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UGC NET COMMERCE PAPER-III MOCK TEST PAPER

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UGC NET COMMERCE PAPER-III MOCK TEST PAPER

PAPER-III

- This paper contains 75 Objective Type Questions.
- Each question carries 2 marks.
- Attempt all the questions.
- Pattern of questions : MCQs
- Total marks : 150
- Duration of test : 2.5 Hours

PAPER-III

1. International trade theory which provides that capital intensive country should export labour intensive goods and import capital goods is referred to as
 - (1) Leontief Paradox
 - (2) Heckscher-Ohlin Theory
 - (3) Mercantilism Theory
 - (4) Theory of Comparative Advantage
2. Business environment refers to :
 - (1) political environment of a country.
 - (2) The totality of external forces affecting a business.
 - (3) business activities
 - (4) legal environment of a country
3. Which of the following industries are reserved for public sector at present?
 - (I) Defence.
 - (II) electronics.
 - (III) Atomic energy
 - (IV) Railways transport

Which of the above is/ are correct?

 - (1) I and II only.
 - (2) II and III only.
 - (3) III and IV only.
 - (4) I, II and IV
4. What is Executive Information System (EIS) ?
 - (1) An Executive Information System (EIS) is a computer - based system intended to facilitate and support the information and decision making needs of senior executives
 - (2) It is commonly considered as a specialized form of Decision Support System (DSS).
 - (3) The emphasis of EIS is on graphical displays and easy-to-use user interfaces.
 - (4) All above
5. Assertion (A) : One can be sure about future course of actions by making good plans.
Reasoning (R) : Planning brings certainty in future course of actions of an organisation.

- (1) (R) is correct but (A) is not correct.
(2) (A) is correct but (R) is not correct.
(3) Both (A) and (R) are correct.
(4) Both (A) and (R) are not correct.
6. Which of the following are elements of working capital management ?
(I) Working Capital ratio
(II) The collection ratio.
(III) Inventory management
(IV) Short term loans from Banks
(1) I, II and III.
(2) I, II and IV.
(3) II, III and IV
(4) I , III and IV.
7. Which of the following is suggested by Blake and Mouton as the best leadership behaviour?
(1) Low concern for people but high concern for production.
(2) Low concern for both people and production.
(3) High concern for both people and production.
(4) High concern for people and low concern for production.
8. Which of the following entities provide "Take out Finance" to banks engaged in financing of infrastructure project?
(1) ICICI
(2) SIDBI
(3) IDFC
(4) RBI
9. With reference to the concept of accounting standards, consider the following statements:
(I) An accounting standard is a guideline for financial accounting, such as how a firm prepares and presents its business income, expenses, assets and liabilities.
(II) Accounting standards lay down the terms and conditions of accounting policies and practices
(III) Accounting standards do not facilitate intra-firm and inter-firm comparison
(IV) Accounting standards relate to all aspects of an entity's finances including assets, liabilities, revenue, expenditures and equity.

Which of the following statements are correct ?

- (1) I , II and III
- (2) I, II and IV.
- (3) II, III and IV
- (4) I, II , III and IV

10. With reference to applicability of Ind AS, which of the following is not correct ?

- (1) Companies shall follow Ind AS either Voluntarily or Mandatorily
- (2) Once a company follows Ind AS, either mandatorily or voluntarily, it can't revert back to old method of Accounting.
- (3) Mandatory Applicability for the companies with Net worth of not less than? 5 billion after 1st April 2016
- (4) Mandatory Applicability from Accounting Period beginning on or after 1st April 2016 for all companies

11. LIBOR term is used for :

- (1) Deposit rate in European market
- (2) Interest rate in Euro currency market
- (3) Deposit rate applicable to interbank loans in London
- (4) Interest rate in Euro bond market

12. The OTC Exchange Of India (OTCEI) is an exchange meant for :

- (1) large enterprises
- (2) small companies
- (3) banks
- (4) public sector large companies

13. With reference to Inflation accounting, which of the following is not correct ?

- (1) Inflation accounting is a term describing a range of accounting models
- (2) It is designed to correct problems arising from historical cost accounting in the presence of high inflation and hyperinflation
- (3) Inflation accounting is used in countries experiencing high inflation or hyperinflation
- (4) Inflation accounting is a fair value accounting

14. Assertion (A): The general weakness of the traditional accounting system is that it fails to reflect the price level changes in the financial statements as it is based on historical cost

Reason (R): Hence, the problems created by price changes in the historical- cost based accounts necessitate some methods to take care of inflation into the accounting system

Codes:

- (1) Both (A) and (R) are true and (R) is the correct explanation of (A).
- (2) Both (A) and (R) are true, but (R) is incorrect explanation of (A).
- (3) (A) is true, but (R) is false
- (4) (A) is false, but (R) is true.

15. Which of the following are reasons for Human resource accounting?

- (I) The productivity and profitability of a firm largely depends on the contribution of human assets
- (II) All expenses on human resources are to be treated as investments, since the benefits are accrued over a period of time.
- (III) without people the financial and physical resources cannot be operationally effective
- (IV) the value of human assets is not important for total valuation of the firm.

Which of the following statements are correct ?

- (1) I , II and III
- (2) I, II and IV.
- (3) II, III and IV
- (4) I, II , III and IV

16. Match the items of List - I with those of the List - II and indicate the correct code for the following :

List - I

- (1) Debtors Turnover Ratio
- (2) Proprietary Ratio
- (3) Operating Ratio
- (4) Acid Test Ratio

List - II

- (i) Solvency Ratio
- (ii) Liquidity Ratio
- (iii) Activity Ratio
- (iv) Profitability Ratio

Codes :

- | | (1) | (2) | (3) | (4) |
|-----|-------|-------|-------|------|
| (1) | (ii) | (iv) | (iii) | (i) |
| (2) | (iii) | (ii) | (i) | (iv) |
| (3) | (iii) | (i) | (iv) | (ii) |
| (4) | (iv) | (iii) | (ii) | (i) |

17. Which of the following is not a tier of the Nasdaq Stock Market

- (1) Capital Market
- (2) Global Market

- (3) Global Select Market
(4) national market
18. With reference to foreign portfolio investments (FPI), consider the following statements :
- (I) FPIs are more volatile than loans from international financial institutions.
(II) Foreign Direct Investments are part of FPIs.
- Which of the statements given above is/are correct ?
- (1) I only
(2) II only
(3) Both I and II
(4) Neither I nor II
19. An economic agreement between countries in a geographic region to reduce tariff and non tariff barriers to the free flow of goods, services, and factors of production between each other is referred to as:
- (1) regional economic integration.
(2) cross-cultural economic integration.
(3) geographic economic-political integration.
(4) cross-cultural economic-political integration.
20. In which of the following types of regional economic integrations, internal tariffs are eliminated with member countries levying a common external tariff on goods being imported from nonmembers.
- (1) customs union
(2) free trade area
(3) common market
(4) complete economic integration
21. WTO aims at:
- (1) establishing rules for domestic trade
(2) restricting trade practices
(3) liberalising international trade
(4) none of these
22. With reference to SAARC , consider the following statements :
- (I) The South Asian Association for Regional Cooperation (SAARC) is the regional intergovernmental organization and geopolitical union of nations in South Asia.
(II) The organization promotes development of economic and regional integration.

- (III) It launched the South Asian Free Trade Area in 2006
- (IV) Its secretariat is based in New Delhi
- (1) I , II and III
- (2) I, II and IV
- (3) II, III and IV
- (4) All
- 23.** With reference to foreign exchange market, consider the following statements :
- (I) The foreign exchange market is a global decentralized market for the trading of currencies
- (II) This includes all aspects of buying, selling and exchanging currencies at current or determined prices.
- (III) The foreign exchange market works through financial institutions
- (IV) The foreign exchange market determines the relative values of different currencies
- Which of the following statements are correct?
- (1) I , II and III
- (2) I, II and IV.
- (3) II, III and IV
- (4) I, II , III and IV
- 24.** Both Foreign Direct Investment (FDI) and Foreign Institutional Investor (FII) are related to investment in a country. Which one of the following statements best represents an important difference between the two?
- (1) FII helps bring better management skills and technology, while FDI only brings in capital
- (2) FII helps in increasing capital availability in general, while FDI only targets specific sectors
- (3) FDI flows only into the secondary market, while FII targets primary market
- (4) FII is considered to be more stable than FDI
- 25.** Income tax is a tax on
- (1) Taxable Income
- (2) Profit
- (3) Turnover
- (4) Expenditure
- 26.** With reference to Pradhan Mantri Garib Kalyan Yojana, 2016 (PMGKY), consider the following statements :
- (I) Pradhan Mantri Garib Kalyan Yojana, 2016 (PMGKY) is an amnesty scheme launched by the Government in December 2016 on the lines of the Income declaration scheme, 2016 (IDS)
- (II) the scheme provides an opportunity to declare unaccounted wealth and black money in a confidential

manner

(III) An additional 25% of the undisclosed income is invested in the scheme which can be refunded after four years

(IV) the scheme can only be availed to declare income in the form of jewellery, stock, immovable property, or deposits in overseas accounts.

Which of the following are correct ?

(1) I and II only

(2) I, II and III only

(3) I, II, and IV only

(4) I, II, III and IV

27. Agriculture income is exempted from income tax under the following section of Income Tax Act, 1961 :

(1) 2 (1 A)

(2) 10 (1)

(3) 10 (2)

(4) 10 (4)

28. What is GST ?

(1) Goods and Service Tax

(2) General Sales Tax

(3) General Service Tax

(4) Goods and service Tax

29. What is proposed surcharge for individuals earning between Rs 50 lakh and Rs 1 crore for the year 2017-18 ?

(1) 5 %

(2) 10 %

(3) 15 %

(4) nil

30. The basic conditions for determining the residential status of an individual are :

(1) He is in India in the previous year for a period of 182 days or more

(2) He is in India for a period of 365 days or more within 4 years preceding the assessment year and periods amounting to all to 60 days or more in India in that year

(3) He is in India in the previous year for a period of 60 days or more

- (4) Both (1) and (2)
31. Which of the following is not applicable to responsibility accounting?
- (1) Accounting Centre
 - (2) Cost Centre
 - (3) Investment Centre
 - (4) Profit Centre
32. Which of the following is 'true' regarding the Prudence Principle of Accounting?
- (1) Taking care of the future losses
 - (2) Taking care of the future profits
 - (3) Taking care of bad debts
 - (4) Taking care of inventory and depreciation
33. The WTO follows the principle of 'self selection'. This means :
- (1) countries decides to which agreement they want to be party.
 - (2) countries decide the rate of tariff and tariff reduction
 - (3) countries themselves decide whether they want to be in developed or developing categories.
 - (4) None of the above
34. For the purpose of extending rural banking and agro finance, the NABARD :
- (1) Directly lends and monitors the rural borrowers
 - (2) Refinances the banks extending rural finance
 - (3) Refinances the rural borrowers obtaining credit from banks
 - (4) Directly finances the rural borrowers and gets refinance from government
35. In order to control inflation and ensure stability in money market :
- (1) The RBI works under the direction of ministry of finance, government of India.
 - (2) The RBI acts independently and can refuse the government directive.
 - (3) The RBI acts under the board of directors.
 - (4) The RBI's board of governors shall abide by the government directive.
36. The chief components of international liquidity structure are :
- (I). Gold reserves with the national monetary authorities
 - (II) Dollar reserves of countries other than the U.S.A
 - (III) £-Sterling reserves of countries other than U.K.
 - (IV) NRI's FDR

- (1) I, II and III
- (2) I, II, IV
- (3) II, III and IV
- (4) II and III

37. Which among the following are important Agencies of World Bank ?

- (I) The International Financial Corporation (IFC),
- (II) The International Bank of Reconstruction and Development (IBRD)
- (III) The International Development Association (IDA),
- (IV) SIDIBI

Which of the following statement/s is/are correct ?

- (1) I, II and III
- (2) I, II, III and IV
- (3) II, III and IV
- (4) II and III

38. The relationship between aggregate consumption expenditure and aggregate income of household sector is known as _____ function.

- (1) Consumption
- (2) Saving
- (3) Expenditure
- (4) Income

39. Which of the following is not a type of Credit Risk?

- (1) Default Risk
- (2) Credit Spread Risk
- (3) Intrinsic Risk
- (4) Basis Risk

40. The Terms refers to "Total Knowledge Skills, Creative Abilities, Talents and Aptitudes of an organization's work force as well as Values, Attitudes and Beliefs the individuals is valued.

- (1) Human Resources
- (2) Human Resource Management
- (3) Human Resource Planning
- (4) Human Relations

41. Financial Risk is defined as
- (1) Uncertainties resulting in adverse variation of profitability or outright losses
 - (2) Uncertainties that result in outright losses
 - (3) Uncertainties in cash flow
 - (4) Variations in net cash flows
42. Foreign multinationals wishing to do business in China can be sure that:
- (1) Their intellectual property rights will be rigorously protected by the Chinese legal system.
 - (2) They will never need to offer bribes to highly connected officials.
 - (3) Their operations will be heavily penalized if they result in a significant increase in pollution.
 - (4) The Chinese market is expanding very rapidly compared with those of the West.
43. Objective of liquidity management is to:
- (1) Ensure profitability
 - (2) Ensure liquidity
 - (3) Either of two
 - (4) Both
44. Specific cultural dimensions that does not have a significant impact on cross national business interactions is
- (1) Hofstede's five cultural dimensions
 - (2) Monochromatic vs polychromatic tune
 - (3) Communication
 - (4) Geography
45. Identify a factor that doesn't play an important role in attracting FDI
- (1) Laws, rule sand regulations
 - (2) Administrative procedures and efficiency
 - (3) Cost of resources
 - (4) Language
46. B2B sector specific policy of Indian Government is
- (1) FDI up to 100% subject to condition that they invest 26 % in favor of Indian Public within 5 yrs
 - (2) FDI up to 100%
 - (3) FDI up to 100% subject to condition that they invest 26 % in favor of Indian Public within 10 yrs
 - (4) FDI up to 49%

47. In hypothesis testing, the hypothesis which is tentatively assumed to be true is called thehypothesis.
- (1) Correct hypothesis
 - (2) Null hypothesis
 - (3) Alternative hypothesis
 - (4) level of significance
48. The basic objective of export Promotion Council is to promote and develop
- (1) Particular products of country
 - (2) Only attractive projects of the country
 - (3) Only services industry products of the country.
 - (4) Overall exports of the country.
49. Which of the following statements about differences between financial and managerial accounting is incorrect?
- (1) Managerial accounting information is prepared primarily for external parties such as stockholders and creditors; financial accounting is directed at internal users.
 - (2) Financial accounting is aggregated; managerial accounting is focused on products and departments.
 - (3) Managerial accounting pertains to both past and future items; financial accounting focuses primarily on past transactions and events.
 - (4) Financial accounting is based on generally accepted accounting practices; managerial accounting faces no similar constraining factors.
50. Which is the best indicator of economic development of a developing country like India?
- (1) National income deflator
 - (2) GNP at current prices
 - (3) GDP deflator
 - (4) Per capita real national income.
51. Cost accounting information can be used for:
- (1) Budget control and evaluation.
 - (2) Determining standard costs and variances.
 - (3) Pricing and inventory valuation decisions.
 - (4) All of these

52. Manufacturing costs are also known as product costs. Which of the following best describes those costs which are considered to be manufacturing costs?
- (1) Direct materials, direct labor, and factory overhead
 - (2) Direct materials and direct labor only.
 - (3) Direct materials, direct labor, factory overhead, and administrative overhead.
 - (4) Direct labor and factory overhead.
53. The ____ function in human resource management is concerned with providing a work environment which is conducive to the employees and nurturing them to make them well committed and attached to the organization.
- (1) Lineation
 - (2) Development
 - (3) Motivation
 - (4) Acquisition
54. The Market Value of the firm is result of
- (1) Dividend decision
 - (2) Working capital decision.
 - (3) Capital budgeting decisions
 - (4) Trade off between risk and return.
55. Which of the following relationship is true?
- (1) $NBCR = BCR + I$
 - (2) $NBCR = BCR - I$
 - (3) $NBCR = NPV + I$
 - (4) $NBCR = NPV - I$
56. A company issues one right shares for every 4 shares held at a subscription price of Rs. 60 per share. The current market prices of the share is Rs. 80. Value of share is
- (1) Rs. 4
 - (2) Rs. 5
 - (3) Rs. 15
 - (4) Rs. 26

57. Which of the following is not an activity in Human Resource management (HRM) process?
- (1) Training
 - (2) HR Planning
 - (3) Mission formulation
 - (4) Compensation
58. Which of the following involves the process of defining expectations for employee performance, measuring, evaluation and recording actual employee performance relative the these predetermined expectations, providing the employee relevant constructive feed back.
- (1) Performance appraisal
 - (2) Work appraisal
 - (3) Job appraisal
 - (4) None of the above
59. The stage in the product life cycle that focuses on expending market and creating product awareness and trial is the
- (1) Decline stage
 - (2) Introduction stage
 - (3) Growth stage
 - (4) Maturity
60. Big multinational pharmaceutical firms try to exercise influence over the policy decisions made by government departments and regulatory agencies. Which of the following does not reflect how the companies try to exercise their influence?
- (1) Lobbying political representatives in the legislative branch
 - (2) Ignoring their regulatory agencies.
 - (3) Promising to increase their investment in R&D.
 - (4) Threatening to cut off the supply of important drugs.
61. Which of the following statement is/are true?
- (1) For Non - simple mixed investment all the appraisal criteria can be applied.
 - (2) N P V is not suitable for the non - simple mixed investment.
 - (3) BCR and NBCR criteria are not suitable to evaluate non - simple mixed investment.
 - (4) IRR is not suitable for simple investment.

62. Which of the following appraisal technique helps in achieving the objective of shareholders wealth maximization?
- (1) IRR
 - (2) Accounting Rate of Return
 - (3) NPV
 - (4) Both (1) and (2) above
63. Credits transferable by original beneficiary in favor of secondary beneficiary are known as:
- (1) Deferred credit
 - (2) Transit credits
 - (3) Transferable credits
 - (4) Installment credits
64. How does International law facilitate international trade and investment?
- (1) It makes it easier to resolve contract disputes for firms involved in international trade and investment.
 - (2) It allows business to choose the most favorable national legal system to institute proceedings.
 - (3) The terms used in international conventions are open to differing interpretations.
 - (4) The Uniform Commercial Code favors big US multinationals
65. Companies go international for a number of different reasons. Which of the following is not a defensive reason for going international?
- (1) To protect domestic market.
 - (2) To explore new market.
 - (3) To acquire new technology
 - (4) To diversity geographically.
66. A firm will break even at
- (1) $TR = MC$
 - (2) $MR = MC$
 - (3) $AR = AC$
 - (4) $P = MC$

67. What is Personal Disposable Income?
- (1) Wage salary - Personal income tax.
 - (2) Wage & salary + dividends paid at home - personal income tax.
 - (3) Wage & Salary + dividend paid at home + Factor income received from abroad Transfer from Govt. personal income tax.
 - (4) Wage & salary + dividend paid at home + Factor income received from abroad Transfer from Govt. personal income tax.
68. Consider the following cash flow series of a project.
Which of the following is/are true?
- (i) The maximum number of IRRs for the above series is limited to two.
 - (ii) The firm has withdrawn Rs. 1400 from the project at the end of year.
 - (iii) The above project can have only one IRR.
- (1) Only (i) above
 - (2) Only (ii) above
 - (3) Only (ii) above
 - (4) Both (i) & (ii)
69. The Existence of different currencies is beneficial to private financial institutions because:
- (1) Each country has its own currency.
 - (2) The exchange rate of each currency is fixed by the International Monetary Fund.
 - (3) A collapse in the exchange rate of a currency can cause economic disruption.
 - (4) Profits can be made from arbitrage.
70. The International Monetary Fund is important because:
- (1) It has sufficient financial resources to deal with a major global financial crisis.
 - (2) It has sufficient financial resources to help individual countries facing balance of payments problems.
 - (3) Emerging economies can exercise significant influence on it.
 - (4) It fixes exchange rates
71. What functions do financial institutions traditionally perform?
- (1) They immobilize savings.
 - (2) They concentrate risk.
 - (3) They spread risk.
 - (4) They offer only short-term finance.

72. Which of the following do NOT facilitate globalization?
- (1) Improvements in communications
 - (2) Barriers to trade and investment
 - (3) Immigration controls
 - (4) Removal of controls on movement of capital across borders
73. The Internet Facilitates Globalization by:
- (1) Making it more difficult to contact potential customers abroad.
 - (2) Cutting the cost for firms of communicating across borders.
 - (3) Making it harder to send money from one country to another.
 - (4) Making it easier for governments to censor the information received by their citizens from abroad.
74. In the First stage of most grievances redressal procedure the grievance is verbally conveyed by the employee to the _____.
- (1) HR representative on the arbitrator.
 - (2) Supervisor or the arbitrator.
 - (3) Supervisor on the designated officer.
 - (4) HR representative or the designated officer.
75. The Minimum number of persons required to form a private Ltd. company and a public Ltd company respectively are.
- (1) 2 and 5
 - (2) 5 and 7
 - (3) 2 and 7
 - (4) 7 and 2

ANSWER KEY

Ques	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Ans	1	2	3	4	1	1	3	3	2	4	3	2	4	1	1
Ques	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Ans	3	4	1	1	1	3	1	1	2	1	2	2	1	1	4
Ques	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
Ans	1	1	3	2	2	1	1	1	2	1	1	4	4	4	4
Ques	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
Ans	1	2	4	1	4	4	1	1	4	2	1	3	1	2	2
Ques	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75
Ans	3	4	1	1	1	3	3	4	4	2	3	2	2	3	3

Hints and Solutions :

1. (1) Leontief's paradox in economics is that the country with the world's highest capital-per worker has a lower capital/labor ratio in exports than in imports.

It was considered that a country will tend to export those commodities which use its abundant factors of production intensively and import those which use its scarce factor intensively.

By common consent the United States is the only country that is most abundantly endowed with capital. Therefore, one would expect the United States to export capital intensive goods and import labour intensive goods.

The Leontief conclusion that in the international division of labour, the U.S. specialized in labour intensive rather than capital intensive goods contradicted the widely accepted view derived from the H.O. (Heckscher-Ohlin) theory.

Leontief argued that American labour could not really be compared to labour in other countries, because the productivity of an American worker is substantially higher (three times higher, suggested Leontief) than that of foreign workers.

2. (2) Business environment refers to the totality of all individuals, institutions and other forces that are outside a business enterprise but that may affect its functioning and performance.

3. (3) Now there are only following 2 industries reserved for public sector at present:

- i. Atomic energy - Production, separation or enrichment of special fissionable materials and substances and operation of the facilities, specified in DIPP Notification No. S.O.2630 (E) dated 19.10.2009 and
- ii. Railway transport.

4. (4) EISs are end - user computerized information systems operated directly by executive managers. They utilizes newer computer technology in the form of data sources, hardware and programs, to place data in a common format, and provide fast and easy access to information

They integrate data from a variety of sources both internal and external to the organization. They focus on helping executives assimilate information quickly to identify problems and opportunities. In other words.

EISs help executives track their critical success factors. Each system is tailored to the needs and preferences of an individual users, and information is presented in a format which can most readily be interpreted.

5. (1) Planning begins with determination of objectives.

It highlights the purposes for which various activities are to be undertaken.

In fact, it makes objectives more clear and specific.

Planning helps in focusing the attention of employees on the objectives or goals of enterprise.

Planning compels manager to prepare a Blue-print of the courses of action to be followed for accomplishment of objectives.

Therefore, planning brings order and rationality into the organization.

Planning minimizes uncertainties. There are risks of various types due to uncertainties.

Planning helps in reducing uncertainties of future as it involves anticipation of future events.

Although future cannot be predicted with cent percent accuracy but planning helps management to anticipate future and prepare for risks by necessary provisions to meet unexpected turn of events.

6. (1) The working capital ratio, calculated as current assets divided by current liabilities, is considered a key indicator of a company's fundamental financial health since it indicates the company's ability to successfully meet all of its short-term financial obligations.

The collection ratio, also known as the average collection period ratio, is a principal measure of how efficiently a company manages its accounts receivables.

The collection ratio calculation provides the average number of days it takes a company to receive payment, in other words, to convert sales into cash. The lower a company's collection ratio, the more efficient its cash flow.

The final element of working capital management is inventory management. To operate with maximum efficiency and maintain a comfortably high level of working capital, a company has to carefully balance sufficient inventory on hand to meet customers' needs while avoiding unnecessary inventory that ties up working capital for a long period of time before it is converted into cash.

Companies typically measure how efficiently that balance is maintained by monitoring the inventory turnover ratio.

7. (3) The x/y axis on the Blake and Mouton Managerial Grid consists of two behavior dimensions, concern for people and concern for production.

Concern for people is the degree to which a leader considers the needs of employees when deciding how tasks or jobs should be done. This can be personal or professional development. This behavior dimension moves along the y-axis vertically from bottom to top of the grid.

Concern for production is the degree to which a leader emphasizes objectives and productivity goals when deciding how tasks or jobs should be done. This can be rules, policies or performance standards. This behavior dimension moves horizontally along the x-axis from left to right.

8. (3) Infrastructure Development Finance Company, IDFC , is a finance company based in India. It provides finance and advisory services for infrastructure projects as well as asset management and investment banking.

Take-out financing is a method of providing finance for longer duration projects by sanctioning medium term loans by the banks.

After the initial fixed period, the loan will be taken over by another financing institution. The loan can be again off-loaded after stipulated periods.

This method prevents any possible asset-liability mismatches of the financing banks.

9. (2) Accounting standards are the written statements consisting of rules and guidelines, issued by the accounting institutions, for the preparation of uniform and consistent financial statements and also for other disclosures affecting the different users of accounting information.

Accounting standards lay down the terms and conditions of accounting policies and practices by way of codes, guidelines and adjustments for making the interpretation of the items appearing in the financial statements easy and even their treatment in the books of account.

Accounting standards relate to all aspects of an entity's finances including assets, liabilities, revenue, expenditures and equity.

Specific examples of an accounting standard include revenue recognition, asset classification, allowable methods for depreciation, what is considered depreciable, lease classifications and outstanding share measurement.

10.(4) Companies shall follow Ind AS either Voluntarily or Mandatorily. Once a company follows Ind AS, either mandatorily or voluntarily, it can't revert back to old method of Accounting.

Mandatory Applicability from Accounting Period beginning on or after 1st April 2016 : Every Company with Net worth of not less than ₹5 billion (\$ 73.4 million).

11.(3) LIBOR stands for London Inter Bank Offered Rate. LIBOR is an indicative average interest rate at which a selection of banks (the panel banks) are prepared to lend one another unsecured funds on the London money market.

It means the London Interbank Offered Rate is the average of interest rates estimated by each of the leading banks in London that it would be charged were it to borrow from other banks.

Libor rates are calculated for 5 currencies and 7 borrowing periods ranging from overnight to one year and are published each business day by Thomson Reuters.[4] Many financial institutions, mortgage lenders and credit card agencies set their own rates relative to it.

12.(2) The OTC Exchange Of India (OTCEI), also known as the Over-the-Counter Exchange of India, is based in Mumbai, Maharashtra.

It is India's first exchange for small companies, as well as the first screen-based nationwide stock exchange in India.

OTCEI was set up to access high-technology enterprising promoters in raising finance for new product development in a cost-effective manner and to provide a transparent and efficient trading system to investors.

It facilitates faster transactions, greater liquidity in the market and transparency in transactions

OTCEI is promoted by the Unit Trust of India, the Industrial Credit and Investment Corporation of India, the Industrial Development Bank of India, the Industrial Finance Corporation of India, and other institutions, and is a recognised stock exchange under the SCR Act.

13.(4) Inflation accounting is a term describing a range of accounting models designed to correct problems arising from historical cost accounting in the presence of high inflation and hyperinflation.

Inflation accounting is used in countries experiencing high inflation or hyperinflation.

Inflation accounting is not fair value accounting.

Inflation accounting, also called price level accounting, is similar to converting financial statements into another currency using an exchange rate.

Under some (not all) inflation accounting models, historical costs are converted to price-level adjusted costs using general or specific price indexes.

14.(1) The general weakness of the traditional accounting system is that it fails to reflect the price level changes in the financial statements as it is based on historical cost.

The American Institute of Certified Public Accountants defines the Inflation accounting as a system of accounting, which purports to record as a built-in mechanism, all economic events in terms of current cost.

In the traditional accounting, assets are shown in the financial statements year after year on the basis of acquisition prices or at historical cost.

During the inflationary period, historical-cost based depreciation would be highly insufficient to replace the existing assets at current costs.

Items like depreciation, cost of goods sold, and inventory are understated and the profit figure and financial position of the business units are highly distorted.

Current revenues for the period are not properly matched with current cost of operation.

Hence, the problems created by price changes in the historical- cost based accounts necessitate some methods to take care of inflation into the accounting system. Inflation accounting is such method.

15.(1) Behavioural scientists concerned with management of organizations pointed out the following reasons for HRA:

1. Under conventional accounting, no information is made available about the human resources employed in an organization, and without people the financial and physical resources cannot be operationally effective.

2. The expenses related to the human organization are charged to current revenue instead of being treated as investments, to be amortized over a period of time, with the result that magnitude of net income is significantly distorted. This makes the assessment of firm and inter-firm comparison difficult.

3. The productivity and profitability of a firm largely depends on the contribution of human assets. Two firms having identical physical assets and operating in the same market may have different returns due to differences in human assets. If the value of human assets is ignored, the total valuation of the firm becomes difficult.

4. If the value of human resources is not duly reported in profit and loss account and balance sheet, the important act of management on human assets cannot be perceived

5. Expenses on recruitment, training, etc. are treated as expenses and written off against revenue under conventional accounting. All expenses on human resources are to be treated as investments, since the benefits are accrued over a period of time.

16.(3) Debtors Turnover Ratio : Activity Ratio

Activity ratios are accounting ratios that measure a firm's ability to convert different accounts within its balance sheets into cash or sales. Activity ratios are used to measure the relative efficiency of a firm based on its use of its assets, leverage or other such balance sheet items. These ratios are important in determining whether a company's management is doing a good enough job of generating revenues, cash, etc. from its resources.

Proprietary Ratio : Solvency Ratio

The solvency ratios will highlight the long term creditors about the ability of the firm to pay off its interest as soon as it matures for payments together with the principal as per terms and conditions so stipulated.

Proprietary Ratio or Equity Ratio or, Net Worth to Total Assets Ratio is a solvency ratio.

Operating Ratio : Profitability Ratio

A profitability ratio is a measure of profitability, which is a way to measure a company's performance. Profitability is simply the capacity to make a profit, and a profit is what is left over from income earned after you have deducted all costs and expenses related to earning the income.

Common profitability ratios used in analyzing a company's performance include gross profit margin (GPM), operating margin (OM), return on assets (ROA), return on equity (ROE), return on sales (ROS) and return on investment (ROI).

Acid Test Ratio : Liquidity Ratio

Liquidity ratios are a class of financial metrics used to determine a company's ability to pay off its short-term debts obligations. Generally, the higher the value of the ratio, the larger the margin of safety that the company possesses to cover short-term debts.

Common liquidity ratios include the current ratio, the quick ratio, Acid Test Ratio and the operating cash flow ratio.

17.(4) The Nasdaq Stock Market is an American stock exchange. It is the second-largest exchange in the world by market capitalization, behind only the New York Stock Exchange.

The Nasdaq Stock Market has three different market tiers:

Capital Market (small cap) is an equity market for companies that have relatively small levels of market capitalization. Listing requirements for such "small cap" companies are less stringent than for other Nasdaq markets that list larger companies with significantly higher market capitalization.

Global Market (mid cap) is made up of stocks that represent the Nasdaq Global Market. The Global Market consists of 1,450 stocks that meet Nasdaq's strict financial and liquidity requirements, and corporate

governance standards.

Global Select Market (NASDAQ-GS large cap) is a market capitalization-weighted index made up of US-based and international stocks that represent the Global Select Market Composite.

The Global Select Market consists of 1,200 stocks that meet Nasdaq's strict financial and liquidity requirements and corporate governance standards. The Global Select Market is more exclusive than the Global Market.

Every October, the Nasdaq Listing Qualifications Department reviews the Global Market Composite to determine if any of its stocks have become eligible for listing on the Global Select Market

18.(1) Foreign portfolio investment (FPI) consists of securities and other financial assets passively held by foreign investors.

It does not provide the investor with direct ownership of financial assets and is relatively liquid depending on the volatility of the market.

Foreign portfolio investment differs from foreign direct investment (FDI), in which a domestic company runs a foreign firm, because although FDI allows a company to maintain better control over the firm held abroad, it may face more difficulty selling the firm at a premium price in the future.

FPI is also called Foreign institutional Investments (FII)s).

Because of their volatility they are also called hot money. Loans from international financial institutions are given for a fixed tenure and hence are stable.

FDI is not part of FPI, but are accounted separately.

19.(1) Economic integration is an economic arrangement between different regions, marked by the reduction or elimination of trade barriers and the coordination of monetary and fiscal policies.

The aim of economic integration is to reduce costs for both consumers and producers, and to increase trade between the countries taking part in the agreement.

There are varying levels of economic integration, including preferential trade agreements (PTA), free trade areas (FTA), customs unions, common markets, economic and monetary unions, and political unions.

20.(1) A customs union is a type of trade bloc which is composed of a free trade area with a common external tariff.

The participant countries set up common external trade policy, but in some cases they use different import quotas. Common competition policy is also helpful to avoid competition deficiency.

Purposes for establishing a customs union normally include increasing economic efficiency and establishing closer political and cultural ties between the member countries.

It is the third stage of economic integration.

Customs unions are established through trade pacts.

21.(3) The World Trade Organization (WTO) is an intergovernmental organization which regulates international trade.

The WTO officially commenced on 1 January 1995 under the Marrakesh Agreement, signed by 123 nations on 15 April 1994, replacing the General Agreement on Tariffs and Trade (GATT).

The WTO deals with regulation of trade between participating countries by providing a framework for negotiating trade agreements and a dispute resolution process aimed at enforcing participants' adherence to WTO agreements.

The WTO is run by its member governments. All major decisions are made by the membership as a whole, either by ministers (who usually meet at least once every two years) or by their ambassadors or delegates (who meet regularly in Geneva).

The WTO agreements cover goods, services and intellectual property. They spell out the principles of liberalization, and the permitted exceptions.

They include individual countries' commitments to lower customs tariffs and other trade barriers, and to open and keep open services markets.

They set procedures for settling disputes. These agreements are not static; they are renegotiated from time to time and new agreements can be added to the package.

22.(1) The South Asian Association for Regional Cooperation (SAARC) is the regional intergovernmental organization and geopolitical union of nations in South Asia.

Its member states include Afghanistan, Bangladesh, Bhutan, India, Nepal, the Maldives, Pakistan and Sri Lanka.

SAARC comprises 3% of the world's area, 21% of the world's population and 3.8% of the global economy, as of 2015.

SAARC was founded in Dhaka on 8th December, 1985. Its secretariat is based in Kathmandu, Nepal.

The organization promotes development of economic and regional integration.

It launched the South Asian Free Trade Area in 2006.

SAARC maintains permanent diplomatic relations at the United Nations as an observer and has developed links with multilateral entities, including the European Union.

23.(1) The foreign exchange market (forex, FX, or currency market) is a global decentralized market for the trading of currencies.

This includes all aspects of buying, selling and exchanging currencies at current or determined prices.

In terms of volume of trading, it is by far the largest market in the world, followed by the Credit market.

The main participants in this market are the larger international banks. Financial centres around the world function as anchors of trading between a wide range of multiple types of buyers and sellers around the clock, with the exception of weekends.

The foreign exchange market does not determine the relative values of different currencies, but sets the current market price of the value of one currency as demanded against another.

The foreign exchange market works through financial institutions, and it operates on several levels.

24.(2) Direct investment targets a specific enterprise, with the aim of increasing its capacity/productivity or changing its management control.

Direct investment to create or augment capacity ensures that the capital inflow translates into additional production.

In the case of FII investment that flows into the secondary market, the effect is to increase capital availability in general, rather than availability of capital to a particular enterprise.

FDI is preferred over FII investments since it is considered to be the most beneficial form of foreign investment for the economy as a whole.

25. (1) The government imposes a tax on taxable income of all persons who are individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person.

Levy of tax is different on each person.

Indian Income Tax Act, 1961 levies and governs income tax.

26. (2) Pradhan Mantri Garib Kalyan Yojana, 2016 (PMGKY) is an amnesty scheme launched by the Government in December 2016 on the lines of the Income declaration scheme, 2016 (IDS) launched earlier in the year.

A part of the Taxation Laws (Second Amendment) Act, 2016, the scheme provides an opportunity to declare unaccounted wealth and black money in a confidential manner and avoid prosecution after paying a fine of 50% on the undisclosed income. An additional 25% of the undisclosed income is invested in the scheme which can be refunded after four years.

Valid from December 16, 2016 to March 31, 2017, the scheme can only be availed to declare income in the form of cash or bank deposits in Indian bank accounts and not in the form of jewellery, stock, immovable

property, or deposits in overseas accounts.

- 27. (2)** As per section 10(1) of Income Tax Act , agricultural income earned by the taxpayer in India is exempt from tax.

Agricultural income is defined under section 2(1A) of the Income-tax Act. As per section 2(1A), agricultural income generally means: (1) Any rent or revenue derived from land which is situated in India and is used for agricultural purposes. (2) Any income derived from such land by agriculture operations including processing of agricultural produce so as to render it fit for the market or sale of such produce. (3) Any income attributable to a farm house subject to satisfaction of certain conditions specified in this regard in section 2(1A).

Any income derived from saplings or seedlings grown in a nursery shall be deemed to be agricultural income

- 28. (1)** Goods and Services Tax (GST) is a proposed system of indirect taxation in India merging most of the existing taxes into single system of taxation.

It was introduced The Constitution (One Hundred and First Amendment) Act 2016.

GST would be a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India, to replace taxes levied by the central and state governments.

Goods and Services Tax would be levied and collected at each stage of sale or purchase of goods or services based on the input tax credit method

- 29. (1)** As per budget 2017-18 announcements, Individuals earning between Rs 50 lakh and Rs 1 crore will have to pay a surcharge of 10% on the total income tax payable by them.

Currently there was no such surcharge on this category. Only those with income above Rs 1 crore were required to pay surcharge of 15% which continues.

- 30.(4)** Under the Income Tax Act, 1961 every assessee is required to pay income tax on the income earned during the previous year at the rates announced in the Annual Finance Act.

According to Section 5 of the Income Tax Act the scope of total income of a assessee depends on his residential status.

The residential status is determined on the basis of assessee's period of residence in India during the previous year.

Section 6 of the Income Tax Act, 1961 describes the rules for determining the residential status of various assesses e.g. Individual. Hindu Undivided Family, Firm and Company.

An individual is said to be resident of India if

He is in India in the previous year for a period of 182 days or more (60 days if the person is a member of the crew of an Indian ship)

He is in India for a period of 365 days or more within 4 years preceding the assessment year AND periods amounting to all to 60 days or more in that year

The exception is given to member of the crew of an Indian ship because they work for months together on duty on the seas

31.(1) The term 'responsibility accounting' refers to the accounting process that reports how well managers (of responsibility centres) have fulfilled their responsibility.

It is a system that measures the plans (by budgets) and actions (by actual results) of each responsibility centre.

Also known as activity or profitability accounting, it is an information system that personalises control reports by accumulating and reporting cost and revenue information according to defined responsibility centres within a company.

For effective planning and control purposes, responsibility centres are, usually, classified under three categories:

- (i) cost centres;
- (ii) profit centres; and
- (iii) investment centres.

32.(1) Prudence principle is the rule of becoming carefulness. In accounting, we can become careful from future losses. For facing the losses without tension, it is very easy to separate of profit's some part for this. Every type of loss will increase our liability.

As per prudence principle, we should make and record all estimated future loss and forget all estimated future gains. By doing this, we have to make the provisions for future losses. For example, there is the risk of defaulting the some debtors. For tolerating this loss, it is good, if we make the provision for doubtful debt. This reserve will deduct our total profit. If this loss will happen, we can easy buy new stock through this provision.

This provision is also called principle of conservatism because this rule is not new. Every time, businessman wants to play his investment in safe side. He also wants to control every type of risk through making reserve. At that time of making of reserve, he should estimate the future loss correctly, otherwise, it will become secrete reserve and it is against the principle of full disclosure.

- 33.(3)** Countries themselves decide whether they want to be in developed or developing categories. There are no WTO definitions of "developed" or "developing" countries. Developing countries in the WTO are designated on the basis of self-selection although this is not necessarily automatically accepted in all WTO bodies.
- 34. (2)** For the purpose of extending rural banking and agro finance, the NABARD Refinances the banks extending rural finance. NABARD's refinance is available to State Co-operative Agriculture and Rural Development Banks (SCARDBs), State Co-operative Banks (SCBs), Regional Rural Banks (RRBs), Commercial Banks (CBs) and other financial institutions approved by RBI. While the ultimate beneficiaries of investment credit can be individuals, partnership concerns, companies, State-owned corporations or co-operative societies, production credit is generally given to individuals.
- 35. (2)** RBI controls the supply of money and bank credit. The Central bank has the duty to see that legitimate credit requirements are met and at the same credit is not used for unproductive and speculative purposes. In order to control inflation and ensure stability in money market The RBI acts independently and can refuse the government directive. Financial stability means the ability of the economy to absorb shocks and maintain confidence in financial system. Thus, greater importance is being given to RBI's role in maintaining confidence in financial system through proper regulation and controls, without sacrificing the objective of growth. Therefore, RBI is focusing on regulation, supervision and development of financial system. RBI has now adopted the policy of 'Growth with Stability'. This means sufficient credit will be available for growing needs of different sectors of economy and at the same time, inflation will be controlled with in a certain limit.
- 36. (1)** In its simplest form, international liquidity comprises of all reserves that are available to the monetary authorities of different countries for meeting their international disbursement. In short, the term 'international liquidity' connotes the world supply of reserves of gold and currencies which are freely usable internationally, such as dollars and sterling, plus facilities for borrowing these. Thus, international liquidity comprises two elements, viz., owned reserves and borrowing facilities. Under the present international monetary order, among the member countries of the IMF, the chief components of international liquidity structure are taken to be:
1. Gold reserves with the national monetary authorities - central banks and with the IMF.
 2. Dollar reserves of countries other than the U.S.A.
 3. £-Sterling reserves of countries other than U.K.

It should be noted that items (2) and (3) are regarded as 'key currencies' of the world and their reserves held by member countries constitute the respective liabilities of the U.S. and U.K.

37. (1) The World Bank group is a group of five international organizations responsible for providing finance and advice to countries for the purposes of economic development and eliminating poverty.

Its five agencies are:

The World Bank Group consists of:

- i. The International Bank of Reconstruction and Development (IBRD), established in 1945, which provides debt financing on the basis of sovereign guarantees;
- ii. The International Financial Corporation (IFC), established in 1956, which provides various forms of financing of without sovereign guarantees, primarily to the private sector;
- iii. The International Development Association (IDA), established in 1960, which provides concessional financing (interest-free loans or grants), usually with sovereign guarantees;
- iv. The Multilateral Investment Guarantee Agency (MIGA), established in 1988, which provides insurance against certain types of risks, including political risk, primarily to the private sector; and,
- v. The International Centre for Settlement of Investment Disputes (ICSID), established in 1966, which works with governments to reduce investment risk.

The term "World Bank" generally refers to the IBRD and IDA, whereas the World Bank Group is used to refer to the institutions collectively.

38. (1) While the consumption function explains how the income is spend on consumption, the saving function describes what part of income is saved.

39. (2) Default risk, intrinsic risk and Basis risk are the types of credit risk

40.(1) Human Resource refer to " the total knowledge, skill, creative abilities, talent and aptitudes of an organization's work force as well as the value, attitudes and beliefs of the individuals involved this to a definition by Leon C. Magginson.

41. (1) Uncertainties resulting in adverse variation of profitability or outright losses is Financial Risk.

42. (4) The Chinese Market is expanding very rapidly compared with those of the West. The Chinese economy has expanded very rapidly compared to those in the West where many markets are mature. There is a relatively high level of corruption in Chinese officialdom which foreign multinationals are likely to encounter. As regards polluting industries, the Chinese authorities have a history of not enforcing environmental laws.

43. (4) Objective of Liquidity Management is to ensure profitability as well as to ensure Liquidity

44. (4) When a company enters a new product category for which its current brand names are not appropriate, will likely follow new brands.
- 45.(4) Language doesn't play an important role in attracting FDI.
- 46.(1) FDI up to 100% subject to condition that they invest 26 % in favor of Indian Public within 5 yrs
47. (2) A Proposition that undergoes verification to determine it should be accepted or rejected in favour of an alternative proposition. Often the null hypothesis is expressed as "There is no relationship between two quantities." It is presumed to be true until statistical evidence nullifies it for alternative hypothesis.
- 48.(4) The Basic objective of export Promotion Council is to promote and develop overall exports of the country.
- 49.(1) Managerial Accounting Information is prepared for internal users, while Financial Accounting Information is directed primarily at external users such as stockholders and creditors. The other statements are all correct.
- 50.(4) Per capita National Income is the best indicator because an increase in per capita real national income would mean that goods are available per head, which would mean the standard of living has increased.
51. (4) All these functions are served by, and in fact depend on, solid cost Accounting Information.
- 52.(1) Direct Materials, Direct Labor, and Factory Overhead are all included as a Manufacturing Cost. Administrative Overhead is not included.
53. (1) Lineation function is a process in human resources management which is concerned with providing a conducive work environment to the employees and nurturing them to make them feel committed and attached to the organization.
54. (4) The Trade off between risk and return is a central concept of financial management since the objective of the firm is to maximize its value to its share holders.
55. (2) $NBCR = NPV/I$
 $NBCR = BCR - 1$
56. (1) Theoretical value of the right
57. (3) HRM is defined as an organized function of planning for Human resource needs, and recruitment, selection, development, compensation and evaluation of performance to fill those needs. The HRM process consists of five basis activities namely human resource planning, staffing, training and development, performance appraisal and compensation mission formulation is an activity of top management.
- 58.(1) Performance Appraisal is defined as the formal evaluation of an individual's Job Performance. It also involves giving feedback to the individual concerned and developing constructive solutions for further improvement.

- 59. (2)** In PLC, introduction stage is a period of slow sales growth as the product is introduced in the market, profits are nonexistent because of the heavy expenses of product introduction. In this stage promotional expenditure are at their highest ratio to sales because of the need to (1) inform potential consumers (2) induce product trial and (3) secure distribution in retail outlets.
- 60.(2)** Ignoring their Regulatory Agencies.
Pharmaceutical do not ignore regulatory agencies. They usually spend much time effort trying to influence the decisions made by them e.g. to get approval for the use of their drugs. The firms also go in for lobbying and may, at times, use threat or promises to achieve their desired
- 61. (3)** BCR & NBCR criteria are not suitable to evaluate a non - simple mixed investment.
- 62.(4)** Both the methods required rate of earning of investment made on a project is compared with the return and their time value. Thus, if the return crosses the requisite only then it is accepted.
- 63.(1)** Deferred Credits could mean money received in advance of it being earned, such as deferred revenue or customer advances. It could also result from complicated transaction. Where a credit amount arises but the amount is to revenue. It is reports as a liability in balance sheet.
- 64.(1)** It makes it easier to resolve contract disputes for firms involved in international trade and investment.
International law, by setting down a standard set of rules, can facilitate the resolution of disputes especially where it avoids disagreement over which national system of laws applies to the case. Where international law applies, firms can not select the national legal system most favorable to their side of the dispute. The fact that different interpretations can be made of international law impedes its ability to facilitate international trade and investment. There is no evidence that the Uniform Commercial Code favors US multinational interests.
- 65. (1)** Exploring new market is an aggressive reason for going companies international, Defensive reason is to protect domestic market.
- 66. (3)** Break Even of a firm occurs when there is a no profit no loss situation happens. This can be possible only when $AR = AC$.
- 67. (3)** Personal Disposable Income = Wage & Salary + Dividend paid at home + Factor income received from abroad + Transfer from govt. personal income tax.
- 68. (4)** As the no. of times of change in signs are two i.e. from -1000 to 1400 and 1400 to - 100, we can derive that the maximum no. of IRRs for the series is two. At the end of the first year, there is an inflow of Rs. 1400 in the project. If the firm has withdrawn Rs. 1400 from the project, it would also become an inflow.

69. (4) Profits can be made from Arbitrage.

Financial Institutions make money from buying in the market where the price is low and selling at a profit in markets where price is higher - this activity is called arbitrage. Not all countries have their own currency e.g. members of the Euro zone and exchange rates are not fixed by the IMF. A collapse in the exchange rate of a currency can cause economic disruption e.g. a large increase in the rate of inflation, and a big increase in the value of debt held in foreign currency as occurred in Iceland in 2008. Such economic disruption does not guarantee benefits to financial institutions.

70.(2) It has sufficient financial resources to help individual countries facing balance of payments problems.

71.(3) Financial Institutions have traditionally spread risk by mobilizing savings and using them to finance a whole range of projects with varying degrees of risk. The financial system provides short, medium and long-term finance

72. (2) Barriers to Trade and Investment

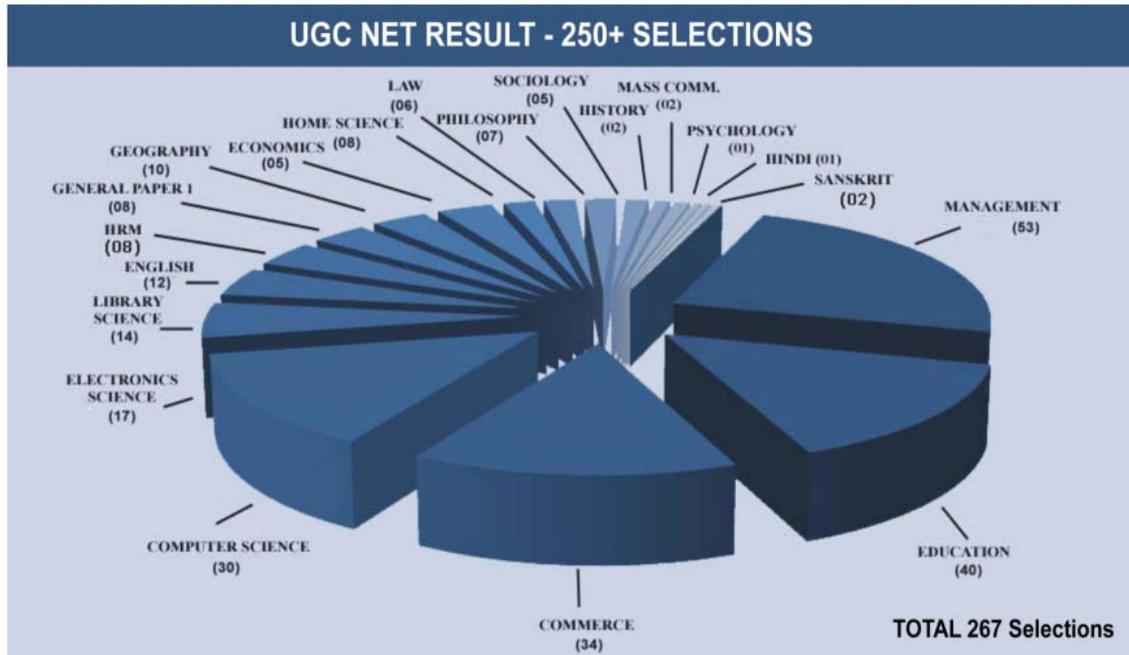
Barriers such as tariffs, quotas and controls on the movement of capital hinder rather than facilitate globalization.

73. (2) Cutting the cost for firms of communicating across borders.

The internet offers a cheap and easy way for business to send and receive information across borders

74. (3) The first stage in grievance redressal is usually handled by supervisor or the designated officer.

75. (3) Acc. to Section 3 (1) (iii) of companies Act, 1956 the minimum no. of persons required to form a private and public ltd. company are 2 and 7.



UGC NET (2012 - 2016)			
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MANAGEMENT	53	ECONOMICS	5
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LIBRARY SCIENCE	14	HISTORY	2
ENGLISH	12	MASS COMMUNICATION	2
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