

0815 Drug Store & Business management Mcq Question Bank

Disadvantages of Joint Hindu family business

- (a) The business is usually run on a small scale. The benefits of large-scale business cannot be enjoyed as this may raise the cost of business.
- (b) Karta has limited authority to run the business. The initiative and sincerity of young members of the family has no place. **Answer**
- (c) The liability for business debts is unlimited.
- (d) There are no checks and controls on the sole proprietor.

Long term finance

- (a) Installment credit
- (b) Shares **Answer**
- (c) Public deposits
- (d) All of the above

Medium Term finance

- (a) Customers advance.
- (b) Bank Credit
- (c) Mortgages **Answer**
- (d) None of the above

Short term finance

- (a) Trade Credit **Answer**
- (b) Debentures
- (c) Ploughing back of profits
- (d) Financial institutions

Objectives of Budget

- (a) To provide a realistic estimate of income and expenses for a period.
- (b) To provide a coordinated plan of action to achieve the target.
- (c) To provide a comparison of actual results with those budgeted and to indicate courses of corrective actions.
- (d) All of the above **Answer**

Advantages of partnership type of organisation

- (a) The formation of a partnership firm is a simple procedure
- (b) The partnership firm can raise a larger amount of finance than a sole trader
- (c) Firm has longer existence as it is not dependent on any one person.

(d) None of the above **Answer**

Personal qualities of successful salesman

- (a) He should be fluent in different languages.
- (b) He should always be polite & courteous while dealing with his customers.
- (c) He should be persuasive, tactful and convincing.
- (d) He must possess good health & sound physique **Answer**

Mental qualities of successful salesman

- (a) He should be sincere, dependable, co-operative & honest.
- (b) He should be intelligent enough to understand the nature & requirements of potential buyers. **Answer**
- (c) He should have patience to listen to his customers & resolve their objections.
- (d) He must have good stamina.

Social qualities of successful salesman

- (a) He should also be well dressed as it adds to his charm.
- (b) He must have the imagination to look at things from the viewpoint of the customer.
- (c) A good salesman must have a liking for people & the ability to mix with them **Answer**
- (d) A good salesman must have specialized knowledge of selling techniques.

Advantages of journal

- (a) Risk of each member is reduced because it is diffused and spread over several members of the company.
- (b) Each journal is a complete reflection of the rule of double entry. **Answer**
- (c) Since a company pays income tax at flat rates, it bears low tax- liability on higher profits as compared to others.
- (d) Insolvency, insanity or death of its members has no effect on existence of company

Advantages of Joint Stock Company

- (a) It reduces the chances of error in accounting.
- (b) Courts recognize the journal as evidence in proving or disproving claims.
- (c) Narration gives a brief explanation of a particular transaction.
- (d) The shares of the company can be transferred easily & can also be easily converted into cash which attracts investors. **Answer**

Advantages of perpetual method of inventory control

- (a) Balance of stock can be known at any time during the year **Answer**
- (b) It ensures a reliable checking of the store items.
- (c) Overstocking & under stocking is avoided
- (d) All of the above

Give advantages of departmental store

- (a) The goods can be transferred to other branches if needed.
- (b) It keeps a large variety of goods, thus offering a good choice to customers, when they buy the required goods. **Answer**
- (c) They provide shopping facilities near the residence of would be customers
- (d) Purchasing, assembling, transporting, advertising & financing for all multiple shops is made by the central office.

Give salient features of Multiple Shop

- (a) It buys its requirements in large quantities which reduces its cost & increases the profit.
- (b) Due to huge sales in departmental stores, the selling cost per unit becomes very low.
- (c) They are a group of shops in the same branch of retail trade. **Answer**
- (d) It provides telephone facilities, recreation facilities & free home delivery facility to its customers.

Enlist the qualities of the approved supplier

- (a) The price is lowest or reasonable as compared to competitors
- (b) Has a good reputation in the market
- (c) Has a sound financial position. i.e can supply the material on credit
- (d) All of the above **Answer**

Advantages of mail order business

- (a) It is very useful for those customers who live in remote areas of the country. @
- (b) Support for finance from various nationalized & Co – operative banks in the form of soft loans
- (c) Less competition
- (d) None of the above **Answer**

Advantages of opening a drug store in a rural area.

- (a) Less competition
- (b) Small market area hence can get a site in the main market.
- (c) Potential customers can be easily found out. **Answer**
- (d) All of the above

Techniques of Inventory Control

- (a) Economic Order Quantity
- (b) Perpetual Inventory system
- (c) Input output ratio analysis
- (d) Setting of various level
- (e) All of the above **Answer**

State whether the following statements are True or False

Recruitment Is the scientific process of improving the knowledge and skill of the employee for performing a particular job.

(a) True

(b) False **Answer**

Recruitment is the process of exploring the source of supply of the required personnel and stimulating the prospective employees to apply for jobs in the organization.

Training is the process of exploring the source of supply of the required personnel and stimulating the prospective employees to apply for jobs in the organization.

(a) True

(b) False **Answer**

Training is the scientific process of improving the knowledge and skill of the employee for performing a particular job.

Books for account in which a transaction is recorded for the first time from source document is called book of original entry

(a) True **Answer**

(b) False

Cash Credit facility is The facility to draw the cheque, more than the amount standing to the credit of his account against some security

(a) True

(b) False **Answer**

Cash Credit facility is The facility to borrow the money up to a certain fixed limit against some existing security or guarantee.

Inventory control is a process of maintaining optimum level of inventory by using any technique of inventory control.

(a) True **Answer**

(b) False

Surplus is residue incidentally obtained from the manufacturing process. It is usually a small value and is recoverable without further processing

(a) True

(b) False **Answer**

Surplus items are those items which are not required by the organisation..Eg rejected components, defective parts, obsolete material etc

Trade means buying, selling and exchange of goods and services.

(a) True **Answer**

(b) False

Accounting is used to denote established customs or traditional practices as a guide to the preparation of accounting statements

(a) True

(b) False **Answer**

Accounting concept means the necessary assumption or conditions upon which accounting is based.

Accounting conventions concept means the necessary assumption or conditions upon which accounting is based.

(a) True

(b) False **Answer**

Accounting conventions is used to denote established customs or traditional practices as a guide to the preparation of accounting statements

Finance is the provision of money at any time when business requires it.

(a) True **Answer**

(b) False

Overdraft facility is The facility to borrow the money up to a certain fixed limit against some existing security or guarantee.

(a) True

(b) False **Answer**

Overdraft facility is The facility to draw the cheque, more than the amount standing to the credit of his account against some security

Discounting of Bills is the process of encashment of customer's bills before they become due for payment.

(a) True **Answer**

(b) False

A debenture is a document or certificate issued by the company acknowledging loan and also gives an undertaking to repay the specified borrowed sum along with interest to the debenture holder on a prescribed date

(a) True **Answer**

(b) False

The Cash book maintained by a petty cashier which is used to record small day to day expenses or cash payments.

(a) True **Answer**

(b) False

Financial planning is defined as the process of deciding the financial activities or goals of an organization.

(a) True **Answer**

(b) False

The capital required is divided into large no. of equal parts & each part is considered as a share.

(a) True **Answer**

(b) False

A budget is a written plan covering projected activities of a firm for a definite period of time.

(a) True **Answer**

(b) False

Assembling distribute goods to the retailer who are widely scattered

(a) True

(b) False **Answer**

Assembling collects varieties of products from different manufacturers

Warehousing moves the good from the place of production to his warehouse and from there to the retailer

(a) True

(b) False **Answer**

Warehousing stores the goods of manufacturer for supply to retailer

Trade presses conduct independent market research and collect useful data pertaining to different trades and markets.

(a) True

(b) False **Answer**

Trade press includes trade journals, economic and financial periodicals, and annual reports published by some business houses and banking companies.

Many trade associations include trade journals, economic and financial periodicals, and annual reports published by some business houses and banking companies.

(a) True

(b) False **Answer**

Many trade associations conduct independent market research and collect useful data pertaining to different trades and markets.

Scrap items are those items which are not required by the organisation..Eg rejected components, defective parts, obsolete material etc

(a) True

(b) False **Answer**

Scrap is residue incidentally obtained from the manufacturing process. It is usually a small value and is recoverable without further processing

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