

## Sample Questions

### Comprehension Questions

Many great inventions are greeted with ridicule and disbelief. The invention of the airplane was no exception. Although many people who heard about the first powered flight on December 17, 1903, were excited and impressed, others reacted with peals of laughter. The idea of flying an aircraft was repulsive to some people. Such people called Wilbur and Orville Wright, the inventors of the first flying machine, impulsive fools. Negative reactions, however, did not stop the Wrights. Impelled by their desire to succeed, they continued their experiments in aviation.

Orville and Wilbur Wright had always had a compelling interest in aeronautics and mechanics. As young boys they earned money by making and selling kites and mechanical toys. Later, they designed a newspaper-folding machine, built a printing press, and operated a bicycle-repair shop. In 1896, when they read about the death of Otto Lilienthal, the brother's interest in flight grew into a compulsion.

Lilienthal, a pioneer in hang-gliding, had controlled his gliders by shifting his body in the desired direction. This idea was repellent to the Wright brothers, however, and they searched for more efficient methods to control the balance of airborne vehicles. In 1900 and 1901, the Wrights tested numerous gliders and developed control techniques. The brothers' inability to obtain enough lift power for the gliders almost led them to abandon their efforts.

After further study, the Wright brothers concluded that the published tables of air pressure on curved surfaces must be wrong. They set up a wind tunnel and began a series of experiments with model wings. Because of their efforts, the old tables were repealed in time and replaced by the first reliable figures for air pressure on curved surfaces. This work, in turn, made it possible for them to design a machine that would fly. In 1903 the Wrights built their first airplane, which cost less than one thousand dollars. They even designed and built their own source of propulsion- a lightweight gasoline engine. When they started the engine on December 17, the airplane pulsated wildly before taking off. The plane managed to stay aloft for twelve seconds, however, and it flew one hundred twenty feet.

By 1905 the Wrights had perfected the first airplane that could turn, circle, and remain airborne for half an hour at a time. Others had flown in balloons or in hang gliders, but the Wright brothers were the first to build a full-size machine that could fly under its own power. As the contributors of one of the most outstanding engineering achievements in history, the Wright brothers are accurately called the fathers of aviation.

1. The idea of flying an aircraft was \_\_\_to some people.

- A. boring
- B. distasteful
- C. exciting
- D. needless
- E. answer not available

Ans: B

2. People thought that the Wright brothers had \_\_\_\_.

- A. acted without thinking
- B. been negatively influenced
- C. been too cautious
- D. had not given enough thought
- E. acted in a negative way

Ans: A

3. The Wright's interest in flight grew into a \_\_\_\_.

- A. financial empire
- B. plan
- C. need to act
- D. foolish thought
- E. answer not in article

Ans: C

4. Lilenthal's idea about controlling airborne vehicles was \_\_the Wrights.

- A. proven wrong by
- B. opposite to the ideas of
- C. disliked by
- D. accepted by
- E. opposed by

Ans: C

5. The old tables were \_\_ and replaced by the first reliable figures for air pressure on curved surfaces.

- A. destroyed
- B. canceled
- C. multiplied
- D. discarded
- E. not used

Ans: B

6. The Wrights designed and built their own source of \_\_\_\_.

- A. force for moving forward
- B. force for turning around
- C. turning
- D. force to going backward
- E. none of the above

Ans: A

One of the most intriguing stories of the Russian Revolution concerns the identity of Anastasia, the youngest daughter of Czar Nicholas II. During his reign over Russia, the Czar had planned to revoke many of the harsh laws established by previous czars. Some workers and peasants, however, clamored for more rapid social reform. In 1918 a group of these people, known as Bolsheviks, overthrew the government. On July 17 or 18, they murdered the Czar and what was thought to be his entire family. Although witnesses vouched that all the members of the Czar's family had been executed, there were rumors suggesting that Anastasia had survived. Over the years, a number of women claimed to be Grand Duchess Anastasia. Perhaps the best-known claimant was Anastasia Tschaikovsky, who was also known as Anna Anderson. In 1920, eighteen months after the Czar's execution, this terrified young woman was rescued from drowning in a Berlin river. She spent two years in a hospital, where she attempted to reclaim her health and shattered mind. The doctors and nurses thought that she resembled Anastasia and questioned her about her background. She disclaimed any connection with the Czar's family. Eight years later, though, she claimed that she was Anastasia. She said that she had been rescued by two Russian soldiers after the Czar and the rest of her family had been killed. Two brothers named Tschaikovsky had carried her into Romania. She had married one of the brothers, who had taken her to Berlin and left her there, penniless and without a vocation. Unable to invoke the aid of her mother's family in Germany, she had tried to drown herself. During the next few years, scores of the Czar's relatives, ex-servants, and acquaintances interviewed her. Many of these people said that her looks and mannerisms were evocative of the Anastasia that they had known. Her grandmother and other relatives denied that she was the real Anastasia, however. Tried of being accused of fraud, Anastasia immigrated to the United States in 1928 and took the name Anna Anderson. She still wished to prove that she was Anastasia, though, and returned to Germany in 1933 to bring suit against her mother's family. There she declaimed to the court, asserting that she was indeed Anastasia and deserved her inheritance. In 1957, the court decided that it could neither confirm nor deny Anastasia's identity. Although we will probably never know whether this woman was the Grand Duchess Anastasia, her search to establish her identity has been the subject of numerous books, plays, and movies.

7. Some Russian peasants and workers \_\_\_ for social reform.

- A. longed
- B. cried out
- C. begged
- D. hoped
- E. thought much

Ans: B

8. Witnesses \_\_\_ that all members of the Czar's family had been executed.

- A. gave assurance
- B. thought
- C. hoped
- D. convinced some
- E. answer not stated

Ans: A

9. Tchaikovsky \_\_\_any connection with the Czar's family.

- A. denied
- B. stopped
- C. noted
- D. justified
- E. answer not stated

Ans: A

10. She was unable to \_\_\_the aid of her relative.

- A. locate
- B. speak about
- C. call upon
- D. identify
- E. know

Ans: C

### **Financial Aptitude questions**

11. Financial distress can be best described by which of the following situations in which the firm is forced to take corrective action.

- A. Cash payments are delayed to creditors.
- B. The market value of the stock declines by 10%.
- C. The firm's operating cash flow are insufficient to pay current obligations.
- D. Cash distributions are eliminated because the board of directors considers the surplus account to be low.
- E. None of the above.

Ans: C

12. Which one of the following statements is correct concerning the weighted average cost of capital (WACC)?

- A. The WACC may decrease as a firm's debt-equity ratio increases.
- B. In the computation of WACC, weight assigned to the preferred stock is based on the coupon rate multiplied by the par value of the stock.
- C. A firm's WACC will decrease as the corporate tax rate decreases.
- D. The weight of the common stock used in the computation of the WACC is based on the number of shares outstanding multiplied by the book value per share.

Ans.: A

13. Value of a firm is usually based on \_\_\_\_\_.

- A. the value of debt and equity
- B. the value of assets and liabilities
- C. the value of debt
- D. the value of equity

Ans.: D

14. Which one of the following is covered in the valuation report?

- A. Proposed Transaction
- B. Related Parties
- C. Share Holding Pattern
- D. Valuation Methodologies

Ans: D

15. As the concentration ratio of an industry increases, XYZ Company has more bargaining power with its suppliers and customers. Which of the following agree with the above statement?

- A. The company's accounts receivable turnover increases.
- B. The company's accounts payable turnover increases.
- C. The company's turnover of advances from customers increases.
- D. none

Ans: A

16. \_\_\_\_\_ is the price at which the bond is traded in the stock exchange.

- A. Redemption value
- B. Face value
- C. Market value
- D. Maturity value

Ans: C

17. A company can improve (lower) its debt-to-total assets ratio by doing which of the following?

- A. Borrow more.
- B. Shift short-term to long-term debt.

- C. Shift long-term to short-term debt.
- D. Sell common stock

Ans: D

18. In finance, "working capital" means the same thing as

- A. total assets.
- B. fixed assets.
- C. current assets.
- D. current assets minus current liabilities.

Ans: C

19. When maturities of liabilities and assets are mismatched and risk incurred by financial intermediaries then this risk is classified as

- A. interest rate risk
- B. channel rate risk
- C. economic risk
- D. issuance risk

Ans: A

20. The common stock of a company must provide a higher expected return than the debt of the same company because

- A. there is less demand for stock than for bonds.
- B. there is greater demand for stock than for bonds.
- C. there is more systematic risk involved for the common stock.
- D. there is a market premium required for bonds.

Ans: C

### **HRM Questions**

21. Among the various ways to improve quality of work life, \_\_\_\_\_ helps employees gain multi job and multi functional knowledge and skills.

- A. Job analysis
- B. Job rotation
- C. Job enrichment
- D. Job enlargement

Ans: B

22. \_\_\_\_\_ is a systematic, future oriented process that is concerned with the development and growth of employees, especially managers in the organizations.

- A. Job analysis
- B. Management turnover
- C. Job enrichment
- D. Management development

Ans: D

23. Which of the following is NOT an automatically unfair reason for dismissing an employee?

- A. Declining to sign a workforce agreement
- B. Not being able to carry out a task
- C. Pregnancy
- D. Taking Maternity leave

Ans: B

24. Organizations that are employee friendly but are looking at reducing their manpower help their employees by offering them assistance in getting a job. What is this mode of dealing with surplus manpower during hard times known as?

- A. Retrenchment
- B. Outplacement
- C. Lay-off
- D. Attrition

Ans: B

25. Which of the following promotional methods is most likely to be used when trying to influence shareholders to invest in a business?

- A. Personal Selling
- B. Advertising
- C. Email
- D. Public Relations

Ans: D

26. The HRM function can be carried out at two levels namely:

- A. Reactive and Strategic
- B. Proactive and Strategic
- C. Operational and Strategic
- D. Technical and Operational

Ans: C

27. Which of these is not a work-life balance practice?

- A. Condensed working hours
- B. Homeworking
- C. Part-time working
- D. Overtime

Ans: D

28. The \_\_\_\_\_ function in human resource management is concerned with providing a work environment which is conducive to the employees and nurturing them to make them feel committed and attached to the organization.

- A. Retention
- B. Development
- C. Motivation
- D. Acquisition

Ans: A

29. In operations management any unnecessary travel is considered as?

- A. No-value adding and needed
- B. No-value adding and waste
- C. Value adding and needed
- D. Value adding and waste

Ans: B

30. What is the focus of performance-based methods?

- A. Measuring past performance to predict future performance.
- B. Measuring current performance to assess past performance.
- C. Measuring past performance to assess current performance.
- D. Measuring present performance to predict future performance.

Ans: D

### Insolvency Questions:

31. Who cannot initiate a fast track corporate insolvency resolution process?

- A. financial creditor
- B. operational creditor
- C. corporate debtor
- D. insolvency professional

Ans: D

32. Under which of the following circumstances, liquidation may not commence under the Insolvency and Bankruptcy Code, 2016?

- A. Non-receipt of a resolution plan during the insolvency resolution period.
- B. The resolution plan approved by the adjudicating authority is contravened by a financial creditor.
- C. The resolution plan approved by the adjudicating authority is contravened by the corporate debtor.
- D. The committee of creditors decides to liquidate the corporate debtor before confirmation of a resolution plan.

Ans: B

33. Debts owed to a secured creditor in the event such secured creditor has relinquished security ranks equally with –

- A. Insolvency resolution process costs.
- B. Workmen's dues for a period of 24 months prior to liquidation commencement date
- C. Wages and any unpaid dues owed to employees other than workmen for the period of twelve months preceding the liquidation commencement date
- D. Dues to Central Government.

Ans: B

34. Which of the following is not a requirement of voluntary liquidation of a company under the Insolvency and Bankruptcy Code, 2016?

- A. Declaration of solvency by the members of the company.
- B. Declaration from majority of Directors of the company to the effect that the company has no debt or it will be able to pay its debts in full.
- C. The company has not committed any default.
- D. Declaration from majority of Directors of the company to the effect that the company is not being liquidated to defraud any person.

Ans: A

35. Under the code of conduct, an insolvency professional is not obliged to .....

- A. take reasonable care and diligence while performing his duties.

- B. comply with all requirements and terms and conditions of his admission to the insolvency professional entity.
- C. comply with all requirements and terms and conditions of his admission to the insolvency professional agency.
- D. submit a copy of the records of every proceeding before the Adjudicating Authority to the Insolvency and bankruptcy Board of India.

Ans: B

36. A committee of creditors comprises of .....

- A. financial and operational creditors.
- B. secured creditors only.
- C. all financial creditors.
- D. independent financial creditors only.

Ans: D

37. The Insolvency and Bankruptcy Board of India may order any person to act as investigating authority to conduct an investigation of ....

- A. Committee of Creditors.
- B. Resolution Applicant.
- C. Insolvency Professional Agency.
- D. Insolvency Professional Entity.

Ans: C

38. Any person aggrieved by the order of the National Company Law Tribunal may make an appeal to .....

- A. Debt Recovery Tribunal.
- B. High Court.
- C. Supreme Court.
- D. National Company Law Appellate Tribunal.

Ans: D

39. Who convenes the meeting of committee of creditors?

- A. the financial creditor with the largest amount of claim
- B. the Managing Director of the Corporate Debtor
- C. the resolution professional
- D. the applicant

Ans: C

40. A resolution applicant shall endeavor to submit the resolution plan ....

- A. within 30 days before the expiry of the maximum period permitted for corporate insolvency resolution process.
- B. within 30 days of the first meeting of committee of creditors.
- C. by the time line set by the committee of creditors.
- D. by the timeline set by the resolution professional.

Ans: A

### Logical Reasoning Questions

41: BEH, DGJ, (?), EJO, GLQ, INS, ?

- A.FLR
- B.FIS
- C.FKO
- D.FIL

Ans: D

42. If  $84 \times 13 = 8$ ,  $37 \times 13 = 6$ ,  $26 \times 11 = 6$ ,  
then  $56 \times 22 = ?$

- A.36
- B.39
- C.7
- D.11

Ans: C

43. In a group of five person A, B, C, D and E one plays Tennis, one plays Chess and one Hockey. A and D are unmarried women and play no game. There is a couple among them where E is husband of C. No women plays either Chess or Hockey. B is the brother of C and he neither plays Tennis nor Chess. Who plays Hockey here?

- A.A
- B.B
- C.C
- D.E

Ans: B

44. Statement: Should education be given by the government free of charge ?

Arg. I: Yes, it will help in universalization of education in the country.

Arg. II: No, there will be budgetary deficit creating some new problems.

A.I is strong

B.only argument II is strong

C.both the arguments are strong

D.neither I nor II is strong

Ans: C

45. Crop condition continues to be critical before rains.

Assumption I: It is expected to improve after rain.

Assumption II: Unless it rains no change in crop condition is likely to be.

A.assumption I is implicit

B.assumption II is implicit,

C.both I and II are implicit

D.neither of them is implicit.

Ans: C

46. Statement : A maladjusted is a non- criminal who commits crime for the sake of adjustment.

Conclusion I: Some crimes have their root cause in adjustment problems.

Conclusion II: Maladjustment and delinquency go hand in hand.

A.only conclusion I follows

B.only conclusion II follows.

C.both I and II follow

D.neither I nor II follows

Ans: C

47. (a) L is the brother of K.

(b) K is the friend of M.

Inference : L is the friend of M.

- A.the inference is definitely true
- B.the inference is definitely false
- C.the inference is probably false or true
- D.inference can not be drawn

Ans: C

48. Assertion (A) : Bangladesh imports jute from India.

Reason (R) : Bangladesh has most of the jute mills.

- 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.
- E. Both A and R are false.

Ans : E

49. Assertion (A) : The Steam engine was invented by James Watt.

Reason (R) : There was a problem of taking out water from flooded mines.

- 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.
- E. Both A and R are false.

Ans : A

50. Assertion (A) : Increase in carbon dioxide would melt polarice.

Reason (R) : Global temperature would rise.

- 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.
- E. Both A and R are false.

Ans: A

### **Statistics & Mathematics Questions**

51. Two oranges, three bananas and four apples cost Rs. 15. Three oranges, two bananas and one apple cost Rs. 10. I bought 3 oranges, 3 bananas and 3 apples. How much did I pay?

- A. Rs. 10
- B. Rs. 8
- C. Rs. 15
- D. Cannot be determined

Ans: C

52. A pair of fair dice is thrown independently three times. The probability of getting a total of exactly 9 twice is

- A.  $1/729$
- B.  $8/9$
- C.  $8/729$
- D.  $8/243$

Ans: D

53. If the event of interest is A, then which of the following statements is correct?

- A. the probability that A will not occur is  $1 - P(A)$
- B. the probability that A will not occur is the probability of the complement of A
- C. the probability that A will occur is zero if event A is impossible
- D. the probability A will occur is one if event A is certain
- E. all of the above statements are correct

Ans: E

54. Two events, A and B, are said to be independent if:

- A.  $P(A \text{ and } B) = P(A) \cdot P(B)$
- B.  $P(A \text{ and } B) = P(A) + P(B)$
- C.  $P(A | B) = P(B)$
- D.  $P(B | A) = P(A)$
- E. none of the above

Ans: A

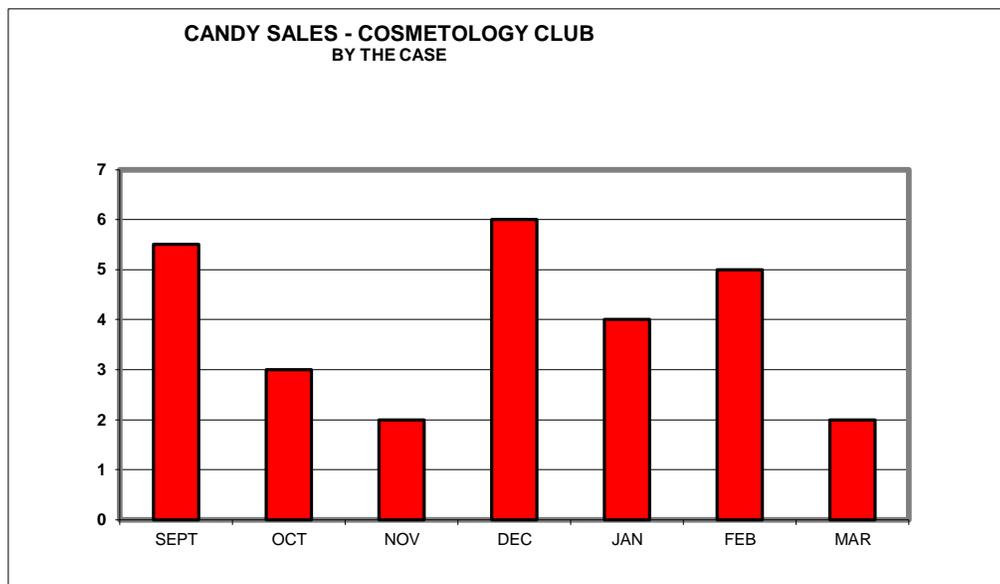
55. If we reject the null hypothesis, we conclude that:

- A. there is enough statistical evidence to infer that the alternative hypothesis is true

- B. there is not enough statistical evidence to infer that the alternative hypothesis is true c. there is enough statistical evidence to infer that the null hypothesis is true
- C. the test is statistically insignificant at whatever level of significance the test was conducted at
- D. further tests need to be carried out to determine for sure whether the null hypothesis should be rejected or not

Ans: A

Study the bar graph below and answer the following questions.



56. What does the scale on the left beginning with 0 and ending with 7 represent?
- A. Number of students selling candy
  - B. Number of cases of candy sold
  - C. Number of candy in each case
  - D. Number of days each month that candy was sold

Ans: B

57. Which two MONTHS had approximately the same amount of candy sold?
- A. September & February
  - B. October & March
  - C. November & March
  - D. September & December

Ans: C

58. The amount of candy sold in December is twice the amount of candy sold in which other month?
- A. October
  - B. March
  - C. January
  - D. September

Ans: A

59. What was the total amount of candy sold during the school year shown in the graph?
- A. 27.5 Cases
  - B. 43 Cases
  - C. 35.5 Cases
  - D. 23 Cases

Ans: A

60. Which month showed a 100% increase in sales over the month of November?

- A. March
- B. January
- C. December
- D. April

Ans: B

## General Knowledge

61. which of the following is not a member of Lokpal appointing committee of India

- A. Prime Minister of India
- B. President of India
- C. Chief Justice of India
- D. Loksabha Speaker

Ans: B

62. Prime Minister, Mr. Narendra Modi, in September, 2018, launched an ambitious healthcare scheme "Pradhan Mantri Jan Arogya Yojana or Ayushman Bharat". The scheme offers a cover of up to Rs. \_\_\_\_\_ per family a year, for secondary and tertiary care at public and empanelled private hospitals.

- A. 6,00,000
- B. 50,000
- C. 5,00,000
- D. 1,00,000

Ans: C

63. As per the Supreme Court's September, 2018 judgment Aadhar Card is mandatory for:

- A. All residential and non-residential citizens of India who want to avail benefits, subsidies or services linked to the Consolidated Fund of India.
- B. All residential of India who want to avail benefits, subsidies or services linked to the Consolidated Fund of India.
- C. All residential and non-residential citizens of India who want to avail benefits, subsidies or services linked to the Public Account of India.
- D. All residential citizens of India who want to avail benefits, subsidies or services linked to the Public Account of India.

Ans: B

64. The first Green Bond was first issued in 2007 by:

- A. European Investment Bank
- B. The World Bank
- C. Yes Bank
- D. Agence France Trésor

Ans: A

65. The Communications Compatibility and Security Agreement signed by India and the United States (US) provides for:

- A. A legal framework for the US to part with its sensitive communication equipment and codes to enable transfer of real-time American intelligence information.
- B. A framework to allow both countries to use each other's bases as well as assets for repair replenishment of supplies.

- C. A framework to facilitate exchange of geospatial information between India and US for both military and civilian use.
- D. A legal framework to facilitate sharing of real-time American intelligence information for civil use.

Ans: A

66. Name the Indian Gymnast who has become the first female Indian Gymnast to qualify for the Summer Olympics, 2016.

- A. Bisweshwari Nandi
- B. DipaKarmakar
- C. Anjubala
- D. Rupinder Kaur

Ans: B

67. Which of the following were the founding countries of the European Union:

- A. Belgium, France, Germany, Italy, Luxembourg and the Netherlands
- B. United Kingdom, France, Italy, Netherlands, Sweden and Finland
- C. Belgium, France, Germany, Greece and Spain
- D. Germany, Poland, United Kingdom, France and Italy

Ans: A

68. Which of the following is not a fundamental principle of The Association of Southeast Asian Nations (ASEAN):

- A. Mutual respect for the independence, sovereignty, equality, territorial integrity, and national identity of all nations
- B. Agreement to safeguard the freedom and security of its member countries by political and military means
- C. Non-interference in the internal affairs of one another
- D. Effective cooperation among themselves

Ans: B

69. World Bank was founded in 1944 to:

- A. Rebuild countries that had been devastated by World War II
- B. To provide investment, advisory, and asset-management services to encourage private-sector development in developing countries
- C. Eradicate poverty by providing loans to the poorest countries
- D. Rebuild countries that had been devastated by World War I

Ans: A

70. Following are the countries which can shoot a low-earth orbit satellite in space, using an anti-satellite (ASAT) missile technology:

- A. United States, Russia, Germany and France
- B. United States, China, Germany and France
- C. Unites States, China, Russia and India

D. United States, China, Russia and France

Ans: C

### **Ethics**

71. Which of the following are an incorrect statement?

- A. Professional accountants are always bound by the principle of confidentiality.
- B. Integrity denotes an attitude of personal and professional consistency in the way in which professional accountants act.
- C. Professional accountants can be required by law to disclose confidential information about their clients.
- D. Professional accountants are required to be independent both of mind and in appearance.

Ans: A

72. Which of the following best describes corporate governance?

- A. a company's shareholders are able to regulate the activities of the board of directors
- B. auditors regulate the directors of companies which are listed on a stock exchange
- C. boards of directors are regulated by shareholders objectivity
- D. companies are directed and controlled by internal and external regulation

Ans: D

73. Susan has been working as a manager on the audit of ABC Ltd, a pharmaceutical manufacturer. She is about to completed the audit work on the company's latest financial statements. Which of the following actions by the Chief Executive would impair Susan's independence from ABC Ltd.

- A. He hold a lunch for all ABC's Ltd employees and customers, and invites Susan to join them.
- B. He sends Susan a bunch of flowers with a thank you note.
- C. He gives Susan a gold watch as a thank you gift.
- D. He invites Susan to join him for a thank you dinner in a local restaurant.

Ans: C

74. PQR has announced that it wishes to sell one of its subsidiaries, A, because of its poor liquidity position. On 31 December 2018 (the last day of A's financial year end), the directors of PQR purchased inventory from A at a price of Rs. 2 million and paid in full. This inventory has originally cost A Rs.1.2 million. The directors of PQR intend to reverse this sale in January 2019. Which of the following statements in respect of this transaction is true?

- A. It results in a transfer of cash and therefore represents a valid accounting transaction between two entities, in accordance with international financial reporting standards.
- B. It is a deliberate attempt to mislead potential acquirers who might rely on F's financial statements and as a result, the directors are acting unethically.
- C. It will be eliminated in the consolidated financial statements and so it does not cause an ethical issue.

- D. The transaction will be reversed so it does not create an ethical issue within the financial statements of A for the year ended 31 December 2018.

Ans: B

75. 'How much recycling of waste and paper undertaken by an organisation?' relates to which one of the following?

- A. Corporate governance of an organization
- B. Corporate values of an organization
- C. Social responsibility of an organization
- D. Corporate policy towards sustainability

Ans: C

76. What is greenwashing?

- A. Conveying a false impression that a company or its products are more environmentally sound than they really are.
- B. Ethical advertisement of the environmental friendly measures taken by a company, to take advantage of growing demand for green goods.
- C. Implementing environmental friendly measures to improve the image of a company
- D. None of the above

Ans: A

77. Which of the following is an advantage of adopting a framework approach to ethics?

- A. It is easier to monitor compliance than in a rules-based approach
- B. It ensures individuals will comply because they fear the consequences
- C. It can be applied relatively easily to new developments in business practice or to unique cases
- D. It provides certainty, by explicitly setting out exactly what an individual can and cannot do

Ans: C

78. Having good Corporate Social Responsibility can enhance the reputation of a company's brand only if:

- A. The company also adopts a total quality management approach to its products
- B. The public believes the company is ethical
- C. The annual report also includes a CSR report
- D. The company adopts a sustainable approach towards its products

Ans: B

79. Which of the following statements is correct in relation to Principles of Corporate Governance ("the Principles") produced by the Organization for Economic Co-operation and Development (OECD)?

- A. The Principles are not intended to be used by companies which are not listed on a stock exchange.

- B. The Principles are intended to be a substitute for government and private sector initiatives relating to best practice.
- C. The Principles are intended to contain the essential principles for the development of good governance practice.
- D. The Principles are produced for the exclusive use of member governments.

Ans: C

80. Under the \_\_\_\_\_, both internal and external corporate governance mechanisms are intended to induce managerial actions that maximize profit and shareholder value.

- A. Shareholder theory.
- B. Agency theory.
- C. Stakeholder theory.
- D. Corporate governance theory.

Ans: A

81. One of the objectives of the Sarbanes-Oxley Act was to:

- A. Increase the cost of compliance with federal regulations.
- B. Force foreign companies to delist from United States capital market exchanges.
- C. Improve the quality and transparency of financial reporting.
- D. Increase the compliance burden for small companies.

Ans: C

82. Which of the following is suggesting that one person should not occupy the role of Chairman and Chief Executive of a public listed company?

- A. The Hampel Committee Report, 1998
- B. The Cadbury Committee Report, 1992
- C. The Greenbury Committee Report, 1995
- D. The Smith Report on Audit Committees, 2003

Ans: A

83.

- i. The statutory duty takes priority, if the professional duty conflicts with the statutory duty of a professional accountant.
- ii. A professional accountant may break a contractual duty, if the employer instructs him or her to act in a professionally unacceptable way.

Which of the above statements are INCORRECT?

- A. i only
- B. ii only
- C. Both i and ii
- D. None of them

Ans: D

84. Which of the following would be regarded as an issue of shares for an improper purpose?

- i. An issue of shares in return for a non-cash consideration.
- ii. An issue of shares to enable the directors to maintain control of the board.
- iii. An issue of shares to prevent a take-over bid.

- A. i only.
- B. i and ii only.
- C. ii and iii only.
- D. iii only.

Ans: C

85. Which of the following actions will not help directors to protect themselves from non-compliance with their obligations and responsibilities?

- A. including a disclaimer clause in their service contracts
- B. ensuring that regular management accounts are prepared by the company
- C. keeping themselves fully informed about company affairs
- D. seeking professional help

Ans: A

86. The framework for establishing good corporate governance and accountability was originally set up by the:

- A. Cadbury Committee
- B. Thornton Committee
- C. Rowntree Committee
- D. Nestlé Committee

Ans: A

87. Whose definition is: "Corporate Governance is about promoting corporate fairness, transparency and accountability":

- A. Sir Adrian Cadbury, World Bank Publication.
- B. James. D. Wolfensohn, World Bank President.
- C. SEBI Committee
- D. None of the above

Ans: B

88. Business ethics is essentially about:

- A. Universal codes of business practice
- B. Culturally conditioned agreement on what constitutes right and wrong
- C. Truthfulness to a firm's customers
- D. Honesty to a firm's customers

Ans: B

89. Legal rules alone cannot ensure good corporate governance. What is needed is \_\_\_\_\_ on the part of directors, besides, the mandatory provisions.

- A. Egoism
- B. Self-regulation
- C. De-regulation
- D. Bragging

Ans: B

90.

- i. A company director could act in breach of the duty of care, and yet could still comply with the principles of corporate governance.
- ii. A professional accountant acting as a company director has got a strict duty of care towards the shareholders.

Which of the following is CORRECT in relation to the above statements?

- A. i only
- B. ii only
- C. i and ii
- D. None of them.

Ans: A

### Legal Questions

91. Which ONE of the following statements is incorrect?

- A. Payment by the debtor of less than the full amount of the debt will satisfy the whole debt at common law, if paid early at the request of the debtor.
- B. Payment by a third party of less than the full amount of the debt will discharge the whole debt at common law.
- C. Payment of less than the full amount of the debt will discharge the whole debt at common law, if agreed to by the creditor.
- D. Payment of less than the full amount of the debt will discharge the whole debt at common law, if extra consideration is provided by the debtor.

Ans: C

92. Samar was employed by B Ltd. as its senior design consultant. Samar contracted with B Ltd. that when his employment with the company ceased, he would not act in competition with it or solicit its customers. After Samar left B Ltd., he registered a company called Cee Ltd., which immediately began working in competition with B Ltd. and soliciting its customers. B Ltd. complained to Samar about this conduct, but Samar stated that as the work was being undertaken by Cee Ltd, a separate legal entity, he had not acted in breach of the agreement with B Ltd.

Which ONE of the following is correct?

- A. Quentin is correct and cannot be said to be in breach of the agreement with B Ltd.

- B. If the court finds that Cee Ltd was set up by Samar to avoid the agreement with B Ltd., it will “lift the corporate veil” and enforce Samar’s contract with B Ltd. against Samar and Cee Ltd.
- C. Cee Ltd. will be bound by the agreement because a company is always liable for the actions of its shareholders.
- D. The agreement between B Ltd. and Samar is of no legal effect as it attempts to regulate Samar’s activities after he has left B Ltd.’s employment.

Ans: B

93. Which ONE of the following is not an equitable remedy?

- A. Damages.
- B. Specific performance.
- C. Rescission.
- D. Injunction

Ans : A

94. Which of the following is correct?

- i. A contract is entered into voluntarily whereas criminal offences are imposed by the state.
- ii. A tort is entered into voluntarily whereas criminal offences are imposed by the state.
- iii. A contract is entered into voluntarily whereas a tort is imposed by the state.

- A. i only.
- B. ii only.
- C. i and iii only.
- D. ii and iii only.

Ans: C

95. Which ONE of the following is correct?

- A. A contract is frustrated when something happens after it has been entered into, which is not fault of either party and which renders the contract more difficult to perform.
- B. A contract is frustrated when a party expressly agrees to manufacture and supply goods and then discovers that they will be far more expensive to produce than he thought at the time of the contract.
- C. A contract is frustrated when something happens after it has been entered into, which is not fault of either party and which renders the contract impossible to perform.
- D. A contract is frustrated if it is impossible to perform at the time that it is made through no fault of either party

Ans: C

96. If the estimate of liquidation value of two registered valuers are different, then the resolution professional shall:

- A. Appoint another registered valuer who shall submit an estimate computed in the same manner.
- B. The average of the two closest estimates shall be considered.

- C. Forward the values to the committee of creditors for adoption of a single value.
- D. Reject the values and ask for fresh valuation figure

Ans: A

97. Which of the following is not a related party in relation to corporate debtor:

- A. A director or partner of the corporate debtor.
- B. A key managerial personnel of the corporate debtor.
- C. Any person or entity that is materially related to the company.
- D. Relatives of a director or partner or key managerial personnel of the corporate debtor.

Ans: C

98. Which is the highest appellate authority in case of Insolvency and Bankruptcy Code (IBC):

- A. High Court
- B. Supreme Court
- C. National Company Law Appellate Tribunal
- D. Insolvency Court

Ans: B

99. Which Legislations got repealed on enforcement of Insolvency and Bankruptcy Code:

- A. The Presidency Towns Insolvency Act 1909, Provincial Insolvency Act 1920 and Sick Industrial Companies (Special Provisions) Act 1985.
- B. Sick Industrial Companies (Special Provisions) Act 1985, The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and The Payment and Settlement Systems Act, 2007.
- C. Provincial Insolvency Act, 1920, The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and Recovery of Debts due to Banks and Financial Institutions Act, 1993.
- D. Sick Industrial Companies (Special Provisions) Act, 1985 and some provisions of Negotiable Instruments Act, 1881.

Ans: A

100. What is debt under Insolvency & Bankruptcy Code:

- A. Any amount of money that is owed or due to any party.
- B. A liability or obligation in respect of a claim which is due from any person and includes a financial debt and operational debt.
- C. Any liability arising in respect of money advanced by a creditor to the debtor.
- D. Debts arising out of loans advanced by a financial institutions.

Ans: B