

ALL ANSWERS MUST BE GIVEN ON THE ANSWER SHEET
BY CROSSING THE CORRESPONDING LETTER

Part 1: MATHEMATICS M.C.Q's

Number of Mathematics M.C.Q's: 35

Time Allowed: 60 minutes

Questions 1 to 35 on Page Numbers 1 to 7

Negative Marking: No

1. How many hours are there in half of a third of a quarter of a day?
 - A) $\frac{1}{3}$
 - B) $\frac{1}{2}$
 - C) 2
 - D) 1
2. The areas of two similar triangles are 15 sq. cm and 60 sq. cm respectively. If the length of one side of smaller triangle is 5 cm then find the length of the corresponding side of the larger triangle.
 - A) 10 cm
 - B) 20 cm
 - C) 7.5 cm
 - D) 15 cm
3. If a circle is circumscribed on a square with area r^2 . What is the area of circumscribed circle?
 - A) πr^2
 - B) $2\pi r^2$
 - C) $\sqrt{2}\pi r^2$
 - D) $\frac{\pi}{2}r^2$
4. The area of a rectangle whose length is twice as its breadth is 72 sq.cm. Find its length.
 - A) 12
 - B) 6
 - C) 36
 - D) 18
5. The average of 9 observations was 9, that of the first of 5 being 10 and that of the last 5 being 8. What is the 5th observation?
 - A) 10
 - B) 9
 - C) 8
 - D) 7

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6. Nida cuts a sheet of paper into 10 pieces. Then she took one piece and cut it again to 10 pieces. She went on cutting in the same way three more times. How many pieces of paper did she have after the last cutting?
- A) 36
B) 40
C) 46
D) 50
7. One person has 2004 marbles. Half of them are blue, one quarter are red, and one sixth are green. How many marbles are of some other colour?
- A) 150
B) 167
C) 334
D) 501
8. Three cubical dice are rolled. What is the probability that all the three faces show the same number?
- A) $1/36$
B) $1/216$
C) $5/36$
D) $5/216$
9. A coin is tossed five times. What is the probability that there is at least one head?
- A) $15/16$
B) $31/32$
C) $1/32$
D) $1/2$
10. Solve $9^x - 9(3)^x = 0$ for x
- A) 0
B) 1
C) 2
D) -1

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11. A watchman works 4 days a week and has a rest on the fifth day. He had been resting on Sunday and began working on Monday. After how many days will his rest fall on Sunday?
- A) 34
B) 31
C) 12
D) 7
12. How many two-digit numbers exist whose square and cube end in the same digit?
- A) 9
B) 10
C) 21
D) more than thirty
13. The average of 16 different positive integers is 16. What is the largest possible value that one of the integers could have?
- A) 23
B) 136
C) 156
D) 256
14. A positive number is multiplied by 0.5 and then multiplied by $\frac{1}{3}$, then the resultant is squared which is added to 1. Find the number if the result is 50.
- A) 42
B) 40
C) 30
D) 24
15. A student had the fiftieth best result, and at the same time the fiftieth poorest result, at the test at her school. How many students took part in the test?
- A) 75
B) 99
C) 100
D) 101
16. A store is offering two successive discounts, 50% and 30% respectively. What single discount from the store could be offered in place of above two discounts.
- A) 80%
B) 85%
C) 75%
D) 65%

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17. At a school, 50% of the students have bicycles. Of the students who have bicycle, 30% have black bicycles. What percentage of the students of that school have black bicycles?
- A) 15%
B) 20%
C) 25%
D) 40%
18. A sum of money placed at compound interest doubles itself in 4 years. In how many years will it amount to eight times itself.
- A) 16
B) 12
C) 8
D) 6
19. Four students are selected at random from a chemistry class and classified as male or female. How many possible selections are possible.
- A) 16
B) 12
C) 8
D) 4
20. What will be the difference between compound interest and simple interest at 10% per annum on a sum of Rs.100000 after two years?
- A) 0
B) 500
C) 1000
D) 2000
21. Ali says that 25% of his books are novels, and $\frac{1}{9}$ of them are poetry. Given that he has between 50 and 100 books, how many books does he have?
- A) 56
B) 64
C) 72
D) 93

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22. To make concrete, mix 4 shovels of stone, 2 shovels of sand and 1 shovel of cement. The number of shovels of stone required to make 350 shovels of concrete is:
- A) 300
B) 200
C) 150
D) 100
23. Ahmed asked Sara how old she is. Sara replied: "If I live to be one hundred, then my age is four thirds of half of my remaining time." How old is Sara ?
- A) 40
B) 50
C) 60
D) 80
24. Each face of a cube is coloured with a different colour from a selection of six colours. How many different cubes can be made in this way?
- A) 24
B) 30
C) 36
D) 42
25. If length of a square is increased by 50%, then its area is increased by
- A) 50%
B) 100%
C) 125%
D) 150%
26. If the sum of two numbers is 5 and the product is 6. What is the smaller number?
- A) 3
B) 2
C) 1
D) 4

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27. A container that can hold 12 litres is $\frac{3}{4}$ full. How much will it contain after 4 litres has been poured out of it?
- A) 12
B) 8
C) 6
D) 9
28. Two sides of a triangle are each 8 cm long. The length of the third side is an integer number in centimetres. At most how many centimetres do the perimeter of the triangle measure ?
- A) 16
B) 18
C) 24
D) 31
29. A piece of work can be done by 6 men and 5 women in 6 days or 3 men and 4 women in 10 days. It can be done by 9 men and 15 women in how many days ?
- A) 6
B) 5
C) 4
D) 3
30. Which number when squared is increased by 500%?
- A) 4
B) 5
C) 6
D) 7
31. Four men and two women can complete a work in 2 days. If 2 men alone take 5 days to complete the work, find the time taken by 2 women alone to complete the work.
- A) 12
B) 8
C) 9
D) 10

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32. A man could buy a certain number of ballpoints for Rs.300. If each ballpoint cost is Rs.5 more, he could have bought 10 ballpoints less for the same amount. Find the price of each ballpoint?
- A) 6
B) 15
C) 8
D) 10
33. In how many ways can 7 graduate students be assigned to 1 triple and 2 double hotel rooms during a conference?
- A) 210
B) 150
C) 120
D) 90
34. Which of the following numbers is odd for every integer n
- A) $2021n$
B) n^3
C) $n + 2021$
D) $2n + 2021$
35. Eighteen cattles graze a field in 12 days. Six cattles can graze 3 of such fields in x days. What is x ?
- A) 108
B) 90
C) 72
D) 36

You've finished Mathematics MCQs.

Please cross (×) Option E in the answer sheet corresponding to all unanswered MCQs.

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PART II: ENGLISH M.C.Q'S

No. of Questions: 35 (from 36 to 70)

Questions on Page Numbers: 8 To 17

Time Allowed: 45 Minutes

Negative Markings: No

For questions 36-51, select the most suitable option.

36. The lodge had a window that looked out upon a beautiful mountain _____.
A) vista
B) melee
C) fray
D) foray
37. The palace's great hall was rich in history and splendor, the walls hung with _____ tapestries.
A) mellifluous
B) malleable
C) illusive
D) ornate
38. After weeks of heavy rains, the earth gave way; mud and trees _____ down the mountain swallowing cars and houses in their path.
A) ascended
B) inculcated
C) aspersed
D) hurtled
39. The _____ butter had been left in the refrigerator for years.
A) complacent
B) scandalous
C) dire
D) rancid
40. Several weeks of extremely hot, dry weather _____ the land, so instead of rowing across a river, we walked across a cracked, parched riverbed.
A) oscillated
B) desiccated
C) subverted
D) coalesced
41. Misbah's _____ workout regimen was the most grueling of all his teammates, and he never took a day off.
A) Spartan
B) spasmodic
C) turgid
D) truculent

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42. Essa's responses when he spoke on the telephone were _____ and he nearly always made his customers think he was rude.
- A) laconic
B) uncanny
C) suave
D) ponderous
43. I was bored with the _____ conversation of my roommates and longed for some intellectual stimulation.
- A) egregious
B) pronounced
C) vapid
D) exonerating
44. Fareed's fear was _____ as he watched the 60-foot waves approach his little boat.
- A) futile
B) genteel
C) palpable
D) detrimental
45. Moving swiftly and gracefully through the backyard, the cat suddenly _____ when she hit the thorny bush.
- A) recoiled
B) recuperated
C) invigorated
D) throttled
46. Although others were fooled by "Doctor" Ali's speech, Laila knew him for what he was: a(n) _____.
- A) panacea
B) charlatan
C) prevarication
D) accolade
47. The task of building the cabin was a _____ one, but Danish was up to the challenge.
- A) laborious
B) venerable
C) archaic
D) cynical
48. After the neighbor's stereo woke her up for the fifth night in a row, Ramsha felt _____ to complain.
- A) impelled
B) rebuked
C) augmented
D) implicated

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49. Azmat is writing a letter of recommendation that I can include in my _____ for prospective employers.
- A) denunciation
B) panacea
C) dossier
D) restitution
50. _____ laughter came from upstairs where Shah was having a graduation party.
- A) Scurrilous
B) Deleterious
C) Fatuous
D) Uproarious
51. In the middle of his eloquent _____, the audience suddenly broke into applause.
- A) ovation
B) oration
C) provocation
D) illusion

For questions 52-56, based on the two passages (A and B), select the most suitable option.

Passage A—"An Unwelcome Visitor," a legend of the Iroquois

When the frosts were unlocked from the hillsides there came into one of the villages of the red men a mild and quiet old man whom none of them had ever seen before. He stood beside the field where the young men played at their games, and when some of the fathers approached to bid him welcome to their village and wigwams they saw that his body was covered with sores, and they made excuses to turn aside that they might not meet him. When none went to him and called him brother, he turned to the village and walked slowly from door to door of the wigwams. The women saw him and as he approached their doors they covered their children's faces that they might not see his features, and wished in their hearts that he would not enter. When the little man read their thoughts, with saddened eyes and heavy steps he would turn away and seek another habitation, where he would again see that he was not welcome and turn his weary footsteps from the door. When he had visited all the wigwams in the village without finding a welcome in any, he went suddenly to the forest and they saw him no more.... [1]

Finally, there remained but two more villages to visit and he feared that he should find none who would bid him enter their homes that they might **minister** to his wants. At last, however, as he approached a humble cabin his eyes brightened, for he read in the heart of the woman who saw him coming that she had taken pity on his forlorn condition and that her hospitality would overcome the dread his appearance caused. Said the woman: "Thou art welcome, my brother, for thou art a stranger." Then said the strange man: ... "Listen, my sister: Thou of all thy race hast had in thy heart pity and love for a suffering and

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friendless creature that have led thee to give him shelter in thy house. Know then, my sister, that thy name shall henceforth be great. Many wonders shall be taught thee, and thy sons will be made chiefs and thy daughters princesses. I am Quarara, and bear messages from the Great Spirit." Then Quarara described to the woman a plant which she went forth into the forest and **procured**. She returned to the hut and prepared it as he bade her, and when it was administered to him he recovered from his sickness and the sores left him. Quarara remained at the woman's wigwam **many moons** and brought upon himself all manner of fevers, plagues and diseases, and for each one he described the medicine root or herb that would perform its cure.... Then said the strange man, Quarara, to her: "Thou, Oh! sister, knowest now what the Great Spirit would have thee teach his children freely. Thou hast been patient and kind and thy heart is filled with gentleness. Thy family shall be called Sagawahs, the healers, and thou and thy family shall be remembered throughout all generations [2]

Passage B—"The Boy and His Grandfather," a tale of the Southwest

In the old days it was not unusual to find several generations living together in one home. Usually, everyone lived in peace and harmony, but this situation caused problems for one man whose household included, besides his wife and small son, his elderly father. It so happened that the daughter-in-law took a dislike to the old man. He was always in the way, she said, and she insisted he be removed to a small room apart from the house. Because the old man was out of sight, he was often neglected. Sometimes he even went hungry. They took poor care of him, and in winter the old man often suffered from the cold. One day the little grandson visited his grandfather. "My little one," the grandfather said, "go and find a blanket and cover me. It is cold and I am freezing." The small boy ran to the barn to look for a blanket, and there he found a rug. "Father, please cut this rug in half," he asked his father. "Why? What are you going to do with it?" "I'm going to take it to my grandfather because he is cold." "Well, take the entire rug," replied his father. "No," his son answered, "I cannot take it all. I want you to cut it in half so I can save the other half for you when you are as old as my grandfather. Then I will have it for you so you will not be cold." His son's response was enough to make the man realize how poorly he had treated his own father. The man then brought his father back into his home and ordered that a warm room be prepared. From that time on he took care of his father's needs and visited him frequently every day. [1]

52. What is it that keeps the villagers from greeting the old man in Passage A?

- A) He is a stranger.
- B) He is old.
- C) He is covered with sores.
- D) They are unfriendly.

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53. The word "minister" (Passage A, paragraph 2) is used to mean

- A) mind
- B) tend
- C) assemble
- D) preach

54. The word "procured" (Passage A, paragraph 2) means

- A) obtained
- B) captured
- C) dried
- D) restored

55. One difference between Passage A and Passage B is that

- A) Passage A takes place in the past
- B) people in Passage B ignore an old man
- C) people in Passage A ignore an old man
- D) Passage A deals with illness as well as age

56. The woman in Passage A and the man in Passage B learn that

- A) illness is not a crime
- B) respecting one's elders can be beneficial
- C) children may understand more than adults
- D) Both A and B

For Questions 57-61, select the option that best summarizes the passage.

57. The future is something that many people, especially young ones, worry about. Our elders tell us that making correct decisions about our futures is very important and making a mistake can ruin us forever. However, when one looks at the records, those people who have taken chances and tried to do things their own way, tend to make out much better than those who do things the way the system expects.

- A) Making decisions about the future should be the right of the person who will be living that life.
- B) Taking risks is not considered to be the correct way of planning ones future and could cause failure.
- C) Parents tell their children to plan their futures as the social and cultural rules advice.
- D) Although it is generally felt that people should not take risks, many people who do have proved that being different is not always wrong.

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58. Although we did not know who she was or where she had come from it was easy to guess that she had some type of royal blood in her veins. The English she spoke was so carefully precise that she could not possibly be a native speaker. Her graceful movements and confident gestures indicated power and control. All in all, the appearance she presented was very impressive.
- A) We were not able to learn anything about this woman.
 - B) This woman was of rich and royal heritage.
 - C) This woman made us think that she was wealthy.
 - D) This unknown woman had a manner that impressed those who met her.
59. There are many different reasons why a poet writes poetry. I would suppose that some write poems for themselves and to please their own senses. Others, however, write to share thoughts, or rather feelings with others. Most poems are meant to appeal to the heart and senses rather than to the mind and reason.
- A) Poets usually write poems to share their thoughts with other people.
 - B) Poets write poems for themselves and for others.
 - C) Poems are not written for the mind they are written for the heart.
 - D) Among the different reasons for writing poetry, the need to express emotions is probably the strongest motive for most poets.
60. War is one of the most terrible parts of human history. Death, destruction, and pain, both physical and emotional, are the primary results of war. Still man seems to be incapable of doing without it.
- A) As bad as it is, man likes to make war.
 - B) People have no gain from war but are unable to stop it.
 - C) The death and misery that war produces is not enough to stop man from fighting.
 - D) No one wants to fight a war.
61. Our world seems to be changing too fast to keep up with. In my youth, life was simple. Our parents worried about feeding and educating us. We worried about simple things like school and friends. Today however, children have become selfish and materialistic.
- A) Life changes people as they grow.
 - B) Everyone changes with time.
 - C) The world makes people selfish as they grow older.
 - D) Time has changed the needs and attitudes of people.

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For questions 62-65, read the given text and answer the appended questions.

Mental and physical health professionals may consider referring clients and patients to a music therapist for a number of reasons. It seems a particularly good choice for the social worker who is coordinating a client's case. Music therapists use music to establish a relationship with the patient and to improve the patient's health, using highly structured musical interactions. Patients and therapists may sing, play instruments, dance, compose, or simply listen to music.

The course of training for music therapists is comprehensive. In addition to formal musical and therapy training, music therapists are taught to discern what kinds of interventions will be most beneficial for each individual patient. Because each patient is different and has different goals, the music therapist must be able to understand the patient's situation and choose the music and activities that will do the most toward helping the patient achieve his or her goals. The referring social worker can help this process by clearly communicating each client's history.

Although patients may develop their musical skills, that is not the main goal of music therapy. Any client who needs particular work on communication or on academic, emotional, and social skills, and who is not responding to traditional therapy, is an excellent candidate for music therapy.

62. Which of the following best organizes the main topics addressed in this passage?

A)

- I. The role of music therapy in social work
- II. Locating a music therapist
- III. Referring patients to music therapists

B)

- I. Using music in therapy
- II. A typical music-therapy intervention
- III. When to prescribe music therapy for sociopaths

C)

- I. Music therapy and social work
- II. Training for music therapists
- III. Skills addressed by music therapy

D)

- I. How to choose a music therapist
- II. When to refer to a music therapist
- III. Who benefits the most from music therapy

63. Which of the following would be the most appropriate title for this passage?

- A) How to Use Music to Combat Depression
- B) What Social Workers Need to Know about Music Therapy
- C) Training for a Career in Music Therapy
- D) The Social Worker as Music Therapist

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64. According to information presented in the passage, music therapy can be prescribed for social work clients who
- A) need to develop coping skills.
 - B) were orphaned as children.
 - C) need to resolve family issues.
 - D) need to improve social skills.
65. Which of the following inferences can be drawn from the passage?
- A) Music therapy can succeed where traditional therapies have failed.
 - B) Music therapy is a relatively new field.
 - C) Music therapy is particularly beneficial for young children.
 - D) Music therapy is only appropriate in a limited number of circumstances.

For questions 66-70, read the following passages and answer the appended questions.

The subject of the next two passages is the same, but the way they are written is different.

Excerpt from Chamber of Commerce brochure

Dilly's Deli provides a dining experience like no other! A rustic atmosphere, along with delicious food, provide an opportunity to soak up the local flavor. Recently relocated to the old market area, Dilly's is especially popular for lunch. At the counter, you can place your order for one of Dilly's three daily lunch specials or one of several sandwiches, all at reasonable prices. Once you get your food, choose a seat at one of the four charming communal tables. By the time you are ready to carry your paper plate to the trash bin, you have experienced some of the best food and one of the most charming companies our city has to offer.

Restaurant review

Yesterday, I was exposed to what has been called "a dining experience like no other." At lunchtime, Dilly's Deli is so crowded, I wondered when the fire marshal had last visited the establishment. The line snaked out the door to the corner, and by the time I reached the counter, I was freezing. I decided on the hamburger steak special; the other specials being liver and onions or tuna casserole. Each special is offered

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with two side dishes, but there was no potato salad left and the green beans were cooked nearly beyond recognition. I chose the gelatin of the day and what turned out to be the blandest coleslaw I have ever eaten. At Dilly's, you sit at one of four long tables. The couple sitting across from me was having an argument. The truck driver next to me told me more than I wanted to know about highway taxes. After I had tasted all of the food on my plate, I rose to leave, whereupon one of the people working behind the counter yelled at me to clean up after myself. Throwing away that plate of food was the most enjoyable part of dining at Dilly's.

66. If you go to lunch at Dilly's Deli, you could expect to see
- A) a long line of customers.
 - B) the fire marshal.
 - C) the restaurant critic from the newspaper.
 - D) homemade pie.
67. Both passages suggest that if you eat lunch at Dilly's Deli, you should expect to
- A) sit next to a truck driver.
 - B) place your order with the waiter who comes to your table.
 - C) dress warmly.
 - D) carry your own food to your table.
68. Which of the following illustrates the restaurant critic's opinion of the food at Dilly's Deli?
- A) "At Dilly's, you sit at one of four long tables."
 - B) "At lunchtime, Dilly's Deli is so crowded, I wondered when the fire marshal had last visited the establishment."
 - C) "After I had tasted all of the food on my plate, I rose to leave, whereupon one of the people working behind the counter yelled at me to clean up after myself."
 - D) "Throwing away that plate of food was the most enjoyable part of dining at Dilly's."
69. The main purpose of the restaurant review is to
- A) tell people they probably don't want to eat at Dilly's Deli.
 - B) make fun of couples who argue in public.
 - C) recommend the hamburger steak special.
 - D) warn people that Dilly's Deli tends to be crowded.

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70. The main purpose of the Chamber of Commerce brochure is to
- A) profile the owner of Dilly's Deli.
 - B) describe in detail the food served at Dilly's Deli.
 - C) encourage people to eat at Dilly's Deli.
 - D) explain the historical significance of the Dilly's Deli Building.

This is the end of English MCQs.

If you finish before time is called, you may check your work on this section only.

Please cross (X) Option E in the answer sheet corresponding to all unanswered MCQs.

You cannot go back to Math section.

Next section is Finance MCQs.

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PART III: FINANCE M.C.Q'S

No. of Questions: 30 (from 71 to 100)

Time Allowed: 45 Minutes

Questions on Page Numbers: 18 To 23

Negative Markings: No

71. Assume that it is March 1, 2012. On March 1, 2013, you will deposit PKR 5,000 into a savings account that pays 9% compounded monthly. How much will you have in your account accumulated on March 1, 2021?

- A) PKR 9,963
- B) PKR 10,245
- C) PKR 11,206
- D) PKR 5,000

72. Suppose you save \$500 per year at the end of each year for 3 years and earn 8.25% interest per year. How much will you have at the end of 3 years?

- A) \$541
- B) \$1,500
- C) \$1,627
- D) \$1,761

73. Suppose Capitol Federal offers a certificate of deposit that pays \$12,000 in five years for exchange for \$8,000 today. What interest rate is Capitol Federal offering?

- A) 7.25%
- B) 8.45%
- C) 9.45%
- D) 10.25%

74. Your parents started saving for your education three years ago with a deposit of PKR 250,000 per year in the savings account earning 6% annual interest. If the deposits were made at the year-end with the last deposit just made today, the total amount accumulated in the account is:

- A) PKR 795,900
- B) PKR 795,000
- C) PKR 750,000
- D) PKR 707,550

75. Your rich aunt puts PKR 350,000 into a bank account earning 4% with annual compounding. You are not to withdraw the money until the balance has doubled. About how many years will you have to wait?

- A) 10 years
- B) 15 years
- C) 18 years
- D) 20 years

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76. You invest PKR 15,000 at the end of year 1, PKR 20,000 at the end of year 2 and PKR 40,000 at the end of third and fourth year each. Calculate the present value of this cash flow stream if the discount rate is 10%.
- A) PKR 115,000
 - B) PKR 104,546
 - C) PKR 97,885
 - D) PKR 87,538
77. The higher the level of current assets a company holds, higher is the company's:
- A) Liquidity
 - B) Asset efficiency
 - C) Profitability
 - D) Liquidity and profitability
78. A company can improve (lower) its total debt-to-total assets ratio if it:
- A) Shifts from short-term to long-term debt
 - B) Buys a new machine on loan
 - C) Borrows to pay dividends
 - D) Issues equity capital to pay back debt
79. _____ is the length of time from the payment for the purchase of raw materials until the cash collection on accounts receivables associated with the sale of the product.
- A) Cash conversion cycle
 - B) Operating cycle
 - C) Receivables cycle
 - D) Payables cycle
80. Stick Manufacturers has a Times Interest Earned (TIE) ratio of 3.0x while the industry it operates in has an average TIE ratio of 4.5x. Which of the following can be concluded by the given information?
- A) That Stick can more easily service its debt than its peers
 - B) That Stick's financial cost is 33% of its operating profit
 - C) That Stick's leverage is higher than its peers
 - D) That Stick has greater ability to take on additional debt than its peers
81. Which of the following will improve the current ratio?
- A) Borrow short term to finance additional fixed assets.
 - B) Issue long-term debt to buy land
 - C) Sell common stock to finance an equipment purchase
 - D) Sell fixed assets to reduce accounts payable

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82. The gross profit margin is unchanged, but the net profit margin increased over the same period. This could have happened if _____.
- A) Cost of goods sold increased relative to sales
 - B) Dividend payment decreased
 - C) Tax rate decreased
 - D) Interest expense increased
83. Markets in which funds are transferred from those who have excess funds available to those who have a shortage of available funds are called
- A) commodity markets.
 - B) foreign exchange markets.
 - C) derivative exchange markets.
 - D) financial markets.
84. The price paid for the rental of borrowed funds (usually expressed as a percentage of the rental of PKR 10,000 per year) is commonly referred to as the
- A) inflation rate.
 - B) exchange rate.
 - C) interest rate.
 - D) aggregate price level.
85. Typically, increasing interest rates
- A) discourages individuals from saving.
 - B) discourages corporate investments.
 - C) encourages corporate expansion.
 - D) encourages corporate borrowing.
86. The money market is the market in which _____ are traded.
- A) new issues of securities
 - B) previously issued securities
 - C) short-term debt instruments
 - D) long-term debt and equity instruments
87. Equities often make periodic payments, called _____, to their holders and are considered long-term securities.
- A) principal
 - B) interest
 - C) dividends
 - D) payouts

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88. The purpose of diversification is to
- A) reduce the volatility of a portfolio's return.
 - B) raise the volatility of a portfolio's return.
 - C) reduce the average return on a portfolio.
 - D) raise the average return on a portfolio.

89. If a stock is purchased for \$25 per share and held one year, during which time a \$3.50 dividend is paid and the price climbs to \$28.25, the nominal rate of return is:

- A) 13%
- B) 14%
- C) 23.1%
- D) 28%

90. An investor receives a 15% total return by purchasing a stock for \$40 and selling it after one year with a 10% capital gain. How much was received in dividend income during the year?

- A) \$2.0
- B) \$2.2
- C) \$4.0
- D) \$6.0

91. The variance of an investment's returns is a measure of the:

- A) volatility of the rates of return.
- B) probability of a negative return.
- C) historic return over long periods.
- D) average value of the investment.

92. The standard deviations of individual stocks are generally higher than the standard deviation of the market portfolio because individual stocks:

- A) offer higher returns.
- B) have more systematic risk.
- C) have no diversification of risk.
- D) do not have unique risk.

93. Market risk can be eliminated in a stock portfolio through _____.

- A) Including stock that offers more return
- B) Including stocks that offer more return
- C) diversification
- D) none of the options is correct

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94. If one portfolio's variance exceeds that of another portfolio, its standard deviation will be _____ than that of the other portfolio.

- A) greater
- B) lower
- C) greater or lower
- D) equal

95. In the published accounts of XYZ Company, the profit for the period is \$1,500,000. The balance of retained earnings at the end of the year is \$3,500,000. If dividends of \$500,000 were paid, what is the beginning balance of retained earnings?

- A) \$2,500,000
- B) \$4,000,000
- C) \$500,000
- D) None of the above

96. Total stockholders' equity (in the absence of treasury stock) equals:

- A) Total paid-in capital + Retained earnings
- B) Paid-in capital + Capital stock + Retained earnings
- C) Capital stock + Additional paid-in capital - Retained earnings
- D) Common stock + Retained earnings.

97. At any time, the accumulated depreciation for a plant asset owned by the company reflects

- A) depreciation expense for the current year
- B) total depreciation expense since the asset was purchased
- C) next year's estimated depreciation expense
- D) total estimated depreciation for the life of the asset.

98. The following statements relate to various functions within a business:

I. The financial management function makes decisions relating to finance.

II. Financial accounts are used as a future planning tool.

Are the abovementioned two statements true or false?

- A) Both statements are false
- B) Both Statements are true
- C) Statement I is False and statement II is True
- D) Statement II is True and statement I is False

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99. Which financial statement determines the gross margin for a retailer or manufacturer?

- A) Balance Sheet
- B) Cash Flow Statement
- C) Income Statement
- D) None of the above

100. Heading of Balance Sheet Statement indicate?

- A) Point in time
- B) Period of time
- C) Time of Company operations
- D) None of the above

This is the end of Finance MCQs.

If you finish before time is called, you may check your work on this section only.

Please cross (X) Option E in the answer sheet corresponding to all unanswered MCQs.

THE END

(You cannot go back to previous sections)