

CLASS/ SEM : TY B.COM (ACCOUNTING & FINANCE)/ SEM VI**NAME OF THE SUBJECT: FINANCIAL MANAGEMENT III****SAMPLE QUESTIONS FOR SELF PRACTICE**

SR. NO	QUESTION	OPTION A	OPTION B	OPTION C	OPTION D
1	Goodwill is an _____ asset.	Intangible	Tangible	asest	None of above
2	Goodwill has _____ value.	Realisable	Non trading	all of the above	None of above
3	_____ is calculated on the basis of adjusted average profit.	IMOP	IMP	FMP	None of above
4	_____ is equal to Rate of interest plus rate of risk.	NRI	NRR	IRE	None of above
5	Investments are _____ assets.	Trading	Non trading	Sales	None of above
6	_____ value depends on Net assets.	Intrinsic	Transic	Transport	None of above
7	Yield value depends on _____.	Net profit	Net Loss	Gross Profit	None of above
8	EPS depends on net profit available to shareholders.	Debt	Equity	Debenture	None of above
9	P/E ratio is a relationship between _____ and _____.	MP & EPs	MP & Equity	MP	None of above
10	EVA shows contribution to _____ of shareholders.	Funds	Wealth	Economy	None of above
11	EVA is calculated on the basis of _____.	Normal Rate of Return	NOPT	NOPAT	None of above
12	Goodwill is to be valued when _____	Amalgamation takes place	One company takes over another company	A partner is admitted	All of the above
13	Goodwill is paid for obtaining _____	Future benefit	Present benefit	Past benefit	None of the above
14	Super profit is _____	Excess of average profit over normal profit	Extra profit earned	Average profit earned by similar companies	None of the above
15	Normal profit is _____	Average profit earned	Profit earned by similar companies in the same industry	(a) and (b)	None of the above
16	Normal profit depends on _____	Normal Rate of Return	Average capital employed	Both (a) and (b)	None of the above
17	Goodwill as per purchase of average profit method	Average Profit	Average profit × Amount of purchases	Average Profit × No. of years purchases	All of the above
18	Goodwill as per purchase of super profit method is equal to _____	Super Profit	Super Profit × amount of Purchases	Super Profit × No of year's Purchases	none of the above
19	Normal Rate of Return depends on _____	Rate of Interest	Rate of Risk	Both a & b	None of the above
20	While calculating capital employed _____	Tangible trading assets should be considered	Intangible assets should be considered	Fictitious assets should be considered	None of the above
21	Any non trading income included in the profit should be _____	Eliminated	Added	Ignored	None of the above
22	Under capitalisation of super profit method, Goodwill is equal to _____	Capitalised Value of super profit at NRR	Capitalised value of maintained profit	a and b	None of the above
23	Capital employed at the end of the year is ` 4,20,000. Profit earned ` 40,000. Average capital employed is _____	` 4,20,000	` 4,00,000	` 4,40,000	` 4,60,000
24	Rate of interest is 11% and the rate of risk is 9%. The normal rate of return is _____	0.11	0.09	0.2	0.02
25	Capital employed at the beginning of the year is ` 5,20,000 and the profit earned during the year is ` 60,000. Average capital employed during the year is _____	` 5,50,000	` 5,20,000	` 5,80,000	` 4,60,000

26	Average Profit is ` 19,167 and normal profit is ` 10,000. The Super Profit is	` 9,167	` 29,167	` 19,167	` 10,000
27	Super Profit is ` 9,167 and the Normal Rate of Return is 10% Goodwill as per capitalisation of Super Profit method is equal to	` 91,670	` 90,600	` 67,910	` 95,000
28	Capital employed is ` 50,000 Trading Profit amounted ` 12,200, ` 15,000 and ` 2000 loss for 2016, 2017 and 2018 respectively. Rate of interest is 8% and the rate of risk is 2% Remuneration from alternative employment of the proprietor is ` 3,600 pa. Amount of Goodwill at 3 years. purchase of super Profit is	` 8,000	` 8,800	` 8,850	` 9,500
29	The average of the market value, book value and intrinsic value is known as	Replacement Value	Fair Value	Salvage Value	Economic Value
30	The value which is arrived at by discounting the incremental cash flows at an appropriate discount rate	Liquidation Value	Present Value	Market Value	Book Value
31	Economic Value Added can be calculated by this formula	NOPAT- (CE x WACC)	NOPAT+ (CE x WACC)	NPAT -(CE x WACC)	NOPAT - (CE/WACC)
32	Shares of A ltd. and B Ltd. are currently traded at Rs. 100 and Rs. 25 respectively. The share swap ratio based on market price would be	Rs.1	Rs.2.5	Rs. 0.40	Rs.0.80
33	Rate of interest is 12% and rate of risk is 8% . The normal rate of return is 12%	0.12	0.08	0.2	0.04
34	Shares are to be valued on	Mergers	Sale of shares	Gift tax	All of the above
35	Quoted shares are those shares which are	Listed on the stock exchange	Quoted daily	Quoted by the seller	Quoted by the buyer
36	Under net asset method value of a share depends on	Net assets available to equity shareholders	Net assets available to debentures holders	Net assets available to prefer shareholders	None of the above
37	Net asset value is also called as	Asset backing value	Intrinsic value	Liquidation value	a, b and c
38	While deciding net asset value fictitious assets	Should be considered	Should not be considered	Added to total assets	None of the above
39	Net asset value method is based on the assumption that the company is	A going concern	Going to be liquidated	Both (a) & (b)	None of the above
40	F.M.P. for yield valuation is	Future Profit	Profit that would be available to equity shareholders	Past Profit	None of the above
41	Yield value is based on the assumption that	The company is a going concern	The company will be liquidated	The company is sick	None of the above
42	Fair value of a share is equal to	Intrinsic Value only	Yield value only	Average of Intrinsic and Yield Value	None of the above
43	Value of a Partly Paid equity Share is equal to	Value of fully Paid Share - calls unpaid per share	Calls in arrears per share	Paid up value per share	None of the above
44	Gross assets are ` 1,01,000, fictitious assets ` 350 are included in the gross assets. External liabilities are ` 7,500. 6% prefer share capital is ` 45,000. Equity capital is 4,500 equity shares of ` 10 each fully paid. Average expected profit is ` 8,500. Transfer to reserves is 10%. Pref. dividend is payable. NRR is 9%. The Net Asset Value Per share is	` 11	` 10.70	` 15	` 20

45	The company earns a net profit of ₹ 24,000 with a capital of ₹ 1,20,000. The NRR is 10%. Under capitalization of super profit, goodwill will be	120000	70000	12000	24000
46	DCF method considers	Time Value of Money	Market Value	Replacement Value	None of the above
47	In relative valuation multiples may be	Revenue	EBIT	EBITDA	All of the above
48	P/E ratio is calculated on the basis of	M.P. per share	EPS	Both (a) and (b)	Yield Value
49	In relative valuation multiples may be computed on the basis of	Historic data	Forecast	Expert's opinion	All of the above
50	Free cash flow to equity shareholders is what remains	After settlement of debt	Before settlement of debt	Before interest expenses	None of the above
51	EVA is calculated to find out contribution of the organisation to	Wealth of shareholders	Wealth of Debentureholders	Wealth of employees	All of the above
52	EVA is calculated on the basis of	NPAT	NPBT	NOPAT	Gross Profit
53	Corporate restructuring increases _____.	IPS	MPS	EPS	None of the above
54	Amalgamation is governed by AS _____.	AS 14	AS 3	AS 21	None of the above
55	Demerger is _____ of merger.	Opposite	Straight	Forward	None of the above
56	Book value if a share is based on _____ values of assets and liabilities.	Profit & Loss Acc	Balance Sheet	Trail Balance	None of the above
57	Financing of merger by debt is called _____ buyout.	Assest	Leveraged	Problem of growth	None of the above
58	In merger a _____ company is formed.	New	Old	Classic	None of the above
59	In merger existing firms are _____.	Liability	Liquidated	Net Profit	None of the above
60	In _____ one company takes over another company.	Consumed	Gathered	Absorption	None of the above
61	A company approaching another company for negotiation and purchase is a _____ takeover.	Friendly	Enemy	Family	None of the above
62	Purchase of shares from non-controlling shareholders in the open market is a _____ takeover.	Polite	Hostile	Old	None of the above
63	Merger of totally unrelated lines of business is a _____.	Partnership	Firm	Conglomerate	None of the above
64	A _____ agreement is known as merger.	Saleout	Loss	Buyout	None of the above
65	_____ is the result of combination of two or more companies.	Synergy	Energy	All of the above	None of the above
66	Synergy may arise from _____.	Creativity	Socialising	Business	None of the above
67	Merger may fail due to _____ objectives.	Negoatation	Conflicting	Sales	None of the above
68	In _____ one company takes over another company supplying material.	Forward Expansion	Backward, Expansion	Slow Expansiom	None of the above
69	_____ enhances profitability.	A & O	M & A	N & A	None of the above
70	Innovativeness causes _____.	Energy	Saleout	Synergy	None of the above
71	Corporate restructuring	Increases EPS	Increases Return	Increases Competitive Strength	All of the Above
72	Companies go for merger due to	Strategic Benefits	Economies of Scale	Tax Shield	All of the above
73	Amalgamation is governed by	AS 14	AS 3	AS 21	AS 32
74	In Amalgamation, all the assets and liabilities of the transferor company are pooled into the books of transferee company at	Market Value	Book Value	Fair Value	Realisable Value
75	In demerger a corporate body is	Split into two or more bodies	Two bodies are combined	Both (a) and (b)	None of the above
76	The forms of restructuring include	Going Private	Leveraged Buyout	Privatisation	All of the Above

77	In liquidation valuation it is assumed that the company will be	Liquidated	Continued	Consolidated	None of the Above
78	A new company is formed under	Absorption	Reconstruction	Amalgamation	All of the above
79	One company takes over the business of another company. It is a case of	Merger	Absorption	Reconstruction	All of the above
80	A company intending to takeover another company approaches the another company for negotiation and purchase. It is a case of	Friendly Takeover	Hostile takeover	Conglomerate	None of the above
81	Purchase of shares from non-controlling shareholders in the open market is	Hostile takeover	Merger	Friendly takeover	None of the above
82	Merger of two companies operating in the same market is called as	Horizontal M & A	Vertical M & A	Conglomerate	All of the above
83	A merger in which one company takes over the company supplying raw material is a	Backward expansion	Forward expansion	Conglomerate	All of the above
84	Merger of totally unrelated lines of business is a	Conglomerate	Vertical M & A	Horizontal M & A	All of the above
85	A buyout agreement is known as	Merger	Takeover	Vertical integration	None of the above
86	Combination of two or more companies results into	Synergy	Economies of Scale	Operating economies	All of the above
87	A situation where the combined firm is more valuable than the sum of the individual combined firm is	Synergy	Energy	Strength	All of the above
88	Synergy may arise from	Enhanced managerial capabilities	Creativity	Innovativeness	All of the above
89	Companies offer for sale due to	Diversification	Utilisation of resources	Problem of growth	All of the above
90	Merger fails due to	Conflicting objectives	Difference in culture	Inadequate due diligence	All of the above'
91	What is a demerger ?	A corporate body is split into two or more bodies	Two bodies are combined	A corporate body takes over another company	A corporate body expand its business operation
92	What is assumed for company in liquidation valuation?	Consolidated	Continued	Diversified	Liquidated
93	Choose from the following w.r.t. calculation of EPS.	Preference dividend is added to NPAT	Preference Dividend is deducted from NPBT	Preference dividend is deducted from NPAT	Preference dividend is ignored
94	Choose from the following which means one company takes over the business of another company.	Merger	Absorption	Reconstruction	Split-up
95	Choose from the following which means a company intending to takeover another company approaches the another company for negotiation and purchase.	Friendly Takeover	Hostile Takeover	Horizontal Takeover	Conglomerate
96	Corporate restructuring is a process of	Consolidation	Liquidated	Running	None of the above
97	Efficient business operations is the essence of	Business Evaluation	Acquisition	Corporate Restructuring	None of the above
98	Restructuring is done to increase	Synergies	Energies	Profitable business operations	None of the above
99	Corporate restructuring helps to achieve cost	reduction	Expansion	Creation	None of the above
100	_____ is the major area of Hardware Restructuring.	Up- Sizing	Down sizing	Profit, loss	None of the above
101	Training is the area of _____ restructuring.	Hardware	Motherboard	Software	None of the above
102	The objective of Corporate restructuring is to develop	Small companies	Large Companies	Core competencies	None of the above

103	Corporate Restructuring is needed to improve _____.	ROI	RBI	ROR	None of the above
104	Implementation of restructuring strategies include motivation of _____.	People	Group	Consumers	None of the above
105	_____ is a form of restructuring.	Handover	Takeover	Loss	None of the above
106	Takeover increases _____.	Liquid Share	Market share	Public Share	None of the above
107	Takeover may be _____ or _____.	Sale Bailout	Profit Bailout	Hostile Bailout	None of the above
108	Reverse Takeover may be _____ or _____.	Horizontal , Large	Vertical, Short	Horizontal, vertical	None of the above
109	Licensing is a form of _____.	Alliance	Business	Firm	None of the above
110	Restructuring is a process of _____.	Changing Capital structure	Changing staffing	Changing Organisation of a business	All of the above
111	Corporate Restructuring as a strategy involves _____.	Lay off	Loss of market share	Merger	All of the above
112	Scope of Corporate Restructuring include _____.	Product Restructuring	Process Restructuring	People Restructuring	All of the above
113	The elements of Restructuring plan include _____.	Scope of the task	Viability of restructuring	Description of the subject matter	All of the above
114	Acquisition takes place by _____.	Entering into agreement	Purchasing share of the company	Subscription to new shares of other company	All of the above
115	The object of takeover is _____.	To reduce cost	To increase market share	To improve productivity	All of the above
116	Reverse Takeover may be _____.	Horizontal only	Vertical only	Conglomerate only	All of the above
117	Strategic Alliance involves _____.	Joining of two or more businesses	Joint venture	De-merger	Merger
118	Alliances may be _____.	Licensing	Franchising	Turnkey projects	All of the above
119	The reduction of capital is permitted under _____ of Companies Act.	120	500	100	None of the above
120	The Capital reduction means reduction in value of shares.	Poiad- up-share	paid-up-capital	paid-up value	None of the above
121	The Sub – division of shares does not result in _____ of capital.	reduction	Expansion	Fast forward	None of the above
122	The Shareholders can surrender shares for _____ or _____.	re-issue-cancellation	re-issue-submission	profit- loss	None of the above
123	The internal reconstruction results in proper valuation of _____ and _____ of companies.	assent and profit	assets and liabilities	assent- and balance sheet	None of the above
124	The scheme of internal reconstruction requires approval of _____.	settlement	court	high court	None of the above
125	_____ resolution is to be passed by shareholders for approval of scheme of reconstruction.	Special	Important	extra ordinary	None of the above
126	The fictitious debit balances are to be transferred to _____ Account.	Business evaluation	Capital Reduction	revaluation	None of the above
127	The difference in revaluation of assets is to be transferred to _____ Account.	internal reconstruction	profit and loss	Capital Reduction	None of the above
128	A scheme of _____ or _____ mean the scheme having same effect.	capital reduction or internal reconstruction	Business evaluation	Capital Reduction	None of the above
129	The full balance of capital is to be debited, if _____ value is reduced	face	Share	Debenture	None of the above
130	The Balance Sheet prepared after implementation of the scheme is to be suffixed by words _____.	and added	and submitted	and reduced	None of the above
131	The expenses for forming and implementing scheme should be debited to _____.	capital reduction or internal reconstruction	capital reduction	Business evaluation	None of the above
132	Capital Reduction Account is _____ by payment of reconstruction expenses.	transfer	Credited	debited	None of the above

133	Appreciation in the value of land & building is recorded on _____ side of Capital Reduction Account.	credit	debit	sales	None of the above
134	In re-organisation, shares surrendered are transferred to _____ A/c.	shares surrendered	Shares purchased	shares transferred	None of the above
135	Payment for contingent liability is debited to _____ A/c.	internal reconstruction	capital Reduction	Business evaluation	None of the above
136	The objective of capital reduction scheme is to w/off _____.	Losses	Profits	Sales	None of the above
137	In capital Reduction all the adjustments are made in _____ A/c.	Business evaluation A/C	Capital Reductions A/c,	Profit And loss A/c	None of the above
138	Reconstruction expenses are debited to _____ A/c.	Business evaluation A/C	reistrar of companies	Capital Reduction A/c,	None of the above
139	Capital reduction is implemented per Section _____ of Companies Act.	77	75	80	100
140	The scheme of capital reduction is to be approved by _____.	High Court	SEBI	Central Government	Shareholders
141	The scheme of internal reconstruction involves _____ company.	one	two	three	many
142	Balance in Capital Reduction should be transferred to _____.	security premium	capital reserve	share capital	Profit & Loss Account
143	The cancellation of contingent liability is for company _____.	profit	loss	no profit – no loss	nil
144	The payment for contingent liability should be debited to _____.	capital reduction	capital reserve		
145	“And Reduced” words are to be shown as in Balance Sheet as per _____ requirement.	company law	AS	income tax	stock exchange
146	XYZ Ltd. had on 31 st December, 2008; 80,000 equity shares at ` 10 each. It was decided to reduce shares to ` 8 each. The reduction is _____.	` 1,60,000	` 80,000	` 2,00,000	` 1,50,000
147	Creditors of the company are ` 50,00,000 one creditor for ` 20,00,000 decided to forego 40% of his claim. He is allotted 30,000 equity shares of ` 40 each in full satisfaction. The amount transferred to capital reduction is _____.	` 8,00,000	` 10,00,000	` 4,00,000	` 5,00,000
148	The preference shareholders agree to forego arrears of preference dividend of ` 72,000. The amount transferred to Capital Reduction Account is _____.	Nil	` 72,000	` 36,000	` 70,000
149	Creditors are ` 3,00,000. They are given the option to either accept 50% of their claim in cash in full settlement or to convert their claim in to equity shares of ` 10 each. Creditors of ` 2,00,000 opt for shares in satisfaction of the claim. Capital reduction Account is credited by ` _____.	` 1,00,000	` 1,50,000	` 50,000	` 2,00,000
150	Investment costing of ` 24,000 given to Bank for bank overdraft of ` 16,800. The capital reduction is debited by ` _____.	` 4,000	` 8,000	` 7,200	` 4,500
151	Y Ltd. has 8,000 equity shares of ` 100 each fully paid. Each share is sub-divided into 10 equity shares of ` 10 each. The number of shares after sub-division will be _____.	8000	80000	75000	60000

152	Provision for taxation is ` 1,00,000. The tax liability of the company is settled at ` 80,000 & it is paid immediately. Amount credited to capital reduction is _____.	` 80,000	` 1,00,000	` 20,000	` 60,000
153	6% debentures of ` 100 each ` 1,00,000 to be converted into such number of 8% debentures of ` 50 each as to generate the same amount of interest as before. The amount of 8% debentures will be _____.	` 1,00,000	` 25,000	` 75,000	` 1,20,000
154	In internal reconstruction, method of calculation of purchase consideration is by _____.	Net Asset Method	Net Payment Method	no purchase consideration required	none of the above
155	Payment of reconstruction expenses is debited to _____.	Profit & Loss Account	Capital Reduction Account	Cash Account	Goodwill Account
156	The Court Confirmation Order may direct the management to add to its name _____.	limited	unlimited	and reduced	none of the above
157	Credit balance on Capital Reduction Account is utilised for _____.	issue of bonus shares	writing off fictitious assets	paying shareholders	none of the above
158	Internal Reconstruction is governed by section _____.	494	801	804	809
159	Surrender of fully paid shares amounts to _____.	Alteration of share capital	Reduction of share capital	Arrangement	Variation of shareholder's rights
160	Debentureholders accepting less than the face value of their debentures amounts to _____.	Compromise	Reduction of share capital	Alteration of share capital	Variation of shareholder's rights
161	Creditors accepting part payment of their claims amounts to _____.	Reduction of Share Capital	Variation of Shareholders Rights	Compromise	Alteration of share capital
162	Reduction in Share capital of a company means reduction in _____.	Paid up capital	Called up capital	Authorized capital	Uncalled capital
163	A Ltd. company may alter its share capital to _____.	Increase reserve capital	Sub-divide share capital	Consolidate share capital	b and c
164	The existing 1,000 shares of ` 100 each altered to 10,000 shares of ` 10 each is _____.	Consolidation	Sub-division	Conversion	Surrender
165	Balance on Capital Reduction is utilized to _____.	Write off preliminary expenses	Issue bonus shares	Pay dissentient shareholders	None of the above
166	Amicable settlement of differences by mutual consent by parties is _____.	Arrangement	Compromise	Confirmation	Merger
167	Re-arrangement of rights or liabilities without any dispute is _____.	Amalgamation	Arrangement	Compromise	Merger
168	Creditors foregoing their claims in whole or in part is _____.	Compromise	Arrangement	Consolidation	Sub-division
169	The owner of the asset in lease financing is a _____.	Dealer	Lessor	Moderator	None of the above
170	The person to whom the asset is given on lease is a _____.	Lessor	Lessee	Dealer	None of the above
171	Legal ownership of leased asset remains with the _____.	Transferer	Transfee	Lessor	None of the above
172	Lease rentals decreases _____ of the lease.	Profit Assest	Tax liability	Tax Liability Useful	None of the above
173	The period over which the asset is expected to be used is _____.	Life	Death	Merger	None of the above
174	Annual lease rental is cash _____ for the lessee.	Finance Income	Finance Loss	Finance Profit	None of the above
175	Cost of asset is cash outflow for the _____.	Lessee	Lessor	Transfee	None of the above

176	The period over which the asset is expected to be economically usable is _____.	Economic Loss	Economic life	Economic gain	None of the above
177	Estimated fair value at the end of the lease term is _____.	Reesidence status	Residual value	Residual income	None of the above
178	Saving of tax on depreciation is a _____ to the lessor.	Cash Inflow	Cashoutflow	Wealth	None of the above
179	Lease management fees is a cash inflow to the _____.	Lessor	Lessee	Transferor	None of the above
180	Saving of tax on depreciation is _____ to the lessor.	Cash Inflow	Cash Outflow	Gain	None of the above
181	Lease rental	Increases tax liability	Decreases tax liability	Does not affect tax liability	All of the above
182	Lease is only a _____	Mode of financing	Mode of hiring	Mode of takeover	Both (a) & (b)
183	The lessor in operating lease is _____	Manufacturer	Trader	Professional	None of the above
184	A finance lease satisfies the condition _____	Transfers ownership of asset to the lessee	Does not transfer ownership of the asset to the lessee	All of the above	
185	In finance lease, the lessor recovers _____	Cost	Cost + Profit	Rentals	None of the above
186	In case of lease the legal title is with _____	Lessor	Lessee	Agent	None of the above
187	Lease rentals are operating expenses which are _____	Deductible for tax purpose	Added for tax purpose	Ignored for tax purpose	None of the above
188	The period over which the asset is economically usable is _____	Economic Life	Useful Life	Life	None of the above
189	In finance lease, lease rent covered is _____	90% of fair value	50% of Cost	70% of M.V.	None of the above
190	Finance lease is for a _____	Long Term Period	Short Term Period	Medium Term Period	None of the above
191	Annual lease rental is considered as cash outflow for _____	Lessor	Lessee	Finance Company	None of the above
192	Cost of asset is cash outflow to _____	Lessor	Lessee	Finance Co.	All of the above
193	In leveraged lease there are _____	Three Parties	Two Parties	Four Parties	None of the above
194	In open ended lease, the lessee has the option to _____	Purchase the asset	Sell the asset	Lease the asset	None of the above
195	In cross border lease the parties to lease are domiciled in _____	Same Country	Different Countries	Same State	None of the above
196	The principal reason for existence of leasing is that _____	intermediate -term loans are difficult to obtain	This is a type of financing unaffected by changes in tax laws	Companies ,financial institutions and individuals derive different benefits from owning assets	Leasing is a renewable source of intermediate term funds
197	What action will be taken by the seller in case of default in payment by purchaser under hire purchase?	Charges additional interest	Take back possession of goods	Take legal action against the buyer	Charge penalty to the buyer
198	Under hire purchase agreement right of ownership is not passed on to the purchaser unless _____	Agreement is signed	Last instalment is paid	Down Payment is made	First instalment is paid
199	What does included in the last instalment in hire purchase?	Cash price only	Interest only	Cash Price and Interest	Hire Purchase Price less interest
200	XY Ltd. Purchased a machine from BC Ltd. On Hire purchase system. Total cost of the machine was ₹ 15,00,000 payable 20% down and four annual instalments of ₹ 4,20,000; ₹ 3,90,000; ₹ 3,60,000 and ₹ 3,30,000 at the end of the first, second, third and fourth year respectively. Calculate amount of Hire Purchase Price.	1500000	300000	2100000	1800000

201	Under Hire Purchase Financing, Cash Price of the machine is ₹ 10,00,000; Down payment is ₹ 2,00,000. Four annual equal instalments of ₹ 2,50,000 paid at the end of the each year. Calculate total amount interest.	250000	200000	500000	80000
202	In a cash credit (pledge) account, stocks remain in possession of the following person.	Borrower	Lock and key in a godown, under control of bank	Third party who is known to both borrower and bank	No need of stocks to avail this facility
203	A limited company should have this minimum tangible net worth to issue commercial paper.	₹ 4 crores	₹ 10 crores	₹ 15 crores	No minimum limit is fixed
204	Which of the following issues Certificates of Deposits in India?	Discounting Agency	Corporate	Government	Bank
205	The following credit is called as 'Trade credit'	Free credit received	Credit received by a retailer from a wholesaler of goods in normal course of business	credit received from bank	credit for which interest is paid separately
206	The institution offers trade credit and provides services relating to management of book debts	Commercial bank	Term lending institution	Factor	Financial institution
207	This is a spontaneous source of short-term financing.	Bank Credit	Trade Credit	Bridge Loan	Accrued expenses
208	Choose from the following which refers to MPBF.	Maximum Permissible Bank finance	Minimum Permissible Bank finance	Bank Overdraft	Cash Credit
209	Which of the following is referred to as working capital?	Converted into cash within one year	Converted into cash without any time limit	permanent assets	difference of assets and liabilities
210	If working capital is inadequate, firm experiences this problem.	Lack of Profitability	Surplus Cash	Payments to creditors before due date	Liquidity