



1). Select the term that describes a cash distribution to a Corporation's Stockholders

- A). Paid out Capital
- B). Cash Management
- C). A dividend
- D). None of these

Correct Answer: A dividend

2). Employees resist organizational change because it

- A). Reduces their compensation
- B). Creates uncertainty
- C). Puts more work on them Reduces their cPuts more work on them
- D). None of these

Correct Answer: Creates uncertainty

3). Price/Earnings Ratio of a company shows relationship between its

- A). Net profit and Sales
- B). Gross profit and Net earnings
- C). Market price of its share and Earnings per share
- D). None of these

Correct Answer: Market price of its share and Earnings per share

4). Which of the following skills involve working well with other people?

- A). Technical
- B). Human
- C). Computer
- D). Empirical

Correct Answer: Human

5). When a firm sees its competitors as all companies that compete for the same consumer dollars, they are concerned with the _____ level of competition

- A). Brand
- B). Industry
- C). Form
- D). Generic

Correct Answer: Industry

6). What is the future value of \$500 investment, with a stated rate of 6% compounded monthly for 7 years.

- A). 700
- B). 730
- C). 760

D). 790

Correct Answer: 760

7). What is the price of a stock that is expected to pay a 1.00 dividend next year if the cost of capital is 14% and the growth rate is zero

A). 7.14

B). 6.75

C). 11.9

D). 6.13

Correct Answer: 7.14

8). Beta -----

A). Is a measure of firm specific risk

B). Is a measure of market risk

C). Is a measure of total risk

D). All of these

Correct Answer: Is a measure of market risk

9). All of the following are fixed assets except

A). Building

B). Stocks

C). Production plant

D). Vehicles

Correct Answer: Stocks

10). A person directly involved in operation and accomplishment of main objectives of the firm is called

A). First-Line manager

B). Line-Manager

C). Staff-Manager

D). None of these

Correct Answer: Line-Manager

11). MBO means

A). Management based on Organization

B). Management based on Objectives

C). Management by Objectives

D). None of these

Correct Answer: Management by Objectives

12). If the EOQ for an item decreases, the average level of inventory will

A). Decrease

B). Increase

C). Remain the same

D). There is no relationship between EOQ and inventory levels

Correct Answer: There is no relationship between EOQ and inventory levels

13). A capital investment is one that

A). has the prospect of short term benefits

B). has the prospect of long term benefits

C). Is only undertaken by large corporations with large amounts of capital

D). applies only to investment in fixed assets

Correct Answer: has the prospect of long term benefits

14). What does an efficient portfolio provide?

- A). Highest return for a given amount of risk
- B). Least risk for a given level of return
- C). Highest possible return and least amount of risk
- D). Both 'a' and 'b'

Correct Answer: Highest possible return and least amount of risk

15). If a manufacturer gives a 30 percent discount to retailers and a 10 percent discount to wholesalers, which type of discount is being given?

- A). Quantity
- B). Cash
- C). Functional (also called trade discount)
- D). Seasonal

Correct Answer: Functional (also called trade discount)

16). Product _____ is a period of rapid market acceptance and increasing profits.

- A). Development
- B). Introduction
- C). Growth
- D). Maturity

Correct Answer: Growth

17). Which ratio is computed with the help of the following? Cost of goods sold/Inventory

- A). Receivable turnover
- B). Times interest earned
- C). Inventory Turnover
- D). None of these

Correct Answer: Inventory Turnover

18). One of the most successful Industrialists and the father of Modern Personnel Management is

- A). F.W. Taylor
- B). James Watt
- C). C. Babbage
- D). Robert Owen

Correct Answer: F.W. Taylor

19). Creation of value in a business means

- A). Earning maximum profits
- B). Promoting rapid growth in sales
- C). Optimizing shareholder's return in a company
- D). None of these

Correct Answer: Optimizing shareholder's return in a company

20). General administrative theory focuses on?

- A). The entire organization.
- B). Managers and administrators
- C). The measurement of organizational design relationship.
- D). Primarily the accounting function.

Correct Answer: Managers and administrators

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