

CA FOUNDATION
Business & Commercial Knowledge
Mock Test

1. ____ is a feature of partnership form of business.
 - (a) Separate legal entity from the firm
 - (b) Limited scope for raising finance
 - (c) The liability of a partner is limited to his contribution to capital
 - (d) Registration of partnership is compulsory

2. ____ form of business is / are appropriate for retail business.
 - (a) Sole proprietorship
 - (b) Partnership
 - (c) Company
 - (d) Both (a) and (b)

3. Which one of the following does not have perpetual succession?
 - (a) Company
 - (b) Statutory Corporation
 - (c) Sole Proprietorship
 - (d) Co-operative Society

4. In a Hindu Undivided Family, liability of ____ is unlimited.
 - (a) Karta
 - (b) Co-parceners
 - (c) Both a and b
 - (d) Neither a and b

5. In relation to business organisation structure, which one of the following is easy to form and wind up?
 - (a) A company
 - (b) A sole proprietorship
 - (c) Statutory corporation
 - (d) Public enterprises

6. Which is not a feature of LLP?
 - (a) Separate legal entity
 - (b) All LLP have existence for fixed period

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- (c) Partners in an LLP are required to turn into an agreement
- (d) In an LLP, partner are not liable for the act of other partners.

7. Voting right that vests with each member of co-operative society is :

- (a) One member one vote
- (b) Right to vote in proportion of capital contributed
- (c) Right to vote as mentioned in memorandum
- (d) None of the above.

8. Gas Authority of India Limited is an example of :

- (a) Limited liability partnership
- (b) Private limited company
- (c) Public enterprise
- (d) None of the above.

9. Which one of the following is the oldest and simplest form of organisation?

- (a) Functional organisation
- (b) Committee organisation
- (c) Line and staff organisation
- (d) Line organisation.

10. Why co-operative marketing society is formed?

- (a) To protect the interest of general consumers
- (b) To sell the product of small farmers and producers
- (c) To protect the interest of small producers
- (d) To provide financial support to the members.

11. Which of the following entity is created under an Act of the Parliament or an Act of the State legislature ?

- (a) Statutory corporation
- (b) Government companies
- (c) Co-operative society
- (d) Limited Liability Partnership.

12. Business undertaking are generally exposed to :

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- (a) Risk and uncertainty both
- (b) Uncertainty only
- (c) Risk only
- (d) Neither risk nor uncertainty.

13. The size and structure of business depends on many factors which (are):

- (a) In the control of enterprises
- (b) Arbitrary and random
- (c) Range from internal to external factors which are beyond the control of enterprises
- (d) Beyond the control of enterprises.

14. Sole proprietary business is suitable when market is :

- (a) Non Existent
- (b) National
- (c) Local
- (d) Global

15. Limited liability partnership is constituted under _____.

- (a) Companies Act, 2013
- (b) Limited Liability Partnership Act, 2008
- (c) Partnership Act, 1932
- (d) None is applicable

(a) Co-operative Farming Society

(b) Consumer 16. AMUL milk products is an example of

Co-operative Society

- (c) Co-operative Credit Society
- (d) Co-operative Market Society

17. Which one of the following is the desired future position?

- (a) Financial Statement
- (b) Vision Statement
- (c) Objectives
- (d) All of the above.

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18. Who started the process of liberalisation ?

- (a) Yashwant Singh
- (b) Jashwant Singh
- (c) Manmohan Singh
- (d) Mahatma Gandhi

19. Early identification of opportunities helps an enterprise to be the first to exploit them instead of losing it to competitors. The mentioned advantage can be categorised under :

- (a) First mover advantage
- (b) Initial identifier advantage
- (c) Earlier advantage
- (d) Second mover advantage.

20. Mission statement is derived from

- (a) Vision statement
- (b) Laws and statutes
- (c) Company policies
- (d) The company's memorandum of association

21. Which of the following is not included in an analysis of the business environment?

- (a) Economic trends
- (b) Animal behaviour
- (c) Social behaviour
- (d) Political trends.

22. An activity which is related with continuous and regular production and distribution of goods and services for satisfying human wants is called :

- (a) Production
- (b) Distribution
- (c) Service
- (d) Business

23. GDP, Per capital income, foreign exchange are the examples of

- (a) Economic Policy
- (b) Economic System
- (c) Economic Conditions

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(d) Both (a) and (b).

24. Which of the following is not covered by the organisation's Internal Environment

- (a) Human Resource (b) R & D
(c) Media (d) Management Structure

25. The partial or full disposal of an investment or asset through sale, exchange, closure or bankruptcy is called as

- (a) Divestiture (b) Environment withdrawal
(c) Denationalisation (d) Reprivatisation

26. Adani Group was formed in

- (a) 1998 (b) 1999
(c) 2001 (d) 2002

27. Bajaj Group was established by

- (a) Rahul Bajaj (b) Rajeev Bajaj
(c) Jamnalal Bajaj (d) Yamunalal Bajaj

28. The headquarter of Bajaj Group is situated in

- (a) Mumbai (b) Pune
(c) Ahmedabad (d) New Delhi

29. Bharti Group was established in

- (a) 1995 (b) 1996
(c) 1997 (d) 1998

30. Bharti Group was established by

- (a) Sushil Mittal (b) Sunil Mittal
(c) Suresh Kumar Mittal (d) Arundhati Mittal

31. Bharti Group has its headquarter in

- (a) New Delhi (b) Mumbai
(c) Hyderabad (d) Bengaluru

32. SERVO brand is developed by

- (a) ONGC (b) GAIL
(c) Indian Oil Corporation Ltd. (d) Reliance Industries Ltd.

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33. Infosys Ltd. was formed in the year

- (a) 1979
- (b) 1980
- (c) 1981
- (d) 1982

34. Candyman is the brand owned by

- (a) ITC Limited
- (b) Nestle Group
- (c) Cadbury Group
- (d) Amul Group

35. L & T stands for

- (a) Levis & Thunderbolt
- (b) Levis & Toubro
- (c) Larson & Toubro
- (d) Larson & Thunderbolt

36. Indane LPG is the product of which corporation in India?

- (a) IOCL
- (b) NTPC
- (c) ONGC
- (d) PGCIL

37. By what name are the Education and Stationary products by ITC known in india?

- (a) Camel
- (b) Apsara
- (c) Natraj
- (d) Classmate

38. Power System Operation Corporation Limited (POSOCO) is s subsidiary of :

- (a) IOCL
- (b) NTPC
- (c) ONGC
- (d) PGCIL

39. Chanakya authored the book

- (a) Chanakyashastra
- (b) Kautilyashastra
- (c) Arthashastra
- (d) Bhumishastra

40. David Easton propounded a model on politics policy relationship known as _____ model.

- (a) Black Box
- (b) White Box
- (c) Red Box
- (d) Blue Box

41. OCB stands for

- (a) Operational Corporate Body
- (b) Operational Company Board
- (c) Overseas Corporate Bodies
- (d) Overseas Company Board

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42. FDI is prohibited in India in

- (a) Fast Food
- (b) Mobile Phone
- (c) Atomic Energy
- (d) Thermal Power

43. The method of FDI other than Automatic route is called :

- (a) NRI Route
- (b) Government Route
- (c) Institutional Route
- (d) Priority Route

44. Hyundai India Limited came to India through the FDI route. It followed the path of :

- (a) Divestment in Public Sector Unit
- (b) Joint Venture
- (c) By creating a 100% Indian subsidiary
- (d) Replacement of a government sector business

45. Section _____ of IRDAI Act, 1999 lays down duties, powers and functions of IRDAI.

- (a) 12
- (b) 13
- (c) 14
- (d) 15

46. _____ regulates the co-operative banks and RRBs.

- (a) RBI
- (b) SBI
- (c) Central Government
- (d) NABARD

47. SLR & CRR are _____ measures of credit policy.

- (a) Qualitative
- (b) Quantitative
- (c) Backward
- (d) Forward

48. Which of the following is a direct beneficiary of IFCI?

- (a) Agro-based industry
- (b) Service industry
- (c) Capital & intermediate goods industry
- (d) All of the above

49. Charging high price for a short time when a new and innovative product is launched in the market is

- (a) Price Skimming
- (b) Penetration Pricing
- (c) Innovative Pricing

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(d) New Pricing

50. A loan by which time and cash flow between a short term loan and long term loan is filled up.

(a) Bridge Financing

(b) Filler Loan

(c) Intermediate Loan

(d) Mid Term Financing

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Answer

1.(b)	2.(c)	3.(c)	4.(a)	5.(b)	6.(b)	7.(a)	8.(c)	9.(d)	10.(b)
11.(a)	12.(a)	13.(a)	14.(c)	15.(b)	16.(d)	17.(b)	18.(c)	19.(a)	20.(a)
21.(b)	22.(d)	23.(c)	24.(c)	25.(a)	26.(a)	27.(c)	28.(b)	29.(a)	30.(b)
31.(a)	32.(c)	33.(c)	34.(a)	35.(c)	36.(a)	37.(d)	38.(d)	39.(c)	40.(a)
41.(c)	42.(c)	43.(b)	44.(c)	45.(c)	46.(d)	47.(b)	48.(d)	49.(a)	50.(a)