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WEBSITE – www.meplclasses.com
EMAIL-ID – d2hclasses@mohitsir.com
ADDRESS – 59, JATINDRA MOHAN AVENUE , SOVABAZAR, KOLKATA – 700005

Question 1.
Where is the headquarters of the Basel committee on banking supervision (BCBS) ?

(A) New York, USA
(B) Geneva, Switzerland
(C) London, UK
(D) Basel, Switzerland

Question 2.
What are the first signs of financial distress in a company?

(A) Declining employee morale
(B) Increased production costs
(C) Loss of customers impacting cash flows
(D) Decreasing customer

Question 3.
Six Sigma is a business-driven, multi-dimensional structured approach to

(A) Reducing process variability
(B) Lowering Defects
(C) Improving Processes
(D) All of the above

Question 4.
A firm's marginal revenue is defined as

(A) The ratio of total revenue to total quantity produced
(B) The additional output produced by lowering price
(C) The additional revenue received due to technical innovation

(D) The additional revenue received when selling one more unit of output.

Question 5.
The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(A) Investment Value
(B) Fair Value
(C) Fair market value
(D) Equitable Value

Question 6.
Which of the following acts gave birth to the Asset Reconstruction Company?

(A) Banking regulation act 1949
(B) SEBI Act 1992
(C) Companies Act 2013
(D) SARFAESI Act 2002

Question 7 .
What is the IVS for Scope of Work?

(A) IVS 100
(B) IVS 101
(C) IVS 200
(D) IVS 400

Question 8.
No securitisation company or reconstruction company which has been granted a certificate of registration, shall carry on, any business other than that of securitisation or asset reconstruction without prior approval of the ____________.

(A) Reserve Bank of India
(B) Central Government of India
(C) SARFAESI
(D) SEBI

Question 9.

Assume that in a stock market, the CAPM is working. A company has presently beta of 0.84 and its going to finance its new project through debt. This would increase its Debt/Equity Ratio to 1.56 from the existing 1.26. Due to increased Debt/Equity Ratio, the company's beta would

(A) Increase
(B) Decrease
(C) remain unchanged
(D) Nothing can be concluded

Question 10.

If purchase consideration is more than net assets of the transferor company, then difference will be shown as:

(A) Goodwill account
(B) Capital reserve account
(C) General reserve account
(D) None of the above

Question 11.

The _______ratios are used to compare financial statements of different size companies or the same company over different periods.

(A) Common size
(B) DuPont
(C) Liquidity
(D) P/E

Question 12.

Trend analysis is an important tool of financial statement analysis and is also known as _______

(A) Horizontal analysis
(B) Vertical analysis
(C) Pyramid method
(D) None of the above

Question 13.
Market price per share of a firm having equity capital of ₹1,00,000 consisting of shares of ₹10 each, profit after tax of ₹82,000 & P/E ratio of 8 is

(A) ₹65.70
(B) ₹10.25
(C) ₹65.60
(D) ₹1.025

Question 14.
X ltd has ₹100 crores worth of common equity on its balance sheet comprising of 50 lakhs shares. The company's market value Added (MVA) is ₹24 crores. What is company's stock price?

(A) ₹230
(B) ₹238
(C) ₹248
(D) ₹264

Question 15.
Reverse mapping is a bottom up approach used in _______

(A) Strategy formulation
(B) Strategy implementation
(C) Formulation of operational plan
(D) Formulation of tactical plan

Question 16.
X Ltd.'s share beta factor is 1.40. The risk free rate of interest on government securities is 9%. The expected rate of return on the company equity shares is 16%. The cost of equity capital based on CAPM is:

(A) 15.8%
(B) 16%
(C) 18.8%
(D) 9%

Question 17.

If an all equity firm has cash from operating Activities amounting to ₹60 lakhs, Depreciation ₹30 lakhs, increase in non-cash working capital ₹25 lakhs and capital expenditure ₹20 lakhs, its Free cash flows to Equity amounts to (in ₹ Lakhs):

(A) ₹40 lakhs
(B) ₹45 lakhs
(C) ₹60 lakhs
(D) ₹90 lakhs

Question 18.

Given the growth rate in the dividends is expected to be 8%. The Beta of the Stock is 1.60 and return on the market index is 13%. The required rate of return would be:

(A) 14%
(B) 16%
(C) 18%
(D) 20%

Question 19.

Which one of the following is cannot be classified as systematic risk.

(A) Interest rate risk
(B) Political risk
(C) Credit risk
(D) Foreign exchange risk

Question 20.

If the Value of target Co. is ₹ 500 Million and the value of acquiring company is ₹ 800 Million. Present value of cost savings if the two companies are merged together is ₹ 100 million. Acquiring company expects the cost of integration as ₹ 80 million and the shareholders of Target Co. are expecting a deal premium to be paid of 15 percent over their company's value. what is the value of Combined entity?

(A) ₹ 1400 million
(B) ₹ 1345 million
(C) ₹ 1445 million

(D) ₹ 1540 million

Question 21.

The following details are given for a company: Sales - ₹ 1,00,000; Costs - ₹ 75,000; Depreciation - ₹ 20,000; Tax - 35% Change in Net Working Capital - ₹ 1,000; Change in Capital Spending - ₹10,000. Then the Free Cash Flow to Firm (FCFF) will be:

a) ₹3,250
b) ₹6,750
c) ₹10,250
d) ₹12,250

Question 22.

Burnpur Cements Ltd. earned free cash flow to Equity Shareholders during the Financial Year ending 2016 at ₹4.5 lakhs and its cost of equity is 13% with a projected earnings growth rate of 10%. The market value of debt is ₹50 lakhs. The value of firm as per Constant Growth Valuation Model will be:

a) ₹4,50,000
b) ₹1,45,000
c) ₹1,50,000
d) ₹1,65,000

Question 23.

X Ltd. has ₹100 crores worth of common equity on its balance sheet comprising of 50 lakhs shares. The company's Market Value Added (MVA) is ₹24 crores. What is company's stock price?

a) ₹230
b) ₹238
c) ₹248
d) ₹264

Question 24.

P Ltd. intends to acquire R Ltd. (by merger) based on market price of the shares. The following information is available of the two companies.

	P Ltd.	R Ltd.
No. of Equity shares	10,00,000	6,00,000
Earning after tax	50,00,000	18,00,000
Market value per share	₹ 30	₹ 25

New EPS of R Ltd. after merger will be:

a) ₹4.00

b) ₹4.05

c) ₹4.60

d) ₹4.53

Question 25.

Duration of a bond will ___________when the yield-to-maturity on the bond increases.

a) Decrease

b) Increase

c) Not Change

d) All three above are possible

Question 26.

The Average Cost of a firm is given by the function Average Cost = x3 + 12x² – 11x, its marginal cost will be:

a) $4x^3 + 36x^2 - 22x$

b) $x^4 + 12x^3 - 11x^2$

c) $x^3 + 12x^2 - 11x$

d) None of the above

Question 27.

_________ give target company bondholders the right to sell their bonds back to the target at a pre-specified redemption price in the event of a takeover.

a) Poison pills

b) Poison puts

c) Share repurchase

d) None of these

Question 28.

If value of A Ltd. is 50, B Ltd. is 20 and on merger their combined value is 90 and A Ltd. receives premium on merger 12, the synergy for merger is (all amounts are in ₹ Lakhs) —

a) ₹8

b) ₹20

c) ₹32

d) ₹38

Question 29.

This is the estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties:

a) Market Value

b) Liquidation Value

c) Equitable Value

d) Investment Value

Question 30.

Six Sigma is a business-driven, multi-dimensional structured approach to:

a) Reducing process variability

b) Lowering Defects

c) Improving Processes

d) All of the above

Question 31.

________is the uncertainty of the purchasing power of the monies to be received, in the future?

(A) Market risk

(B) Physical risk

(C) Purchasing power risk

(D)Interest rate risk

Question 32.

Under perfect competition and at the point of equilibrium of firm:

(A) MC curve must be falling

(B) MC curve must be rising

(C) MR curve must be falling

(D) None of the above

Question 33.

Risk Management Strategies are:

(A) Avoid Risk, Reduce Risk, Retain Risk, Combine Risk

(B) Transfer Risk, Share Risk and Hedge Risk

(C) Both (a) and (b)

(D) None of the above

Question 34.

Benchmarking focuses on:

(A) Production

(B) Profit

(C) Best Practices

(D) Best performance

Question 35.

The __________ elements of Going Concern Value result from factors such as having a trained work force, an operational plant, the necessary licenses, marketing systems, and procedures in place etc.

(A) Intangible

(B) Tangible

(C) Fixed Asset

(D) Current Asset

Question 36.

Estimated fair value of an asset is based on the ___________value of operating cash flows.

(A)Current

(B) Discounted

(C)Future

(D)None of these

Question 37.

_________is the yield actually earned by the investor on his investment and depends on the reinvestment rate and the holding period chosen by him.

(A) Realised Yield

(B) Yield to Maturity

(C) Current Yield

(D) None of the above

Question 38.

If the Value of target Co. is ₹ 500 Million and the value of acquiring company is ₹ 800 Million. Present value of cost savings if the two companies are merged together is ₹ 100 million. Acquiring company expects the cost of integration as ₹ 80 million and the shareholders of Target Co. are expecting a deal premium to be paid of 15 percent over their company's value. what is the value of Combined entity?

(A) ₹ 1400 million

(B) ₹ 1345 million

(C) ₹ 1445 million

(D) ₹ 1540 million

Question 39.

_________ are often done by Private Equities, Venture Capitalists and portfolio companies who acquirer a company purely for their value and normally do not make significant operational changes.

(A) Financial Acquisition

(B) Strategic acquisitions

(C) Hostile takeover

(D) None of these

Question 40.

8% bond of Face Value ₹ 100 is selling for ₹ 96. What would be its Current Yield?

(A)8%

(B) 12%

(C)8.33%

(D)None of the above

Question 41.

According to Altman's z-score model (1968), calculate the value of X5 from the following information:

Total assets – 10,00,000

Retained earnings – 4,00,000

Sales – 12,00,000

Working capital – 10,00,000.

(a) 1

(b) 1.2

(c) 0.4

(d) 0.83

Question 42.

Given the following information for a business:

Asset turnover = 3.50

Equity multiplier = 1.00

Return on equity = 30%

Using the DuPont analysis, the net profit margin is ____________

(a) 8.57%

(b) 5.87%

(c) 7.65%

(d) 6.75%

Question 43.

Which one of the following is not a measure related to Balanced Score Card?

(a) Financial

(b) Customer Satisfaction

(c) Internal Processes

(d) Gap Analysis

Question 44.

The Cost function of a firm is given by $C = x^3 - 4x^2 + 7x$. Find at what level of output the average cost is minimum and what would be the minimum average cost.

(a) 2,3

(b) 4,5

(c) 1,4

(d) None of the above

Question 45.

In which discipline supply chain concept was originated?

(a) Production

(b) Operation

(c) Marketing

(d) Logistics

Question 46.

Small/Mid-sized Six Sigma projects are executed by professionals titled as:

(a) Champion

(b) Green Belt

(c) Black Belt

(d) Site Champion

Question 47.

Unique risk is also referred as:

(a) Systematic risk

(b) Operational risk

(c) Default risk

(d) Non-systematic risk

Question 48.

Assume that the following details are given for a company: Sales- ₹ 1,00,000; Costs - ₹ 75,000; Depreciation- ₹ 20,000; Tax- 35%; Change in Net Working Capital- ₹1,000; Change in Capital Spending- ₹ 10,000. The Free Cash Flow to Firm (FCFF) for the given data would be:

(a) ₹ 10,000

(b) ₹ 12,250

(c) ₹ 13,500

(d) ₹ 15,000

Question 49.

X Ltd.'s share beta factor is 1.40. The risk free rate of interest on government securities is 9%. The expected rate of return on the company equity shares is 16%. The cost of equity capital based on CAPM is:

(a) 15.8%

(b) 16%

(c) 18.8%

(d) 9%

Question 50.

If a company has a P/E ratio of 12 and a Market to Book Value Ratio 2.10, then its Return on Equity will be:

(a) 14.10%

(b) 17.50%

(c) 25.20%

(d) None of the above

Question 51.

A firm current assets and current liabilities are ` 1,600 and ` 1,000 respectively. How much can it borrow on a short-term basis without reducing the current ratio below 1.25?

(a) ` 1,000

(b) ` 1,200

(c) ` 1,400

(d) ` 1,600

Question 52.

Which Act is responsible for entrusting the Asset Reconstruction Companies (ARCs) for raising funds by issuing security receipts to the set of qualified buyers?

(a) SARFAESI Act

(b) Banking regulation act 1949

(c) SEBI Act 1992

(d) Companies Act 2013

Question 53.

Which of the followings is not the core principle of valuation?

(a) Ethics

(b) Perception

(c) Compliance

(d) Data

Question 54.

Which one is the advantage of DCF valuation

(A) Its not based upon an asset's fundamentals

(B) It is not the right way to think about what an investor would get when buying an asset

(C) It forces an investor to think about the underlying features of the firm and understand its business

(D) All of these

Question 55.

Intangible assets are treated as ------ assets.

(A) Fictitious Assets

(B) Fixed Assets

(C) Cash and cash equivalents

(D) Marketable Securities

Question 56.

The Income tax Act, 1961 define ''amalgamation" under Section

(A) 1(1B)

(B) 2(1B)

(C) 3(B)

(D) 2(2B)

Question 57.

What are the tax consequences of a taxable merger ?

(A) Selling shareholders can defer any capital gain until they sell their shares in the merged company

(B) Depreciation tax shield is unchanged by merger

(C) Selling shareholders must recognize any capital gain

(D) Depreciable value of assets will remain unchanged

Question 58.

When amalgamation is in the nature of merger, the accounting method to be followed is:

(A) Equity Method

(B) Purchase Method

(C) Pooling of interest method

(D) Consolidated Method

Question 59.

Which is not a, human-capital related intangible assets?

(A) Trained workforce

(B) Employment agreements

(C) Union Contracts

(D) Design Patent

Question 60.

Performance management is a key concept in the field of _________

(a) Human Resource Management

(b) Financial Management

(c) Technical Analysis

(d) Marketing Management

Question 61.

Which model has a tactical orientation in evaluating the financial performance of an organization?

(A) Customer lifetime value model

(B) Customer profitability analysis

(C) Balanced Scorecard

(D) Six Sigma

Question 62.

Mura and Muri refer to_ and_respectively.

(A) unevenness, waste

(B) unevenness, overburden

(C) overburden, waste

(D) overburden, poka-yoke

Question 63.

If the price (P) is equal to average cost (AC), what is the profit condition of the firm?

(A) The firm incurs a loss.

(B) The firm breaks even.

(C) The firms earn super normal profit.

(D) The firm shuts down.

Question 64.

What type of risk is associated with the difficulty of selling an asset quickly without a price discount?

(A) Liquidity risk

(B) Credit risk

(C) Market risk

(D) Operational risk

Question 65.

The 10 year Government bond yield is 7.5% and the BSE Sensex return over the last one year is 15%. Assuming the company's Beta is 1.2, what is the required return on equity?

(A) 15.6 Percent

(B) 16.6 Percent

(C) 16.5 Percent

(D) 17 Percent

Question 66.

X Ltd has 100 crores worth of common equity on its Balance Sheet comprising of 50 lakhs shares. The company's Market Value Added (MVA) is ₹24 crores. What is company's stock price?

(A) 230

(B) 238

(C) 248

(D) 264

Question 67.

If the combined entity is more than the sum of its parts, the transaction is said to have created ________.

(A) Combined Value

(B) Net Worth

(C) Synergies

(D) Economic gains

Question 68.

The number of shares outstanding as on 31/03/2024 for A Ltd. is 10 lakhs and it has reported a net profit of 20 lakhs for FY 2023-24. The company decides to repurchase 20% shares at 32 per share. If the P/E ratio remains unchanged after repurchase, the post buy-back price per share is __________.

(A) 40

(B) 32

(C) 25

(D) 16

Question 69.

Smith Ltd. has announced issue of warrants on 1:1 basis for its equity shareholders. The warrants are convertible at an exercise price of 15. Warrants are detachable and trading at 7. What is the minimum price of the warrant if the current price of the stock is 20?

(A) 4

(B) 5

(C) 7

(D) 15

Question 70 – 74.

Supreme Toy Manufacturing Co. is a medium-sized manufacturing firm specializing in industrial equipment. It has been operating for 20 years and has built a strong reputation within its niche, serving clients across the automotive, construction, and aerospace industries. The company has two manufacturing plants: Plant A, which focuses on automotive components, and Plant B, which focuses on construction and aerospace components.

Despite consistent growth for a decade, Supreme Toy Manufacturing Co. has faced economic challenges in recent years due to rising raw material costs, increased labor expenses, and disruptions in the supply chain. The firm is under pressure to improve efficiency to maintain its competitive edge.

Company Overview

Revenue from Operations: ₹ 50 million (2023)

Net Income: ₹ 3 million (2023)

Average Assets: ₹ 25 million (2023)

Employee Count: 200 (100 at each plant)

Gross Profit Margin: 20% (2023), a drop from 25% (2022)

Operating Margin: 10% (2023), a decrease from 15% (2022)

Return on Investment (ROI): 12% (2023), down from 18% (2022)

Production Lines: Plant A has 3 production lines (automotive components), and Plant B has 2 production lines (construction and aerospace components)

Downtime: Average of 10% across all production lines, with peaks of 15% during maintenance periods

Labor Costs: ₹ 20 million (2023), a 10% increase from 2022

Raw Material Costs: ₹ 15 million (2023), up by 15% from 2022 due to global supply chain disruptions

Choose the correct answer from the given four alternatives:

Question 70.

Given the data about raw material costs, overheads, and labour costs, which strategy would likely have the most significant impact on Supreme's operating margin?

(A) Reduce overheads through energy saving measures

(B) Increasing output per labor hour

(C) Lowering raw material costs by finding alternative suppliers

(D) Implementing price adjustments to align with industry standards

Question 71

If Supreme Manufacturing Co. were to invest in new machinery to improve productivity, which of the following would be the most likely outcome?

(A) Decrease in downtime and increase in output per machine hour

(B) Increase in energy consumption and decrease in output per labor hour

(C) Increase in raw material waste and decrease in production costs

(D) Increase in operating margin with no change in net income

Question 72.

Given Supreme Manufacturing Co's average downtime rate of 10% and its peaks of 15%, which strategy would be most effective in addressing productivity issues?

(A) Implementing predictive maintenance to reduce downtime

(B) Increasing labor hours to offset production delays

(C) Reducing the number of production lines to focus on core products

(D) Outsourcing part of the production to reduce labor costs

Question 73.

Considering the trends in gross margin and operating margin, which of the following is the most plausible reasons for the company's declining profitability?

(A) Poor Customer relationship and shift in the loyal customer base

(B) Workers' unrest and poor productivity

(C) Strained relations with the suppliers

(D) High maintenance cost due to outdated machinery

Question 74.

If equity multiplier is 2.5, ROE of Supreme Manufacturing Co. for 2023 is

(A) 30%

(B) 3%

(C) 0.3%

(D) 300%

Question 75-79.

An investor has been watching two similar companies, Lotus Inc., and ASA Inc. that have recently been improving their return on equity compared to the rest of companies in the industry. This could be a good thing if the two companies are making better use of assets or improving profit margins. But if the companies have increased the debt proportion in the capital structure, this would also be reflected in the ROE but would actually mean an increase in the financial risk perception of the companies.

In order to decide which company has a better opportunity, the investor decides to use DuPont analysis to determine the efforts of each company in improving its ROE and whether that improvement is sustainable.

The following information are provided:

					figures in ₹ '000
Particulars		Lotus Inc.		ASA Inc.	
		Year 1	Year 2	Year 1	Year 2
i.	Net Income	1,000	1,200	2,100	2,100
ii.	Revenue from operation	10,000	10,000	17,500	17,500
iii.	Average Assets	5,000	4,800	8,750	8,750
iv.	Average Equity	2,000	2,000	5,000	3,500

Based on the above case, you are required to answer the questions no. from (i) to (v):

Question 75.

The profit margin of Lotus Inc. in the Year 2 will be:

(A) 8.33

(B) 0.1

(C) 0.12

(D) None of the above

Question 76.

What will be the asset turnover ratio of ASA Inc. in Year 1?

(A) 2

(B) 2.08

(C) 0.5

(D) None of the above.

Question 77.

Which company has better ROE in Year 1?

(A) Lotus Inc.

(B) ASA Inc.

(C) Both companies have same ROE

(D) None of the above.

Question 78.

The ROE of Lotus Inc. in the Year 1 will be:

(A) 42%

(B) 50%

(C) 60%

(D) None of the above.

Question 79.

The equity multiplier of ASA Inc. in Year 1 and Year 2 will be respectively:

(A) 2.5 and 2.4

(B) 2.5 and 1.75

(C) 1.75 and 2.5

(D) None of the above.

Question 80-84.

There are four firms (A, B, C and D) which operates under similar conditions and comparable. The top management of Firm B is worried about the profitability of the firm and anticipates that the firm's operational efficiency is relatively poor which is projected in declining market share of the company as well as other operational ratios.

Miss Lizi, the cost accountant of Firm B has been authorised by the top management to look into the matter and report back. Miss Lizi is able to extract the following data of the four firms.

Firm	Capital Employed (₹ in Millions)	Value added (₹in Millions)
A	8.6	1.8
B	2.2	0.2
C	15.6	2.8
D	31.6	4.1

She is of the opinion that the value added is the comparable output and the capital employed is the comparable input. Accordingly, she extracts the data of the two variables across the four firms.

Choose the correct option from the given alternatives based on the above scenario:

Question 80.

Which firm has the highest efficiency?

a. A

b. B

c. C

d. D

Question 81.

Relative efficiency of Firm B is

a. 85.88

b. 43.40

c. 62.08

d. 100

Question 82.

For Inefficient firm,

a. Input target = Actual Input

b. Input target > Actual Input

c. Input target < Actual Input

d. Input target = Input Slack

Question 83.

Input Slack for Firm B is

a. 2.2

b. 1.245

c. 0

d. 0.955

Question 84.

Output Target for Firm B is

a) ₹0.46 million

b) ₹0.26 million

c) ₹0.95 million

d) ₹0.80 million

Question 85-89.

There are eight stores (A to H) across a city in which certain number of employees (given in the table below) effects Sales in a particular month.

Stores (DMUs)	A	B	C	D	E	F	G	H
Employee (No.)	20,400	32,000	34,200	44,000	54,000	54,000	62,000	80,000
Sales (₹)	16,000	27,500	25,400	44,000	46,000	43,200	56,000	58,000

Based on the above case, you are required to answer the questions no. from (xi) to (xv).

Question 85.

What is the efficiency in terms of sales per employee of Store F?

(A) 1.25

(B) 0.80

(C) Insufficient data

(D) None of the above.

Question 86.

From the above table, which Store has the highest efficiency score in terms of sales per employee?

(A)A

(B) B

(C)C

(D)D

Question 87.

If the efficiency scores are plotted with number of employees on the horizontal axis and sales on the vertical axis, the slope of the line connecting each point to the origin corresponds to the sales per employee and the highest slope is attained by the line from the origin, is called ________.

(A) Regression Line

(B) Efficient Frontier

(C) Relative Efficiency Line

(D) None of the above.

Question 88.

As per the above Q. No. (87), the highest slope line will touch the point for Store ________.

(A) B

(B) D

(C) F

(D) G

Question 89.

The above case is an example of:

(A) Data Envelopment Analysis

(B) Du-Pont Analysis

(C) RONA Model

(D) Total Productive Maintenance

Question 90.

What are the first signs of financial distress in a company ?

(A) Declining employee morale

(B) Increased production costs

(C) Loss of customers impacting cashflows

(D) Decreasing customer

Question 91.

Which of the following is not one of the main parts of the Kaplan-Norton balanced scorecard concept? Balancing

(A) financial and non-financial measurements

(B) cash flows and noncash flows.

(C) short term and long-term measurements

(D) leading and lagging indicators

Question 92.

Given the following information for a business: Asset turnover = 3.50,Equity multiplier = 1, Return on Equity = 30% using the Dupont analysis, the net profit margin is

(A) 8.57%

(B) 5.87%

(C) 7.65%

(D) 6.75%

Question 93.

What are the two methodologies used for the deployment of Six Sigma ?

(A) DMMI & DMAD

(B) DMAIC & DMADV

(C) DMAC & DMMV

(D) DMAC & DMADV

Question 94.

What does the PDCA cycle stand for ?

(A) Plan-Do-Check-Adjust

(B) Plan-Do-Check-Act

(C) Prepare-Do-Check-Analyze

(D) Plan-Design-Check-Act

Question 95.

What does MIS stand for ?

(A) Management Information system

(B) Marketing Information system

(C) Manufacturing Information System

(D) Monetary Information system

Question 96.

What is the shutdown point for a firm in the short run ?

(A) P=AC

(B) P=MC

(C) P = AVC

(D) P > AVC

Question 97.

Which two conditions summarize short-term profit maximization for a perfectly competitive firm ?

(A) MR = AC & Slope of MR > Slope of MC

(B) MR=AVC & Slope of MR < Slope of MC

(C) MR=MC & Slope of MR > Slope of MC

(D) MR=MC & Slope of MR < Slope of MC

Question 98.

The standard error (SE) of the sample mean loss distribution is equal to the

(A) standard deviation of the population multiplied by the square root of the sample size.

(B) standard deviation of the population multiplied by the cube root of the sample size

(C) standard deviation of the population divided by the square root of the sample size

(D) standard deviation of the population divided by the cube root of the sample size.

Question 99.

A colour coded version of the risk map is known as

(A) Red – Blue risk map

(B) Red –Yellow map

(C) Heat Map

(D) None of the above

Question 100.

How is VaR defined ?

(A) The average loss scenario arising from fluctuations in the value of a portfolio over a given period of time

(B) The best-case scenario for a portfolio's value over a specific time frame

(C) The worst loss scenario arising from unexpected fluctuations in the value of a portfolio over a given period of time,at a specific confidence level.

(D) The expected return from a portfolio over a given period of time.