

DU PhD in Financial Studies

Topic:- FS PHD

1) Assume that in a machine building workshop, it takes 32 minutes to machine or build a certain part. But using a new advanced tool, the time can be reduced by 12.5%. The new time taken is:[Question ID = 8883]

1. 35 minutes [Option ID = 35529]
2. 20 minutes [Option ID = 35530]
3. 28 minutes [Option ID = 35531]
4. 10 minutes [Option ID = 35532]

2) A student was measuring an electrical circuit component in his science lab. He incorrectly measured the length of the component to be 64.5 mm. The actual length was 63 mm. What is the percentage error in the measurement?[Question ID = 8884]

1. 3 percent [Option ID = 35533]
2. 4.1 percent [Option ID = 35534]
3. 1.9 percent [Option ID = 35535]
4. 2.38 percent [Option ID = 35536]

3) Mr. X purchased a flat and made a profit of 18% by selling it 3 years later for Rs. 1, 53,400/-. The original cost of the flat is:[Question ID = 8885]

1. Rs. 1, 30, 000/- [Option ID = 35537]
2. Rs. 1, 25, 030/- [Option ID = 35538]
3. Rs. 1, 10, 156/- [Option ID = 35539]
4. Rs. 1, 19, 000/- [Option ID = 35540]

4) While purchasing a DVD, a boy paid Rs. 149.50 in a sale for DVDs on Amazon. The sale offered '35% off' or discount on MRP. The original price of the DVD is:[Question ID = 8886]

1. Rs. 250 [Option ID = 35541]
2. Rs. 230 [Option ID = 35542]
3. Rs. 220 [Option ID = 35543]
4. Rs. 210 [Option ID = 35544]

5) In a school painting competition few students participated which had prize money of Rs. 828 that will be shared by the first three winners in the ratio of 5:3:1. The divided prize money in the announced ratio is:[Question ID = 8887]

1. Rs. 500 to Rs. 150 to Rs. 92 [Option ID = 35545]
2. Rs. 450 to Rs. 270 to Rs. 50 [Option ID = 35546]
3. Rs. 460 to Rs. 276 to Rs. 92 [Option ID = 35547]
4. Rs. 300 to Rs. 200 to Rs. 110 [Option ID = 35548]

6) While drawing a map, the scale was set at 1:30000. On the map the distance between two schools is 6 cm. In this case, the actual distance between the schools is approximately:[Question ID = 8888]

1. 3 KM [Option ID = 35549]
2. 2.9 KM [Option ID = 35550]
3. 2 KM [Option ID = 35551]
4. 1.8 KM [Option ID = 35552]

7) Mr. X invested Rs. 10,000 for a period of 4 years in some investment scheme which offered 5% interest compounded annually. The final investment value is:[Question ID = 8889]

1. Rs. 12, 155.06 [Option ID = 35553]
2. Rs. 13, 122.09 [Option ID = 35554]
3. Rs. 10, 564.66 [Option ID = 35555]
4. Rs. 16, 154.77 [Option ID = 35556]

8) A principal of Rs. 25,000 is invested at 12% interest which is compounded annually. After how many years will the investment first exceed Rs. 2, 50,000?[Question ID = 8890]

1. 19 years [Option ID = 35557]
2. 20 years [Option ID = 35558]
3. 21 years [Option ID = 35559]
4. 25 years [Option ID = 35560]

9) Consider the figure given below and determine the angle of θ :



[Question ID = 8891]

1. 50 [Option ID = 35561]
2. 45 [Option ID = 35562]
3. 36 [Option ID = 35563]
4. 34 [Option ID = 35564]

10) Suppose a rectangular shed, 2m wide and 3m high, is standing against a perpendicular building of height 5.5m. A carpenter is planning to use a ladder to gain access to the roof of the building for repair purpose but he is not sure about the distance. Which among the following is the minimum distance between the bottom of the ladder and the shed?

[Question ID = 8892]

1. 2.4m [Option ID = 35565]
2. 3m [Option ID = 35566]
3. 8m [Option ID = 35567]
4. 12m [Option ID = 35568]

11) Population and land details of countries

COUNTRY	LAND AREA (in square miles)	POPULATION		POPULATION DENSITY (per square mile)	
		2008	2017	2008	2017
Australia	2,941,299	20,434,176	23,232,413	7	8
Brazil	3,265,077	190,010,647	207,353,391	58	64
China	3,600,947	1,321,851,888	1,379,302,771	367	383
Finland	117,558	5,238,460	5,518,371	45	47
Germany	134,836	82,400,996	80,594,017	611	598
India	1,147,955	1,129,866,154	1,281,935,911	984	1117
Japan	144,689	127,433,494	126,451,398	881	874
Kenya	219,789	36,913,721	47,615,739	168	217
Mexico	742,490	108,700,891	124,574,795	146	168
United States	3,537,439	301,139,947	326,625,791	85	92

Which country had the largest population in 2017 as per details provided in the above Table?[Question ID = 8893]

1. Japan [Option ID = 35569]
2. India [Option ID = 35570]
3. China [Option ID = 35571]
4. Brazil [Option ID = 35572]

12) Population and land details of countries

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In which country or countries did the population decrease from 2008 to 2017 as per details provided in the above Table?

[Question ID = 8894]

1. Mexico and India [Option ID = 35573]
2. Germany and Japan [Option ID = 35574]
3. China and India [Option ID = 35575]
4. United States and India [Option ID = 35576]

13) Population and land details of countries

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What was the percent increase in population density in India from 2008 to 2017 as per details provided in the above Table?

[Question ID = 8895]

1. 12% [Option ID = 35577]
2. 14% [Option ID = 35578]
3. 13.5% [Option ID = 35579]
4. 19% [Option ID = 35580]

14) Population and land details of countries

COUNTRY	LAND AREA (in square miles)	POPULATION
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COUNTRY	LAND AREA (in square miles)	POPULATION		DENSITY (per square mile)	
		2008	2017	2008	2017
Australia	2,941,299	20,434,176	23,232,413	7	8
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What is the average land area of the four largest countries in the above table?[Question ID = 8896]

- 3,336,190.5 sq miles [Option ID = 35581]
- 4,221,215.9 sq miles [Option ID = 35582]
- 5,224,441.1 sq miles [Option ID = 35583]
- 6,441,415.8 sq miles [Option ID = 35584]

15) Rajesh drives his delivery van 800 miles in 3 days. At this rate, how far will he drive in 15 days?[Question ID = 8897]

- 3100 miles [Option ID = 35585]
- 5100 miles [Option ID = 35586]
- 4500 miles [Option ID = 35587]
- 4000 miles [Option ID = 35588]

16) Which of the followings is a measure of the linear relationship between two variables, X and Y, which does not depend on the units of measurement.[Question ID = 8898]

- Kurtosis [Option ID = 35589]
- Covariance [Option ID = 35590]
- Skewness [Option ID = 35591]
- Correlation [Option ID = 35592]

17) To compare the variation of two or more than two series, we use:[Question ID = 8899]

- Combined standard deviation [Option ID = 35593]
- Combined Variance [Option ID = 35594]
- Coefficient of variation [Option ID = 35595]
- Coefficient of skewness [Option ID = 35596]

18) The moments about mean are called:[Question ID = 8900]

- Raw moments [Option ID = 35597]
- Central moments [Option ID = 35598]
- Moments about origin [Option ID = 35599]
- All of the above [Option ID = 35600]

19) If there are ten values and each equal to 10, then standard deviation of these values is:[Question ID = 8901]

- 100 [Option ID = 35601]
- 20 [Option ID = 35602]
- 10 [Option ID = 35603]
- 0 [Option ID = 35604]

20) A random variable having two possible outcomes each with a constant probability of occurrence is characterised by:[Question ID = 8902]

- Binomial Distribution [Option ID = 35605]
- Beta Distribution [Option ID = 35606]
- Bernoulli Distribution [Option ID = 35607]
- Exponential Distribution [Option ID = 35608]

21) Which of the following is true for the t-distribution?[Question ID = 8903]

- It has narrower confidence intervals than the standard normal distribution. [Option ID = 35609]
- It is only used to calculate confidence intervals where there is no known population standard deviation. [Option ID = 35610]
- It converges to the standard normal distribution as degrees of freedom increase. [Option ID = 35611]
- It does not require parameters such as degrees of freedom. [Option ID = 35612]

22) Which of the following is true about the observed errors associated with estimating the value of the dependent variable using the regression line?[Question ID = 8904]

- They are the horizontal distances between slopes and y-intercepts. [Option ID = 35613]
- The errors are also referred to as critical values. [Option ID = 35614]
- They are always maximized by the regression lines. [Option ID = 35615]
- The errors can be negative or positive. [Option ID = 35616]

23) Suppose that a hypothesis test is conducted using a 5% significance level. Which of the following statement is correct?[Question ID = 8905]

- The significance level is equal to the size of the test [Option ID = 35617]
- The significance level is equal to the power of the test [Option ID = 35618]
- 5% of the total distribution will be in each tail rejection region for a 2-sided test. [Option ID = 35619]
- None of the above [Option ID = 35620]

24) Which one of the following statements best describes a Type II error?[Question ID = 8906]

1. It is the probability of incorrectly rejecting the null hypothesis [Option ID = 35621]
2. It is equivalent to the power of the test [Option ID = 35622]
3. It is equivalent to the size of the test [Option ID = 35623]
4. It is the probability of failing to reject a null hypothesis that was wrong [Option ID = 35624]

25) Suppose that a test statistic has associated with it a p-value of 0.05. Which one of the following statements is true?
[Question ID = 8907]

1. The null would be rejected if a 10% size of test were used [Option ID = 35625]
2. The null would be rejected if a 1% size of test were used [Option ID = 35626]
3. The null would be rejected if a 2% size of test were used. [Option ID = 35627]
4. None of the above [Option ID = 35628]

26) Which of the following could be used as a test for autocorrelation up to third order?[Question ID = 8908]

1. The Durbin Watson test [Option ID = 35629]
2. White's test [Option ID = 35630]
3. The RESET test [Option ID = 35631]
4. The Breusch-Godfrey test [Option ID = 35632]

27) Near multicollinearity occurs when[Question ID = 8909]

1. Two or more explanatory variables are perfectly correlated with one another [Option ID = 35633]
2. The explanatory variables are highly correlated with the error term [Option ID = 35634]
3. The explanatory variables are highly correlated with the dependent variable [Option ID = 35635]
4. Two or more explanatory variables are highly correlated with one another [Option ID = 35636]

28) Which of the following is an equivalent expression for saying that the explanatory variable is "non-stochastic"?[Question ID = 8910]

1. The explanatory variable is partly random [Option ID = 35637]
2. The explanatory variable is correlated with the errors [Option ID = 35638]
3. The explanatory variable is fixed in repeated samples [Option ID = 35639]
4. The explanatory variable always has a value of one [Option ID = 35640]

29) What would be the consequences for the OLS estimator if heteroscedasticity is present in a regression model but ignored?[Question ID = 8911]

1. It will be biased [Option ID = 35641]
2. It will be inconsistent [Option ID = 35642]
3. It will be efficient [Option ID = 35643]
4. None of the above [Option ID = 35644]

30) Which of the following statements is TRUE concerning OLS estimation using least square method?[Question ID = 8912]

1. OLS minimises the sum of the vertical distances from the points to the line [Option ID = 35645]
2. OLS minimises the sum of the squares of the vertical distances from the points to the line [Option ID = 35646]
3. OLS minimises the sum of the horizontal distances from the points to the line [Option ID = 35647]
4. OLS minimises the sum of the squares of the horizontal distances from the points to the line [Option ID = 35648]

31) Who among the following is the current chief executive officer of HDFC Bank?[Question ID = 8913]

1. Ajay Tyagi [Option ID = 35649]
2. VK Sharma [Option ID = 35650]
3. Sashidhar Jagdishia [Option ID = 35651]
4. Sandeep Bakhshi [Option ID = 35652]

32) Who among the following is the current chairman of SBI?[Question ID = 8914]

1. Ashwani Bhatia [Option ID = 35653]
2. L.V. Prabhakar [Option ID = 35654]
3. Dinesh Kumar Khara [Option ID = 35655]
4. Arundhati Bhattacharya [Option ID = 35656]

33) Which of the following statements is True?[Question ID = 8915]

1. The cash flows for an annuity due must all occur at the ends of the periods [Option ID = 35657]
2. The cash flows for an annuity must all be equal, and they must occur at regular intervals [Option ID = 35658]
3. The cash flows for an ordinary (or deferred) annuity all occur at the beginning of the periods [Option ID = 35659]
4. None of the above [Option ID = 35660]

34) A 20-year bond with a face value of INR 100 currently sells for INR 92. Which of the following statements is True?
[Question ID = 8916]

1. The bond's coupon rate exceeds its yield to maturity. [Option ID = 35661]
2. The bond's coupon rate is lower than its yield to maturity [Option ID = 35662]
3. The bond's coupon rate is equal to its yield to maturity [Option ID = 35663]
4. None of the above [Option ID = 35664]

35) A 10 year bond (Face value of INR 100) carries a coupon rate of 11%. If the market price of the bond is INR 110 and yield to maturity is 8%, calculate the current yield of the bond?[Question ID = 8917]

1. 11% [Option ID = 35665]
2. 7.27% [Option ID = 35666]
3. 8% [Option ID = 35667]
4. None of the above [Option ID = 35668]

36) Where does the headquarters of World Trade Organization (WTO) located?[Question ID = 8918]

1. London [Option ID = 35669]
2. Washington [Option ID = 35670]
3. Geneva [Option ID = 35671]
4. None of the above [Option ID = 35672]

37) A construction project requires an outflow of INR 460 crores today. Thereafter, it will receive cash inflow of INR 150 crore in each of the next 4 years. Compute the payback period of the project?[Question ID = 8919]

1. 3.4 years [Option ID = 35673]
2. 2.3 years [Option ID = 35674]
3. 3.7 years [Option ID = 35675]
4. None of the above [Option ID = 35676]

38) Which of the following capital budgeting appraisal method does not take time value of money into account?[Question ID = 8920]

1. Net Present Value [Option ID = 35677]
2. Internal rate of Return [Option ID = 35678]
3. Accounting Rate of Return [Option ID = 35679]
4. None of the above [Option ID = 35680]

39) An investor invests 40% of his wealth in a risky asset with an expected rate of return of 20% and a variance of 9% and 60% in a risk free instrument that pays 7%. His portfolio's standard deviation is:[Question ID = 8921]

1. 3.6% [Option ID = 35681]
2. 7.8% [Option ID = 35682]
3. 12% [Option ID = 35683]
4. 36% [Option ID = 35684]

40) According to market segmentation theory:[Question ID = 8922]

1. Long term bonds yield more than short term bonds [Option ID = 35685]
2. Bond yields depend upon demand and supply conditions in the market [Option ID = 35686]
3. Long term bonds yield the same as short term bonds [Option ID = 35687]
4. Long term bonds yield less than short term bonds [Option ID = 35688]

41) MJH Company's net worth is INR 200 crores. The company has a long term debt of INR 70 crores. Current Earnings before interest and tax (EBIT) of the company is INR 56 crores. If annual interest cost for the company is 4 crores and tax rate is 25%, calculate the return on equity?[Question ID = 8923]

1. 28% [Option ID = 35689]
2. 19.5% [Option ID = 35690]
3. 23.5% [Option ID = 35691]
4. None of the above [Option ID = 35692]

42) Cash conversion cycle for the Company SNB is 26 days. Debtor's turnover ratio is 18 and creditor turnover ratio is 15. Calculate the Inventory days for company SNB. (Assume 360 days in a year)?[Question ID = 8924]

1. 24 days [Option ID = 35693]
2. 30 Days [Option ID = 35694]
3. 18 Days [Option ID = 35695]
4. None of the above [Option ID = 35696]

43) Aman is looking to value SRY Retail Company which has current dividend per share of INR 70. Assuming same annual dividends till perpetuity and cost of equity of 10%, compute the intrinsic value of the company?[Question ID = 8925]

1. 800 [Option ID = 35697]
2. 750 [Option ID = 35698]
3. 710 [Option ID = 35699]
4. None of the above [Option ID = 35700]

44) Which of the following would classify as an example of systematic risk?[Question ID = 8926]

1. Ban on product of a particular company [Option ID = 35701]
2. Fire at one of the plants of a particular company [Option ID = 35702]
3. Resignation by CEO of the company [Option ID = 35703]
4. None of the above [Option ID = 35704]

45) Suppose two portfolios (A and B) have the same average return, the same standard deviation of returns, but portfolio A has a higher beta than portfolio B. According to the Treynor measure, the performance of portfolio A:[Question ID = 8927]

1. Is better than the performance of portfolio B [Option ID = 35705]
2. Is worse than the performance of portfolio B [Option ID = 35706]
3. Is same as the performance of portfolio B [Option ID = 35707]
4. None of the above [Option ID = 35708]

46) Operating cycle for a Company is 30 days. If Inventory turnover ratio is 40 and creditor's turnover ratio is 20, calculate the debtors conversion days (Assume 360 days in a year)[Question ID = 8928]

1. 12 days [Option ID = 35709]
2. 3 days [Option ID = 35710]
3. 21 days [Option ID = 35711]
4. None of the above [Option ID = 35712]

47) Which of the following principle is followed while provisioning for bad debts?[Question ID = 8929]

1. Historical Cost Concept [Option ID = 35713]
2. Materiality [Option ID = 35714]
3. Dual Aspect [Option ID = 35715]
4. None of the above [Option ID = 35716]

48) Amit is comparing securities that differ only in effective duration and effective convexity. The security with the lowest interest rate risk will have:[Question ID = 8930]

1. The highest duration and the lowest convexity [Option ID = 35717]
2. The lowest duration and the lowest convexity [Option ID = 35718]
3. The lowest duration and the highest convexity [Option ID = 35719]
4. None of the above [Option ID = 35720]

49) Credit spreads generally tend to widen when?[Question ID = 8931]

1. Economic conditions worsen [Option ID = 35721]
2. There is an improvement in credit cycle [Option ID = 35722]
3. Market participants are more willing to provide capital [Option ID = 35723]
4. None of the above [Option ID = 35724]

50) An increase in interest rate volatility:[Question ID = 8932]

1. Increases the value of bonds with embedded put options [Option ID = 35725]
2. Increases the value of bonds with embedded call options [Option ID = 35726]
3. Decreases the value of bonds with embedded put options [Option ID = 35727]
4. None of the above [Option ID = 35728]