

Competitive Exams: Commerce MCQs (Practice-Test 13 of 99)

1. Which one of the following functions does not relate to O & M Division?
 - a. To enlarge the organization
 - b. To improve organization
 - c. To simplify methods
 - d. To create and maintain an efficient administrative machinery

2. Which one of the following statements explains the concept of unity of command?
 - a. All the workers focus on a common goal
 - b. All the workers receive instructions from one authority
 - c. All the workers are accountable to one authority
 - d. All the workers aim at One objective at a time

3. An organizational manual is designed to promote
 - a. better clientele for a company
 - b. better relationship between the units in an industry
 - c. better understanding of basic organizational structures
 - d. better information about business of the company

4. The psychologist A H Maslow has developed a widely acclaimed conceptual framework for understanding human motivation. Human needs, according to Maslow, tend to follow the classification of five categories of needs given as under
 - a. Egoistic needs
 - b. Safety needs
 - c. Social needs
 - d. Physiological needs
 - e. Self-fulfillment needs

These needs, according to Maslow, follow a basic hierarchical pattern from the most basic to the highest level needs as follows

- a. 1, 2, 3, 4, 5
- b. 4, 2, 3, 1, 5
- c. 5, 4, 3, 2, 1
- d. 1, 3, 2, 4, 5

5. Douglas McGregor made five basic assumptions about people in his theory Y. First four assumptions are

- a. People are ambitious
- b. They seek responsibility
- c. They are dynamic
- d. They recognize and accept organizational goals

The fifth assumption is

- a. people are always cooperative and cheerful at their work
- b. people are not self-centered
- c. people are by nature resistant to change
- d. people are intelligent and possess creative potential

6. In case of retirement of a partner, the partner's loan account would be shown

- a. in his capital account
- b. in his wife's loan account
- c. in his loan account
- d. in the total amount due to him

7. As per Garner vs Murray Rule, the loss resulting from a partner's. Insolvency, is borne by other partners in

- a. equal ratio
- b. their capital ratio
- c. their profit-sharing ratio
- d. 3: 1 ratio

8. The movement of securities from one stock exchange to another with the object of reaping a profit from the disparity in share prices is called

- a. Averaging
- b. Arbitraging
- c. Backwardation
- d. Forward trading

9. Consider the following statements

- a. Transfer and transmission of shares are the same thing
- b. 'Stag' is a speculative person who applies for shares in a new issue expected to be over-subscribed to make profit by selling such shares at a premium
- c. Stock is a bundle of fully paid shares put together for convenience

Which of the above statements is/are correct?

- a. 1 and 2
- b. 2 and 3
- c. 3 only
- d. 2 only

10. When a company exceeds the powers granted to it by its Memorandum of Association, it is called

- a. Intra vires
- b. Ultra vires
- c. Lien
- d. Mutatis mutandis

11. Consider the following statements: Issue of bonus shares can be made out of the

- a. General Reserve Account
- b. Realized Capital Profits Account
- c. Revaluation Reserve Account
- d. Profit and Loss Account (Cr.)

Which of these statements are correct?

- a. 1 and 4
- b. 2 and 3
- c. 1, 2 and 4
- d. 2, 3 and 4

12. In case the partnership deed does not specify the rights and obligations, the provisions of the Partnership Act, 1932 lay down which of the following rights and duties of a partner?
- a. Every partner has a right to take part in the conduct and management of the firm's business
 - b. Every partner has the right to receive interest on loans and advances made by him to the firm. The rate of interest should be 8% unless otherwise agreed to by the parties
 - c. Every partner has the right to be indemnified for the expenses incurred and losses sustained by him in the firm's business

Select the correct answer using the codes given below

- a. 1 and 3
- b. 2 only
- c. 1, 2 and 3
- d. 2 and 3

13. Which of the following is not the legal position of sole proprietorship?
- a. The proprietor and his business have separate personality
 - b. Free from legal formalities in operation
 - c. The liability is unlimited
 - d. Not governed by any Special Act

14. Kurt Lewin's three phases of organizational change consist of
- a. unfreezing, changing, feedback
 - b. Changing, refreezing. Feedback
 - c. unfreezing, evaluation, refreezing
 - d. unfreezing, changing, refreezing

15. Which one of the following statements is not correct?

- a. Management by objectives is a philosophy of management
- b. Management by objectives is an approach of management
- c. Management by objectives is a process of participative management
- d. Management by objectives is a control technique