

Vivekanand Education Society's College of Arts, Science and Commerce

Sample MCQ Questions for 2020 Examination

TYBFM Semester – VI

Mutual Funds Management

1. _____ is regulator of Mutual funds in India.
 - a. AMFI
 - b. SEBI
 - c. IRDA
 - d. AMC
2. _____ means Funds listed and traded on stock exchange.
 - a. ATF
 - b. STF
 - c. LTF
 - d. ETF
3. Which funds combined the features of an Open-Ended and Close-Ended Fund?
 - a. Balance Funds
 - b. Equity Funds
 - c. Interval Funds
 - d. Fixed Income Fund
4. CAPM means _____
 - a. Capital Asset Pricing Model
 - b. Capital and Pricing Model
 - c. Capital Asset Pricing Money
 - d. Compounded Asset Pricing Model
5. Standard Deviation Measures _____
 - a. Fluctuations
 - b. Profits
 - c. Dispersion in return
 - d. Future Growth

6. Which of the following plans enable withdrawal of different amounts of money for different months?
- SIP
 - SWP
 - FWP
 - ETF
7. The stock market mutual fund's prospectus typically states that the fund is subject to all the following risk except _____.
- Market risk
 - General decline in the stock market
 - Substantial declines in individual stocks
 - Default risk
8. An equity shares is considered non-traded if it is not traded for over _____ days.
- 15
 - 20
 - 25
 - 30
9. Calculate HPR if price of a mutual fund as on 1/1/2018 = Rs. 160; Price of a mutual fund is as on 1/1/2020 = Rs. 220; and dividend for the period is = Rs. 40.
- 45.45%
 - 62.5 %
 - 212.5%
 - 12.5%
10. _____ funds tend to have lower expense than other type of mutual funds.
- Equity funds
 - Debt Funds
 - Balance Funds
 - Index funds

Risk Management

1. An investor bought a share of XYZ Ltd. at Rs 100 and sold it at Rs 110 after a year. The dividend received during the period is Rs 5. Calculate the returns earned by the investor.
 - a. 20 %
 - b. 15 %
 - c. 10 %
 - d. 18 %
2. _____ is defined as the study of change in returns from financial asset due to change in one or more input variables.
 - a. Expected monetary value analysis
 - b. Sensitivity Analysis
 - c. Decision Tree Analysis
 - d. Tornado Diagrams
3. Returns broadly comprises of two main parts – Dividends / Interest and _____.
 - a. Maturity Value
 - b. Principal Amount
 - c. Capital Gains
 - d. Premium
4. _____ options can be exercised only on expiration date.
 - a. European Options
 - b. American Options
 - c. Local Options
 - d. Term Options
5. Which of the following is a major advantage of 'munis'?
 - a. Higher yields
 - b. Long-term maturity
 - c. Returns are free from federal tax
 - d. Lower interest rates
6. _____ implies a situation where the future events are not yet known.
 - a. Uncertainty

- b. Returns
 - c. Risk
 - d. Growth
7. Credit rating - 'AAA' means firm have____
- a. Excellent debt repaying
 - b. Average debt repaying
 - c. Poor Debt repaying
 - d. No debt repaying
8. _____ is the risk that a foreign government will default on its bonds or other financial commitments.
- a. Financial Risk
 - b. Country Risk
 - c. Reputation Risk
 - d. Operation Risk
9. The foreign exchange market in India is regulated by _____
- a. RBI
 - b. SEBI
 - c. BSE
 - d. AGM
10. _____ is most the important factor for bonds as it directly affects the prices of bonds.
- a. Fixed Rate
 - b. Interest Rate
 - c. Market Rate
 - d. Contract Rate

Venture Capital and Private Equity

1. _____ is a road towards a high growth economy.
 - a. Venture Capital
 - b. Merchant Banking
 - c. Leasing
 - d. Initial Public Offer (IPO)
2. _____ provide finance by buying trade debts at a discount, either on a recourse basis or on a non-recourse basis.
 - a. Merchant Bankers
 - b. Factoring Companies
 - c. Mezzanine Firms
 - d. Venture Capital
3. _____ is used for providing funding to a Venture Capital.
 - a. Equity and Debt
 - b. Debt only
 - c. Equity only
 - d. Hedge Funds
4. In _____ phase the General Partners conceptualize the investment strategy and offer capital raising to the potential investors on private placement basis.
 - a. Investment Period
 - b. Exit Stage
 - c. Profit distribution
 - d. Fund raising stage
5. _____ refers to an examination of a potential investment to confirm all material facts of the prospective business opportunity.
 - a. Private equity
 - b. Due Diligence
 - c. Growth capital
 - d. Mezzanine Financing
6. Private equity investments are made in _____.
 - a. Unlisted Equity Shares
 - b. Listed Equity Shares
 - c. Only Debt

- d. Only Equity
7. Which of the following clearly defines Venture Capital?
- a. It is a fund provided to industries at times of incurring losses
 - b. It is a long-term start-up capital provided to new entrepreneurs.
 - c. It is a fund provided for renovation of industries.
 - d. It is a short-term capital
8. Venture capital was originated in which of the following countries?
- a. India
 - b. Britain
 - c. France
 - d. USA
9. The investee company paying the dividend has to pay_____.
- a. Capital Gains tax
 - b. Short term capital gains tax
 - c. Long term capital gains tax
 - d. Dividend distribution tax
10. _____ is a most common structure of VC/PE funds in India.
- a. Company
 - b. LLP
 - c. Body Corporate
 - d. Trust

Indirect Tax – GST

1. Under GST Law, 2017 which of the following Indirect tax of Central Government got Subsumed?
 - a. Tax on Gambling
 - b. Tax on Lottery
 - c. Tax on betting
 - d. Tax on Services
2. Under GST Law, 2017 which of the following Indirect tax of State Government got Subsumed?
 - a. Tax on Advertisements
 - b. Tax on Additional Excise
 - c. Tax on Special CVD
 - d. Tax on CST
3. Supply of Goods and Services Taxable Supply Rs. 6,00,000 and Intra State Supply Rs. 25,00,000 and Exempt Supply Rs. 1,00,000 aggregate _____ liable to get GST registration in state of Uttar Pradesh.
 - a. Total Rs. 32,00,000 does not exceed Rs. 40,00,000 not
 - b. Total Rs. 32,00,000 exceed Rs. 20,00,000
 - c. Total Rs. 25,00,000 exceed Rs. 20,00,000
 - d. Total Rs. 7,00,000 not exceed Rs. 20,00,000 not
4. _____ is levied on Intra State Supply of Goods and/or Services in Union Territory.
 - a. SGST
 - b. IGST
 - c. UTGST
 - d. GST is not levied
5. Which of the following tax is not subsumed in GST?
 - a. VAT
 - b. Stamp Duty
 - c. Entry Tax
 - d. Entertainment Tax
6. Chairperson of the GST council is _____.
 - a. Union Minister of state in charge of Revenue.
 - b. Union Finance Minister

- c. One elected person amongst the State Finance Minister's
 - d. Minister in charge of Finance or Taxation
7. IGST is not levied on supply of _____
- a. Goods
 - b. Alcoholic liquor for human consumption
 - c. Service
 - d. Imports
8. Place of supply of insurance services, shall for registered person, be the location of the _____.
- a. Supplier
 - b. Recipient
 - c. Insurer's office
 - d. Place of the accident/event
9. Mr. Abhijeet of Pune provides services to Mr. Raj of Surat, this will classify as _____.
- a. Intra state supply
 - b. Composite Supply
 - c. Joint supply
 - d. Interstate supply
10. Input tax credit is not available for _____.
- a. Services
 - b. Zero rated supplies
 - c. Taxable supplies
 - d. Exempt Supplies

Strategic Corporate Finance

1. If a company has a share price of \$100 and its earnings per share averaged \$2, what is its P/E ratio?
 - a. 20
 - b. 50
 - c. 80
 - d. 100
2. Which of the following is incorrect for NOI?
 - a. k_0 is constant
 - b. k_d is constant
 - c. k_e is constant
 - d. k_d & k_0 are constant
3. Under net asset method, value of a share depends on _____.
 - a. Net assets available to equity shareholders
 - b. Net assets available to debentures holders
 - c. Net assets available to preference shareholders
 - d. Net assets available to mutual fund holders
4. What is the primary goal of financial management?
 - a. To minimize the risk
 - b. To maximize the return
 - c. To maximize the owner's wealth
 - d. To raise profit
5. Financial flexibility involves existence of _____.
 - a. Liquid Investment
 - b. Fixed Investment
 - c. Indirect Investment
 - d. Direct Investment
6. Capital employed at the beginning of the year is Rs 5,20,000 and the profit earned during the year is Rs 60,000. Average capital employed during the year is _____.
 - a. Rs 5,50,000
 - b. Rs 5,20,000
 - c. Rs 5,80,000

- d. Rs 4,60,000
- 7. Which of the following factors generally does not impact managements capital structure strategy?
 - a. Business risk
 - b. Tax position.
 - c. Expected return on assets.
 - d. Management aggressiveness.
- 8. To reduce cost by 10% is a _____
 - a. Target
 - b. Goal
 - c. Mission
 - d. Vision
- 9. Which of the following is not a stage in product life cycle?
 - a. Introduction
 - b. Growth
 - c. Market Survey
 - d. Maturity
- 10. Appraisal cost includes _____
 - a. Inspection tools
 - b. Rework
 - c. Scrap
 - d. Repair