

UNIVERSITY OF CALICUT
SCHOOL OF DISTANCE EDUCATION

B Com/BBA/BMMC

(2011 Admn.)

IV SEMESTER

COMMON COURSE

BASICS OF BUSINESS & MANAGEMENT

QUESTION BANK

1. Free Market Economy is also known as
 - A. Capitalist economy
 - B. Socialist economy
 - C. Mixed economy
 - D. Others
2. --- is the spirit of capitalism
 - A. Inspiration
 - B. Motivation
 - C. Innovation
 - D. Invention
3. --- motive is the basic drive of a socialist economy
 - A. Welfare
 - B. Social
 - C. Economic
 - D. Others
4. Give an example of non- profit organization
 - A. Tata
 - B. Reliance
 - C. HAL
 - D. Red Cross
5. Grocery store is --- form of organization
 - A. Partnership
 - B. Sole Proprietorship
 - C. Company
 - D. Others
6. Expand ILO
 - A. International Labour Organization
 - B. Indian Labour Organisation
 - C. Indian Language Organisation
 - D. None of these
7. --- is viewed as an organized economic activity
 - A. Commerce
 - B. Industry
 - C. Business
 - D. Economics
8. The most fundamental feature of capitalism is
 - A. Right to own property
 - B. Right to transfer property
 - C. Right to own and transfer property
 - D. None of these

9. The corporate entity in India is governed by
 - A. Companies Act 1956
 - B. Partnership Act 1932
 - C. Co-operative societies Act 1904
 - D. Others
10. --- form of organization is suitable for small business
 - A. Company
 - B. Partnership
 - C. Co-operative society
 - D. Sole Proprietorship
11. The minimum number of membership required to form a co-operative society as per Kerala co- operative societies Act is
 - A. 25
 - B. 20
 - C.10
 - D. None of these
12. Registration procedures are compulsory for
 - A. Partnership
 - B. Sole proprietorship
 - C. Co-operative
 - D. Company form of organization
13. The trust is governed by
 - A. Managing trustee
 - B. Trust Act
 - C. Board
 - D. Trust document
14. Partnership in India is governed by
 - A. Partnership Act1932
 - B. Companies Act 1956
 - C. Co-operative Society Act 1904
 - D. Others
15. The written agreement as per the provisions of the Partnership Act 1932 is known as
 - A. Partnership deed
 - B. Trust deed
 - C. Bye-Law
 - D. None of these
16. In which year L.P.P Act was passed in India
 - A. 2008
 - B. 2006
 - C.2011
 - D. 2005
17. Name the head of the Joint Hindu Family form of organization is known as
 - A. Manager
 - B. Karta
 - C. Guru
 - D. None of these
18. Give the example for statutory company
 - A. RBI
 - B. SFC
 - C. ICICI
 - D. None of these
19. The minimum number of members required to form a public company is
 - A.10
 - B. 7
 - C. 25
 - D.100
20. The document that defines the internal affairs of the company is
 - A. Articles of Association
 - B. Memorandum of Association
 - C. Table A
 - D. None of these
21. The company which is held at least 51% of the paid up share capital is called
 - A. Public company
 - B. Holding company
 - C. Government Company
 - D. None of these

22. A company which is incorporated in a country outside India under the law of that country is
- A. Domestic company B. Foreign Company
C. Subsidiary company D. Others
23. An entity which is formed between two or more parties to undertake economic activities together is known as
- A. Joint Venture B. Merger
C. Acquisition D. None of these
24. Farming is an example of
- A. Primary Sector B. Secondary sector
C. Tertiary sector D. None of these
25. The second sector of the economy includes
- A. Agriculture B. Tourism
C. Manufacturing and Construction D. None of these
26. Tertiary sector is also known as
- A. Service sector B. Agriculture sector
C. Business sector D. None of these
27. India's economic reforms were launched in
- A.2000 B.1991 C. 1995 D. 1990
28. Government of India nationalized 14 banks in the year
- A. 1957 B.1950 C.1965 D.1969
29. The second stage of nationalization of banks were enacted in
- A. 1995 B.1980 C. 1990 D.1975
30. The economic development of a nation depends
- A. Industrial development B. Agricultural growth
C. The development of Business D. All the above
31. Expand BPO
- A. Business Process Outsourcing B. Business promoting organization.
C. Business process organization C. None of these
32. To liberalise means
- A. Complete freedom B. Free from narrowness
C. Transform D. None of these
33. Liberalisation includes
- A. Globalization B. Privatization
C.Globalisation and Privatisation D.None of these
34. The world Trade Organization was established in
- A.1990 B. 1995 C. 1991 D. 1980

35. The process of integrating the economy with world economy known as
A. Globalization
B. Privatization
C. Liberalisation
D. None of these
36. TNC stands
A. Transnational commission
B. Transnational Company
C. Transnational Committee
D. None of these
37. One of the measures of Globalization is
A. Economic growth
B. GDP
C. Devaluation of rupee
D. None of these
38. The policy of Foreign Direct Investment were came in India during
A. 1st April 1990
B. July 1991
C. July 2000
D. None of these
39. MRTP Act stands
A. Monopolistic Restrictive Trade Practice Act
B. Minimum Restrictive Trade Practice Act
C. Monopolistic Restrictive Trade Promotion Act
D. None of these
40. Expands FEMA
A. Functional efficiency in management aptitude
B. Foreign Exchange Management Act
C. Foreign exchange management awareness
D. None of these
41. The system by which the companies are directed and controlled is called
A. Corporate Management
B. Corporate Governance
C. Corporate control
D. None of these
42. The main goal of business firm is
A. Minimise cost
B. Maximise profit
C. Maximise the owners value
D. None of these
43. The element of risk is comparatively higher in
A. Company
B. Partnership
C. Co-operative society
D. Sole proprietorship
44. ---- opined entrepreneur is an innovator
A .Joseph Schumpeter
B. Karl Marx
C. J.B.Say
D. Peter . F. Drucker
45. --- is the foundation of Business
A .Dealers
B. Marketers
C. Public
D. Customer

46. The word entrepreneur is derived from
A. Latin word 'entrepenere' B. The French word 'entreprendre'
C. American word D. None of these
47. The process of changing ideas into commercial opportunities and creating value is known as
A. Innovation B. Invention
C. Adventure D. Entrepreneurship
48. The dark side of entrepreneurship is
A. Risk B. Time C. Investment D. None of these
49. Who is the father of co-operation
A. Mahatma Gandhi B. Alfred Marshall
C. Robert Owen D. None of these
50. What was the slogan of Owen?
A. To renunciate for the betterment of the society
B. Change the environment and recreate the society
C. Create value through renunciation
D. None of these
51. --- is the lifeblood of every business activity
A. Finance B. Economics C. Commerce D. Business
52. The skill that states the ability to conceive new ideas and products known as
A. Technical skills B. Conceptual skill
C. Management skill D. None of these
53. The entrepreneurs who are motivated by desire for self employment are known as
A. Drone entrepreneurs B. Fabian entrepreneurs
C. Spontaneous entrepreneurs D. None of these
54. The entrepreneurs who are shy and lazy
A. Drone entrepreneurs B. Fabian entrepreneurs
C. Spontaneous entrepreneurs D. None of these
55. The term 'Intrapreneur' was derived in
A. France B. China C. USA D. UK
56. Amount of capital required for day to day operations of business
A. Working capital B. Fixed capital
C. Reserve capital D. None of these
57. Fixed capital is also known as
A. Reserve capital B. Block capital
C. Operating capital D. None of these

58. The theory of Diminishing returns is otherwise called
- A. Return to scale B. Diminishing Marginal Returns
C. Marginal rate of return D. None of these
59. ---- is a long term source of fund
- A. Public deposits B. Deferred credit
C. Shares D. Marketable Securities
60. Give an example of medium term funds
- A. Public deposits B. Deferred credit
C. Shares D. Marketable Securities
61. The long term source of finance which involves high risk and adventurous
- A. Lease financing B. Forfeiting
C. Venture capital D. Hire purchase
62. Payment to suppliers are made in agreed installments over a specified period of time called
- A. Leasing B. Hire purchasing
C. Deferred Credit D. None of these
63. Which is the head of the commercial banking institution in India
- A. State Bank of India B. RBI C. IDBI D. IFCI
64. Expand IDBI
- A. Industrial Development Board of India
B. Industrial Development Bank of India
C. International Development Banking Institution
D. None of these
65. The first development financial institution in India
- A. IDBI B. IFCI C. ICICI D. None of these
66. Name the apex banking institution in the field of long term industrial finance
- A. IDBI B. IFCI C. ICICI D. None of these
67. IFCI was established in
- A. 1955 B. 1949 C. 1948 D. 1935
68. --- was started as a private sector development bank in 1955
- A. ICICI B. IDBI C. Ind Bank D. PNB
69. ---- was set up as wholly owned subsidiary of IDBI
- A. IFCI B. SFCs C. SIDBI D. None of these
70. The first State Financial Corporation was established
- A. Kerala in 1953 B. Karnataka in 1950
C. Gujarat in 1950 D. Punjab in 1953

71. Name the price paid to the investors for the use of their capital
A. Return on investment B. Marginal rate of return
C. Cash inflows D. Cost of Capital
72. Which is the essential document for procuring assistance from financial institutions while implementing a project
A. Investment Report B. Projected Financial Report
C. Project Report D. None of these
73. The return expected by the entrepreneur from the investment done in business
A. Profit B. Cash inflows
C. Return on Investment D. Capital Outlay
74. ---- IS the process of transforming inputs into output
A. Production B. Sales C. Warehousing D. None of these
75. ---- is the reward of ownership
A. Rent B. Interest C. Profit D. Possession
76. Custom duty is---
A. Direct Tax B. An Indirect Tax
C. Personal Tax D. Both A&B
77. Expand VAT
A. Value Added Tax B. Value Additional Tax
C. Value Against Tax D. None of these
78. The Value Added Tax was enacted in India
A. 1st Jan 2005 B. 1st April 2005
C. 1st Jan 2006 D. 1st April 2006
79. Primary Market is also known as
A. Stock Exchange B. Resale Market
C. New Issue Market D. None of the above
80. Which is the most common method used for raising long term finance in primary market
A. Private placement B. Offer for sale
C. Public Issue D. Bought out Deal
81. The document that invites the public to subscribe shares of the company
A. Prospectus B. Letter of offer
C. Offer for sale D. None of these
82. Securities are issued enblock to intermediaries through a letter of offer known as
A. Private placement B. Offer for sale
C. Public Issue D. Bought out Deal

83. The process of investment by sponsor or syndicate of investors who make direct investment in the company known as
- A. Private placement B. Offer for sale
C. Public Issue D. Bought out Deal
84. The issue of shares by a company to its existing shareholders
- A. Private placement B. Offer for sale
C. Public Issue D. Right Issue
85. Second market is also known as
- A. Stock Exchange B. New issue market
C. Capital Market D. None of these
86. OTCEI stands
- A. Over The Counter Exchange Institution
B. Over The Counter Exchange of India
C. Over The Counter Exchange Institute
D. None of these
87. Employees stock option scheme were introduced in India
- A. 1985 B. 1955 C. 1995 D. 1990
88. The members of the stock exchange are popularly known as
- A. Intermediaries B. Dealers C. Stock Brokers D. Brokers
89. --- are the entrepreneurial couples who work together as co-owners of business
- A. Ultrapreneurs B. Copreneurs C. Intrapreneurs D. None of these
90. Indian market is a --- competitive market
- A. Perfect B. Imperfect C. Highly D. Moderate
91. The market is derived from the Latin word
- A. Marcatus B. Marcat C. Maracatus D. None of these
92. Expand the term QOL
- A. Quality oriented License B. Quality Of Life
C. Quality of Learning D. None of these
93. Assembling of goods produced at different production centres at a common market place is
- A. Dispersion B. Cartel C. Concentration D. None of these
94. Monopoly firm charges different prices from different groups of customers called
- A. Discriminating monopoly B. Price Discrimination
C. Differential Pricing D. Both A & B
95. A market with two buyers
- A. Duopoly B. Dupsony C. Monopsony D. Oligopoly

96. Market with few buyers and sellers
A. Duopoly B. Dupsony C. Monopsony D. Oligopsony
97. A Market situation with single buyer and single seller
A. Bilateral Monopoly B. Duopoly
C. Dupsony D. Monopsony
98. --- is the important driving force in Data management
A. Data acces B. Data collection
C. Data storage and Retrieval D. Data manipulation
99. ---- is the literal meaning of the word 'Business'
A. Manufacturing B. Production and dealing
C. State of being busy D. Exchange
100. Reading is ---- process
A. Complex B. An active C. Continuous D. Collective
101. --- is the reading technique which enables to identify the specific information
A. Scanning B. Skimming
C. Focused Reading D. None of these
102. --- is the slower method of Reading
A. Scanning B. Skimming C. Focused Reading D. Case study
103. Which technique helps to preview the text to read
A. Scanning B. Skimming C. Focused Reading D. All of these
104. Presentation delivered to an Audience is known as
A. Seminar B. Lecture
C. Open Discussion D. Group presentation
105. ---- is the general method for collecting data
A. Questionnaire B. Interview
C. Case study D. Field Studies
106. The technique which explore or analyze the life of a social unit is known as
A. Case Studies B. Field study
C. Social research D. None of these
107. --- is the in-depth study of a single unit
A. Focused study B. Field study
C. Case Study D. Descriptive research
108. A series of activities to be undertaken at a future date to produce economic results
A. Investment Proposal B. Project Report
C. Budget D. None of these

109. --- is the investigating process which precedes investment decision
A. Project identification B. Project formulation
C. Screening D. Project implementation
110. Data collected for the first time
A. Secondary data B. Primary record
C. Primary Data D. None of these
111. The data which are already collected by someone known as
A. Secondary data B. Secondary record
C. Primary Data D. None of these
112. The process of summarizing data in columns and rows
A .Classification B. Tabulation
C. Summarization D. Codification
113. --- is a report prepared for layman
A. Special Report B. General Report
C. Popular Report D. None of these
114. The first directors of company are appointed by
A. Members B. Creditors C. Promoters D. All stake holders
115. Reserve Bank of India is a
A. Statutory Corporation B. Statutory Body
C. Company D. Association
116. Communism is derived from the Latin word
A. Commune B. Communis
C. Communiqué D. None of these
117. Innovation means
A. Invention B. Discovery
C. Introducing something new D. Creative thinking
118. In which year Income Tax Act was passed
A. 1961 B. 1951 C. 1964 D. 1952
119. The person who carries one man business known as
A. Partner B. Sole trader C. Stake holder D. None of these
120. Sole proprietorship easily be
A. Dissolved B. Cannot be dissolved
C. Neither A or B D. None of these
121. In which year Indian co-operative societies Act was passed
A. 1912 B. 1913 C. 1951 D.1954
122. Who will be appointed to manage a Trust
A. Trustee B. Manager
C. General Manager D. None of these

123. Power of revocation is reserved in
A. Revocable Trusts B. Irrevocable Trusts
C. Neither A or B D. None of these
124. Partnership relations are arised from
A. Contract B. agreement C. Will D. Both A&B
125. Principle –agent relationship are carried in
A. Partnership B. Sole properitorship
C. Company D.Co- operative society
126. Partnership without fixing duration known as
A) Partnership at- will B) partnership by estoppal
C) limited Liability partnership D) none of these
127. In which year Limited liability Partnership Act was passed in India
A. 2006 B. 2005 C.2008 D.2010
128. Companies formed and registered under Companies Act
A. Chartered Companies B. Statutory
C. Registered companies D. Govt. Companies
129. Name the example of Departmental Undertakings
A. BPCL B. GAIL C. HAL D. Indian Railway
130. MOU stands
A. Memorandum of Understanding B. Ministry of Union
C. Neither A or B D. Both A&B
131. Agriculture belongs to
A. Primary sector B. Secondary sector
C. Tertiary sector D. Quaternary sector
132. Information and communication technology comes under
A. Primary sector B. Secondary sector
C. Tertiary sector D. Quaternary sector
132. FDI stands
A. Fixed Deposit Interest B. Foreign Direct Investment
C. Fixed Deposit Interest D. Financial Direct Investment
133. In India FDI came in
A. 1995 B. 1992 C. 1991 D.1990
134. Industrial policy resolution came in
A. 1956 B. 1951 C. 1960 D. 1955
135. FRBM Act stands
A. Fiscal Responsibility Budget Management Act
B. Fiscal Resources Budget management
C. Financial responsibility Budget management Act.
D. None of the above.

136. FRBM came in the year
A. 2003 B. 2005 C. 2006 D. 2002
137. CPSEs stands
A. Central Private Sector Enterprises
B. Central Public Sector Enterprises
C. Centre of Private Sector Enterprises
D. Centre of Public Sector Enterprises
138. The period of first five year plan were
A. 1950-55 B. 1951-56 C. 1960-65 D. 1955-60
139. The most important financial mode of liberalization was
A. Disinvestment B. De-licensing C. FDI D. All of these
140. --- is the catalyst of change
A. Innovator B. Adventurer C. Entrepreneur D. None of these
141. Who developed the idea of 'entrepreneurial heritage'
A. Roberts B. J B Say C. Schumpeter D. Adam Smith
142. --- is the right to use an asset
A. Hire Purchasing B. Leasing
C. Venture financing D. None of these
143. RBI Act was passed in
A. 1935 B. 1936 C. 1934 D. 1936
144. IDBI introduced --- scheme in 1984
A. Single Window Scheme B. Collective investment scheme
C. Equipment Finance Scheme D. None of these
145. The first state financial corporation were established in
A. Punjab B. Kerala C. Rajasthan D. Karnataka
146. Investment trusts are also known as
A. Investment corps B. Investment Banks
C. Investment Board D. None of these
147. ROR stands
A. Rate of return B. return to return
C. return on return D. None of these
148. What is the reward of labour
A. Wages B. Interest C. Profit D. Rent
149. Name the reward of Land
A. Wages B. Interest C. Profit D. Rent
150. What is the reward of capital
A. Wages B. Interest C. Profit D. Rent

151. --- is not taxable in India
A. Personal Income
B. Non-Agricultural Income
C. Agricultural Income
D. None of these
152. In real life we cannot see a --- market
A. Competitive
B. Perfectly competitive
C. Neither A or B
D. None of these
153. --- exists when the element of monopoly is absent from the market
A. Perfect Competition
B. Monopolistic Competition
C. Pure competition
D. Both B&C
154. Under perfect competition firms producing ---- product
A. Heterogeneous
B. Homogeneous
C. Either A or B
D. Neither A or B
155. Training is an organized procedure for increasing ----- of the people
A. Knowledge
B. Experience
C. Efficiency
D. All of these
156. Traditional concept of Marketing is----
A. Selling
B. Buying and Selling
C. Customer satisfaction
D. None of these
157. Indian market is a ---- competitive market
A. Imperfectly
B. Perfectly
C. Neither A or B
D. None of these
158. Monopoly form of market structure has emerged in ---- economies
A. Socialist
B. Mixed
C. Capitalist
D. Both A&B
159. Monopolist is a ----
A. Price maker
B. Price taker
C. Price manager
D. Both A&B
160. In monopoly demand curve shows--- curve
A. Upward slopping
B. Horizontal
C. Vertical
D. Downward slopping
161. All monopolies which are protected by the Law of that country is known as
A. Natural monopoly
B. Legal monopoly
C. Service monopoly
D. Neither A or B
162. Give an example for service monopoly
A. Service of a Doctor
B. Service of a teacher
C. Both A&B
D. Neither A or B
163. Charging different prices from different groups of customers called
A. Price Discrimination
B. Pricing under collusion
C. Discriminating Monopoly
D. Both A&C
164. Combination of monopoly and competition is known as
A. Perfect Competition
B. Imperfect competition
C. Monopolistic competition
D. Monopsony

165. --- is the market situation in which few sellers or firms exist
A. Oligopoly B. Monopoly
C. Monopolistic competition D. Monopsony
166. Give an example of Oligopoly
A. Automobile Industry B. Cement industry
C. Software industry D. All of these
167. A market situation where new firms are not allowed to enter the industry
A. Closed oligopoly B. Open oligopoly
C. Both A&B D. Neither A or B
168. Firms belonging to an industry follow a common policy of pricing known as
A. Collusive Oligopoly B. Closed oligopoly
C. Open oligopoly D. Both A&B
169. A market situation with only two sellers
A. Oligopoly B. Monopoly C. Duopoly D. None of these
170. Who is the father of Economics
A. Alfred Marshall B. A C Pigouv
C. J.B.SAY D. Adam smith
171. A market situation where single buyer of a product is known as
A. Oligopoly B. Monopoly C. Duopoly D. Monopsony
172. A mixed economy is --- a planned economy
A. Optionally B. Compulsorily C. Necessarily D. None of these
173. CENVAT is related with
A. Customs Duty B. VAT
C. Input Tax Credit D. Special Excise Duty
174. EXIM policy stands
A. Extra Import B. Excess of Import
C. Export Import D. None of these
175. Resources to satisfy wants are
A. Unlimited B. Limited C. Abundance D. Both A&C
176. In perfectly competitive market the firm will be
A. Price taker B. Price maker C. Price manager D. None of these
177. In a perfect competition market demand curve of the firm is
A. Perfectly inelastic B. Perfectly elastic
C. Relatively elastic D. Relatively inelastic
178. The demand curve of a monopolist is
A. Slopes downward from left to right B. Slopes Upward from left to right
C. Both A&B D. Neither A or B

179. The object of a monopolist is
A. To maximize market share B. to dominate over rivals
C. To maximize his total profit D. None of these
180. Who are the drivers of globalization
A. International trade B. Financial flows and communications
C. FDI D. All of these
181. Who counted 'All institutions have to make global competitiveness a strategic goal'
A. Alfred Marshall B. Peter Drucker
C. Maslow D. None of these
182. Forms of Mixed economy consists of
A. Public B. private C. co-operative D. All of these
183. The minimum number of directors in a private limited company is
A. 2 B. 7 C. 10 D. 5
184. The maximum number of members in a private limited company is
A. 100 B. 25 C. 15 D. 50
185. The liability of shareholder of public company is limited to the
A. Paid up value of shares B. Nominal value of shares
C. Both A&B D. None of these
186. No person can hold at the same time as director in more than
A. 10 Companies B. 5 Companies C. 20 companies D. None of these
187. The liability of members of a co-operative society is
A. Limited B. unlimited
C. depending upon what the society has opted for D. None of these
188. The life of a co-operative society is not affected
A. by death of members B. insolvency of members
C. Both A&B D. None of these
189. Table A of companies Act gives
A. model of Articles of Association B. Model of Memorandum of association
C. Both A&B D. None of these
190. Company created by special Act of Parliament
A. Chartered company B. Government company
C. Statutory Company D. None of these

ANSWERS

1. A	2.C	3.A	4.D	5. B	6. A	7. C
8.C	9.A	10.D	11.A	12. D	13.D	14.A
15.A	16.A	17.B	18.A	19.B	20.A	21.B
22.B	23.A	24.A	25.C	26.A	27.B	28.D
29.B	30.D	31.A	32.B	33.C	34.B	35.A
36.B	37.C	38.B	39.A	40. B	41.B	42.B
43.D	44.A	45.D	46.B	47.D	48.A	49.C
50.B	51.A	52.B	53.C	54.B	55.C	56.A
57.B	58.B	59.C	60.A	61.C	62.C	63.A
64.A	65.B	66A	67.C	68.A	69.C	70.D
71.D	72.C	73.C	74.A	75.C	76.B	77.A
78.B	79.C	80.C	81.A	82.B	83.D	84.D
85.A	86.B	87.A	88.C	89.B	90.A	91.A
92.B	93.C	94.D	95.A	96.D	97.A	98.C
99.C	100.B	101.B	102.C	103.B	104.A	105.D
106.A	107.C	108.B	109.B	110.C	111.A	112.B
113.C	114.C	115.A	116.B	117.C	118.A	119.B
120.A	121.A	122.A	123.A	124.D	125.A	126.A
127.C	128.C	129.D	130.A	131.A	132.B	133.C
134.A	135.A	136.A	137.B	138.B	139D	140.C
141.A	142.B	143.C	144.C	145.A	146.B	147.A
148.A	149.A	150.B	151.C	152.B	153.C	154.B
155.D	156.A	157.B	158.C	159.A	160.D	161.B
162 .C	163.D	164.B	165.A	166.D	167.A	168.A
169.C	170.D	171.D	172.C	173.D	174.C	175.B
176.A	177.B	178.A	179.C	180.D	181.B	182.D
183.A	184.D	185.B	186.C	187.C	188.C	189.A
190.C						

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