

**ENTRANCE TEST-2023****SCHOOL OF BUSINESS AND MANAGEMENT STUDIES****COMMERCE**

Question Booklet Series

**A**

Total Questions : 60  
Time Allowed : 70 Minutes

Roll No. :

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**Instructions for Candidates :**

1. Write your Entrance Test Roll Number in the space provided at the top of this page of Question Booklet and fill up the necessary information in the spaces provided on the OMR Answer Sheet.
2. OMR Answer Sheet has an Original Copy and a Candidate's Copy glued beneath it at the top. While making entries in the Original Copy, candidate should ensure that the two copies are aligned properly so that the entries made in the Original Copy against each item are exactly copied in the Candidate's Copy.
3. All entries in the OMR Answer Sheet, including answers to questions, are to be recorded in the Original Copy only.
4. Choose the correct / most appropriate response for each question among the options A, B, C and D and darken the circle of the appropriate response completely. The incomplete darkened circle is not correctly read by the OMR Scanner and no complaint to this effect shall be entertained.
5. Use only blue/black ball point pen to darken the circle of correct/most appropriate response. In no case gel/ink pen or pencil should be used.
6. Do not darken more than one circle of options for any question. A question with more than one darkened response shall be considered wrong.
7. There will be '**Negative Marking**' for wrong answers. Each wrong answer will lead to the deduction of 0.25 marks from the total score of the candidate.
8. Only those candidates who would obtain positive score in Entrance Test Examination shall be eligible for admission.
9. Do not make any stray mark on the OMR sheet.
10. Calculators and mobiles shall not be permitted inside the examination hall.
11. Rough work, if any, should be done on the blank sheets provided with the question booklet.
12. OMR Answer Sheet must be handled carefully and it should not be folded or mutilated in which case it will not be evaluated.
13. Ensure that your OMR Answer Sheet has been signed by the Invigilator and the candidate himself/herself.
14. At the end of the examination, hand over the OMR Answer Sheet to the invigilator who will first tear off the original OMR sheet in presence of the Candidate and hand over the Candidate's Copy to the candidate.

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1. The concept of Human-Relation-Oriented management, which emphasizes people and the relationships among people as the focus of management, was pioneered by \_\_\_\_\_.  
(A) John. F. Mee  
(B) F. W. Taylor  
(C) Harold Koontz  
(D) Ralph C. Davis
  2. \_\_\_\_\_ is a system of relationships that govern the activities of the people working in the organization to achieve the intended goals.  
(A) Directing  
(B) Organizational Structure  
(C) Controlling  
(D) Staffing
  3. Which of the following is not the principle of Organizing?  
(A) Authority should be granted to match responsibility.  
(B) Each person should be immediately responsible to several superiors.  
(C) There should not be too much centralization.  
(D) There should be equitable distribution of work.
  4. The basic purpose of \_\_\_\_\_ is to utilize management time in the most efficient and best possible manner by involving them only when there is an important deviation from the routine or normal business results.  
(A) Management by Exceptions  
(B) Management by Objectives  
(C) SWOT Analysis  
(D) Span of Control
  5. Which of the following is not true about Maslow's Need Hierarchy Theory?  
(A) The needs of people are arranged according to their perceived priority  
(B) The human needs are divided into five categories  
(C) Advancing towards higher-order needs means more satisfaction  
(D) People simultaneously pursue multiple order of needs
  6. Which of the following doesn't fall under Herzberg's motivation factors?  
(A) Interpersonal relations with subordinates  
(B) Advancement  
(C) Responsibility  
(D) Recognition
  7. The \_\_\_\_\_ accomplishes results through use of authority, fear of deprivation, punishment and other coercive measures.  
(A) Democratic Leader  
(B) Autocratic Leader  
(C) Charismatic Leader  
(D) All of the above
  8. In order to improve a manager's ability to lead, he needs to cultivate following attitude(s) \_\_\_\_\_.  
(A) Empathy  
(B) Objectivity  
(C) Both (A) & (B)  
(D) Neither (A), nor (B)
  9. Before an income can be charged under the head Salaries under Income Tax Act 1961, it is vital that there should exist \_\_\_\_\_.  
(A) A government recognized organization  
(B) Relationship of employer and employee  
(C) Both (A) & (B)  
(D) Neither (A), nor (B)
  10. Sujata, an actress, is employed in Chopra Films, where she is paid remuneration of Rs. 2 lacs per/month. She acts in different films produced by various producers. The remuneration for acting in such films is directly paid to Chopra Films by the different producers. Thus, Rs. 2 lacs p/m constitutes as \_\_\_\_\_ in the hands of Sujata.  
(A) Income from profession  
(B) Other income  
(C) Commission  
(D) Salary
  11. Mr. Firdous is receiving Rs. 150 p/m and Rs. 70 p/m for his two sons as children education allowance. He also receives Rs. 1800 p/m as transport allowance and Rs. 500 p/m as tribal area allowance. What is his taxable allowances?  
(A) Rs. 25800  
(B) Rs. 26400  
(C) Rs. 28200  
(D) Rs. 27000

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12. \_\_\_\_\_ is a payment made by an employer in appreciation of services rendered by the employee.
- Commuted Pension
  - Uncommuted Pension
  - Bonus
  - Gratuity
13. Section 73 of Income Tax Act 1961 provides that the losses in speculation business can be set off against the profits of \_\_\_\_\_.
- Any business other than speculation business
  - Any business
  - Speculation business only
  - None of these
14. Section 80C provides deduction of savings in specified modes of investment from the Gross Total Income and it includes \_\_\_\_\_.
- Premium paid in respect of Life Insurance Policy
  - Premium paid in respect of a contract for deferred annuity
  - Contribution to PF
  - All of the above
15. Under Section 24 of the Income Tax Act 1961, following is/are allowed as deduction from Annual Value under the head Income from House Property \_\_\_\_\_.
- 30 percent of NAV
  - Interest on borrowed capital
  - Both (A) & (B)
  - Neither (A), nor (B)
16. During the previous year 2021-22, Mr. X has following income and brought forward losses : Short-term capital gains Rs. 150000, Long-term capital gains, Rs. 75000; short-term capital losses, Rs. 37000 and Long-term capital losses, Rs. 96000. What is the taxable income of Mr. X as Capital gains for the A. Y. 2022-23?
- Rs. 225000
  - Rs. 113000
  - Rs. 92000
  - Rs. 21000
17. If an act of company is Ultra-Vires then it \_\_\_\_\_.
- Is binding on a company
  - Can be rectified by the members
  - Both (A) & (B)
  - Neither (A), Nor (B)
18. According to \_\_\_\_\_ stakeholders need not to enquire whether the necessary meeting was convened and held properly. They are entitled to take it for granted that the company had gone through all the proceedings properly.
- Doctrine of Indoor Management
  - Doctrine of Constructive Notice
  - Doctrine of Ultra-Vires
  - Doctrine of Intra-Vires
19. According to Section 23 of Companies Act 2013, a private company cannot issue securities through \_\_\_\_\_.
- Private Placement
  - Rights Issue
  - FPO
  - Bonus Issue
20. In \_\_\_\_\_ the price per security and number of securities are left open to be decided post closure of the issue.
- Prospectus
  - Shelf Prospectus
  - Red Herring Prospectus
  - Constructive Public Notice
21. Section 271 of the Companies Act, 2013 lays down circumstances in which Company may be wound up by the Tribunal
- If the Tribunal is not of the opinion that it is just and equitable that the company should be wound up
  - If the company has, by special resolution, resolved that the company be wound up by the Tribunal
  - If the company has not acted against the interests of the sovereignty of India
  - None of the above

22. Which of the following is not objective of the Annual General Meeting (AGM)?
- To discuss functioning of the business
  - To take steps to protect interest of the shareholders
  - To discuss matter of urgent importance that cannot be postponed
  - None of the above
23. Who is/are authorized to call Annual General Meeting (AGM)?
- Board of Directors
  - Any individual director
  - General Manager
  - CEO
24. As per Section 177 of the Companies Act, 2013, certain companies have to establish Vigil/Whistle-blowing mechanism. However, a whistleblower can be
- Within the organization
  - Outside the organization
  - Both (A) & (B)
  - Neither (A), nor (B)
25. Rani contracted to teach dance to Shruti and received Rs. 5000 in advance from her. Rani met with an accident and is unable to teach dance now, but she has her daughter as her legal representative. Shruti can now \_\_\_\_\_.
- Force her daughter to teach her dance
  - Rescind the contract and ask for refund of money
  - Rescind the contract but cannot ask for refund of money
  - Can sue Rani for non-performance of the contract
26. X, Y, & Z jointly promised to pay M Rs. 100,000, but Z dies before the performance of the contract. Now, the contract \_\_\_\_\_.
- Becomes void on Z's death
  - Should be performed by X&Y along with Z's legal representatives
  - Should be performed by X&Y alone
  - Should be renewed between X, Y, & M
27. Which of the following is true about a Contract of Sale?
- Delivery of goods and payments cannot be made in installments
  - Delivery of goods can be made in installments but not payments
  - Delivery of goods cannot be made in installments but payments can be
  - Delivery of goods as well as payments can be made in installments
28. Goods which are in existence at the time of Contract of Sale are known as
- Present Goods
  - Specific Goods
  - Existing Goods
  - None of the above
29. Under Section 64, a Limited Liability Partnership (LLP) may be wound up by Tribunal, in case \_\_\_\_\_.
- LLP decides that it should be wound up by Tribunal
  - LLP is unable to pay its debts
  - Number of partners in LLP fall below two for more than six months
  - All of the above
30. Which of the following statement about Limited Liability Partnership (LLP) is true?
- LLP has no separate personality apart from its members
  - A listed company cannot be converted into LLP
  - The liability of each partner in LLP is unlimited
  - Members of LLP are not taxed as partners
31. A Bill of Exchange \_\_\_\_\_.
- Must contain an express order to pay
  - Need not be in writing always
  - Both (A) & (B)
  - Neither (A), nor (B)
32. There are \_\_\_\_\_ parties to Cheque.
- Two
  - Three
  - Four
  - Up to seven



33. Which of the following is true about International Financial Reporting Standards (IFRS)?
- They are considered non-principle based standards
  - They dictate specific treatments
  - They establish broad rules
  - All of the above
34. If an organization follows Fundamental Accounting Assumptions while preparing its Financial Statements, then \_\_\_\_\_.
- It must disclose same in the financial statements
  - It need not disclose same in the financial statements
  - It may post same on its official website for the public information
  - None of these
35. Following are the particulars of Mr. X: Cash Rs. 70000, Furniture Rs. 25000, Goods Rs. 2000, Mr. Y owes to Mr. X, Rs. 8000 and Mr. X owes to Mr. Z Rs. 5000. How much is the own capital of Mr. X?
- Rs. 105000
  - Rs. 100000
  - Rs. 92000
  - Rs. 87000
36. The principle of Consistency improves the comparability of financial statements through the time. However, Accounting Policy can be changed \_\_\_\_\_.
- If required by a statute
  - If required by an accounting standard
  - Both (A) & (B)
  - Neither (A), Nor (B)
37. Javid purchased a machine on hire purchase system. As per terms he is required to pay Rs. 70000 down payment, Rs. 53000, Rs. 49000, & Rs. 55000 at the end of 1<sup>st</sup>, 2<sup>nd</sup>, & 3<sup>rd</sup> years respectively. Interest is charged @ 10 Percent p.a. What is the total cash price of the machine?
- Rs. 200000
  - Rs. 210000
  - Rs. 220000
  - Rs. 227000
38. Under \_\_\_\_\_ the full cash price of the asset is debited to the Asset Account and Credited to the Hire Vendor Account.
- Sales Method
  - Interest Suspense Method
  - Cash Price Method
  - All of the above
39. If the hire purchaser fails to pay any installment, the hire vendor can take back asset in actual for and \_\_\_\_\_.
- Refund the earlier payments to hire purchaser
  - Treat earlier payments as the hire charges
  - Treat down-payment as hire charges and refund installments
  - Sue hire purchaser for non-payment of rest of installments
40. Which of the following is drawback of Joint-Venturing?
- It brings economies of scale
  - Access to different markets and geographies
  - Infusion of new expertise
  - Cultural incompatibility
41. Following are the particulars of Branch X: Goods received Rs. 50000, Furniture received beginning Rs. 10000, Credit Sales Rs. 62000, Bad Debts Rs. 1000; Closing Stock Rs. 10000, Closing Debtors, Rs. 61000, and Furniture at end Rs. 8000 (after depreciation). Find out the profit of Branch X.
- Rs. 20000
  - Rs. 19000
  - Rs. 17000
  - Rs. 14000
42. The major difference (s) between Branch Accounting and Departmental Accounting is/are \_\_\_\_\_.
- Conversion of foreign currency figures is necessary in Branch Accounting and not in Departmental Accounting
  - Reconciliation of head office and branch office accounts is not necessary and in Departmental accounting it is necessary
  - Both (A) & (B)
  - Neither (A), nor (B)

43. AS 11 classifies foreign branches as \_\_\_\_\_
- (A) Autonomous branches and non-autonomous branches
  - (B) Uncontrolled and fully-controlled branches
  - (C) Integral and non-integral foreign operations
  - (D) None of these
44. Under Branch trading and profit/loss account method
- (A) H.O. prepares profit and loss account
  - (B) Each branch is treated as separate entity
  - (C) Both (A) & (B)
  - (D) Neither (A), nor (B)
45. Holders of preference shares are \_\_\_\_\_.
- (A) Entitled to receive dividends at fixed rate
  - (B) Paid dividends after equity shareholders are paid dividends
  - (C) Paid dividends even if there are no profits
  - (D) All of the above
46. In Cash Flow Statement, which of the following is the source of cash?
- (A) Purchase of Investment
  - (B) Redemption of preference shares
  - (C) Raising of long-term loan
  - (D) Payment of Dividends
47. Which of the following does come under Financing Activities in Cash Flow Statement?
- (A) Cash receipts from sale of property
  - (B) Cash receipts from sale of goods
  - (C) Cash receipts from royalties
  - (D) Cash payments of amount borrowed
48. Securities Premium Account is shown on the liabilities side in the Balance Sheet under the heading:
- (A) Reserves and Surplus
  - (B) Current Liabilities
  - (C) Share Capital
  - (D) Long-Term Liabilities
49. The amalgamation takes place through \_\_\_\_\_.
- (A) The pooling of interest method
  - (B) The purchase method
  - (C) Both (A) & (B)
  - (D) Neither (A), Nor (B)
50. In the process of Internal Reconstruction of a company, \_\_\_\_\_.
- (A) The existing shareholders become shareholders of new company as well
  - (B) A company doesn't need court's interference
  - (C) The capital doesn't get reduced
  - (D) The capital and debt structure is changed to bring company back to normalcy
51. The accumulated losses under the scheme of internal reconstruction are written off against \_\_\_\_\_
- (A) Capital Reduction Account
  - (B) Share Capital Account
  - (C) Shareholders' Account
  - (D) None of these
52. A process of reconstruction, which is carried out without liquidating the company and forming a new is called \_\_\_\_\_.
- (A) Amalgamation
  - (B) Absorption
  - (C) Internal Reconstruction
  - (D) External Reconstruction
53. In order to cost control, following step(s) should be followed:
- (A) No target cost should be laid down
  - (B) Actual performance should be measured against standard
  - (C) Both (A) & (B)
  - (D) Neither (A), nor (B)

54. Which of the following pertains to Financial Accounting?
- It uses both historical costs and predetermined costs
  - A set format is used to prepare the accounting information
  - The accounting information is prepared for the internal management
  - It provides details of cost of every product
55. Calculate the Economic Order Quantity (EOQ) from the following information: Material Consumption 10000 kg/p.a, Ordering Cost, Rs. 50 per order, Material Cost Rs. 2 per kg, Storage Cost, 8 percent on average inventory.
- 1800 kg
  - 2000 kg
  - 2500 kg
  - 2700 kg
56. Calculate inventory turnover ratio from the following information: Opening Stock Rs. 90000, Purchases during the year, Rs. 270000, and Closing Stock Rs. 110000.
- 1.5
  - 2.5
  - 3.5
  - 4.5
57. A firm shows variable cost as Rs. 70000, and fixed cost as Rs. 20000 on existing production. The Firm produced additional 100 units and shows total cost as Rs. 120000. What is the marginal cost of the firm?
- Rs. 30000
  - Rs. 50000
  - Rs. 90000
  - Rs. 120000
58. On the bases of Floor Area or Volume of Department following overhead(s) is/are allotted:
- Lighting
  - Heating
  - Fire precaution service
  - All of these
59. Which of the following doesn't fall under Factory Overheads?
- Depreciation of Office Building
  - Indirect Labour
  - Stock Keeping Expenses
  - Cost of Primary Packing
60. Fixed overheads are costs which \_\_\_\_\_.
- Tend to vary with the volume of activity
  - Tend to vary partly with the volume of activity
  - Tend to remain constant up to certain volume of activity
  - Tend to remain constant irrespective of the volume of activity