

- (e) Every firm in monopolistic competition spends more money in promoting its products.

Q.50)

Which of the following correctly describes interest rate parity?

- (a) It is the fundamental equation that governs the relationship between interest rates and currency exchange rates.
 (b) It is a popular metric used by macroeconomic analysts that compares different countries' currencies through a basket of goods.
 (c) It is the number of bits with a value of one is an even number.
 (d) It is the exchange rate between the currencies of two countries making the purchasing power of both currencies.
 (e) Interest rate parity is the potential for investment losses that result from a change in interest rates.

ANSWERS

Commerce and Accountancy

Q.1) (a)

Explanation:

This question was asked from the commerce and accountancy section of the syllabus. The level of this question is moderate. You need to know the formula of book value of share to solve this question.

The formula for the book value per share involves **taking the book value of equity and dividing that figure by the weighted average of shares outstanding**. Make sure you don't forget to add the net profit after taxation in value of shares for reaching the book value of the share.

$$7,00,000 + 1,75,000 = 8,75,000/70,000 = 12.5$$

Q.2) (a)

Explanation:

This question was asked from the commerce and accountancy section of the syllabus. It is an easy question if you know the basic formula to calculate depreciation then you can do it.

$$5 \text{ years depreciation} = 1,20,000 \times 5 = 6,00,000$$

$$\text{The value of remaining asset} = 12,00,000 - 6,00,000 = 6,00,000$$

As the value has increased by 1,20,000 we need to add this amount in 6,00,000

$$1,20,000 + 6,00,000 = 7,20,000$$

$$7,20,000/8 = 90,000$$

Q.3) (b)

Explanation:

This question was asked from the commerce and accountancy section of the syllabus. This question is meant to check conceptual clarity of the candidate.

As you can see, the value of the rupee has depreciated so, there is a loss. With this information, you can eliminate the options which are showing profit.

Now, there is a loss of 2.5 crores (72.5 – 70).

So, option (b) will be the answer.

Q.4) (a)

Explanation:

This question was asked from the Commerce and Accountancy section of the syllabus. The level of this question is moderate.

The thing worth noticing in this question is, you have to find the INCORRECT statement not the correct one. So, please be careful with KEYWORDS while approaching any question.

Otherwise, you will end up wasting your time. So, you should make a habit of reading every question twice before going through the options to save your time later.

In this question, options from (b) to (e) are features of provision. The only incorrect option is (a). Here, the examiner has written just the opposite of what provision is. Provision refers to an amount that is kept aside from a company's profit to cover probable expenses arising in future. Hence, (a) will be the answer.

Q.5) (a)

Explanation:

This question was asked from the commerce and accountancy section of the syllabus. You should have a good hold on formulas to solve numerical questions. The formula of gross profit ratio is easy to remember as it is derived by dividing gross profit by sales.

COGS = Purchase – Purchase return + Carriage inwards + Wages + Decrease in inventory

$75,000 - 2,000 + 2,000 + 5,000 + 10,000 = 90,000$

Sales = 1,00,000

Gross profit = 1,00,000 – 90,000 = 10,000

Gross profit ratio = $\frac{\text{Gross profit}}{\text{Sales}} \times 100 = \frac{10,000}{1,00,000} \times 100 = 10\%$

Q.6) (b)

Explanation:

This is again a numerical question from the commerce and accountancy section of the syllabus. Earning before interest, tax, depreciation and amortization (EBITDA) is divided by interest to derive Interest coverage ratio.

Profit before tax = $60,000 / (1-0.4) = 1,00,000$

Interest on debt = 1,50,000

EBITDA = 1,00,000 + 1,50,000 = 2,50,000

Interest coverage ratio = $\frac{\text{EBITDA}}{\text{Interest}} = \frac{2,50,000}{1,50,000} = 1.67$

Q.7) (d)

Explanation:

This question was asked from the commerce and accountancy section of the syllabus. The concept behind this question is taught to students in class 12th. So, you can see the level of question is basic. In this question, you have to ignore the credit sales because you have been asked to find net profit as per cash basis of accounting.

Rs 8,500 (40,000 – 25,000 – 6,500)

Q.8) (a)

Explanation:

This question was asked from Commerce and Accountancy. The key word in this question is AS -2. As per AS-2, we do not consider cash discount. So, please focus on KEYWORDS before solving any question otherwise you can do the question wrong.

Here, in this question we need to ignore cash discount for

finding the value of inventory.

$(1,140 \times 1,000 + 50,000 + 6,000) = 11,96,000$

Management

Q.9) (a)

Explanation:

This question was asked from the management section of the syllabus. The examiner has asked this question to check whether you know the fundamental difference between morale and motivation or not.

The concept behind this question is easy but the language of this question is slightly tricky. The examiner has not directly asked you to identify the feature of motivation. He has twisted the language of the question and then asked the same thing.

As you know, morale is a group phenomenon and the only option that is linked to the feature of a group is (a). The features given in the rest of the options are part of both morale and motivation.

Q.10) (a)

Explanation:

This question was asked from the management section of the syllabus. Barriers to communication are specifically mentioned in your syllabus. So, it is your religious duty to do this topic in detail. This question is easy for those who have studied every topic of the syllabus from the heart.

If you really want to crack this exam then you should treat your syllabus as the bible and study each and every topic mentioned in it with full dedication and determination. Look, there is no point in filling the form of any exam when you are not willing to study for it. So, if you have filled the form of SEBI EXAM then make a point to study properly and get your name on the merit list.

You can solve this question by using common sense as well.

Anger, frustration, and humour all are part of emotions. So, (a) will be the answer.

Q.11) (a)

Explanation:

This question was asked from the management section of the syllabus. It is an easy question you can do this question with the help of elimination skills. Let's see how.

Motivation helps in increasing the efficiency of the employee so you can say the ability of a motivated employee is much more than an unmotivated employee but motivation does not increase your knowledge in respect of your work. So, you can eliminate option (b).

On the basis of same logic, you can eliminate option (d).

Increase in workload will only overburden the employee and make him feel stressed and unmotivated. So, how can it increase

his ability and knowledge? Thus, you can eliminate option (c). Enrolling employee, particularly in MBA course is not a good choice. There are various employees in an organization working at various profiles. All of them don't need MBA degree in order to improve their ability and knowledge. Therefore, you can eliminate option (e) as well.

Now, you are left with option (a) only and it is the answer.

Q.12) (a)

Explanation:

This question was asked from the management section of the syllabus. The level of this question is moderate. The examiner has again tried to play with the words in this question. Here you have to identify the feature of incentive but not reward.

In all the options other than (a), you are given features of reward, which cannot be the answer. If you have studied well for the exam then you can solve this question in no time.

Q.13) (c)

Explanation:

This question was asked from the management section of the syllabus. It is a conceptual question. Under Mintzberg theory, you must have read the roles of manager given in the options. In this question, you can apply elimination skills in options (d) and (e) if you can't recall the role of manager in exam hall. 'Resource allocator', the term itself suggests that under this a manager will be responsible for the allocation of organizational resources of all kinds. The question asked is not related to allocation of resources. So, it cannot be the answer. Eliminated. Similarly, under the role of a 'disseminator', he transmits information received from outsiders or from subordinates to the members of organization. Our question is related to seeking and receiving information NOT disseminating information. Hence, this option will also get eliminated.

There are chances of getting confused in rest of the options if you lack conceptual clarity. So, you should focus on building your concepts very strong to avoid such confusion on exam day.

Q.14) (a)

Explanation:

This question was asked from the Management section of the syllabus. You must have studied various techniques of managerial control while preparing for this exam. Some of those are traditional and some are modern. Here, in this question examiner has not asked you anything regarding the technique of managerial control instead has asked you to identify the modern technique.

Students usually don't give importance to the categories like modern and traditional while studying, they just study in detail about the techniques. So, despite being a QUESTION FROM A FAMILIAR TOPIC this question has become DIFFICULT. All the options other than (a) are from the traditional technique. Hence, they can't be the answer.

Q.15) (e)

Explanation:

This question was asked from the management section of the syllabus. The topic of human resource development is mentioned in your syllabus. So, you should study this topic in detail for your examination.

You can do this question by using the technique of 'odd one out'. All the options other than (e) are directly related to the features of human resource development. Examiner has tried to frame option (e) from the language of the question but this option does not make any sense as one is not taught to extract resources under human resource development. So, this is the incorrect statement.

Q.16) (b)

Explanation:

This question was asked from the management section of the syllabus. There are various types of theories that you study under leadership. The examiner has tried to check your in-depth knowledge through this question. You can't do guess work in this question also.

The takeaway from the above question is, you have to study certain topics of your syllabus in length and breadth. You should give extra attention to the topics which were asked earlier in SEBI EXAMINATION. Short notes on such topics will definitely help you in revision a day before exam.

Finance

Q.17) (d)

Explanation:

This question was asked from the finance section of the syllabus. Here, the question is factual in nature so guessing the answer is not the option.

You can answer such factual questions only if you have studied topics from your syllabus properly. The majority of students have a habit of ignoring the facts but make sure you don't come under that group. Yes, you can leave unimportant facts but ignoring the important facts does not make any sense.

The game of clearing government exams is not reliant on you answering everything. It's dependent on you answering ENOUGH NUMBER OF QUESTIONS CORRECTLY. For that to happen, focus on the important facts and you will be through.

Q.18) (a)

Explanation:

This question was asked from finance current affairs. As you are preparing for SEBI exam, it is expected from you to have some knowledge of SEBI. The examiner is nowhere wrong in keeping such expectations from the aspirant.

Even if you don't know anything about the app launched by

SEBI then also you can do this question if you know something about the remaining apps mentioned in options. Let's see how. As SBI is one of the major banks of India, you must be aware of the YONO app launched by it. So, you can eliminate option (b). The present era is the DIGITAL ERA. You all must be using BHIM app of the Government of India for making various digital payments. So, you can easily eliminate option (c). UMANG app was launched way back in 2017 by the Government of India as a common, unified platform, aggregating major government services. It is one of the most famous apps of GOI as you can access all the major services of GOI from it. You must be aware of this app as well. So, it was also not launched by SEBI. Eliminated.

Now, let's come to option (e). This option can confuse you because MANI app by RBI was not much promoted and you might have not heard about it earlier. This app was launched in 2020, to aid the visually impaired in identifying the denomination of Indian banknotes.

So, in case you are confused between option (a) and option (e). You can try your luck and mark one of the two options if you have attempted fewer questions.

Q.19) (a)

Explanation:

This question was asked from the finance section of the syllabus.

Keywords from the finance section have been used in framing of options of this question. Hence, you need to have knowledge of the keywords mentioned here to use elimination skills in this question.

The term Fiscal prudence is used to denote whether fiscal policies tend to lead to a sustainable or unsustainable fiscal position. Hence option (a) is the answer.

Let's come to option (b). Being citizen of India, you must have heard about federalism. Fiscal federalism deals with the division of government functions and financial relations among levels of government. Our question is silent on any kind of division. So, we can eliminate option (b).

Let's come to option (c). You must have heard the term "Fiscal stimulus" because some reason or other it always remains in news. It is an attempt by the government to increase economic activity by reducing taxes, and increasing government spending. Thus, it is not the answer.

Let's see option (d). Fiscal policy refers to the use of government spending and tax policies to influence economic conditions, especially macroeconomic conditions. Hence, it is not the answer.

Let's see option (e). As you know, the literal meaning of the term "Decentralization" is the distribution of functions and powers. Our question is silent on any kind of distribution of power. So, we can eliminate option (e).

There will be dicey questions in your exam as well where you will find yourself confused in two or three options. In such a situation you need to choose the best option based on your knowledge and instinct.

Q.20) (e)

Explanation:

This question was asked from the Finance section of the syllabus and it can be covered from current affairs also. There is no scope of guess work in this question. Guessing the answer is also an ART, you just can't blindly apply it in every question. Stay away from questions that are not leading you anywhere. In short, stay away from BLIND GUESS.

You need practice to understand the difference between A GUESS, A SMART GUESS and A SURE SHOT answer.

Q.21) (c)

Explanation:

This question was asked from the finance section of the syllabus. This question is both a mixture of fact and concept. Playing hit and trials in this question might lead you towards negative marking. So, you can skip such questions if you don't know the exact answer.

Examiner does not want you to answer all the questions in the exam hall, he wants you to feel bad and low during exam and this is why he keeps such questions in exam. The sole intention behind keeping such questions is, to check how you will behave under pressure.

Q.22) (b)

Explanation:

This question was asked from the finance section of the syllabus. Question from NBFC is very much expected and this question has just asked you to identify the incorrect feature of NBFC. If you have studied the features of NBFC well then you can do this question easily.

As NBFC does not accept demand deposits the answer is (b). But the examiner has tried to create confusion by using the word "ONLY" in option (c). Usually, paper setter uses the word "ONLY" to make statement incorrect but it is not the case here.

Costing

Q.23) (c)

Explanation:

This question was asked from the Costing Section of the syllabus. The level of this question is moderate, but you should be very careful while doing calculation in numerical questions.

Average of price = $20 + 22/2 = 21$

Units remaining = $100 + 200 = 300 - 250 = 50$

Value of closing stock = $21 \times 50 = 1050$

Q.24) (c)

Explanation:

This question was asked from the Costing section of the

syllabus. Although it is a difficult question but you can solve it, if you know the formula of Break-even point in unit

$$\text{BEP in units} = \frac{\text{Fixed Cost}}{\text{Selling price per unit} - \text{Variable cost per unit}}$$

Fixed cost = 60,000

Selling Price per unit = 30 – 3 = 27

Variable cost per unit = 12 + 6 + 3 (50% of 6) = 21

$60,000 / (27 - 21) = 60,000 / 6 = 10,000$

Here in this question if you forgot to add direct material cost per unit in finding the variable cost per unit then you might get 20,000 as answer which is also in options. So, you need to go through all the information given before solving any question.

Q.25) (b)

Explanation:

This question was asked from the costing section of the syllabus. Cellular manufacturing is a part of the lean system and it is explicitly mentioned in the syllabus. The level of this question is not very high and not too low as well.

If you look at the options of this question carefully, you can figure out that all the options other than (b) are positive in nature. Increase in expense is reflecting negativity, why will we consider a technique which can increase the expenses? So, you can mark option (b) as answer based on this logic as well.

Q.26) (c)

Explanation:

This question was asked from the costing section of the syllabus. This question was not predicted by the students as they generally focus on LIFO, FIFO, and Weighted average method while doing questions from inventory control. Students usually don't give importance to notional price method and examiner knows this thing and he has used this weak point of students by framing question from Notional price method.

Standard price method, market price method (or replacement price method), and inflated price method are examples of notional price method.

The takeaway from this question is, you just can't take topics mentioned in your syllabus lightly as examiner has the liberty of framing questions from any of the mentioned topics. So, instead of coming out of the exam hall with a sad face, you should burn the midnight oil while preparing for the exam and come out of the exam hall with a happy face.

Q.27) (a)

Explanation:

This question was asked from the costing section of the syllabus. Marginal Costing is a very important topic for this exam. If you have done previous years' analysis then you must have figured out questions from marginal costing in each paper. So, you should prepare this topic well for the exam.

The first thing you should notice in this question is, the use of the word INCORRECT.

All the options other than (a) are features of marginal costing.

You can consider option (d) and option (e) as correct without any deep knowledge because these are very positive features. And usually, positive features given in respect of any technique are CORRECT.

For considering options (b) and (c) right you need to have conceptual understanding. However, option (e) really does not fit in the definition of marginal costing. So, you can easily catch that it is the incorrect statement.

Q.28) (c)

Explanation:

This question was asked from the costing section of the syllabus. For solving this question, you should know the formula of Prime Cost.

Prime Cost = Direct materials cost + Direct labour cost

$10,00,000 + 6,80,000 = 16,80,000$

Fixed factory overheads and variable factory overheads are given to confuse you. They will not be used in finding Prime Cost.

Q.29) (e)

Explanation:

This question was asked from the Costing section of the syllabus. Again, there is use of the word NOT in this question. So, please be careful while doing this question.

Students often don't study the method of splitting semi-variable cost and examiner knows this thing and that is why he has not shown interest in knowing the details of method of splitting semi-variable cost. He just wants to check whether you can identify the method of splitting variable cost or not.

All options other than (e) are methods of splitting semi-variable costs.

Q.30) (c)

Explanation:

This question was asked from the costing section of the syllabus. It is an easy numerical if you know the formula of unit cost under absorption cost

$$\text{Unit cost under Absorption cost} = \frac{\text{Direct material} + \text{Direct labour} + \text{Variable Factory Overhead} + \text{Fixed Factory Overhead}}{\text{Number of units produced}}$$

Companies Act

Q.31) (a)

Explanation:

This question was asked from the Companies act. It is a straightforward factual question but an easy and expected one. There is one beauty of factual questions, if you know the fact then you are definitely going to get 2 marks and be ahead of your peers

but the sad part of these questions is, you can't make guesses in these questions. It is always better to leave a factual question if you don't have clarity on facts else these questions will leave the scar of negative marking on your scorecard.

NOTE: We are not providing you details on small shareholders because we know, you can get them from anywhere as they are widely available. Here, in this question, we have tried to teach you the approach of dealing with factual questions.

Q.32) (a)

Explanation:

This question was asked from the Companies Act. It is an easy factual question. You can't blame the examiner for keeping factual questions in the paper as the fact being asked here is really important and it is expected from you to know this fact as a serious aspirant.

Q.33) (b)

Explanation:

This question was asked from the Companies Act. Again, this is an easy factual question. The objective of examiner behind asking such factual questions is to test your mental capacity to remember whatever is out there.

I know what you are thinking. "Isn't it stupid to check a student's memory through factual questions?" well, it looks stupid on the outside but once you try to get to the REASON BEHIND EVERY NUMBER that comes your way, you will realize that it's not as stupid as it looks. Every number, every fact has a story to tell. Your objective is to get to that story so that the number need not be remembered anymore. So that it goes to your permanent memory on its own. So that the fact becomes A PART OF YOU.

Q.34) (a)

Explanation:

This question was asked from the Companies Act. It is an easy factual question. You must have observed that majority of the questions from Companies Act are factual in nature. So, while studying Companies Act you should focus on facts, and at the same time, you need to revise those facts again and again so that you can recall them clearly and spontaneously in the exam hall. This question in a changed form was also asked in Phase 1 of 2022. So, you can see how important it is to cover the topics that have come in Phase 1 and in 2020 as well.

Q.35) (b)

Explanation:

This question was asked from the Companies Act. This is a pure factual question and not an easy one. The level of this question is moderate. To solve this question, you need to know the story behind transferor and transferee. If you try to mug up the facts, you will not get through anywhere in the final exam. Why? Because you will never see the same question in the exam. The examiner will tweak the fact in such a way that you get confused

at the end or mark the wrong option. He knows where to confuse you.

Thus, a factual question is Factual BUT THERE IS A STORY BEHIND EVERY FACT. Try to get to that story.

Q.36) (d)

Explanation:

This question was asked from the Companies Act section of the syllabus.

This is a factual question. Examiner asks such questions because he is concerned about how much you can remember in the SEA OF NUMBERS AND FACTS. There is no limit to the memory of young students like you. The more you try to remember, THE MORE YOU CAN. If a student is mentally placing a limit on how much he/she can remember, the student has already lost. The objective of examiner is to test your mental capacity to remember whatever is out there.

Q.37) (a)

Explanation:

This question was asked from Companies Act.

It is an easy question. You can do this question with the help of logic as well. For doing this you just need to read the question and its options carefully.

As this question is related to a tribunal, you can eliminate options (b), (c), and (e).

Now, if you don't know the correct answer then also you should go with option (a) because our question is not restricting us to state government. So, why will (d) be the answer? The Chief Justice of India has wider reach than the chief justice of the high court. So, option (a) will be the answer.

Q.38) (a)

Explanation:

This question was asked from the Companies Act. It is straightforward factual question. Learning the facts through tricks, stories or any other means is the only way to get 2 marks in factual questions.

Just remember, the examiner wants to check your factual memory through fact-based questions. Thus, practice them without questioning his intentions. Criticism of the examiner will not take you anywhere, memorizing the facts that come your way WILL. It will take you to the finish line of SEBI examination.

Q.39) (c)

Explanation:

This question was asked from the Companies Act. This question is factual in nature. If you don't know the answer to this question then also you can solve this question by using elimination skills. Options other than practicing chartered accountant just does not fit in for the role of auditor.

Remember, in the real exam you will encounter questions that

you have not studied anywhere till this date. And you can't leave such questions with the excuse that "I have not studied this topic". You have to approach such questions in the exam to get your name on the merit list. The skills which we have taught you through our previous year analysis will help you to solve such questions. A combination of HARD WORK and SMART WORK WILL HELP YOU IN CRACKING THIS EXAM.

Economics

Q.40) (d)

Explanation:

This question was asked from the economics section of the syllabus. It is an easy question as we can comprehend the question very easily. The question is asking us to find the factor which does not lead to inflation because of the increase in demand.

All the options other than (d) will directly or indirectly increase the demand of goods in the economy and increased demand will automatically become the reason of inflation.

The concept of administered price was evolved to protect the weaker section of the society so in no way it can lead to inflation.

Q.41) (d)

Explanation:

This question was asked from the economics section of the syllabus. This is a basic numerical from national income which is the part of the syllabus of class 12th. So, you can see the level of question is quite easy.

$$\text{NNP at FC} = \text{GNP at MP} - \text{dep} - \text{tax} + \text{subsidy}$$

$$\text{NNP at FC} = 5069 - 626 - 475 + 49 = 4017$$

Q.42) (e)

Explanation:

This question was asked from the economics section of the syllabus. Although this topic is covered in class 12th but students often ignore numerical questions from the topic of demand and supply. So, we cannot say this is an easy question.

As you know the demand curve is a graphical representation of the relationship between the price of a good or service and the quantity demanded for a given period of time. The price is drawn along the y-axis and the quantity demanded on the x-axis. The slope of demand curve is determined by **taking the change in the vertical amount divided by the change in the horizontal amount.**

$$D = 18 - 3P$$

$$3P = 18 - D$$

$$P = 6 - D/3$$

Slope = $-1/3$ and the curve will be linear (straight line)

In option (d) you are given slope correctly but not the nature of the curve. So, it cannot be the answer. In options (a) and (c) you are given -3 as the value of slope. So, they will also get eliminated.

Now, let's check option (b), at maximum price the demand will be 0.

$$\text{So, } 18 = 3p$$

$$P = 6. \text{ Condition satisfied.}$$

Hence, option (e) will be the correct answer.

Q.43) (a)

Explanation:

This question was asked from the economics section of the syllabus. It is the application-based question. As the topic of demand and supply is taught in class 12th so, we can't say this question is difficult but you need to have a clear understanding of this topic to solve this question.

We will be using logic and rational thinking to solve this question.

Let's come to option (b). Colgate and Closeup, both are toothpaste brands, so they are substitute of each other. Now if you use a little bit of rationality, you will come up with the conclusion that if there is a rise in the price of one good then there will be rise in the demand of other goods. Only this basic understanding is needed to verify the correctness of this statement.

On the basis of same logic, you can verify the correctness of statement (d) also. Just like Colgate and Close up, tea and coffee are also substitute goods.

Let's see option (c). Medicines are part of essential goods. We will buy the medicines when in need irrespective of their price. So, there will be no variation in its demand curve. Hence, we can say its demand curve will be inelastic. Therefore, even if you did not know about elastic and inelastic curves or you don't remember it well, no worries. Apply rational thinking to get to the right answer. Do not let your first thought guide you towards an answer. Think hard and rely on LOGIC.

Let us now come to option (e). When there will be an increase in income of the consumer then he will start demanding more. And whenever there is more demand in the economy, there are chances of inflation. Our option is using the word "CAN" which is showing possibility. So, yes inflation is very much possible in such a case.

So, you can see all the options from (b) to (e) are CORRECT.

The only incorrect option is option (a).

Q.44) (b)

Explanation:

This question was asked from the economics section of the syllabus. Plan expenditure and non-plan expenditure always remain in news because of government policies and annual budget. So, we can't say this question was unexpected. But yes, this question is difficult for those who don't have a habit of reading newspapers regularly.

Non-plan expenditure is **what the government spends on the**

so-called non-productive areas and is mostly obligatory in nature. It includes salaries, subsidies, loans and interest. Plan expenditure, on the other hand, pertains to the money set aside for productive purposes like various projects of ministries. So, from the above discussion, you can easily catch that option (b) is our answer. From the given options, it is the only option in which government is spending money on some productive purpose.

Q.45) (a)

Explanation:

This question was asked from the economics section of the syllabus. This question is easy because qualitative and quantitative methods are taught to students in class 12th. So, you can see the level of this question is very basic. If you can differentiate among various measures used by RBI for controlling inflation then this question is doable. But you need to read the question very carefully because there is use of the word “NOT” in the question. In this question, options from (b) to (e) come under quantitative measures used by RBI, and these must be known to most of you because they always remain in news either because of inflation or because of RBI monetary policy. Hence, you can see the importance of current affairs during preparation. The questions of examiner will get influenced by current affairs. So, make sure you are updated with current affairs.

NOTE:

We are not providing you details of each and every option because they are available everywhere. We have tried to emphasize the importance of Current Affairs through this question.

Q.46) (a)

Explanation:

This question was asked from the economics section of the syllabus. It is a conceptual question. The examiner is always focused on checking your conceptual clarity. Majority questions that you see in the exam are targeted at differentiating an average or poor student from an excellent student. You need to be amongst excellent students but for it to happen, your concepts have to be crystal clear. If you focus too much on facts or this or that, you know what’s going to happen- YOUR CONCEPTS GO FOR A TOSS. You don’t want that to happen because IT WILL HURT YOU IN THE EXAM. So, what’s the solution? Always focus on gaining conceptual clarity. Options (b), (c), and (d) are very narrow, they ONLY can’t determine the monetary base. So, you can eliminate these. Post office deposits are not covered in monetary base. So, (e) will also get eliminated.

Q.47) (a)

Explanation:

This question was asked from the economics section of the syllabus. Phillips curve is taught to students during their

graduation. So, we can say that examiner has tried to raise the level of question here.

Options from (b) to (e) are correct and you need to have conceptual understanding of Philips curve for marking it right because guess work can’t work here.

Believe me or not, no matter how hard you study, no matter how much you have covered, there will be some questions where the examiner is GOING TO OUTFRONT YOU. So, you should stay away from questions where no logic is applicable.

If you look at option (a), examiner has used opposite words in this statement to make it incorrect. Paper setters have a habit of playing with opposite words. So, please be very careful with set of opposite words like REDUCTION – INCREASE – DECREASE, RISE – FALL, POSITIVE-NEGATIVE, etc. as these can confuse you in exam.

Here, the examiner has JUST REPLACED THE WORD NEGATIVE WITH POSITIVE and made the statement wrong. If you are vigilant enough while reading the question then you can identify the TRAP of examiner otherwise there are high chances of misinterpreting this statement.

Q.48) (e)

Explanation:

This question was asked from the economics section of the syllabus. Different types of markets are taught to students in class 12th. Questions from this topic are asked time and again in SEBI examination. So, you should prepare this topic really well for the examination.

In this question, examiner has tried to confuse you in various forms of market. Options from (a) to (d) are the features of monopoly but option (e) is the feature of monopolistic competition and not monopoly. So, (e) is the correct answer.

Q.49) (a)

Explanation:

This question was asked from the economics section of the syllabus and examiner has asked it to check your depth of knowledge on features of various forms of market. Let’s accept it. Some questions are just too difficult to crack. These are exceptions, meant to find exceptionally hard-working students. These types of questions are focused simply on checking the depth of knowledge of a student. It thus becomes the duty of every student to work towards these types of Questions.

However, there is a catch here. If a question paper carries 100 marks, only about 2-4% of questions are going to be very deep. Therefore, your objective is never to target these questions in the first go. You should solve easy and doable questions first and then if time permits, you can give these questions a try.

Q.50) (a)

Explanation:

This question was asked from the economics section of the syllabus. It is a doable question if you know the concepts.

Interest parity is a theory according to which the interest rate differential between two countries is equal to the differential between the forward exchange rate and the spot exchange rate. The basic premise of interest rate parity is that hedged returns from investing in different currencies should be the same, regardless of their interest rates.



