

**Niranjana Majithia College of Commerce**  
**TYBMS Sem-V- Questions Bank MCQ**

**LSCM (logistic and Supply Chain Management)**

1. Due to small change in customer demands, inventory oscillations become progressively larger looking through the supply chain. This is known as Bullwhip effect
  - a. Netchain analysis
  - b. Reverse logistics
  - c. Reverse supply chain
  - d. Supply Chain
  
2. Which of the following doesn't represent an issue Material Requirement Planning element?
  - A. Sales Order
  - B. PIR
  - C. Transfer Order
  - D. Production Order
  
3. Which of the following process includes the generation of a static report that contains planning run material wise and it displays time of MRP run at the top?
  - A. MRP Evaluation
  - B. MRP List
  - C. Planned Independent Requirements
  - D. MRP-II
  
4. What is the usage type for BOM to be used in Production?
  - A. 1
  - B. 2
  - C. 3
  - D. 4
  
5. Which of the following is not a key activity of an operations manager?
  - A. Understanding the needs of the customer
  - B. Continually learning
  - C. Managing cash flows
  - D. Exploiting technology to produce goods and services
  
6. Material Requirement Planning can be performed?
  - A. Single Item –single Level & Plant
  - B. Routing Level
  - C. Zero item – single Level & Plant

D. Single Item- Zero Level & Plant

7. Which of the following doesn't represent an issue Material Requirement Planning element?
- Sales Order
  - PIR
  - Transfer Order
  - Production Order
8. When a sample measurement falls inside the control limits, it means that
- each unit manufactured is good enough to sell
  - the process limits cannot be determined statistically
  - the process output exceeds the requirements
  - if there is no other pattern in the samples, the process is in control
9. Which of the following doesn't affect the Supply Chain process?
- More Competition in Market
  - Less number of suppliers
  - Increased Opportunities
  - Longer Product Lifecycles
10. According to the manufacturing-based definition of quality
- quality is the degree of excellence at an acceptable price and the control of variability at an acceptable cost
  - quality depends on how well the product fits patterns of consumer preferences even though quality cannot be defined, you know what it is
  - quality is the degree to which a specific product conforms to standards
  - quality is the degree of excellence on how well the product fits patterns of consumer
- Ans: quality is the degree to which a specific product conforms to standards
11. The supply chain management philosophy emerged I which decade?
- 1960
  - 1970
  - 1980
  - 1990
12. Which one of the following is not a typical question dealt with by an operations managers?
- How much capacity will be needed in the months ahead?
  - What is a satisfactory location for a new facility?

- c. How to motivate employees?
- d. All are typical of operations decisions.

13. Which of the following are not key attributes of supply chain Mgmt

- a. inventory control
- b. leveraging technology
- c. customer power
- d. all are key attributes

14. Positive, long-term relationships between supply chain participants refer to:

- a. Competitions
- b. tailored logistics
- c. partnerships
- d. supply chain management

15. The bullwhip effect:

- a. is an ineffective way to motivate warehouse employees
- b. applies to rodeos and has nothing to do with supply chain management
- c. refers to the "swaying" motion associated with triple trailers
- d. Refers to variability in demand orders among supply chain participants.

16. According to the manufacturing-based definition of quality

- a. "quality is the degree of excellence at an acceptable price and the control of variability at an acceptable cost"
- b. quality depends on how well the product fits patterns of consumer preferences even though quality cannot be defined, you know what it is.
- c. participants: cannot be controlled
- d. quality is the degree to which a specific product conforms to standards

17. Process improvement technique that sorts the "vital few" from the "trivial many" is

- a. Taguchi analysis
- b. Pareto analysis
- c. benchmarking
- d. Yamaguchi analysis

18. Which of the following functions is not a core function of an organisation?
- The Product/Service Dev.Function
  - The Operations Function
  - The Marketing ( Including Sales ) Function
  - The accounting and finance function
19. "Quality is defined by the customer" is an unrealistic definition of quality
- a user-based definition of quality
  - a manufacturing-based definition of quality
  - a product-based definition of quality
  - the definition proposed by the American Society for Quality Control
20. Which of the following is not one of the major categories of costs associated with quality?
- prevention costs
  - appraisal costs
  - internal failures
  - none of the above, they are all major categories of costs associated with quality
21. According to the manufacturing-based definition of quality,
- quality is the degree of excellence at an acceptable price and the control of variability at an acceptable cost
  - quality depends on how well the product fits patterns of consumer preferences even though quality cannot be defined, you know what it is
  - quality is the degree to which a specific product conforms to standards
  - The physical material moves in the direction of the end of chain
22. All of the following costs are likely to decrease as a result of better quality
- maintenance costs
  - except customer dissatisfaction costs
  - scrap costs
  - warranty and service costs
23. Which of the following activities is not a direct responsibility of operations management?
- Determining the exact mix of products and services that the customers will want
  - Designing the operation's products,
  - services and processes
  - Developing an operations strategy for the operations
  - Planning and controlling the operation
24. A successful TQM program incorporates all of the following
- except continuous improvement
  - employee involvement
  - benchmarking

- d. centralized decision making authority
25. Costs of dissatisfaction, repair costs, and warranty costs are elements of cost in the Taguchi Loss Function
- Pareto Chart
  - ISO 9000 Quality Cost Calculator
  - Process Chart
  - Quality Check
26. A quality loss function utilizes all of the following costs except
- the cost of scrap and repair
  - the cost of customer dissatisfaction inspection, warranty,
  - service costs sales costs
  - costs to society
27. Among the tools of TQM, the tool ordinarily used to aid in understanding the sequence of events through which a product travels is a
- Pareto chart
  - Flow chart
  - check sheet
  - Taguchi map
28. A worker operates a shear press. She notices that the metal sheets she is cutting have curled edges. Who should get the first "shot" at solving the problem?
- the foreman
  - a member of the Quality Control department
  - the operator herself
  - the employee's supervisor
29. Which one of the following best represents a pure service?
- Bank loans
  - Computer diagnosis and repair
  - Attending a theatre play
  - Fast food restaurant
30. Which one of these was not mentioned in the list of recent trends in operations management?
- Total quality management
  - Worker involvement
  - Global competition.

- d. Automation.
31. Which came last in the development of manufacturing techniques? Lean production.
- Division of labor.
  - Mass production.
  - Craft production.
  - Manufacture
32. Which function typically employs more people than any other functional area? Information System
- Operations
  - Marketing
  - Finance
  - Production
33. Which of the following is not a type of operations?
- Goods production
  - storage/transportation
  - entertainment
  - price reduction
34. Which of the following is not true about a lean production system?
- It puts emphasis on quality, flexibility, and time reduction.
  - It puts emphasis on reducing a company's labor force.
  - It is involved in maintaining and improving the system with lower amounts of inventory.
  - It relies on buffers against unforeseen occurrences.
35. \_\_\_\_\_ is an example of a pure good.
- Restaurant
  - Dentist
  - Coal Mining
  - Education
36. Which one does not use operations management? A CPA firm.
- A bank.
  - A hospital
  - A restaurant
  - They all use it.
37. Which one is not generally considered an advantage of using models for decision-making?
- Providing a systematic approach to problem solving.

- b. Emphasizing quantitative information.
- c. Providing an exact representation of reality.
- d. Requiring users to be specific about objectives.

38. "Quality is conformance to specifications"-This definition of quality is from point of view of Customer Manufacturer

- a. Quality Circle Forum TQM
- b. Which came last in the development of manufacturing techniques?
- c. Lean production.
- d. Division of labor. Mass production.
- e. Interchangeable parts.

39. Which of the following is not a typical supply chain member?

- a. Retailer's Creditor
- b. Wholesaler
- c. Producer
- d. Customer

40. Quality is

- a. quantitative
- b. Supportive
- c. Qualitative
- d. Measurable Conclusive

41. When suppliers, distributors, and customers partner with each other to improve the performance of the entire system, they are participating in a \_\_\_

- a. Channel Of Distribution
- b. Value Delivery
- c. Network Supply Chain
- d. Supply And Demand Chain

42. A company's channel decisions directly affect every\_\_\_\_\_.

- a. customer's choices
- b. employee in the channel c
- c. hannel member
- d. Marketing decision.

43. Marketing logistics involves getting the right product to the right customer in the right place at the right time. Which one of the following is not included in this process?

- a. implementing the plan for the flow of goods and services
- b. planning the physical flow of goods and services

- c. controlling the physical flow of goods, services, and information
  - d. gathering customer's ideas for new products
44. ----- A Supply Chain includes the chain of entities involved in the planning, procurement, production and of products and services
- a. Distribution
  - b. Supply
  - c. Demand
  - d. Transport
45. In a SCM ,Material flows in one direction while\_\_\_\_from in both direction
- a.Process
  - b. Information
  - c. Product
  - d. Semifinished Goods
46. Companies manage their supply chains through\_\_\_\_\_.
- a. information
  - b. transportation modes
  - c. competitors
  - d. the Internet
47. There are four generic processes involved in any SCM-Planning for operations, Sourcing decisions, Manufacturing related activities and
- a. Purchase
  - b. Inventory
  - c. Information
  - d. Distribution
48. Today, a growing number of firms now outsource some or all of their logistics to \_\_\_\_\_ intermediaries.
- a. competitors
  - b. third-party logistics providers
  - c. channel members
  - d. cross-functional teams
49. If a sample of parts is measured and the mean of the measurements is outside the control limits the process is in control, but not capable of producing within the established control limits
- a. out of control and the process should be investigated for assignable variation
  - b. within the established control limits with only natural causes of variation



- c. monitored closely to see if the next sample mean will also fall outside the control limits
- d. Monitor the activities of manufacturing

50. When a sample measurement falls inside the control limits, it means that

- e. each unit manufactured is good enough to sell
- f. the process limits cannot be determined statistically
- g. the process output exceeds the requirements
- h. if there is no other pattern in the samples, the process is in control

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**Service Marketing**

1. Which of the following businesses would be characterized as a pure service
  - A. Insurance
  - B. Farming.
  - C. Mining.
  - D. There is no such thing as a pure service
  
2. Which of the following statements about the pricing of services (compared to the pricing of goods) is false?
  - A. The demand for services tends to be more elastic than the demand for goods
  - B. Cost-oriented pricing is more difficult for services.
  - C. Comparing prices of competitors is more difficult for service consumers
  - D. Consumers are less able to stockpile services by taking advantage of discount prices
  
3. Results in the practice of too narrowly defining one's business
  - A. Services marketing
  - B. Marketing management
  - C. Marketing myopia
  - D. Customer experience
  
4. A buyer's perception of value is considered a trade-off between
  - A. Product value and psychic cost.
  - B. Total customer value and total customer cost
  - C. Image value and energy cost
  - D. Service value and monetary cost.
  
5. Of the four unique service characteristics that distinguish goods from services, the one that is the primary source of the other three characteristics is:
  - A. Intangibility
  - B. Inseparability.
  - C. Perishability.
  - D. Heterogeneity.

6. Services that occur without interruption, confusion, or hassle to the customer is called
- A. Seamless service
  - B. Service audit.
  - C. Functional service
  - D. Departmental service
7. The mental energy spent by customers to acquire service is referred to as \_\_\_\_.
- A. Image costs
  - B. Monetary price.
  - C. Energy costs
  - D. Psychic costs.
8. The unique service characteristic that reflects the interconnection between the service firm and its customer is called
- A. Intangibility
  - B. Inseparability
  - C. Homogeneity
  - D. Perishability
9. Marketing problems caused by inseparability include all of the following except for
- A. The service provides a physical connection to the service
  - B. The involvement of the customer in the production process
  - C. Service standardization and quality control are difficult to achieve.
  - D. The involvement of other customers in the production process
10. The centralized mass production of services is difficult due to
- A. Inseparability.
  - B. Intangibility.
  - C. Homogeneity.
  - D. Perishability.
11. Solutions used to minimize the marketing problems attributed to heterogeneity include
- A. Standardizing or customizing the service
  - B. Using multi-site locations
  - C. Stressing tangible clues
  - D. Appealing to different market segments with different demand patterns
12. The unique service characteristic that deals specifically with the inability to inventory services is
- A. Inseparability
  - B. Intangibility

- C. Homogeneity
- D. Perishability

13. Which of the following strategies increases the supply of service available to consumers?

- A. The use of creative pricing strategies
- B. The use of reservation systems
- C. Capacity sharing
- D. Developing complementary services

14. Customer satisfaction can be defined by comparing

- A. Predicted service and perceived service
- B. Predicted service and desired service
- C. Desired service and perceived service
- D. Adequate service and perceived service

15. The demand strategy in which service providers utilize their downtime by marketing to different segments with different demand patterns is associated with which of the following?

- A. The use of creative pricing strategies
- B. The use of reservation systems
- C. Capacity sharing
- D. Developing complementary services

16. Minimizing the amount of role conflict and role ambiguity experienced by employees will help reduce the size of this gap is known as \_\_\_\_\_.

- A. Knowledge gap.
- B. Standards gap
- C. Delivery gap.
- D. Communications gap

17. Fixing the right price for services offered is difficult because of .....

- A. perishability.
- B. heterogeneity.
- C. inseparability.
- D. intangibility.

18. The world's largest industry in the private sector and highest projected generator of jobs is \_\_\_\_\_

- A. The hospitality industry
- B. Health services
- C. Professional services.
- D. Business services

19. Focusing the firm's marketing efforts toward the existing customer base is called
- A. Excellent customer service
  - B. Conquest retention
  - C. Customer retention
  - D. Courteous retention
20. The pursuit of new customers, as opposed to the retention of existing ones, is called
- A. Services marketing
  - B. B2B marketing
  - C. Conquest marketing
  - D. Consumer marketing
21. The consumer decision process consists of
- A. Stimulus, problem awareness, and purchase stages
  - B. Pre-purchase, consumption, and post-purchase stages
  - C. Problem awareness, evaluation of alternatives, and post-purchase behaviour
  - D. Stimulus, information search, and post-purchase behaviour
22. Service consumers tend to be more brand loyal than goods consumers because
- A. More choices are available
  - B. Brand loyalty lowers the amount of perceived risk
  - C. Each service provider provides many brands
  - D. Location of the provider is the major driver in the consumer selection process
23. Competitor intelligence should be gathered
- A. Once a year.
  - B. Twice a year.
  - C. Continuously
  - D. When competition is more.
24. Which of the following is not a benefit of customer satisfaction?
- A. The firm is more insulated from price competition.
  - B. The firm provides a positive work environment for its employees
  - C. Positive word-of-mouth is generated from satisfied customers
  - D. Satisfied customers make purchases more frequently
25. During a service recovery effort, the employee promptly refunded the customer's money but threw the money at the customer. As a result, the recovery effort violated the customer's \_\_\_\_\_ justice need
- A. Interactional
  - B. Ethical.
  - C. Social.

D. Procedural

26. Soft technologies refer to

- A. Flexible rules that can be bent to meet customer needs.
- B. The personal touches that ultimately lead to customer satisfaction.
- C. Guidelines that permit employee empowerment
- D. Hardware that facilitates the production of a standardized

27. The \_\_\_\_\_ is calculated by dividing the activity time by the number of locations at which the activity is performed.

- A. Service cost per meal
- B. Maximum output per hour
- C. Process time.
- D. Activity time.

28. Which of the following is not a step in the construction process of a service blueprint?

- A. Obtaining scripts from both customers and employees
- B. Segmenting customers based on the content of the script.
- C. Identify steps in the process where the system can go awry.
- D. Calculating the time frame for the service execution.

29. A volume-oriented positioning strategy is achieved by

- A. Reducing divergence.
- B. Increasing complexity
- C. Reducing complexity.
- D. Increasing divergence

30. A buyers perception of value is considered a trade-off between

- A. Product value and psychic cost
- B. Total customer value and total customer cost.
- C. Image value and energy cost
- D. Service value and monetary cost.

31. Total customer value consists of all of the following components except

- A. Product value.
- B. Service value.
- C. Image value
- D. Personnel value.

32. Total customer cost consists of all of the following components except

- A. Monetary cost

- B. Social cost.
- C. Time cost.
- D. Energy cost.

33. Which of the following statements about the pricing of services (compared to the pricing of goods) is false?

- A. The demand for services tends to be more elastic than the demand for goods
- B. Cost-oriented pricing is more difficult for services
- C. Comparing prices of competitors is more difficult for service consumers.
- D. Self-service is a viable competitive alternative.

34. \_\_\_\_\_ is a firm view toward planning its operations according to market needs

- A. Marketing orientation
- B. Marketing functions.
- C. Marketing department.
- D. Marketing forecast.

35. Which of the following is not a criterion for effective price discrimination?

- A. The segments should be identifiable, and a mechanism must exist to price them differently.
- B. Different groups of consumers should have similar responses to price.
- C. Segments should be large enough to be profitable
- D. Incremental revenues should exceed incremental costs.

36. Service firms often find themselves in a three-cornered fight between

- A. Engineering, production, and accounting
- B. Marketing, finance, and human resources
- C. Operations, accounting, and marketing
- D. Human resources, marketing and operations

37. Customer frustration resulting from receiving poor service is most similar to

- A. Image costs.
- B. Monetary price
- C. Energy costs.
- D. Psychic costs.

38. Among many services, the demand for medical services tends to be \_\_\_\_\_.

- A. Inelastic.
- B. Elastic.
- C. Substitute demand
- D. Price cross elastic demand

39. Customer competencies can be described as

- A. Consumer expectations pertaining to the service delivery process and the final outcome
- B. Customer perceptions regarding the quality of the outcome
- C. Customer abilities that enable them to properly evaluate the servicescape.
- D. The ability to interact effectively with other

40. Costs that are planned and are accrued during the operating period regardless of the level of production and sales are called

- A. Direct variable costs
- B. Fixed costs.
- C. Average costs
- D. Marginal costs.

41. The technique that allows consumers to either buy Service A and Service B together or purchase one service separately is called

- A. Long-term bundling
- B. Mixed bundling
- C. Price bundling.
- D. Product bundling

42. Do studies suggest that price is more likely to be used as a cue to quality under the following conditions?

- A. When alternatives are of bad products
- B. When the company new to the market
- C. When a price is the primary differential information available
- D. When a customer does not have knowledge

43. The primary role of a service firm for the customer in the communication mix is to .....

- A. Confuse customers.
- B. Inform and remind customers
- C. Oppose the competitor's claim
- D. Persuade the dealers.

44. The plan for differentiating the firm from its competitors in consumers' eyes is referred to as the firm's

- A. Communication mix
- B. Positioning strategy.
- C. Publicity.
- D. Target marketing

45. Differentiation approaches such as competence, courtesy, reliability, and responsiveness are forms of

- A. Product differentiation



- B. Personnel differentiation
- C. Image differentiation
- D. Service differentiation.

46. The appropriate communication content during the introduction stage of the product life cycle would be
- A. Informational.
  - B. Informational and persuasive
  - C. Persuasive.
  - D. Persuasive and reminder.

47. Which of the following is not a communication objective during the maturity and decline stages of the product life cycle?
- A. Encourage repeat purchases
  - B. Provide ongoing contact with customers
  - C. Prepare the way for personal selling efforts
  - D. Express gratitude to the existing customer base.

48. Which one of the following communication approaches would be appropriate during the growth and maturity stages of the product life cycle?
- A. Informational.
  - B. Informational and persuasive
  - C. Persuasive.
  - D. Persuasive and reminder

49. The primary objective of a firms communication mix during the pre-consumption choice stage is to
- A. sell the product
  - B. Minimize the perceived risk associated with the purchase
  - C. Encourage repeat purchases
  - D. Persuasively convince customers why the firms brand is superior to the competitors

50. The perceived consequences of a consumer s purchase decision are
- A. Financial, social and performance
  - B. Social, ethical and performance.
  - C. Performance, social and ethical.
  - D. Ethical, social and psychological

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**Corporate Communication and Public Relations**

1. \_\_\_\_\_ is often published by brokerage firm.
  - a) Daily newspapers
  - b) Market newsletters
  - c) Trade magazines
  - d) Financial advertisements
2. Corporate public relations seek to project the image and identity of the \_\_\_\_\_.
  - a) Organization
  - b) Customers
  - c) Public
  - d) None of these
3. \_\_\_\_\_ comes under traditional media.
  - a) Internet
  - b) Television
  - c) Blog
  - d) Social networking sites
4. Corporate communication is \_\_\_\_\_ in nature.
  - a) Simple
  - b) Complex
  - c) Plain
  - d) Symmetric
5. An example of pull-media is \_\_\_\_\_.
  - a) Magazines
  - b) Newspapers
  - c) Bill boards
  - d) RSS
6. the word \_\_\_\_\_ is short for 'web blog.'
  - a) Skype
  - b) Blog
  - c) Twitter

- d) What's up
7. In order to improve community relations, PR would\_\_\_\_\_.
- a) Support social and educational programs.
  - b) Send customers their newsletter and magazine
  - c) Achieve visibility among potential investors and financial analysts
  - d) Go for relocation and mergers
8. \_\_\_\_\_ is the newswire of the digital revolution?
- a) Newsletter
  - b) Press release
  - c) Blogging
  - d) Corporate magazines
9. Now public relations are used increasingly for \_\_\_\_\_.
- a) Relations
  - b) Strategic communication
  - c) Non-government organization Community relations
  - d) Media relation
10. \_\_\_\_\_ is NOT true about VNR.
- a) Usually distributed by satellite
  - b) More credible than commercials
  - c) Costlier than commercials
  - d) Company of an uses is to spell out its side of an issue.
11. With \_\_\_\_\_ existing industry competitors face turbulence and unpredictability.
- a) Regulation
  - b) Deregulation
  - c) Press agency
  - d) Public information
12. Key advantage to the diversity of information available online is that - \_\_\_\_\_.
- a) It allows identification of emerging issues
  - b) It does not engage in direct dialogue with the public
  - c) It monitors issues only in latent stages of public opinion
  - d) It amplifies minor trends
13. A good annual report will NOT have \_\_\_\_\_.

- a) Comparative figures
- b) A well designed format
- c) Comprehensive text
- d) Complex and difficult graphics

14. A \_\_\_\_\_ of publics give us more specific information about public's communication.

- a) System Theory
- b) Diffusion Theory
- c) Situational Theory
- d) Social Exchange Theory

15. If organization have \_\_\_\_\_ it may take a crisis for an organization to access environmental changes.

- a) Closed system
- b) Open system
- c) Two-way communication
- d) Interaction with environment

16. \_\_\_\_\_ is NOT a feature of a product blog.

- a) No time constraints
- b) Exclusively the product
- c) No space constraints
- d) Contain news, discussion

17. \_\_\_\_\_ tool is NOT usually used today.

- a) Online chat
- b) Telegram
- c) Email
- d) Social networking sites

18. \_\_\_\_\_ is not an example of socio-cultural trend.

- a) Attitude towards smoking
- b) Interest in health and fitness
- c) Demographic change toward the number of children
- d) Rise in the price of petrol

19. \_\_\_\_\_ is not an example of political and legal force.

- a) Ban on video poker
- b) Regulation in banking industry

- c) Move towards privatization
  - d) Interest in health and fitness
20. \_\_\_\_\_ is a formal source of employee communication.
- a) Public relation system
  - b) Grapevine
  - c) Management
  - d) Co-workers
21. \_\_\_\_\_ should find ways to communicate regularly with employees without making it tedious.
- a) Journalists
  - b) Customers
  - c) Stakeholders
  - d) Manager
22. The first rule of crisis management is to \_\_\_\_\_.
- a) Communicate
  - b) Hide
  - c) Negate
  - d) Deny
23. In a \_\_\_\_\_ reputational capital is lost.
- a) Crisis
  - b) Merger
  - c) Acquisition
  - d) Expansion
24. \_\_\_\_\_ is NOT a function of website?
- a) Maintaining and enhancing company reputation
  - b) Platforms for opinion and discussion
  - c) Pull together posts, video, web chat, and social media feeds
  - d) Promoting closed corporate sides allowing only the stakeholders
25. A primary way to reach financial analyst is through \_\_\_\_\_.
- a) Letters
  - b) Investment conferences
  - c) Advertisements
  - d) Circulars

26. Decision makers make more mistakes in tackling crisis issues because they \_\_\_\_\_.
- a) Become cognitively more rigid.
  - b) Rely a lot on available information
  - c) Are not concerned with the potential loss
  - d) Do not wish the crisis issue to die soon
27. All advertisement which are designed to raise money from the general public are named as \_\_\_\_\_ advertising.
- a) Product
  - b) Company
  - c) Financial
  - d) Corporate
28. \_\_\_\_\_ is a page on company's website that contains resources and information for reporters and publishers.
- a) RSS
  - b) Media kit
  - c) Social media
  - d) VNR
29. One very important reason for having media relations is that it \_\_\_\_\_
- a) Better the reputation of the company
  - b) Help in propaganda
  - c) Covers up rumor
  - d) Increases marketing expenses
30. The \_\_\_\_\_ is most accessible medium to disseminate information.
- a) Television
  - b) Radio
  - c) Newspaper
  - d) None of the above
31. \_\_\_\_\_ is the 'face' of the company.
- a) Website
  - b) Company office
  - c) Twitter account
  - d) Email Id
32. \_\_\_\_\_ are excellent monitoring and environmental scanning tools.

- a) Newspaper
  - b) Radio
  - c) Blog
  - d) Television
33. The phrase corporate communication and company departments dealing with it first emerged at the beginning of the day \_\_\_\_\_
- a) 20th century
  - b) 19th century
  - c) 18th century
  - d) 17th century
34. \_\_\_\_\_ provides framework through which to view organizations and their relationships with the environment.
- a) Management
  - b) System theory
  - c) Technology
  - d) Media
35. Through \_\_\_\_\_ we think of public relations people as boundary spanners, straddling the edge of an organization looking inside and outside of an organization.
- a) System theory
  - b) Situational theory
  - c) Diffusion theory
  - d) Social Exchange theory
36. \_\_\_\_\_ acts as watchdog for society.
- a) Management
  - b) Employees
  - c) Technology
  - d) Media
37. A company that is “responsibly addressing \_\_\_\_\_ of key publics and communities” increases the public admiration of the organization.
- a) Technological concerns
  - b) Profit sharing
  - c) Environmental concerns

- d) Information sharing
38. Corporate reputation is\_\_\_\_\_.
- a) Not an image building exercise
  - b) Only about crisis management
  - c) All about retaining best talent
  - d) Equal to social responsibility
39. The media shapes or \_\_\_\_\_.
- a) Attitude
  - b) Opinion
  - c) Plane
  - d) behaviour
40. \_\_\_\_\_ is the advantage of electronic meeting systems?
- a) Better group dynamics as it encourages egalitarian participation
  - b) Improve decision making as very few people participate
  - c) More willingness to contribute as only higher end employees participate
  - d) Bolder discussion as participants are anonymous and are not seen
41. \_\_\_\_\_ is NOT an informal source of internal communications.
- a) Interaction among the co-workers
  - b) Instructing workers orally about organization goal
  - c) Discussing company's visions with subordinate
  - d) Workplace blogs and newsletters
42. \_\_\_\_\_ are the two most important public relations tools for maintaining good stockholder relations.
- a) Annual reports and stockholder meeting
  - b) Annual reports and press release
  - c) House journals and stockholder meeting
  - d) Newsletters and house journal
43. If the statement is made in writing and published, the defamation is called \_\_\_\_\_.
- a) Slander
  - b) Copyright
  - c) Libel
  - d) Invasion of privacy
44. \_\_\_\_\_ is a major function of image blog.



- a) Corporate social responsibility
  - b) Advertising
  - c) News related to its products
  - d) Filtering out all external criticisms
45. In India defamation can be \_\_\_\_\_ offence.
- a) Civil Wrong
  - b) Criminal
  - c) No
  - d) Civil Wrong and a Criminal
46. The first step in building effective media relations is \_\_\_\_\_.
- a) Researching the angle
  - b) Writing the pitch
  - c) Contacting media
  - d) Introducing the brand
47. \_\_\_\_\_ is tightly connected to strategy implementation and strategy formulation.
- a) Business communication
  - b) Mass communication
  - c) Critical communication
  - d) Corporate communication
48. \_\_\_\_\_ does NOT come under media relations.
- a) Increasing public awareness
  - b) Promoting organization
  - c) Generating funds
  - d) None of the above
49. The \_\_\_\_\_ is the best suited for tackling the issue involved in employee communication from inside.
- a) In-house campaign
  - b) Press conference
  - c) Social media
  - d) Bill boards
50. \_\_\_\_\_ demands an integrated approach to managing communication.
- a) Business communication
  - b) Corporate communication

c) Mass communication

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**TYBMS Sem-V- Questions Bank MCQ**

**(CRM)Customer Relationship Management**

**Multiple Choice Questions with Answers:-**

1. CRM technology can help in
  - a) Designing direct marketing efforts
  - b) Developing new pricing models
  - c) Processing transactions faster
  - d) Designing direct marketing efforts, Developing new pricing models, Processing transactions faster
  
2. The main drawback of CRM is
  - a) Implementing CRM before creating a customer strategy
  - b) Rolling out CRM before changing the organization to match
  - c) Stalking, not wooing, customers
  - d) Implementing CRM, Rolling out CRM, Stalking, not wooing, customers
  
3. The marketing messages committed to customers wishes is a part of
  - a) Permission marketing
  - b) Activity marketing
  - c) Supplier marketing
  - d) Production
  
4. The method used to assess real cost of providing services to an individual customer is
  - a) Cost based accounting
  - b) Activity based accounting
  - c) Turnover based accounting
  - d) Price based accounting

5. \_\_\_\_\_ is any occasion on which the brand or product is used by end customers.

- a) Customer touch point
- b) Retailers touch point
- c) Company touch point
- d) Retail touch point

6. \_\_\_\_\_ is the fundamental determinant of a person's wants and behavior.

- a) Culture
- b) Attitude
- c) Value
- d) Behaviour

7. Indian marketers use a term called socioeconomic classification, which is based on the \_\_\_\_\_ of chief wage earner.

- a) Education
- b) Occupation
- c) Both a and b
- d) People

8. Socioeconomic system classifies urban households into \_\_\_\_\_ broad categories.

- a) 4
- b) 8
- c) 6
- d) 10

9. For the rural areas, the socioeconomic system use \_\_\_\_\_ of the chief wage earner.

- a) Occupation and Type of home
- b) Education and occupation

- c) Education and type of home
- d) Education and distribution

.

10. Social class is indicated by \_\_\_\_ variables.

- a) Single
- b) Several
- c) None
- d) Double

.

11. A person's \_\_\_\_ are all the groups that have a direct or indirect influence on their attitudes or behavior.

- a) Inspirational groups
- b) Reference groups
- c) Dissociative groups
- d) Behaviour group

.

12. Aggregate value of customer's base is classified as

- a) shareholder value
- b) base value
- c) retention value
- d) marketers base value

.

13. Record which is based on business customers past purchases, sales price and volumes is classified as

- a) business database
- b) customer database
- c) databases marketing
- d) company marketing

14. Whole cluster of benefits when company promises to deliver through its market offering is called

- a) value proposition
- b) customer proposition
- c) product proposition
- d) brand proposition

15. Third step in customer's value analysis

- a) assessing attributes importance
- b) assessing company's performance
- c) monitoring competitors performance
- d) both b and c

16. All costs customer expects to incur to buy any market offering is called

- a) total economic cost
- b) total functional cost
- c) total customer cost
- d) total functional cost

17. Percentage or number of customers who move from one level to next level in buying decision process is called

- a) conversion rates
- b) marketing rates
- c) shopping rates
- d) loyalty rates

18. Company's monetary, time and energy cost, all are included in

- a) total customer cost
- b) psychological cost
- c) personal benefits
- d) image benefits

19. A person or company that yields a revenue more than incurred costs of selling and serving is called

- a) dissatisfaction
- b) superior value
- c) profitable customers

d) satisfied customers

20. Customers lifetime purchases that generate net present value of future profit streams is called

- a) customer lifetime value
- b) customer purchases value
- c) customer cost incurred
- d) customer relationships

21. Programs designed for customers which is limited to any affinity group are classified as

- a) programs
- b) royalty programs
- c) loyalty programs
- d) group membership programs

22. Difference between customers evaluation including all costs incurred and benefits is called

- a) customer perceived value
- b) company market value
- c) customer affordability
- d) customer reliability

23. System includes all experiences while using market offering is classified as

- a) customer proposition
- b) value delivery system
- c) product proposition
- d) distinctive proposition

24. Number of customers or potential customers who will help in company's growth is classified as

- a) customer base
- b) retailer base
- c) distributors base
- d) marketers base

25. Any occasion on which brand or product is encountered by end customers is called

- a) customer touch point
- b) company touch point

- c) retailers touch point
- d) relationship touch point

26. Technique which tries to identify real cost of serving an individual customer is called

- a) activity based accounting
- b) cost based accounting
- c) price based accounting
- d) turnover based accounting

27. Process of manage information about customers to maximize loyalty is said to be

- a) company relationship management
- b) supplier management
- c) retailers management
- d) customer relationship management

28. In buyer decision process, percentage of potential customers in a given target market is called

- a) customer funnel
- b) company funnel
- c) marketing funnel
- d) retailers funnel

29. Aggregate value of customer's base is classified as

- a) shareholder value
- b) base value
- c) retention value
- d) marketers base value

30. Record which is based on business customers past purchases, sales price and volumes is classified as

- a) business database
- b) customer database
- c) databases marketing
- d) company marketing

31. This is an arrangement in which a company outsources some or all of its customer relationship management functions to an application service provider (ASP).



- a) spend management
- b) supplier relationship management
- C) hosted CRM
- d) Customer Information Control System

32. This is an XML-based metalanguage developed by the Business Process Management Initiative (BPMI) as a means of modeling business processes, much as XML is, itself, a metalanguage with the ability to model enterprise data.

- a) BizTalk
- b) BPML
- C) e-biz
- d) ebXML

33. This is a central point in an enterprise from which all customer contacts are managed.

- a) contact center
- b) help system
- C) multichannel marketing
- d) call center

34. In data mining, this is a technique used to predict future behavior and anticipate the consequences of change.

- a) predictive technology
- b) disaster recovery
- C) phase change
- d) Digital Silhouettes

35. In an Internet context, this is the practice of tailoring Web pages to individual users' characteristics or preferences.

- a) Web services
- b) customer-facing
- C) client/server
- d) personalization

36. This is an arrangement in which a company outsources some or all of its customer relationship management functions to an application service provider (ASP).

- a) spend management
- b) supplier relationship management
- c) hosted CRM
- d) Customer Information Control System

37. Customized products and services for customers and interaction to individual customers are part of

- a) retailers management
- b) customer relationship management
- c) company relationship management
- d) supplier management

38. Process of manage information about customers to maximize loyalty is said to be

- a. Company relationship management
- b. Supplier management
- c. Customer relationship management
- d. Retailer's management

39. What is the last stage of the consumer decision process?

- a. Problem recognition
- b. Post purchase behavior
- c. Alternative evaluation
- d. Purchase

40. A is an organized collection of detailed information about individual customers or prospects that is accessible, actionable and current for marketing purposes such as lead generation and others.

- a. Customer database
- b. Customer mailing list
- c. Business database
- d. Customer Record

41. \_\_\_ uses sophisticated mathematical and statistical techniques such as neural networking and cluster analysis.

- a. Data mining
- b. Data
- c. survey

d. Information

42. When preparing a website, designers should ensure that the site enables user-to-user communication. This design feature is known as \_\_\_\_\_.

- a. Commerce
- b. Context
- c. Community
- d. Connection

43. E-business stands for

- a. Electronic business
- b. Electron business
- c. Electric business
- d. Elective business

44. One of the major problems for e-business growth is Lack of markets

- a. Lack of sellers
- b. Lack of proper infrastructure
- c. Lack of demand
- d. Lack of Supply

45. CRM process begins \_\_\_ After sales

- a. After sales and before sales
- b. After purchase
- c. Before sales.
- d. During sales

46. Company's monetary, time and energy cost, all are included in

- a. Total customer cost
- b. Psychological cost
- c. Personal benefits
- d. Image benefits

47. First step in analysis of customer value is to

- a. Identify customers value attributes
- b. Assessing attributes importance
- c. Assessing company's performance
- d. Assessing competitor's performance

48. Difference between customers evaluation including all costs incurred and benefits is called
- a. Customer perceived value
  - b. Company market value
  - c. Customer affordability
  - d. Customer reliability

49. The marketing messages committed to customers wishes is a part of
- a. Permission marketing
  - b. Activity marketing
  - c. Supplier marketing
  - d. Activity Marketing

50. Sales force Automation (SFA) and customer Service Support (CSS) aspects were involved in \_\_\_\_ generation of evolution of CRM
- a. First
  - b. Second
  - c. Third
  - d. Fourth

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**Commodity and derivatives**

1. Usually the closing spot price on the last futures contract trading day is taken as \_\_\_\_\_

- a. Settlement price
- b. Mark up percentage
- c. Clearing price
- d. Spread

2. On \_\_\_\_\_ committee's recommendations the government reintroduced commodities future in selected commodity.

- a. Khurro
- b. Prof. K .N. Kabra
- c. Prof. A. D. Shroff
- d. Satish Mehta

3. \_\_\_\_\_ commodities are classified as agricultural products.

- a. Hard
- b. Soft
- c. Complex
- d. Futures

4. \_\_\_\_\_ trading does not require any human interventions.

- a. Future
- b. Options
- c. Swaps
- d. Algo

5. Option price / Premium = \_\_\_\_\_ + Time value of option.

- a. Intrinsic Value of Option
- b. Strike price of Option
- c. Market Price of option.
- d. Out of the Money Option

6. Current size of a lot of Bank Nifty is of \_\_\_\_\_ shares.

- a. 75
- b. 40
- c. 35
- d. 50

7. \_\_\_\_\_ trading in food and other agricultural products is not a new phenomenon.

- a. Commodity
- b. Equity
- c. Options
- d. Futures

8. Price band for Index future is \_\_\_\_\_ of the base price.

- a. 20%
- b. 10%
- c. 15%
- d. 5%

9. \_\_\_\_\_ margin is at the heart of margining system for the cash market segment.

- a. Extreme Loss
- b. Mark to Market
- c. Value at Risk

d. Cash Margin

10. \_\_\_\_\_ measures an option's rate of decay over time.

a. Vega

b. Gamma

c. Delta

d. Theta

11. if the portfolio has a beta of 0.09, a \_\_\_\_\_ in the index will cause 12.60% fall in the value of the portfolio

a. 12.6% fall

b. 18% rise

c. 14% fall (12.6/0.9)

d. 11% rise

12. In an index fund, trading in the stocks comprising the fund, is required in response to \_\_\_\_\_

a. favourable company specific news

b. poor company specific news

c, mergers

d Government policies

13. Index use index futures to reduce

a. tracking error

b. expenses

c. time of invest in the market

d. all the above

14. The best sell order to sell the index at the \_\_\_ index level.

a. Highest

b. middle.

C, lowest

15. \_\_\_ set up the \_\_\_ committee under the chairmanship of Dr. L.C. Gupta to develop the regulatory frame work for derivatives trading in India?

a. RBI, 12 Members

B. SEBI, 24 Members

c. RBI, 8 Members

d. SEBI, 15 Members

16. When you buy a put option on a stock you are owning, this strategy is called \_\_\_\_\_

a. straddle

b. writing a covered call

c. calendar spread

d. protective Put

17. A trader sells a lower strike price Call option and Buys a higher strike price Call option, both of the same scrip and same expiry date. This strategy is called \_\_\_\_

- a. Bearish Spread
- b. Bullish Spread
- c. Butterfly

18. Three call series of XYZ stock – Jan, Feb and March are quoted. Which will have the lowest option premium?

- a. Feb
- b. Jan
- c. March

19. If the investor buys a call option with the lower strike price and sells another call option higher strike price, both on the same underlying share and same expiration date, the strategy is called \_\_\_\_

- a. Bearish Spread
- b. Bullish Spread
- c. Butterfly

20. state which of the following statement is correct in regards indices eligibility for derivatives trading (A) stocks contributing to 80% weightage of the index are individually eligible for derivative trading (B) no single ineligible stocks in the index should have a weightage of more than 2% in the index, (c) if an index fails to meet the required eligibility criteria for three months consecutively, then no fresh month contract would be issued on that index,

- a. Statement A
- b. Statement B
- c. Statement A & B
- d. Statement A&C

Ans: Statement A&C

21. Daily settlement price of a future contract is-

- a. The closing price of the respective futures contract on such day
- b. Last traded price price of the respective futures contract on such day
- c. The closing price of the relevant underlying asset

22. Which of the following is true about option spread strategy?

- a. limited profit and limited loss
- b. unlimited profit and unlimited loss
- c. limited profit and unlimited loss
- d. unlimited profit and limited loss



23. Mr Y is bearish on market, currently nifty is trading at 5800 he short nifty call option of strike price of 5500 at Rs.350 and Long a 6000 call option at a premium of Rs.200. what is the BEP for this Strategy?

- a. 5650
- b.5850
- c.6200
- d. 6050

(BEP= lower strike +net premium received.  $5000+150$ )

24. Investor sells call option and put option of same strike and same expiry, strategy is known as

- a. covered call
- b. protective put
- c. short straddle
- d. short strangle

25. What is the maximum profit on long straddle option strategy?

- a. limited to premium
- b. unlimited
- c. Zero
- d. can't be determined

26. suppose nifty is at 5450 on 27<sup>th</sup> April. An investor, Mr. A, enters into a short straddle by selling a May Rs.5500 Nifty Put for Rs.85 and a May Rs.5500 Nifty call for Rs.122. What is the maximum profit in this strategy?

- a. 85
- b. 122
- c. 207
- d. unlimited

(short straddle strategy have maximum profit of premium received.  $(85+122)$ )

27. suppose nifty is at 5500 in May. An investor, Mr.A, executes a long strangle by buying a Rs.5300 nifty put for a premium of Rs.23 and a Rs.5700 nifty call for Rs.43. what is his net payoff if nifty close at 5800 on expiry?

- a.23
  - b.34
  - c.57
  - d.65
- (on expiry if nifty closes at 5800, at 5300 long put he makes a loss of 23 as option expires worthless. At 5700 long call he makes profit of 57 as option is ITM by 100 but he paid a premium of 43 so  $100-43=57$ . Therefore net payoff  $=57-23 =34$ )

28. suppose nifty is at 5500 in May. An investor, Mr.A, executes a short strangle by selling a Rs.5300 nifty put for a premium of Rs.23 and a Rs.5700 nifty call for Rs.43. What will be the maximum profit by the strategy?

- a.23
- b.34

- c.57
- d.66 (23+43)

29. If an investor has a short term neutral to moderately bullish view on the stock he holds, what option strategy he will apply?

- a. covered call
- b. protective put
- c. straddle
- d. strangle

30. Mr. A bought XYZ Ltd. For Rs.600 and simultaneously sells a call option at a strike price of 650 of ABC Ltd. At Rs.65 what will be his BEP

- a. 585
- b.665
- c.535 (650-65)
- d.715

31. Which of the following statements is not true regarding the return and risk relationship?

- a. High returns can be realized from Low-Risk investment Opportunities.
- b. no investment is risk free
- c, returns are related to the risk taken

32. When securities professionals make unnecessary and excessive trades in customer account for the sole purpose of generating commissions, the activity is termed as \_\_\_\_

- a. minting
- b. hyper-trading
- c. churning
- d. misappropriating

33. A risk – averse investor would like to have greater exposure to

- a. Equity instrument
- b. Debt instrument
- c. High dividend payout ratio stock

34. The parameter on which an investor's risk tolerance cannot and /or doesn't depend is-

- a. combined Family income
- b. Education
- c. Sex
- d. none of the above

35. Generally, the longer the time horizon. the more risk can be integrated into investor's financial expectations.

- a. True

b. False

36. Options are more complex derivative product than futures because-

- a. options have non-linear pay-off profile
- b. option are derivatives contract on another derivatives
- c. evaluating the fairness of option premium is a complex matter
- d. all the above

37. The written procedures adopted by each registered intermediary to implement the anti-laundering provisions should include specific parameters, related to the-

- a. Flow of black money in financial market
- b. Client Due Diligence Process
- c. Offshore Fund check Process

38. Which of the following is not one of the specific parameters related to the CDD process?

- a. Policy for acceptance of clients
- b. Procedure for identifying the clients.
- c. Policy to identify the client's integrity from tax department and /or credit information bureau.
- d. Transaction monitoring and reporting especially suspicious transactions reporting (STR)

39. Which of the following type of complaint the exchange may take up for the resolution?

- a. claims for mental agony/harassment and expenses incurred for pursuing the matter with the ISC.
- b. claims of sub-broker/authorized person for private commercial dealings with the trading member.
- c. claims where the member has surrendered his membership and complaint has approached the exchange before expiry of the time mentioned in public notice .

40. Which of the following salient feature of SEBI complaints Redress System (SCORES) is not true?

- a. An email is generated instantaneously acknowledging the receipt of the complaint and allotting a unique complaint reg. no. for future reference and tracking.
- b. The entity against whom complaint has been lodged will be informed of the same through email by the SEBI and they need to login to the SCORES and take necessary action within stipulated time.
- c. The entity concerned and the concerned investor can seek and provide clarification(s) online to each other

41. At maturity a futures contract, the spot price and future price must be approximately the same because of

- a. marking to market.
- b. the convergence property.
- c. the open interest.
- d. the triple witching hour

42. A portfolio of Rs.3million has a beta of 1.40 A complete hedge is obtained by

- a. buying a 3million of nifty futures
- b. selling of 4.2million of nifty futures

- c. buying Rs.4.2 million of nifty futures
- d. selling of Rs.3million of Nifty futures

43. suppose the company wipro trades at 400 in the cash market and three-month wipro futures trade at 410. If transactions cost involved are .40%, What is the arbitrage return possible?

- a. 2.10 % per month
- b. 0.70% per month ( $410/400=2.5\%$ ;  $2.5\%-0.40\%=2.10\%$ ;  $2.10/3\text{months}=0.70\%$ )
- c. 0.08% per month
- d. 1.20% per month

44. An exporter would \_\_\_\_ dollar forwards to lock in an exchange rate.

- a. sell
- b. buy
- c. hold
- d. exchange

45. In the case of a call, the call is \_\_\_ of the index is below the strike price

- a. ITM
- b. ATM
- c. OTM

46. You are the owner of a 20crs portfolio with a beta 1.00. you would like to insure your portfolio against a fall in the index of magnitude higher than 10%. Spot nifty at 5010 in futures market. Call option and put option on the nifty are available at different strike prices. Which strike will give you the insurance you want?

- a. call options at strike price Rs.5500
- b. Put options at strike price Rs.4500 (buy a put 5000-10%)
- c. put option at strike price Rs.4950
- d. call option at strike price Rs.5650

47 Theta is usually \_\_\_\_\_ for an option as with a decrease in time

- a. negative
- b. positive
- c. Zero

48. Gamma in case of OTM is \_\_\_\_\_

- a. stand still
- b. falls deeply
- c. cruising

49. Automatic exercise of option means.

- a. all the contracts are exercised automatically anytime on or before expiry

- b. all the contracts are exercised automatically on the expiration day.
- c. all in-the-money contracts are exercised automatically on or before expiry
- d. all in-the-money contracts are exercised automatically on expiry day.

50. the open position at the end of Day1 is as follows: Proprietary position- 800 units short, client A-600 units short, Client B-400 units long, Client c-900 units long and client D-1000 Units short. On Day2 on proprietor's account no units have been bought but 1100 units have been sold, client A bought 1400 units and sold 500 units, client B bought 300 units and sold 700 units, client C bought 600 units and sold 1800 units and client D bought 2000 units and sold 200 units. Find out the open position of the trading member at the end of day 2?

- a. 1100 units
- b. 1400 units
- c. 3300 units
- d. 5400 units

(Proprietary position= ( 800S +1100S=1900 short); client A position=Day 1 600S, Day 2 1400L-500S=900L so 900L-600S=300L; Client B position= Nil; client C=300; Client D=800)

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**Financial Accounting**

1 Exchange rate

- (a) is the exchange rate at the balance sheet date
- (b) is the mean of the exchange rates in force during a period
- (c) is the ratio for exchange of two currencies
- (d) is the rate at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction

2 Currency other than the reporting currency of an enterprise

- (a) Non-Reporting currency
- (b) U.S. Dollars
- (c) Foreign Currency
- (d) Indian Rupees

3 Currency used in presenting the financial statements

- (a) Reporting currency
- (b) Non-Foreign Currency
- (c) Official Currency
- (d) Indian Rupees

4 Which of the following statements is false ?

- (a) AS 11 should be applied in accounting for transactions in foreign currencies
- (b) AS 11 deals with accounting for foreign currency transaction in the nature of forward exchange contracts
- (c) AS 11 specifies the currency in which an enterprise should present its financial statements
- (d) The principal issues in accounting for foreign currency transactions are to decide which

exchange rate to use and how to recognize in the financial statements the financial effect of changes in exchange rates

- 5 A foreign currency transaction should be recorded, on initial recognition
- (a) in the reporting currency, by applying to the foreign currency the exchange rate between the reporting currency and the foreign currency at the date of the recognition
  - (b) in the Indian Rupees, by using the exchange rate between the Indian Rupee and the U.S. Dollars at the date of the transaction
  - (c) in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction
  - (d) in the reporting currency, by applying to the foreign currency amount the average exchange rate between the reporting currency and the foreign currency during the financial year

6 Which of the following statements is false ?

- (a) At each balance sheet date, foreign currency monetary items should be reported using the closing rate
- (b) At each balance sheet date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency should be reported using the exchange rate at the date of the transaction
- (c) At each balance sheet date, non-monetary items, which are carried at fair value denominated in a foreign currency should be reported using the exchange rates that existed when the values were determined
- (d) At each balance sheet date, foreign currency monetary items should be reported using the average rate during the year

7 At each balance sheet date, non-monetary items, which are carried at fair value or other similar valuation denominated in a foreign currency, should be reported

- (a) using the exchange rate at the date of the transaction

- (b) using the exchange rates that existed when the values were determined
- (c) using the closing exchange rate at the date of the balance sheet
- (d) using the average exchange rate during the financial year

8 At each balance sheet date, Foreign currency monetary items should be reported

- (a) using the exchange rate at the date of the transaction
- (b) using the average of the (i) exchange rate at the date of the transaction and (ii) closing exchange rate
- (c) using the closing exchange rate at the date of the balance sheet
- (d) using the lowest exchange rate during the financial year

9 Following Balances should be translated at the closing rate

- (a) Non-monetary items valued at historical cost denominated in a foreign currency
- (b) Monetary items
- (c) Non-monetary item which are carried in terms of fair value, denominated in a foreign currency
- (d) Both monetary and non monetary items

10 Following Balances should be translated at the exchange rate on the date of the original transaction

- (a) Non-monetary items valued at historical cost denominated in a foreign currency
- (b) Monetary items
- (c) Non-monetary items which are carried in terms of fair value, denominated in a foreign currency
- (d) Both monetary and non monetary items

11 M Limited issued shares at a face Value of Rs.100 with a premium of Rs.20 per share. The underwriting commission will be calculated on



- (a) Rs.100
- (b) Rs.90
- (c) Rs.80
- (d) Rs.120

12 According to the Companies Act, the commission payable to underwriter for underwriting shares should not exceed

- (a) 5%
- (b) 10%
- (c) 2.5%
- (d) 1.5%

13 Commission for underwriting shares as per the guidelines issued by the Stock Exchange division of the Dept. of Economic Affairs, Ministry of Finance (F 14/1/SE/85-7-5-85) and also as per SEBI guidelines should not exceed

- (a) 5%
- (b) 2.5%
- (c) 10%
- (d) 1.5%

14 As per SEBI guidelines, commission payable to underwriters for underwriting Preference shares or Debentures upto Rs.5 lakhs, should not exceed

- (a) 5%
- (b) 2.5%
- (c) 10%
- (d) 1.5%

15 The underwriting commission in the case of debentures as per Companies Act, should not exceed:

- (a) 5% of the price at which debentures are issued
- (b) 4% of the price at which debentures are issued
- (c) 2½% of the price at which the debentures are issued
- (d) 10% of the price at which debentures are issued

16 If the whole of the issue of shares or debentures is underwritten it is known as

- (a) Partial underwriting
- (b) Sole underwriting
- (c) Complete or Full underwriting
- (d) Joint underwriting

17 The underwriting commission in case of Rs.4 lakh preference shares capital subscribed to by the public, under Ministry of Finance guidelines, should not exceed

- (a) 2.5 per cent
- (b) 1 per cent
- (c) 2.00 per cent
- (d) 1.5 per cent

18 According to the Companies Act the underwriting commission on shares should not exceed

- (a) 5 per cent
- (b) 2.5 per cent
- (c) 10 per cent
- (d) 1 per cent

19 The underwriting commission is calculated on

- (a) net liability of the share value
- (b) firm underwriting value of the shares
- (c) marked application of the share value

(d) issue price of the shares underwritten

20 According to the Companies Act, the commission payable to underwriter for underwriting shares should not exceed

- (a) 5%
- (b) 10%
- (c) 2.5%
- (d) 1.5%

21 Dividend on shares accrues

- (a) on the last day of the financial year
- (b) on due dates fixed in advance
- (c) on the date it is declared
- (d) on the first day of the financial year

22 The cost of right shares is

- (a) added to the cost of Investments
- (b) subtracted from the cost of Investments
- (c) no treatment is required
- (d) divided by the cost of Investments

23 Long term investments are valued at

- (a) fair value
- (b) cost price
- (c) cost or market value whichever is less
- (d) market value

24 Short term investments are valued at

- (a) market value
- (b) cost price
- (c) cost or market value whichever is less
- (d) cost or market value whichever is more

25 If a security is transferred on the exact date when interest falls due, the entire interest up to that due date belongs to the \_\_\_\_\_

- (a) seller of the security
- (b) buyer of the security
- (c) broker
- (d) company or government

26 Interest is always calculated on the

- (a) market value of the security
- (b) face value of the security
- (c) book value of the security
- (d) weighted average cost of the security

27 If market value of investment held as current asset is less than cost

- (a) difference is credited to Profit & Loss A/c
- (b) difference is debited to Profit & Loss A/c
- (c) difference is ignored
- (d) difference is debited to Capital Reserve A/c

28 Interest is paid

- (a) to the holder of the security on the due date Prorata as per his actual period of holding
- (b) to the original investor if the security is sold cum-interest
- (c) to the holder of the security on the due date irrespective of his actual period of holding

(d) to the original investor if the security is sold ex-interest

29 Short term investments are valued at

(a) market value

(b) cost price

(c) cost or market value whichever is less

(d) cost or market value whichever is more

30 If a security is transferred on the exact date when interest falls due, the entire interest up to that due date belongs to the \_\_\_\_\_

(a) seller of the security

(b) buyer of the security

(c) broker

(d) company or government

31 Under which head bills receivable is shown in the balance sheet of the company

(a) trade receivables

(b) other current assets

(c) cash and cash equivalents

(d) inventories

32 Accounting standard board is constituted by

(a) ICWAI

(b) ICAI

(c) SEBI

(d) RBI

33 According to which of the following provisions of Companies Act 2013 the final accounts of companies are prepared

- (a) schedule IV
- (b) schedule III
- (c) schedule II
- (d) schedule I

34 Interim dividend of a company can be declared by

- (a) equity shareholders
- (b) board of directors
- (c) preference shareholders
- (d) SEBI

35 Under the schedule III calls in advance should be disclosed under

- (a) other current liabilities
- (b) share capital
- (c) non current liabilities
- (d) loans and advances

36 The term interest accrued on Investments appears in the balance sheet of a company under the category of

- (a) loans and advances
- (b) current assets
- (c) Investments
- (d) current liabilities

37 Which of the following items do not appear under the head reserves and surplus in the balance sheet?

- (a) general reserve
- (b) sinking fund
- (c) unclaimed dividend

(d) securities premium

38 Which of the following is not classified as inventory in the financial statements?

- (a) finished goods
- (b) work in progress
- (c) stores and spares
- (d) advance payment To suppliers for raw materials

39 Dividend are usually paid on

- (a) authorised capital
- (b) issued capital
- (c) paid up capital
- (d) Reserve capital

40 Provision for taxation for the current year is

- (a) deducted from profit before tax
- (b) deducted from profit after tax
- (c) deducted from profits available to shareholders
- (d) deducted from operating profit

41 Ethics vary between different ages and different communities

- (a) Ethical relativism
- (b) Deontological ethics
- (c) Ethical absolutism
- (d) Teleological ethics

42 Principle of \_\_\_\_\_ requires a member to comply with relevant laws and regulations and avoid any conduct that discredits the profession

- (a) Integrity
- (b) Objectivity
- (c) Professional behaviour
- (d) Indemnity

43 \_\_\_\_\_ is the duty as a corporate citizen

- (a) Corporate social responsibility
- (b) Corporate governance
- (c) Ethics
- (d) Laws

44 Over a certain ethical rules no matter what the results are

- (a) Ethical relativism
- (b) Deontological ethics
- (c) Ethical absolutism
- (d) Teleological ethic

45 Ethical decisions must consider the consequences

- (a) Ethical relativism
- (b) Deontological ethics
- (c) Ethical absolutism
- (d) Teleological ethic

46 The \_\_\_\_\_ stage in ethical education is concerned with ethical judgement

- (a) 1st
- (b) 2nd
- (c) 3rd
- (d) 4th



47 \_\_\_\_\_ sensitize learners two ethical issues and threats in the relevant functional disciplines of accounting.

- (a) Ethics Knowledge
- (b) Ethical Sensitivity
- (c) Ethical Judgement
- (d) Ethical Behaviour

48 Ethics knowledge is the focus of the \_\_\_\_\_ stage in Ethics Education.

- (a) 1st
- (b) 2nd
- (c) 3rd
- (d) 4th

49 The IFAC Code has \_\_\_\_\_ part(s).

- (a) One
- (b) Two
- (c) Three
- (d) Five

50 \_\_\_\_\_ are the rules expected to be followed by all

- (a) Corporate social responsibility
- (b) Corporate governance
- (c) Ethics
- (d) Laws

Niranjana Majithia College of Commerce

**Niranjana Majithia College of Commerce**  
**TYBMS Sem-V- Questions Bank MCQ**  
**Sales and Distribution Management**

Sr. no	Questions	A	B	C	D
1	Information on the _____ can be collected through sources such as government, trade association reports, industry, sales tax department, etc	Market size	Market information	Consumer	Price
2	_____ affects profitability	Competition	Sales	Income	Size
3	_____ sales forecasting enables a company to make informed business decisions.	Accurate	Unaccurate	Average	Less
4	_____ are the sales goals set by the company for its marketing units for a certain duration of time.	Sales quotas	Sales forecating	Sales price	Sales value
5	_____ is smoothing technique of time series data	Moving average	Average	Margin	Total
6	The _____ manager makes his own estimate	Regional	Local	Perfect	All
7	The _____ structure is necessary when the products are technically complex and highly unrelated	Market-based	Need-based	Product-based	Customer-based
8	_____ forms the basis of a business plan.	Purchase budget	Organisation budget	Advertising budget	Sales budget
9					
10	_____ is as old as human cilisation.	Buying	Distribution	Selling	Purchasing
11	The _____ sets objectives and communicates the same with the personnel.	Purchase manager	Sales manager	Subordinate	Supervisor
12	_____ is very important function in the organisation effectiveness.	Competition	Selling	Coordination	Directing
13	_____ provide information to the company about the market-newproduct/brand, new competitor, changes in customer preferences etc.	Channels	Wholesaler	Retailer	Consumer
14	_____ are the primary clients of the distributors.	Marketing intermediaries	Manager	Employee	Employer
15	A _____ is the key person in distribution channel.	Retailer	Manager	Customer	Producer
16	_____ is beneficial to both manufactures and consumers.	Policy	Breaking bulk	Price	System
17	_____ is a plan created by the management of a manufacturing business that specifies how the firm intends to transfer it products to intermediaries, retailers & end consumers.	Marketing strategy	Production strategy	Distribution strategy	Pricing strategy
18	_____ is complementary to channel operations.	Channel Value	Channel system	Channel performance	Channel control
19	_____ is a part of leadership, and it includes directing and controlling of the day-to-day activities of salespeople.	Supervision	Command	Planning	Instruction
20	Coordination and guidance help improve the _____ of salespeople	Efficiency	Effectiveness	System	Procedure

21	_____ is one of the most important tools that encourage salespeople to carry out those activities that will maximize their income or money earned.	Effective plan	Policies	Compensation plan	Mission
22	_____ and management of information system has increased the capabilities of consumers and market organisations.	Digital marketing	Market	Efficiency	Innovation
23	_____ survey method is also known as market survey or research method.	Distribution	Marketing	Price	Consumer
24	. Multichannel conflicts refers to agreements among members of the _____	Department	Chanmber	Channels	Company
25	_____ is the central factor or parameter in an organisations performance.	Purchase	Sales	Training	Planning
26	Customer-based structure allow salesman to be fully aware of the _____ needs.	Market	Customer's	Product	Employees
27	. _____ involves identifying activities management feels the salespeople should perform to produce the desired results.	SWOT analysis	Training analysis	Environmental audit	Needs assessment
28	Which of the following is NOT an example of behavioural measures used to evaluate salespeople?	Assessment of salesperson's attitude and attention to customers	Product knowledge and selling and communication skills	Appearance and professional demeanor	Accounts generated and profit achieved
29	Which are the most basic forms of the sales organization?	Line sales organisation	Line and staff sales organization	Functional sales organization	Sales organization
30	Companies engage in sales training to	Change or reinforce behavior that makes salespeople more efficient.	Decrease sales volume	Increase absenteeism and turnover	Increase selling costs.
31	The sales force can play a central role in achieving a marketing orientation strategy, by _____	Maintaining infrequent contact with customer	Collecting and disseminating market information	Focusing on cutting costs	Following the competition's lead
32	The most critical impact to a sales organization affected by down-sizing is that:	The sales team is de-motivated	The company must recalculate sales budgets	The sales workload must be redistributed	Customers may change suppliers due to severed relationship with salesperson

33	The three major tasks involved in the implementation stage of the sales management process are	salesforce recruitment and selection, salesforce training, and salesforce motivation and compensation.	Developing account management policies, implementing the account management policies, correcting the account management policies.	Setting sales objectives, organizing the salesforce, and developing account management policies.	Organizing the salesforce, quantitative assessment, and follow-up.
34	An effective sales plan objective should be:	Precise, measurable, and time specific.	General, measurable, and flexible.	General, measurable, and flexible.	Precise, profitable, and flexible.
35	In which method does the net profits will increase when additional salespeople are added, If the increase in the amount of sales revenue exceed the incremental costs?	Workload	Sales potential (or breakdown)	Incremental	Commision
36	Which of the following elements is NOT used for determining the size of a sales force in the workload method?	Number of customers.	Number of salespeople	Length of an average call.	Number of years in sales experience
37	..... is teaching how to do the jobs.	Sales personnel	Sales target	Sales force training	Induction
38	Which of the following is NOT one of the major factors affecting how compensation is structured for a sales force?	wage level in relation to salespeople in other organizations in the industry	salesperson's individual wage	wage structure for the sales force	wage structure for the sales force
39	The first step in determining how a firm's sales force compensation program will be structured is to determine the:	Wage level relative to salespeople in other organizations in the industry	Salesperson's individual wage	Wage structure for the sales force	Number of new customers in each sales territory
40	When commission is combined with a base salary it is known as.....	Commission based compensation plans	Profit margin/ revenue based sales compensation plans	Straight salary compensation plan	Territory volume compensati on plans
41	All of the following would be major sales force management decision steps EXCEPT:	Designing sales force strategy and structure	Supervising salespeople	Global management and marketing structures.	Recruiting and selecting salespeople

42	There are three interrelated elements of rewards for salespeople. One of the elements is direct financial rewards and includes:	Salary, commission, and career advancement	Merit salary increases, commission, and better territory	Merit salary increases, bonuses, and commissions	Larger sales territories, bonuses, insurance, and a certificate of achievement
43	Market analysis addresses all of the following factors EXCEPT _____.	Overall level of demand	Geographic location of demand	Trend of demand	Market analysis addresses all of the above factors
44	Vertical Channel conflicts implies	A conflict between different levels within the different channels	A conflict between same levels within the same channels	A conflict between different levels within the same channel	A conflict between all the levels
45	A plan in which a seller only permits certain outlets to carry its products is.	Exclusive distribution	Exclusive dealing	Internal distribution	Internal dealing
46	When conflict is acute or chronic, the parties need to resort it to	Diplomacy	Arbitration	Mediation	Smartness
47	When the sellers demand that the dealers do not handle competitors' products it is known as	Exclusive distribution	Exclusive dealing	Internal distribution	Monopoly
48	_____ company should select shopping cart software and services.	Advertising	Production	Professional	E-selling
49	_____ manager has to forecast the sales.	Sales	Purchase	Smart	Productive
50	. Avon, Amway, and Tupperware use which of the following forms of channel distribution	Direct marketing channel	Indirect marketing channel	Forward channel	Fashion channel