



Dr.G.R.Damodaran College of Science

(Autonomous, affiliated to the Bharathiar University, recognized by the UGC) Re-accredited at the 'A' Grade Level by the NAAC and ISO 9001:2008 Certified CRISL rated 'A' (TN) for MBA and MIB Programmes

I B.Com(E.Com) [2017-2020]

Semester I

Core: Business Organisation and Office Management - 104B

Multiple Choice Questions.

1. The communication process is made up of various components. Which of the following is the actual physical product from the source?

- A. Feedback
- B. Filter
- C. Message
- D. Channel

ANSWER: C

2. Fish culture should be classified as _____.

- A. extractive industry.
- B. genetic industry.
- C. manufacturing industry.
- D. construction industry.

ANSWER: B

3. Which of the following is an extractive industry?

- A. Cattle breeding.
- B. Forest cultivation.
- C. Hunting.
- D. Flour mills.

ANSWER: C

4. Which of the following is not a manufacturing industry?

- A. Iron and steel works.
- B. Flour mills.
- C. Fruit canning.
- D. Mining.

ANSWER: D

5. A valid definition of a business purpose is to _____.

- A. create a customer.
- B. maximize profits.
- C. serve the society.
- D. increase the wealth of the firm.

ANSWER: A

6. The agent of brokers who obtain business for them are _____.

- A. remesiers.
- B. trade agents.
- C. middlemen.
- D. taraniwala.

ANSWER: A

7. The oldest form of business organization is _____.

- A. partnership.
- B. sole proprietorship.
- C. joint stock company.
- D. co-operative undertaking.

ANSWER: B

8. Liability of partners in respect of the firms debts is _____.

- A. limited up to the amount of his capital in the business.
- B. Unlimited.
- C. limited up to the amount of guarantee given by the partner.
- D. limited up the amount of his capital and loan to the firm if any.

ANSWER: B

9. The minimum number of members in a private limited company is ____.

- A. Two
- B. Three
- C. Seven
- D. Ten

ANSWER: A

10. The liability of shareholders of a public company is limited to the _____.

- A. paid up value of shares.
- B. nominal value of shares.
- C. extent of their private assets.
- D. accounts called up.

ANSWER: B

11. Localized materials are available at _____.

- A. all the places.
- B. certain places
- C. central places
- D. local places

ANSWER: B

12. Membership of a co-operative is _____.

- A. compulsory.
- B. voluntary.
- C. not essential.

D. nominated.

ANSWER: B

13. The minimum number of members for registration of a co-operative society is _____.

- A. two
- B. seven
- C. ten
- D. twenty

ANSWER: C

14. The minimum number of shareholders in a public limited company is ____.

- A. two
- B. three
- C. five
- D. seven

ANSWER: D

15. The limit for maximum number of members in a public company is restricted to _____.

- A. 2000.
- B. 5000.
- C. 10000.
- D. no limit.

ANSWER: D

16. A private company should have at least _____.

- A. 2 members.
- B. 7 members.
- C. 10 members.
- D. 50 members.

ANSWER: A

17. LIC of India is an example of _____.

- A. department organization of the central government.
- B. government company.
- C. public corporation.
- D. private corporation.

ANSWER: C

18. A partnership firm cannot raise funds through _____.

- A. bank loan.
- B. partners loan.
- C. Debentures.
- D. partners capital.

ANSWER: C

19. Which of the following sources is not use for medium term financing?

- A. Issue of equity shares.
- B. Issue of debentures.

- C. Term loans from banks.
- D. Sale of current asset.

ANSWER: A

20. Which of the following securities is not redeemable?

- A. Equity shares.
- B. Preference shares.
- C. Cumulative preference shares.
- D. Debentures.

ANSWER: A

21. Which of the following securities proves a burden on finances of the company, when company is not earning profits?

- A. Equity shares.
- B. Preference shares.
- C. Redeemable preference shares.
- D. Debentures.

ANSWER: D

22. Investment in which of the following is most risky?

- A. Equity shares.
- B. Preference shares.
- C. Debentures.
- D. Land.

ANSWER: A

23. A project, which may not add to the existing profits, should be financed by ____.

- A. debentures.
- B. preference share capital.
- C. equity capital.
- D. public deposits.

ANSWER: B

24. The management of the company is entrusted to _____

- A. Promoters
- B. Employees
- C. Share holders
- D. Board of Directors

ANSWER: D

25. _____ is a substitute for a companys signature.

- A. Director signature
- B. Manager Signature
- C. Common Seal
- D. Managing Director Signature

ANSWER: C

26. Debentures cannot be _____.

- A. irredeemable.
- B. participating.
- C. registered.
- D. bearer.

ANSWER: C

27. Control of management of the company mainly vests in _____.

- A. equity shareholders.
- B. preference shareholders.
- C. debenture holders.
- D. share holders.

ANSWER: A

28. Ploughing back of profits means _____.

- A. earning of black money.
- B. dividends not claimed by shareholders.
- C. retaining the earnings.
- D. not paying dividends in a particular year.

ANSWER: C

29. Deferred shares can be issued by _____.

- A. public company.
- B. private company.
- C. private company which is deemed to be a public.
- D. government company.

ANSWER: B

30. The surplus generated by co-operatives is distributed in the form of _____.

- A. Cash and kind
- B. Dividend and profit
- C. Profit and dividend
- D. Dividend and bonus

ANSWER: D

31. Bank overdraft is a good source of finance for _____.

- A. short term.
- B. medium term.
- C. long term.
- D. short and long term.

ANSWER: A

32. New issue market is an integral part of the _____.

- A. stock exchange.
- B. capital market.
- C. stock exchange and capital market.
- D. discount houses.

ANSWER: B

33. Which of the following are components of organized sector of stock exchange?

- A. Commercial banks.
- B. Investors in securities.
- C. Financial institutions like IDBI.
- D. Other financial institutions.

ANSWER: B

34. When an existing company offers its shares for sale to the existing shareholders, it is known as _____.

- A. private placing.
- B. bonus issue.
- C. rights issue.
- D. offer for sale.

ANSWER: C

35. The first stock exchange was set up in India in _____.

- A. Calcutta.
- B. Bombay.
- C. New Delhi.
- D. Chennai.

ANSWER: B

36. Stock Exchanges in India are under the control of _____.

- A. Central Government.
- B. C.C.B.
- C. R.B.I.
- D. Financial Institution.

ANSWER: A

37. A speculator who applies for new share is _____.

- A. a stag.
- B. middle man.
- C. Jobber.
- D. lame duck.

ANSWER: A

38. Dealings in stock exchanges can be done by public _____.

- A. directly.
- B. directly or through brokers.
- C. only through brokers.
- D. only by corporate houses.

ANSWER: C

39. Which of the following speculators expect fall in the prices of securities in the near future?

- A. Bull.
- B. Bear.
- C. Stag.
- D. Underwriter

ANSWER: B

40. Which of the speculator applies for new issues with a view to prompt resale?

- A. Bull.
- B. Bear.
- C. Stag.
- D. Lame duck.

ANSWER: A

41. Which of the following speculative activities is based on disparity in quoted prices in different markets?

- A. Option dealing.
- B. Arbitrage.
- C. Margin trading.
- D. Blank transfers.

ANSWER: B

42. A capital intensive enterprise requires _____.

- A. more employees
- B. less employees
- C. male employees
- D. female employees

ANSWER: B

43. In India there are _____ recognized stock exchanges at present.

- A. fifteen
- B. sixteen
- C. seventeen
- D. twenty one

ANSWER: D

44. A firm which outsources its works requires _____.

- A. more employees
- B. less employees
- C. skilled employees
- D. semi-skilled employees

ANSWER: B

45. When a right to purchase securities is acquired it is know as _____.

- A. call option.
- B. put option.
- C. double option.
- D. single option.

ANSWER: B

46. When a right to sell a security is acquired, it is known as _____.

- A. call option.
- B. put option.
- C. double option.

D. single option.

ANSWER: A

47. Stock exchange deals with the _____.

- A. second hand securities.
- B. issue of equity shares.
- C. issue of preference shares.
- D. issue of debentures.

ANSWER: A

48. Register of member is a _____.

- A. statutory book.
- B. statistical book.
- C. official book.
- D. registered book.

ANSWER: A

49. _____ firm enjoys lowest average cost of production.

- A. Representative
- B. Optimum
- C. Small-scale
- D. Equilibrium

ANSWER: B

50. When did SEBI come into force?

- A. 1992.
- B. 1991.
- C. 1990.
- D. 1993.

ANSWER: A

51. _____ scale firms enjoy economies of scale.

- A. Complex
- B. Medium
- C. Large
- D. Small

ANSWER: C

52. Mimeograph is a _____.

- A. stencil duplicator.
- B. method of photocopying.
- C. process of electrical photography.
- D. process of blue printing.

ANSWER: B

53. Xerography is a process of _____.

- A. electrical photography.
- B. blue printing.

- C. fixing stamps.
- D. printing address.

ANSWER: B

54. Memory unit is a part of _____.

- A. punched card system.
- B. electronic data processing.
- C. both Punched card system and Electronic data processing.
- D. both Punched card system and manually operated accounting machines.

ANSWER: B

55. Memory unit performs the function of _____.

- A. calculations at a very high speed.
- B. giving out the end product.
- C. controlling at the operating units.
- D. storing the data.

ANSWER: D

56. What is called to buying of shares by taking money from brokers?

- A. Margin trading.
- B. Curb dealing.
- C. Badla.
- D. Forward.

ANSWER: A

57. The primary aim of co-operative is to _____.

- A. earn more profits.
- B. serve the members.
- C. raise production.
- D. raise more money.

ANSWER: B

58. A sleeping partner is one who _____.

- A. contributes capital.
- B. takes active part in the business.
- C. contributes members.
- D. contributes materials.

ANSWER: A

59. Business risks can be _____.

- A. avoided.
- B. reduced.
- C. ignored.
- D. erased.

ANSWER: B

60. In case of dissolution of partnership, the business of the firm _____.

- A. does not come to an end

- B. comes to an end
- C. will come to an end shortly
- D. constitution of the firm remains unchanged

ANSWER: A

61. Stationary layout is suitable for manufacturing _____.

- A. small products
- B. light products
- C. bulky products
- D. technical items

ANSWER: C

62. In vertical filing system, files or folders are kept _____.

- A. one upon the other.
- B. in standing upright position.
- C. in packets or large envelopes.
- D. in a cupboard, divided into a number of small compartments.

ANSWER: B

63. The computations in a computer are performed by _____.

- A. logical unit.
- B. memory unit.
- C. output unit.
- D. control unit.

ANSWER: D

64. _____ layout is not flexible.

- A. Product
- B. stationary
- C. functional
- D. combined

ANSWER: A

65. Planning and control are _____ functions of an office.

- A. informative.
- B. administrative.
- C. public.
- D. private.

ANSWER: B

66. Maintenance of records is the _____ functions of an office.

- A. direct.
- B. indirect.
- C. basic.
- D. private.

ANSWER: C

67. _____ is a major physical facility in an office.

- A. Office accommodation.
- B. Open office.
- C. Closed office.
- D. Public office.

ANSWER: A

68. _____ is an important consideration for setting up an office.

- A. Office accommodation.
- B. Office location.
- C. Closed office.
- D. Public office.

ANSWER: B

69. _____ is the arrangement of furniture and equipment with the available floor space.

- A. Office accommodation.
- B. Office location.
- C. Office layout.
- D. Open office.

ANSWER: C

70. _____ Layout based on similarity of work.

- A. Group.
- B. Process.
- C. Open.
- D. Closed.

ANSWER: A

71. _____ Layout is based on the sequence of work.

- A. Group.
- B. Process.
- C. Open.
- D. Closed.

ANSWER: B

72. In case of _____ layout, production is carried on in special purpose machine.

- A. functional
- B. product
- C. stationary
- D. combined

ANSWER: B

73. _____ Office is in the form of a hall where all the employees work.

- A. Open.
- B. Public.
- C. Private.
- D. System.

ANSWER: A

74. The building used by the professional is called _____ office.

- A. quiet.
- B. sound.
- C. big.
- D. small.

ANSWER: A

75. A building jointly owned is called office_____.

- A. condominium.
- B. layout.
- C. accommodation.
- D. location.

ANSWER: A

76. Which type of classification is based on alphabetical order?

- A. Alphabetical classification.
- B. Numerical classification.
- C. Subject wise classification.
- D. Geographical classification.

ANSWER: A

77. In which method of filing, a spike is fixed in a wooden or a metal base?

- A. Pigeon-hole method.
- B. The spike file.
- C. Card board filing.
- D. Box filing.

ANSWER: B

78. Spike file is also called as _____.

- A. card board file.
- B. pillar file.
- C. box file.
- D. pigeon-hole method.

ANSWER: B

79. In which method of filing, papers and documents are placed in metal holders in chronological order?

- A. Box file.
- B. Bound book.
- C. Metal holders.
- D. Pillar file.

ANSWER: C

80. In which method of filing, all the letters and documents are passed in the book in chronological order?

- A. Box file.
- B. Bound book.
- C. Metal holders.
- D. Pillar file.

ANSWER: B

81. Horizontal filing is also called as _____.

- A. box filing.
- B. flat filing.
- C. open filing.
- D. pillar filing.

ANSWER: B

82. For synthetic type of production _____ lay out is preferable.

- A. combined
- B. line
- C. stationary
- D. process

ANSWER: B

83. Book index is also called as ____ index.

- A. Vowel.
- B. Abound.
- C. Loose leaf book.
- D. Card.

ANSWER: B

84. Which index system is used when small information is required about customers?

- A. Vowel index.
- B. Book index.
- C. Strip index.
- D. Card index.

ANSWER: C

85. _____ is a machine which process text material on a page when operator strikes keys are arranged on the key boards.

- A. Typewriter.
- B. Photocopier.
- C. Roller copier.
- D. Private.

ANSWER: A

86. Roller machine is also called as _____ machine.

- A. rotary.
- B. copy.
- C. multiple.
- D. single.

ANSWER: A

87. The machines produce multiple copies with help of a _____.

- A. typewriter.
- B. stencil.
- C. roller machine.

D. processor

ANSWER: B

88. PBX stands for _____.

- A. Private Book Exchange.
- B. Private Branch Exchange.
- C. Private Block Exchange.
- D. Private Business Exchange.

ANSWER: B

89. ____ is an instrument which reproduces sound at a distance by means of electricity.

- A. Typewriter.
- B. Telephone.
- C. FAX.
- D. Photocopier.

ANSWER: B

90. Which machine is used for stamping outward mail?

- A. Franking machine.
- B. Adding machine.
- C. Mailing machine.
- D. Accounting machine.

ANSWER: A

91. SEBI stands for _____.

- A. Shares Exchange Board of India.
- B. Stocks Exchange Board of India.
- C. Securities Exchange Board of India.
- D. Speculators Exchange Board of India.

ANSWER: C

92. A Bull speculator is also called as _____.

- A. mandiwala.
- B. tejiwala.
- C. tarawaniwalas.
- D. vaniwalas

ANSWER: B

93. A speculator who expects a rise in price of securities in the future are called as ____.

- A. bear
- B. bull
- C. stag
- D. lame duck

ANSWER: B

94. A speculator who expects prices to fall in future and sell securities is called as ____.

- A. bear
- B. bull

- C. stag
- D. lame duck

ANSWER: A

95. Speculators who apply for shares in new companies and expect to sell them at a premium are called as _____.

- A. bear
- B. bull
- C. stag
- D. lame duck

ANSWER: C

96. A bear speculator is also called as _____.

- A. manidiwala
- B. tejiwala
- C. tarawaniwalas
- D. vaniwala

ANSWER: A

97. The person who deals in shares, debentures as independent operators are called as _____.

- A. brokers
- B. jobbers
- C. tarawaniwalas
- D. manidiwalls

ANSWER: B

98. The purpose of an office is to furnish essential services to the _____.

- A. public
- B. management
- C. clerks
- D. creditors

ANSWER: B

99. The office management simply means to _____.

- A. eliminate
- B. withdraw
- C. control
- D. decide

ANSWER: C

100. Filing is an important aspect of _____.

- A. record keeping.
- B. book keeping.
- C. house-keeping.
- D. time keeping.

ANSWER: A

101. A _____ is an acknowledgement of a debt.

- A. Share.
- B. Debenture.
- C. Equity share.
- D. Preference share.

ANSWER: B

102. The debentures are not given any security on assets are called as _____ debentures.

- A. unsecured.
- B. secured
- C. bearer
- D. registered

ANSWER: C

103. The debentures are given a security on assets are called as _____ debentures.

- A. unsecured.
- B. secured.
- C. bearer.
- D. registered.

ANSWER: C

104. The preference shares holders who have no claim for the arrears of dividend are ____ preference shares.

- A. cumulative.
- B. non-cumulative.
- C. Redeemable
- D. Irredeemable

ANSWER: B

105. The preference shares which cannot be converted into equity shares are _____ preference shares.

- A. cumulative.
- B. non-cumulative.
- C. redeemable
- D. non-convertible.

ANSWER: D

106. Fixed capital is also called as _____.

- A. blocked capital.
- B. unblocked capital.
- C. working capital.
- D. non-working capital.

ANSWER: A

107. The _____ co-operative societies are started to help lower and middle class people.

- A. Consumers.
- B. Producers.
- C. Marketing.
- D. Housing.

ANSWER: A

108. The ____ co-operative societies are established for the benefit of small producers.

- A. Consumers
- B. Producers
- C. Marketing
- D. Housing

ANSWER: B

109. The ____ co-operatives are associations of producers for selling their products at remunerative prices.

- A. Consumers.
- B. Producers
- C. Marketing
- D. Housing

ANSWER: C

110. Which co-operative societies are helpful to their members in purchasing land and constructing houses?

- A. Consumers.
- B. Producers
- C. Marketing
- D. Housing

ANSWER: D

111. The ____ co-operative societies are formed to give financial help to small farmers and other poor sections of the society.

- A. Consumers
- B. Producers.
- C. Credit
- D. Housing

ANSWER: C

112. Co-operative societies have ____ management.

- A. government
- B. democratic
- C. autocratic
- D. private

ANSWER: B

113. ____ Debentures are to be redeemed on the expiry of a certain period.

- A. Redeemable
- B. Irredeemable
- C. Convertible
- D. Non-convertible.

ANSWER: A

114. ____ Debentures are not redeemable during life time of the company.

- A. Redeemable.
- B. Irredeemable.

- C. Convertible.
- D. Non-convertible.

ANSWER: B

115. When a transfer of shares takes place by the operation of law, it is known as ____.

- A. surrender of shares.
- B. transmission of shares.
- C. redeemable shares.
- D. irredeemable shares.

ANSWER: A

116. The return of shares to the company is known as ____.

- A. surrender of shares.
- B. transmission of shares.
- C. redeemable shares.
- D. irredeemable shares.

ANSWER: B

117. The optimum point is an _____ size of a firm.

- A. ideal
- B. average
- C. over
- D. extra

ANSWER: A

118. A representative firm works under _____ conditions.

- A. average
- B. ideal
- C. bad
- D. good

ANSWER: A

119. The transitional period in the life of an expanding firm is called _____ firm.

- A. pessimism
- B. ideal
- C. average
- D. good

ANSWER: B

120. Secured debentures are also called as ____.

- A. mortgaged debentures.
- B. simple debentures.
- C. bearer debentures.
- D. registered debentures.

ANSWER: A

121. _____ are the most important source of short term capital.

- A. Trade credit.

- B. Installment credit.
- C. Commercial banks.
- D. Advances.

ANSWER: C

122. The first organized stock exchange was set up in the year _____.

- A. 1887.
- B. 1992.
- C. 1991.
- D. 1994.

ANSWER: A

123. The first stock exchange in the world is _____.

- A. Mumbai stock exchange.
- B. American stock exchange.
- C. London stock exchange.
- D. France stock exchange.

ANSWER: C

124. _____ Machine is used to print addresses of the customers or clients on outgoing mail.

- A. Accounting.
- B. Addressing.
- C. Franking.
- D. Listing.

ANSWER: B

125. _____ type of drawer are used to increase desk top work area.

- A. Letter tray drawer.
- B. Vertical file drawer.
- C. Center drawer.
- D. Utility drawer.

ANSWER: A

126. Non-economic activities aim at _____.

- A. social service.
- B. profit maximization.
- C. consumer satisfaction.
- D. wealth.

ANSWER: A

127. Office is a place where _____.

- A. office work is done.
- B. employees are housed.
- C. records are kept.
- D. control is situated.

ANSWER: A

128. An open office has the benefit of _____.

- A. privacy.
- B. economy.
- C. efficiency.
- D. inflexibility.

ANSWER: B

129. Small scale firms are _____ flexible in their functioning.

- A. more
- B. not
- C. less
- D. none of the above

ANSWER: A

130. A _____ firm would be able to reduce its risk by diversifying its products and markets.

- A. large scale
- B. small scale
- C. new
- D. none of the above

ANSWER: A

131. Which type of adding machine provides a printed record?

- A. Listing machine.
- B. Non-listing machine.
- C. Numbering machine.
- D. Stamping matching.

ANSWER: A

132. Intercom system is connected with _____.

- A. telephone exchange.
- B. PBX system.
- C. EBPAX system.
- D. FAX.

ANSWER: C

133. Processing of data through computer is done by its _____.

- A. output unit.
- B. control unit.
- C. CPU.
- D. mouse.

ANSWER: C

134. Questionnaire method is used for collecting _____.

- A. secondary data.
- B. primary data.
- C. small quantity of data.
- D. data.

ANSWER: B

135. Modular furniture _____.

- A. saves costs.
- B. saves time.
- C. saves space.
- D. saves electricity.

ANSWER: C

136. Dividends are payable to the _____.

- A. share holders.
- B. debenture holders.
- C. registrar of the company.
- D. board of directors.

ANSWER: A

137. Registration of a partnership is _____.

- A. compulsory.
- B. voluntary.
- C. statutory.
- D. mandatory.

ANSWER: B

138. Fully paid-up shares are called _____.

- A. securities.
- B. stock.
- C. dividends.
- D. debentures.

ANSWER: B

139. Security merchants dealing in shares, independent operators are called ____.

- A. Brokers.
- B. Jobber.
- C. tarawaniwalas.
- D. mandiwalas.

ANSWER: B

140. External oral communication is passed on with the help of _____ mechanical device.

- A. Typewriter.
- B. Telephone.
- C. FAX.
- D. Internet.

ANSWER: B

141. Franking machine is used in _____.

- A. bank.
- B. post office.
- C. school.
- D. colleges.

ANSWER: A

142. Much popular computers are _____.

- A. analog.
- B. digital.
- C. electronic.
- D. log.

ANSWER: B

143. An office routine _____.

- A. is a system.
- B. is an operation.
- C. stands in between a system and an operation.
- D. stands in between a process and an operation.

ANSWER: A

144. The liability of partners in a firm is _____.

- A. limited.
- B. unlimited.
- C. joint liability.
- D. separate liability.

ANSWER: B

145. The method of evaluating the efficiency of workers is termed as _____.

- A. merit rating.
- B. job evaluation
- C. filing.
- D. indexing.

ANSWER: A

146. When at least 51% shares are in the hands of government, it is called as ____.

- A. public corporation.
- B. government company.
- C. public company.
- D. private company.

ANSWER: B

147. Shares traded through stock exchanges are called _____.

- A. primary market.
- B. secondary market.
- C. money market.
- D. share market.

ANSWER: B

148. The financial market for short term funds is known as _____.

- A. capital market.
- B. money market.
- C. bullion market.
- D. share market.

ANSWER: B

149. Shares issued to the existing share holders on a pre-emptive basis is _____.

- A. bonus shares.
- B. right issue.
- C. new issue.
- D. secondary market.

ANSWER: B

150. The difference between the actual price and excess price of a share is called as ____.

- A. discount.
- B. forfeiture.
- C. premium.
- D. surplus.

ANSWER: C

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