

FOUNDATION COURSE
MOCK TEST PAPER
PAPER – 4 PART II: BUSINESS AND COMMERCIAL KNOWLEDGE
QUESTIONS

Max. Marks: 40

1. Which of the following statements distinguishes business from entrepreneurship?
 - (a) Entrepreneurs are the business owners too
 - (b) All business owners are entrepreneurs too
 - (c) Entrepreneurs seek out new opportunities and pursue innovative business ideas
 - (d) (a) and (b)
2. Business and technology are:
 - (a) Interrelated
 - (b) Interdependent
 - (c) Interrelated & Interdependent
 - (d) None of the above
3. Which pharmaceutical company has the slogan 'caring for life'?
 - (a) Dr. Reddy's
 - (b) Lupin Ltd.
 - (c) Cipla Ltd.
 - (d) Sun Pharmaceutical Industries Ltd.
4. Public policies are of three types:
 - (a) Restrictive, Regulatory, Participative
 - (b) Restrictive, Regulatory, Facilitating
 - (c) Voluntarily, Participative, Facilitating
 - (d) Regulatory, Voluntarily, Continuous
5. How many members of SEBI should be from RBI?
 - (a) 4
 - (b) 3
 - (c) 1
 - (d) 2
6. A portion of the after-tax profits paid out to the owners of a business as a return on their investment is:
 - (a) Dividend
 - (b) Expense
 - (c) Expenditure
 - (d) Deferred income

7. Which of the following statements does not comprise business activity?
 - (a) Sale of old furniture by a household for a profit
 - (b) A carpenter made furniture for his domestic use
 - (c) Steel furniture industry
 - (d) Domestic appliances industry
8. Which of the following is not a part of the economic environment?
 - (a) Market and trade cycles
 - (b) Consumer buying patterns
 - (c) Strength of consumer spending
 - (d) Interest and exchange rates
9. State Bank of India was formerly known as:
 - (a) Bank of Madras
 - (b) Bank of Calcutta
 - (c) Imperial Bank
 - (d) Indian Bank
10. OCBs mean
 - (a) Overseas Corporate Bodies
 - (b) Ordnance Commission Bilateral secretariat
 - (c) Oversees Civic Boards
 - (d) Oversees Commercial Bilateral Treaties
11. What is the constitution of Competition Commission of India?
 - (a) A chairperson and 6 members appointed by the Central Government
 - (b) A chairperson and 5 members appointed by the Central Government
 - (c) A chairperson and 5 members appointed by the RBI
 - (d) A chairperson and 6 members appointed by the RBI
12. What is meant by B2B?
 - (a) Buying behaviour that concerns the process that buyers go through when deciding whether or not to purchase goods or services.
 - (b) A company's business model is management's storyline for how the strategy will be a money maker.
 - (c) Marketing activity directed from one business to another.
 - (d) None of the above
13. The Indian Companies Act, 2013 provides for the registration of:
 - (a) Private Limited and Public Limited Company
 - (b) One Person Company and Small Company
 - (c) Defunct Company

- (d) All of the above
14. The businesses should continuously _____ and _____ to the environment if it is to service and prosper.
- (a) Identify, appraise
 - (b) Monitor, adapt
 - (c) Identify, monitor
 - (d) Monitor, appraise
15. Who founded Wipro Limited?
- (a) Azim Premji
 - (b) Mohamed Premji
 - (c) Ratan Tata
 - (d) Narayan Murthy
16. Reforms in Dowry Act and Divorce Act are the examples of:
- (a) Economic Reforms
 - (b) Cultural Reforms
 - (c) Commercial Reforms
 - (d) Socio-cultural Reforms
17. Since when has IFCI been converted into a private limited company?
- (a) 1991
 - (b) 1992
 - (c) 1993
 - (d) 1994
18. 'Personal selling' is done through:
- (a) Written communication
 - (b) Oral communication
 - (c) TV and media
 - (d) Sign language
19. A partnership may not be formed to carry on:
- (a) Any trade
 - (b) Occupation
 - (c) Profession
 - (d) Social enterprise
20. Relationship between organisation and environment can be described through:
- (a) Exchange of information
 - (b) Exchange of resources

- (c) Exchange of influence and power
 - (d) All of the above
21. American Express was ranked the 17th most admired company by Fortune in which year?
- (a) 2014
 - (b) 2015
 - (c) 2016
 - (d) 2017
22. The form of privatization, where government keeps hold of responsibility and private enterprise handles the management of it fully or partly is known as:
- (a) Disinvestment
 - (b) Deregulation
 - (c) Delegation
 - (d) Decentralization
23. Where is the head office of NABARD?
- (a) Mumbai
 - (b) Delhi
 - (c) Gurugram
 - (d) Benlgaluru
24. What is a bull market?
- (a) A market in which the stock prices are increasing consistently.
 - (b) A market in which the stock prices are decreasing consistently.
 - (c) A market in which the stock prices are stable over a long time.
 - (d) None of the above
25. The maximum number of members of a private company is limited to
- (a) 50
 - (b) 20
 - (c) 100
 - (d) 200
26. The performance of business in the private sector is measured by:
- (a) Profitability
 - (b) Customer Satisfaction
 - (c) No of employees
 - (d) The salary of Managing Director
27. Who was the founder of Walmart?
- (a) Sam Walton

- (b) Bret Biggs
 - (c) Greg Penner
 - (d) Luca Maestri
28. FIPB stands for:
- (a) Foreign Institutional Promotion Board
 - (b) Foreign Institutional Preparatory Board
 - (c) Foreign Investment Priority Board
 - (d) Foreign Investment Promotion Board
29. Which one of the following is an Indian Regulatory Body that facilitates business organizations?
- (a) EXIM Bank
 - (b) NABARD
 - (c) IRDA
 - (d) IFCI
30. _____ is the measure of return on investments in terms of percentage
- (a) Yield
 - (b) Index
 - (c) Equity
 - (d) Bonus
31. A HUF cannot comprise members of a:
- (a) Hindu & Sikh family
 - (b) Parsi family
 - (c) Buddhist family
 - (d) Muslim family
32. The term PESTLE analysis is used to describe a framework for analyzing:
- (a) Macro Environment
 - (b) Micro Environment
 - (c) Both Macro and Micro Environment
 - (d) None of above
33. Indane LPG is the product of which corporation in India?
- (a) IOCL
 - (b) NTPC
 - (c) ONGC
 - (d) PGCIL
34. Simplification of trade restrictions related to import is an example of:
- (a) Globalization

- (b) Privatization
 - (c) Disinvestment
 - (d) Aggregation
35. The RBI has been vested with extensive power to control and supervise commercial banking system under the-
- (a) Reserve Bank of India Act, 1934
 - (b) The Banking Regulation Act, 1949
 - (c) Both (a) and (b)
 - (d) The Companies Act, 2013
36. _____ is a strategy that is used to minimize the risk of a particular investment and maximize the returns of an investment.
- (a) Cap
 - (b) Encryption
 - (c) Hedge
 - (d) Term insurance
37. All are elements of macro environment except:
- (a) Society
 - (b) Government
 - (c) Competitors
 - (d) Technology
38. Where are the headquarters of L&T?
- (a) Bengaluru
 - (b) Delhi
 - (c) Mumbai
 - (d) Chennai
39. Hyundai India Limited came to India through the FDI route. It followed the path of:
- (a) Divestment in Public Sector Unit
 - (b) Joint Venture
 - (c) By creating a 100% Indian subsidiary
 - (d) Replacement of a government sector business
40. _____ is a technology where the banking organizations resort to the use of electronics, computers and other networks to execute transactions and transfer funds.
- (a) E-cash
 - (b) Digi-cash
 - (c) Hedge
 - (d) Cap

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ANSWERS

1	2	3	4	5	6	7	8	9	10
(c)	(c)	(c)	(b)	(c)	(a)	(b)	(b)	(c)	(a)
11	12	13	14	15	16	17	18	19	20
(a)	(c)	(d)	(b)	(b)	(d)	(c)	(b)	(d)	(d)
21	22	23	24	25	26	27	28	29	30
(d)	(c)	(a)	(a)	(d)	(b)	(a)	(d)	(c)	(a)
31	32	33	34	35	36	37	38	39	40
(d)	(a)	(a)	(a)	(c)	(c)	(c)	(c)	(c)	(a)