

TYBFM SEM V (2020 – 21)

MODEL QUESTIONS

BUSINESS VALUATION

NO.	QUESTION	OPTION A	OPTION B	OPTION C	OPTION D
1	A business valuation is conducted to determine the _____ value of business.	Selling Price	Economic Value	Market Price	Cost Price
2	A _____ is a cost to replace an asset of the company at the same or equal value	Book Value	Replacement cost	Liquidation value	Discounted cash flow
3	The _____ is the simplest approach, where only the assets of a company are assessed to obtain the value of business.	Asset approach	Market based approach	Income approach	Discounted cash flow Approach
4	_____ is the Net Asset Value of a company calculated as total assets minus tangible assets (patents, goodwill) and liabilities.	Book Value	Replacement cost	Liquidation value	Discounted cash flow
5	Valuation bias _____ scientific and systematic approach in business valuation	Reduces	Equalizes	Increases	Adds
6	The _____ EMH assumes that prices adjust quickly to any new public information that becomes available.	Weak Form	Semi-Strong Form	Strong Form	Semi-Weak
7	Which of the following does not help in managing valuation bias	Fixed payment to the analyst	Corroborate Forecast Inputs	open communications between departments in organisation	Cross check the results
8	_____ is an income-based approach which determines the value of the business by looking at the current cash flow, the annual rate of return and expected value of business.	Replacement Cost	Book Value	Capitalization of Earning	Liquidation Value
9	Which of the following is not a purpose of Business Valuation	Mergers	Taxation	Budgeting	Dissolution
10	When analysts fail to separate between relevant and irrelevant information, it is called _____.	Incentive caused bias	Information bias	Bandwagon effect	Valuation input bias
11	Which of the following is not one of the broad steps in applying DCF analysis to equity valuation?	Forecasting the cashflow	Estimating the discount rates	Choosing the DCF Model	Estimating the Value
12	Income based approach is based on which of the following assumption	Liquidation	Perpetual entity	Gross Profit	Liquidity

13	An asset is expected to generate cash flows of 100 in one year, 150 in two years, and 200 in three years. The value of this asset today, using a 10 percent discount rate, is	360	365.14	345.15	355.45
14	The company's previous year dividend is Rs. 3 per share, and the dividend is expected to grow at 15% for 2 years and 8% thereafter, then the D3 is ____	4.5889	4.2849	3.2849	4.4456
15	FCFEo is 150, growth rate for first 3 years is 20% and 15% for next 2 years and 8% thereafter, if the required rate of return is 12% then, V5 of the firm is	9255	9100	9550	9800
16	If V6 is 25450, the required rate of return is 8% and the risk-free rate of return is 6%, the V0 is	16037	15880	16088	15980
17	Free Cashflow to the Firm is equal to	$NI + NCC + Int(1 - Tax\ rate) - FCInv - WCInv$	$NI + NCC + Int(1 - Tax\ rate) + (FCInv - WCInv)$	$NI + DT + Int(1 - Tax\ rate) - FCInv - WCInv$	$NI - NCC + Int(1 - Tax\ rate) - FCInv - WCInv$
18	Free Cashflow to Equity is equal to	$NI + DT - NCC - FCInv - WCInv + Net\ borrowing$	$NI + DT + FCInv - WCInv + Net\ borrowing$	$NI + NCC - FCInv - WCInv + Net\ borrowing$	$NI + NCC - FCInv - WCInv$
19	Free Cashflow to the Firm is equal to	$EBIT(1 - Tax\ rate) + Dep - FCInv - WCInv$	$EBIT(1 - Tax\ rate) + DT - FCInv - WCInv$	$EBIT(1 - Tax\ rate) + Int(1 - Tax\ rate) + Dep - FCInv - WCInv$	$EBIT(1 - Tax\ rate) + Dep - FCInv - WCInv + Net\ Borrowing$
20	Free Cashflow to the Firm	WACC	Required rate of return	CAPM Model	Risk Free Rate
21	Good will is an	Intangible Asset	Fixed Asset	Current Asset	Tangible Asset
22	Yield Value depends on	Net Profit	Cost of Capital	Return on Investment	Risk of Capital
23	Investments	Are non-trading Assets	Contribute to the operating Profits	Are Fixed Assets	Are Long term Capital
24	Net Asset Value is also called	Asset Backing Value	Intrinsic Value	Liquidation value	Yield Value
25	Yield Value assumes that	The company is a going concern	the company is liquidating	the Company is selling its assets as realisable value	The Company is ready for merger

DIRECT TAX – INCOME TAX

1. Mr. Rohit Singh goes out of India every year for 274 days. His residential status is .
 - a. Resident and Ordinarily Resident
 - b. Non Resident
 - c. Resident But Not Ordinarily Resident
 - d. Both Resident and Non- Resident

2. Income earned during the year is chargeable to tax in .
 - a. Calendar Year
 - b. Financial Year
 - c. Previous Year
 - d. Assessment Year

3. Shivaji University is assessable under the Income Tax Act as .
 - a. Individual
 - b. Local Authority
 - c. Artificial Juridical Person
 - d. Association of Persons

4. Salary received by Member of Parliament is taxable under .
 - a. Salary
 - b. Business
 - c. Exempt income
 - d. Income from Other Sources

5. Payment received by a college lecturer from University for setting question papers is taxable as .
 - a. Salary
 - b. Business
 - c. Exempt income
 - d. Income from Other Sources

6. Municipal tax is deducted from .
 - a. Net Annual Value
 - b. Gross Annual Value
 - c. Municipal Value
 - d. Standard Rent

7. A house property with fair rent Rs. 1,20,000 is neither let out nor self occupied throughout the previous year. The annual value will be .
 - a. Rs.120000
 - b. Nil
 - c. Rs. 60000
 - d. Rs.150000

8. Export incentives received by an assessee is .
 - a. Exempt Income
 - b. Business Income
 - c. Exempt upto certain limits
 - d. Income from Other Sources

9. The rates of Income tax are laid down in .
 - a. Income Tax Act
 - b. Income Tax Rules
 - c. Finance Act, 1994

- d. Finance Act passed by the parliament every year
10. Gift from a patient to a doctor is .
- Allowed as deduction from gross income of the patient
 - Exempt income for the doctor
 - Chargeable to tax as income from business for the doctor
 - Chargeable to tax as income from Income from other sources for the doctor
11. Recovery of bad debt is .
- Chargeable to tax as income from Business
 - Chargeable to tax as income from Capital Gains
 - Exempt from tax
 - Deduction from Gross Income
12. When goods are transferred from Head Office to a branch at a price higher than cost, taxability will be .
- Profit is taxable income of Head Office
 - Profit is taxable income of Branch Office
 - Invoice Price is treated as taxable income of Head Office
 - No taxable income
13. Arrears of rent shall be deemed to be income of the previous year in which such rent is received after deducting _____ of such amount.
- 50%
 - 20%
 - 30%
 - 40%
14. Unadjusted loss from house property can be carried forward & set off in subsequent years subject to limit of .
- 7 Years
 - 8 Years
 - 6 Years
 - 9 Years
15. Mandan has taken a house on rent and sublets the same to Anil. Income from such house property shall be taxable under the head .
- Income from house property
 - Income from other sources
 - Business Income
 - Capital Gains
16. Salary of Sushil Kumar becomes due on 1st of next month and it is paid on 10th of that month. For the assessment year 2019-20, the salary of Sushil Kumar shall be taken from .
- April 2018 to March 2019
 - March 2018 to February 2019
 - April 2019 to March 2020
 - March 2019 to February 2020
17. If any asset is used for less than _____ days in the year of purchase, the depreciation rate will be only 50% of the normal rate.
- 150 days
 - 80 days
 - 180 days

- d. 108 days
18. Advertisement in souvenir of a _____ is disallowed while computing business income.
- company
 - trade union
 - political party
 - educational
19. Expenses exceeding _____ paid in cash are disallowed.
- 20,000
 - 1,00,000
 - 10,000
 - 1,20,000
20. Where the amount of an expenditure claimed as deduction exceeds Rs.10,000 and it is not made by account payee cheque/draft, _____.
- 20% of such payment shall be disallowed
 - 100% of such payment shall be disallowed
 - 20% of the excess over 20,000 of such payment shall be disallowed
 - 30% of such payment shall be disallowed
21. Interest on deposits (not being time deposits) in a saving account with a bank deduction shall be allowed u/s. 80TTA with reference to such income not exceeding Rs. _____.
- 5,000
 - 10,000
 - 25,000
 - 50,000
22. The maximum quantum of deduction u/s 80 D for senior citizen is up to Rs. _____.
- 25,000
 - 50,000
 - 55,000
 - 30,000
23. Annual interest accrued on NSCs VIII issue shall be _____.
- Exempt
 - Taxable only in VIth year
 - Taxable on the basis of annual accrual
 - Taxable from the first year
24. _____ means Income from the transfer of a capital asset.
- Cost inflation index
 - Sale consideration
 - Capital gains
 - Fair value
25. Unit of Mutual fund held for 36 months is treated as _____ capital asset.
- Short term
 - Fictitious
 - Long-term
 - Fixed

FINANCIAL DERIVATIVES

- (1) The companies are continuously getting exposed to risk due to fluctuation in the prices of
- (i) Finished Goods
 - (ii) Commodities
 - (iii) Semi Finished Goods
 - (iv) Land
- (2) The portfolio of investments held by financial institutions are exposed to the risk of erosion in the value of portfolio due to fluctuation in the prices of the .
- (i) Bank Deposits
 - (ii) Brokerage
 - (iii) Securities
 - (iv) Statutory Fees
- (3) Price fluctuation makes it difficult for the organizations to estimate there
- (i) Cost and Revenues
 - (ii) Losses
 - (iii) Gains
 - (iv) Prices
- (4) Derivatives products are valuable tool that can be effectively used by management to control the
- (i) Revenue Volatility
 - (ii) Price Volatility
 - (iii) Market Volatility
 - (iv) Cost Volatility
- (5) The performance of derivatives depends on the movement in the prices of
- (i) Underlying assets
 - (ii) Financial Assets
 - (iii) Tangible Assets
 - (iv) Intangible Assets
- (6) The primary purpose of derivative product is to
- (i) Transfer Ownership
 - (ii) Transfer Asset
 - (iii) Transfer Returns
 - (iv) Transfer Risk
- (7) _____ gives definition of derivatives in India.
- (i) Foreign Exchange Act
 - (ii) Reserve Bank Act
 - (iii) Securities Contract (Regulations) Act
 - (iv) Derivatives Act
- (8) Which of the following is not true about element of derivative contract
- (i) Not legally binding contract
 - (ii) Future Price
 - (iii) There are two parties
 - (iv) Future Date
- (9) A financial derivative is a financial instrument whose value is based on or derived from one or more underlying
- (i) Intangible Assets

- (ii) Securities or indexes of assets
 - (iii) Immoveable Assets
 - (iv) Deferred Assets
- (10) The process of simultaneously buying of securities or derivatives in one market / segment at lower price and sale thereof in another market / segment at higher prices is known as
- (i) Speculation
 - (ii) Arbitrage
 - (ii) Hedging
 - (iv) Off Setting
- (11) Arbitrage gain arises due to _____ in the markets / segments
- (i) Imperfections
 - (ii) Volatility
 - (ii) Deviations
 - (iv) Uptrend
- (12) _____ forwards, futures and options are popular risk management products sought after by these treasury managers.
- (i) Stock Index
 - (ii) Commodity
 - (iii) Equity
 - (iv) Foreign Currency
- (13) Members clearing and settling trades executed by them only are referred to as
- (i) Professional Clearing Member
 - (ii) Self clearing members
 - (iii) Trading cum Clearing Member
 - (iv) Trading Member
- (14) Trading in derivatives provide following two important functions .
- (i) Value and Wealth Discovery
 - (ii) Price and Wealth Discovery
 - (iii) Price discovery and Price risk Management
 - (iv) Wealth Assessment and Price Discovery
- (15) Price discovery is a mechanism by which a _____ is determined by the large number of participants in the derivatives markets.
- (i) True Value Price
 - (ii) Fair Value Price
 - (iii) Market Value Price
 - (iv) Expected Value Price
- (16) Derivatives have historically correlation of daily returns as compared to equities
- (i) Direct
 - (ii) Zero
 - (ii) Positive
 - (iv) Inverse
- (17) The extreme volatility and excessive speculation leads to
- (i) Price-Value Mismatch
 - (ii) Hedge Mismatch (ii) Demand-Supply Mismatch
 - (iv) Arbitrage Mismatch

- (18) A _____ Is an agreement wherein two parties agree to exchange two different streams of cash flows over a definite period of time on pre-determined terms
- (i) Swap
 - (ii) Options
 - (ii) Futures
 - (iv) CFD
- (19) In which type of contract a buyer always has a right and no obligation whereas a seller always has an obligation and no right.
- (i) Swap
 - (ii) Options
 - (iii) Futures
 - (iv) CFD
- (20) In which type of contract there is no expiration date.
- (i) Swap
 - (ii) Options
 - (iii) Futures
 - (iv) CFD
- (21) Market-place where in party-to-party negotiated contracts are entered is known as
- (i) Stock Market
 - (ii) Debt Market
 - (iii) OTC Market
 - (iv) Commodity Market
- (22) The value of derivatives depends on the movement in the prices of their
- (i) Investments
 - (ii) underlying
 - (iii) Products
 - (iv) Land
- (23) Derivatives are instruments related to settlement of obligations at a
- (i) Present Date
 - (ii) Uncertain Date
 - (iii) Immediate
 - (iv) future date
- (24) Futures and Options contract are usually transacted on _____ .
- (i) Forward Market
 - (ii) Spot Market
 - (iii) Derivatives Exchange
 - (iv) Cash market
- (25) Futures and Options contract are settled through
- (i) Clearing House
 - (ii) Banks
 - (ii) Broker
 - (iv) Clients

BUSINESS ETHICS & CORPORATE GOVERNANCE

S.No	Questions	A	B	C	D
1	An _____ in an organisation ensures that compliance with law is fueled by a desire to abide by law.	Ethical Climate	Moral Climate	Information System	Control System
2	_____ means finance raised from financial institutions other than commercial banks.	Institutional Finance	Retail Finance	Premium	Securities
3	_____ have a responsibility in ensuring that corporations act according to the rules and norms of the society.	Government	Public	Customers	Creditors
4	Most companies begin the process of establishing organisational ethics programs by developing _____.	Law	Code of conduct	Practice	Climate
5	A document prepared to guide organisation 's members when encountering ethical dilemma is _____.	Code of Conduct	Code of Ethics	Decision Making	Ethical climate
6	_____ of services based on two general dimensions such as what is being processed, whether is it a person or an object, and how is it being processed.	Perishability	Intangibility	Classification	Tangibility
7	_____ is a code of conduct that an individual or a group has about right and wrong.	Ethics	Morality	Law	Economics
8	_____ is a transparency and accountability tool that allows bid participants and public to agree on rules to be applied to a specific procurement in public contracting.	Integrity pact	Morality	Law	Economics
9	Corporate board members have a _____ responsibility to care for the finances and legal requirements of the corporations.	Primary	Secondary	Fiduciary	Tertiary
10	Integrity Pact was designed and launched by _____ in the year 1990.	Transparency International	Transparent India	Transaction International	Transaction India
11	_____ investors are dominant players.	Investor	Creditor	Venture	Retail

12	_____ is the action or practice of selling among or between established _____ clients, markets and traders.	Cross- Selling	Up-Selling	Co-Creation	counter - selling
13	Voting takes place in companies _____ meeting.	annually	Quarterly	Half Yearly	Never
14	Shareholders are classified under two categories, _____ and _____.	Major and minor	Adult and minor	Wholesale and retail	Wholesome and retail
15	_____ transaction is a transaction that takes place between two parties who hold a pre existing connection prior to transaction.	Known party	Related party	Kids party	Small party
16	As per the provisions of the Companies Act 2013, it is required that the _____ committee approves or modifies the transactions with the related party.	Audit	Finance	Human Resources	Service Encounter
17	Corporate governance in India is regulated by _____.	SEBI	RBI	Government	Investors
18	Institutional Investors ensure that our capital markets functions as engine for _____ growth.	Political	Economic	Social	Cultural
19	For business _____, business ethics is compulsory.	Survival	Growth	Profit	Expansion
20	_____ values are the core component of core ideology.	Core	Inside	Outside	Basic
21	Holders of Ethical Dilemma are called _____.	Investors	Agents	Possessors	Paid agents
22	Any decision where moral considerations are relevant can potentially give rise to _____.	Ethical Dilemma	Ethics	Corporate governance	climate
23	Shareholders have the right to a vote in proportion to their _____ stake in the company.	Political	Economic	Social	Cultural
24	The board of directors is responsible for representing _____ interest.	Shareholders	platforms	Investor	Debenture holder
25	Voting takes place in companies _____ meeting.	Quarterly	Half yearly	Yearly	Monthly

MARKETING OF FINANCIAL SERVICES

S.No	Questions	A	B	C	D
1	_____ is the trust which allows one party to provide money or resources to another party where that second party does not reimburse the first party immediately.	Debit	Credit	Insurance	Services
2	_____ means finance raised from financial institutions other than commercial banks.	Institutional Finance	Retail Finance	Premium	Securities
3	Providers of services make up the _____ sector of the economy.	primary	secondary	tertiary	Neutrals
4	Customers don't obtain the _____ of services.	transfer	ownership	consumption	Re-sale of services
5	The service consumer is _____ from service delivery because he is involved in it from requesting it up to consuming the rendered benefits.	variable	inseparable	distinguishable	Separable
6	_____ of services based on two general dimensions such as what is being processed, whether is it a person or an object, and how is it being processed.	Perishability	Intangibility	Classification	Tangibility
7	Purchasing capacity, price preference and occupation are included in _____ segmentation.	behavioural	demographic	psychographic	Social
8	When the same goods and services are offered to all without differentiation It is known as a _____ marketing approach.	niche	undifferentiated	segmented	Differentiated
9	_____ Positioning is based on a single feature of a service.	Attribute	Benefit	Competitor	strategic
10	_____ Involves a decision across five M's - Mission, Money, Message, Media and Measurement.	Personal Selling	Branding	Advertising	Sales
11	_____ Is the key tool in service designing.	Encounter	Blueprint	Recovery	failure

12	_____ is the action or practice of selling among or between established clients, markets and traders.	Cross-Selling	Up-Selling	Co-Creation	counter - selling
13	Advertisement is persuasive	Promotion	Selling	Marketing	Re-sale
14	_____ as well as the pricing of the competition, dictate the price the product.	Profit margin	Quality	Distribution channel	breakeven
15	Transactional, functional, and logistical issues are involved in _____ decisions	promotion	process	place	Product
16	_____ Includes strategies, processes and performance management systems	Customer experience	Service quality.	Employee engagement	Service Encounter
17	_____ is a tool for simultaneously depicting the service process, the points of customer contact, and the evidence of service from the customer's point of view.	Service mapping	Service blueprinting.	Service recovery	Seroquel
18	_____ is a fast growth strategy, when resources are limited.	Promotion	Personal selling	Franchising	Internal marketing
19	_____ is any Initiative undertaken by an organisation to promote an increase in sales, usage or trial of a product or service.	Personal selling	Sales promotion	Direct marketing	external marketing
20	_____ loses its impact if it's not made to be actionable.	Customer feedback	Value delivery	Service design	Grievances
21	Advertisements that intend to elicit an immediate sale are known as advertising	free samples	direct response	coupon	indirect response
22	Interaction fairness, procedure fairness and outcome fairness are the steps in _____	Service delivery	service recovery	service encounter	service blue printing
23	_____ is one of the new trends in marketing.	Promotion	Personalization	Privatisation	digitalization
24	Social Networking websites and mobile phones are _____ for media marketing	Interfaces	platforms	channels	Internet
25	In services, customer satisfaction or dissatisfaction takes place during the _____ when a customer comes in contact with a front-line employee of the firm.	interactions	personal selling	moments of truth.	Promotion

TECHNICAL ANALYSIS

No	Question	option A	option B	option C	option D
1	Identify which is a Three-Period CandleStick Pattern	Evening Star Pattern	Head & Shoulder Pattern	Bullish Engulfing Pattern	Piercing Pattern
2	What is the formula of calculating stochastic Oscillator?	$\text{stochastic oscillator} = \frac{100 * (H - C)}{(H - L)}$	$\text{stochastic oscillator} = \frac{100 * (H - L)}{(C - L)}$	$\text{stochastic oscillator} = \frac{100 * (H - C)}{(C - L)}$	$\text{stochastic oscillator} = \frac{100 * (C - L)}{(H - L)}$
3	When should be Hammer Pattern be most reliable ?	Existing Down Trend	Existing Uptrend	Sideways	Rangebound
4	Which of the following best reveal psychology of the market at a certain point in time?	Bar Chart	Candlestick chart	Pivot Chart	Line Chart
5	The Rounded Top formation consists of a gradual change in trend from	Down to up	Up to Down	Up to Up	Down to Down
6	What does a decline below support level indicate?	There is lack of buyers and sellers are willing to sell even at lower prices	The Buyers are pushing down the price	A new swing high will be tested now	There is lack of sellers at these prices
7	Bulls bid ___ the price by increasing demand, bears take it ___ by increasing supply	Up, Up	Up, Down	Down, Down	Down, Up
8	In an uptrend, _____ pattern is identified when the price of an asset creates three peaks, and all the three peaks are of nearly the same level, at the same price level.	Triple Bottom	Double Top	Triple Top	Double Bottom
9	A Resistance Range is a price at which	Sufficient Sellers are Present	Sufficient Arbitrageurs are Present	Sufficient Buyers are Present	Minimum Arbitrageurs are Present
10	Why are Technical Indicators not useful for?	To Help Predict	To Help Confirm	To Profit Always	To Help Alert
11	_____ is a very important indicator as it takes into account the aspects of both momentum and trend in one indicator.	William %R	Moving Average Crossovers	EMA	MACD
12	When MACD is above zero, it means the ___ day moving average is higher than ___ day moving average.	12, 26	26, 32	26, 12	32, 26
13	_____ Gaps usually occur when the price action is	Runaway gaps	Breakaway gaps	Common gaps	Exhaustion gaps

	breaking out of their trading range or Congestion Zone.				
14	In bear market, if rsi is taking resistance on 70, it means a zone shift from	sideways to bullish	bullish to bearish	primary to secondary	bearish to bullish
15	Find the trend following indicator from the list?	Moving Average	William %R	CCI	RSI
16	What is a Doji Star Pattern?	It is a bearish pattern in the market	Sign of indecision in the market	It is a bullish reversal pattern	It is bullish pattern in the market
17	A higher open on next trading day of hammer indicates that _____ .	Bears are intact	There is no possibility of trend reversal	Indecision	Bulls have taken control
18	Which of the following is not a feature of bearish kicking pattern?	The body of first candle is Black/Red and second candle is White/Green in colour	It is a top reversal signal	There is a gap between the first day and the second day candle	It is a three candle pattern
19	In Head & Shoulders pattern, which level is achieved by the second rally?	Either highest or lowest point	Lowest point	Neck line	Highest point
20	When Using Bollinger Bands, Bottoms and tops made _____ the band, followed by tops and bottoms made _____ the Band signal a Trend Reversal	Outside, Inside	Outside, Outside	Inside, Inside	Inside, Outside
21	band suggests reversal of the trend.	Triple Bottom	Double Top	Triple Top	Double Bottom
22	Which gaps are also known as measuring gaps ?	Runaway gaps	Breakaway gaps	Exhaustion gaps	Common gaps
23	The Rounded Top formation consists of a gradual change in trend from:	Up to Up	Up to Down	Down to Down	Down to up
24	RSI is a _____ indicator.	Supplementary	Lagging	Complementary	Leading
25	Island Cluster are identified by _____ Gap followed by a _____ Gap in Opposite direction.	Runaway , Common	Runaway , Breakaway	Common , Exhaustion	Exhaustion, Breakaway
