

BACHELOR OF ACCOUNTING AND FINANCE

SAMPLE QUESTIONS

SUBJECT: BUSINESS MATHEMATICS

FYBAF (SEMESTER- II) (ATKT)

1. The difference between the market value and the net worth of business is its _____.
 - a. Profit
 - b. Goodwill
 - c. Loss
 - d. None of these
2. If more than 2 quantities of the same kind are compared then we call it _____.
 - a. Continued ratio
 - b. Extended ratio
 - c. Both (a) & (b)
 - d. None of these
3. The relation between two quantities of the same kind is a _____.
 - a. Ratio
 - b. Proportion
 - c. Percentage
 - d. None of these
4. Of the two quantities in a ratio, the first term is called _____ and the second term is called _____.
 - a. Numerator & denominator
 - b. Extremes & means
 - c. Antecedent & consequent
 - d. None of these
5. A quantity that changes is called as a _____.
 - a. Variable
 - b. Constant
 - c. Proportion
 - d. None of these
6. Profit is usually considered as a % on the cost price and loss is usually considered as a % on the _____.
 - a. Net selling price
 - b. Invoice price
 - c. Cost price
 - d. List price
7. Trade discount is usually calculated as a % on the _____.
 - a. Cost price
 - b. Net selling price
 - c. Invoice price
 - d. List price
8. Commission is usually calculated as a % of _____.
 - a. Cost price
 - b. Net selling price
 - c. List price
 - d. Invoice price

9. A person who brings together a prospective buyer and seller and negotiates a settlement for a remuneration is called_____.
- Auctioneer
 - Broker
 - Del credere
 - Middle man
10. The person or firm which employs the commission agent is called a _____.
- Broker
 - Agent
 - Principal
 - Trader
11. The difference between the market value and the net worth of a business is its _____.
- Profit
 - Goodwill
 - Loss
 - None of these
12. Which of the following terms is not used for the future value ?
- Discount value
 - Sum due
 - Accumulated value
 - Amount
13. The present value is always _____ the future value.
- More than
 - Less than
 - Equal to
 - Independent of
14. EMI stands for _____.
- Equated monthly instalments
 - Equal monetary instalments
 - Equal monetary investments
 - None of these
15. Simple interest and compound interest for the first year are _____.
- Same
 - Added every year by the bank
 - Different
 - None of these
16. Nominal interest rate and effective interest rate are same for_____.
- No compounding
 - Quarterly compounding
 - Half- yearly compounding
 - None of these
17. The difference between the simple and compound interests on an amount at $r\%$ p.a. for 1 year is Rs. _____.
- Zero
 - One
 - 100
 - None of these

18. If the nominal rate of interest is 9% per annum compounded quarterly, then the effective rate of interest per annum is _____ the nominal rate of interest.
- Equal to
 - Less than
 - Greater than
 - The fourth root of
19. For profit to be equal to N.S.P – C.P, then _____.
- N.S.P. > C.P.
 - N.S.P. < C.P.
 - N.S.P. = C.P.
 - None of these
20. When a trader sells goods to another trader, a _____ structure is followed.
- A single – discount
 - A two – discounts
 - No – discounts
 - None of these
21. Choose the incorrect statement:-
- Cash discount is always given on the cost price.
 - Cash discount is the reduction given on the invoice price for cash payment.
 - Cash discount is a % on the invoice price.
 - Only (a) & (b)
22. Choose the correct statement:-
- Present value of an amount is also called as discounted value.
 - Present value is always greater than the future value .
- Options:
- Only (A)
 - Only (B)
 - Both (A) & (B)
 - Neither (A) nor (B)
23. An annuity is _____.
- An annual payment of interest.
 - A sequence of payments made at successive time period.
 - Payments passed in the annual general meeting .
 - None of the above.
24. A sinking fund is an example of _____.
- EMI
 - Annuity
 - Simple interest
 - None of these
25. An immediate annuity is same as an _____.
- Fixed annuity
 - Uniform annuity
 - Ordinary annuity
 - Limited annuity
26. If the payments of an annuity are made at the end of periods, the annuity is called _____.
- Annuity due
 - Uniform annuity

- c. Immediate annuity
 - d. Due annuity
27. An annuity in which the no. of payments depends upon the happening of some event is _____.
- a. Life annuity
 - b. Contingent annuity
 - c. Perpetual annuity
 - d. None of these
28. Simple interest will be the income for _____.
- a. Lender
 - b. Borrower
 - c. Both
 - d. Neither (a) nor (b)
29. Under the compound interest for A is given by _____.
- a. $A = P (1 + ni)$
 - b. $A = P (1 + i)$
 - c. $A = Pnr / 100$
 - d. $A = P (1 + i)^n$
30. Compound interest is always _____ the simple interest.
- a. Lesser than
 - b. Equal to
 - c. Greater than
 - d. None of these
31. Principal and present value is denoted by _____.
- a. A
 - b. n
 - c. P
 - d. None of these
32. The value printed on the share certificate or stated in its IPO subscription form is known as _____.
- a. Premium value
 - b. Face value
 - c. Market value
 - d. Return value
33. The price at which a share is sold on the stock exchange is called _____.
- a. Off- line price
 - b. Face value
 - c. Stock price
 - d. Market price
34. The term that is 'not' used for indicating the value of a share that is written on the share certificate is _____.
- a. Par value
 - b. Nominal value
 - c. Face value
 - d. Market value
35. If a share is available at a premium, then its market value is _____.
- a. Lower than its face value
 - b. Equal to its face value

- c. Higher than its face value
 - d. None of these
36. The shares which are paid a dividend at a rate which is decided by the board of directors of a company are known as _____.
- a. Equity shares
 - b. Preference shares
 - c. (a) or (b)
 - d. None of these
37. Select the incorrect statement:-
- a. If a share is available at a premium, then its face value is less than its market value.
 - b. If a share is available at a discount, then its face value is more than its market value.
 - c. If a share is available at par, then the difference between its market value and its face value is zero.
 - d. If a share is available at a discount, then its face value is less than its market value.
38. Choose the correct option:-
- A. The brokerage for a buyer is to be added in the sales value while calculating the total amount the buyer pays.
 - B. The brokerage for a seller is added in the sales value while calculating the total amount the seller receives.

Options:

- a. Only (A)
 - b. Only (B)
 - c. Both (A) & (B)
 - d. Neither (A) nor (B)
39. The shares for which the dividend and the return of capital is paid after paying the preference shareholders are not called _____.
- a. Bonus shares
 - b. Common shares
 - c. Ordinary shares
 - d. Equity shares
40. Shares are mainly of _____ types.
- a. 2
 - b. 3
 - c. 4
 - d. 5
41. _____ shareholders get a dividend at a fixed rate.
- a. Equity
 - b. Non- cumulative preference
 - c. Cumulative preference
 - d. None of these
42. _____ is not the value of the shares printed on the share certificate.
- a. Face value
 - b. Nominal value
 - c. Par value
 - d. Market value
43. The full form of SEBI is _____.
- a. Stock Exchange Board of India

- b. Securities & Exchange Board of India
 - c. Systematic Exit Benchmark of Investment
 - d. Stock Exchange Board of Investment
44. A load is expressed as a % of _____.
- a. SIP
 - b. NFO
 - c. NAV
 - d. AMC
45. The fee levied on an investor at the time of purchasing units is called _____.
- a. Entry load
 - b. NAV
 - c. Exit load
 - d. (a) or (b)
46. The no. of units of a mutual fund that can be purchased or redeemed is usually _____.
- a. An integer only
 - b. A fraction only
 - c. An integer or a fraction
 - d. An irrational no.
47. Mutual funds are managed by _____.
- a. Board of Directors
 - b. Asset Management Companies
 - c. SEBI
 - d. None of these
48. The units of a mutual fund must be purchased or redeemed in _____.
- a. Whole no.
 - b. Fraction
 - c. (a) or (b)
 - d. None of these
49. The actual price received by an investor while selling the units back to the mutual fund scheme is known as _____.
- a. Redemption price
 - b. Selling price
 - c. Return price
 - d. None of these
50. Choose the correct statement :-
- a. A mutual fund that does not distribute the gains as dividend but keeps them invested is called a growth plan.
 - b. A mutual fund can never make a loss.
 - c. A mutual fund must have an entry and exit load.
 - d. A mutual fund will always make profit.
51. SIP stands for _____.
- a. Simple increment plan
 - b. Systematic investment plan
 - c. Stock investment plan
 - d. Single investment plan
52. A mutual fund without an _____ & _____ is called a no load fund.
- a. Debt & Equity fund
 - b. Entry & Exit load

- c. Dividend & Capital gains
 - d. None of these
53. A mutual fund plan that puts back the dividend amount into the plan automatically is called _____.
- a. Growth plan
 - b. Dividend growth plan
 - c. Dividend pull- back plan
 - d. Dividend reinvestment plan
54. Mutual fund are categorised into two types _____ and _____.
- a. Dividend & growth
 - b. Debt & equity
 - c. Growth & reinvestment
 - d. None of these
55. At the time of purchase, _____ is added to the NAV.
- a. Entry load
 - b. Exit load
 - c. Brokerage
 - d. Gains
56. At the time of redemption, _____ is subtracted from the NAV.
- a. Entry load
 - b. Gains
 - c. Exit load
 - d. Brokerage
57. For a _____ fund, the total gain is the addition of the capital gain and the dividend.
- a. Growth
 - b. Mutual
 - c. Equity
 - d. Dividend
58. Choose the correct statement:-
- A. A load is expressed as a % of the NAV of a mutual fund.
 - B. A load is expressed as a % of no. of units
- Options:
- a. Only (A)
 - b. Only (B)
 - c. Both (A) or (B)
 - d. Neither (A) or (B)
59. Choose the wrong statement :-
- A. The rate of dividend to equity shares is not fixed & is desired by the Board of Directors.
 - B. The dividend is paid to equity shareholders before preference shareholders.
- Options:
- a. Only (A)
 - b. Only (B)
 - c. Both (A) & (B)
 - d. None of these
60. If the market price of a share is lower than its face value, then the share is said to be available at _____.

- a. Par
 - b. Discount
 - c. Premium
 - d. Above par
61. The brokerage is charged as a % of the _____ of the share.
- a. Market price
 - b. Nominal price
 - c. Share price
 - d. None of these
62. A share of face value Rs. 100 has a market price of Rs. 10 below par means its market price is _____.
- a. Rs. 90
 - b. Rs. 110
 - c. Rs. 95
 - d. None of these
63. 8 % share means _____.
- a. Current share price is 8% of face value.
 - b. Dividend is 8% of face value.
 - c. Profit of the company is 8%.
 - d. None of these
64. A Rs. 10 share at a 10% premium has a market price of Rs. _____.
- a. 11
 - b. 9
 - c. 20
 - d. 0
65. The broker usually charges the brokerage as a % of the _____ of the share.
- a. Face value
 - b. Market value
 - c. Legal value
 - d. Par value
66. Choose the correct statement :
- a. An annuity is an annual payment of simple interest.
 - b. An annuity calculations usually use simple interest
 - c. An annuity calculations usually use compound interest
 - d. An annuity in which the no. of payment is fixed.
67. An annuity in which the no. of payments depends upon the happening of some event is _____.
- a. Life annuity
 - b. Contingent annuity
 - c. Perpetual annuity
 - d. None of these
68. In annuity calculations, the interest is usually taken as _____.
- a. Simple interest per annum
 - b. Interest compounded every year
 - c. Interest compounded continuously
 - d. Interest compounded every 2 years.
69. The process of gradual reduction of loan through regular instalments is called _____.
- a. Amortization

- b. Annuity
 - c. Perpetuity
 - d. EMI
70. An annuity in which all the payments are equal is called as _____.
- a. Fixed annuity
 - b. Contingent annuity
 - c. Level annuity
 - d. Variable annuity
71. The present value of an immediate annuity of Rs. 40000 p.a. for 3 years at 14% p.a. compounded annually is Rs. _____.
- a. 91,000
 - b. 90,123.11
 - c. 92,865.28
 - d. 95,771.34
72. Choose the incorrect statement :-
- a. For an annuity due the payments are made at the beginning of each period.
 - b. An annuity in which each payment is made at the end of the time period is called as a immediate annuity.
 - c. An annuity in which the no. of payments is fixed is called a fixed annuity.
 - d. An annuity is an annual payment of simple interest.
73. The amount of money today which is equal to series of payments in future.
- a. Nominal value of annuity
 - b. Sinking value of annuity
 - c. Present value of annuity
 - d. Future value of annuity
74. A sum of money that simple interest amounts to Rs. 815 in 3 years and to Rs. 854 in 4 years. The sum is _____.
- a. Rs. 650
 - b. Rs. 690
 - c. Rs. 698
 - d. Rs. 700
75. If S.I. & C.I. denote simple interest and compound interest respectively on the same sum at the same rate of interest for the same period. What is the relation between S.I. & C.I. ?
- a. $C.I. < S.I.$
 - b. $C.I. \geq S.I.$
 - c. $C.I. \leq S.I.$
 - d. $C.I. = S.I.$
76. Which of the following is not true regarding an annuity due?
- a. It is a series of equal cash flows.
 - b. It is also known as deferred annuity.
 - c. Cash flows occur for a specific time period.
 - d. Payments are made at the start of each period.
77. What will the ratio of simple interest earned by certain amount at the same rate of interest for 6 years and that for 9 years?
- a. 1:2
 - b. 2:1
 - c. 2:2
 - d. 2:3

78. Choose the incorrect statement :-

- A. Nominal rate of interest and stated rate of interest are different types of interest.
- B. Nominal rate of interest is a stated rate of interest per annum.

Options:

- a. Only (A)
- b. Only (B)
- c. Both (A) and (B)
- d. Neither (A) nor (B)

79. Which of the following statement is true regarding the interest on a sum of Rs. 10000 at a rate of interest 12% p.a. for 1 year.

- a. The S.I. is greater than the C.I.
- b. The S.I. is equal to the C.I.
- c. The S.I. is less than the C.I.
- d. The data is not sufficient to answer the question.

80. Choose the correct statement :-

- a. Present value of an amount is called as discounted value.
- b. Present value is always greater than the future value.
- c. Present value is just another name for face value.
- d. None of these.

81. If the nominal rate of interest is 9 % p.a. compounded quarterly, then the effective rate of interest p.a. is _____ the nominal rate of interest.

- a. Equal to
- b. Less than
- c. Greater than
- d. The forth root of

82. The simple interest on Rs. 15,000 for 8 months at 10 % p.a. is _____.

- a. Rs. 1000
- b. Rs. 1500
- c. Rs. 1050
- d. None of these

83. Choose the incorrect one :-

- a. Profit = N.S.P. – C.P. (when , N.S.P. > C.P.)
- b. C.P. + Profit = N.S.P.
- c. C.P. = Loss + N.S.P.
- d. $N.S.P. = (100 - C.D.) / 100 * C.P.$

84. Reduction in price is called as _____.

- a. Commission
- b. Discount
- c. Profit
- d. Goodwill

85. Choose the correct statement :-

- A. The triplicate ratio of 1:2 is 1:8.
- B. The triplicate ratio of 1:8 is 1:2

Options:

- a. Only (A)
- b. Only (B)

- c. Both (A) & (B)
 - d. None of these
86. 20% of 360 is _____.
- a. 7.2
 - b. 720
 - c. 72
 - d. None of these
87. If A:B = 3:4 and B:C = 8:9, then A:C is _____.
- a. 2:3
 - b. 3:2
 - c. 6:1
 - d. 4:6
88. The compound ratio of $\frac{3}{2}$, $\frac{1}{5}$ and $\frac{2}{9}$ is _____.
- a. $\frac{3}{8}$
 - b. $\frac{3}{2}$, $\frac{1}{5}$, $\frac{2}{9}$
 - c. $\frac{1}{15}$
 - d. None of these
89. Divide the amount of Rs. 6,02,132 between 2 partners in the ratio of 7 :11.
- a. Rs. 2,34,164 & Rs. 3,67,972
 - b. Rs. 2,00,710 & Rs. 4,01,421
 - c. Rs. 2,40,853 & Rs. 3,61,279
 - d. None of these
90. If more than two quantities of a same kind are compared, then it is called a _____.
- a. Inverse ratio
 - b. Extended ratio
 - c. Duplicate ratio
 - d. None of these
91. Choose the correct statement :-
- A. The list price cannot be calculated if only rates of discount and the net selling price are given.
 - B. Listed price is also called as printed price or the catalogue price or market price.

Options:-

- a. Only (A)
 - b. Only (B)
 - c. Both (A) & (B)
 - d. None of these
92. If 8 chocolates cost Rs. 108, how much would 13 chocolates cost ?
- a. Rs. 170
 - b. Rs. 172
 - c. Rs. 175.50
 - d. None of these
93. Choose the correct statement :-
- A. Cash discount is always given on the cost price.
 - B. Cash discount is the reduction given on the invoice price for cash payment.

Options:-

- a. Only (A)

- b. Only (B)
 - c. Both (A) & (B)
 - d. None of these
94. If the net selling price exceeds the cost price the there is _____.
- a. Profit
 - b. No profit no loss
 - c. Loss
 - d. None of these
95. Find the total dividend at 9 % On 3000 shares of face value Rs. 2 each.
- a. Rs. 540
 - b. Rs. 555
 - c. Rs. 570
 - d. None of these
96. Find the no. of shares if the total dividend at 18% on the Rs. 100 shares was Rs. 4,590.
- a. 255
 - b. 243
 - c. 250
 - d. None of these
97. Find the purchase cost of 1 share if the total amount of Rs. 90,360 was invested to buy 260 shares of Rs.10 each.
- a. Rs. 347.54
 - b. Rs. 340
 - c. Rs. 383.04
 - d. None of these
98. Find the market price if a 20 % Rs. 100 share gives 8% yield.
- a. Rs. 246
 - b. Rs. 250
 - c. Rs. 255
 - d. None of these
99. Find the no. of units acquired by hitesh if he invested Rs. 20,000 in a mutual fund with NAV of Rs. 15.75.
- a. 1269.8413
 - b. 1244.9424
 - c. 1280
 - d. None of these
100. The fees levied by a mutual fund scheme on an investor at the time of purchasing or redeeming units is called _____.
- a. Brokerage
 - b. Surcharge
 - c. Penalty
 - d. Load