

Hailey College of Commerce

Sample Questions

Entry Test (PhD Commerce)

These questions and content may or may not be representative of questions you may see in the entrance test. **They are meant for the help of the candidates and in no way are a full representative of level of difficulty or exact type of questions or number of questions that will be given in the entrance test.**

The test will contain MCQs of 9 different categories as given below and, in addition, may have an essay type question that requires the students to write a comprehensive answer. **The total duration of the test is 90 minutes and total number of questions will be 100.**

For the convenience of the candidates, the answers to the MCQs are given in bold. On the test day, candidates will be required to fill an appropriate circle on an answer sheet depending on the correct answer. Only lead pencil is allowed. A specimen of answer sheet can be found with this sample test.

Section I: Comprehension Skills including verbal ability

The following passage is taken from an online encyclopedia. Read it and answer the following question (You may be asked to answer several questions from a bit longer passage):

Reading comprehension is defined as the level of understanding of writing. Proficient reading depends on the ability to recognize words quickly and effortlessly. If word recognition is difficult, students use too much of their processing capacity to read individual words, which interferes with their ability to comprehend what is read. Many educators believe that students need to learn to analyze text (comprehend it) even before they can read it on their own, and comprehension instruction generally begins in pre-Kindergarten or Kindergarten. But some other educators consider this reading approach to be completely backward for very young students, arguing that the students must learn how to decode the words in a story through phonics before they can analyze the story itself.

1. Reading comprehension test helps to gauge the level of
 - a. How students understand English
 - b. How students understand written English
 - c. **How students understand writings in the language under consideration**
 - d. Ability of speaking a language
 - e. Understanding very difficult words and phrases

Section 2: Accounting (*Basic principles, cost accounting, financial accounting, managerial accounting etc.*)

2. Which of the following equations properly represents a derivation of the fundamental accounting equation?
 - a. Assets + liabilities = owner's equity.
 - b. Assets = owner's equity.
 - c. Cash = assets.
 - d. **Assets - liabilities = owner's equity.**
 - e. Cash = Assets + owner's equity

Section 3: Finance (*Business finance, corporate/managerial finance, financial mathematics, and financial management*)

3. In case where actual increase or decrease in capital such as drawing and profit is not recorded in capital account, such kind of account is called:
 - a. fluctuating capital account
 - b. **Fixed capital account**
 - c. Current account
 - d. all of the above
 - e. none of the above

Section 5: Management, Marketing and Human Resource Management

4. Efficiency refers to
 - a. Additive relationship between costs and benefits
 - b. **Relationship between inputs and outputs**
 - c. Exponential nature of costs and outputs
 - d. Increasing outputs regardless of costs
 - e. none of the above

Section 6: Economics, Banking and International Business

5. The fundamental economic problem faced by all societies is:
 - a. Unemployment
 - b. inequality
 - c. Poverty
 - d. **scarcity**
 - e. corruption

Section 7. Research (Statistics, Mathematics & Research Methodology, Research Aptitude)

Which sampling technique would you suggest Mr. Ali in the following situation?

6. He wants to understand the decision-making process in a particular high school, but because he does not know who actually makes certain kinds of decisions, he asks many faculty members who in their opinion makes the decisions in the school. Justify your chosen technique.
 - a. Convenience sampling
 - b. Stratified sampling
 - c. Judgmental sampling
 - d. Quota sampling
 - e. Area sampling
7. If you were to measure shoe size and academic achievement for children ages 6 to 12, you would find a statistically significant positive correlation between the two. Can you conclude that smarter kids wear larger shoes? Can we predict academic achievement from shoe size? Explain your answers.
 - a. Convenience sampling
 - b. Stratified sampling
 - c. Judgmental sampling
 - d. Quota sampling
 - e. Area sampling
8. The accounts executive has established a new accounting system that utilizes maximum computer technology. Before making further changes, he would like to get a feel for how the accounting clerks react to the new system by acting as if he has no doubts about their acceptability of the new system. He may then casually talk to the first five accounting personnel that walk into his office, trying to gauge their reactions.
 - a. Convenience sampling
 - b. Stratified sampling
 - c. Judgmental sampling
 - d. Quota sampling
 - e. Area sampling
9. Recent research indicates that there is a dramatic increase in the traffic load in different cities of Pakistan. After investigating a problem chief minister of Punjab Mian Muhammad Shabaz Sharief decided to start rapid bus transport project in Lahore city to improve the current public

transport system in the city of Lahore. Another research, however, emphasis on people willingness to use public transport system as it will be helpful to reduce traffic load on roads only when people prefer to use public transport instead of their own vehicles.

- a. List and label the variables in above situation.
 - b. Explain the relationship among the variables and illustrate them by mean of a theoretical diagram. What might be the problem statement or problem definition for the situation?
10. Which of the following statements is INCORRECT about the sampling distribution of the sample mean:
- a. The standard error of the sample mean will decrease as the sample size increases.
 - b. The standard error of the sample mean is a measure of the variability of the sample mean among repeated samples.
 - c. The sample mean is unbiased for the true (unknown) population mean.
 - d. The sampling distribution shows how the sample mean will vary among repeated samples.
 - e. **The sampling distribution shows how the sample was distributed around the sample mean.**
11. While testing a hypothesis, if α = probability of Type I error, then $1 - \alpha$
- a. Probability of rejecting H_0 when H_0 is true.
 - b. **Probability of not rejecting H_0 when H_0 is true.**
 - c. Probability of not rejecting H_0 when H_A is true.
 - d. Probability of rejecting H_0 when H_A is true
 - e. $1 - \beta$
12. If the correlation between body weight and annual income were high, positive and significant, we could conclude that:
- a. high incomes cause people to eat more food.
 - b. low incomes cause people to eat less food.
 - c. high income people tend to spend a greater proportion of their income on food than low income people, on average.
 - d. **high income people tend to be heavier than low income people, on average.**
 - e. high incomes cause people to gain weight.

Section 8: Quantitative ability

13. If quantity A is the average (arithmetic mean) of x and y and quantity B is the average (arithmetic mean) of x-1 and y+1
- a. the quantity A is greater than B
 - b. the quantity B is greater than A.
 - c. **Both quantities A and B are equal.**
 - d. x-1 is always equal to y+1
 - e. The relationship cannot be determined from the information given

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Sample Answer Sheet

Entry Test (Ph.D. Commerce)

You need to fill in the appropriate circle depending on the correct answer. For example, you should fill in circle in column 'a' for question number 1. Filling in more than one circle is not allowed. Once you fill a circle, you cannot change your answer. For filling in the answer sheet, only lead pencil is allowed.

In the example below, only question 1 is filled.

Q #	a	b	c	d	e	Q #	A	b	c	d	E
1.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	15.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	16.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	17.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	18.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	19.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	20.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	21.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	22.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	23.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	24.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	25.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
12.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	26.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
13.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	27.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
14.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	28.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>