

MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS (MEFA) ONLINE BITS MID-2

- 1) In _____ Organisation, management and control are associated with a single individual (**sole trader**).
- 2) The winding up of partnership is usually referred to as (**Dissolution**).
- 3) Indian Companies Act was enacted in (**1956**).
- 4) The characteristic of the trade cycles include (**periodicity, synchronism, self reinforcing**).
- 5) In which phase of the business cycle firms try to cut stock so as to save cost (**the recession**).
- 6) The required minimum number of members in a public limited company are (**seven**).
- 7) A person who pretends so other that he is a partner of the firm and tends to be liable for all the claims is known as, (**partner by estoppel**).
- 8) An Artificial person created by law, with perpetual existence and a common seal is called (**Joint stock company**).
- 9) All but one is not a type of private undertaking business organisation (**Joint stock undertaking**).
- 10) The main objective of any business Enterprises is (**Earn profits**).
- 11) Voluntary association of person who start a business with the key aim of rendering services to the members is known as (**cooperative society**).
- 12) A partner who does not actively participate in the business activities of the business is known as (**Dormant partner or sleeping partner**).
- 13) A private company cannot issue prospectus whereas A _____ Company must issue prospectus. (**Public company**).
- 14) A wave like fluctuations in the economic activities is known as, (**Business cycle , Trade cycle**).
- 15) The main causes of business cycles are, (**Under consumption, Over investment, Pessimistic mood**).
- 16) Accounting is an act of (**recording classifying summarizing**).
- 17) The concept which emphasizes on continuity of the business is (**Going concern concept**).
- 18) In _____ the accountant must consider material details for avoiding unnecessary burden (**Convention of materiality**).
- 19) Which of the following is not included in the balance sheet (**Sales**).
- 20) The process of transferring transaction effects into the appropriate accounts is referred to as (**Posting**).
- 21) The financial statement comprise, (**Balance sheet, Trading account, Profit and Loss account**).
- 22) _____ Reverse the various errors that have been (crept) committed in the books of account, (**Trail balance**).

- 23) One of the objectives of depreciation is _____ (**to show the asset at its reasonable value**).
- 24) The ratio which measures the relationship between operating cost and net sales is, _____ (**Operating ratio**).
- 25) The ratio which establishes relationship between net sales and working capital, (**Working capital turnover ratio**).
- 26) Which of the following are sources of funds (**non-trading receipts, funds from operations**).
- 27) Which of the following is a non-current asset? (**Goodwill**).
- 28) Working capital increases when there is (**Decrease in current liabilities, increase in current assets**).
- 29) Working capital= _____ (**WC=Current assets-Current liabilities**).
- 30) Funds flow statement is useful in (**Allocation of resources, analysis of financial statements, identifying credit worthiness of a firm**).
- 31) Which of the following could not be treated as the fixed asset, (**Tangible FA**).
- 32) Working capital is also called as _____ (**Circulating capital**).
- 33) The reduction in the value of assets due to obsolescence is called as, (**Depreciation**).
- 34) Select always projects with (**Higher NPV**).
- 35) For the profitable projects, the profitability index is (**Grater than 1**).
- 36) The capital budgeting decision depends in part on the (**Availability of funds, Relationship among the proposed projects, Risk associated with the particular project**).
- 37) A disadvantages of the cash payback technique is that it, (**ignores the time value of money**).
- 38) If project A has a lower payback period then project B, this may indicate the project A may have a, (**Higher NPV and be more profitable**).
- 39) The primary capital budgeting method that uses discounted cash flow techniques is the, (**NPV method**).
- 40) Intangible benefits in capital budgeting would include all of the following except increased. (**Salvage**).
- 41) Capitalisation refers to the balance sheet values of stocks and _____ (**bonds outstanding**).
- 42) The _____ of capitalisation is useful for promoters to estimate the amount of funds that has to be (**cost theory**).
- 43) When the earnings of a company are not large enough to yield a fair return on the amount of stock and bonds that have been issued then the situation is called as, (**over capitalisation**).
- 44) The characteristics features of capital budgeting are (**Funding, complexity, irreversibility**).
- 45) Which of the following is not a non- discounting method (**internal rate of return**).