



## Dr.G.R.Damodaran College of Science

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I B.COM IB [2017-2020]  
SEMESTER I  
BUSINESS ORGANISATION - 117D  
Multiple Choice Questions.

1. Business means \_\_\_\_\_.
- A. commerce.
  - B. industry and commerce.
  - C. trade and commerce.
  - D. selling and buying of goods.

ANSWER: B

2. \_\_\_\_\_ scale firms enjoy economies of scale
- A. Complex
  - B. Medium
  - C. Large
  - D. Small

ANSWER: C

3. Fish culture should be classified as \_\_\_\_\_.
- A. extractive industry.
  - B. genetic industry.
  - C. manufacturing industry.
  - D. construction industry.

ANSWER: B

4. Which of the following is an extractive industry?
- A. Cattle breeding.
  - B. Forest cultivation
  - C. Hunting
  - D. Flour mills.

ANSWER: C

5. \_\_\_\_\_ are more stable when compared to pools and cartels
- A. Pools
  - B. Corners
  - C. Rings
  - D. Combination trusts

ANSWER: D

6. When a businessman of one country buys some goods from businessman of another country, it is called as \_\_\_\_\_ trade
- A. Export
  - B. Import
  - C. Entrepot

D. None of the above

ANSWER: B

7. Sole-trade organization is also called as \_\_\_\_\_ .

A. individual proprietorship.

B. Partnership.

C. joint stock company.

D. co-operative society.

ANSWER: A

8. Who is the dormant partner?

A. Don't take active part in the business

B. A working partner.

C. Partner for profits.

D. Minor partner.

ANSWER: A

9. In case of minor acting as a partner, his personal properties are \_\_\_\_.

A. liable for the debts of the firm.

B. not liable for the debts of the firm.

C. partly liable for the debts of the firm.

D. only debts of the firm.

ANSWER: B

10. What is a holding company?

A. A company having control over another company.

B. A company whose major share holdings are owned by other company.

C. A company having a sister concern

D. A company whose shares are owned by a particular family.

ANSWER: A

11. Chamber of Commerce are formed for the purpose of protecting and promoting the interest of -----

---- community

A. Business

B. Farmers

C. Consumers

D. None of the above

ANSWER: A

12. Combinations came into existence in order to hold ruinous competition in check - Who gave this definition

A. Shields

B. Peter Kevinson

C. Kimball and Kimball

D. Arthur

ANSWER: C

13. In India, Chambers of Commerce operates in ----- level

A. two

B. three

C. four

D. five

ANSWER: A

14. A dealer in securities who sells and purchases securities in his own name with a view to earning profit due to price fluctuation is called as \_\_\_\_\_ . .

- A. a jobber.
- B. a dealer.
- C. taraniwala.
- D. hundiwala.

ANSWER: A

15. The oldest form of business organization is \_\_\_\_\_ . .

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

ANSWER: B

16. The liability of a sole proprietor is \_\_\_\_\_ . .

- A. limited to the extent of his capital invested in the business.
- B. limited to the extent of the value of business assets.
- C. limited to the extent of the value of business assets and his all private assets.
- D. limited value of the business assets.

ANSWER: C

17. Individual proprietorship form of business organization is not advisable for the enterprises which \_\_\_\_\_.

- A. require small amount of capital.
- B. need personal attention of customers.
- C. are large in size.
- D. do not involve heavy risk.

ANSWER: C

18. The maximum number of partners in a firm carrying on banking business is \_\_\_\_.

- A. 7
- B. 10
- C. 50
- D. 20

ANSWER: B

19. The agreement of partnership \_\_\_\_\_ . .

- A. must be oral.
- B. must be in writing.
- C. can be either oral or in writing.
- D. must be in writing on a stamp paper.

ANSWER: C

20. 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

21. A partner in a firm \_\_\_\_\_.

- A. cannot transfer his share to an outsider.
- B. can transfer his share to an outsider with the consent of majority partners.

- C. can transfer his share to an outsider without the consent of any other partners.
- D. can transfer his share to an outsider with the consent of all other partners.

ANSWER: A

22. Partnership may come into existence \_\_\_\_\_.

- A. by the operation of law.
- B. by an express agreement only.
- C. by an express or implied agreement only.
- D. by inheritance of property.

ANSWER: C

23. Pools are formed with the basic objective of controlling

- A. Middlemen
- B. Products
- C. Prices
- D. Producers

ANSWER: C

24. When a partner is guilty of fraud or negligence within the scope of his authority\_\_.

- A. only he will be liable for his acts.
- B. he can be expelled if he refuses to assume liability.
- C. all partners are liable if there is an agreement to this effect.
- D. all partners are liable even if there is no agreement to his effect.

ANSWER: D

25. Registration of partnership is \_\_\_\_\_.

- A. optional under Indian partnership act.
- B. compulsory under the Indian partnership act.
- C. compulsory under the income tax act.
- D. compulsory under Indian contract act.

ANSWER: A

26. The objective of \_\_\_\_\_ cartels is to restrict supply

- A. Term fixing
- B. Price fixing
- C. Quota fixing
- D. Super

ANSWER: C

27. The minimum number of members in a private limited company is \_\_\_\_.

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

ANSWER: A

28. A Joint stock company is governed by \_\_\_\_\_.

- A. Companies Act 1965
- B. Companies Act 1946
- C. Companies Act 1956
- D. Companies Act 1966

ANSWER: C

29. Memorandum of association of a firm contains \_\_\_\_\_.

- A. rules regarding the internal management of the company.
- B. rules regarding the constitution and activities of the company.
- C. rules regarding the external management.
- D. rules regarding the constitution.

ANSWER: B

30. 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

31. \_\_\_\_\_ refer to the agreements between cartels of one country with the cartels of other countries

- A. Super Cartels
- B. Syndicates
- C. Customer assigning cartels
- D. Price fixing cartels

ANSWER: A

32. A firm which outsources work requires

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

ANSWER: B

33. If the location is in ----- it can enjoy some of the advantage of both the city location and the village location

- A. rural
- B. urban
- C. city
- D. suburbs

ANSWER: D

34. A Company is called an artificial person because \_\_\_\_\_.

- A. it does not have the shape of a natural person.
- B. it cannot be used in the court of law.
- C. it is invisible and intangible.
- D. it exists only in contemplation of law.

ANSWER: C

35. In the co-operative organization, the voting rights of members are \_\_\_\_\_.

- A. in proportion to the capital paid by each member.
- B. equal, irrespective of amount of capital contribution.
- C. in proportion to the nominal value of capital held by each member.
- D. in proportion to the total finance supplied including the amount of loan by each member.

ANSWER: B

36. Localized materials are available at \_\_\_\_\_.

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

ANSWER: B

37. Shareholder wealth in a firm is represented by
- A. the number of people employed in the firm
  - B. the book value of the firms assets less the book value of its liabilities
  - C. the amount of salary paid to its employees
  - D. the market price per share of the firms common stock

ANSWER: D

38. Membership of a co-operative is .
- A. compulsory.
  - B. voluntary.
  - C. not essential.
  - D. nominated.

ANSWER: B

39. The first economist who attempted an analytical approach to the problem of industrial location for the first time is
- A. Adam Smith
  - B. Alfred Marshall
  - C. Lionel Robbins
  - D. Alfred Weber

ANSWER: D

40. Organizations engaged in the transportation of good associate themselves to form a
- A. Output pools
  - B. Traffic Pools
  - C. Market Pools
  - D. Income and Profit Pools

ANSWER: B

41. A member of a co-operative society can leave the society by \_\_\_\_\_.
- A. transferring his share to another person without anybody's consent.
  - B. transferring his share to another person with the consent of the managing committee.
  - C. transferring his share to a fellow member.
  - D. withdrawing his capital from the society.

ANSWER: D

42. \_\_\_\_\_ are formed to control prices by pooling demand and allocating it among its members
- A. Output Pools
  - B. Traffic Pools
  - C. Market Pools
  - D. Income and Profit Pools

ANSWER: C

43. Which is not an example of Chambers of Commerce operating in the State and Regional level
- A. Confederation of Indian Industry
  - B. Madras Chamber of Commerce and Industry
  - C. Bengal Chamber of Commerce
  - D. Rajkot Chambers of Commerce and Industry

ANSWER: A

44. Which is an example of Chambers of Commerce operating in National level
- A. Punjab Chamber of Commerce

- B. Bengal Chamber of Commerce
- C. Associated Chambers of Commerce and Industry of India
- D. Madras Chamber of Commerce and Industry

ANSWER: C

45. A public corporation means \_\_\_\_\_.

- A. public company.
- B. government company.
- C. statutory corporation.
- D. department of union government.

ANSWER: C

46. The partnership entity is \_\_\_\_\_.

- A. legal entity.
- B. legal entity and accountable entity.
- C. neither entity nor accountable entity.
- D. group of individuals without legal status.

ANSWER: B

47. Federation of Indian Chambers of Commerce and Industry was set up on the advice of \_\_\_\_\_

- A. Jawaharlal Nehru
- B. Indira Gandhi
- C. Mahatma Gandhi
- D. Rajiv Gandhi

ANSWER: C

48. The minimum number of shareholders in a public limited company is \_\_\_\_.

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

ANSWER: D

49. 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

50. \_\_\_\_\_ refers to two firms operating in same industry or producing similar products combining together

- A. Vertical Merger
- B. Conglomerate Merger
- C. Horizontal Merger
- D. Concentric Merger

ANSWER: C

51. LIC of India is an example for \_\_\_\_\_.

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

ANSWER: C

52. Tata tea company is an example of

- A. Proprietary holding company
- B. Parent holding company
- C. Pure holding company
- D. Offsprign company

ANSWER: B

53. A holding company which may runs its own business and also controls the business of its subsidiaries

- A. Mixed holding company
- B. Intermediate holding company
- C. Investments holding company
- D. Finance holding company

ANSWER: A

54. 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

55. 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

56. Preference shares are those which carry preferential right in respect of \_\_\_\_.

- A. dividends.
- B. repayment of capital.
- C. both dividend and repayment of capital.
- D. right to vote on all important motions in AGM.

ANSWER: C

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

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

ANSWER: A

58. The management of the company is entrusted to \_\_\_\_\_.

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

ANSWER: D

59. \_\_\_\_\_ is a substitute for a companys signature.

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



D. Managing Director Signature

ANSWER: C

60. Control of management of the company mainly vests in \_\_\_\_\_.

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

ANSWER: A

61. Public deposits obtained by a company means \_\_\_\_\_.

- A. deposits received from government.
- B. deposits received from public at large.
- C. deposits received from stockiest and agent as advance.
- D. deposit received from share holders.

ANSWER: B

62. 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

63. 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

64. 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

65. The most important economic function of new issue market is to \_\_\_\_\_.

- A. provide liquidity to securities.
- B. provide facilities for converting saving into investments.
- C. give proper direction to the flow of capital.
- D. give direction.

ANSWER: B

66. 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

67. 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

68. The most common method used for marketing of new securities is \_\_\_\_\_.

- A. sale of existing shareholders.
- B. stock exchange placing.
- C. direct sale to public through prospectus.
- D. sale to biometers.

ANSWER: C

69. The first stock exchange was set up in India in \_\_\_\_\_.

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

ANSWER: B

70. A speculator who applies for new share is \_\_\_\_\_.

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

ANSWER: A

71. Speculation in stock exchange means \_\_\_\_\_.

- A. investment in securities
- B. gambling in securities.
- C. buying and selling securities in the hope of making profit due to change in prices.
- D. creating secret profits.

ANSWER: C

72. 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

73. 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

74. 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

75. Listing of securities in a stock exchange for the purpose of trading indicates that \_\_\_\_\_.

- A. at the time of listing, the company is financially sound.
- B. at the time of listing, the company is legally organized.
- C. the stock exchange guarantees about the financial soundness of the company.
- D. the stock exchange not guarantees about the financial position

ANSWER: B

76. When a right to purchase securities is acquired it is known as \_\_\_\_\_.

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

ANSWER: B

77. 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

78. Register of member is a \_\_\_\_\_.

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

ANSWER: A

79. When did SEBI come into force?

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

ANSWER: A

80. \_\_\_\_\_ scale firms enjoy economies of scale.

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

ANSWER: C

81. What is called as buying of shares by taking money from brokers?

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

ANSWER: A

82. 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

83. OTCEI stands for \_\_\_\_\_.
- A. Over The Counter Exchange Of India.
  - B. Over The Country Exchange Of India.
  - C. Over The Comparison Exchange Of India.
  - D. Over The Company Exchange Of India.

ANSWER: A

84. 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

85. A Bull speculator is also called as \_\_\_\_\_.
- A. mandiwala.
  - B. tejiwala.
  - C. tarawaniwalas.
  - D. vaniwalas

ANSWER: B

86. A bear speculator is also called as \_\_\_\_\_.
- A. manidiwala
  - B. tejiwala
  - C. tarawaniwalas
  - D. vaniwala

ANSWER: A

87. Which is the first procedure for dealing at stock exchange?
- A. Placing an order.
  - B. Selection of broker.
  - C. Contract note.
  - D. Settlement.

ANSWER: B

88. A \_\_\_\_\_ is an acknowledgement of a debt.
- A. Share.
  - B. Debenture.
  - C. Equity share.
  - D. Preference share.

ANSWER: B

89. The debentures are not given any security on assets are called as \_\_\_\_\_ debentures.
- A. unsecured.
  - B. secured
  - C. bearer
  - D. registered

ANSWER: C

90. The debentures are given a security on assets are called as \_\_\_\_\_ debentures.
- A. unsecured.
  - B. secured.

- C. bearer.
- D. registered.

ANSWER: B

91. 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

92. Fixed capital is also called as \_\_\_\_\_.

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

ANSWER: A

93. The \_\_\_\_ co-operative societies are established for the benefit of small producers.

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

ANSWER: B

94. The \_\_\_\_ co-operatives are associations of producers for selling their products at remunerative prices.

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

ANSWER: C

95. 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

96. 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

97. \_\_\_\_ societies are voluntary associations of farmers framed to reap the benefits of large scale farming and scientific lines.

- A. Co-operative farming.
- B. Consumers.
- C. Producers
- D. Marketing

ANSWER: A

98. \_\_\_\_ Debentures are to be redeemed on the expiry of a certain period

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

ANSWER: A

99. \_\_\_\_ Debentures are not redeemable during life time of the company.

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

ANSWER: B

100. 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

101. 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

102. Which type of shareholders does not have voting rights?

- A. Equity shareholders.
- B. Preference shareholders.
- C. Deferred shareholders.
- D. Ordinary shareholders.

ANSWER: B

103. Which shareholders are the real owners of the company?

- A. Equity shareholders
- B. Preference shareholders
- C. Deferred shareholders
- D. Convertible preference shareholders

ANSWER: A

104. \_\_\_\_\_ are the most important source of short term capital.

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

ANSWER: C

105. 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

106. 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

107. Working capital means \_\_\_\_\_.

A. current asset plus current liability.

B. current asset minus current liability.

C. fixed asset plus current asset.

D. fixed asset minus current asset.

ANSWER: B

108. A stock dividend represents \_\_\_\_\_.

A. cash dividend

B. interim dividend

C. distribution of shares in addition to cash dividend

D. distribution of shares in addition to interim dividend

ANSWER: C

109. A written agreement signed by all partners is called \_\_\_\_\_.

A. partnership Deed.

B. partnership agreement.

C. partnership contract.

D. partnership registration.

ANSWER: A

110. One-man-one-vote is the principle adopted by \_\_\_\_\_.

A. Partnership.

B. joint Stock Companies.

C. co-operative Societies.

D. sole proprietorship.

ANSWER: C

111. 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

112. Shares traded through stock exchanges are called \_\_\_\_\_.

A. primary market.

B. secondary market.

C. money market.

D. share market.

ANSWER: B

113. Share prices are subject to fluctuation because \_\_\_\_\_.

A. it is often changed by the government.

- B. of demand and supply condition in the market.
- C. it is determined by the company.
- D. companies policies.

ANSWER: B

114. The financial market for short term funds is known as \_\_\_\_\_.

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

ANSWER: B

115. According to \_\_\_\_\_ the causes of combinations are driving forces, beckoning forces and impelling causes.

- A. Alfred Weber
- B. Prof.Haney
- C. Adam Smith
- D. Alfred Marshal

ANSWER: B

116. \_\_\_\_\_ combination refers to combination of businesses engaged in the production of the same type of product or engaged in the same trade.

- A. Vertical
- B. Pool
- C. Cartels
- D. Horizontal

ANSWER: D

117. The types of \_\_\_\_\_ combinations are backward integration and forward integration.

- A. vertical
- B. pool
- C. cartels
- D. horizontal

ANSWER: A

118. Circular combination refers to combination of firms engaged different business and producing \_\_\_\_\_ products.

- A. same
- B. different
- C. less
- D. more

ANSWER: B

119. \_\_\_\_\_ refers to combination of firms engaged in the manufacture of allied products.

- A. Circular combination
- B. Compound combination
- C. Lateral combination
- D. Vertical combination

ANSWER: C

120. \_\_\_\_\_ combination refers to combination that takes place because of Government direction or intervention.

- A. Horizontal
- B. Vertical



- C. Compound
  - D. Compulsory
- ANSWER: D

121. \_\_\_\_\_ are combinations of associations of natural persons.

- A. Compound combinations
- B. Compulsory combinations
- C. Lateral combinations
- D. Horizontal combinations

ANSWER: A

122. Informal agreements are also known as \_\_\_\_\_.

- A. clean
- B. gentleman
- C. oral
- D. express

ANSWER: B

123. Pools are formed with the basic objective of controlling \_\_\_\_\_.

- A. products
- B. sale
- C. prices
- D. production

ANSWER: C

124. Organisations engaged in the \_\_\_\_\_ of goods associate together to form a traffic pool.

- A. production
- B. marketing
- C. selling
- D. transportation

ANSWER: D

125. The main objective of rings is to control \_\_\_\_\_.

- A. supply
- B. demand
- C. price
- D. cost

ANSWER: A

126. In the case of combination trusts \_\_\_\_\_ manage the business.

- A. chairman
- B. trustees
- C. Board
- D. Secretary

ANSWER: B

127. Holding companies first came into existence in \_\_\_\_\_.

- A. India
- B. England
- C. United states
- D. Europe

ANSWER: C

128. \_\_\_\_\_ Holding company runs its own business and also controls the business of its subsidiaries.

- A. Off spring
- B. Pure
- C. Parent
- D. Mixed

ANSWER: D

129. When two or more companies combine to create a new company it is known as \_\_\_\_\_.

- A. merger
- B. absorption
- C. amalgamation
- D. combination

ANSWER: C

130. \_\_\_\_\_ combination refers to combination of firms engaged in different businesses and producing different products.

- A. Horizontal
- B. Circular
- C. Vertical
- D. Conglomerate

ANSWER: B

131. In the case of \_\_\_\_\_, a single merchant purchases and holds all the goods.

- A. circular combination
- B. pools
- C. corners
- D. combination trusts

ANSWER: C

132. \_\_\_\_\_ is an association of businessmen whose main objective is to control the supply.

- A. Ring
- B. Pool
- C. Corners
- D. Circular combination

ANSWER: A

133. \_\_\_\_\_ are more stable when compared to pools and cartels.

- A. Pools
- B. Corners
- C. Rings
- D. Combination trusts

ANSWER: D

134. \_\_\_\_\_ company is any company which holds more than half of the equity share capital of other companies or controls the composition of the board of directors of other companies.

- A. Subsidiary
- B. Holding
- C. Private
- D. Government

ANSWER: B

135. \_\_\_\_\_ is a company which is established primarily for uniting and controlling the subsidiaries.

- A. Pure holding company
- B. Offspring holding company
- C. Primary holding company

D. Mixed holding company

ANSWER: A

136. Mergers and amalgamations are forms of \_\_\_\_\_.

- A. Combination trusts
- B. Partial consolidation
- C. Complete consolidation
- D. Federations

ANSWER: C

137. \_\_\_\_\_ refers to the combination of two firms operating in industries unrelated to each other.

- A. Forward merger
- B. Reverse merger
- C. Conglomerate merger
- D. Concentric merger

ANSWER: C

138. Partnership is a form of \_\_\_\_\_.

- A. federation
- B. simple combination
- C. complete consolidation
- D. community of interest

ANSWER: B

139. As production increases in the long run the minimum average cost \_\_\_\_\_.

- A. remains stable
- B. remains constant
- C. increases
- D. declines

ANSWER: D

140. \_\_\_\_\_ economies refer to economies enjoyed by a particular firm because of increase in its output.

- A. External
- B. Scale
- C. Cost
- D. Internal

ANSWER: D

141. Units engaged in small scale production find it difficult to survive during conditions of \_\_\_\_\_.

- A. recovery
- B. boom
- C. inflation
- D. depression

ANSWER: D

142. A capital intensive enterprise requires \_\_\_\_\_.

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

ANSWER: B

143. In the case of an optimum firm, any expansion beyond the existing size would result in \_\_\_\_\_.

- A. diseconomies of scale

- B. economies of scale
- C. more profit
- D. more sales

ANSWER: A

144. \_\_\_\_\_ firm enjoys lowest average cost of production.

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

ANSWER: B

145. Cost minimization and \_\_\_\_\_ are the objectives of plant location.

- A. profit maximisation
- B. product maximisation
- C. sales maximisation
- D. quality maximisation

ANSWER: A

146. \_\_\_\_\_ cost and labour cost are the primary costs according to Weber Deductive Theory.

- A. Raw materials
- B. Transport
- C. Administration
- D. Selling

ANSWER: B

147. The decision regarding location of a plant is not a \_\_\_\_\_ decision.

- A. changing
- B. flexible
- C. static
- D. important

ANSWER: C

148. The oldest form of co-operatives are \_\_\_\_\_.

- A. consumer co-operatives
- B. housing co-operatives
- C. marketing co-operatives
- D. industrial co-operatives

ANSWER: A

149. Only \_\_\_\_\_ companies can issue prospectus.

- A. public limited
- B. private limited
- C. government
- D. none

ANSWER: A

150. \_\_\_\_\_ evidences the incorporation of a company.

- A. Certificate of commencement
- B. Certificate of Incorporation of Business
- C. Certification of Registration
- D. none

ANSWER: B

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