

PUNJAB PUBLIC SERVICE COMMISSION

Objective Type Test (February-2018) for Recruitment of Section Officers in the Department of Finance Government of Punjab

READ INSTRUCTIONS BEFORE FILLING ANY DETAILS OR ATTEMPTING TO ANSWER THE QUESTIONS.

Candidate's Name _____

Father's Name _____

Date of Birth

DD
MM
YYYY

Category Code*
 (*as given in the admit card)

Question Booklet Set

A

Booklet Series No.

OMR Response Sheet No. _____

Roll No. _____


Candidate's Signature (Please sign in the box)

Time Allowed: 90 minutes

(Paper-II)

Total Questions: 100

INSTRUCTIONS

<p>1. The candidate shall NOT open this booklet till the time told to do so by the Invigilation Staff. However, in the meantime, the candidate can read these instructions carefully and subsequently fill the appropriate columns given above in CAPITAL letters. The candidate may also fill the relevant columns (other than the columns related to marking responses to the questions) of the Optical Mark Reader (OMR) response sheet, supplied separately.</p>	<p>9. The candidates shall ensure that the responses are marked in correct manner and any adverse impact due to wrong marking of responses would be the responsibility of the respective candidate. The following are some of the examples of wrong marking of responses on the OMR response sheet.</p> <div style="text-align: center; margin: 5px 0;">  </div>								
<p>2. Use only blue or black ball point pen to fill the relevant columns on this page. Use of fountain pen may leave smudges which may make the information given by the candidate here illegible.</p> <p>3. The candidate shall be liable for any adverse effect if the information given above is wrong or illegible.</p>	<p>10. The candidates, when allowed to open the question paper booklet, must check the booklet to confirm that the booklet has complete number of pages, the pages printed correctly and there are no blank pages. In case there is any such error in the question paper booklet then the candidate should immediately bring this fact to the notice of the invigilation Staff and obtain a booklet of the same series as given earlier.</p>								
<p>4. Before attempting the paper, the candidate must fill all the columns given above on this page and sign at the appropriate place.</p> <p>5. Each candidate is required to attempt 100 questions in 120 minutes, except for orthopaedically/visually impaired candidates, who would be given 40 extra minutes, by marking correct responses on the OMR sheet which would be supplied separately to the candidates.</p>	<p>11. The serial number of the new booklet should be entered in the relevant column of the OMR. The Invigilation Staff must make necessary corrections in their record regarding the change in the serial no. of question booklet.</p>								
<p>6. The candidate must write the following on the OMRs sheet: (a) Serial number of OMR sheet supplied to him/her for marking the responses to the questions. (b) Serial number of the question booklet (c) Series of the question booklet. Failure to do so may lead to cancellation of candidature or any other action which the Commission may deem fit.</p>	<p>12. The question paper booklet has 13 pages.</p> <p>13. Each question shall carry 1.5 (one & half) marks.</p>								
<p>7. The candidate should darken the appropriate response to the question by completely darkening the appropriate circle/oval according to his/her choice of response i.e. a, b, c or d in the manner shown in the example below.</p> <div style="text-align: center; margin: 5px 0;"> <table style="display: inline-table; border: none;"> <tr> <td style="text-align: center; margin-right: 10px;">a</td> <td style="text-align: center; margin-right: 10px;">b</td> <td style="text-align: center; margin-right: 10px;">c</td> <td style="text-align: center;">d</td> </tr> <tr> <td style="text-align: center;"><input type="radio"/></td> <td style="text-align: center;"><input checked="" type="radio"/></td> <td style="text-align: center;"><input type="radio"/></td> <td style="text-align: center;"><input type="radio"/></td> </tr> </table> </div>	a	b	c	d	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<p>14. There are four options for each question and the candidate has to mark the MOST APPROPRIATE answer on the OMR response sheet using blue or black ball point pen.</p>
a	b	c	d						
<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>						
<p>8. Partly darkening the circle/oval on the OMR response sheet or using other symbols such as tick mark or cross would not result in evaluation of the response as the OMR scanner can only interpret the answers by reading the darkened responses in the manner explained in preceding paragraph. Darkening more than one circle/oval as response to a question shall also be considered as wrong answer. The candidates are advised not to erase any marked answer on the OMR sheet as it may lead to double reading of the answer by the scanner.</p>	<p>15. There is no negative marking for wrong answers or questions not attempted by the candidate.</p>								

1. Banks implement the RBI's _____ policies.
 - a) Monetary
 - b) Credit
 - c) Commercial
 - d) Both a) and b)

2. The source of venture capital funding has
 - a) Shifted from wealthy individuals to pension funds and corporations.
 - b) Shifted from pension funds and corporations to wealthy individuals.
 - c) Decreased since 1990.
 - d) None of the above

3. A mutual fund is not.....
 - a) A portfolio of stocks, bonds and other securities.
 - b) A company that manages investment portfolios.
 - c) A pool of funds used to purchase securities on behalf of investors.
 - d) A collective investment vehicle

4. A close ended mutual fund has a fixed...
 - a) NAV
 - b) Fund Size
 - c) Rate of Return
 - d) No. of distributors

5. Prospectus is issued to test the market before finalizing issue size/price.
 - a) Deemed
 - b) Shelf
 - c) Red Herring
 - d) None of these

6. A negotiable instrument is freely transferable, by endorsement if it is a/aninstrument.
 - a) Order
 - b) Bearer
 - c) Both a) & b)
 - d) None of the above

7. Liability of maker is in case of bills of exchange.
 - a) Primary
 - b) Unlimited
 - c) Unconditional
 - d) Secondary

8. Competition Commission of India is a....
 - a) A body corporate
 - b) An independent entity
 - c) Common seal with power to contract
 - d) All of the above

9. Per unit opportunity cost to sell subunit of company, is added into per unit incremental cost is incurred at point of transfer to calculate
- Minimum operating cost
 - Maximum operating costs
 - Maximum transfer price
 - Minimum transfer price
10. Methods used for determining transfer prices are
- Market-based transfer prices
 - Cost-based transfer prices
 - Negotiated transfer prices
 - All of the above
11. What is the difference between tax avoidance and tax evasion?
- There is no difference in law
 - Avoidance is done by corporates
 - Avoidance is legal, and evasion is illegal
 - Evasion is done by individuals
12. Union Cabinet cleared a DTAA with which nation/s for source based taxation of capital gains on transfer of shares instead of one based on residence?
- Cyprus
 - Mauritius
 - (a) & (b) both
 - None of the above
13. Indian tax system doesn't satisfy the canon of...
- Economy
 - Flexibility
 - Productivity
 - All of the above
14. Dividend income received from an Indian company by assessee is...
- Fully exempt
 - Exempt up-to 10 lakhs
 - Fully taxable
 - Taxable as per slab
15. Marketers operate in which market places:
- Consumer and business
 - Global and non-profit
 - a) & b) both
 - None of the above
16. Marketing people market following entities:
- Goods
 - Services
 - Experiences
 - All of the above

17. At which stage of new product development process, the launching of New Product will take place?
- Business Analysis
 - Commercialization
 - Test Marketing
 - Marketing Strategy Development
18. Making profit by taking advantage of different prices prevailing in different markets is referred as
- Hedging
 - Speculation
 - Arbitrage
 - Gambling
19. Selection of specific media in which advertisements will be run and when they will be run to reach the target market is called
- Advertising
 - Public Relations
 - Media Planning
 - Publicity
20. Which is not a method of performance appraisal?
- Straight ranking method
 - Man-to-man comparison method
 - Check list method
 - None of the above
21. An enterprise gets more output and mutual cooperation from its subordinate staff by adopting
- Motivating by leadership
 - Motivation by participation
 - Motivation by goals
 - Motivation by challenges
22. On-the-Job Training Method is based on
- Demonstration Method
 - Apprenticeship Training Method
 - Job Rotation
 - All of the above
23. Feedback and counseling involve
- Discussing the steps the employee can take for improvement
 - Providing support
 - Giving critical and supporting feedback
 - All of the above

24. The concept of Human Relations was developed by
- Robert Owen
 - V. V. Giri
 - Elton Mayo
 - Edwin B. Filippo
25. Job analysis provides information about...
- Organization chart
 - Policy
 - Job Description
 - Procedure
26. Which of the following is the wage determination factor?
- Prevailing Rates of Wages
 - Cost of Living
 - Ability to Pay
 - All of the above
27. The Workmen's Compensation Act came into force in which year?
- 1930
 - 1921
 - 1944
 - 1923
28. If interest rates in nation increase, a corporate bond with a fixed interest rate will usually
- Increase in value
 - Remain unchanged
 - Decrease in value
 - Be returned to corporation
29. Technical analysis reflects the idea that stock prices
- Move upward over time.
 - Move inversely over time.
 - Move in trends.
 - Move randomly
30. Market data includes all of the following excepts
- Number of shares traded.
 - Earnings.
 - Level of market indices.
 - Stock price.
31. Type of contract which involves future exchange of assets at a specified price is classified as
- Option contracts
 - Present contract
 - Spot contract
 - Forward contract

32. The impact of Foreign Exchange Rate on firm's future cash flows is called as
- Operating exposure
 - Transaction exposure
 - Translation exposure
 - Business risk
33. Which of the following is not an aim of international capital market?
- Preserving hard currencies to finance trade deficits
 - Reducing cost of money to borrowers
 - Reducing investor risk
 - Expanding money supply for borrowers
34. An instrument traded at U.S. exchanges representing a fixed number of shares of a foreign company that is traded in the foreign country is called as?
- GDR-Global Depository Receipt
 - ADR-American Depository Receipt
 - SDR-Special Drawing Rights
 - None of the above
35. An agreement between countries in a geographic region to reduce tariff and non-tariff barriers to the free flow of goods, services, and factors of production between each other is referred to as
- Regional economic integration.
 - Cross-cultural economic integration.
 - Geographic economic-political integration.
 - Cross-cultural economic-political integration.
36. Balance of payments of a country...
- Always balanced
 - Always deficit
 - Always surplus
 - Fluctuates
37. Invisible items of balance of payments include....
- Foreign remittances
 - Income from tourists
 - Shipping charges
 - All of these
38. Largest public-sector bank in India is...
- State Bank of India
 - Reserve Bank of India
 - HDFC Bank
 - ICICI Bank
39. Principle of Indemnity doesn't apply in case of...
- Marine Insurance
 - Life Insurance
 - Fire Insurance
 - General Insurance

40. Which of the following sections deal with qualifications of the auditor under Companies Act 2013?
- a) Section 141
 - b) Section 150
 - c) Section 139
 - d) Section 138
41. Audit report on annual accounts is given by...
- a) Statutory Auditor
 - b) Internal Auditor
 - c) Government Auditor
 - d) Secretarial Auditor
42. Section 142 of The Companies Act 2013, deals with....
- a) Special Audit
 - b) Secretarial Audit
 - c) Cost Audit
 - d) None of the above
43. Management Audit refers to:
- a) Audit on behalf of the management
 - b) Audit of management accounting system in operations
 - c) Systematic appraisal of management objectives and procedures
 - d) Audit of managerially initiated financial transactions
44. What mechanism argues that large firms who benefit from tax law pay some minimum amount of tax?
- a) Annual minimum tax
 - b) Alternate minimum tax
 - c) Minimum tax law
 - d) Corpulent minimum tax
45. In India, RBI is
- a) Lender of the last resort
 - b) Banker's Bank
 - c) Government's Bank
 - d) All of the above
46. Bailment of goods as security for payment of a debt or performance of a promise is called
- a) Bills of Exchange
 - b) Hypothecation
 - c) Pledge
 - d) Lien
47. Issue of shares to public by an already listed company is
- a) Initial Public Offer
 - b) Follow on Public Offer
 - c) Rights Issue
 - d) Private Placements

48. In capital market “Beta” is used to measure...
- a) The riskiness of securities
 - b) Profitability of security
 - c) Marketability of security
 - d) Volatility of security
49. In case of Liquidation of Company, who represents the company
- a) Administrator
 - b) Lawyer
 - c) Liquidator
 - d) Chairman
50. Unabsorbed depreciation which could not be set off in the same assessment year can be carried forward up to
- a) 4 years
 - b) 8 years
 - c) 10 years
 - d) Indefinite period
51. The cost of acquisition of bonus shares is:
- a) Share price on the date of issue of bonus shares
 - b) Amount of dividend
 - c) Nil
 - d) None of them
52. One difference between a financial lease and operating lease is that:
- a) There is often a call option in a financial lease.
 - b) There is often an option to buy in an operating lease.
 - c) An operating lease is often cancellable by the lessee.
 - d) A financial lease is often cancellable by the lessee.
53. Which of the following is not a fund based financial services.
- a) Credit rating agencies
 - b) Venture capital
 - c) Consumer credit
 - d) Factoring
54. What is the opinion of the rating agency on the relative ability and willingness of the issuer of debt instrument to meet the debt service obligations as and when they arise.
- a) Credit rating
 - b) Rating by merchant banker
 - c) Merit rating
 - d) Operating feedback
55. Financial service companies exclude
- a) Commercial banks
 - b) Insurance companies
 - c) Sole proprietorship
 - d) Credit rating agencies

56. Credit Cards are known as which of the following?
- Easy Money
 - Hard Money
 - Soft Money
 - Plastic Money
57. In case of public company towards quorum proxies
- Will be counted
 - Will not be counted
 - May be counted if board allows
 - None of the above
58. Allotment of shares or debentures must be made after getting Which of the following subscription against entire public issue as per SEBI guidelines.
- 80%
 - 90%
 - 100%
 - 75%
59. Which of the following includes any amount borrowed by a company?
- Deposits
 - Funds
 - Both a) & b)
 - None of the above
60. Notice of Adjourn meeting is not required if a meeting is
- Adjourned for want of quorum
 - Adjourned sine die
 - Adjourned for more than 30 days
 - None of the above
61. Which of the following is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of a certain person or to the bearer.
- Bill of Lading
 - Promissory note
 - Bill of Exchange
 - Cheque
62. In the year 2002 the Competition Act was enacted replacing
- Copyright Act
 - Trademarks Act
 - MRTP Act
 - FERA
63. Budgeting method, which incorporates an improvement anticipated in budgeting period into budget numbers can be classified as
- Anticipated budgeting
 - Number budgeting
 - Predict budgeting
 - Kaizen budgeting

64. Which one of the following does not describe a type of transfer pricing?
- a) Negotiated Pricing
 - b) Cost based pricing
 - c) Target based pricing
 - d) Administered pricing
65. An example of a semi-variable cost would be:
- a) Depreciation of intangible fixed assets
 - b) Wages paid to operatives on basic pay topped-up by a production bonus scheme
 - c) Salaries of departmental supervisors
 - d) Cost of raw material used in production
66. When the output volume increases by large amounts, fixed costs often increase in:
- a) Steps
 - b) Proportion
 - c) Instability
 - d) Importance
67. Deduction under section 80GG is available in the following cases-
- a) Company
 - b) Partnership firm
 - c) Hindu undivided family
 - d) All of the above
68. Dividend received by a shareholder from a company whose entire income is agricultural Income is taxable as:
- a) Agricultural income
 - b) Partly agricultural income
 - c) Business income
 - d) Income from other sources
69. Zero Coupon Bonds can be issued by any of the following entities—
- a) Scheduled bank
 - b) Public sector Company
 - c) Both a) and b)
 - d) None of these
70. Investment allowance under section 32AC of the Income-tax Act, 1961, is applicable where the investment in new plant and machinery exceeds
- a) 25 Crores
 - b) 50 Crores
 - c) 100 Crores
 - d) 40 Crores
71. The following is capital receipt:
- a) Dividend from investment;
 - b) Bonus shares;
 - c) Sale of technological know- how;
 - d) Compensation received for compulsory evacuation of place of business

72. Which of the following is covered under section 80D of the Income Tax Act, 1961 –
- a) Repayment of loan taken for higher education
 - b) Medical treatment of handicapped dependent
 - c) Medical Insurance Premium
 - d) Reimbursement of medical expenses
73. Alternative Minimum Tax (AMT) is applicable if adjusted Total Income of individual, AOP, Artificial juridical person, Firm etc. exceeds:
- a) 15 lakhs
 - b) 20 lakhs
 - c) 25 lakhs
 - d) 10 lakhs
74. In which of the following cases tax is required to be deducted at source?
- a) Interest credited or paid by a firm to its partners
 - b) Interest paid by a bank on the savings account balance
 - c) Interest paid by an individual to a bank on housing loan
 - d) Interest paid by a bank on fixed deposit
75. The stages of the product life cycle are;
- a) Introduction, Growth, Maturity, Saturation, Decline
 - b) Maturity, Saturation, Introduction and Decline
 - c) Introduction, Growth, Maturity, Decline
 - d) Maturity, Saturation, Growth, Decline
76. A.I.D.A is;
- a) A market selection model
 - b) A communication model
 - c) A segmentation model
 - d) A model which analyses the environment of an organization
77. Which of the following is the best definition of value?
- a) A technical measure of a company's selling price relative to its production costs
 - b) A measure of the mark-up charged by companies
 - c) The lowest prices available to consumers
 - d) The best ratio of benefits to costs available to buyers
78. If actual performance exceeds the expected performance of the product, Then customer is said to be;
- a) Satisfied
 - b) Dissatisfied
 - c) Delighted
 - d) Neutral
79. A cluster of complementary goods and services across diverse set of industries is called as;
- a) Market place
 - b) Meta market
 - c) Market space
 - d) Resource Market

80. HR manager and staff functions duties consist of which of the following;
- a) Assisting line manager
 - b) Implementing policies
 - c) Directing tasks of people
 - d) All of the above
81. Systematic movement of workers of one job to another is called as ;
- a) Job rotation
 - b) Job design
 - c) Incentives
 - d) All of these
82. Job analysis helps in
- a) HRP, recruitment, selection
 - b) T and D
 - c) Job evaluation
 - d) All of these
83. Which of the following is not a job design technique?
- a) Job rotation
 - b) Work simplification
 - c) Job description
 - d) All of these
84. The taking of business risk in the hope of getting short term gain
- a) Gambling
 - b) Speculation
 - c) Investment
 - d) Portfolio management
85. A Finance Company in which a Demat account can be opened is known as;
- a) Demat Company
 - b) Depository Consultant
 - c) Depository Accountant
 - d) None of the above
86. Which of the following gives its holder the right to sell an asset for a specified exercise price on or before a specified expiration date?
- a) Call option
 - b) Futures contract
 - c) Put option
 - d) Interest rate swap
87. The interest rate charged by large banks in London to lend money among themselves is called;
- a) The prime rate
 - b) The discount rate
 - c) The interest rate
 - d) LIBOR

88. The Dow Jones Industrial Average is;
- a) A price weighted average
 - b) A value weight and average
 - c) An equally weighted average
 - d) An average
89. When an enterprise has an unhedged receivable or payable denominated in a foreign currency and settlement of the obligation has not yet taken place that firm is said to have:
- a) Tax exposure
 - b) Operating exposure
 - c) Infinite exposure
 - d) Transaction exposure
90. Which of the following is not part of the current account?
- a) Dividends received on a foreign investment
 - b) Purchase of a plane ticket on a foreign airline
 - c) Shipment of food aid to a poor country
 - d) Purchase of a foreign bond
91. Which are most commonly classified as a direct foreign investment?
- a) Foreign acquisitions
 - b) Purchases of international stocks
 - c) Licensing agreements
 - d) Exporting transactions
92. Which of the following is not a part of India's Money Market?
- a) Banks
 - b) Bill Markets
 - c) Call Money Market
 - d) Indian Gold Council
93. 'Subprime lending' is a term applied to which of the loans made to the following.
- a) Those borrowers who do not have a good credit history
 - b) Those borrowers who have a good credit history
 - c) Those borrowers who do not have a good debit history
 - d) Those borrowers who have a good debit history
94. "Basel Committee on Banking Supervision" is also known as
- a) Bank for International Settlements Committee
 - b) Banking Regulation Committee
 - c) Financial Stability Board
 - d) Global Financial System
95. What is 'fiat money'?
- a) The currency is backed by Government Guarantee
 - b) The currency is backed by tangible assets
 - c) The currency is backed by gold reserves
 - d) The currency is backed by budgetary support

96. What is the full form of NAV?
- a) Net Actual Value
 - b) Net Annual Value
 - c) Net Asset Value
 - d) Net Average Value
97. Declaration of dividend is covered under section
- a) Section 122
 - b) Section 123
 - c) Section 124
 - d) Section 125
98. Which one of the following responsibility centers has independent control of its and its fixed assets?
- a) Investment Centre
 - b) Profit Centre
 - c) Cost Centre
 - d) Revenue Centre
99. Costing system, which omits some of journal entries in accounting system is known as
- a) In-time costing
 - b) Trigger costing
 - c) Back flush costing
 - d) Lead time costing
100. Penetration pricing is:
- a) Where the firm looks at competitor prices
 - b) Where the firm pricing strategy is based on willingness to pay
 - c) Where the firm charges a low price to gain sales.
 - d) Where the firm charges a high price to support product positioning strategies
