

# Business Studies

## Business Services

**Q1.** In \_\_\_\_\_ type of insurance, the insurable interest must be present at the time of policy and the loss. **1 Mark**

- A** Marine Insurance      **B** Life Insurance      **C** Fire Insurance      **D** None of these

**Ans:** **A** Marine Insurance

1. Marine Insurance

**Explanation:**

A contract of marine insurance can be defined as an arrangement under which the insurer undertakes to indemnify the insured in the manner and to the extent thereby agreed against marine loss.

Marine risks are the perils of the sea. The insurable interest must be present at the time of taking policy and at the time of loss.

**Q2.** Satellite based entertainment media services provided by cellular companies over large areas, with the help of a set top box and a small dish antenna are known as: **1 Mark**

- A** Cable services.      **B** Direct to home.      **C** FM radio.  
**D** None of these Answers.

**Ans:** **B** Direct to home.

2. Direct to home.

**Q3.** The simultaneous activity of production and consumption of services is called \_\_\_\_\_. **1 Mark**

- A** Inventory      **B** Inconsistency      **C** Inseparability      **D** Intangibility

**Ans:** **C** Inseparability

3. Inseparability

**Explanation:**

They are inseparable as well which means that the production and consumption of service cannot be separated unlike a tangible product.

**Q4.** Rate of return which considers riskiness and an available returns on investments is classified as \_\_\_\_\_. **1 Mark**

- A** Constant dividend      **B** Constant rate      **C** Maximum rate of return  
**D** Minimum acceptable rate of return

**Ans:** **D** Minimum acceptable rate of return

4. Minimum acceptable rate of return

**Q5.** Stop payment letter is usually made to prevent the misuse of the cheque when the cheque is \_\_\_\_\_. **1 Mark**

- A** Lost      **B** Issued      **C** Credit      **D** None of these

**Ans:** **A** Lost

1. Lost

**Explanation:**

Stop payment letter is usually made to prevent the misuse of the cheque when the cheque is lost.

A customer who issued the cheque can write a stop payment letter. This stop payment letter is used to issue in order to stop the misuse of the lost cheque.

**Q6.** The place where goods are preserved on a large scale in a systematic and orderly manner is commonly called as \_\_\_\_\_. **1 Mark**

- A** Retail outlet      **B** Factory      **C** Open ground      **D** Warehouse

**Ans: D Warehouse**

4. Warehouse

**Explanation:**

The place where goods are preserved on a large scale in a systematic and orderly manner is commonly called as warehouse.

Goods are stored in warehouse generally before the delivery or sale of the goods. Warehouse helps to protect the perishable goods.

**Q7.** In India, railways are owned and managed by \_\_\_\_\_.

**1 Mark**

- A** Private companies      **B** Government      **C** Individuals      **D** None of these

**Ans: B Government**

2. Government

**Explanation:**

Indian railways is a publicly owned company controlled by the Government of India, via Ministry of Railways.

**Q8.** Who provides DTH services?

**1 Mark**

- A** Transport companies      **B** Cellular companies      **C** Banks      **D** None of these

**Ans: B Cellular companies**

2. Cellular companies

**Explanation:**

It is a direct satellite-based media service provided by cellular companies. To receive this service, one needs a small dish antenna and a set - top box.

This service is provided by DTH services providers and consists of a bouquet of multiple channels.

**Q9.** "The insured is not allowed to make any profit by selling the damaged property or having the property which was stolen". Which principle of insurance is associated with this statement?

**1 Mark**

- A** Principle of utmost good faith      **B** Principle of insurable interest      **C** Principle of indemnity  
**D** Principle of subrogation

**Ans: D Principle of subrogation**

4. Principle of subrogation

**Explanation:**

Principle of Subrogation:- According to this principle, after paying the compensation, the insurer steps into the shoes of the insured.

In other words, when the insured is compensated for the loss or damage to the property insured by her/ him, the right of ownership of such property passes on to the insurer.

**Q10.** \_\_\_\_\_ system allows an account holder to operate their accounts from any branch.

**1 Mark**

- A** CBS      **B** CTS      **C** NEFT      **D** RTGS

**Ans: A CBS**

1. CBS

**Explanation:**

CBS system allows an account holder to operate their accounts from any branch. CBS stands for Core Banking Solution.

CBS can be defined as a technology platform which helps the customers to access their account from multiple delivery points, which includes different branches of the same bank, ATMs, internet and mobile banking, etc.

**Q11.** A Joint HUF business ceases to exist on the death of the KARTA.

**1 Mark**

- A** True      **B** False      **C** Partly true      **D** None of above

**Ans: B False**

2. False

**Explanation:**

On the death of the Karta, the Joint Hindu Family business continues to exist as the next senior - most family member becomes the Karta.

However, a Joint Hindu Family business can be dissolved at any time either through mutual agreement between members or by partition.

**Q12.** Which of the following is not a function of insurance?

**1 Mark**

- A** Risk sharing.      **B** Assist in capital formation.      **C** Lending of funds.  
**D** None of the above.

**Ans: C** Lending of funds.

3. Lending of funds.

**Explanation:**

Functions of insurance include providing certainty, protection, risk sharing and assisting in capital formation.

**Q13.** It is the duty of the insured to make an effort for minimization of loss. It is the principle of:

**1 Mark**

**A** Utmost Good Faith.      **B** Contribution.      **C** Mitigation.      **D** Insurable Interest.

**Ans: C** Mitigation.

3. Mitigation.

**Q14.** International trade in goods & services is sometimes used as a substitute for all the following except

**1 Mark**

\_\_\_\_\_.

**A** International movement of capital.      **B** Domestic production of different goods and services.  
**C** International movement of labour.      **D** International movement of technology.

**Ans: B** Domestic production of different goods and services.

2. Domestic production of different goods and services.

**Explanation:**

International trade in goods & services is sometimes used as a substitute for international movement of capital, international movement of labour and international movement of technology except domestic production of different goods and services.

Goods and services which are produced and consumed within the given territory are not included in the domain of international trade in goods and services.

**Q15.** What makes services difficult to be judged than goods?

**1 Mark**

**A** Price      **B** Intangibility      **C** Place      **D** Promotion

**Ans: B** Intangibility

2. Intangibility

**Explanation:**

A risk is associated with service when a customer buys it as customer cannot see the service before availing it.

Thus, intangibility makes it difficult to judge services than a tangible product.

**Q16.** The benefits of public warehousing includes\_\_\_\_\_.

**1 Mark**

**A** Control.      **B** Flexibility.      **C** Dealer relationship.      **D** None of the above.

**Ans: B** Flexibility.

2. Flexibility.

**Explanation:**

The benefits of public warehousing include flexibility in the number of locations, no fixed cost and value added services like packaging and labelling.

**Q17.** A countrywide system through which person can electronically transfer from one bank branch to another person having an account with the other bank branch in the country is known as:

**1 Mark**

**A** Pay order      **B** RTGS      **C** bank draft      **D** NEFT

**Ans: D** NEFT

4. NEFT

**Explanation:**

NEFT stands for National Electronic Funds Transfer. It is a countrywide system by which an individual, firm or company can electronically transfer funds from one bank branch to another individual, firm or company having an account with any other bank branch in the country.

**Q18.** Mr. Kabir desires to have two benefits from his bank account first, to earn higher interest on the deposit, and second, to face the minimum risk of dishonoring a cheque. Which type of account should be opened by him in the Bank?

**1 Mark**

**A** Saving Deposit Account      **B** Current Deposit Account      **C** Multiple Option Deposit Account  
**D** Fixed Deposit Account

**Ans: C** Multiple Option Deposit Account

3. Multiple Option Deposit Account

**Explanation:**

Multiple Option Deposit Account - This account offers multiple options to the depositors. It is formed by the combination of 2 or more accounts for availing customized facilities.

**Q19.** In India, life insurance was nationalized in the year \_\_\_\_\_. **1 Mark**  
A 1946                      B 1951                      C 1956                      D 1961

**Ans: C 1956**

3. 1956

**Q20.** The functions of a commerce include **1 Mark**  
A Acceptance of deposits   B Granting of loans   C Locker facility   D All the above

**Ans: D All the above**

4. All the above

**Q21.** To which insurance, principle of indemnity is not applicable? **1 Mark**  
A Life Insurance.              B Marine Insurance.              C Fire Insurance.              D All of the above.

**Ans: A Life Insurance.**

1. Life Insurance.

**Q22.** \_\_\_\_\_ allows a person to spend more than the balance available in his/her bank account. **1 Mark**  
A Debit card                      B Credit card                      C Current A/c                      D None of these

**Ans: B Credit card**

2. Credit card

**Explanation:**

Credit card is a facility given by the bank to its customers to spend via card swipe, an amount more than the available balance in his/her bank account.

It enables the card holders to have overdraft facility up to a fixed limit depending upon the creditworthiness of the account holder.

**Q23.** If the cargo does not reach its destination due to damage or destruction in the transit, the shipping company is not paid freight charges. To overcome losses suffered by such circumstances shipping companies: **1 Mark**

A Ship insurance.              B Hull insurance.              C Cargo insurance.              D Freight insurance.

**Ans: D Freight insurance.**

4. Freight insurance.

**Q24.** Sports insurance is not available for: **1 Mark**  
A Professional Sportsmen.              B Non-professional Sportsmen.              C Rural Area Sportsmen.  
D Urban Area Sportsmen.

**Ans: A Professional Sportsmen.**

1. Professional Sportsmen.

**Q25.** Number of units are 5000 and per unit price is \$60, then flexible budget variable would be \_\_\_\_\_. **1 Mark**  
A \$5, 000, 000                      B \$3, 000, 000                      C \$2, 000, 000                      D \$1, 000, 000

**Ans: B \$3, 000, 000**

2. \$3, 000, 000

**Q26.** Who can get an overdraft from a bank?. **1 Mark**  
A A Current Account Holder.              B A Savings Account Holder.              C A Fixed Deposit Account Holder.  
D A Recurring Deposit Account Holder.

**Ans: A A Current Account Holder.**

1. A Current Account Holder.

**Q27.** **1 Mark**

Process by which physical certificates of an investor are converted to an equivalent number of securities in an electronic format and credited in the Investors A/c held through depository participant is called \_\_\_\_\_.

- A** Remat                      **B** Demat                      **C** Both (A) and (B)                      **D** Only A

**Ans: B** Demat

2. Demat

**Explanation:**

Dematerialisation or Demat in short is the process through which an investors physical share certificate gets converted to electronic format which is maintained in an account with the Depository Participant.

**Q28.** The minimum number of members required to be present at a valid meeting is called \_\_\_\_\_.

**1 Mark**

- A** Quorum                      **B** Minutes                      **C** Agenda                      **D** None of these

**Ans: A** Quorum

1. Quorum

**Explanation:**

Quorum is the minimum number of members necessary to be present to conduct a valid meeting.

Minutes means "a formal written record, in physical or electronic form, of the proceeding of a Meeting".

Agenda is the list of activities/ business to be transacted in a meeting. It also sets out the order of these activities.

**Q29.** The cause for loss must be related to the purpose of insurance." Which principle of insurance is related to this statement?

**1 Mark**

- A** Principle of utmost good faith                      **B** Principle of insurable interest                      **C** Principle of contribution  
**D** Principle of cause proxima

**Ans: D** Principle of cause proxima

4. Principle of cause proxima

**Explanation:**

Principle of Causa Proxima - According to this principle, the cause or reason for the loss must be related to the subject matter of the insurance contract.

If the loss is due to some other cause, then the insurer can deny paying the compensation.

**Q30.** Which of the following service provides protection from risk?

**1 Mark**

- A** Banking                      **B** Transportation                      **C** Insurance                      **D** Postal and Telecom

**Ans: C** Insurance

3. Insurance

**Explanation:**

There are different types of risks that a businessman has to face.

The insurance branch of commerce helps in removing the hindrance of risk by providing protection and compensation to the insured.

**Q31.** State which of the following statements is false.

**1 Mark**

- A** Recurring deposit account is a time deposit account.  
**B** Number of transactions every month is limited in savings bank account.  
**C** A current account can be opened with an initial deposit of ₹ 5,000.  
**D** Fixed deposit account is demand deposit account.

**Ans: D** Fixed deposit account is demand deposit account.

4. Fixed deposit account is demand deposit account.

**Q32.** Electronic communication includes all of the following EXCEPT:

**1 Mark**

- A** Internet logs                      **B** Telephone calls                      **C** Video-conferencing                      **D** E-mail

**Ans: B** Telephone calls

2. Telephone calls

**Explanation:**

Electronic communication includes all of the following, like internet logs, video-conferencing, E-mail, except telephone calls.

Telephone calls take place through the telephonic network. It is not one of the modes of electronic communication.

**Q33.** .....account is opened by the investor while registering with an investment broker.

**1 Mark**

- A** Fixed Deposit Account      **B** Savings Bank Account      **C** Recurring Account  
**D** De-materialized Account

**Ans: D** De-materialized Account

4. De-materialized Account

**Q34.** Businesses providing direct services like tailors, restaurants and professional services like doctors, lawyers are generally organized as \_\_\_\_\_.

**1 Mark**

- A** Proprietary concern      **B** Trust      **C** Co-operative society      **D** Any of the above

**Ans: A** Proprietary concern

1. Proprietary concern

**Explanation:**

These businesses are usually run at a smaller scale and hence are organized as proprietary business firms.

Trust can be called a form of business wherein a trustee (an individual or a company) runs the business for the benefit of the beneficiaries.

A cooperative society is a voluntary association of persons, who join together with the motive of welfare of the members.

**Q35.** Which of the following is a contract of Indemnity

**1 Mark**

- A** Marine Insurance      **B** Fire Insurance      **C** Life Insurance      **D** all the above

**Ans: B** Fire Insurance

**Q36.** VSAT stands for:

**1 Mark**

- A** Very Small Aperture Terminal.      **B** Vidyut Supply and Transport.      **C** Very Small Application Terminal.  
**D** Video Screening Aperture Terminal.

**Ans:**

1. Very Small Aperture Terminal.

**Q37.** The abbreviation 'AAR' stands for \_\_\_\_\_.

**1 Mark**

- A** Annual Average Risk      **B** Annual All Return      **C** Against All Risks      **D** Against Average Risk

**Ans: C** Against All Risks

3. Against All Risks

**Explanation:**

The abbreviation 'AAR' stands for Against All Risk. AAR is related to insurance companies.

AAR insurance is primarily referred to a health insurance company of Kenya that started its operations in the year of 1984.

**Q38.** Which of the following companies offer DTH services in our country?

**1 Mark**

- A** Reliance      **B** Idea      **C** Tata sky      **D** All of the above.

**Ans: D** All of the above.

4. All of the above.

**Q39.** The validity period of a demand draft is \_\_\_\_\_.

**1 Mark**

- A** One month      **B** Two Months      **C** Three months      **D** Six Months

**Ans: C** Three months

3. Three months

**Q40.** The abbreviation 'VSAT' stands for \_\_\_\_\_.

**1 Mark**

- A** Very Straight Aperture Terminals.      **B** Very Straight Aperture Transfer.      **C** Very Small Aperture Transfer.  
**D** Very Small Aperture Terminals.

**Ans: D** Very Small Aperture Terminals.

4. Very Small Aperture Terminals.

**Explanation:**

VSAT (Very Small Aperture Terminal) is a satellite communications system that serves home and business users.

A VSAT end user needs a box that interfaces between the user's computer and an outside antenna with a transceiver.

The transceiver receives or sends a signal to a satellite transponder in the sky.

**Q41.** Insurance and garage rent are \_\_\_\_\_. **1 Mark**  
**A** Fixed charges      **B** Maintenance charges      **C** operating charges      **D** Running charges

**Ans: A** Fixed charges

1. Fixed charges

**Explanation:**

Insurance and garage rent are fixed charges. A fixed charge is any type of expense that recurs on a standard basis, apart from the volume of business.

To ascertain the cost per unit, these charges are aggregated and separated by the number of service units during the specified period.

After determining the cost one can fix the profit margin and also fix the selling Charges/ Fixed charges. Driver's wages. Repairs. Garage Rent. Insurance.

**Q42.** Elected representative of the shareholders is called a \_\_\_\_\_. **1 Mark**  
**A** Shareholder      **B** Director      **C** Secretary      **D** None of these

**Ans: B** Director

2. Director

**Explanation:**

Director is a person elected by shareholders of the company. The Board of Directors is a team of people elected by a corporation's shareholders to represent the shareholders' interests and ensure that the company's management acts on their behalf.

The head of the board of directors is the chairman or chairperson of the board.

**Q43.** What do we mean by ITES? **1 Mark**  
**A** Indian Technology Enabled Services      **B** International Telecommunication Extra Services  
**C** Information Technology Enabled Services      **D** none of the above

**Ans: C** Information Technology Enabled Services

3. Information Technology Enabled Services

**Explanation:**

ITES Information Technology Enabled Services. It covers the entire gamut of operations which is related to Information Technology.

It helps to improve the efficiency of an organization. It is also known as enabled services or remote services.

**Q44.** Services are \_\_\_\_\_ in nature. **1 Mark**  
**A** Intangible      **B** Inconsistent      **C** Inseparable      **D** All of the above

**Ans: D** All of the above

4. All of the above

**Explanation:**

Services are intangible. They cannot be touched and felt. They are inconsistent as it they are unique and heterogeneous.

They are inseparable as well which means that the production and consumption of service cannot be separated unlike a tangible product.

**Q45.** When the loss is the result of two or more causes, which of the following terms refers to the direct cause of which the loss is the natural consequence? **1 Mark**  
**A** Subrogation.      **B** Proximate.      **C** Mitigation Store.      **D** Indemnity.

**Ans: B** Proximate.

2. Proximate.

**Q46.** There are services which are experienced differently by different customers. These kind of services depend upon customers preferences and demands, and are known as: **1 Mark**  
**A** Personal services.      **B** Social services.      **C** Business services.      **D** Financial services.

**Ans: A** Personal services.

1. Personal services.

**Q47.** In order for promissory estoppel to arise, a number of requirements exist. Which of the following is NOT a requirement for promissory estoppel? **1 Mark**  
**A** The promise must be made by clear words.

- B** It must be inequitable for the promisor to go back on his promise.
- C** The promisee must rely on the promise.
- D** There must be a clear promise that legal rights will not be enforced.

**Ans: A** The promise must be made by clear words.

1. The promise must be made by clear words.

**Explanation:**

In order for promissory estoppel to arise, a number of requirements exist.

The promise must be made in clear words, is not a requirement for promissory estoppel.

Promissory estoppel can be defined as a legal principle which is enforceable by law even if the promise is made without formal consideration.

**Q48.** Which of the following can be treated as disadvantage of HUF form of business?

**1 Mark**

- A** A HUF business is not affected by the insolvency or death of any member including that of karta.
- B** An inefficient karta can do harm to the business.

**C**

The continuity of business is always under threat. It may be due to a small rift within the family and if a co-parcener asks for a partition the business is closed.

**D**

Since the karta has absolute freedom to manage the business, there is scope for him to misuse it for his personal gains.

**Ans: B** An inefficient karta can do harm to the business.

2. An inefficient karta can do harm to the business.

**Explanation:**

Despite having various advantages, the HUF form of business has disadvantages as well. One of them could be the misuse of power.

Since Karta has absolute freedom to manage the business, there is a scope for him to misuse it for his personal gains.

An inefficient Karta can do harm than good to the business.

**Q49.** A one way and affordable communication system for transmitting information to persons when they are on the move is known as:

**1 Mark**

- A** Cellular mobile services.
- B** Radio paging services.
- C** Fixed line services.
- D** Cable services.

**Ans: B** Radio paging services.

2. Radio paging services.

**Q50.** For an enterprise in service sector to come under the preview of micro enterprise the total investment in plant and machinery should not be more than \_\_\_\_\_.

**1 Mark**

- A** Rs. 25 lakhs
- B** Rs. 20 lakhs
- C** Rs. 50 lakhs
- D** Rs. 10 lakhs

**Ans: D** Rs. 10 lakhs

4. Rs. 10 lakhs

**Explanation:**

Micro, Small and Medium enterprises act, 2005 defines the micro, small and medium enterprises on the basis of the investment in the fixed assets.

Hence, service sector enterprise to come under the preview of micro enterprise, the total investment in plant and machinery should not be more than Rs. 10 lakhs.

**Q51.** The type of warehouse suitable for seasonal goods is \_\_\_\_\_.

**1 Mark**

- A** Private warehouse
- B** Co-operative warehouse
- C** Cold Storage warehouse
- D** Public warehouse

**Ans: C** Cold Storage warehouse

3. Cold Storage warehouse

**Explanation:**

The type of warehouse suitable for seasonal goods is cold storage warehouse.

Cold storage warehouse helps to prolong the shelf life for fresh goods. It helps to keep the goods fresh after production and before the delivery or sale of the goods.

**Q52.** Insurer must have some pecuniary interest in the subject matter of interest. It is the principle of:

**1 Mark**

**A** Mitigation.                    **B** Contribution.                    **C** Utmost Good Faith.                    **D** Insurable Interest.

**Ans: D** Insurable Interest.

4. Insurable Interest.

**Q53.** \_\_\_\_\_ services are experienced differently by different customers according to their preferences and demands.

**1 Mark**

**A** Business                    **B** Social                    **C** Personal                    **D** All of the above

**Ans: C** Personal

3. Personal

**Explanation:**

Business services are those services which are used by business enterprises for the conduct of their activities.

Social services are those services that are generally provided voluntarily in pursuit of certain social goals.

Personal services are those services which are experienced differently by different customers. They will also depend upon customer's preferences and demands.

For example, tourism, recreational services, restaurants.

**Q54.** "The insured must have an interest in the subject matter of insurance." Which principle of insurance is related to this statement?

**1 Mark**

**A** Principle of utmost good faith                    **B** Principle of insurable interest                    **C** Principle of indemnity  
**D** Principle of mitigation of loss

**Ans: B** Principle of insurable interest

2. Principle of insurable interest

**Explanation:**

Principle of Insurable Interest:- According to this principle, the insured must have an insurable interest in the subject matter of the insurance policy.

Without the interest, taking an insurance policy is considered a gamble (fraudulent activity), which the law does not permit.

**Q55.** A \_\_\_\_\_ is called a debtor as well as a creditor.

**1 Mark**

**A** Bank                    **B** Insurance                    **C** Government                    **D** None of the above

**Ans: A** Bank

1. Bank

**Explanation:**

The main functions of a bank are to accept deposits and lend loans. A bank lends what it borrows from others.

That is why a bank is called a debtor and a creditor.

**Q56.** Which of the services listed below provides risk protection?

**1 Mark**

**A** Banking                    **B** Transportation                    **C** Insurance                    **D** Postal and Telecom

**Ans: C** Insurance

3. Insurance

**Explanation:**

Insurance is a contract between the insurer and insured in which the insurer agrees to make good the loss, if any, of the insured on the happening of any event mentioned in the contract for a regular payment called the premium.

This agreement or contract is in writing and is known as an insurance policy.

**Q57.** An agent, which sells the goods, which are in its possession for his principal, is \_\_\_\_\_.

**1 Mark**

**A** Broker                    **B** Factors                    **C** Auctioneers                    **D** None of the above

**Ans: A** Broker

1. Broker

**Explanation:**

An agent, which sells the goods, which are in its possession for his principal, is broker.

Broker is responsible for arranging transactions between the buyer and seller of any goods.

A broker is entitled to a certain amount of commission when the deal is executed.

**Q58.** A bank can open a branch only at the permission of the \_\_\_\_\_.

**1 Mark**

**A** SBI                    **B** RBI                    **C** Government                    **D** None of these

**Ans: B** RBI

2. RBI

**Explanation:**

Banks have to apply to RBI for set-up of new branches.

RBI has strict guidelines about the same keeping multiple factors in mind - type of bank, financial inclusion being done, location, density of banking needed etc

**Q59.** Marine insurance policy is generally issued for goods in \_\_\_\_\_.

**1 Mark**

- A** Factory                      **B** Godown                      **C** Voyage                      **D** Transport

**Ans: C** Voyage

3. Voyage

**Explanation:**

A marine insurance contract is an agreement whereby the insurer undertakes to indemnify the insured in the manner and to the extent thereby agreed against marine losses.

The insurer guarantees to make good the losses due to damage to the ship or cargo arising out of the risks incidental to sea voyages.

**Q60.** DTH services are provided by\_\_\_\_\_.

**1 Mark**

- A** Transport companies.    **B** Banks.                      **C** Cellular companies.    **D** None of the above.

**Ans: C** Cellular companies.

3. Cellular companies.

**Explanation:**

DTH (Direct to Home) is again a satellite-based media services provided by cellular companies. One can receive media services directly through a satellite with the help of a small dish antenna and a set top box.

**Q61.** How does warehousing help in the widening of the market?

**1 Mark**

- A** The goods stored are maintained in good condition.                      **B** Goods can be transported in bulk.  
**C** Processed goods can be packaged.  
**D** Goods produced at one place can be supplied at a distant place by storing them in various cities.

**Ans: D** Goods produced at one place can be supplied at a distant place by storing them in various cities.

4. Goods produced at one place can be supplied at a distant place by storing them in various cities.

**Explanation:**

Goods produced at one place can be supplied at a distant place by storing them in various cities as because warehousing help in widening of the market. Warehousing can be defined as an act of storing goods which are to be distributed or sold later.

**Q62.** A contract by which the insurer, in consideration of a certain amount known as premium, undertakes to pay to a person or his heirs a certain amount of money on his death or on attaining a certain age is known as:

**1 Mark**

- A** General insurance.    **B** Life insurance.                      **C** Special insurance.    **D** Burglary insurance.

**Ans: B** Life insurance.

2. Life insurance.

**Q63.** Banks helps to prepare \_\_\_\_\_.

**1 Mark**

- A** Credit report for company.                      **B** Annual report over company.  
**C** Status inquiry for company with which they are doing business.                      **D** All of the above.

**Ans: C** Status inquiry for company with which they are doing business.

3. Status inquiry for company with which they are doing business.

**Explanation:**

Banks help to prepare status inquiry for company with which they are doing business.

It helps the company to increase the performance of the organization. Status inquiry of the company helps to improve the credibility of the organization.

**Q64.** Capacitive impedance exceeds the inductive impedance.

**1 Mark**

**Ans:**

Capacitive impedance exceeds the inductive impedance.

**Q65.** Which one of the following statements concerning mercantile agents is NOT true?

**1 Mark**

- A** Self - employed agents will not be classified as mercantile agents.
- B** Agents engaged for a single transaction are unlikely to be classified as mercantile agents.
- C** Agents involved in the provision to by goods will be classified as mercantile agents.
- D**

Agents that do not have power to negotiate on this principal's behalf will not be classified as mercantile agent.

**Ans:** **A** Self - employed agents will not be classified as mercantile agents.

1. Self - employed agents will not be classified as mercantile agents.

**Explanation:**

Self - employed agents will not be classified as mercantile agents - this statement concerning mercantile agents is not true.

A mercantile agent can be defined as one having authority in the course of business to sell goods or consign goods for the purpose of sale or to buy goods and even to raise money on the security of goods.

**Q66.** When the bank has not enough funds in the relevant account or the account holder requests that the cheque is.....then the bank will return the cheque

**1 Mark**

- A** Bounced
- B** Honoured
- C** Restarted
- D** All of these

**Ans:** **A** Bounced

1. Bounced

**Q67.** A electronic fund transfer system under which transfer of funds take place from one branch of bank to another branch on real time and on gross basis is known as:

**1 Mark**

- A** NEFT
- B** EFT
- C** RTGS
- D** ATM

**Ans:** **C** RTGS

3. RTGS.

**Q68.** In which type of insurance, interest must exist only at the time of insurance?

**1 Mark**

- A** Life Insurance.
- B** Marine Insurance.
- C** Fire Insurance.
- D** All of the above.

**Ans:** **A** Life Insurance.

1. Life Insurance.

**Q69.** RBI revised premature deposit rules of which type of accounts?

**1 Mark**

- A** Kiddy accounts
- B** Current accounts
- C** Large value fixed deposit accounts
- D** Dollar savings accounts

**Ans:** **C** Large value fixed deposit accounts

3. Large value fixed deposit accounts

**Q70.** All types of voice and non voice messaging services are known as \_\_\_\_\_.

**1 Mark**

- A** Business services
- B** Telecom services
- C** Social services
- D** Personal services

**Ans:** **B** Telecom services

2. Telecom services

**Explanation:**

Business services are those services which are used by business enterprises for the conduct of their activities.

Telecom services provide voice and non voice messaging services.

Social services are those services that are generally provided voluntarily in pursuit of certain social goals.

Personal services are those services which are experienced differently by different customers. They will also depend upon customer's preferences and demands.

For example, tourism, recreational services, restaurants.

**Q71.** \_\_\_\_\_ is the subject matter of a life insurance policy.

**1 Mark**

- A** Human Life
- B** Physical property
- C** Ship
- D** Cargo

**Ans:** **A** Human Life

1. Human Life

**Explanation:**

Life Insurance is also known as "Life Assurance". The subject matter of a life insurance policy is human life. It provides risk coverage to the life of a person against death, injury and disability.

**Q72.** The insured can, in the event of loss, recover the actual amount of loss from the insurer. Which of the following elements of fire insurance makes it happen? **1 Mark**

- A** Insurable interest      **B** Uberrimae fidei      **C** Indemnity      **D** Consideration

**Ans: C** Indemnity

3. Indemnity

**Explanation:**

The principle of indemnity states that under an insurance contract the insurer undertakes to put the insured in the same position that he occupied immediately before the mishap.

The insurance company undertakes to compensate the insured for the loss caused to him due to damage of the property insured.

For this purpose, the compensation payable and the loss suffered need to be measured in terms of money.

All insurance contracts of fire or marine insurance are contracts of indemnity.

**Q73.** A motion finally passed at the meeting is called \_\_\_\_\_. **1 Mark**

- A** A resolution      **B** The minutes of meeting      **C** An agenda  
**D** None of these

**Ans: A** A resolution

1. A resolution

**Explanation:**

At a company meeting, a motion is put to vote. Once the motion is passed, it becomes a resolution.

Minutes are the written records of the meeting. They include the details of attendees, issues raised, related responses, final decisions taken to address the issues.

Agenda is the list of items that are to be considered in a meeting. It is also called as order or business.

**Q74.** In India, presently the health insurance exists primarily in the form of \_\_\_\_\_. **1 Mark**

- A** First - Aid policy      **B** Mediclaim policy      **C** Hospital policy      **D** ICU policy

**Ans: B** Mediclaim policy

2. Mediclaim policy

**Explanation:**

In India, presently the health insurance exists primarily in the form of mediclaim policy. Mediclaim policy forms a part of the health insurance policy.

It helps to protect the insured from soaring medical expenses.

It provides financial protection in case of accidental hospitalization or hospitalization due to illness.

**Q75.** The functions of commerce include \_\_\_\_\_. **1 Mark**

- A** Acceptance of deposits      **B** Granting of loans      **C** Locker facility      **D** All of the above

**Ans: D** All of the above

4. All of the above

**Q76.** \_\_\_\_\_ insurance is contract to cover risk of loss due to perils of the sea. **1 Mark**

- A** Fire      **B** Marine      **C** Life      **D** General

**Ans: B** Marine

2. Marine

**Explanation:**

Marine insurance is a form of the insurance contract which protects the insured against the loss from marine perils or loss by the impact of the sea.

It insures ship hull, cargo, and freight. The insurer agrees to indemnify the loss due to damage of ship or cargo that occur from the risks incidental to sea.

**Q77.** Retail employees typically use \_\_\_\_\_ terminals to process sales transactions. **1 Mark**

- A** Sales processing      **B** Transaction point      **C** Automatic teller      **D** Point of sale

**Ans: D** Point of sale

4. Point of sale

**Q78.** As per the basic principle of the fire insurance policy, it is the primary duty of the insured to take reasonable steps to prevent fire from occurring and to minimise the losses or damage to the insured property. It is the duty of the insured to behave with great prudence and not to be careless just because he has an insurance cover. This principle is known as the principle of:

**1 Mark**

**A** Indemnity.                      **B** Proximate cause.                      **C** Subrogation.                      **D** Mitigation.

**Ans: C** Subrogation.

3. Subrogation.

**Q79.** Which of the following is an example of e-banking?

**1 Mark**

**A** EFT                      **B** Online banking                      **C** ATM                      **D** All of the above.

**Ans: D** All of the above.

4. All of the above.

**Q80.** Cold-Storage are found in \_\_\_\_\_.

**1 Mark**

**A** Kolkata                      **B** Delhi                      **C** Mumbai                      **D** All of the above

**Ans: D** All of the above

4. All of the above

**Explanation:**

Cold storage are used to store perishable goods for a period of time. It is important as it helps to prolong the shelf life of fresh goods.

Cold-Storage are found in:

1. Kolkata

2. Delhi

3. Mumbai

**Q81.** In a normal agency relationship where the agent acts within his authority, a binding contract within his authority is usually created between \_\_\_\_\_.

**1 Mark**

**A** The parricidal and agent                      **B** Third party and agent                      **C** The principal and a third party  
**D** All of the above

**Ans: C** The principal and a third party

3. The principal and a third party

**Explanation:**

In a normal agency relationship the agent can contractually bind his principal to a third party, providing that the agent acts within his authority.

Later if the agent drops out of the transaction, he/she leaves a binding contract between his/her principal and the third party.

**Q82.** Fourteen commercial banks were nationalised in \_\_\_\_\_.

**1 Mark**

**A** 1947                      **B** 1950                      **C** 1969                      **D** 1980

**Ans: C** 1969

3. 1969

**Explanation:**

National banks refer to the banks owned by the government of India.

Reasons for nationalization being:

The removal of control by a few Provision of adequate credit facilities to agriculture, small industry and exports The giving of professional bent to bank management The encouragement of new classes of entrepreneurs.

**Q83.** Which of the following accounts pay the highest rate of interest?

**1 Mark**

**A** Savings A/c                      **B** Fixed deposit A/c                      **C** Recurring deposit A/c                      **D** Current A/c

**Ans: B** Fixed deposit A/c

2. Fixed deposit A/c

**Explanation:**

A fixed - term deposit is repayable after the expiry of the specified period. The period may vary from six months to five years.

The longer the period of deposit, the higher is the rate of interest. It offers the highest rate of interest than other forms of deposits.

**Q84.** There is no restriction on the withdrawals from \_\_\_\_\_ account.

**1 Mark**

- A** Saving                      **B** Current                      **C** Cash credit                      **D** Over draft

**Ans: B** Current

2. Current

**Explanation:**

Current account is opened by a corporate entity. Unlike an individual, a corporate entity has numerous financial transactions that are routed through bank accounts. For the same reason, there is no limit of transactions in a current account.

Withdrawal limit for savings account, cash credit account, and overdraft account depends on the type of variant and other terms and conditions associated with the account.

**Q85.** 'Salvage Charges' is related to \_\_\_\_\_.

**1 Mark**

- A** Life Insurance                      **B** Marine Insurance                      **C** Fire Insurance                      **D** None of the above

**Ans: B** Marine Insurance

2. Marine Insurance

**Explanation:**

Salvage charges mean the charge recoverable under maritime law by a salver separately of contract.

They do not include the payment of services in the natural world of salvage render by the guaranteed or his agents, or any person employed for hire by them, for the reason of averting a peril insured against.

Such expenses were properly incurred, may be improved as exacting charges or as a general average loss, according to the situation under which they were incurred.

**Q86.** A cheque which is deposited only to the payee's bank account is known as:

**1 Mark**

- A** Bearers cheque.                      **B** Demand draft.                      **C** Crossed cheque.                      **D** None of these.

**Ans: C** Crossed cheque.

3. Crossed cheque

**Q87.** \_\_\_\_\_ is not a type of general insurance.

**1 Mark**

- A** Marine Insurance                      **B** Fidelity Insurance                      **C** Fire Insurance                      **D** Life Insurance

**Ans: D** Life Insurance

4. Life Insurance

**Q88.** When a property is insured by more than one insurance (i.e. in case of multiple insurance), the insurers are to share losses in what proportion?

**1 Mark**

- A** Ratio of premiums received.                      **B** Ratio of duration of insurance.                      **C** Ratio of amount insured.  
**D** Equal ratio.

**Ans: C** Ratio of amount insured.

3. Ratio of amount insured.

**Explanation:**

In case of insurance of a property by more than one insurer, the losses are to be shared between all the insurers in the ratio of the amount insured by each of them.

**Q89.** One who calculates insurance and annuity premium is known as \_\_\_\_\_.

**1 Mark**

- A** Investor                      **B** Insurer                      **C** Actuary                      **D** Atheist

**Ans: C** Actuary

3. Actuary

**Explanation:**

One who calculate insurance and annuity premium is known as actuary. Actuary basically deals with management and measurement of risks and uncertainty.

An actuary is often described as an business professional.

**Q90.** Postal services are offered by both the department of post and telegraph and private sector. Postal services offered by private sector is known as:

**1 Mark**

- A** Speed post.                      **B** Registered post.                      **C** Courier.                      **D** Parcel.

**Ans: C** Courier.

3. Courier.

**Q91.** In \_\_\_\_\_ type of bank account no interest is paid by the bank on deposits.

**1 Mark**

- A** Recurring deposit A/ c    **B** Fixed deposit A/ c    **C** Current A/ c    **D** Saving A/ c

**Ans: C** Current A/ c

3. Current A/ c

**Explanation:**

Current accounts are, usually, opened for business enterprises.

The account holder can deposit and withdraw money whenever desired.

No interest is paid on the deposits of a current account, rather, a service fee is charged by the bank for rendering its services.

**Q92.** The service provided to improve the standard of living of the weaker sections of society are \_\_\_\_\_.

**1 Mark**

- A** Business services    **B** Social services    **C** Personal services    **D** None of the above

**Ans: B** Social services

2. Social services

**Explanation:**

Business services are those services which are used by business enterprises for the conduct of their activities.

Social services are those services that are generally provided voluntarily in pursuit of certain social goals.

These social goals may be to improve the standard of living for weaker sections of society, to provide educational services to their children, or to provide health care and hygienic conditions in slum areas.

Personal services are those services which are experienced differently by different customers.

**Q93.** Mobile banking refers to the process of carrying out banking transactions online.

**1 Mark**

- A** True    **B** False    **C** Can't say    **D** Partially true

**Ans: B** False

**Q94.** Which of the following is an allied postal service-

**1 Mark**

- A** Greeting post    **B** Media post    **C** Speed post    **D** Passport Application

**Ans: C** Speed post

3. Speed post

**Q95.** Name the type of banking under which ATM, credit card and EFT facilities are available.

**1 Mark**

- A** Internet Banking.    **B** E-banking.    **C** Modern Banking.    **D** Online Banking.

**Ans: B** E-banking.

2. E-banking.

**Q96.** The tax liability up to the date of transfer of business will be on \_\_\_\_\_.

**1 Mark**

- A** Transferor Only    **B** Transferee Only  
**C** Jointly and Severally liable by both the transferor and transferee    **D** Tax Liability Not transferrable

**Ans: C** Jointly and Severally liable by both the transferor and transferee

3. Jointly and Severally liable by both the transferor and transferee

**Q97.** Identify the type of warehouse licensed by the government provided for storing imported goods \_\_\_\_\_.

**1 Mark**

- A** Duty-paid warehouse    **B** Bonded warehouse    **C** Government warehouse  
**D** Licensed warehouse

**Ans: B** Bonded warehouse

2. Bonded warehouse

**Explanation:**

Bonded warehouse licensed by the government provided for storing imported goods. It may be managed by the state or private enterprises.

Bonded warehouse can be defined as customs-controlled warehouse for storing the imported goods until the duty is paid.

**Q98.** An outstanding bonds are also classified as \_\_\_\_\_.

**1 Mark**

- A** Standing bonds    **B** Outdated bonds    **C** Dated bonds    **D** Seasoned bonds

**Ans: D** Seasoned bonds

4. Seasoned bonds

**Q99.** Which of the following card allow spending money only up to the balance available in your bank account?

**1 Mark**

**A** Debit Card

**B** Credit Card

**C** Visa Card

**D** Master Card

**Ans: A** Debit Card

1. Debit Card

**Explanation:**

The debit card is a facility offered to account holders to make payments up to the amount of balance available in their accounts. Generally, the point of sales terminal is electronically tied to the bank computer.

When the customer presents the debit card, the point of sale terminal automatically transfers money from the customer's bank account to the vendor's bank account.

**Q100.** Which of the following services of a bank, permits withdrawal of money more than the available balance in account?

**1 Mark**

**A** Bank Draft

**B** Overdraft

**C** Fixed Deposit

**D** Debit Card

**Ans: B** Overdraft

2. Overdraft

**Explanation:**

Overdraft is a facility in which a customer having current account is allowed to withdraw more than the balance available in his account.

He can overdraw up to a specific limit and for an agreed period. Interest is charged on amount virtually overdrawn.

**Q101.** Under which of the following type of account is a specified amount deposited every month for a specified period, says, 12, 24, 36 and 60 months?

**1 Mark**

**A** Fixed Deposit Account

**B** Saving Bank Account

**C** Current account

**D** Recurring Account

**Ans: C** Current account

3. Recurring Account

**Q102.** The main element (s) of a fire insurance contract is/ are \_\_\_\_\_.

**1 Mark**

**A** In fire insurance, the insured must have insurable interest in the subject matter of the insurance.

**B** The contract of fire insurance is a contract of utmost good faith.

**C** The contract of fire insurance is a contract of strict indemnity.

**D** All of the above.

**Ans: D** All of the above.

4. All of the above.

**Explanation:**

All the above are strictly the features of a contract of insurance. Fire Insurance contract is no different from an insurance contract and thus, these are also the features of a fire insurance contract.

The insured must have an insurable interest in the subject matter of the contract both at the time of taking the policy and as well as at the time of taking the claim for loss or damage.

In this case also the insured must disclose all the material facts such as fire detection and fire fighting equipment, nature of their use, etc. It is a contract of indemnity as the insured can claim only the actual damages from the insurer.

**Q103.** The concept of 'Priority Sector Advances' was formulated in \_\_\_\_\_.

**1 Mark**

**A** 1960

**B** 1962

**C** 1968

**D** 1978

**Ans: C** 1968

3. 1968

**Explanation:**

1968 The priority sector advances which is also known as priority sector lending basically refers to lending to those sectors of the economy which may not get adequate credit or the loan on timely basis so the priority sector advances is an important role which has been given by the Central Bank of India to the banks to provide a specified portion of the bank lending to the specific sectors of the economy so as to give the priority to some of the sectors who do not get the timely credit.

**Q104.** Which of the following is not a part of marine insurance?

**1 Mark**

**A Ship**                      **B Cargo**                      **C Freight**                      **D Fire**

**Ans: D Fire**

4. Fire

**Explanation:**

The types of a marine insurance policy are:-

Cargo insurance

Ship insurance

Freight insurance

**Q105.** A saving scheme run by post offices in India in which the invested money is doubled in eight years and seven months is: **1 Mark**

- A** Kisan Vikas Patra.                      **B** National Savings Scheme.                      **C** National Savings Certificate.  
**D** Fixed Maturity Investment Scheme.

**Ans: A Kisan Vikas Patra.**

1. Kisan Vikas Patra.

**Q106.** FAX is an abbreviation of \_\_\_\_\_. **1 Mark**

- A** Facsimile                      **B** Faximile                      **C** Faxisimile                      **D** Faksimilee

**Ans: A Facsimile**

1. Facsimile

**Explanation:**

FAX is an abbreviation of Facsimile. It is also known as telescoping or Teletext.

FAX is generally defined as one of the modes through which telephonic transmission of printed material can be done.

The telephone number is usually connected with any output device, like a printer.

**Q107.** The principle of insurance wherein the insured is not allowed to make any profit is called \_\_\_\_\_ **1 Mark**

- A** Insurable interest                      **B** Proximate cause                      **C** Subrogation                      **D** Utmost good faith

**Ans: C Subrogation**

3. Subrogation

**Explanation:**

According to the Principle of Subrogation, after paying the compensation, the insurer steps into the shoes of the insured.

In other words, when the insured is compensated for the loss or damage to the property insured by him, the right of ownership of such damaged property passes on to the insurer.

**Q108.** Which of the following is a contract of Indemnity? **1 Mark**

- A** Marine Insurance                      **B** Fire Insurance                      **C** Life Insurance                      **D** All of the above

**Ans: B Fire Insurance**

2. Fire Insurance

**Q109.** Name the central bank of the India. **1 Mark**

- A** Reserve Bank of India                      **B** State bank of India                      **C** Bank of Baroda                      **D** Bank of India

**Ans: A Reserve Bank of India**

1. Reserve Bank of India

**Explanation:**

The Reserve Bank of India (RBI) is the central bank of India.

It uses monetary policies to maintain financial stability in the country and is responsible for the regulation of the currency and credit systems.

**Q110.** What is the full form of WWW? **1 Mark**

- A** World Wide Width                      **B** World Wide Work                      **C** World Wild Web                      **D** World Wide Web

**Ans: D World Wide Web**

4. World Wide Web

**Q111.** When can the proper officer issue summons to call upon a person? **1 Mark**

- A** To give evidence      **B** Produce a document      **C** Produce any other thing in an enquiry  
**D** All of the above

**Ans: D** All of the above

4. All of the above

**Explanation:**

The appropriate official beneath this Act shall have the power to summon any person whose attendance he considers necessary moreover to give evidence or to produce a text or any other thing in any investigation in the same manner, as provided in the case of a civil court under the requirements of the Code of Civil Procedure, 1908.

**Q112.** Give full form of ATM.

**1 Mark**

- A** Automatic Tele Money.      **B** Any Time Money.      **C** Automated Teller Machine.  
**D** Automatic Transfer Money.

**Ans: C** Automated Teller Machine.

3. Automated Teller Machine.

**Q113.** An agent is \_\_\_\_\_ between his principal and the third party.

**1 Mark**

- A** Connecting link      **B** Sub agent      **C** Partner      **D** None of the above

**Ans: D** None of the above

4. None of the above

**Explanation:**

An agent is not a connecting link, sub agent or partner between his principal and the third party.

An agent can be referred as a person who acts on behalf of some other person.

Agent always take an active role in order to create a specific effect on an activity.

**Q114.** 'Paid-up value' is payable on a life insurance policy \_\_\_\_\_.

**1 Mark**

- A** On the maturity of the policy      **B** When the policy lapses      **C** When the policy is surrendered  
**D** On maturity or expiration whichever is earlier

**Ans: A** On the maturity of the policy

1. On the maturity of the policy

**Explanation:**

A life assurance policy in which if all the premium payments are complete and the insured is free of all reimbursement obligations, the policy stays integral until the insured's death or stop of the strategy is called a paid - up policy.

'Paid - up value' is payable on a life insurance policy on the maturity of the policy. If the policyholder continues to hold the policy, he will get the paid - up value at the end of the term.

The policyholder also has the option of concession the policy before that. If you do not want to maintain the policy, it is forever better to submit the policy.

**Q115.** Bank is a \_\_\_\_\_ institution.

**1 Mark**

- A** Financial      **B** Social      **C** Cultural      **D** All of above

**Ans: A** Financial

1. Financial

**Explanation:**

The bank is a financial institution. It accepts deposits from lenders and gives loans to the borrowers.

Banks help to improve the financial stability of an economy.

**Q116.** Which of the following is an allied postal service?

**1 Mark**

- A** Greeting post      **B** Media post      **C** Speed post      **D** Passport Application

**Ans: C** Speed post

3. Speed post

**Q117.** Retail employees typically use \_\_\_\_\_ terminals to process sales transactions.

**1 Mark**

- A** Sales processing      **B** Transaction point      **C** Automatic teller      **D** Point of sale

**Ans: D** Point of sale

4. Point of sale

**Q118.** Which of the following are ways to prove access rights?

**1 Mark**

- A** What you know, like a password    **B** What you have, like an ATM card    **C** What you look like  
**D** All of the above

**Ans: D** All of the above

4. All of the above

**Q119.** Insurance is based on the principle of \_\_\_\_\_.

**1 Mark**

- A** Co-operation    **B** Democracy    **C** Equality    **D** Welfare

**Ans: A** Co-operation

1. Co-operation

**Q120.** Which of the following is not an advance given by a bank?

**1 Mark**

- A** Loan    **B** Overdraft    **C** Deposit    **D** Cash credit

**Ans: C** Deposit

3. Deposit

**Explanation:**

Deposit is a money deposited by customer in bank for saving.

**Q121.** Withdrawals are not permitted from the \_\_\_\_\_ accounts.

**1 Mark**

- A** Current    **B** Saving    **C** Fixed deposit    **D** Cash credit

**Ans: C** Fixed deposit

3. Fixed deposit

**Explanation:**

Fixed Deposit account is opened for depositing money for a fixed period of time. Withdrawals are usually not permitted till the expiry of the deposit. However, premature withdrawal is allowed following the terms and conditions of the deposit availed.

Withdrawal of money is permitted from savings, current, and cash credit accounts.

**Q122.** Linkages and switched services aimed at providing one way entertainment services in a small area of operations is known as:

**1 Mark**

- A** Direct to home services.    **B** Cable services.    **C** Radio paging services.  
**D** VSAT.

**Ans: B** Cable services.

2. Cable services.

**Q123.** Goods displayed on a shop window with a price tag is an \_\_\_\_\_.

**1 Mark**

- A** Offer    **B** Invitation to offer    **C** Counter of the above    **D** None of the above

**Ans: B** Invitation to offer

2. Invitation to offer

**Explanation:**

Goods displayed of a shop window with a price label will amount invitation to offer since the shopkeeper making an invitation invites others to make an offer to him. It is prelude to an offer inviting negotiations or preliminary discussions.

**Q124.** CWC stands for \_\_\_\_\_.

**1 Mark**

- A** Central Water Commission.    **B** Central Warehousing Commission.    **C** Central Warehousing Corporation.  
**D** Central Water Corporation.

**Ans: C** Central Warehousing Corporation.

3. Central Warehousing Corporation.

**Explanation:**

A Central Government undertaking CWC i.e., Central Warehousing Corporation provides these services for businessmen across the country. Private warehousing companies, like TCI, Shanker International, Blue Dart, DHL, etc., are providing cargo facilities of both transportation and warehousing.

**Q125.** \_\_\_\_\_ offers the opportunity to produce goods as per the requirements of a customer.

**1 Mark**

- A** Job Method    **B** Batch method    **C** Flow method    **D** All the above

**Ans: A Job Method**

1. Job Method

**Explanation:**

Job method offers the opportunity to produce goods as per the requirements of a customer. Customer is the king pin of the market.

Thus, job methods help to know the requirements and interest of the customers and then production of the required goods and services are to be started accordingly.

**Q126.** Which is considered the cheapest means of transportation?

**1 Mark**

**A** Air

**B** Road

**C** Water

**D** Railway

**Ans: C Water**

3. Water

**Q127.** The principle of indemnity is not applicable to \_\_\_\_\_ insurance.

**1 Mark**

**A** Life

**B** Fire

**C** Marine

**D** Motor

**Ans: A Life**

1. Life

**Explanation:**

Under life insurance, subject matter of insurance is the life of an individual. The principle of indemnity does not apply to a life insurance as the life of a person cannot be valued in terms of money.

For this reason, actual loss cannot be arrived at. The amount of insurance is decided by each individual.

Under fire, marine, and motor insurance contracts the loss is measurable.

**Q128.** In which of the following bank accounts, the highest rate of interest is given?

**1 Mark**

**1** Saving Account

**2** Current Account

**3** Recurring Account

**4** Fixed Deposit Account

**Ans: 4 Fixed Deposit Account**

4. Fixed Deposit Account

**Explanation:**

A fixed deposit, also called a term deposit, offers the highest rate of interest and is repayable after the expiry of the specified period.

The period may vary from six months to five years. The longer the period of deposit, the higher is the rate of interest.

**Q129.** For passing an ordinary resolution, \_\_\_\_\_ percent votes are necessary.

**1 Mark**

**A** More than 20

**B** More than 30

**C** More than 40

**D** More than 50

**Ans: D More than 50**

4. More than 50

**Explanation:**

An ordinary resolution refers to a resolution passed by the members of the company by a simple majority.

At least 51% members's consent should be recorded in favor of the motion passed in an ordinary resolution.

**Q130.** Bonded warehouses are located at \_\_\_\_\_.

**1 Mark**

**A** Railway stations

**B** Villages

**C** Ports

**D** None of these

**Ans: C Ports**

3. Ports

**Explanation:**

Bonded warehouse is a building or a secured area where dutiable goods are stored or undergo manufacturing operations without payment of duty.

These can be managed by state or private enterprises. When the goods are in bonded warehouses they can be manipulated by cleaning, sorting or repacking under the supervision of the custom authorities.

**Q131.** Which is the most historical way of sending information?

**1 Mark**

**A** Internet

**B** Telephone

**C** Telegram

**D** All of the above

**Ans: C Telegram**

3. Telegram

**Explanation:**

Telegram is the most historical way of sending information. Telegram was charged on the basis of the number of words used.

A telegraph message sent by an electrical telegraph operator or telegrapher using Morse code (or a printing telegraph operator using plain text) was known as a telegram.

Telegram is regarded as a cloud-based instant messaging service.

**Q132.** Time utility is created by \_\_\_\_\_. **1 Mark**

- A** Transportation      **B** Banking      **C** Warehousing      **D** Communication

**Ans: A** Transportation

1. Transportation

**Q133.** If the principal comes to know the agent has concealed from him any material fact, the principal \_\_\_\_\_. **1 Mark**

- A** May affirm such transaction      **B** May claim damages      **C** May repudiate the transaction  
**D** All of the above

**Ans: D** All of the above

4. All of the above

**Explanation:**

The contract of agency states that the principal has the power to repudiate the acts of the agent in case the agent has concealed any material facts.

He also has the power to affirm his acts and to claim the damages from him, if any. Insurance contract is no exception.

In this case also the principal may ratify the acts of the agent or repudiate them. It should be however noted that insurance is a contract of utmost good faith.

**Q134.** Image-based cheque clearing system where the image of the cheque is sent electronically \_\_\_\_\_. **1 Mark**

- A** RTGS      **B** NEFT      **C** CBS      **D** CTS

**Ans: D** CTS

4. CTS

**Explanaton:**

Image - based cheque clearing system where the image of the cheque is sent electronically is known as CTS.

The Cheque Truncation System( CTS) can be defined as a process of stopping flow of physical cheque in which electronic image of the instrument is presented during the time of clearing.

**Q135.** One word for a group of words "One who calculate insurance and annuity premium" is \_\_\_\_\_. **1 Mark**

- A** Actuary      **B** Acrobat      **C** Adulterate      **D** None of the above

**Ans: A** Actuary

1. Actuary

**Explanation:**

One word for a group of words "One who calculate insurance and annuity premium" is actuary. Actuary basically deals with management and measurement of risks and uncertainty. An actuary is often described as a business professional.

**Q136.** Telegram was charged on the basis of \_\_\_\_\_. **1 Mark**

- A** Number of words used      **B** Number of letter used      **C** Number of sentences used  
**D** Number of paragraphs used

**Ans: A** Number of words used

1. Number of words used

**Explanation:**

Telegram was charged on the basis of the number of words used. A telegraph message sent by an electrical telegraph operator or telegrapher using Morse code (or a printing telegraph operator using plain text) was known as a telegram.

Telegram is regarded as a cloud-based instant messaging service.

**Q137.** The person or firm who gets the insurance compensation is called \_\_\_\_\_. **1 Mark**

- A** Insurer      **B** Insured      **C** Premium      **D** Happening of an event

**Ans: B** Insured

2. Insured

**Explanation:**

Insured is the individual or firm who gets the insurance compensation/ claim in case of loss incurred due to the insured risk.

The insured is the person/firm who takes an insurance policy and pays the premium at regular intervals.

**Q138.** In which year Insurance Act was amended in India?

**1 Mark**

- A** 1940                      **B** 1928                      **C** 1938                      **D** 1945

**Ans: C** 1938

3. 1938

**Q139.** Financial security issued by banks operating outside U.S is classified as \_\_\_\_\_.

**1 Mark**

- A** Dollar bonds                      **B** Euro deposits                      **C** Eurodollar market deposits  
**D** Euro bonds

**Ans: C** Eurodollar market deposits

3. Eurodollar market deposits

**Q140.** \_\_\_\_\_ principle is not applicable to Life Insurance.

**1 Mark**

- A** Utmost Good Faith      **B** Insurable Interest      **C** Contribution                      **D** None of these

**Ans: C** Contribution

3. Contribution

**Explanation:**

The principle of contribution is similar to the principle of indemnity. According to this principle, if a person has taken more than one insurance policy for the same subject matter then all the insurers will contribute the amount of loss proportionately and compensate him for the actual amount of loss.

**Q141.** Account is suitable for salaried people.

**1 Mark**

- A** Current                      **B** Saving                      **C** Over draft                      **D** None of these

**Ans: B** Saving

2. Saving

**Explanation:**

Salary Account opened with a bank is a form of savings account. It is generally as 'Zero balance' account. It encourages savings among salaried people.

Current account is opened by business entities who have numerous transactions.

Overdraft is a facility given by the bank to the account-holders (basically current account holders).

**Q142.** Which of the following is not applicable in life insurance contract?

**1 Mark**

- A** Conditional contract.      **B** Unilateral contract.      **C** Indemnity contract.      **D** None of the above.

**Ans: C** Indemnity contract.

3. Indemnity contract.

**Explanation:**

Life insurance contract is not a contract of indemnity as the life of a human being cannot be compensated and only a specified sum of money is paid.

**Q143.** Under which of the following post, a receipt is given by the post office?

**1 Mark**

- A** UPC                      **B** Speed Post                      **C** Parcel Post                      **D** Registered Post

**Ans: D** Registered Post

4. Registered Post

**Explanation:**

In registered posts, the sender affixes a postal stamp on the envelope, delivers it to the post office, and obtains the receipt with tracking details.

**Q144.** Which one of the following is not a remedy available in case of default?

**1 Mark**

- A** Sue for breach of contract and for damages.      **B** Repossess the goods after the buyer has resold them.  
**C** Stop delivery of the goods.                      **D** Demand specific performance.

**Ans: B** Repossess the goods after the buyer has resold them.

2. Repossess the goods after the buyer has resold them.

**Explanation:**

Repossess the goods after the buyer has resold them.is not a remedy available in case of default.

When the buyer defaults on payments, possessions on something cannot be retaken.

**Q145.** Insurance Act came in to effect in \_\_\_\_\_.

**1 Mark**

- A** 1956                      **B** 1972                      **C** 1938                      **D** None of these

**Ans: C** 1938

3. 1938

**Explanation:**

The Insurance Act, 1938 is a law originally passed in 1938 in British India to regulate the insurance sector. It provides the broad legal framework within which the industry operates.

**Q146.** An operation's strategy is created directly from the strategy \_\_\_\_\_.

**1 Mark**

- A** Corporate strategy                      **B** Marketing Strategy                      **C** Business strategy  
**D** Human resource strategy

**Ans: C** Business strategy

3. Business strategy

**Explanation:**

An operation's strategy is created directly from the business strategy. Operation strategy is associated with business strategy, and it is a part of business strategy. It helps to maximize the efficiency of the organizational activities and minimize costs.

**Q147.** The purpose(s) of business that goes beyond earning profits \_\_\_\_\_.

**1 Mark**

- A** An important institution in society   **B** For the supply of goods and services   **C** Creating job opportunities  
**D** All of above

**Ans: D** All of above

4. All of above

**Explanation:**

Profit making itself shall not be the purpose of business entities. It is running in an environment where a business entity's responsibilities widen.

It contributes to the growth of society. It supplies the required goods and services thereby catering to the needs of society.

A business entity creates job opportunities for society. Thus, the purpose of a business entity has to be the growth of society by being a profitable enterprise in itself.

**Q148.** Which among the following gives an idea that the goods preserved are perishable?

**1 Mark**

- A** Cold storage helps to maintain the quality of goods.                      **B** It helps to widen the market.  
**C** It saves time by providing the goods as and when required.  
**D** Processed goods can be graded, packed, and labeled.

**Ans: A** Cold storage helps to maintain the quality of goods.

1. Cold storage helps to maintain the quality of goods.

**Explanation:**

Cold storage helps to maintain the quality of goods gives an idea that the goods preserved are perishable.

Cold storage is useful as it helps to store perishable goods for a period of time.

Cold storage is crucial as it helps to prolong the shelf life of fresh goods.

**Q149.** The policy designed to provide relief to the family of insured women, in case of their death or disablement due to all kinds of accident/ disablement/ death arising out of problems incidental to women only, is:

**1 Mark**

- A** Rajeshwari Mahila Kalyan Bima Yojana.                      **B** Women's health Insurance.  
**C** Rajshree Mahila Kalyan Bima Yojana.                      **D** None of the above.

**Ans: A** Rajeshwari Mahila Kalyan Bima Yojana.

1. Rajeshwari Mahila Kalyan Bima Yojana.

**Q150.** Indian postal department's international money transfer services which enables customers to remit money to countries through a post office is in collaboration with:

**1 Mark**

- A** COX and kings financial services.   **B** State Bank of India.   **C** Western union financial services.  
**D** American express financial services.

**Ans:**

C Western union financial services.

3. Western union financial services.

**Q151.** Which of the following are a type of warehouse?

**1 Mark**

A Private

B Public

C Bonded

D All of the above

**Ans: D** All of the above

4. All of the above

**Explanation:**

Private warehouses are operated, owned or leased by a company handling their own goods, such as retail chain stores or multi-brand multi-product companies.

Public warehouses can be used for storage of goods by traders, manufacturers or any member of the public after the payment of a storage fee or charges.

Bonded warehouses are licensed by the government to accept imported goods prior to payment of tax and customs duty.

Thus, all the three are types of warehouses.

**Q152.** In \_\_\_\_\_ insurance, loss is not measurable.

**1 Mark**

A Medclaim policy

B Fire Insurance

C Life Insurance

D Marine Insurance

**Ans: C** Life Insurance

3. Life Insurance

**Explanation:**

The amount of loss is not measurable in a life insurance contract because one cannot estimate the loss due to the death of a person.

Also, the principle of indemnity does not apply to a life insurance policy.

**Q153.** Standing offer means purchasing of goods on \_\_\_\_\_.

**1 Mark**

A As and when basis

B As and where basis

C As and how basis

D None of the above

**Ans: B** As and where basis

2. As and where basis

**Explanation:**

Standing offer means purchasing of goods on as and where basis. A standing offer is not to be referred as any contract. A standing offer can be described as an offer from a potential supplier in order to provide goods and services.

The prices and terms and conditions should get fixed at a beforehand in case of standing offer.

**Q154.** Which of the following bank services allows you to withdraw money in excess of your account balance?

**1 Mark**

A Bank draft

B Overdraft

C Banker's cheque

D Fixed deposit

**Ans: B** Overdraft

2. Overdraft

**Explanation:**

Under the overdraft facility, a customer having a current account is allowed to withdraw more than the balance available in his account.

He can overdraw up to a specific limit and for an agreed period. Interest is charged on the amount virtually overdrawn.

**Q155.** Feature of email packages helps to \_\_\_\_\_.

**1 Mark**

A Highlight

B Delete

C Attach

D Both a & b

**Ans: C** Attach

3. Attach

**Explanation:**

Feature of email packages helps to attach. Any computer based documents can be attached and sent along with the email via electronic transmission.

One or more files can be attached with the email.

**Q156.** Which one of the following may not necessarily be an advantage of co-ordination?

**1 Mark**

A Effective supervision

B Unity of direction

C Creative force

D Summarisation of all management functions

**Ans: C** Creative force

3. Creative force

**Q157.** A motion which brings to the notice of the Chairman the irregularities of the meeting is called **1 Mark**

\_\_\_\_\_.

- A** Minutes of Meeting    **B** Ordinary resolution    **C** Special resolution    **D** Point of order

**Ans: D** Point of order

4. Point of order

**Explanation:**

Point of order is an interruption to a meeting. Any member can raise a question regarding the procedure of the meeting.

When a debate on a particular motion is in progress, a member may raise a point of order and make interruption of the debate by drawing attention of the Chairman to some irregularity in the proceedings.

**Q158.** \_\_\_\_\_ services are the services uses used by business enterprises to conduct their activities. **1 Mark**

- A** Business    **B** Social    **C** Personal    **D** All of the above

**Ans: A** Business

1. Business

**Explanation:**

Business services are those services which are used by business enterprises for the conduct of their activities.

Social services are those services that are generally provided voluntarily in pursuit of certain social goals.

Personal services are those services which are experienced differently by different customers.

**Q159.** An assessee has paid life insurance premium of Rs. 25, 000 during the previous year for a policy of Rs. 1, 00, 000. He shall \_\_\_\_\_. **1 Mark**

- A** Not be allowed deduction u/ s 80C  
**B** Be allowed Deduction u/ s 80C to the extent of 20% of the capital sum assured i.e.Rs. 20, 000  
**C** Be allowed Deduction for the entire premium as per the provisions of section 80C  
**D** None of the above

**Ans: B** Be allowed Deduction u/ s 80C to the extent of 20% of the capital sum assured i.e.Rs. 20, 000

2. Be allowed Deduction u/ s 80C to the extent of 20% of the capital sum assured i.e.Rs. 20, 000

**Q160.** In which of the insurance policy loss cannot be measured? **1 Mark**

- A** Life Insurance.    **B** Marine Insurance.    **C** Fire Insurance.    **D** All of the above.

**Ans: A** Life Insurance.

1. Life Insurance.

**Q161.** Name the controlling authority of telecom services in India. **1 Mark**

- A** TRAI    **B** SEBI    **C** RBI    **D** IRDA

**Ans: A** TRAI

1. TRAI

**Q162.** Non-payment of premium results in a policy being declared \_\_\_\_\_. **1 Mark**

- A** Insured    **B** Null and void    **C** Dishonoured    **D** None of the above

**Ans: B** Null and void

2. Null and void

**Explanation:**

Non - payment of premium results in a policy being declared null and void.

To run a policy, certain amount of premium is to be paid at a regular interval of time period.

If someone fails to pay that certain amount of premium within the given period of time, then as a result the policy becomes null and void.