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SEM-I

Subject
Business Mathematics & Statistics-I

Objective type Questions & Answers

Objectives for Study of Fill in the Blanks and True or False

Unit 1- Interest and Annuity

1) When interest is calculated uniformly on the original principal throughout the period then it is called **Simple Interest**

2) Interest on Interest is called as **Compound Interest.**

3) The fixed interval of time at the end of which the interest is calculated is called **Conversion Period.**

4) When the interest is compounded more than once in a year than the actual percentage of interest per year is called **Effective interest rate.**

5) Effective interest rate is not related to the amount of principal. This statement is-**True**

6) Effective rate of interest is always less than the nominal rate of interest. This is –**False**

7) Annuity is **Regular payment of fixed sum made at equal interval of time.**

8) If the payment is made at the end of first period then it is called **Annuity regular.**

9) If payment of an annuity is made at the beginning of each period then the annuity is called **Annuity Due.**

10) If payment of an annuity is made at the end of each period, then the annuity is called **Immediate Annuity.**

11) If the payments are made forever is called **Perpetuity.**

12) The tomorrow's value of today's money compounded at a particular rate of interest is called **Future Value Of Annuity.**

13) The today's value of tomorrow's money discounted at a particular interest rate is called **Present value of annuity.**

14) A fund created by company to meet predetermined debts or certain liabilities out of their profit at the end of every accounting year is called **Sinking Fund.**

Unit 2-Shares and Mutual Funds

1) A payment of either cash or stock out of a corporation's earnings to a firms owners is called as **Dividend.**

2) **Stock dividend** is a non cash payment made by a firm to its shareholders that dilutes the value of each share of stock outstanding.

3) Distribution channels are preferred by private mutual funds is **established distribution companies.**

4) In mutual fund investors subscriptions are accounted for as **Unit Capital.**

5) The dividend payout ratio is equal to **dividends per share dividend by earnings per share.**

6) Investments made by a mutual fund on behalf of investors are accounted as **Assets.**

7) Liabilities in the balance sheet of a mutual fund are **strictly short term in nature.**

8) Net asset value of a mutual fund scheme is defined as the schemes- **Assets minus liabilities per unit.**

9) The day on which NAV is calculated by a fund is known as **Valuation date.**

10) Generally, which category of investors need advice for investing in Mutual funds- **Individuals**

11) Dividend yield for a stock is **Dividend per share to current market price.**

12) Value stocks **have high current dividend yield.**

13) Shares of companies with large capital market capitalization **are more liquid.**

14) The NAV of each scheme should be updated on AMFIs website-**Every day**

Unit 3- Population and Sample

1) Any numerical value calculated from sample data is called **Statistic.**

2) Sample is subset of **Itself.**

3) Non Probability form of sampling is **Quota sampling.**

4) In sampling with replacement a sampling unit can be selected **more than one time.**

5) Sampling in which a sampling unit can be repeated more than once is called **Sampling with replacement.**

6) Standard deviation of sampling distribution of any statistic is called **Standard Error.**

7) Any numerical value computed from population is called **Parameter.**

8) The list of all units in a population is called **Sampling frame.**

9) The difference between statistic and parameter is called **Error.**

10) In Random sampling, the probability of selecting an item from the population is **Known.**

11) A statistic is A **sample Characteristic**

12) Order of sampling schemes from best to worst- **Simple random, stratified, convenience**.

Unit 4- Measures of Central Tendency and Measures of Dispersion

1) Measures of central tendency for a given set of observations – **Measures the scatterness of the observations**

2) Measures the central tendency for a given set of observations measures **the central location of the observation.**

3) Which of the following is a positional average – **A.M.(Arithmetic Mean)**

4) What is the major assumption that ne makes when computing a mean from at grouped data- **no value occurs more than once.**

5) Which measures is difficult to valuate- **Relative measure of dispersion.**

6) Which measure of dispersion is based on all the observation- **S.D. and mean Deviation.**

7) **Standard deviation** is the best measure of dispersion.

8) **Range** is the most easy measure of dispersion.

9) **Quartile deviation** is the appropriate measure of dispersion for open end classification.

10) **Mean, Median and Mode** is not a measure of dispersion.

11) A measure of dispersion is indicative of the reliability of **Average.**

12) Quartile deviation is based on **The highest 25% of the observations.**

13) Quartiles can be expressed graphically using **Ogive curve.**

14) **Coefficient of variation** is the best measure for comparison.

15) A measure of central tendency tries to estimate the value of **Central value.**

16) The kinds (types) of mean are **Three(3).**