

MAHATMA GANDHI UNIVERSITY, KOTTAYAM

MGU-UGP (HONOURS)

FIRST SEMESTER EXAMINATION- MODEL QUESTION PAPER

(2024 ADMISION ONWARDS)

MG1DSCBLW100 – Corporate Regulations and Compliance

Duration: 1 hr

Maximum Marks: 70

Students should attempt at least one question from each course outcome to enhance their overall outcome attainability.

Part A

Attempt any twenty questions.

Each question carries 1 mark.

1. Which type of company structure allows a single individual to incorporate a company with limited liability, making it a suitable option for entrepreneurs and small businesses?

(Understand) (CO1)

a) LLP

b) Private Company

c) One Person Company

d) Holding Company

2. Which of the following is not a stage during the formation of a company?

(Understand) (CO2)

a) promotion

b) incorporation

c) liquidation

d) capital subscription

3. What is the minimum number of directors required for a private company?

(Understand) (CO3)

a) 1

b) 2

c) 3

d) 4

4. Which of the following contracts is signed by the promoter during the promotion of the company with a third party on behalf of the proposed company?

(Understand) (CO2)

a) Preliminary contract

b) Prospectus

c) MOA

d) AOA

5. What is the meaning of 'Red Herring Prospectus':

(Understand) (CO2)

a) It means a prospectus which include complete particulars of the quantum or price of the securities included therein.

b) It means a prospectus which does not include complete particulars of quantum or price of the securities included therein.

c) It means a prospectus issued by the Securities and Exchange Board of India (SEBI) to approve an IPO.

d) It means a prospectus which include the major particulars of the securities traded on the courses in last 12 months.

6. Preference shareholders would NOT carry preferential right with respect to: (Understand) (CO3)

- a) Repayment, in the case of a winding up or repayment of capital
- b) Payment of dividend
- c) Voting right**
- d) Only a) and b) are correct.

7. How a public company may issue securities? (Understand) (CO4)

- a) through a rights issue or a bonus issue
- b) to public through prospectus
- c) through private placement
- d) all of the above**

8. Which type of director is crucial for enhancing corporate governance standards and credibility of a company? (Understand) (CO3)

- a) Additional director
- b) Executive director
- c) Independent director**
- d) Nominee director

9. A company can be registered online in India through (Understand) (CO6)

- a) CII Portal
- b) MCA Portal**
- c) DSC Portal
- d) DIN Portal

10. Name the debentures that can be transferred by mere delivery. (Understand) (CO4)

- a) First debentures
- b) Second debentures
- c) Registered debentures
- d) Bearer debentures**

11. Under Companies Act 2013, the Company may be wound up by ___ and Voluntary winding up. (Understand) (CO4)

- a) Debt Recovery Tribunal
- b) National Company Law Tribunal**
- c) Court
- d) Corporate creditor

12. The books containing the minutes of the proceedings of any general meeting of a company shall be kept at (Understand) (CO4)

- a) Head Office
- b) Central Office
- c) Registered office**
- d) Where the meeting was held

13. All general meetings other than annual general meetings shall be: (Understand) (CO4)

- a) Board Meeting
- b) Extra Ordinary General Meeting**
- c) Ordinary Meeting
- d) Statutory Meeting

14. Every Company shall hold the first Board meeting within (Understand) (CO6)

- a) 3 months of its incorporation
- b) 30 days of its incorporation**
- c) 15 days of its incorporation
- d) 4 months of its incorporation

15. In which of the following scenarios would a court be likely to lift the corporate veil? (Understand) (CO2)

- a) When a company is used to evade taxes**
- b) When a private company is converted to public Company
- c) When an extra ordinary meeting is held
- d) When a company is suffering losses for three consecutive years

16. Which of the following is a key provision of the Companies Act, 2013 related to corporate governance? (Understand) (CO4)

- a) Mandatory appointment of independent directors
- b) Regular disclosure of financial information
- c) Establishment of audit committees
- d) All of the above**

17. Table F of the Companies Act 2013 gives a model of (Understand) (CO2)

- a) B/S
- b) MOA
- c) AOA**
- d) P&L a/c

18. During any financial year Corporate Social Responsibility Committees of the Board shall be constituted by every company having (Understand) (CO6)

- a) Turnover of ₹5,000 crores or more
- b) A Net Profit of ₹2 crores or more
- c) Net Worth of ₹500 crores or more**
- d) Any of the above

19. At a general meeting of a company a matter was to be passed by a special resolution. Out of forty members of the company, thirty voted in favour of the resolution, five voted against it. The remaining five members abstained from voting. As per the provisions of the Companies Act 2013, the chairman shall declare the motion as (Apply) (CO4)

- a) Passed**
- b) Invalid
- c) Cancelled
- d) Accepted

20. Which of the following is not a reason for transmission of shares?

(Understand) (CO6)

- a) Pledge of Securities**
- b) Death of Shareholder
- c) Adjudicated Insolvency
- d) None of the above

21. is the secure and authentic way to submit a document electronically

(Understand) (CO6)

- a) DIN
- b) DSC**
- c) CIN
- d) PIN

22. Who is the key individual responsible for ensuring compliance with corporate laws and regulations, as well as providing secretarial and administrative support to the board of directors?

(Understand) (CO5)

- a) CEO
- b) Managing Director
- c) Executive Director
- d) Company Secretary**

[1 x 20 = 20]

Part B

Answer any 25 Questions

Each question carries 2 marks

23. Which of the following Statement(s) is/are correct? (Understand) (CO4)

Statement I. The notice can be sent either by speed or registered mail or even through electronic means like email.

Statement II. A company is obligated to send the AGM notice to all the members of the company, including the legal representatives of a deceased member and the assignee of an insolvent member.

- a) I Only
- c) Both I and II**

- b) II Only
- d) Neither I nor II

24. A petition for winding up can be made by (Understand) (CO4)

- I. The Company
- II. Any of the creditors
- III. Any of the Contributories
- IV. Registrar
- V. Company Secretary

- a) (i), (ii), (iii) and (iv) only**
- c) (i), (ii), (iii) (iv) and (v)

- b) (i), (ii) and (iv) only
- d) (ii) and (iv) only

25. Consider the following Assertion and Reason and answer the following.

(Analyse) (CO6)

Assertion: A company ceases to exist as a corporate entity on winding up.

Reason: Assets of a company are realised and Liabilities are set off in winding up.

- a) Both Assertion and Reason are Correct
- c) Both Assertion and Reason are incorrect

- b) Assertion is wrong, but reason is correct**
- d) Assertion is correct, but reason is incorrect

26. Corporate Social Responsibility is discussed in which of the following sections of Companies Act, 2013? (Understand) (CO6)

- a) Section 120
- c) Section 135**

- b) Section 100
- d) Section 99

27. Which of the following statement(s) is/are correct?

(Understand) (CO4)

Statement I. All companies are required to hold AGMs except for one-person companies (OPCs).
Statement II. An EGM is a yearly gathering of a company's shareholders and directors to discuss and address key business matters.

- a) I Only**
- c) I and II

- b) II Only
- d) Neither I nor II

28. Arrange in chronological order, the procedure for conducting an Annual General Meeting.

(Understand) (CO4)

- (i). Minutes of the AGM
- (ii). Notice of the Meeting
- (iii). Convene a Board Meeting
- (iv). Convene Annual General Meeting

- a) (i) – (iii) - (ii) - (iv)
- c) (iv) – (iii) - (ii) - (i)

- b) (iii) – (ii) – (iv) – (i)**
- d) (i) - (ii) - (iii) - (iv)

29. Which of the following pair(s) is/are correct with regards to maximum number of members?

(Understand) (CO1)

- (i). Public Company – 200

- (ii). Private Company – 10
- (iii). One Person Company – 5

- a) (i) Only
- b) (i) and (ii) only
- c) (ii) Only
- d) Neither (i), (ii) nor (iii) is correct**

30. Who among the following is/are executive directors? (Understand) (CO3)

- (i) Managing Director
- (ii) Whole Time Director
- (iii) Nominee Director

- a) (i) Only
- b) (i) and (ii) only**
- c) (ii) Only
- d) Neither (i), (ii) nor (iii) is correct

31. Which of the following are true about a company secretary? (Understand) (CO5)

- (i) An in-house legal expert; a compliance officer of the Company
- (ii) An expert in corporate laws, securities laws & capital market and corporate governance
- (iii) An executive director of the company
- (iv) Responsible for all regulatory compliances of company

- a) (i) (ii) and (iii) only
- b) (i) and (iv) only
- c) (i) (ii) and (iv) only
- d) (ii) and (iv) only

32. Consider the following assertion and reason and choose the appropriate answer.

(Understand) (CO2)

Assertion: The capital clause of a company's memorandum of association specifies the maximum capital that can be issued to shareholders.

Reason: The capital clause also details the division of this capital into shares of a fixed amount each.

- a) Both Assertion and Reason are correct and Reason is the correct explanation for Assertion.
- b) Both Assertion and Reason are correct, but Reason is not the correct explanation for Assertion.**
- c) Assertion is correct, but Reason is incorrect.
- d) Both Assertion and Reason are incorrect.

33. Consider the following assertion and reason and choose the appropriate answer.

(Understand) (CO1)

Assertion: Section 8 companies are primarily formed to generate profits for their shareholders.

Reason: Section 8 companies are non-profit organizations that are established to promote social causes.

- a) Both Assertion and Reason are correct and Reason is the correct explanation for Assertion.
- b) Both Assertion and Reason are correct, but Reason is not the correct explanation for Assertion.
- c) Assertion is correct, but Reason is incorrect.
- d) Assertion is wrong, but Reason is correct.**

34. Which of the following is/are the true about promoter of a company? (Understand) (CO2)

- (i). A promoter is a person/entity who conceives the idea of company formation.
- (ii). Firms, Association of persons or a company cannot become a promoter of a company.
- (iii). The promoter helps to establish and run the company, but the company shareholders are the actual owners of the company.

40. Which of the following statement are true? (Understand) (CO6)
Statement I. Digital Signature Certificates (DSC) are the digital equivalent to certificate of incorporation.
Statement II. Companies use DSC to electronically file various returns and forms with regulatory authorities like the Ministry of Corporate Affairs (MCA) and the Income Tax Department

- a) I Only
c) I and II
- b) II Only**
d) Both I nor II

41. Arrange in proper sequence the steps involved in voluntary winding up (Understand) (CO6)

- (i). Notification of resolution
(ii). Final Report and Meeting
(iii). Declaration of Solvency
(iv) Shareholder's Approval

- a) (i) – (ii) – (iii) - (iv)
c) (iii) – (iv) – (i) – (ii)
- b) (ii) – (i) – (iii) – (iv)
d) (i) – (iii) – (iv) – (ii)

42. A CSR committee of the board is mandatory for which all companies? (Understand) (CO6)

- (i). Companies having net worth of Rs. 500 crore or more
(ii). Companies having turnover of Rs. 1000 crore or more
(iii). Companies having net profit of Rs. 5 crore or more

- a) (i) only
c) (i) and (iii) only
- b) (i) and (ii) only
d) (i), (ii) and (iii)

43. Consider the following Assertion and Reason (Understand) (CO2)

Assertion: The articles of association sets out the regulations for internal management of the company.

Reason: Articles of association defines the power of its officers, establishes a contract between the company and its members.

- a) Both Assertion and Reason are correct and Reason is the correct explanation for Assertion.**
b) Both Assertion and Reason are correct, but Reason is not the correct explanation for Assertion.
c) Assertion is correct, but Reason is incorrect.
d) Both Assertion and Reason are incorrect.

44. Which of the following statements is/are correct? (Understand) (CO6)

Statement I: Any member who is entitled to attend and vote in a company meeting can appoint a proxy.

Statement II: Proxy refers to the instrument/ document by which such an individual is appointed as a proxy.

- a) I Only
c) Both I and II
- b) II Only
d) Neither I nor II

45. Which of the following pairs is/are correct? (Understand) (CO4)

- (i). Cumulative Preference Shares – Arrears in dividend are paid in the subsequent years.

MAHATMA GANDHI UNIVERSITY, KOTTAYAM

MGU-UGP (HONOURS) FIRST SEMESTER EXAMINATION

(2024 ADMISION ONWARDS)

MG1DSCBST100 – Marketing Management

Duration: 1 hour

Maximum Marks: 70

Students should attempt at least one question from each course outcome to enhance their overall outcome attainability.

Part A- Multiple Choice Questions

Answer **any 20** Questions- Each question carries **1** mark

- Which of the following is not a pillar of marketing concept?
[Understand; CO1]
a) Target market b) Disposability c) Customer satisfaction d) Integrated marketing
- In terms of focus, marketing focus on ----- and selling focus on -----.
[Understand; CO1]
a) Products and customer needs b) Customer needs and products c) Sale and promotion d) None of these
- Who is considered as the father of modern marketing?
[Remember; CO1]
a) Philip Kotler b) Peter Drucker c) Abraham Maslow d) F. W. Taylor
- Which of the following is NOT a primary activity in the value chain?
[Understand; CO1, CO2]
a) Marketing and sales b) Firm infrastructure c) Operations d) Service
- Which of the following is an example of "Promotion" in the marketing mix?
[Understand; CO1, CO2]
a) TV Commercial b) Advertisement c) Discount offers d) All of these
- Which of the following is NOT a basis for market segmentation?
[Understand; CO3]
a) Age b) Gender c) Income d) Employee productivity
- Which of the following is not an element of marketing mix?
[Understand;CO1, CO2]
a) Product b) Price c) Place d) Market
- If a company has 3 product lines and offers 5 products in each line, what is the length of the product mix? [Apply;CO4]
a) 4 b) 5 c) 9 d) 15
- During the Introduction stage of a product, profits are usually
[Understand;CO4]
a) High b) Low c) Moderate d) Extremely High
- Which of the following is not an element of market positioning?
[Understand;CO3]

- a) Cultural factors b) Publics c) Suppliers d) Competitors

Part B

Multiple Choice Questions

Answer **any 25** Questions- Each question carries **2** marks

23. In the Marketing Stage, business decisions are primarily governed by:

[Understand; CO1]

- a) The production costs b) Needs and wants of consumers
c) Competitor pricing strategies d) Historical marketing practices

24. Given below are two statements. One is labelled as Assertion (A) and other is labelled as Reason (R).

[Understand; CO1]

Assertion (A): Marketing Management is an important functional branch of business management.

Reason (R): It concentrates on the practical application of marketing techniques and the management of an organizations marketing resources and functions.

Read the statements and choose the correct option.

- a) Both A and R are correct and R is the correct explanation of A. b) Both A and R are correct but R is not the correct explanation of A.
c) A is true; R is false d) A is false; R is true

25. Which of the following best describes how social changes can affect consumer behavior?

[Understand; CO2]

- a) They lead to static buying habits. b) They can shift preferences and needs over time.
c) They only influence luxury goods. d) They have no significant impact

26. How does Marketing 5.0 differ from Marketing 4.0?

[Apply; CO2, CO6]

- a) Marketing 5.0 focuses exclusively on print media b) Marketing 5.0 integrates technology like AI to create personalized customer experiences
c) Marketing 5.0 limits customer interaction to digital channels d) Marketing 5.0 emphasizes traditional marketing practices

27. Match List I with List II:

[Apply; CO2, CO6]

List I (Marketing strategies)	List II (Explanation)
(A) Ambush marketing	(1) Jay Conrad Levinson
(B) Guerilla marketing	(2) James Culliton
(C) Marketing mix	(3) Coattail marketing

- a) A-1, B-2, C-3 b) A-3, B-1, C-2
c) A-2, B-3, C-1 d) A-2, B-1, C-3

28. Consider the following statements and choose the most appropriate answer:

[Apply; CO2, CO6]

Statement I: The principle behind guerilla marketing is ‘Investing money instead of energy’.

Statement II: Guerrilla marketing is a great tool for small businesses looking to make a big impact.

- a) Both Statements are TRUE b) Statement I is TRUE and Statement II is FALSE
c) Statement I is FALSE and Statement II is TRUE d) Both Statements are FALSE

29. Consider the following Assertion (A) and Reasoning (R).

[Understand; CO1, CO2]

Assertion (A): Economic conditions can significantly influence the marketing mix.

Reason (R): Economic factors affect consumer purchasing power and behavior.

Choose the correct answer from the alternatives.

- a) Both A and R are correct & R is the correct explanation of A. b) Both A and R are correct but R is not the correct explanation of A.
 c) A is true; R is false d) A is false; R is true

30. What is the role of market segmentation in product development? Understand; CO3]

- a) It makes the process of developing new products more difficult b) It guarantees that all products are the same for every customer
 c) It eliminates the requirement for consumer feedback d) It enables firms to create products that are tailored to specific customer requirements

31. A mobile phone company decides to segment its customers into first-time buyers, upgrade customers, and loyal users. What type of segmentation is the company applying?

[Understand; CO3]

- a) Purchase occasion b) Loyalty status
 c) Benefits sought d) User status

32. Match the targeting strategy with its correct description:

[Understand; CO3]

Term	Description
A. Concentrated marketing	I. Dividing a larger market into smaller distinct segments.
B. Undifferentiated marketing	II. Targets a specific niche with tailored offerings
C. Differentiated Marketing	III. Offers distinct products for various market segments
D. Market Segmentation	IV. Focuses on the entire market with one marketing strategy

- a) A-IV, B- I, C-II, D-III b) A-III, B-II, C-I, D-IV
 c) A-II B-IV, C-III, D-I d) A-II, B-III, C-I, D-IV

33. Which of the following aspects determine the want satisfying capacity of a product?

[Understand; CO4]

- a) Desirability, Purpose and Usability b) Advertising, Customer service, Market research
 c) Need, Promotion and Durability d) None of these

34. Which of the following statements are true?

[Understand; CO3]

Statement 1: Rational buying motives often involve assessing product quality, durability, and utility

Statement 2: Consumers motivated by emotional factors do not consider practical aspects of a product.

- a) Both statements are true b) Statement 1 is true; Statement 2 is false
 c) Statement 1 is false; Statement 2 is true d) Both statements are false

35. Given below are two statements. One is labelled as Assertion (A) and Reason (R). [Apply; CO3]

Assertion (A): In the post-purchase stage, satisfied consumers are more likely to make repeat purchases.

Reason (R): Positive post-purchase experiences strengthen the consumer's loyalty to the brand.

Read the statements and choose the correct option.

- a) Both A and R are true, and R is the correct explanation of A. b) Both A and R are true, but R is not the correct explanation of A.
 c) A is true, but R is false. d) A is false, but R is true

36. Which of the following is NOT a classification of consumer products?

[Understand; CO4]

- a) FMCG b) White goods
 c) Industrial products d) Convenience products

43. Which one of the following is not true about objections to advertising?

[Understand; CO5]

- i. Advertisements which makes similar claims confuses the buyers.
- ii. Advertising is a very economical mode of communication.
- iii. Advertising does not distinguish between superior and inferior products.
- iv. The space and time for advertisements are bought from media.

- a) i and iii only
- b) i only
- c) i and ii only
- d) ii only

44. Which of the following are true when an organization uses intensive distribution of its products?

[Apply; CO5]

- I. Customers are moderate in number.
- II. Widespread market coverage.
- III. Customers are brand conscious.
- IV. Mass advertising
- V. Pleasant shopping conditions.

- a) II & IV only
- b) II only
- c) I & III only
- d) IV & V only

45. Given below are two statements. One is labelled as Assertion (A) and other is labelled as Reason (R).

[Apply;CO5]

Assertion (A): If the firm is prepared to incur increased cost on transportation, it may be in position to reduce its inventory costs.

Reason (R): As in such a case, the firm can use the fastest mode of transport and rush the goods to the desired warehouse, unmindful of the cost of transportation.

In context to the above two statements related to logistics management, which of the following option is correct?

- a) Both A and R are true and R is the right explanation of A.
- b) Both A and R are true but R is not the correct explanation of A.
- c) A is true; R is false
- d) A is false; R is true

46. Which of the following is not a primary function of retailing?

[Understand; CO5]

- a) Searching
- b) Pricing
- c) Breaking bulk
- d) Advertising

47. Mr. Sunil is a travelling vendor who sells inferior and low priced goods and he has set up a temporary shop in his own town. This is an example of:

[Apply; CO5, CO6]

- a) Hawker
- b) Supermarket
- c) Cheap Jacks
- d) E-tailing

48. Match List I with List II

[Apply; CO5, CO6]

List I (Retail store)	List II (Example)
(A) Chain store	(1) McDonalds
(B) Franchise	(2) Reliance Smart bazaar
(C) E-Retailing	(3) Supermarket
(D) In-Store Retailing	(4) e-catalogue

- a) A-1, B-2, C-3, D-4
- b) A-4, B-1, C-2, D-3
- c) A-3, B-4, C-1, D-2
- d) A-2, B-1, C-4, D-3

49. Which of the following statements are true?

[Understand; CO3]

Statement 1: Maruti Suzuki India Ltd. added high priced luxury cars like Ertiga and Dzire to its existing line of cars. This is an example of Trading Down.

Statement 2: Chevrolet India added low priced cars like Chevrolet Spark and Chevrolet Beat to its existing line of luxury cars. This is an example of Trading Up.

- a) Both statements are true
- b) Statement 1 is true; Statement 2 is false
- c) Statement 1 is false; Statement 2 is true
- d) Both statements are false

MAHATMA GANDHI UNIVERSITY ,KOTTAYAM

MGU-UGP (HONOURS)

(2024 ADMISSION ONWARDS)

FIRST SEMESTER MODEL QUESTION PAPER

MG1DSCCOM100 -BASIC FINANCE FOR DAILY LIFE

Duration :1 hour

Maximum Marks :70

Students should attempt at least one question from each course outcome to enhance their overall outcome attainability.

Part A- Multiple Choice Questions

Answer any **Twenty** questions.- Each question carries **1** mark.

1	Financial attitude refers to _____ a) One's perspective on spending, saving and investing b) One's ability to plan c) One's interest in reporting d) One's skill in communication	U	3	
2	Which of the following is a broader term that includes coins,cheques,banksnotes,fixed deposit receipts and digital wallets? a) Currency b) Money c) Finance d) Savings	U	1	
3	Behavioural finance studies : a) Government Expenditure b) Household budgeting c) Investor emotions and behaviour d) Corporate tax planning	U	3	
4	Which of the following is NOT a category in Needs, Wants and Vices? a) Food and Water b) Shelter c) Gadgets d) Investments	U	1	
5	What is the primary benefit of having health insurance? a) Reduces life expectancy b) Increases medical costs c) Provides financial protection against high medical costs d) Limits access to healthcare	U	5	
6	. The process of ensuring timely and adequate credit for vulnerable groups at an affordable cost is called : a) Financial Education b) Financial inclusion c) Financial Literacy d) Financial Exclusion	U	1	

7	<p>Which of the following is NOT a part of financial literacy as defined by OECD?</p> <p>a) Financial awareness b) Financial skills c) Financial dependence d) Financial behaviour.</p>	U	1	
8	<p>Which of the following is an example of discretionary spending?</p> <p>a) Rent b) Groceries c) Entertainment d) Medicine</p>	U	1	
9	<p>Priya learns about market risk and credit risk. Which type of financial knowledge is she gaining?</p> <p>a) conceptual b) Procedural c) Applied d) Theoretical</p>	An	3	
10	<p>What does understanding the time value of money help in calculating?</p> <p>a) Present value b) Future value c) Both present and future values d) None of the above</p>	U	2	
11	<p>Which of the following is NOT a socializing agency for financial socialization?</p> <p>a) Parents b) Schools c) Advertisements d) Video games</p>	U	1	
12	<p>A person who budgets their expenses regularly displays what type of financial behavior?</p> <p>a) Risk-taking b) Impulsive spending c) Responsible money management d) Avoidance of financial decisions</p>	U	1	
13	<p>A positive financial attitude is most likely to result in:</p> <p>a) Higher interest in credit card use b) Long-term savings and investment plans c) Increased financial risk-taking d) No impact on financial behavior</p>	An	3	
14	<p>Which of the following is NOT a financial product?</p> <p>a) Life insurance b) Real estate c) Equity shares d) Health insurance</p>	An	2	
15	<p>What is effective interest rate?</p> <p>a) Interest rate without compounding b) Nominal interest rate on an annual basis. c) Annual interest rate accounting for compounding periods. d) Interest rate applied only to loans</p>	U	2	

16	Which of the following best describes compound interest? a) Interest calculated only on the initial principal b) Interest calculated on both the initial principal and the accumulated interest c) Interest that decreases over time d) Interest that only applies to loans	U	2	
17	How does financial behavior affect personal finance? a) It does not influence personal finance b) Positive financial behavior leads to better savings and wealth accumulation c) Negative financial behavior always leads to higher returns d) Financial behavior is irrelevant to investment success	An	3	
18	What is the key difference between money market and capital market products? a) Money market products are long-term, capital market products are short-term b) Money market products have low risk, capital market products have higher risk c) Money market products deal with stocks, capital market deals with bonds d) There is no difference	An	2	
19	KYC stands for a) Know Your Customer b) Known Yield Cash c) Keen Yield Circular d) Know Your Customs	K	5	
20	How does a rise in interest rates affect savings? a) Increases the value of money in savings accounts b) Decreases the value of money in savings accounts c) Has no impact on savings d) Encourages more people to withdraw savings	U	2	
21	Which of these is an essential component of financial literacy? a) Knowledge of investment markets b) Good communication skills c) Understanding budgeting, saving, and credit d) Knowledge of real estate	U	1	
22	Why is numeracy important in financial decision-making? a) It simplifies understanding of legal documents b) It enables calculations like interest, EMI, and comparison of offers c) It eliminates the need for professional help d) It only applies to budgeting	U	3	

Part B- Multiple Choice Questions

Answer any **Twenty five** questions- Each question carries **2** marks.

23	<p>What is the primary difference between financial literacy and financial education?</p> <p>a) Financial literacy focuses on practical knowledge, while financial education focuses on theoretical concepts.</p> <p>b) Financial education is only for students, while financial literacy is for professionals.</p> <p>c) Financial literacy is taught in schools, and financial education is learned at home.</p> <p>d) Financial education involves budgeting only.</p>	U	1	
24	<p>If a person borrows Rs1,000 at a simple interest rate of 5% for 3 years, how much interest will they pay?</p> <p>A) Rs 50</p> <p>B) Rs 150</p> <p>C) Rs 200</p> <p>D) Rs 250</p>	Ap	3	
25	<p>Which of the following best describes compound interest?</p> <p>A) Interest calculated only on the initial principal</p> <p>B) Interest calculated on both the initial principal and the accumulated interest</p> <p>C) Interest that decreases over time</p> <p>D) Interest that only applies to loans</p>	U	3	
26	<p>How does inflation affect purchasing power?</p> <p>A) Increases the value of money</p> <p>B) Reduces the purchasing power of money</p> <p>C) Does not impact purchasing power</p> <p>D) Increases the amount of goods money can buy</p>	An	3	
27	<p>What is the role of Fintech in modern financial systems?</p> <p>A) Only provides physical banking services</p> <p>B) Uses technology to improve and automate financial services</p> <p>C) Focuses only on stock market investments</p> <p>D) Replaces traditional financial institutions</p>	An	2	
28	<p>What is one major advantage of systematic investment plans (SIPs)?</p> <p>A) High returns in a short period</p> <p>B) Requires large initial investments</p> <p>C) Encourages disciplined, long-term investing</p> <p>D) No risk involved</p>	U	2	
29	<p>Assertion (A): Compound interest grows faster than simple interest over time. Reason (R): Compound interest takes into account previously earned interest when calculating future interest.</p> <p>A) Both A and R are true, and R is the correct explanation of A.</p> <p>B) Both A and R are true, but R is not the correct explanation of A.</p> <p>C) A is true, but R is false.</p> <p>D) A is false, but R is true.</p>	An	3	

30	Match the following interest rate concepts with their correct descriptions:	An	3									
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; padding: 5px;">A) Simple Interest</td> <td style="padding: 5px;">1) Interest calculated on both the initial principal and accumulated interest.</td> </tr> <tr> <td style="padding: 5px;">B) Compound Interest</td> <td style="padding: 5px;">2) Interest calculated only on the initial principal</td> </tr> <tr> <td style="padding: 5px;">C) Effective Interest Rate</td> <td style="padding: 5px;">3) The actual interest rate paid or earned, considering compounding.</td> </tr> <tr> <td style="padding: 5px;">D) Nominal Interest Rate</td> <td style="padding: 5px;">4) The stated interest rate without adjusting for compounding.</td> </tr> </table>					A) Simple Interest	1) Interest calculated on both the initial principal and accumulated interest.	B) Compound Interest	2) Interest calculated only on the initial principal	C) Effective Interest Rate	3) The actual interest rate paid or earned, considering compounding.	D) Nominal Interest Rate	4) The stated interest rate without adjusting for compounding.
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D) Nominal Interest Rate	4) The stated interest rate without adjusting for compounding.											
<p>Options:</p> <p>A) A-2, B-1, C-3, D-4 B) A-1, B-2, C-4, D-3 C) A-2, B-3, C-4, D-1 D) A-4, B-1, C-3, D-2</p>												
31	<p>Assertion (A): Parents play a significant role in shaping children's financial behavior.</p> <p>Reason (R): Parents are a key agent of financial socialization and influence how children view money.</p> <p>A) Both A and R are true, and R is the correct explanation of A. B) Both A and R are true, but R is not the correct explanation of A. C) A is true, but R is false. D) A is false, but R is true.</p>	An	1									
32	<p>Assertion (A): Financial literacy improves an individual's financial decision-making ability.</p> <p>Reason (R): Financial literacy provides individuals with the necessary knowledge and skills to understand financial concepts and products.</p> <p>A) Both A and R are true, and R is the correct explanation of A. B) Both A and R are true, but R is not the correct explanation of A. C) A is true, but R is false. D) A is false, but R is true.</p>	An	1									
33	<p>List out the impact of inertia in investment:</p> <ol style="list-style-type: none"> 1. Emotional Decision-Making 2. Emotional Stress 3. Suboptimal Portfolio Performance 4. Inefficient Capital Allocation <p>a) i) Option 1, 2 & 3 b) 2, 3 & 4 only c) Option 2 & 3 only d) Option 1 only</p>	An	4									

34	<p>Match the following financial products with their features:</p> <table border="1" data-bbox="224 92 1133 390"> <tr> <td data-bbox="228 92 678 163">A) Money Market Products</td> <td data-bbox="683 92 1128 163">1) Short-term, low-risk investments with high liquidity.</td> </tr> <tr> <td data-bbox="228 163 678 235">B) Capital Market Products</td> <td data-bbox="683 163 1128 235">2) Long-term investments, often with higher risk and return.</td> </tr> <tr> <td data-bbox="228 235 678 306">C) Life Insurance</td> <td data-bbox="683 235 1128 306">3) Provides financial protection to dependents in case of death.</td> </tr> <tr> <td data-bbox="228 306 678 390">D) Health Insurance</td> <td data-bbox="683 306 1128 390">4) Covers medical expenses and health-related risks.</td> </tr> </table> <p>Options: A) A-1, B-2, C-3, D-4 B) A-2, B-1, C-4, D-3 C) A-3, B-4, C-1, D-2 D) A-4, B-2, C-1, D-3</p>	A) Money Market Products	1) Short-term, low-risk investments with high liquidity.	B) Capital Market Products	2) Long-term investments, often with higher risk and return.	C) Life Insurance	3) Provides financial protection to dependents in case of death.	D) Health Insurance	4) Covers medical expenses and health-related risks.	An	2	
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D) Health Insurance	4) Covers medical expenses and health-related risks.											
35	<p>Assertion (A): Simple interest provides a higher return than compound interest over the same period. Reason (R): Compound interest is calculated on both the initial principal and previously earned interest, while simple interest is only calculated on the initial principal. A) Both A and R are true, and R is the correct explanation of A. B) Both A and R are true, but R is not the correct explanation of A. C) A is true, but R is false. D) A is false, but R is true.</p>	An	3									
36	<p>Panic selling is influenced by</p> <ol style="list-style-type: none"> 1) Fear of loss 2) Herd Behaviour 3) Fundamental Analysis 4) Strategies <ol style="list-style-type: none"> a) Only Option 1 & 2 b) Only Option 1, 2 & 3 c) Only Option 1 & 3 d) All of the above 	U	4									
37	<p>Match the Saving Strategies with Their Descriptions:</p> <table border="1" data-bbox="224 1327 1133 1663"> <tr> <td data-bbox="228 1327 678 1440">1) Emergency Fund</td> <td data-bbox="683 1327 1128 1440">a. Saving automatically a portion of income regularly</td> </tr> <tr> <td data-bbox="228 1440 678 1512">2) High-Interest Savings Account</td> <td data-bbox="683 1440 1128 1512">b. Fund reserved for unexpected financial crises</td> </tr> <tr> <td data-bbox="228 1512 678 1583">3) . Automatic Savings</td> <td data-bbox="683 1512 1128 1583">c. Maximizes return on savings while keeping liquidity</td> </tr> <tr> <td data-bbox="228 1583 678 1663">4) . Retirement Fund</td> <td data-bbox="683 1583 1128 1663">1) d. Long-term savings for post-employment years</td> </tr> </table> <ol style="list-style-type: none"> a) 1 - b, 2 - a, 3-c, 4-d b) 1 - b, 2 - c, 3 - a, 4-d c) 1 - c, 2 - a, 3 - d, 4-b d) 1 - c, 2 - a, 3 - b, 4-d 	1) Emergency Fund	a. Saving automatically a portion of income regularly	2) High-Interest Savings Account	b. Fund reserved for unexpected financial crises	3) . Automatic Savings	c. Maximizes return on savings while keeping liquidity	4) . Retirement Fund	1) d. Long-term savings for post-employment years	An	1	
1) Emergency Fund	a. Saving automatically a portion of income regularly											
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3) . Automatic Savings	c. Maximizes return on savings while keeping liquidity											
4) . Retirement Fund	1) d. Long-term savings for post-employment years											

38	<p>Compute future value of Rs. 25,000 borrowed at 8 % for 2 years under (i) simple interest method and (ii) compounding method</p> <p>a) 4000 & 4160 b) 25160 & 29160 c) 5000 & 5160 d) 29000 & 2160</p>	A	3	
39	<p>How can you test the adequacy of your insurance coverage?</p> <p>a) By checking if the coverage exceeds your assets b) By calculating if the coverage amount can cover your financial obligations and future needs c) By ensuring the policy is more expensive than others d) By looking at past insurance claims</p>	An	2	
40	<p>Family financial socialisation includes :</p> <p>a) Only explicit financial teaching b) Both explicit and implicit financial teaching c) Only implicit financial teaching d) Financial teachings from peers</p>	U	1	
41	<p>If inflation is 3% per year, what will be the approximate value of Rs 100 in terms of purchasing power after one year?</p> <p>a) Rs 100 b) Rs 97 c) Rs 103 d) Rs 103.03</p>	A	3	
42	<p>The features of current account are</p> <p>i. Zero interest rate ii. Over draft facility iii. Used to handle daily transactions iv. Opened as per companies act 2013</p> <p>a) i,ii,iii and iv b) ii,iii and iv c) i,ii and iii d) i and iv</p>	An	5	
43	<p>Financial literacy enables individuals to evaluate the _____ and _____ of different financial products before making a decision.</p> <p>a)Risk, return b)Cost, return c)Value, loss d)Profitability, safety</p>	U	1	
44	<p>What is a real asset in finance?</p> <p>a) A short-term loan b) A physical, tangible asset like real estate or gold c) A virtual currency d) A digital stock</p>	U	2	
45	<p>Which of the following is an example of a capital market instrument?</p> <p>a) Treasury bills b) Corporate bonds c) Savings account d) Certificate of deposit</p>	U	2	

46	<p>Identify the correct statement(s) relating to motor insurance which you will be highlighting in an awareness campaign:</p> <ul style="list-style-type: none"> i. Provides a loan for buying a new vehicle ii. Reduces tax burden iii. Protects against financial loss due to accidents or theft iv. Covers both third-party liability and own vehicle damage <ul style="list-style-type: none"> a) iii and iv are correct b) i and iv are correct c) i,ii and iii are correct d) i and ii are correct 	U	5	
47	<p>What is a major difference between insurance and investment?</p> <ul style="list-style-type: none"> a) Insurance provides risk coverage, while investment aims for returns b) Insurance only covers health risks c) Investment is always risk-free d) Insurance is not a financial product 	An	2	
48	<p>Which of the following is a feature of money market products?</p> <ul style="list-style-type: none"> a) Short-term investments with high liquidity b) Long-term investments with high returns c) High-risk, high-reward investments d) Medium-risk, medium-reward investments 	U	2	
49	<p>Which of the following is required to calculate an EMI for a loan?</p> <ul style="list-style-type: none"> a) Loan amount, interest rate, and loan tenure b) Loan amount, interest rate, and the borrower's income c) Loan amount and the inflation rate d) Loan amount and investment returns 	A	3	

MAHATMA GANDHI UNIVERSITY
MGUGP (HONOURS)
FIRST SEMESTER EXAMINATION (2024 ADMISSION ONWARDS)

Model Question Paper

MG1MDCCOM100- Business Organisation and Entrepreneurship

Duration: 1 hour

Maximum marks: 50

Students should attend at least one question from each course outcome to enhance their overall outcome attainability

PART A

Multiple Choice Question- Answer any 30 questions

Each question carries 1 marks each

1. Which of the following is a business activity? (U, CO1)
a) Social service b) Transfer of an employee c) Providing donation to a club
d) Production and sale of goods
2. Which of the broad categories of industries covers oil refinery and sugar mills? ((U, CO1)
a) Primary b) Secondary c) Tertiary d) None of these
3. The structure in which there is separation of ownership and management is called (U,CO1)
a) Sole proprietorship b) Partnership c) Company d) All business organisations
4. The board of directors of a joint stock company is elected by (U,CO1)
a) General public b) Government bodies c) Shareholders d) Employees
5. The occupation in which people work for others and get remuneration is known as (U,CO1)
a) Business b) Profession c) Employment d) None of these
6. Which of the following cannot be classified as an objective of business? (U,CO1)
a) Investment b) Productivity c) Innovation d) Profit earning
7. The capital of a company is divided into number of parts each one of which is called (U,CO1)
a) Dividend b) Profit c) Interest d) Share
8. A partner whose association with the firm is unknown to the general public is called
a) Active partner b) Sleeping partner c) Nominal partner d) Secret partner (U,CO2)
9. Find the one, which does not enjoy separate legal entity (U,CO2)

- a) Private limited company b) Public limited company c) Registered partnership firm
d) Co-operative society
10. A person who organises and operates a business for making profit is known as (U,CO2)
a) Manager b) Entrepreneur c) Leader d) Motivator
11. The social obligation of a business while performing its activity is known as (U,CO1)
a) Sustainability b) Diversity c) Social responsibility d) Integrity
12. MSME Act came in force in (U,CO1)
a) 2015 b) 2020 c) 1998 d) 2006
13. Carrying out business activity through internet is known as (U, CO2)
a) Telebanking b) E-commerce c) Entrepot trade d) Advertising
14. ----- is the ideal form of business organisation for tailoring organisation (U, CO1)
a) Sole proprietorship b) Partnership c) Company d) HUF
15. Long term capital is also known as (U,CO2)
a) Working capital b) Fixed capital c) Floating capital d) Share capital
16. Ploughing back of profit is a ----- source of finance (U,CO2)
a) Internal b) External c) Both a and b d) Foreign
17. An entrepreneur who starts the business with natural talent is known as (U,CO2)
a) Motivated entrepreneur b) Induced entrepreneur c) Pure entrepreneur d) Spontaneous entrepreneur
18. The initial capital used to start a business is (U,CO2)
a) Seed capital b) Bridge finance c) Venture capital d) Working capital
19. Sources of ideas are (U,CO2)
a) Trade fairs b) Exhibitions c) Both a and b d) None of these
20. Financial feasibility: (U,CO3)
a) Assessment of total financial requirement b) Determining source and cost of funds
c) Analysing cash flows d) All of these
21. DIC stands for (R,CO2)
a) Direct Industrial Centre b) District Industrial Centre c) Direct Investment Centre
d) District Investment Centre
22. Karta is the head of (R,CO1)
a) Family b) HUF c) Company d) Firm

23. Term loans are used for (U,CO 2)
 a) Purchase of stock b) Settlement of debt c) Purchase of current assets d) Acquisition of fixed assets
24. Which of the following refers to IDBI? (U,CO2)
 a) Industrial Development Financial Institutions b) A commercial bank
 c) An insurance company d) Scheduled bank
25. The external factors influencing business ethics are (U,CO1)
 a) Society b) Legal system c) Political system d) All of these
26. What type of IP right protects distinctive signs used to identify goods or services in commerce? (U,CO3)
 a) Trade Mark b) Copy Right c) Geographical Indicator d) Patent
27. At Break Even point, the profit is (U, CO4)
 (a) Positive (b) Negative (c) Zero (d) Maximum
28. Which segment do eBay, Amazon belong? (A, CO3)
 a) B2B b) B2C c) C2B d) C2C
29. Patent is a (U,CO2)
 a) Transferrable property b) Negotiable property c) Real property d) Non transferable property
30. ----- is the feature of joint stock company (U,CO1)
 a) Natural legal person b) Unlimited liability c) Common ownership and management
 d) Perpetual succession
31. How will you categorise markets for office photocopiers? (A,CO3)
 a) B2B b) B2C c) C2C d) C2B
32. ----- per unit increases when production volume decreases (A,CO4)
 a) Variable cost b) Fixed cost c) Semi variable cost d) Controllable cost

30 x 1 = 30 marks

PART B

Answer any 10 questions- Each question carries 2 marks each

- 33.i) Sick units are likely to incur cash losses for the current year as well as the following year
- ii) Sickness arises due to internal as well as external factors (U,CO2)
- a) Only i is true

- b) Only ii is true
- c) Both are correct
- d) Both are incorrect

34. What role do MSMEs mainly play in the Indian economy? (U, CO1)

- a) They are primarily focused on exports
- b) They provide employment opportunities and contribute to economic growth
- c) They replace large enterprises in all sectors
- d) They operate exclusively in the agriculture sector

35. How does the B2B2C model help small businesses grow? (U, CO3)

- (a) It offers low-quality products to more customers
- (b) It allows small businesses to reach a larger audience through established platforms
- (c) It reduces their marketing costs to zero
- (d) It helps businesses operate without legal registration

36. When employees are not satisfied with the business enterprise they can withdraw their contribution to the business firms. Which argument in favour of social responsibility states this? (U,CO1)

- a) Long term interest of the firm
- b) Justification for existence and growth
- c) Avoidance of government regulation
- d) Converting problems into opportunities

37. Internal trade includes (U,CO1)

- i) Wholesale trade
- ii) Retail trade

- a) Only i
- b) Only ii
- c) Both i and ii
- d) Not i and ii

38. Which of the following is not a feature of public sector enterprise? (U,CO1)

- i) Owned, managed and controlled by government
- ii) Serve the public and the nation
- iii) Primary goal is generation of profit
- iv) Funded by the government

39. Match the following (U,CO1)

- A) Transportation
- i) Place utility

- B) Warehousing ii) Information utility
- C) Banking iii) Financial services
- D) Advertising iv) Time utility

- a) A-i, B-iv, C-iii, D-ii
- b) A-i, B- iii, C-ii, D- iv
- c) A-iii, B- iv, C-ii, D-i
- d) A-iv, B-ii, C-I, D-iii

40. Identify the problems faced by MSME (U,CO1)

- i) Scarcity of raw materials
- ii) Lack of finance
- iii) Technical know how
- iv) Skilled manpower

- a) i and ii
- b) iii and iv
- c) Only i
- d) Only iv

41. Match the following (U,CO1)

- A) Micro enterprise i) Maximum turnover 5 crore
- B) Small enterprise ii) Maximum turnover 10 crore
- C) Medium enterprise iii) Maximum turnover 250 crore

- a) A- ii, B –iii, C-i
- b) A-iii, B-i, C-ii
- c) A-ii, B-I, C- iii
- d) A-i, B-ii, C-iii

42. Assertion (A) : Perpetual succession means continuous existence of a company (U,CO1)

Reason (R) : The existence of a company is not affected by death, insanity and insolvency of members

- a) Both A and R are true and R is the correct explanation of A
- b) Both A and R are true, but R is not the correct explanation of A
- c) A is true but R is false
- d) A is false but R is true

43. Identify the correct sequence (U,CO2)

- a) Idea generation, idea screening, selection of ideas, business plan development

- b) Idea generation, idea screening, business plan development, selection of ideas
- c) Idea screening, Idea generation, selection of ideas, business plan development
- d) Idea screening, Idea generation, business plan development, selection of ideas

44. i) A drone entrepreneur follows traditional methods of production (U,CO₂)

ii) The traditional industries of Kerala are characterized by drone entrepreneurs

- a) i and ii are true
- b) Only i is true
- c) Only ii is true
- d) i and ii are false

10 x 2= 20 marks

MAHATMA GANDHI UNIVERSITY, KOTTAYAM
MGU-UGP (HONOURS) FIRST SEMESTER EXAMINATION
(2024 ADMISION ONWARDS)
Model Question Paper

MGIMDCCOM101 - Personal Finance and Planning

Duration: 1 hr

Maximum Marks: 50

Students should attempt atleast one question from each course outcome to enhance their overall outcome attainability.

Part A

Multiple Choice Questions

Answer **Any 30** Questions. Each question carries 1 mark.

1. Finance is needed by _____ [Understand][CO1]
a) Only business b) Only finance c) Both businesses and individuals
d) Neither businesses nor individuals
2. An example of an online brokers is _____ [Understand][CO2]
a) Zerodha b) Paytm c) BHIM d) AmazonPay
3. SGB is _____ [Understand][CO2]
a) Salt Gold Bond b) Sovereign Gold Bond c) Sovereign Guilt Bond
d) Sovereign Gold Bind
4. _____ is an example of personal financial risk. [Understand][CO3]
a) Increase in income b) Loss of job c) Medical reimbursement received
d) Promotion earned
5. Mitigation of risk means _____ [Understand][CO3]
a) Ignoring the risk b) Reducing the impact of risk c) Avoiding all risks
d) Increasing the impact of risk
6. Tax treatment given for dividend from equity mutual funds are _____ [Understand][CO2]
a) Fully exempt b) Fully taxable c) Partially taxable d) Not considered as income
7. Financial goal is a _____ [Understand][CO3]
a) Long term objective b) Expense c) Both d) Neither
8. Health insurance can be availed by _____ [Understand][CO3]
a) Senior citizens only b) Children only c) Citizens below 60 years only d) All
9. Open ended mutual funds are highly _____ [Understand][CO1]
a) Liquid b) Illiquid c) Profitable d) fungible
10. _____ risk is lower in treasury bills. [Understand][CO2]
a) Credit b) Market c) Default d) Interest rate
11. When you don't invest money wisely, it results in _____ [Understand][CO1]
a) Losing your money b) Gaining money c) Reaping profit
d) Your investment multiplies.
12. Risk is _____ [Understand][CO3]
a) Certainty of income b) Possibility of incurring a loss c) certainty of income
d) Gaining income
13. SIP stands for _____ [Remember][CO2]
a) Systematic Investment Plan b) Simple Investment Plan

- c) Single Investment Plan d) Simplified Investment Plan
14. Select a digital currency from the following?
[Understand][CO2]
a) Cash b) Gold c) Bond d) cryptocurrency
15. Diversification of investment is done for _____
[Understand][CO1]
a) For increasing returns b) Reducing income c) By mistake d) Reducing risk
16. Card games is an example for _____
[Understand][CO2]
a) Investment b) Speculation c) Gambling d) Scientific research
17. Fixed deposit is mainly attractive for _____
[Understand][CO2]
a) Interest is very low b) Restriction on withdrawals
c) Liquidity d) Lesser capital appreciation
18. _____ is the main purpose of retirement planning.
[Understand][CO4]
a) Accumulation of long term funds b) Planning for vacation
c) Invest in real estate d) Funds are planned for purposes after retirement.
19. Secured debentures are also called as _____
[Remember][CO2]
a) Naked debentures b) Mortgage debentures
c) Unsecured debentures d) Covered debentures
20. An amount which is first deposited in your account is ____
[Remember][CO2]
a) First amount you put into your account b) Interest earned
c) Last amount deposited d) Amount which can be withdrawn only while closing the account.
21. Which of the following is NOT covered under pension plans in India?
[Analyse][CO4]
a) Annuity Plans b) Atal Pension Yojana c) National Pension System d) Personal Accident Insurance
22. Value of a bond depends on _____
[Understand][CO2]
a) Coupon rate b) Years to maturity c) Interest earned d) All of the above
23. Which investment goal is long-term?
[Remember][CO1]
a) Buying a car b) Retirement planning c) Vacation planning d) Buying a house
24. _____ is the purpose of car insurance.
[Understand][CO3]
a) To cover personal health expenses
b) To protect against financial loss in case of a car accident
c) To insure home appliances
d) To pay for vacation

25. Day to day operations of a mutual fund is handled by ____
[Understand][CO2]
a) Asset Management Company b) Trustee c) Sponsor d) Shareholders
26. What services does a DP provide to investors?
[Understand][CO2]
a) Demat b) Remat c) Account opening d) All of the above
27. The most common obstacle in savings is _____
[Understand][CO1]
a) Lack of financial discipline b) Insufficient income c) High-interest debt
d) All of the above
28. The benefit of regularly reviewing your budget _____
[Understand][CO1]
a) Increased expenses b) Improved financial management
c) Reduced savings d) Increased debt
29. _____ denotes ownership capital.
[Understand][CO2]
a) Equity shares b) Preference shares c) Debentures d) Bonds
30. The _____ market assists existing investors in selling their stock.
[Remember][CO2]
a) Primary market b) Commodity market c) Secondary market d) Derivatives market
31. _____ is a savings strategy.
[Understand][CO1]
a) Reduced financial security b) Improved financial stability
c) Increased financial stress d) Decreased savings rate.
32. What is one major advantage of a savings account over keeping cash at home ?
[Remember][CO2]
a) Higher safety and security b) No minimum balance requirement
c) Higher Interest rate d) No need for account verification

[30 x 1 = 30]

Part B

Multiple Choice Questions

Answer **Any 10** Questions. Each question carries **2** marks

33. Which of the following statement is true?
[Understand][CO4]
a) NPS scheme is structured into Tier I & Tier II account
b) NPS scheme is structured into Savings and Current Account
c) NPS scheme is structured into NRE and NRO account
d) NPS scheme is structured into Fixed and Recurring account
34. Which of the following statements about life insurance is false?

[Analyse][CO3]

- a) Life insurance provides financial protection to the policyholder's beneficiaries in the event of death.
- b) Term insurance policies offer coverage for a limited period only.
- c) Whole life insurance does not accumulate cash value over time.
- d) The premium for a life insurance policy can vary based on the age and health of the policyholder.

35. When is an investment considered to be the best investment? [Analyse][CO2]

- a) It is the one which strikes a balance between maximum returns, minimum risk and has a good liquidity.
- b) One with excellent liquidity only.
- c) An investment which offers maximum returns only.
- d) An investment which has minimum risk.

36. _____ is a protection for the investors from inflation.

[Understand][CO1]

- a) Diversification b) Hedging c) Inflation Indexed instruments d) All of the above

37. Suppose you invested Rs.2000 in a stock that increased by 10%. How much would your investment be worth? [Apply][CO2]

- a) 2100 b) 1900 c) 2500 d) 3100

38. Match the following types of risks with their definitions:

[Analyse][CO3]

- i) Credit risk - 1) Risk of loss from failing processes or systems
 - ii) Operational risk - 2) Risk of loss due to the inability to meet financial obligations
 - iii) Market risk - 3) Risk of loss due to changes in market prices
- a) i-2, ii-1, iii-3 b) i-3, ii-2, iii-1 c) i-1, ii-3, iii-2 d) i-2, ii-3, iii-1

39. _____ are issued at a discount to face value.

[Understand][CO2]

- a) Government securities b) Zero coupon bonds c) Shares d) Debentures

40. Assertion (A) : Digital gold allows investors to buy and sell gold online.

Reasoning (R) Digital gold requires physical storage

[Understand][CO2]

- a) Both A and R are true b) Both A and R are false c) A is true and R is false d) A is false and R is true.

41. Assertion(A):Government Securities are called as gilt edged securities.

Reasoning (R) They are backed by government gurantee

[Analyse][CO2]

- a) Both A and R are true b) Both A and R are false c) A is true and R is false d) A is false and R is true.
42. i. An investor can start a SIP with a minimum amount of Rs 500/- per month.
ii. SIP operates on the principle of simple interest.
[Analyse][CO2]
- a) Both i and ii are true b) Both i and ii are false
c) i is true and ii is false d) i is false and ii is true
43. If Mr Y earns Rs 15,00,000 per year and the inflation rate is 10%, to maintain his purchasing power, to what amount his salary should increase?
[Apply][CO1]
- a) Rs 16,50,000 b) Rs 15,50,000 c) Rs 14,50,000 d) Rs 17,25,000
44. Which one of the following are not the right of equity shareholders?
[Understand][CO2]
- a) Right to have first claim in case of winding up of the company
b) Right to vote at the general body meeting of the company
c) Right to share profits in the form of dividends
d) Right to receive a copy of the statutory report

[10 x 2 = 20]