P.S Govt. Degree College: : PENUKONDA

**Department of Commerce**

**B.Com (General and CA)**

**FUNDAMENTALS OF COMMERCE**

# UNIT: 1 INTRODUCTION

1. **Understanding Commerce**

#### Multiple Choice Questions

* 1. Commerce improves the standard of living by:

(a) Providing healthcare only (b) Limiting access to goods

(c) **Making quality products available at affordable prices** (d) Increasing prices of luxury amenities

* 1. Commerce's role in technological advancements includes:

(a) Discouraging innovation (b) Limiting accessibility

(c) **Ensuring widespread accessibility of technology** (d) None of the above

* 1. The relationship between commerce and finance mainly deals with:
     1. Cultural exchange (b) **Management of money and investments**

(c) Social integration (d) Environmental studies

* 1. Which of the following is NOT a component of marketing commerce?
     1. Market research (b) Advertising

(c) **Environmental studies** (d) Sales

* 1. Commercial law governs all the following EXCEPT:
     1. Contracts (b). Property rights

(c). **Consumer behavior** (d). Intellectual property

* 1. The spread of commerce and associated technologies leads to:
     1. Decreased awareness among the masses (b) Limited access to education

(c) **Greater awareness and education among the masses** (d) Reduced exposure to new ideas

* 1. Commerce promotes a sense of unity within society by:
     1. Creating barriers between rural and urban areas
     2. Encouraging disunity among different regions

#### (c). Connecting different regions and transcending geographical barriers

(d) Isolating different segments of society

* 1. One of the ways commerce impacts societal developments is through:
     1. Discouraging entrepreneurship (b) Reducing economic independence

(c) **Creating avenues for entrepreneurship** (d) Stifling innovation

* 1. In modern commerce, environmental stewardship is emphasized through:
     1. Ignoring natural resource conservation (b) **Sustainable practices and eco-friendly products**

(c) Depleting natural resources (d) Rejecting corporate social responsibility

* 1. International trade and commerce do NOT contribute to:
     1. Cultural exchange (c) **Cultural isolation**.
     2. Global understanding (d) Bridge between different cultures
  2. The relationship between commerce and finance focuses on:
     1. Advertising strategies (b) **Management of investments, and other financial instruments**

(c) Cultural norms (d) Political decisions

* 1. Commerce relies on which discipline to conduct transactions, manage funds, and ensure the financial stability of organizations?

(a) Sociology (b) Environmental studies (c) **Finance** (d) Marketing

* 1. Which of the following is an essential component of commerce focusing on promoting and selling products or services?

(a) Economics (b**) Marketing** (c) Law (d) Statistics

* 1. Commerce operates within a legal framework set by:
     1. Only international bodies (b) **The government and international bodies**

(c) The commercial sector only (d) Non-governmental organizations

* 1. Effective management in commerce is vital for:

(a) Reducing business goals (b) Decreasing productivity

(c) **Achieving business goals and enhancing productivity,** (d) Hindering smooth commerce operations

* 1. Technology in commerce facilitates:

(a) Limited customer interaction (b) Data mismanagement

(c) **Online transactions and customer interaction** (d) Reducing supply chain management

* 1. In the era of globalization, understanding international relations is crucial for:
     1. Domestic trade only (b**) Cross-border transactions and global marketing**

(c) Local laws and treaties (d) Decreasing international trade

* 1. Commerce is also tied to:
     1. Irrelevant practices (b**) Ethics and philosophy**

(c) Limited moral practices (d) Confusing governance

* 1. Quantitative analysis in commerce is widely used for:

(a) Ineffective decision-making (b) Random pricing strategies

(c) **Decision-making, pricing strategies, and trend analysis** (d) Unstructured risk assessment

* 1. Political decisions and regulations impacting commerce are shaped by:
     1. Consumer preferences (b) Marketing strategies

(c) **The political environment** (d) Commercial endeavors

1. International Trade

#### Multiple Choice Questions

* 1. Which of the following is not a function of the World Trade Organization (WTO)?
     1. Facilitating Trade Negotiations (b) **Regulating Space Exploration**

(c) Settling Disputes (d) Assisting Developing Countries

* 1. The North American Free Trade Agreement (NAFTA) was replaced by:

(a) AFTA (b) AICFTA (c) CPTPP (d) **USMCA**

* 1. The ASEAN Free Trade Area (AFTA) was established on:

(a) January 1, 1994 (b) January 1, 1993 (c) **January 28, 1992** (d) May 30, 2019

* 1. One of main criticisms of the WTO is:
     1. Supporting too many environmental regulations (b) Lack of Transparency

(c) Too much emphasis on labor rights (d) **All of the above**

* 1. The COVID-19 pandemic led to:
     1. A sharp increase in global trade in 2020 (b) **A sharp contraction in global trade in 2020**

(c) A steady growth in global trade in 2020 (d) None of the above

* 1. What is the primary purpose of the African Continental Free Trade Area (AfCFTA)?
     1. Eliminating all trade between African countries

#### Creating a single market for goods and in Africa

* + 1. Increasing tariffs on imports from Asia
    2. Restricting the movement of people within Africa
  1. Which of the following is NOT a function of the World Trade Organization (WTO)?
     1. Settling Disputes (c) **Imposing Global Taxes**
     2. Promoting Fair Trade (d) Assisting Developing Countries
  2. The European Union's Internal Market is also known as:
     1. ASEAN Free Trade Area (b) The NAFTA Agreement

(c) **The Single Market** (D CPTPP

* 1. Who is responsible for implementing trade policies in a country?
     1. Private Corporations (b) World Trade Organization

(c) **National Governments** (d) Independent Traders

* 1. What was the significant outcome of the Uruguay Round conducted from 1986 to 1994?

(0) Creation of the GATT (b) **Establishment of the WTO**

(c) Formation of NAFTA (d) Launch of AfCFTA

* 1. Which trade agreement was replaced by the United States-Mexico-Canada Agreement (USMCA) in July 2020?

(a) CPTPP (b) AfCFTA (c) AFTA (d) **NAFTA**

* 1. What trend in global trade has been significantly accelerated by the COVID-19 pandemic?
     1. Decline in Digital Trade (b) **Rise of E-commerce**

(c) Increase in Geopolitical Tensions (d) Reduction in Regional Trade Agreements

* 1. Which region is covered by the ASEAN Free Trade Area (AFTA)?

(a) North America (b) Africa (c) **Southeast Asia** (d) European Union

* 1. What organization was established in 1947 with the purpose of regulating international trade?

(a) ACETA (b) NAFTA (c) WTO (d) **GATT**

* 1. Which of the following is a main criticism of the World Trade Organization (WTO)?
     1. Encouraging Protectionist Policies (b) **Undemocratic Decision Making**

(c) Promoting Global Health (d) Enhancing Environmental Protection

* 1. Which event has led to the imposition of tariffs and counter-tariffs, affecting global trade flows?

(a) Brexit (b) Formation of CPTPP

(c) **U.S.-China Trade War** (d) Launch of AfCFTA

* 1. How many African Union nations are part of the African Continental Free Trade Area (AfCFTA)?

(a) $5 (b) 50 (c) 10 (d) **54**

* 1. What aspect of international trade does the WTO's Dispute Settlement Body (DSB) primarily focus on?
     1. Facilitating Trade Negotiations (b) Regulating Trade Practices

(c) **Resolving Trade Disputes** (d) Monitoring Global Trade Trends

* 1. Which one of these is NOT a part of the trends in global trade?

(a) Impact of Technology (b) Geopolitical Tensions

(c**) Elimination of E-commerce** (d) Sustainability and Environmental Considerations

* 1. What is one of the goals of the ASEAN Free Trade Area (AFTA)?
     1. **Reducing intra-regional tariffs** (b) Increasing tariffs on imports from the EU

(c) Banning trade between ASEAN countries (d) Focusing only on environmental standards

## BALANCE OF PAYMENTS

#### Multiple Choice Questions

* 1. What could a weaker currency result in for a country?

(a) **Increased exports** (b) Decreased exports (c) Increased inflation (d) Decreased interest rates

* 1. High inflation can:

(a) Increase exports (b) **Increase imports** (c) Make exports more competitive (d) Both (b) and (c)

* 1. What was one of the strategies implemented by Country A to improve its BoP?
     1. Reducing exports (b) **Import substitution**

(c) Increasing external debt (d) Decreasing domestic production

* 1. Country B's BoP surpluses were driven by:
     1. Heavy import dependency (b) Capital flight

(c) **Robust export revenues** (d) High external debt

* 1. Monetary policy affects the BoP through:
     1. Trade agreements (b) **Money supply and interest rates**

(c) Fiscal expansion (d) Structural policies

* 1. Fiscal policy refers to:
     1. Controlling money supply (b) **Government spending and taxation**

(c) Maintaining exchange rates (d) Implementing tariffs and quotas

* 1. A country that is rich in natural resources might have:
     1. A consistent trade deficit (b**) A consistent trade surplus**

(c) Vulnerable export sector (d) Increased external debt

* 1. Which factor is NOT listed as affecting the Balance of Payments in the content?
     1. Consumer Preferences (b) Global Economic Conditions

(c) **Unemployment Rate** (d) Technological Development

* 1. Social policies implemented by Country B were aimed at:

(a) Reducing exports (b) Capital flight

(c) **Ensuring equitable distribution of economic gains** (d) Reducing foreign exchange reserves

* 1. A devaluation of the currency can:
     1. Make exports more expensive (b) **Make exports cheaper**

(c) Reduce domestic consumption (d) Increase domestic production

* 1. Import substitution strategy was aimed at:

(a**) Domestic production** (b) Increasing imports

(c) Discouraging domestic production (d) Decreasing trade surplus

* 1. The insights derived from Country A and Country B emphasize:

(a) Reducing economic gains (b) Importance of capital flight

(c) **Strategic planning, diversification, and inclusive growth** (d) Decreasing domestic consumption

* 1. Sound governance and political stability create:
     1. Trade restrictions (c) Challenges in managing the BoP
     2. **A favorable investment climate** (d) Fiscal contraction
  2. Over-reliance on commodity exports was a challenge for:
     1. Both Country A and B (b) Country A.

(c) **Country B.** (c) Neither Country A nor B.

* 1. Protectionist measures like high tariffs may:

(a) Boost exports (b**) Reduce imports**

(c) Boost both exports and imports (d) Reduce both exports and imports

* 1. Structural policies encompass:
     1. Money supply control (b) **Reforms aimed at enhancing economy efficiency**

(c) Tariffs and quotas (d) Control of interest rates

* 1. Inflation can:
     1. Reduce imports (b) Make exports more competitive

(c) Increase exports (d) **Make exports more expensive**

* 1. Diplomatic relations can foster:
     1. Trade restrictions (b) **Trade and economic collaboration**

(c) Capital flight (d) Domestic consumption reduction

* 1. Coordination with international organizations can impact the BoP through:
     1. Reduced taxation (b**) Investment or preferential trade arrangements**

(c) Increased domestic consumption (d) Reduced money supply

* 1. The BoP represents:
     1. A nation's economic transactions within the country

#### A nation's economic transactions with the rest of the world

* + 1. A nation's internal budget balance
    2. A nation's domestic economic conditions

## ECONOMICS AND SOCIAL IMPACT OF COMMERCE

#### Multiple Choice Questions

* 1. Which technology has revolutionized inventory management in supply chain and logistics?

(a) AR (b) VR (c) **IoT** (d) CRM

* 1. Sustainability through technology in commerce includes all except:

(a) Green logistics (b) Eco-friendly packaging

(c**) 3D product models** (d) Platforms that promote up cycling

* 1. What is one of the potential growth sectors due to the Metaverse?

(a) Virtual tourism (b) **Customer services**

(c) Traditional retail (d) Non-digital marketing

* 1. What technology allows consumers to 'try on clothes virtually?

(a) Data Analytics (b) CRM (c) **AR** (d) Blockchain

* 1. Which platform is known for enhancing customer relationship management?

(a) Amazon (b) Alibaba (c) **Salesforce** (d) Facebook

* 1. What has facilitated the global reach in commerce, dissolving geographic barriers?
     1. Social Media (b) **Digital Platforms and Logistics**

(c) Chatbots (d) Mobile Apps

* 1. Which of the following is not typically associated with digital payments in commerce?
     1. Crypto currency (b) UPI Systems

(c) Credit Cards (d) **Virtual Reality**

* 1. What is one of the challenges in integrating Metaverse e-commerce?
     1. Decreased user experience

#### Ensuring seamless interaction between virtual environments and real people

* + 1. Increased shipping costs
    2. Lack of virtual
  1. Which technology is contributing to transparency and security in commercial transactions beyond crypto currency?

(a) CRM (b) loT (c) AR (d) **Blockchain**

* 1. What has the proliferation of smart phones and apps ushered into the commerce world?
     1. Augmented Reality Shopping (b**) Mobile Commerce**

(e) Automated Customer Service (d) Social Commerce

* 1. What is one of the opportunities related to technology and trade in the future of commerce?
     1. Addressing the digital divide (b) Stimulating economic growth

(c) Managing decline in real wages (d**) Integrating with Metaverse**

* 1. In the context of jobs and skills evolution, what is one of the challenges?
     1. Leveraging technology adoption (b) **Adapting to changing worker expectations**

(c) Creating new jobs (d) Harnessing potential of digital trade

* 1. What technology is associated with automated customer service in commerce?

(a) Big Data (b) **Al-powered Chatbots**

(e) Globalized Commerce (d) Mobile Commerce

* 1. What is not a part of sustainability through technology in commerce?
     1. Eco-friendly packaging (b) Platforms that promote sustainable products

(c) **3D printing** (d) Green logistics

* 1. What are the challenges in technology and trade related to?
     1. Integrating AR and VR (b) **Rapid technological advancements**

(c) Enhancing user experience (d) Introduction of virtual stores

* 1. Which of the following is a new marketing opportunity within the Metaverse?
     1. Traditional advertising (b**) Live stream shopping platforms**

(c) Green logistics (d) Big Data analysis

* 1. is one of the key drivers of business transformation in the future of commerce?
     1. Decline in real wages (b) **Technology adoption**

(c) Increasing cost of living (d) Traditional marketing strategies

* 1. What is not considered a technology that has thoroughly modernized financial transactions in commerce?

(a) Credit Cards (b) Digital Wallets

(c) Crypto currency (d**) Augmented Reality**

* 1. Which of the following is not a platform transforming social media spaces into shopping arenas?

(a) Facebook (b) Instagram (c) Pinterest (d) **Salesforce**

* 1. What is a major challenge in the future of commerce related to jobs and skills evolution?
     1. Leveraging technology for growth (b) **divergent labor market outcomes**

(c) Introduction of new payment systems (d) Increased automation in marketing

# UNIT 2: ECONOMIC THEORY

### INTRODUCTION OF MACRO ECONOMICS

1. National income includes income generated from:
   1. Domestic sources only (e) Abroad only
   2. Agriculture sector only (d) **Both domestic sources and abroad**
2. The circular flow of income model divides the economy into:

(a) Three sectors (b) **Two sectors** (c) Four sectors (d) Five sectors

1. Which method calculates national income by summing up the value of all goods and services produced?
   1. Income Method (c) Expenditure Method
   2. **Output or Product Method** (d) None of the above
2. What does the income method of calculating national income sum up?

(a) Value of all goods and services (b) All forms of expenditures

(c) **All the incomes earned by individuals and businesses** (d) None of the above

1. Which sector witnessed tremendous growth in India after the 1991 reforms?
   1. Agriculture (c) Manufacturing
   2. **IT and IT-enabled services** (d) Construction
2. What was the main economic model in India before 1991?
   1. Free Market Economy (c**) License Raj**
   2. Mixed Economy (d) Socialist Economy
3. What approach sums up the value of all goods and services produced within a country?
   1. Income Method (c) Expenditure Method
   2. **Output or Product Method** (d) All of the above
4. What does GDP growth rate indicate in the context of national income?
   1. Economic decline (c) **Economic growth**
   2. Economic stability (d) Economic imbalance
5. In the circular flow model, what do households supply to firms?

(a) Goods and services (b) Money (c) **Factors of production** (d) Demand

1. What were the three key components of India's 1991 macroeconomic reforms?
   1. Liberalization, Nationalization, Globalization

#### Liberalization, Privatization, Globalization

* 1. Liberalization, Privatization, Nationalization
  2. Globalization, Nationalization, Protectionism

1. Which of the following is NOT a limitation of measuring national income?
   1. Doesn't account for environmental damage
   2. Doesn't indicate income distribution

#### Includes underground economy

* 1. Doesn't account for non-market activities

1. Which measure of national income includes income earned domestically and from abroad?

(a) GDP **(b) GNP** (c) NNP (d) National Disposable Income

1. What would be a possible consequence if households decide to save a portion of the income in the circular flow model?
   1. Increased production (c**) Economic slowdown**
   2. Economic growth (d) None of the above
2. What is the importance of national income data in resource allocation?
   1. **Indicates which sectors are growing** (c) Reveals disparities in income
   2. Helps in international comparisons (d) None of the above
3. What component did India's foreign investments witness a significant increase in after the 1991 reforms?
   1. Domestic Investments (c) **Foreign Direct Investment (FDI)**
   2. Government Bonds (d) Stock Market Investments
4. Which of the following is not a method of calculating national income?
   1. Income Method (c) Expenditure Method
   2. Output or Product Method (d) **Demand Method**
5. What did India face in 1991 that led to the need for macroeconomic reforms?
   1. Stock Market Crash (c) Agricultural Crisis
   2. **Balance of Payments Crisis** (d) Unemployment Crisis
6. What is the significance of the circular flow of income model?
   1. Shows how money flows in an economy
   2. Illustrates the relationship between firms and households

c) Highlights the interdependencies within the economic system

#### (d) All of the above

1. What does national income serve as a proxy for?
   1. Economic Performance (c) International Comparisons
   2. **Living Standards** (d) Resource Allocation
2. What was one of the IMF's conditions for providing a loan to India during the 1991 crisis?
   1. Implementation of Social Welfare Programs

#### Implementation of Macroeconomic Policies

* 1. Privatization of All State-Owned Enterprises
  2. Increase in Agricultural Production

### CONCEPTS OF NATIONAL INCOME

* + 1. Which of the following is NOT a component of the Income Method?

(a). Wages (b). Rent (c). **Government Spending** (d). Profits

* + 1. What does the 'G' in the Expenditure Method formula represent?

(a) Gross Exports (b). Goods and Services (c) **Government Spending** (d). Growth Rate

* + 1. What is subtracted from GDP to calculate NDP?

(a) Interest (b). Profits (c) **Depreciation** (d). Consumption

* + 1. National Disposable Income is calculated by:
       1. Subtracting Current Transfers to Abroad from Net National Income
       2. Adding Current Transfers from Abroad to Net National Income

#### Subtracting Current Transfers to Abroad and Adding Current Transfers from Abroad to Net National Income

* + - 1. None of the above
    1. Per Capita Income is calculated by:
       1. Multiplying Total Income by Population

#### Dividing Total Income by Population

* + - 1. Adding Total Income to Population
      2. Subtracting Total Income from Population
    1. GDP as a measure of economic well-being does NOT take into account:
       1. Income Inequality (c) Environmental Costs
       2. Quality of Life (d) **All of the above**
    2. What does the 'I' in the Expenditure Method stand for?

(a) Interest (b) Imports (c) **Investment** (d) Income

* + 1. Which is a limitation of Per Capita Income?
       1. **It doesn't consider income distribution** (b) It considers differences in cost of living

(c) It accounts for unpaid work (d) None of the above

* + 1. Which measure provides a more accurate representation of the economy's "net" productivity?

(a) GDP (b) GNI (c) **NDP** (d) NDI

* + 1. What represents Rent in the Income Method?
       1. Income earned by labor (c) Income earned by capital providers
       2. **Income earned by landlords** (d) Income earned by business owners
    2. What is the term used to describe the income earned by capital providers, such as banks and bondholders, for the use of their capital?

(a) Wages (b) Rent (c) Profits (d**) Interest**

* + 1. If the GDP of a country is $15 trillion, and the wear and tear on its factories, equipment, and infrastructure amounted to $2 trillion, what would be the NDP?

(a) $17 trillion (b) **$13 trillion** (c) $15 trillion (d) $12 trillion

* + 1. What does the Net Domestic Product (NDP) subtract from the GDP to arrive at its value?

(a) Profits (b) Exports (c) **Depreciation** (d) Consumption

* + 1. Which of the following is NOT a limitation of Per Capita Income as a measurement of economic prosperity?
       1. Doesn't account for unpaid work (b), Doesn't reflect standard of living

(c) Doesn't consider income inequality (d) **Considers differences in cost of living**

* + 1. Which of the following components s of the Expenditure Method includes all spending on capital goods that can contribute to future production?

(a) Consumption (b) **Investment**

(c) Government Spending (d) Net Exports

* + 1. In calculating National Disposable Income (NDI), what needs to be added to Net National Income?

(a) GDP (b) **Current Transfers from Abroad** (c) Profits (d) Depreciation

* + 1. What term is used for the amount of capital that gets used up or worn out over a period in calculating NDP?

(a) Inflation (b) Interest (c) **Depreciation** (d) Dividend

* + 1. Which of the following is NOT a component of the Income Method of calculating nationalincome?

(a) Wages (b) Rent (c) **Consumption** (d) Profits

* + 1. According to the Expenditure Method, what is the formula for calculating the Gross Domestic Product (GDP)?

(a) **C+I+G+(X-M)** (b) W+R+1+P (c) C+I+G+M (d) C+1+G+X

* + 1. What is the major reason why GDP is often more commonly referenced than NDP?
       1. NDP considers the country's economic wear and tear
       2. NDP is a measure of total goods and services that an economy can consume without reducing its future capacity to produce
       3. GDP is simpler and easier to calculate
       4. **Depreciation is an estimate, and this makes NDP less accurate than GDP**

### MICRO ECONOMICS – DEMAND AND SUPPLY

1. The law of supply states that:
   1. Higher price leads to lower quantity supplied
   2. Lower price leads to higher quantity supplied

#### Higher price leads to higher quantity supplied

* 1. Price has no effect on quantity supplied

1. In a supply curve, the vertical axis represents:

(a) Quantity Supplied (b) Technology (c) **Price** (d) Profit

1. What reflects changes in something other than the product's price in a supply curve?
   1. Movement along the supply curve (b) **Shifts in the supply curve**

(c) The slope of the supply curve (d) The position of the supply curve

1. The equilibrium price is reached when:
   1. Quantity demanded is greater than quantity supplied
   2. Quantity demanded is less than quantity supplied

#### Quantity demanded equals quantity supplied

* 1. There is no relationship between quantity demanded and quantity supplied

1. A surplus in the market occurs when:
   1. Quantity demanded equals quantity supplied

#### Quantity demanded is less than quantity supplied

* 1. Quantity demanded is greater than quantity supplied
  2. Quantity demanded and quantity supplied are both zero

1. Which factor does NOT disrupt the direct relationship between price and quantity supplied?
   1. Costs of production (b) Prices of related goods

(c) Technology (d) **Quantity demanded**

1. What happens when there is excess demand in the market?

(a) Price falls (b) **Price rises** (c) Price remains constant (d) Quantity supplied falls

1. If a good's selling price falls, according to the law of supply:
   1. Quantity supplied will increase (c) Quantity supplied will remain constant
   2. **Quantity supplied will decrease** (d) Quantity demanded will increase
2. A shift in the supply curve can be caused by:
   1. Changes in the price of the good (c) **Changes in the cost of inputs**
   2. Changes in the quantity supplied (d) Changes in the equilibrium price
3. The supply schedule for apples in the example shows a:

#### Direct relationship between price and quantity supplied

* 1. Inverse relationship between price and quantity supplied
  2. Random relationship between price and quantity supplied
  3. No relationship between price and quantity supplied

1. If there is a technological improvement in production, the supply curve will likely:
   1. Shift to the left (c) Remain unchanged
   2. **Shift to the right** (d) Become vertical
2. Market equilibrium provides a useful benchmark for understanding:
   1. How markets always operate (c) **How markets can operate**
   2. How markets should operate (d) How markets will never operate
3. The supply curve will slope downward if:
   1. The law of supply holds true (b) **The law of supply does not hold true**

(c) The law of demand holds true (d) The law of demand does not hold true

1. A movement along the supply curve can be caused by:
   1. Changes in government policy (c) **Changes in the price of the good**
   2. Changes in technology (d) Changes in consumer preferences
2. Excess supply leads to:
   1. Increase in price (c) Constant price
   2. **Decrease in price** (d) Unpredictable change in price
3. Which scenario typically causes buyers to bid up the price of a good?

(a) Surplus (b) **Shortage** (c) Equilibrium (d) Price ceiling

1. If the market price is above the equilibrium price, what situation arises?

(a) Excess demand (b) **Excess supply** (c) Equilibrium (d) Neither excess demand nor supply

1. An upward slope in the supply curve represents:
   1. The law of demand (c) The law of equilibrium
   2. **The law of supply** (d) The law of constant returns
2. A change in which of the following does NOT shift the supply curve?

(a) Production costs (b) Technology

(c) **Price of the good itself** (d) Government policy

1. The supply curve will slope downward if:
   1. The law of supply holds true (b) **The law of supply does not hold true**

(c) The law of demand holds true (d) The law of demand does not hold true

### ELASTICITY OF DEMAND AND SUPPLY

1. What does a positive XED indicate?
   1. Complementary goods (b) **Substitute goods**

(c) Unrelated goods (d) Inferior goods

1. If income increases by 20% and the quantity demanded for canned soup (an inferior good) decreases by 10%, what would be the YED?

(a) +0.5 (b) +1.0 **(c) -0.5** (d) -1.0

1. Which type of good has a YED greater than 1?

(a) Normal good (b) Inferior good ( c) Necessity goods **(d) Luxury good**

1. What is the relationship between the price of complementary goods?
   1. If the price of one increases, the demand for the other increases

#### If the price of one increases, the demand for the other decreases.

* 1. If the price of one increases, the demand for the other remains the same.
  2. If the price of one decreases, the demand for the other increases.

1. In the context of cross elasticity, what is true about unrelated goods?
   1. XED is negative (c) XED is positive
   2. **XED is zero** (d) None of the above
2. If the price of coffee increases significantly, what might some consumers do?
   1. Buy more coffee (b**) Switch to tea**

(c) Buy a car (d) Eat more apples

1. What is the typical YED for necessities?
   1. Greater than 1 (c) **Between 0 and 1**
   2. Less than 0 (d) Equal to 0
2. If the price elasticity of demand for a product is greater than 1, what happens to total revenue if the price increases?

(a) It increases (b) **It decreases**

(c) It remains the same (d) It becomes zero

1. When it comes to pricing decisions, inelastic demand allows businesses to:

#### Raise prices without significantly impacting quantity demanded

* 1. Lower prices without significantly impacting quantity demanded
  2. Raise prices with a significant increase in quantity demanded
  3. Lower prices with a significant decrease in quantity demanded

1. What is the role of income elasticity in market selection?
   1. Helps in product manufacturing

#### Guides businesses in target market selection

* 1. Determines the packaging of products
  2. Assists in supply chain management

IL. What type of goods see a decrease in demand as income increases?

1. Normal goods (c) **Inferior goods**
2. Luxury goods (d) Necessity goods
3. If the price of petrol increases, what might happen to the demand for petrol-driven cars?
   1. Increase (c) Remain the same
   2. **Decrease** (d) Increase then decrease
4. If the YED for a product is -0.5, what type of good is it likely to be? (b) Inferior good

(a) Normal goods (b) **Inferior Goods** (c) Luxury goods (d) Complementary goods

1. In the context of cross elasticity, what does a zero XED signify?
   1. Substitute Goods (b) Complementary Goods

(c) **Unrelated Goods** (d) Inferior Goods

1. What does a YED greater than I specifically indicate?
   1. The good is a necessity (b) The good is an inferior good
   2. **The good is a luxury good** (d) The good is a complementary good
2. If the price of Coke increases by 10% and the quantity demanded for Pepsi increases by 20%, what is the XED?

(a) **+2** (b) -2 (c) +0.5 (d) -0.5

1. A company selling high-end electronics is likely to focus its marketing efforts on which type of countries?
   1. Low-income countries (b) **High-income countries**

(c) Countries with declining income (d) Countries with stable income

1. What is the relationship between price elasticity and total revenue for products with inelastic demand?
   1. A price increase leads to a decrease in total revenue

#### A price increase leads to an increase in total revenue

* 1. A price increase leads to no change in total revenue
  2. None of the above

1. If income increases by 15% and the quantity demanded for basic groceries (a necessity) increases by 5%, what is the YED?

(a) **+0.33** (b) +1.67 (c) -0.33 (d) -1.67

1. How does the demand for substitute goods respond when the price of one of the goods increases?
   1. The demand for both goods increases

#### The demand for the other good increases

* 1. The demand for the other good decreases
  2. The demand for both goods decreases

### CLASSIFICATION OF MARKETS – PERFECT COMPETITION

1. In a perfectly competitive market, at what point is profit maximized?

(a) MC>MR, (b**) MC=MR** (c) MC< MR (d) P>VC

1. What is the shut-down point for a firm in a perfectly competitive market?

(a) P<ATC (b) P> AVC (c) **P<AVC** (d) P=MC

1. Which efficiency is achieved when goods are produced at the lowest possible cost?
   1. Allocative Efficiency (b) **Productive Efficiency**

(c) Economic Efficiency (d) Marginal Efficiency

1. The model of perfect competition relies on what assumption about products?
   1. Differentiated Products (b) **Homogeneous Products**

(c) Branded Products (d) None of the above

1. Perfect competition might hinder innovation due to:
   1. Positive Externalities (b) Negative Externalities

(c) **Zero Economic Profit** (d) High Barriers to Entry

1. Allocative efficiency in a perfectly competitive market is achieved when:

(a) P<MC (b) **P=MC** (c) P> MC (d) P=AVC

1. One criticism of perfect competition is its unrealistic assumptions, such as:
   1. High Barriers to Entry (b) Differentiated Products

(c) **Homogeneous Products** (d) Lack of Innovation

1. What can lead to overproduction or underproduction if not properly accounted for in a perfectly competitive market?
   1. Productive Efficiency (b) Allocative Efficiency

(c**) Externalities** (d) Marginal Revenue

1. In a perfectly competitive market, the shut-down point occurs when the price falls below:

(a) Marginal Cost (b) **Average Variable Cost**

(c) Average Total Cost (d) Fixed Cost

1. In a perfectly competitive market, why might firms lack the financial resources f research and development?

(a) Negative Externalities (b) High Barriers to Entry

(c) **Zero Economic Profit** (d) Product Differentiation

1. What is a key factor in achieving productive efficiency in a perfectly competitive market
   1. Operating at Highest Cost

#### Operating at Minimum Average Total Cost

* 1. Operating at Maximum Average Variable Cost
  2. Operating at Minimum Marginal Cost

1. Perfect competition is critiqued for ignoring what potential consequence in real-world economics?
   1. Short-term Inefficiencies (b) Innovation

(c) Unrealistic Assumptions (d) **All of the Above**

1. The workforce employed by inefficient firms in a perfectly competitive market migh face:

(a) Innovations (b) Profit Maximization

(c**) Exploitation** (d) Allocative Efficiency

1. In a perfectly competitive market, if MC > MR, then the firm can increase profit by:

(a) Producing More (b) **Producing Less**

(c) Increasing Price (d) Decreasing Cost

1. In a perfectly competitive market, the lack of innovation can lead to:
   1. Allocative Efficiency (b) **Static Production Methods**

(c) Product Differentiation (d) Increased Externalities

1. The model of perfect competition assumes that the cost of production and the selling pri reflect:
   1. **All Relevant Costs and Benefits** (b) Only Fixed Costs

(c) Only Variable Costs (d) Only Marginal Costs

1. In a perfectly competitive market, a firm's long-term economic profit will be:

(a) Negative (b) Positive (c) **Zero** (d) Infinite

1. If the price of pens falls below $1 in the given example, the pen manufacturing company would decide to:
   1. Increase Production (b) **Shut Down Production**

(c) Increase Price (d) Decrease Variable Costs

1. In a perfectly competitive market, if the price is less than the average variable cost, the firm will bear a loss equal to:

(a) Variable Costs (b) Marginal Costs (c) **Fixed Costs** (d) Total Revenue

1. Perfect competition is considered ideal due to its efficiency in:
   1. **Resource Allocation** (b) Increasing Profit
2. Increasing Barriers to Entry (d) Promoting Innovation

# UNIT 3 ACCOUNTING PRINCIPLES

### INTRODUCTION OF ACCOUNTING

1. What challenge does accounting face concerning regulations and standards?

(a) Simplification **(b) Complex Regulations** (c) Automation (d) Globalization

1. What does Tally ERP 9's real-time data analysis enable?

(a) Manual Calculations (b) Historical Data Analysis (**c) Informed Decision Making** (d) Data Security

1. Which ethical consideration emphasizes unbiased judgment in accounting?

(a) Integrity **(b) Objectivity** (c) Confidentiality (d) Professional Behavior

1. Tally Solutions is based in which Indian city?

(a) Mumbai (b) Delhi **(c) Bangalore** (d) Chennai

1. One of the limitations of traditional accounting is the focus on:

(a) Future Data (b) Real-Time Data **(c) Historical Data** (d) Predictive Analysis

1. What does Tally ERP 9 offer to case the burden on businesses regarding GST compliance in India?
   1. Automated income tax calculations (**b) Automated GST calculations and return filing**

(c) Customized sales reports (d) Inventory tracking

1. Which of the following challenges has NOT been addressed by traditional accounting in India?
   1. Standardization (c) Manual calculations
   2. Automation (**d) Efficient tax compliance procedures**
2. What role does integrity play in ethical considerations in accounting?
   1. Ensuring unbiased standpoint
   2. Managing potential conflicts of interest
   3. **Being honest and straightforward in all professional relationships**
   4. Complying with relevant laws and regulations
3. What was one of the key technological innovations introduced by Tally Solutions? (

**a) Real-time data analysis** (c) Manual entry of transactions

* 1. Physical maintenance of ledgers (d) Customized tax reports

10 . What does the focus on historical data in accounting limit?

(a) Compliance with regulations (b) Cost constraints

* 1. **Ability to foresee future trends and challenges** (d) Dependence on modern technology

1. What is a significant risk in accounting, despite best practices and controls?

(a) Incompatibility between different systems **(b) Risk of fraud and errors**

(c) Environmental considerations (d) Complex integration

1. Which aspect of ethical considerations in accounting involves being clear about methodologies, assumptions, and judgments?

(a) Integrity **(b) Fairness and Transparency in Reporting**

(c) Professional Competence and Due Care (d) Professional Behavior

1. What does Tally's software provide that allows for a 360-degree view of the business?
   1. **Comprehensive reporting tools** (b) Scalability

(c) Cloud integration (d) Automated GST calculations

1. What does traditional accounting mainly focus on, often overlooking environmental and social considerations?

(a) Historical aspects **(b) Financial aspects** (c) Technological advancements (d) Globalization

1. Which of the following is NOT a part of Tally's Technological Revolution?

(a) Cloud Integration (b) Automation and Accuracy (**c) Manual calculations** (d) Scalability and Customization

1. What is the responsibility of accountants under the ethical consideration of Professional Competence and Due Care'?

(a) Avoid conflicts of interest (b) **Maintain professional knowledge and skill**

(c) Comply with relevant laws and regulations (d) Act in the public interest

1. What has Tally Solutions introduced recognizing the shift towards cloud computing?
   1. Tally on Paper (6) **Tally on Cloud** (c) Tally ERP 8 (d) Tally Remote Server
2. Which challenge is specific to accounting in firms operating globally?
   1. Risk of fraud and errors (b) Dependence on historical data

(c) Subjectivity in certain areas (d) **Globalization challenges**

1. Which ethical consideration requires accountants to respect the confidentiality of information acquired during their professional practice?

(a) Integrity (b) Objectivity (c) Professional Behavior (d) **Confidentiality**

1. What does Tally Solutions' success in revolutionizing accounting in India serve as a reminder of?

a) The necessity of manual calculations (b**) The potential of technology to transform an industry**

(c) The importance of physical maintenance of ledgers (d) The relevance of traditional accounting practices

### BRANCHES OF ACCOUNTING

1. Who are the primary users of financial accounting?

(a) Employees (b) Management **(c) Investors and Creditors** (d) Suppliers

1. What does cost accounting mainly focus on?

a) Historical transactions **(b) Costing products and services**

(c) Strategic planning (d) Compliance with regulations

1. Which branch of accounting is highly subjective and includes forecasts?

(a) Financial Accounting (b) Cost Accounting (c) Management Accounting (d) None of the above

1. For whom does management accounting primarily provide information?

(a) Investors (b) Government agencies **(c) Internal users such as management** (d) Suppliers

1. What does financial accounting primarily track?

(a) Cost efficiency (b) Managerial decisions **(c) Financial transactions** (d) Future-oriented planning

1. How often are financial accounting reports typically produced?

(a) Daily (b) Weekly **(c) Periodic (monthly, quarterly, annually**) (d) Continuously

1. Which branch of accounting often looks towards the future through budgeting, forecasting, and planning?

(a) Financial Accounting (b) Cost Accounting **(c) Management Accounting** (d) All of the above

1. In what way do customers utilize financial accounting information?
   1. To decide credit terms **(c) To ensure the company's continuity**
   2. To assess job security (d) To analyze market trends
2. What is the focus of management accounting?
   1. Historical and monetary information **(b) Strategic planning and decision-making**

(c) Cost analysis (d) Compliance with GAAP or IFRS

1. Which type of accounting must adhere to standards like GAAP or IFRS?

**(a) Financial Accounting** (b) Cost Accounting (c) Management Accounting (d) Both (b) and (c)

1. What helps investors in predicting future dividends?
   1. Information about costs (c) Compliance checks
   2. **Information about profits** (d) Long-term relationship building
2. What is usually confidential in cost accounting?

**(a) Data** (b) Standards and regulations (c) Focus (d) Scope

1. Which branch of accounting contributes to internal performance measurement by analyzing costs and profitability?
   1. Financial Accounting (c) Management Accounting
   2. Cost Accounting **(d) Both (b) and (c)**

14 . Which branch of accounting reflects historical performance?

**(a) Financial Accounting** (b) Cost Accounting

* 1. Management Accounting (d) All of the above

1. Who uses financial statements to ensure companies comply with applicable laws and regulations?

**(a) Suppliers** (b) Employees (c) Regulatory authorities (d) Creditors

1. What is the primary focus of financial accounting?

(a) Detailed view of costs (b) Strategic planning and decision-making

**(c) General view of company's financial position** (d) Specific products, projects, and departments

1. Who analyzes a company's financial health to decide credit terms?

(a) Investors **(b) Suppliers** (c) Customers (d) Employees

1. Which branch of accounting is more externally oriented?

**( a) Financial Accounting** (b) Cost Accounting (c) Management Accounting (d) None of the above

1. How does management accounting differ from cost accounting in terms of focus?

(a) More detailed and includes cost analysis **(b) Focuses on aiding management in strategic decision-making**

(c) Focuses on historical and monetary information (d) Tracks and summarizes financial transactions

1. Which accounting branch assists managers in pricing decisions, budgeting, and efficiency analysis?

(a) Financial Accounting **(b) Cost Accounting** (c) Management Accounting (d) None of the above

### CONCEPTS AND CONVENTIONS OF ACCOUNTING

1. GAAP originated after:

(a) World War II (b) The Stock Market Crash of 1929

(c) The Internet Boom (d) The Great Depression

1. The main purpose of IFRS is to provide:

|  |  |  |  |
| --- | --- | --- | --- |
| (a) Global Consistency  3. Ind AS was introduced by: | (b) U.S. Regulation | (c) Local Guidelines | (d) Government Control |
| (a) AICPA (b) FASB | (c) ICAI and MCA | (d) IASB |  |

1. The principles-based approach of IFRS emphasizes:

(a) Strict Rules (b) Professional Judgment (c) Simplicity (d) Complexity

1. The transition from Indian GAAP to Ind AS marks changes in areas such as:

(a) Revenue Recognition (b) Property Valuation (c) Leases (d) All of the Above

1. GAAP's rules-based approach may:
   1. Reflect Economic Substance (b) Hinder Innovative Reporting

(c) Promote Simplicity (d) Reduce Costs

1. IFRS is used in over:
   1. 50 countries (c) 100 countries (c) 140 countries (c) 200 countries
2. Ind AS consists of:
   1. Rule-Based Standards (b) Principles-Based Standards

(c) U.S. Standards (d) European Standards

1. GAAP promotes:

(a) Complexity and Cost (b) Accuracy and Reliability (c) Rigidity (d) Global Standardization

1. Ind AS is a:

(a) Direct Copy of IFRS (b) Convergence with IFRS (c) Simplification of IFRS (d) Rejection of IFRS

1. Who is responsible for issuing IFRS?

(a) IASC (b) IASB (c) FASB (d) AICPA

1. The transition to Ind AS poses challenges in:

(a) Training (b) System Changes (c) Interpretation of New Principles (d) All of the Above

1. The adoption process of IFRS can require:
   1. Changes to Existing Accounting Practices (c) Immediate Implementation
   2. Ignoring Local Standards (d) Reduced Disclosures
2. IAS were issued by:

(a) IASB (b) FASB (c) AICPA (d) IASC

1. GAAP ensures that financial information is:
   1. Complex and Incomplete (c) Misleading and Inaccurate
   2. Clear and Complete (d) Unclear and Inconsistent
2. IFRS requires:

(a) Minimal Disclosures (b) Detailed Disclosures (c) No Disclosures (d) Biased Disclosures

1. The American Institute of Accountants is now known as:

(a) AICPA (b) FASB (c) IASB (d) ICAI

1. The costs associated with transitioning to IFRS can lead to:

(a) Inconsistencies in Application (b) Reduced Training (c) Economic Growth (d) Simplification of Rules

1. Ind AS emphasizes:
   1. Substance Over Form (b) Form Over Substance

(c) Neither Substance nor Form (d) Both Substance and Form

1. Ind AS includes guidance on:

(a) Agriculture (b) Property Valuation (c) Related Party Disclosures (d) All of the Above

# UNIT.4 TAXATION

### AN INTRODUCTION TO TAXATION

1. During which empire was the "Arthashastra" penned?

(a) Gupta Empire (b) Mughal Empire (c) **Mauryan Empire** (d) British Empire

1. What significant act was introduced by Lord Cornwallis in 1793?

(a) Income Tax Act (b) **Permanent Settlement Act** (c) Customs Act (d) GST Act 3 . When was the current Income Tax Act introduced in India?

(a) 1947 (b) **1961** (c) 1860 (d) 1986

1. Who are responsible for collecting land revenue during the Mughal era?

(a) Zamindars (b) **Amils** (c) Taxpayers (d) British Officials

1. What replaced the sales tax in India in 2005?

(a) Customs Duty (b) Excise Duty (c) Income Tax (d) **Value Added Tax (VAT)**

1. What was the nature of taxes during the Vedic period?

(a) Compulsory (b) **Voluntary** (c) Fixed (d) None of the above

1. Which of the following is not a responsibility of taxpayers?
   1. Accurate Reporting of Income and Expenses (b) Timely Payment of Taxes

(c) Cooperation during Tax Examinations and Audits (d) **Setting Tax Rates**

1. Which act governs the customs duties in India?

(a) **Customs Act, 1962** (b) Finance Act (c) Income Tax Act, 1961 (d) Central Excise Act, 1944

1. How many years are taxpayers advised to retain their records in India?

(a) Three years (b) **Six years** (c) Ten years (d) One year

1. Which type of tax system did Akbar introduce during the Mughal era?

(a) **Zabt** (b) Bali (c) MODVATE (d) VAT

II. Who introduced the Permanent Settlement Act of 1793?

(a) James Wilson (b) **Lord Cornwallis** (c) Akbar (d) Chanakya

1. What replaced the sales tax in India in 2005?

(a) MODVAT (b) Income Tax Act (c) GST (d) **VAT**

1. What is the minimum duration for retaining financial records for taxpayers in India?

(a) Two years (b) Four years (c) **Six years** (d) Ten years

1. Which act governs the levy and collection of excise duty on goods manufactured in India?

(a) **Central Excise Act of 1944** ( b) Customs Act of 1962 (c) Finance Act (d) Income Tax Act of 1961

1. What was the name of the tax during the Vedic period in India?

(a) Zabt (b) **Bali** (c) Jizya (d) Kharaj

1. Which Mughal ruler introduced the 'Zabt' system of land revenue?

(a) Humayun (b) Aurangzeb (c) **Akbar** (d) Babur

1. What was the significant reform introduced in 1986 to simplify the tax structure?
   1. Value Added Tax (VAT) (b) Permanent Settlement Act

(c) Income Tax Act of 1961 (d) **Modified Value Added Tax (MODVATE)**

1. Under which list in the Constitution of India are state governments empowered to levy taxes on agricultural income?

(a) Union List (b) **State List** (c) Concurrent List (d) None of the above

1. What type of treaty has India entered into with various countries to avoid taxing income twice?
   1. Bilateral Trade Agreements (b) International Customs Agreements

(c) **Double Tax Avoidance Agreements (DTAA)** (d) Free Trade Agreements

1. Who was responsible for the introduction of the first Income Tax Act in British India in 1860?

(a**) Lord Cornwallis** (b) Chanakya (c) Akbar (d) James Wilson

### TYPES OF TAXES AND THEIR CHARACTERISITICS

1. What is a significant criticism of indirect taxes?

(a) Popularity (b) **Regressive Nature** (c) Savings Incentive (d) Equitable Distribution

1. How do direct taxes potentially discourage savings and investment?

(a) Reducing Inflation (b) Enhancing Work Incentives

(c) Increasing Post-tax Return (d) **Reducing Post-tax Return**

1. Which tax reform has mitigated the cascading effect in India?

(a) Income Tax (b) Customs Duty (c) **Goods and Services Tax (GST)** (d) Value Added Tax (VAT)

1. Which group is most affected by the regressive nature of indirect taxes?

(a) High-Income Individuals (b) **Low-Income Individuals** (c) Corporations (d) Government

1. What can high direct tax rates lead to for high-income individuals?

(a) Increased Savings (b) More Equitable Distribution

(c**) Impact on Work Incentives** (d) Reduction in Tax Evasion

1. What was a common problem before the implementation of GST in India?
   1. Decrease in Tax Rates (b) **Cascading Effect**

(c) Reduction in Inflation (d) Simplified Tax Laws

1. Why are direct taxes often considered inconvenient by taxpayers? (
   1. They Encourage Investment (b) They Are Progressive

(c) **Complex Filing Process** (d) They Reduce Costs

1. What may indirect taxes like customs duty do to domestic industries?
   1. Encourage Foreign Competition (b) Reduce Costs

(c) **Affect Global Competitiveness** (d) Increase Tax Evasion

1. How can high direct taxes discourage savings?
   1. By Increasing Post-tax Return (c) **By Reducing Post-tax Return**
   2. By Increasing Pre-tax Return (d) By Reducing Tax Rates
2. What kind of taxes are seen as a direct reduction in income?

(a) Indirect Taxes (b) Customs Duty (c**) Direct Taxes** (d) Goods and Services Tax

1. Which type of taxes had a cascading effect before GST?

(a) Direct Taxes (b**) Indirect Taxes** (c) Income Tax (d) Corporate Tax

1. What can various rates of indirect taxes influence?
   1. Taxpayer Convenience (c) **Unintended Business Decisions**
   2. Regressive Impact (d) Income Redistribution
2. What is a major challenge in the administration of indirect taxes?
   1. Inequitable Practice (b) Inconvenience

(c) **Evasion at Collection Stages** (d) Progressive Nature

1. Which tax is an example of a direct tax?

(a) Sales Tax (b) Value Added Tax (c) Customs Duty (d**) Income Tax**

1. How have indirect taxes like customs duty protected domestic industries?
   1. By Encouraging Imports (b) **By Making Imported Raw Materials Costly**

(c) By Reducing Tax Rates (d) By Simplifying Tax Laws

1. Which tax has mitigated the cascading effect to a large extent in India?

(a) Corporate Tax (b) Income Tax (c) Value Added Tax (VAT) (d) **Goods and Services Tax (GST**)

1. What type of taxes can lead to border disputes in India?

(a) Direct Taxes (b**) Indirect Taxes** (c) Income Tax (d) Corporate Tax

1. What was one of the impacts of direct taxes on the economy mentioned?
   1. Increased Inflation b) **Negative Impact on Savings and Investment**

(c) Reduction in Tax Evasion (d) Simplification of Tax Laws

1. What can high indirect taxes lead to?

(a) Decreased Prices (b) **Inflationary Pressure** (c) Encourage Savings (d) Equitable Distribution

1. What does the complex nature of GST laws particularly affect?

(a) High-Income Individuals (b) Foreign Corporations

(c) **Small and Medium-sized Enterprises (SMEs)** (d) Government Revenue

### KEY TAXES IN INDIA

1. When was GST introduced in India?

(a) 2000 (b) **2017** (c) 2010 (d) 2005

1. What is IGST?

(a) International GST (b) **Integrated GST** (c) Interstate GST (d) Internal GST

1. Which products are excluded from GST?

(a) **Alcohol and Petroleum** (b) Gold and Silver (c) Textiles and Food (d) Electronics and Machinery

1. Who administers Customs Duty in India?
   1. State Governments (b) **Central Board of Indirect Taxes and Customs**

(c) Reserve Bank of India (d) Ministry of Commerce

1. What was the Excise Duty referred to as before GST?
   1. Central Excise Duty (b) **Central Value Added Tax (CENVAT)**

(c) General Excise Duty (d) Specific Excise Duty

1. Which Prime Minister first proposed the introduction of GST?

(a) Narendra Modi (b) Manmohan Singh (c) **Atal Bihari Vajpayee** (d) Indira Gandhi

1. What is the tax rate of the highest slab in GST?

(a) 5% (b) 12% (c) 18% (d) **28%**

1. What does the 'S' in SGST stand for?

(a) Standard (b) Supply (c) **State** (d) Services

1. Which Act regulates Customs Duty in India?
   1. Customs Act, 1975 (b) **Customs Act, 1962**

(c) Customs and Excise Act, 1944 (d) Import and Export Act, 1990

1. What type of tax was the Excise Duty?

(a) Import Tax (b) **Manufacturing Tax** (c) Export Tax (d) Consumption Tax

1. Which body is responsible for making key decisions on GST, including tax rates?
   1. Finance Ministry (b) Reserve Bank of India

(c) **GST Council** (d) Central Board of Indirect Taxes and Customs

1. How many monthly returns must a regular business file under GST?

(a) One (b) Two (c) **Three** (d) Four

1. What is the purpose of Customs Duty in India?

(a) Taxing Manufacturing (b) Encouraging Exports

(c) **Regulating Inflow and Outflow of Goods** (d) Subsidizing Agriculture

1. Which tax is not subsumed under GST?

(a) Service Tax (b) VAT (c) **Excise Duty on Petroleum** (d) Central Sales Tax

1. Which part of the government administers Customs Duty?

(a) State Government (b) Central Board of Direct Taxes

(c) Ministry of Commerce (d) **Central Board of Indirect Taxes and Customs**

1. What were the Excise Duty's forms before GST?

(a**) Specific and ad valorem** (b) Variable and constant

(c) Progressive and regressive (d) Import and export

1. Which act laid the foundation for the modern framework of Customs Duty?

(a) Customs Tariff Act, 1975 (b) **Customs Act, 1962**

(c) Trade Act, 1985 (d) Import and Export Control Act, 1992

1. Which tax did the Central Excise Act, 1944, govern?

(a) Customs Duty (b) State Tax (c) **Excise Duty** (d) Sales Tax

1. Which items are taxed at the lowest slab in GST?

(a) Luxury Items (b) Electronics (c) **Essential Items** (d) Demerit Goods

1. Who heads the GST Council?

(a) Prime Minister (b) Finance Secretary (c) **Union Finance Minister** (d) President of India

### THE ROLE OF TAX AUTHORITIES IN INDIA

1. Who oversees the tax collection and administration process in India? (a)RBI (b) **CBIC and CBDT** (c) Finance Ministry (d) SEBI
2. What does PAN stand for in the context of direct taxes?
   1. Primary Account Number (b) **Permanent Account Number**

(c) Personal Assessment Number (d) Provisional Allocation Number

1. The threshold for businesses to register under the GST Act is:

(a) Rs. 5 lakhs (b) **Rs. 20 lakhs** (c) Rs. 15 lakhs (d) Rs. 10 lakhs

1. What is the basis of tax charged under the GST system?

(a) Government Notification (b) **Tax Invoice** (c) PAN Card (d) Tax Return

1. Which scheme aims at reducing pending income tax litigation?

(a) Atal Pension Yojana (b) Mudra Yojana (c) **Vivad se Vishwas Scheme** (d) Jan Dhan Yojana

1. Which of the following is not a challenge in the Indian tax administration system?

(a) Tax Evasion **(b) Broadening the Tax Base** (c) Complex Tax Laws (d) Technological Challenges

1. What is the significance of the Goods and Services Tax Identification Number (GSTIN)?
   1. **It's a unique identifier for taxpayers under GST.** (b) It's used for direct tax computation.

(c) It's a code for tax officials. (d) It's an account number for paying tax.

1. Which initiative has had a significant impact on technology-driven compliance?

(a**) Faceless assessment** (b) PAN allocation (c) Slab reduction (d) Income Tax Return (ITR) filing

1. What can be levied in case of discrepancies found during the GST audit?

(a) Commendation (b) **Additional tax along with interest and penalty**

(c) Fixed annual fee (d) Registration suspension

1. In the context of direct taxes, how can a taxpayer pay taxes?

(a) Only in advance (b) Only deducted at source

(c**) In advance or deducted at source** (d) Only through monthly installments

1. Which of the following refers to a detailed document explaining a taxpayer's income, deductions claimed, and taxes paid?

(a) Tax Invoice (b) PAN Card (c) **Income Tax Return (ITR)** (d) GST Return

1. What is the threshold for GST registration for special category states?

(a) Rs. 20 lakhs (b) Rs. 5 lakhs (c) **Rs. 10 lakhs** (d) Rs. 15 lakhs

1. Which of the following is not an opportunity in Indian tax administration?
   1. GST Streamlining (b) Technology-Driven Compliance

(c) Enhancing Tax Literacy (d) **Increasing Tax Complexity**

1. What is the purpose of the Income Tax Appellate Tribunal?
   1. Registration of businesses (b) **Hear appeals against the decisions of the tax department**

(c) Implementation of GST (d) Issuance of PAN cards

1. What is one method to increase the taxpayer base in India?
   1. Reducing the number of tax slabs (b) Increasing tax rates

(c) **Bringing the informal economy into the formal sector** (d) Increasing technological challenges

1. Who can appeal to higher authorities within the Income Tax Department if they disagree with the assessment?

(a) Only businesses (b) Only individuals (c) Only non-profit organizations (d) **Any taxpayer**

1. Which of the following represents a step in the Indirect Taxes process?
   1. Identification of Taxpayer (b) **Tax Invoice Issuance**

(c) Income Computation (d) Scrutiny and Appeals

1. What are the two main categories of taxes overseen by CBDT and CBIC?
   1. Corporate and Sales Taxes (b**) Direct and Indirect Taxes**

(c) Property and Wealth Taxes (d) Excise and Customs Duties

1. What initiative aims to resolve tax disputes and reduce litigation?

(a) Digital India (b) Start-Up India (c) Make in India (d) **Vivad se Vishwas Scheme**

1. Which state-related challenge is faced in the Indian tax administration?
   1. Uniform tax rates across all states (b**) Interstate Disparities**

(c) Lack of states' participation in GST (d) States' opposition to Direct Taxes

# UNIT 5. COMPUTER ESSENTIALS

### BASICS OF WEB DESIGN

1. What does aesthetics in web design refer to?

(a) Coding techniques (b) **Visual appeal and sensory experience** (c) Loading speed (d) Error handling

1. Which aspect is NOT listed under the importance of aesthetics in the content?

(a) First Impressions (b) Competitive Advantage

(c) Brand Identity (d) **Search Engine Optimization**

1. In the Green Thumb's case study, what was the increase in page views?

(a) 20% (b) **30%** (c) 15% (d) 25%

1. Which tool was used for the online store in Green Thumb's case?

(a) Shopify (b) Big Commerce (c) Magento (d) **WooCommerce**

1. What element is essential for ensuring that content is accessible to users with disabilities?
   1. High-quality images (b**) Alternative text for images**

(c) Vibrant colors (d) Hover effects

1. What does aesthetics in web design encompass?

(a) Color only (b) Layout only (c) Images only

(d) **Choice of colors, images, typography, layout, and overall visual harmony**

1. Why is usability in web design considered crucial?
   1. It makes the site look good (b**) It ensures that the site works well for the user**

(c) It makes the site look expensive (d) It only increases engagement

1. What was one of the main objectives in designing the Green Thumb's website?
   1. Increasing the website's complexity (b) **Reflecting the brand's eco-friendly values**

(c) Focusing on professional gardeners only (d) Using bright and flashy colors

1. What platform was used in the Green Thumb's website project for e-commerce integration?

(a) Shopify (b) Magento (c) **WooCommerce** (d) BigCommerce

1. What is a way to include aesthetics in web design by understanding the target audience?
   1. Using the same design for all audiences
   2. Ignoring audience preferences
   3. **Tailoring the aesthetics to suit the tastes and preferences of the target audience**
   4. Selecting random colors and typography
2. Which example is mentioned under typography and fonts in the aesthetics section?
   1. Vibrant colors and dynamic animations (b) Calming blues and greens

(c**) A corporate website using a clean and elegant** (d) A blog with a clean layout

1. What is the noted increase in online sales for Green Thumb after redesigning the website?

(a) 10% (b**) 20%** (c) 30% (d) 40%

1. What can good aesthetics lead to in terms of user experience (UX)?
   1. Lower user engagement (b) Confusing navigation

(c) Increased frustration (d) **Higher user engagement and conversion rates**

1. How is accessibility referred to in the importance of aesthetics?
   1. Reducing content for easier understanding
   2. **Ensuring content is accessible to everyone, including users with disabilities**
   3. Limiting accessibility to a specific group
   4. Using complex designs for exclusivity
2. What does responsive design in aesthetics in web design ensure?
   1. Limited screen size adaptability (b) **Aesthetics maintained across different devices and screen sizes**

(c) Only desktop compatibility (d) Only mobile compatibility

1. What does usability in web design involve?
   1. Creating a complicated interface (b) **Creating a user-friendly interface that is intuitive**

(c) Ignoring readability and accessibility (d) Focusing on appearance over function

1. What was a part of the research and planning phase for Green Thumb's website?
   1. Ignoring the competition (b) **A sitemap developed to outline the site's structure**

(c) Randomly selecting the design (d) Omitting usability testing

1. What is the described effect of a well-designed website in creating first impressions?

(a) Decreases trust (b) Reflects unprofessionalism

(c) **Reflects professionalism and quality** (d) Has no impact on first impressions

1. What method was used to make necessary adjustments to Green Thumb's website after the design phase?
   1. Ignoring user feedback (6) Limiting site to desktop version only

(c) **Conducting user testing to ascertain usability** (d) Implementing flashy animations

1. What does a well-structured layout with adequate white space help achieve?

(a) Makes the content confusing (b) Overloads the user with information

(c) **Makes the content more digestible and guides the user's eye** (d). Reduces the website's visual appeal

1. How can usability lead to a successful online presence?
   1. By focusing on aesthetics over functionality (b) **By ensuring it works well for the user**

(c) By making the site complicated By reducing engagement and bounce rates

### DIGITAL MARKETING AND ITS COMPONENTS

1. What is the foundation of content marketing?

(a) Story telling (b) SEO Optimization

(c) **Understanding the Target Audience** (d) Multi-Channel Distribution

1. Which aspect of SEO focuses on site speed, mobile-friendliness, and secure connections?

(a) Keywords (b) On-Page SEO (c) **Technical SEO** (d) Local SEO

1. What is the key to engaging email content?

(a) Segmentation (b) Compliance (c) **Personalized Content** (d) Responsive Design

1. A financial planning firm might create interactive content like:

(a) Video demonstrations (b) **Interactive calculators** (c) Blog posts (d) Email newsletters

1. Which law must be complied with in email marketing?

(a) GDPR (b) FCC Regulations (c**) CAN-SPAM Act** (d) HIPAA

1. Which type of SEO targets a specific geographical location?

(a) Off-Page SEO (b) Local SEO (c) On-Page SEO (d) Technical SEO

1. What is the primary objective of content repurposing?
   1. Reducing content quality (b) **Extending content reach and life**

(c) Simplifying content creation (d) Targeting a new audience

1. What element is vital for conversion in an email marketing campaign?

(a) Targeted Lists (b) Analytics (c) Compliance (d) **Call to Action (CTA)**

1. Which content marketing strategy involves collaborating with influencers?

(a) SEO Optimization (b) Multi-Channel Distribution

(c) **Influencer Partnerships** (d) Content Repurposing

1. What does Off-Page SEO refer to?
   1. **Actions taken outside of your website to impact trustworthiness** (c) Focusing on site speed
   2. Optimizing Meta titles and descriptions (d) Targeting specific geographical locations
2. In content marketing, which tool is vital for storytelling and emotional engagement?
   1. Interactive Content (b) Analytics and Performance Monitoring

(c) High-Quality Content Creation (d) **Storytelling**

1. What type of content might a technology company produce?

(a) Quizzes and Surveys (b) **Detailed guides, tutorials, and video demonstrations**

(c) Articles on fashion trends (d) Interactive calculators

1. What is the purpose of keywords in SEO?

(a) Enhancing site speed (b) Compliance with regulations

(c) **Aligning content with what the audience is searching for** (d) Building links from reputable sites

1. What is the importance of responsive design in email marketing?
   1. **Ensuring a consistent experience across devices** (b) Segmentation of the email list

(c) Crafting compelling CTAS (d) Analyzing open rates

1. How does SEO contribute to building credibility and trust?
   1. By optimizing for user experience (b) By increasing visibility in search results

(c) By appearing on the first page of search results (d) **Both (b) and (c)**

1. Which is not a method of distributing value in content marketing?

(a) Multi-Channel Distribution (b) Content Repurposing (c) **SEO Optimization** (d) Influencer Partnerships

1. What is the primary focus of content optimization in SEO?

(a) Integrating keywords (b) Building links

(c) **Providing valuable, relevant content** (d) Increasing site speed

1. What tool is crucial for measuring the success of an email marketing campaign?

(a) Personalized Content (b) Responsive Design (c) **Analytics and Reporting** (d) Targeted Lists

1. What would be a suitable channel for a fashion brand to distribute its content?
   1. Interactive calculators (b) **Instagram visuals, YouTube videos, and weekly email newsletters**

(c) Technical guides and tutorials (d) Financial planning tools

1. What is the focus of On-Page SEO?

(a) Building inbound links (b) Optimizing the technical aspects of a website

(c) **Optimizing elements within the webpage itself** (d) Targeting a specific geographical location

### LEVERAGING DIGITAL MARKETING FOR BUSINESS GROWTH

1. Which platform would a B2B company likely focus on for social media marketing?

(a) Facebook (b) Instagram (c) **LinkedIn** (d) Twitter

1. Which tool can brands use to monitor and analyze social media performance?

(a) **Google Analytics** (b) MS Word (c) Excel (d) Notepad

1. In email marketing, what can increase engagement with recipients?

(a) Spamming (b**) Personalization** (c) Low-Quality Content (d) Over-Saturation

1. What was Zomato's "Rate Your Plate" campaign aimed at?

(a) Increasing Sales (b) **Encouraging Users to Rate and Review** (c) Hiring New Staff (d) Launching New Menu

1. How did Zomato use geo-targeted advertising?
   1. For Global Expansion (c) To Reduce Costs
   2. **To Send Personalized Offers** (d) For Customer Support
2. What did Zomato's collaboration with food bloggers help in?

(a) Reducing Costs (b) **Reaching a Broader Audience** (c) Improving the Menu (d) Building a New Platform

### INTRODUCTION TO DATA ANALYTICS

1. What method is used to analyze customer preferences and suggest products that similar customers have liked?

(a) Sentiment Analysis (b) **Collaborative Filtering** (c) Time Series Analysis (d) Survival Analysis

1. Which model might be used by a retailer to predict whether a customer will respond to a promotional offer?

(a) **Logistic Regression** (b) Content-Based Filtering (c) Hybrid Models (d) ARIMA

1. How has Flipkart used data analytics to stay competitive?

(a) Risk Assessment (b) Healthcare Delivery Optimization

(c) **Identifying Shopping Trends** (d) Farming Practices Optimization

1. What method uncovers hidden patterns in large datasets, identifying relationships among different customer behaviors?

(a) Deep Learning Models (b) Sentiment Analysis (c) Time Series Analysis (d) **Association Rule Mining**

1. In what sector has Cropln provided analytics-driven solutions in India?

(a) Healthcare (b) Retail and E-commerce (c) **Agriculture** (d) Banking and Finance

1. What type of model captures complex patterns in customer behavior over time?

(a) ARIMA (b) Logistic Regression (c**) Recurrent Neural Networks (RNNs)** (d) Clustering Algorithms

1. What is the goal of providing customized suggestions using data analytics?

(a) Reducing Costs (b) **Understanding Individual Customer Needs**

(c) Reducing Readmission Rates (d) Fraud Detection

1. What initiative by the Indian government has fostered an environment conducive to data- driven innovation?

(a) Healthcare India (b) Crop Revolution (c) **Startup India** (d) Digital Farming

1. What is an example of real-time analytics in business?
   1. Forecasting Sales Spikes (b) **Predicting and Preventing Fraudulent Activities**

(c) Analyzing Customer Feedback (d) Association Rule Mining

1. What is an advantage of using hybrid models in recommendation systems?

(a) Real-time Analysis (b) Enhanced Yield in Farming

(c) Immediate and Context-Aware Suggestions (d) **More Accurate Recommendations**

1. What technique helps in analyzing customer feedback, reviews, and social media comments to reveal customer sentiment?

(a) Time Series Analysis (b) **Sentiment Analysis** (c) Collaborative Filtering (d) Association Rule Mining

1. Which bank in India has utilized real-time analytics to enable personalized banking experiences?

(a) ICICI (b) Flipkart (c) **HDFC** (d) Apollo Hospitals

1. What method groups customers into different segments based on common characteristics for targeted marketing strategies?

(a) Survival Analysis (b) Collaborative Filtering (c) **Customer Segmentation** (d) Deep Learning Models

1. What technique has Apollo Hospitals employed to reduce readmission rates?

(a) Association Rule Mining (b) Collaborative Filtering (c) Sentiment Analysis (d) **Predictive Analytics**

1. What does the Indian government's Digital India initiative aim to facilitate?
   1. **Increased Internet Penetration** (b) Enhanced Yield in Farming

(c) Personalized Banking Experiences (d) Real-time Analysis of Shopping Trends

1. Which of the following models is best for analyzing sequential data and capturing complex patterns over time?

(a) Logistic Regression (b) **Recurrent Neural Networks (RNNs)**

(c) Clustering Algorithms (d) Content-Based Filtering

1. What is the main benefit of using real-time analytics tools?

(a) Predicting Seasonal Trends (b) **Immediate Insights and Predictions**

(c) Grouping Customers into Segments (d) Reducing Costs in Healthcare

1. Which model combines both collaborative and content-based filtering to provide more accurate recommendations?

(a) ARIMA (b) Deep Learning Models (c) Time Series Analysis (d) **Hybrid Models**

1. In the context of agriculture, what is the main goal of analytics-driven solutions such as those provided by Cropin?

(a) Risk Assessment (b) Forecasting Shopping Trends

(c) **Optimizing Farming Practices** (d) Predicting and Preventing Fraudulent Activities

1. Which technique is used to estimate the time until an event of interest occurs, such as customer churn?

(a) Customer Segmentation (b) Association Rule Mining (c) Time Series Analysis (d) **Survival Analysis**