under the Tax net and voluntary compliance of tax procedures.
 - (4) All of the above

47. The principle of “Caveat Emptor”, can be associated with the following:
- (1) Real Property
 - (2) Electronic Goods
 - (3) Insurance
 - (4) None of the above
48. When it’s expected that the insurer should try to minimize the loss to the insured property/goods, it is the:
- (1) Principle of Proximate Cause
 - (2) Principle of Mitigation
 - (3) Principle of Indemnity
 - (4) All of these
49. Archana is an exporter. For the past few months, she has experienced an increase in his orders, this could be due to:
- (1) Increase in Foreign Exchange Rate
 - (2) Decrease in Foreign Exchange Rate
 - (3) Neither 1 nor 2
 - (4) High rate of inflation in competitive countries
50. Surinder wants to take a life insurance policy, at the same time he wants to take his health insurance as well. Which should he opt for:
- (1) Mediclaim
 - (2) ULIP
 - (3) Hybrid
 - (4) Endowment
51. Sohan has a taken a life insurance policy as an investment option. He is happy that he has made the right decision. Do you think he has made the right decision:
- (1) Yes
 - (2) No
 - (3) Conditions Apply
 - (4) Partially Correct
52. If the investments made solely to get tax benefits, it can be called as what kind of investment decision:
- (1) Wise
 - (2) Thoughtful
 - (3) Careful
 - (4) None of the above
53. Sunita just finished her schooling. She has no steady source of income. She wants her higher studies to be financed, but is that possible without any valid collateral:
- (1) Yes
 - (2) No
 - (3) Never
 - (4) Only if she has a co signer
54. Interest on savings bank accounts is calculated by banks on:
- (1) Minimum balance during the month
 - (2) Maximum balance during the month
 - (3) Daily product basis
 - (4) All of these
55. The best guide to decide upon which company is best to invest on is:
- (1) P/E Ratio
 - (2) EPS
 - (3) ROI
 - (4) None of these

SECTION B – ACCOUNTANCY

56. Satinder’s pass book shows a debit balance, if he issues cheques, his balance will-
- (1) Increase
 - (2) Decrease
 - (3) Remain unchanged
 - (4) None of these
57. Statement of Affairs is prepared by-
- (1) Companies
 - (2) Clubs
 - (3) Schools
 - (4) Partnership firms
58. Sinha Bros purchased a truck. They want to charge the depreciation on the truck by the annuity method. This will help them to-
- (1) Charge depreciation @ fixed amount
 - (2) Collect money for the replacement of the truck
 - (3) Invest that amount out of the business
 - (4) Both (2) and (3)

59. Mohan and Amit are friends. They are both in need of money and they do not get any help from anyone. So they can help each other by writing-

- (1) Treasury bill (2) Bill of exchange
- (3) Accommodation bill (4) Promisory Note

60. Going concern principle tells that a business is-

- (1) Going to prosper in future
- (2) The owner of the business is going to places
- (3) The business will be shifted to many places
- (4) None of the above

SECTION B – BUSINESS STUDIES

56. A partner in a partnership having no rights to sign any documents enjoys his share of profits of the business is a-

- (1) Minor Partner (2) Sleeping partner
- (3) Partner by Estoppel (4) None of the above

57. A business organization that is bound by legal formalities, right from formation to the day to day working and to the closure is a-

- (1) Partnership
- (2) Company
- (3) Hindu Undivided Family
- (4) Sole proprietor

58. Singhania Sons have been running a business. They decided to establish a factory in a remote area of Madhya Pradesh. This decision will prove to be-

- (1) Costly regarding transport cost
- (2) None of these
- (3) Get power at cheap rate
- (4) Difficult to find skilled labour

59. Subodh wants to start a paper mill. The best location for it should be where-

- (1) No such mill exists
- (2) Plenty of water
- (3) Both (2) and (4)
- (4) Easy availability of raw material

60. Shankar wants to construct a dispensary and day care center for the workers of his factory. This is-

- (1) Wastage of money
- (2) His doctor friend wants to practice there
- (3) Gain popularity
- (4) Social responsibility

SECTION B – ENTREPRENEURSHIP

56. Anyone can become a successful entrepreneur if he can-

- (1) All of these
- (2) Take risk
- (3) Manage men and money
- (4) Arrange finances

57. Anyone who has innovative ideas, should start his venture. This statement is absolutely correct-

- (1) Yes (2) Not necessary
- (3) Not at all (4) Maybe

58. Arun is quite capable of convincing people, but lacks original ideas. He should opt for-

- (1) All of these
- (2) Start mobilizing small savings of the people
- (3) Become franchisee
- (4) Agency business

59. Before venturing into any business, the basic things to be careful about are-

- (1) Location of the business
- (2) Size of the business
- (3) All of these
- (4) Infrastructure

60. For the business to progress very fast if there is one thing that is not necessary-

- (1) Politically peaceful atmosphere
- (2) Dense population
- (3) Proper infrastructure
- (4) Literacy



END OF THE EXAM