



Phase 2 Paper 2 Questions - 2024

Commerce & Accountancy

Q.1)

Which of the following is not a qualitative characteristic of accounting information?

- (a) Understandability
- (b) Relevance
- (c) Comparability
- (d) Conformity
- (e) Reliability

Q.2)

What does the "going concern" assumption in accounting imply about a company's future?

- (a) The company will remain in business for the foreseeable future.
- (b) The company is expected to wind up its operations soon.
- (c) The company will restructure its business model.
- (d) The company will experience financial difficulties in the short term.
- (e) The company will liquidate its assets to settle liabilities.

Q.3)

When we are being conservative while preparing the Profit and Loss statement, which accounting principle is being followed?

- (a) Matching
- (b) Prudence
- (c) Accrual

(d) Consistency

(e) Reliability

Q.4)

10,000 shares are issued at a premium of 10% with a face value of ₹10 each. What amount should be credited to the Securities Premium Account?

(a) ₹10,000

(b) ₹1,00,000

(c) ₹1,000

(d) ₹90,000

(e) ₹11,000

Q.5)

2 lakh shares with a face value of ₹10 each, having a current market value of ₹15, were offered as right shares at a discounted price of ₹12 per share. What is the correct journal entry for this transaction?

(a) Dr. Bank ₹30,00,000

Cr. Share Capital ₹30,00,000

(b) Dr. Bank ₹24,00,000

Cr. Discount on Issue of Shares ₹6,00,000

Cr. Share Capital ₹30,00,000

(c) Dr. Bank ₹24,00,000

Cr. Share Capital ₹20,00,000

Cr. Securities Premium ₹4,00,000

(d) Dr. Bank ₹30,00,000

Cr. Share Capital ₹20,00,000

Cr. Securities Premium ₹10,00,000

(e) Dr. Bank ₹24,00,000

Cr. Share Capital ₹20,00,000

Cr. Discount on Issue of Shares ₹4,00,000

Q.6)

Which of the following is considered an application of funds in a Fund Flow Statement?

- (a) Decrease in working capital
- (b) Increase in working capital
- (c) Increase in long-term assets
- (d) Decrease in long-term liabilities
- (e) Increase in reserves and surplus

Q.7)

The aggregate cash flow arising from obtaining or losing control of subsidiaries or other businesses should be presented separately and classified as which type of activity in the Cash Flow Statement?

- (a) Operating Activity
- (b) Financing Activity
- (c) Investing Activity
- (d) Non-cash Activity
- (e) Equity Activity

Q.8)

According to IND AS 21, how should non-monetary items measured at historical cost in a foreign currency be translated?

- (a) Using the exchange rate at the date of the financial statements
- (b) Using the average exchange rate for the reporting period
- (c) Using the exchange rate at the date of the transaction
- (d) Using the exchange rate at the balance sheet date
- (e) Using the exchange rate at the date of settlement

Q.9)

IND AS 105 is related to which aspect of financial reporting?

- (a) Revenue from Contracts with Customers
- (b) Financial Instruments
- (c) Non-Current Assets Held for Sale and Discontinued Operations
- (d) Leases
- (e) Income Taxes

Q.10)

Which IND AS deals with the preparation and presentation of the Cash Flow Statement?

- (a) IND AS 7
- (b) IND AS 10
- (c) IND AS 12
- (d) IND AS 24
- (e) IND AS 32

Q.11)

Given that the Net Working Capital is ₹20 lakh and Sales are ₹120 lakh, calculate the Net Working Capital Turnover Ratio.

- (a) 3
- (b) 6
- (c) 1.5
- (d) 2
- (e) 4

Q.12)

If the Debt Service Coverage Ratio (DSCR) is increasing, what does it imply about a company's financial health?

- (a) The company's ability to cover its debt obligations with its operating income is improving.

- (b) The company is experiencing a decrease in its debt obligations relative to its operating income.
- (c) The company is increasing its debt levels relative to its operating income.
- (d) The company is having trouble meeting its debt obligations due to reduced operating income.
- (e) The company's operating income is declining, leading to higher debt obligations.

Q.13)

What is the effect of issuing bonus shares on shareholders and on the entity?

- (a) Shareholders receive additional shares, and the entity's total equity increases proportionally.
- (b) Shareholders receive additional shares without any change in their proportionate ownership, and the entity's total equity remains unchanged.
- (c) Shareholders receive additional shares, and the entity's total equity decreases.
- (d) Shareholders receive additional shares, and the entity's total debt increases.
- (e) Shareholders receive additional shares, and the entity's total assets increase.

Q.14)

What does "cum-rights shares" represent?

- (a) Shares issued without any rights attached
- (b) Shares issued with rights attached to subscribe to additional shares at a discount
- (c) Shares issued after the rights issue period has expired
- (d) Shares issued with the right to convert into bonds
- (e) Shares issued at market value without any premium or discount

Q.15)

What does a low cash conversion cycle imply for a company?

- (a) The company has a longer time to convert inventory into cash.
- (b) The company is efficiently managing its inventory.
- (c) The company has high levels of outstanding receivables and inventory.

(d) The company is facing liquidity issues and has a longer period for cash flow management.

(e) The company is taking more time to pay off its payables.

Costing

Q.16)

A company needs to determine the total cost of production for a batch of products.

The material cost for the batch is ₹600, and the direct labour cost is ₹150.

Additionally, the setup cost for the batch amounts to ₹200. The manufacturing overhead is 20% of the direct labour cost, and the selling overhead is 10% of the direct labour cost. Calculate the minimum cost of production for the batch?

(a) ₹995

(b) ₹950

(c) ₹980

(d) ₹990

(e) ₹1010

Q.17)

A plant's output rises from 7,000 units (70% capacity) to 8,500 units (85%).

- **Variable cost:** ₹4/unit for the first 8,000 units; ₹5/unit beyond.
- **Maintenance:** ₹1,500 up to 7,500 units; ₹4,000 thereafter.

What is the differential cost of this increase?

(a) ₹8,500

(b) ₹9,000

(c) ₹9,500

(d) ₹10,000

(e) ₹10,500

Q.18)

In cost and management accounting, the "scarce factor" (sometimes mis-called "scare factor") that limits production capacity is better known as the:

- (a) Limiting Factor
- (b) Key Factor
- (c) Cost Factor
- (d) Profit Factor
- (e) Risk Factor

Q.19)

How should the canteen expenses for factory workers be classified in cost accounting?

- (a) Administrative Expenses
- (b) Selling Expenses
- (c) Production Overheads
- (d) Financial Expenses
- (e) Non-Operating Expenses

Q.20)

Given an input of 300 units with a normal loss of 30%, and the actual units produced are 190, what is the gain or loss in terms of units?

- (a) Abnormal loss of 20 units
- (b) Gain of 10 units
- (c) Normal loss of 10 units
- (d) Gain of 20 units
- (e) Abnormal loss of 50 units

Q.21)

A company manufactures and sells 10,000 units during the year at a list price of ₹75 per unit but allows a trade discount of 20%. The variable cost per unit comprises:

- **Material: ₹20**
- **Direct labour: ₹10**
- **Variable manufacturing overhead: ₹8**
- **Variable selling & distribution: ₹7**

Fixed overheads for the year amount to ₹200,000

What is the Profit-Volume (P/V) Ratio?

- (a) 20%
- (b) 22%
- (c) 25%
- (d) 28%
- (e) 30%

Q.22)

A company lists its product at ₹60 per unit but offers a 10% trade discount. The variable costs per unit are as follows:

- **Material: ₹20**
- **Direct labour: ₹8**
- **Variable manufacturing overhead: ₹6**

Total fixed overheads for the period amount to ₹60,000.

What is the break-even point in units?

- (a) 2,500 units
- (b) 2,800 units
- (c) 3,500 units
- (d) 3,200 units
- (e) 3,000 units

Q.23)

A company sells a single product at ₹200 per unit, with a variable cost of ₹150 per unit. Fixed costs for the period are ₹15,000, and management desires a profit of ₹30,000.

What amount of sales (in ₹) must the company achieve to earn this profit?

- (a) ₹ 1,50,000
- (b) ₹ 1,60,000
- (c) ₹ 1,80,000

(d) ₹ 1,70,000

(e) ₹ 2,00,000

Q.24)

Bicycle manufacturing is an example of

(a) Job Costing

(b) Batch Costing

(c) Process Costing

(d) Multiple Costing

(e) Unit Costing

Q.25)

A company is calculating its labour rate variance. The standard labour rate is Rs 2.50 per hour, the actual labour rate is Rs 2.20 per hour, the actual hours worked are 1,000 hours, and the standard hours allowed are 900 hours. What is the labour rate variance?

(a) Rs 300 Favourable

(b) Rs 300 Unfavourable

(c) Rs 200 Favourable

(d) Rs 200 Unfavourable

(e) Rs 500 Favourable

Q.26)

If the cost of raw materials purchased exceeds the standard or budgeted cost, who is typically responsible for this variance?

(a) Production Manager

(b) Purchasing Manager

(c) Sales Manager

(d) Quality Control Manager

(e) Finance Manager

Q.27)

The implementation of a new or significantly improved production or delivery method, including major changes in techniques, equipment, and software, is known as:

- (a) Technological Planning
- (b) Strategic Planning
- (c) Operational Efficiency
- (d) Product Reengineering
- (e) Process Innovation

Q.28)

The effectiveness of Total Productive Maintenance (TPM) is typically measured by:

- (a) Return on Investment (ROI)
- (b) Overall Equipment Effectiveness (OEE)
- (c) Customer Satisfaction Score
- (d) Employee Turnover Rate
- (e) Product Quality Rate

Companies Act

Q.29)

A public company cannot issue shares through which of the following methods?

- (a) Initial Public Offering (IPO)
- (b) Right Issue
- (c) Private Placement
- (d) Employee Stock Option Plan (ESOP)
- (e) Tender offer

Q.30)

In the context of a public offer of securities, which of the following statements is true regarding the form of the securities?

- (a) Securities can only be issued in physical form.
- (b) Securities must be issued in dematerialized form.
- (c) Securities can be issued in either physical or dematerialized form, based on investor preference.
- (d) Securities must be issued in physical form and later converted to dematerialized form.
- (e) The form of the securities is determined by the company's board of directors.

Q.31)

What is the maximum tenor (maturity period) for which preference shares can be issued?

- (a) 5 years
- (b) 10 years
- (c) 20 years
- (d) 30 years
- (e) 40 years

Q.32)

No company shall issue a prospectus to the public or to its members exceeding 500 for the subscription of its debentures unless the company has, before such an issue or offer, appointed one or more _____.

- (a) Financial Advisors
- (b) Auditors
- (c) Underwriters
- (d) Legal Advisors
- (e) Debenture Trustees

Q.33)

Within how many days must a company deliver the certificates of securities allotted, in the case of an allotment of any of its shares?

- (a) 15 days

- (b) 30 days
- (c) 45 days
- (d) 60 days
- (e) 90 days

Q.34)

The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within 5 days from the date of _____.

- (a) Declaration of dividend
- (b) Approval by shareholders
- (c) Board meeting
- (d) Payment of dividend
- (e) Record date

Q.35)

Which fund is established under Section 125 of the Companies Act?

- (a) Investor Education and Protection Fund (IEPF)
- (b) National Pension Fund
- (c) Corporate Social Responsibility Fund
- (d) National Investment Fund
- (e) Employees Provident Fund

Q.36)

If an auditor of a company is found to be acting in a fraudulent manner, which authority has the power to remove the auditor from their position?

- (a) The Board of Directors
- (b) The Shareholders
- (c) The National Company Law Tribunal (NCLT)
- (d) The Ministry of Corporate Affairs
- (e) The Registrar of Companies

Q.37)

Which of the following services can be provided by the auditor of a company?

- (a) Bookkeeping and accounting services
- (b) Preparation of financial statements
- (c) Statutory audit services
- (d) Valuation services
- (e) Internal control design services

Q.38)

A firm in which _____ of the partners are Chartered Accountants practicing in India may be appointed by its firm name to be the auditor of the company.

- (a) At least 50%
- (b) At least 75%
- (c) All
- (d) majority
- (e) At least 60%

Q.39)

What are the minimum and maximum age limits for appointing a Managing Director (MD) or Chairman and Managing Director (CMD) of a company?

- (a) The MD or CMD must be at least 21 years old and cannot be older than 70 years.
- (b) The MD or CMD must be at least 25 years old and cannot be older than 60 years.
- (c) The MD or CMD must be at least 30 years old and cannot be older than 75 years.
- (d) The MD or CMD must be at least 21 years old and cannot be older than 75 years.
- (e) The MD or CMD must be at least 18 years old and cannot be older than 65 years.

Q.40)

A person cannot act as a director of a company until he files his consent with the Registrar of Companies (ROC) within ____ days.

- (a) 7 days
- (b) 15 days
- (c) 30 days
- (d) 45 days
- (e) 60 days

Q.41)

It is mandatory for a company to furnish details of all its directors and, within how many days of receipt of intimation under Section 156, must it furnish the Director Identification Number (DIN) of all its directors to the Registrar?

- (a) 7 days
- (b) 15 days
- (c) 21 days
- (d) 30 days
- (e) 45 days

Q.42)

What is the maximum limit for the loan that can be given by a company to its subsidiaries, or any other person or entity under Section 186 of the Companies Act?

- (a) 50% of the company's paid-up share capital and free reserves
- (b) 60% of the company's paid-up share capital and free reserves
- (c) 100% of the company's paid-up share capital and free reserves
- (d) 120% of the company's paid-up share capital and free reserves
- (e) 150% of the company's paid-up share capital and free reserves

Q.43)

The Board of Directors of a company, which consists of more than 1,000 shareholders, debenture holders, deposit holders, and any other security holders at any time during the financial year, shall constitute a _____.

- (a) Audit Committee
- (b) Nomination and Remuneration Committee

- (c) Stakeholders Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Risk Management Committee

Q.44)

Who is considered an independent director according to the Companies Act?

- (a) A director who is related to the company's major shareholders
- (b) A director who has been an employee of the company within the last 5 years
- (c) A director who has no material or pecuniary relationship with the company, its promoters, or its management
- (d) A director who is a supplier or customer of the company
- (e) A director who holds shares in the company

Q.45)

An alternate director may be appointed to fill in for a director who is absent from India for a minimum period of _____ days.

- (a) 30 days
- (b) 60 days
- (c) 90 days
- (d) 120 days
- (e) 180 days

Q.46)

If an individual is unhappy with a verdict issued by the Appellate Tribunal, what is the maximum duration within which they can submit an appeal to the Supreme Court?

- (a) 30 days
- (b) 60 days
- (c) 90 days
- (d) 120 days
- (e) 180 days

Q.47)

The tribunal may, at any time within _____ from the date of the order, rectify any mistake apparent from the record and amend any order passed by it, provided that the mistake is brought to its notice by the parties involved.

- (a) 90 days
- (b) 2 years
- (c) 1 year
- (d) 6 months
- (e) 200 days

Q.48)

Under the Companies Act, 2013, which authority has the power to constitute the National Company Law Tribunal (NCLT)?

- (a) Reserve Bank of India
- (b) Securities and Exchange Board of India
- (c) Ministry of Corporate Affairs
- (d) Central Government
- (e) State Government

Finance

Q.49)

What is the primary purpose of Rule 72 in the context of financial calculations?

- (a) To calculate the future value of an investment
- (b) To determine the interest earned on a savings account
- (c) To estimate how many years it will take for an investment to double at a given annual interest rate
- (d) To calculate the monthly payment for a mortgage loan
- (e) To find the present value of future cash flows

Q.50)

What is the term used for an investment made by an Indian company, which is owned or controlled by foreign investors, into another Indian company?

- (a) Upstream Investment
- (b) Side stream Investment
- (c) External Commercial Borrowings
- (d) Middle stream Investment
- (e) Downstream Investment

Q.51)

Which of the following financial instruments is generally not considered easily transferable?

- (a) Stocks
- (b) Bonds
- (c) Certificate of Deposits
- (d) Fixed Deposits
- (e) Treasury Bills

Q.52)

Which agency is the nodal body for managing startup funds under the Alternative Investment Funds (AIF) scheme?

- (a) Securities and Exchange Board of India (SEBI)
- (b) Reserve Bank of India (RBI)
- (c) Ministry of Corporate Affairs (MCA)
- (d) Ministry of Corporate Affairs (MCA)
- (e) Small Industries Development Bank of India (SIDBI)

Q.53)

Upon receipt of the credit advice or statement of the Nostro account and after complying with the relevant guidelines, bank requirements, and FEMA regulations, within how many working days must the bank transfer funds to the exporter's account?

- (a) One
- (b) Two
- (c) Three
- (d) Four
- (e) Five

Q.54)

Which of the following is an example of a passive mutual fund?

- (a) Blu chip fund
- (b) Index fund
- (c) Large-cap funds
- (d) Target-Date Fund
- (e) High-Yield Bond Fund

Q.55)

Which of the following statements correctly describes a long buildup in trading?

- (a) A decrease in price and a rise in open interest signals that it's a long buildup.
- (b) An increase in price and a rise in open interest signals that it's a long buildup.
- (c) A decrease in price and a decrease in open interest signals that it's a long buildup.
- (d) An increase in price and a decrease in open interest signals that it's a long buildup.
- (e) A decrease in price and a rise in open interest signals that it's a short buildup.

Q.56)

_____ is defined as the practice of buying and selling the same asset in different markets to exploit price differences.

- (a) Hedging
- (b) Speculation
- (c) Arbitrage
- (d) Diversification

(e) Market Making

Q.57)

What is the minimum value of debt securities or non-convertible redeemable preference shares that can be issued on a private placement basis?

- (a) ₹1,000
- (b) ₹5,000
- (c) ₹1,00,000
- (d) ₹50,000
- (e) ₹10,000

Q.58)

Which institution is established to facilitate cooperation among central banks?

- (a) International Monetary Fund (IMF)
- (b) World Bank
- (c) Bank for International Settlements (BIS)
- (d) International Finance Corporation (IFC)
- (e) European Central Banks (ECB)

Q.59)

Which international organization is known as the lender of last resort to national governments?

- (a) World Bank
- (b) International Monetary Fund (IMF)
- (c) Bank for International Settlements (BIS)
- (d) Asian Development Bank (ADB)
- (e) World Trade Organization (WTO)

Q.60)

According to the FRBM Act, the central government aims to ensure that the Central Government debt does not surpass what percentage of GDP by the end of FY 2024-25?

- (a) 30%
- (b) 40%
- (c) 50%
- (d) 60%
- (e) 70%

Q.61)

In the context of the 15th Finance Commission of India, which criterion was assigned a 12.5% weightage for horizontal devolution among states?

- (a) Population of the state as per the 2011 Census
- (b) Distance from the average demographic profile of the states
- (c) Area of the state
- (d) Income distance of the state from the average income of all states
- (e) Fiscal capacity distance of the state from the average fiscal capacity of all states

Q.62)

With effect from FY 2024-25, under the new tax regime, the standard deduction is increased to _____?

- (a) ₹30,000
- (b) ₹40,000
- (c) ₹50,000
- (d) ₹60,000
- (e) ₹70,000

Q.63)

Which of the following taxes was abolished most recently by the Government of India?

- (a) Fringe Benefit Tax
- (b) Wealth Tax
- (c) Gift Tax

- (d) Dividend Distribution Tax
- (e) Securities Transaction Tax

Q.64)

The Key Fact Statement shall be provided with a unique proposal number and shall have a validity period of at least _____ for loans having a tenor of 7 days or more and a validity period of 1 working day for loans having a tenor of less than seven days?

- (a) 30 days
- (b) 15 days
- (c) 60 days
- (d) 45 days
- (e) 10 days

Q.65)

In financial analysis, when a company is described as having a high dividend yield, what does this typically indicate about the company's financial situation and shareholder returns?

- (a) The company is experiencing significant revenue growth and reinvesting in its business
- (b) The company is heavily investing in research and development, indicating future potential
- (c) The company is providing a high return to shareholders through substantial dividend payments relative to its stock price
- (d) The company is operating with high levels of debt, which might impact its financial stability
- (e) The company is in the early stages of growth and expansion, with lower dividend payouts

Q.66)

What is the maximum investment limit for Retail Individual Investors (RIIs) in an IPO in India?

- (a) ₹1 lakh

- (b) ₹2 lakh
- (c) ₹3 lakh
- (d) ₹5 lakh
- (e) ₹10 lakh

Q.67)

When a foreign entity owns or controls an Indian company that then invests in the equity or capital of another Indian company, this type of investment is known as?

- (a) Direct Foreign Investment (DFI)
- (b) Foreign Portfolio Investment (FPI)
- (c) Indirect Foreign Investment (IFI)
- (d) Foreign Institutional Investment (FII)
- (e) Foreign Direct Investment (FDI)

Q.68)

In the context of the Indian banking sector, what is the typical annual compensation range for a Business Correspondent (BC), who acts as a representative of a bank in underserved or rural areas?

- (a) ₹1 lakh to ₹2 lakh per year
- (b) ₹5 lakh to ₹6 lakh per year
- (c) ₹2.5 lakh to ₹3 lakh per year
- (d) ₹6 lakh to ₹8 lakh per year
- (e) ₹3 lakh to ₹4 lakh per year

Management

Q.69)

Theory Z, which emphasizes a hybrid management style blending American and Japanese approaches, was developed by?

- (a) Elton Mayo
- (b) Frederick Herzberg

- (c) William Ouchi
- (d) Douglas McGregor
- (e) Abraham Maslow

Q.70)

What is one of the primary impacts of higher employee morale on a company's performance?

- (a) Reduced employee engagement and lower innovation
- (b) Increased turnover and absenteeism rates
- (c) Enhanced teamwork and improved productivity
- (d) Decreased customer satisfaction due to overconfidence
- (e) Increased costs due to higher salary demands

Q.71)

What is the motivational force (MF) as per Victor Vroom's Expectancy Theory?

- (a) $MF = V + E + I$
- (b) $MF = V \times E \div I$
- (c) $MF = (V + E) \times I$
- (d) $MF = E \div V \times I$
- (e) $MF = V \times E \times I$

Q.72)

Leadership should be based on task, work, behaviour, and what other factor?

- (a) Organizational profitability
- (b) Emotional intelligence
- (c) Employee rewards
- (d) Market competition
- (e) Technology advancement

Q.73)

In a matrix organizational structure, which of the following scenarios best illustrates a potential challenge faced by employees?

- (a) Employees have clear, singular lines of authority and reporting.
- (b) Employees may receive conflicting instructions from both the functional and project managers.
- (c) Employees are restricted to working within their own functional departments only.
- (d) Employees are assigned to only one project at a time to maintain focus.
- (e) Employees have no accountability for project outcomes, only functional performance.

Q.74)

What type of plan links tactical and strategic plans?

- (a) Contingency plan
- (b) Operational plan
- (c) Developmental plan
- (d) Financial plan
- (e) Intermediate plan

Q.75)

In which communication circuit do subordinates not talk to each other and only communicate via the leader?

- (a) Chain network
- (b) Wheel network
- (c) Circle network
- (d) All-channel network
- (e) Y-network

Q.76)

Effective communication within an organization is essential for the success of the team and overall business outcomes. A manager who understands this must focus on:

- (a) Micro-managing every task
- (b) Ignoring employee feedback
- (c) Aligning team goals with organizational objectives
- (d) Prioritizing personal tasks over team development
- (e) Focusing solely on short-term profits

Q.77)

Which of the following is most closely related to strategic planning within an organization?

- (a) Setting short-term operational tasks
- (b) Reacting to immediate challenges without a long-term view
- (c) Aligning the organization's long-term goals with its resources and capabilities
- (d) Focusing solely on the daily management of teams
- (e) Delegating all decision-making to lower management

Q.78)

A policy that is neither stated orally nor in writing is known as:

- (a) Implied Policy
- (b) Formal Policy
- (c) Written Policy
- (d) Stated Policy
- (e) Documented Policy

Q.79)

In the context of classical management theory, the Division of Work principle primarily emphasizes:

- (a) Grouping tasks into broad departments to avoid excessive specialization
- (b) Allocating specific tasks to individuals based on their expertise to increase efficiency
- (c) Establishing a single line of authority for each employee

- (d) Ensuring all employees share equally in decision-making
- (e) Rotating employees through different jobs to prevent monotony

Q.80)

Which statement most accurately reflects how employee morale impacts productivity?

- (a) Morale and productivity are always positively correlated, ensuring that any rise in morale yields a proportional boost in productivity.
- (b) There is no link between morale and productivity; productivity depends entirely on factors like technology and training.
- (c) Although morale often affects productivity, the connection isn't absolute because other elements also play a role.
- (d) High morale invariably produces high productivity, regardless of context or organizational conditions.
- (e) Morale and productivity move in opposite directions, so higher morale typically leads to lower productivity and vice versa.

Q.81)

Communication is effective in the organization and it will lead to:

- (a) Increased confusion among employees
- (b) Lack of trust within the team
- (c) Improved collaboration and team productivity
- (d) Reduced employee engagement
- (e) Higher levels of conflict

Q.82)

According to contingency theory of leadership, a leader's effectiveness depends on:

- (a) Their personal traits alone
- (b) The organizational chart
- (c) The match between their leadership style and the situation
- (d) Employee motivation levels only

(e) The company's mission statement

Q.83)

What is the concept called that refers to doing the right things a manager must focus on?

- (a) Efficiency
- (b) Effectiveness
- (c) Goal setting
- (d) Planning
- (e) Organizing

Q.84)

The principle that says the amount of work increases but the effort remains the same is known as:

- (a) Peter Principle
- (b) Pareto Principle
- (c) Murphy's Law
- (d) Parkinson's Law
- (e) Law of Diminishing Returns

Q.85)

Identify the type of decision where the decision is difficult to make, and the outcome certainty is low.

- (a) Judgmental Decisions
- (b) Mechanistic Decisions
- (c) Adaptive Decisions
- (d) Analytical Decisions
- (e) Heuristic Decisions

Q.86)

Wastage in the management process decreases; therefore, it leads to:

- (a) Increased costs
- (b) Higher efficiency and productivity
- (c) More errors in production
- (d) Decreased employee morale
- (e) Lower customer satisfaction

Q.87)

Which subsystem of Human Resource Development (HRD) addresses career paths and future growth plans for employees?

- (a) Performance Management
- (b) Training and Development
- (c) Career Development
- (d) Organizational Development
- (e) Employee Relations

Q.88)

Which of the following correctly sequences the HR activities of Job Analysis, Job Description, and Job Evaluation?

- (a) Collecting job data → Assessing the relative worth of the job → Documenting duties and responsibilities
- (b) Documenting duties and responsibilities → Collecting job data → Assessing the relative worth of the job
- (c) Collecting job data → Documenting duties and responsibilities → Assessing the relative worth of the job
- (d) Assessing the relative worth of the job → Documenting duties and responsibilities → Collecting job data
- (e) Documenting duties and responsibilities → Assessing the relative worth of the job → Collecting job data

Q.89)

When the combined efforts of a team produce a result that is greater than the sum of their individual efforts, it is called

- (a) Team Synergy
- (b) Groupthink
- (c) Collaboration
- (d) Team Dynamics
- (e) Coordination

Economics

Q.90)

Which of the following describes Say's Law of the Market?

- (a) Supply creates its own demand.
- (b) Demand drives supply.
- (c) Government intervention is necessary for economic stability.
- (d) Prices are determined by consumer preferences.
- (e) All resources are fully utilized in an economy.

Q.91)

What describes national income?

- (a) The total value of goods and services produced within a country in a year.
- (b) The total income of all citizens in a country, including transfers.
- (c) The sum of government revenues from taxes.
- (d) The total expenditure on consumption within a country.
- (e) The wealth accumulated by individuals in a country.

Q.92)

What is the likely outcome of a negative supply shock?

- (a) Decreased prices and increased output
- (b) Increased inflation and decreased output
- (c) Improved economic growth and reduced unemployment

- (d) Lower inflation and higher wages
- (e) Stable prices with higher output

Q.93)

Which of the following is the major determinant of Keynes' consumption function?

- (a) Interest rates
- (b) Current income
- (c) Future expectations of income
- (d) Wealth
- (e) Consumer confidence

Q.94)

What is the best definition of a trade deficit?

- (a) When a country's exports are greater than its imports
- (b) When a country imports and exports goods and services equally
- (c) When a country's imports exceed its exports over a certain period
- (d) When a country exports more services than it imports goods
- (e) When a country's trade balance is always in surplus

Q.95)

What is the primary objective of monetary policy?

- (a) Increasing government spending
- (b) Achieving price stability and controlling inflation
- (c) Reducing taxes for economic growth
- (d) Promoting international trade
- (e) Increasing exports over imports

Q.96)

What are automatic stabilizers in fiscal policy?

- (a) Discretionary government interventions
- (b) Policies that require legislative action to take effect
- (c) Economic policies that automatically adjust with the business cycle
- (d) Fixed tax rates and government spending levels
- (e) One-time fiscal stimulus measures during recessions

Q.97)

Which of the following is considered a primary indicator of economic growth?

- (a) Unemployment rate fluctuations
- (b) Fiscal deficit reduction
- (c) Increase in Gross Domestic Product (GDP)
- (d) Central Bank's interest rate decisions
- (e) Trade balance surplus

Q.98)

Who acts as the lender of last resort for the central government?

- (a) Commercial banks
- (b) International Monetary Fund (IMF)
- (c) World Bank
- (d) Reserve Bank of India (RBI)
- (e) State Bank of India (SBI)

Q.99)

In monopolistic competition, what is the primary aim of product differentiation?

- (a) To reduce production costs
- (b) To minimize competition among firms
- (c) To create perceived uniqueness and gain customer loyalty
- (d) To increase barriers to entry for new firms
- (e) To comply with government regulations

Q.100)

The Economic Survey 2023-24 reported a sharp rise in which of the following?

- (a) Fiscal deficit
- (b) Unemployment rate
- (c) Private consumption expenditure
- (d) Export growth
- (e) Public debt