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1. FEMA stands for–

- (A) Foreign Exchange Management Act
- (B) Funds Exchange Management Act
- (C) Finance Enhancement Monetary Act
- (D) Future Exchange Management Act

Answer: Foreign Exchange Management Act

2. What of the following is false about W.T.O. ?

- (A) It is the main organ for implementing the Multilateral Trade Agreement
- (B) It is global in its membership
- (C) It has far wider scope than GATT
- (D) Only countries having more than prescribed level of total GDP can become its member

Answer: Only countries having more than prescribed level of total GDP can become its member

3. Convertibility of the rupee implies–

- (A) Being able to convert rupees notes into gold
- (B) Allowing the value of the rupee to be fixed by marketforces
- (C) Freely permitting the conversion of rupee to other major currencies and vice versa
- (D) Developing an international market for currencies in India

Answer: Freely permitting the conversion of rupee to other major currencies and vice versa

4. has been founded to act as permanent watchdog on the international trade.

- (A) ISRD (B) ADS
- (C) WTO (D) DIMF

Answer: WTO

5. Which of the following statement is correct ?

- (A) The disinvestment programme has been successfully carried out in India
- (B) Privatisation up to 100% has been carried out in all the PSU in India
- (C) Under strategic sale method of disinvestment, the government sells a major share to a strategic partner
- (D) None of the above

Answer: Under strategic sale method of disinvestment, the government sells a major share to a strategic partner

6. Advance Income-tax is shown in the–

- (A) Debit side of Profit and Loss Account
- (B) Liability side of the Balance Sheet
- (C) Credit side of Profit and Loss Account
- (D) Assets side of the Balance Sheet

Answer: Assets side of the Balance Sheet

7. A and B were sharing profits of a business in the ratio of 3 : 2. They admit C into partnership, who gets 1/3 of A's share of profit from A, 1/2 of B's share of profit from B.

The new profit sharing ratio will be–

- (A) 3 : 2 : 5 (B) 2 : 1 : 2
- (C) 3 : 2 : 1 (D) 3 : 2 : 2

Answer: 2 : 1 : 2

8. In the absence of a Partnership Deed, the rate of interest allowed on the partner's loan to the firm is–

- (A) 5% (B) 6%
- (C) 10% (D) None of the above

Answer: 6%

9. Interim Dividend is shown–

- (A) In Profit and Loss Account
- (B) In Profit and Loss Appropriation Account
- (C) On Asset side of Balance Sheet
- (D) On Liabilities side of Balance Sheet

Answer: In Profit and Loss Appropriation Account

10. Redeemable Preference shares of Rs. 1,00,000 are redeemed at a premium of 5%. With this object equity shares of Rs. 40,000 are issued at par. What amount should be transferred to Capital Redemption Reserve Account ?

- (A) Nil (B) Rs. 1,05,000

(C) Rs. 65,000 (D) Rs. 60,000
Answer: Rs. 60,000