NAAHAR PUBLIC SCHOOL (CBSE) SENIOR SECONDARY
ACADEMIC YEAR(2022-2023)
NOVEMBER MONTHLY TEST

GRADE: XII	**DATE:16.11.2022**
SUBJECT: BUSINESS STUDIES	**MARKS:30**
TEACHER'S INITIAL: Mrs.SUGANTHI	**DUR: 45 Mins**

I.MULTIPLE CHOICE QUESTIONS: **10x1=10**

1. The concept of Financial management is

a)Profit maximization

b)All features of obtaining and using financial resources for company operations
c)Organization of funds

d)Effective Management of every company

2.. What is the primary goal of financial management?

a)To minimise the risk b)To maximise the owner's wealth

c)To maximise the return d)To raise profit

3.. GST is a consumption of goods and service tax based on.

a)Development b)Dividend c)Duration d)Destination

4. The finance manager is accountable for.

a)Earning capital assets of the company

b)Effective management of a fund

c)Arrangement of financial resources

d)Proper utilization of funds

5. The market value of the shares is decided by

a)The investment market b)The government

c)Shareholders d)The respective companies

6. The capital budget is associated with.

a)Long terms and short terms assets b)Fixed assets

c)Long terms assets d)Short term assets

7.Higher working capital usually results in:

a)higher current ratio, higher risk and higherprofits

b. lower current ratio, higher risk and profits

c. higher equitably, lower risk and lower profits

d. lower equitably, lower risk and higher profits

8. Business finance is needed to

a) Establish a business b) Run a business c) Expand a business d) All of the above

9. Which of the following is not a tangible asset?

(a) Machinery (b) Trademarks (c) Factories (d) Offices

10. Financial Management aims at

(a) Reducing the cost of funds procured

(b) Keeping the risk under control

(c) Achieving effective deployment of such funds

(d) All of the above

II. ANSWER THE FOLLOWING: 5x4=20

1.Give the meaning of 'Investment' and 'Financing Decisions' of financial management.

2.Explain briefly any four factors that affect the Working capital requirement of a company

3.Explain the term ‘Trading on Equity. Why, when and How?

4.MM Ltd. is manufacturing small cars at its manufacturing unit in Pune. The demand of its cars is increasing at the rate of 20% annually. It is planning to set up a new car manufacturing unit at Indore. For this, the company will require approximately 1,500 crore as fixed capital and 400 crore as working capital. The company has already arranged for its working capital. State any three factors that the finance manager should keep in mind while arranging its fixed capital.

5.Explain the objectives of Financial Planning.Explain Four Objectives.?