



[Examrace: Downloaded from examrace.com \[https://www.examrace.com/\]](https://www.examrace.com/)

For solved question bank visit [doorsteptutor.com](https://www.doorsteptutor.com)

[\[https://www.doorsteptutor.com\]](https://www.doorsteptutor.com) and for free video lectures visit [Examrace YouTube Channel \[https://youtube.com/c/Examrace/\]](https://youtube.com/c/Examrace/)

 Paper 3 has been removed from NET from 2018 ([Notification \[https://www.examrace.com/NTA-UGC-NET/NTA-UGC-NET-Updates/NEWS-UGC-NET-Exam-Changes-2018.htm\]](https://www.examrace.com/NTA-UGC-NET/NTA-UGC-NET-Updates/NEWS-UGC-NET-Exam-Changes-2018.htm))- now paper 2 and 3 syllabus is included in paper 2. Practice both paper 2 and 3 from past papers.

NTA-NET (UGC-NET) Paper-I (in English) Coaching Programs

 Video Course 2024 (163 Lectures [88 Hrs : 27 Mins]): Offline Support

[Click Here to View & Get Complete Material](#)

[\[https://www.doorsteptutor.com/Exams/UGC/Paper-1/Lectures/\]](https://www.doorsteptutor.com/Exams/UGC/Paper-1/Lectures/)

Rs. 540.00

1 Month Validity (Multiple Devices)

  Online Tests (35 Tests [50 Questions Each]): NTA Pattern, Analytics & Explanations

[Click Here to View & Get Complete Material](#)

[\[https://www.doorsteptutor.com/Exams/UGC/Paper-1/Online-Test-Series/\]](https://www.doorsteptutor.com/Exams/UGC/Paper-1/Online-Test-Series/)

Rs. 1300.00

3 Year Validity (Multiple Devices)

UGC Paper 2: Commerce 22nd Dec 2018 Part 1: Answers, Solutions, & Explanations at ExamPYQ. Com & DoorstepTutor. Com

Q 1.

Match the items of List I with the items of List II and choose the correct answer from the code given below.

| LIST I | LIST II |
|------------------------|--------------------------------------|
| (a) Rival Firms | (i) External Environment |
| (b) Technology | (ii) Social and Cultural Environment |
| (c) Improving Quality | (iii) Internal Environment |
| (d) Ethics in Business | (iv) Global Environment |

Table Supporting: UGC Paper 2: Commerce 22nd Dec 2018 Part 1: Answers, Solutions, & Explanations at ExamPYQ. Com & DoorstepTutor. Com

a. (a) - (i) , (b) - (ii) , (c) - (iii) , (d) - (iv)

- b. (a) - (ii) , (b) - (iii) , (c) - (iv) , (d) - (i)
- c. (a) - (iii) , (b) - (i) , (c) - (iv) , (d) - (ii)
- d. (a) - (iv) , (b) - (i) , (c) - (ii) , (d) - (iii)

Q 2. The companies having business in a large number of countries around the world at present are called:

- a. Transnational Corporations (TNCs)
- b. Multinational Corporations (MNCs)
- c. Global Corporations (GCs)
- d. Multinational Enterprises (MNEs)

Q 3.

The Industrial Policy, 1956 has been prompted by which combination of the following developments?

- (i) Adoption of the Constitution of India
- (ii) Implementation of Economic Planning
- (iii) Acceleration of Economic Growth and Industrialisation
- (iv) Availability of Sufficient Funds for Investment in the Public Sector.

Choose the correct answer from the code given below:

- a. Only (i) and (ii)
- b. Only (i) , (ii) and (iv)
- c. Only (ii) , (iii) and (iv)
- d. Only (ii) and (iv)

Q 4. Indicate the most popular route of privatisation adopted by the Government of India is

- a. Management - Employee Buyout
- b. Spontaneous Privatisation
- c. Cross Holdings
- d. Strategic sale

Q 5.

Given below are two statements, one labelled as Assertion (A) and the other labeled as Reason (R) . Read the statements and choose the correct answer using the code given below.

Assertion (A) : Consumers need to be given legal protection against certain trade practices and business methods.

Reason (R) : Protection as per market forces and 'Caveat Emptor' is not enough as perfectly competitive market is an economist's dream and consumer sovereignty is a myth.

- a. (A) is correct but (R) is incorrect
- b. (A) is incorrect but (R) is correct

- c. Both (A) and (R) are correct and (R) is the right explanation of (A)
- d. Both (A) and (R) are correct but (R) is not the right explanation of (A)

Q 6. Second generation reforms in our country do not comprise of which one of the following?

- a. Exploiting the knowledge based global economy
- b. Growing Indian transnational corporations
- c. Population control
- d. Clean environment

Q 7.

For the following two statements regarding infrastructural services in the country, choose the correct code for the statements being correct or incorrect.

Statement I: Most infrastructure services are provided by public monopolies which generally suffer with severe problems like lack of accountability, low productivity, poor financial performance and over-employment.

Statement II: There is a need now to induce more private sector investment and participation in sharing, accountability, monitoring and management of infrastructure sector.

- a. Both I and II are correct
- b. Both I and II are incorrect
- c. I is incorrect but II correct
- d. I is correct, but II is incorrect

Q 8.

Choose the correct code for the following statement being correct or incorrect.

Statement I: Punctuality and team spirit among employees of an organisation has great contribution in enhancing profits of the business but they do not appear as an asset in the balance sheet

Statement II: Financial statements do reflect the correct financial position of a business.

- a. Both the statements I and II are correct
- b. Both the statements I and II are incorrect
- c. Statement I is correct, but II is incorrect
- d. Statement I is incorrect, but II is correct

Q 9. X Ltd. forfeited 40 shares of ₹ 10 each and on which ₹ 4 per share were paid. If the forfeited shares reissued as ₹ 8 per share paid up, what is the minimum price the company must charge?

- a. Rs 2 per share
- b. Rs 4 per share
- c. Rs 8 per share

d. Rs 10 per share

Q 10. A and B are partners in a firm sharing profits in the ratio of 3: 2 They admit X as a partner for $\frac{1}{3}$ share in profits of the firm. The new profit sharing ratio of A, B and X is

- a. 3: 2: 1
- b. 3: 2: 2
- c. 3: 2: 3
- d. 6: 4: 5

Q 11. Which one of the following statements is not true?

- a. Depreciation is source of funds.
- b. Major source of working capital in the long run, is profits from operations
- c. Any transaction that increases working capital is a source of funds.
- d. Profits earned from non-operating activities is added to net profit while calculating profits from operations.

Q 12.

Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R) . Read the statements and choose the correct answer using the code given below

Assertion (A) : A low debt-equity ratio is generally recommended for a newly started business

Reason (R) : During the initial years of the business, debt servicing will prove to be less burdensome.

- a. Both (A) and (R) are correct and (R) is the correct explanation of (A)
- b. Both (A) and (R) are correct but (R) is not the correct explanation of (A)
- c. (A) is correct but (R) is not correct
- d. (A) is not correct but (R) is correct

Q 13. Which one of the following statements is not true?

- a. Conversion of debentures into preference shares will decrease debt-equity ratio
- b. Long-term liabilities due for payment within a year should be treated as current liabilities
- c. Higher operating ratio indicates higher profits
- d. Cost of sales is a better numerator than sales while calculating stock turnover

Q 14. A company proposes to introduce a new product in the market. The company wants to maintain P/V Ratio at 25% . If variable cost of the product is ₹ 300, what will be the selling price?

- a. ₹ 100
- b. Rs 200
- c. ₹ 300

d. ₹ 400

Q 15. The inverse relationship between the variation in the price and the variation in the quantity demanded is not due to

- a. Price effect
- b. Entry and exit of buyers
- c. Gossen's laws of consumption
- d. Law of substitution

Q 16.

Cardinal utility analysis of consumer's behaviour is based on which combination of the following assumptions:

- (i) Utility is measurable in terms of cardinal number.
- (ii) Constancy of the marginal utility of money
- (iii) Utilities of different goods are interdependent
- (iv) Gossen's first law of consumption

Choose the correct answer from the code given below:

- a. Only (i) and (ii)
- b. Only (i) , (ii) and (iv)
- c. Only (ii) , (iii) and (iv)
- d. Only (iii) and (iv)

Q 17.

Match the items of List I with the items of List II and choose the correct answer from the code given below.

| LIST - I | LIST - II |
|---------------------------------------|--------------------------|
| (a) Income elasticity less than unity | (i) Competitive goods |
| (b) Cross elasticity less than unity | (ii) Inferior goods |
| (c) Cross elasticity less than zero | (iii) Superior goods |
| (d) Income elasticity less than zero | (iv) Complementary goods |

Table Supporting: UGC Paper 2: Commerce 22nd Dec 2018 Part 1: Answers, Solutions, & Explanations at ExamPYQ. Com & DoorstepTutor. Com

- a. (a) - (i) , (b) - (ii) , (c) - (iii) , (D) - (iv)
- b. (a) - (iv) , (b) - (iii) , (c) - (i) , (d) - (ii)
- c. (a) - (iii) , (b) - (i) , (c) - (iv) , (d) - (ii)

d. (a) - (iv) , (b) - (i) , (c) - (ii) , (d) - (iii)

Q 18.

The production function is based on which combination of the main characteristics of the input form the following:

(i) Substitutability

(ii) Complementarity

(iii) Flexibility

(iv) Specificity

Choose the correct answer from the code given below:

a. Only (i) and (iii)

b. Only (ii) , (iii) and (iv)

c. Only (i) , (ii) and (iv)

d. Only (iii) and (iv)

Q 19.

Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R) . Read the statements and choose the correct answer using the code given below.

Assertion (A) : There exists excess capacity of the production for the firms if these incur losses.

Reason (R) : Their production level to remain below their economic capacity level.

a. (A) is correct but (R) is incorrect

b. (A) is incorrect but (R) is correct

c. Both (A) and (R) are correct and (R) is the right explanation of (A)

d. Both (A) and (R) are correct but (R) is not the right explanation of (A)

Q 20. The monopoly involves as social cost mainly due to its emphasis on which one of the following?

a. Earning net profit in all possible situations.

b. Lower output at a higher cost in a normal profit situation

c. Charging different prices from different categories of buyers of the same product

d. Attempting to stall entry of other firms in the market

Q 21.

Cost plus pricing is considered appropriate for which combination of the following?

(i) Product Tailoring

(ii) Public Utility Pricing

(iii) Refusal Pricing

(iv) Monopoly Pricing

Choose the correct answer from the code given below:

- a. Only (i) and (ii)
- b. Only (i) , (ii) and (iii)
- c. Only (ii) , (iii) and (iv)
- d. Only (iii) and (iv)

Q 22.

If a perpendicular on X-axis from the point of intersection of both 'less than' and 'more than' frequency curves is drawn. it gives the value of

- a. Arithmetic mean
- b. Third Quartile
- c. Mode
- d. Median

Q 23.

Choose the correct cod for the following statements being correct or incorrect.

Statement I: If the value of $\beta_2, i.e. \frac{\mu_4}{\sigma_4}$, of a distribution gives the value more than 3, its curve is platykurtic.

Statement II: In a moderately asymmetrical distribution, the standard deviation is 1.25 times of mean deviation.

- a. Both the statements I and II are correct
- b. Both the statements I and II are incorrect.
- c. Statement I is correct, but II is incorrect
- d. Statement II is correct, but I is incorrect

Q 24.

Which of the following statement relating to the sampling theory are correct?

- (i) The values of the statistical measures based on the sampled units are called values of statistic.
- (ii) In the simple random sampling technique, the element of the population and the unit of the sample are different.
- (iii) Snow- ball sampling technique is a probability based sampling technique.
- (iv) The 'law of statistical regularity' and the 'law of inertia of large numbers' are the main bases of the sample to become representative of the population.

Choose the correct answer from the code given below:

- a. (ii) and (iii)
- b. (i) and (iv)
- c. (i) , (ii) and (iii)

d. (ii) , (iii) and (iv)

Q 25. Which one of the following is not the correct property of normal distribution?

- a. Continuous distribution
- b. Equality of central values (Mean, Mode and Median)
- c. Standard deviation is the sole parameter of the distribution
- d. Uni-modal distribution

Q 26.

The probable error of the coefficient of correlation (r) is calculated by which one of the following formulae?

- a. $0.6745 \sqrt{\frac{1-r^2}{n}}$
- b. $0.6745 \frac{(1-r^2)}{\sqrt{n}}$
- c. $0.6745 \frac{1+r^2}{\sqrt{n}}$
- d. $0.6745 \frac{(1+r^2)}{n}$

Q 27.

Choose the correct code for the following statements being correct or incorrect

Statement I: The geometric mean of the two regression coefficients of X and Y variables gives the value of the coefficient of correlation.

Statement II: If the population distribution is not normal and a sampling distribution of mean is prepared by taking small sized samples, the sampling distribution of mean is not normal.

a. Both the statements I and II are correct

b.

Both the statements I and II are incorrect

c.

Statement I is correct, but II is incorrect

d.

Statement II is correct, but I is incorrect.

Q 28.

Which one of the following is not the advantage of database management system?

a.

Centralized control

b.

High acquisition costs

c.

Improved data integrity

d.

Shared data

Q 29.

Choose the correct code for the following statements being correct or incorrect

Statement I: An identifiable group of people contributing their efforts towards attainment of goals is called organization

Statement II: In its broadest sense, organization refers to the relationship between the various factors present in a given endeavor.

a.

Both the statements I and II are correct.

b.

Both the statements I and II are incorrect

c.

Statement I is correct, but II is incorrect

d. Statement II is correct, but I is incorrect.

Q 30.

Match the items of List I with the items of List II and choose the correct answer from the code given below.

| LIST I (PROPOUNDER OF THEORY) | LIST II (THEORY OF MOTIVATION) |
|----------------------------------|-----------------------------------|
| (a) Dr. Willian Ouchi | (i) X theory |
| (b) Douglas McGregor | (ii) Need Hierarchy Theory |
| (c) Frederick Herzberg | (iii) Z Theory |
| (d) A. H. Maslow | (iv) Hygiene Theory |

Table Supporting: UGC Paper 2: Commerce 22nd Dec 2018 Part 1: Answers, Solutions, & Explanations at ExamPYQ. Com & DoorstepTutor. Com

a.

(a) – (ii) , (b) – (iii) , (c) – (iv) , (d) – (i)

b.

(a) – (iv) , (b) – (i) , (c) – (iii) , (d) – (ii)

c.

(a) – (iii) , (b) – (i) , (c) – (iv) , (d) – (ii)

d.

(a) – (ii) , (b) – (i) , (c) – (iii) , (d) – (iv)

Q 31.

Arrange the following stages of staffing in correct sequence and indicate the code of correct sequence.

(i) Performance appraisal

(ii) Recruitment

(iii) Transfer

(iv) Selection

(v) Induction and orientation

Choose the correct answer from the code given below:

a.

(ii) , (i) , (iv) , (v) , (iii)

b. (ii) , (iv) , (v) , (i) , (iii)

c. (iv) , (ii) , (v) , (iii) , (i)

d. (i) , (ii) , (iv) , (v) , (iii)

Q 32.

Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R) Read the statements and choose the correct answer using the code given below.

Assertion (A) : Technological change and skill requirements have been made a subject of investigation in an organization

Reason (R) : The neo-classical economic theory stated technological changes require a broader variety of skills and higher average skills from the workers.

a.

Both (A) and (R) are correct and (R) is the right explanation (A)

b.

Both (A) and (R) are correct but (R) is not the right explanation of (A)

c.

Both (A) and (R) are incorrect

d.

(A) Is correct but (R) is incorrect

Q 33.

Corporations are controlled and directed by which one of the following?

- a. Corporate ethics
- b. Corporate codes
- c. Corporate governance
- d. Corporate mechanism

Q 34. Critical path indicates which one of the following?

- a.
Longest route of completing a task
- b.
Shortest route of completing a task
- c.
Average time of completing a task
- d.
Recorded time of completing a task

Q 35.

Which one among the following is the oldest form of organization?

- a.
Committee Organization
- b.
Project Organization
- c.
Functional Organization
- d.
Line Organization

Q 36.

Which one of the following demands states consumers are adequately buying all the products put into the marketplace?

- a.
Overfull demands
- b.
Full demand
- c. Irregular demand
- d.
Latent demand

Q 37. Which one of the following is not true for introducing multiple brands in a category?

a.

Increasing shelf presence and retailer dependence in the store

b. Attracting consumer seeking variety who many otherwise have switched to another brand

c.

Decreasing internal competition within the firm

d.

Yielding economies of scale in advertising, sales, merchandising and physical distribution

Q 38.

Match the items of List I with the items of List II and choose the correct answer from the code given below.

| LIST I | LIST II |
|-------------------------|--|
| (a) Mobile defense | (i) Occupying the most desirable position in consumers' minds, making the brand almost impregnable |
| (b) Contraction defense | (ii) The leader stretches its domain over new territories through market broadening and market diversification |
| (c) Position defense | (iii) Large companies gave up weaker markets and reassign resources to stronger ones. |

Table Supporting: UGC Paper 2: Commerce 22nd Dec 2018 Part 1: Answers, Solutions, & Explanations at ExamPYQ. Com & DoorstepTutor. Com

a. (a) - (ii) , (b) - (i) , (c) - (iii)

b. (a) - (i) , (b) - (ii) , (c) - (iii)

c. (a) - (ii) , (b) - (iii) , (c) - (i)

d. (a) - (i) , (b) - (iii) , (c) - (ii)

Q 39.

Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R) Read the statements and choose the correct answer using the code given below.

Assertion (A) : Purchase decisions are not based on how customers perceive prices but on the marketer's stated price.

Reason (R) : Customers may have a lower price threshold, below which prices signal inferior or unacceptable quality, and an upper price threshold where the product appears not worth the money.

a. Both (A) and (R) are correct and (R) is the right explanation of (A)

b. Both (A) and (R) are correct but (R) is not the right explanation of (A)

c.

Both (A) and (R) are incorrect

d.

(A) Is incorrect but (R) is correct

Q 40. In which one of the following modes of entry into foreign market are risk and profit potential the highest?

a.

Indirect exporting

b.

Direct exporting

c.

Direct investment

d.

Joint ventures

Q 41. Which one of the following modes is not an example of Direct and Database marketing communication?

a.

Social media marketing

b.

Catalogues

c.

Mailing

d.

Telemarketing

Q 42. To examine whether the company is pursuing its best opportunities with respect to markets, products, and channels is the purpose of which one of the following types of marketing control?

a.

Annual-plan control

b.

Profitability control

c.

Efficiency control

d. Strategic control

Q 43.

Combined leverage can be used to measure the relationship between?

a.

EBIT and EPS

b.

Sales and EPS

c.

Sales and EBIT

d.

PAT and EPS

Q 44.

Sales of a firm are ₹ 40 lacs; variable costs ₹ 10 lacs; fixed costs ₹ 15 lacs; interest ₹ 5 lacs. Combined leverage of the firm will be

a. 2.5

b. 3

c. 2

d. 8

Q 45. A firm has inventory turnover of 3 and cost of goods sold is ₹ 2,70,000. With better inventory management, the inventory turnover is increased to 5. This would result in

a.

Increase in inventory by ₹ 54,000

b.

Decrease in inventory by ₹ 36,000

c.

Increase in cost of goods sold by ₹ 20,000

d.

Decrease in inventory by ₹ 90,000

Q 46. Which of the sources of finance has an implicit cost of capital?

a. Equity share capital

b.

Preference share capital

c.

Debentures

d. Retained earnings

Q 47. Which of the following variables is not known in Internal Rate of Return methods of capital budgeting?

- a. Amount of cash inflows
- b. Life of the project
- c. Amount of cash outflows
- d. Discount rate

Q 48.

Which of the following statements is/are false?

- (i) Capital profits can never be distributed as dividends to the shareholders.
- (ii) Dividends are paid out of profits and, therefore, do not affect the liquidity position of the firm.
- (iii) Every company should follow the policy of low dividend payment.
- (iv) Walter's model suggests that dividend payment does not affect the market price of the share.

Choose the correct answer from the code given below:

- a. (i) , (ii) and (iii)
- b. (i) , (ii) , (iii) and (iv)
- c. (ii) , (iii) and (iv)
- d. (iii) and (iv)

Q 49. Which of the following is not method of preparation of cash budget?

- a. Proforma Balance Sheet method
- b. Adjusted Net Income method
- c. Receipts and Payments method
- d. Cash Cycle method

Q 50.

Match the items of List I with the items of List II and choose the correct answer from the code given below

| LIST I | LIST II |
|--|--|
| (a) Behaviour referent | (i) Wide ranging cultural, structural and personnel strategies |
| (b) Focus of attention for interventions | (ii) Manage climate and culture |
| (c) Conflict handling | (iii) Few |
| (d) Job categories and grades | (iv) Values/mission |

Table Supporting: UGC Paper 2: Commerce 22nd Dec 2018 Part 1: Answers, Solutions, & Explanations at ExamPYQ. Com & DoorstepTutor. Com

- a. (a) – (iv) , (b) – (ii) , (c) – (i) , (d) – (iii)
- b. (a) – (iii) , (b) – (i) , (c) – (ii) , (d) – (iv)
- c. (a) – (iv) , (b) – (i) , (c) – (ii) , (d) – (iii)
- d. (a) – (i) , (b) – (ii) , (c) – (iv) , (d) – (iii)