

**1-The formula used to calculate current ratio is**

- 1.Current assets / Current liabilities
- 2.Current liabilities / Current assets
- 3.Inventory / Current liabilities
- 4.Current liabilities / Inventory

(Ans: a)

**2-For a healthy business the current ratio lies between**

- 1.0 to 1.5
- 2.1.5 to 3
- 3.3 to 4.5
- 4.4.5 to 6

(Ans: b)

**3-In ABC analysis 'A' class consist of items having \_\_\_\_\_.**

- 1.Accurate records
- 2.Good records
- 3.Minimal records
- 4.No records

(Ans: a)

**4-The symptom of large inventory accumulation in anticipation of price rise in future will be indicated by**

- 1.Asset turnover ratio
- 2.Working Capital turnover ratio
- 3.Inventory turnover ratio
- 4.All of the above

(Ans: c)

**5-The comparison of financial data of same time period of different organisations engaged in similar business.**

- 1.Time series analysis
- 2.Cross-sectional analysis
- 3.Spatial data analysis
- 4.None of the above

(Ans: b)

**6-An example of fixed asset is**

- 1.Live stock
- 2.Value stock
- 3.Income stock
- 4.All of the above

(Ans: a)

**7-The following is (are) the limitation of Economic Order Quantity assumption(s).**

- 1.Demand may vary throughout the year
- 2.It assumes that the storage space is unlimited
- 3.Prices of materials change throughout the year
- 4.All of the above

(Ans: d)

**8-The assets held by a business which can be converted in the form of cash, without disturbing the normal operations of a business.**

- 1.Tangible assets
- 2.Intangible assets
- 3.Fixed assets
- 4.Current assets

(Ans: d)

**9-The return which the company pays on borrowed funds is termed as**

- 1.Dividend
- 2.Interest
- 3.Bonus
- 4.All of the above

(Ans: b)

**10-The following is(are) the type(s) of capital budgeting decision(s)**

- 1.Diversification
- 2.Replacements
- 3.Expansion
- 4.All of the above

(Ans: d)

**11-The following is(are) the external source(s) of cash**

- 1.Long terms loans
- 2.Short term borrowings
- 3.Issue of new shares
- 4.All of the above

(Ans: d)

**12-The total cost that arises when the quantity produced is increased by one unit is called**

- 1.Average cost
- 2.Marginal cost
- 3.Fixed cost
- 4.Unit cost

(Ans: b)

**13-Current assets are also referred to as**

- 1.Working capital
- 2.Investments
- 3.Inventory
- 4.Livestock

(Ans: a)

**14-Carriage Inward is normally debited to \_\_\_\_\_**

- 1.Profit and Loss account
- 2.Manufacturing Account
- 3.Marketing Account
- 4.None of the above

(Ans: b)

**15-The standard liquid ratio is**

1.2:1  
2.1:2  
3.1:1  
4.1:3  
(Ans:c)



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