

<b>Class:S.Y.BBI</b>		
<b>Subject:Financial Management-II</b>		
1		Which of the following factors influencing the need of working capital of a firm
	A	Type of Technology used
	B	Age
	C	Taste
	D	Preferences
2		Working capital is
	A	Gross fixed assets
	B	Gross current liabilities
	C	Gross current assets
	D	Gross fixed liabilities
3		Permanent working capital is
	A	Minimum working capital required
	B	Seasonal in nature at all the time
	C	Permanently blocked up in stock
	D	Temporary blocked up in stock
4		Sale of goods on cash basis
	A	Reduces working capital requirement
	B	Increases working capital requirement
	C	Nullifies working capital requirement
	D	Not required
5		Longer period of credit allowed by creditors
	A	Reduces working capital requirement
	B	Increases working capital requirement
	C	Nullifies working capital requirement
	D	Not required
6		If sales is 100 variable cost is 66.67 then P/V ration would be
	A	66%
	B	33.33%
	C	133.33%
	D	40%
7		In most of the industries the most important element of cost is
	A	Material
	B	Labour
	C	Overhead
	D	Expenditure
8		EOQ stands for
	A	Emergency order quantity
	B	Economic order quantity
	C	Economic order quality
	D	Everyday ordering quantity
9		According to which the following methods of pricing issues are close to current economic values

	A	LIFO	
	B	FIFO	
	C	Weighted average price	
	D	Average price	
10		Holding the cash for purpose which cannot be anticipated is termed as __ motive	
	A	Transaction	
	B	Precautionary	
	C	Speculative	
	D	Compensating	
11		Cash budget does not include	
	A	Sale proceeds of asset	
	B	Depreciation	
	C	Payment of dividend	
	D	Receipt of Commission	
12		Cash budget is a summary of	
	A	Income and expenses	
	B	Receipt and payment	
	C	Assets	
	D	Liabilities	
13		The length of the period for which the budget is prepared is termed as	
	A	Budget calendar	
	B	Budget manual	
	C	Budget period	
	D	Budget schedule	
14		Production budget should be prepared in __	
	A	Values only	
	B	Quantity and value both	
	C	Quantity only	
	D	Quality	
15		When preparing a production budget the quantity to be produced equals to	
	A	Sales quantity + opening stock + closing stock	
	B	Sales quantity – opening stock minus closing stock	
	C	Sales quantity minus opening stock + closing stock	
	D	Sales quantity plus opening stock minus closing stock	
16		If the activity level is reduced from 80 % to 70% the fixed cost __	
	A	Will increase by 10%	
	B	Will decrease by 10%	
	C	Per unit will decrease	
	D	Per unit will increase	
17		A sales budget is defined as a statement of planned _____ expressed in terms of quantity and value.	

	A	Production	
	B	Sales	
	C	Purchase	
	D	Cash	
18		A _____ is responsible for preparation of sales budget.	
	A	Sales Manager	
	B	Production Manager	
	C	Store Manager	
	D	Purchase Manager	
19		Which of the following is a tax deductible expenditure	
	A	Interest on debt	
	B	Preference dividend	
	C	Equity dividend	
	D	Stock	
20		Debentures is a __ securities	
	A	Ownership	
	B	Creditorship	
	C	Government	
	D	Society	