

**MBA II SEM III**

**MCQ: 311 – Management of Non-profit organizations**

<b>Sr. No.</b>	<b>Question</b>	<b>Answer</b>
<b>1</b>	The amount of 'Subscription received from members' by a Non-profit organization is shown in which of the following? (A) Debit side of Income and Expenditure Account (B) Credit side of Income and Expenditure Account (C) Liability side of Balance Sheet (D) Assets side of Balance Sheet	<b>B</b>
<b>2</b>	Non-for-profit organizations prepare : (A) Trading Account (B) Trading & Profit and Loss Account (C) Income and Expenditure Account (D) All of the above	<b>C</b>
<b>3</b>	Source of income for a not-for-profit organization is : (A) Subscription from Member (B) Donation (C) Entrance Fees (D) All of the above	<b>D</b>
<b>4</b>	Under the _____, both internal and external corporate governance mechanisms are intended to induce managerial actions that maximize profit and shareholder value. (A) Shareholder theory. (B) Agency theory. (C) Stakeholder theory. (D) Corporate governance theory.	<b>A</b>
<b>5</b>	The funds raised by such organizations through various sources are credited to _____ or _____. (A) Capital Fund & Reserve Fund (B) Capital fund or general fund (C) Reserve fund or general fund (D) Mutual fund & General fund	<b>B</b>
<b>6</b>	Which of the below is not a Good volunteer management practices (A) Making volunteer skills with appropriate assignment (B) Recognizing the contribution of volunteers (C) Measuring the impact of staff annually (D) Providing volunteer training and professional development	<b>C</b>
<b>7</b>	Legal status of Nonprofit organization is not seen in..... (A) Trust (B) Society (C) Corporation (D) Private company	<b>D</b>
<b>8</b>	Corporate Governance is a system of structuring, operating and controlling a	<b>B</b>

	company with the specific aims in which one of the below is not the aim : (A) Fulfilling long-term strategic goals of owners; (B) Taking care of the interests of share holders; (C) A consideration for the environment and local community; (D) Maintaining excellent relations with customers and suppliers	
<b>9</b>	A board that is elected in a classified system is known as a: (A) Diversified board (C) Staggered board (B) Rotating board (D) Declassified board	<b>A</b>
<b>10</b>	Final accounts of a 'not-for-profit organization' consist of the following. (A) Pro action , Defensive, Reinvestment, Reaction (B) Reaction, Defense, Investment, Withdrawal (C) Reaction, Defense, Reinvestment, Pro action (D) Reaction, Defense, Accommodation, Pro action	<b>D</b>
<b>11</b>	Non-profit sector accounts for a considerable percentage of national _____ in many countries. (A) NNP (B) GDP (C) NDP (D) GNP	<b>B</b>
<b>12</b>	Credit side balance in Income & Expenditure Account reveals: (A) Excess of cash receipts over payments (B) Excess of cash payments over receipts (C) Excess of expenditure over income (D) Excess of income over expenditure	<b>D</b>
<b>13</b>	Nonprofit organization need to match volunteer skills with assignments. (A) True (B) False (C) Can't say	<b>A</b>
<b>14</b>	The chairperson of the board of directors and CEO should be leaders with:. (A) Vision and problem solving skills. (B) The ability to motivate. (C) Business acumen. (D) All of the above.	<b>D</b>
<b>15</b>	An organization that sets the bar too high in its expectations of _____ may find itself with a severe shortage of this potentially valuable resource. (A) Staff (B) Volunteers (C) Labor (D) Administrator	<b>B</b>

<b>16</b>	Which of the following is not a fundamental role of nonprofit organization? (A) They supposed to be independent from government (B) These organizations are meant for profit (C) They are expected to be value based (D) They are setup to serve public or social purpose or public service mission.	<b>B</b>
<b>17</b>	An organization's appropriate tone at the top promoting ethical conduct is an example of: (A) Ethics sensitivity. (B) Ethics incentives. (C) Ethical behavior. (D) Consequentiality	<b>C</b>
<b>18</b>	Which of the following factors is not the duty of a nonprofit organization? (A) Adhering to the conflict of interest policy (B) Not Disclosing all conflicts (C) Avoiding the use of the organization's opportunities for personal gain (D) Maintaining confidentiality of information held by the organization.	<b>B</b>
<b>19</b>	What is the organization not doing for volunteers? (A) Volunteer skills with assignments (B) Failing to recognize volunteer contributions (C) Not measuring the value of volunteers (D) All of the above	<b>D</b>
<b>20</b>	The chairperson of the board of directors and CEO should be leaders with: (A) Vision and problem solving skills. (B) The ability to motivate. (C) Business acumen. (D) All of the above.	<b>D</b>
<b>21</b>	Which types of financial statements are generally not prepared by Not-for-Profit Organizations (NPOs) are..... (A) Receipts and Payments Account (B) Income and Expenditure Account (C) Profit and loss Appropriation account (D) Balance Sheet	<b>C</b>
<b>22</b>	Corporate level of management does consist of _____. (A) Board of directors (B) Chief Executive Officer (C) Corporate staff (D) All the above	<b>D</b>
<b>23</b>	Which is not the parameter to be assessed & controlled by mission statement? (A) Risk (B) Cost (C) Time (D) Performance	<b>A</b>

<p><b>24</b></p>	<p>The managerial purpose of setting _____ is to convert the strategic vision into specific performance targets – results and outcomes the management wants to achieve.</p> <p>(A) Mission (B) Objectives (C) Strategy (D) Strategic vision</p>	<p><b>A</b></p>
<p><b>25</b></p>	<p>.....are the life-blood of countless nonprofit organizations, for they attend to the basic tasks that need performing, from paperwork to transportation of goods and/or services to maintenance.</p> <p>(A) Share Holders (B) Volunteers (C) Secretary (D) Treasurer</p>	<p><b>B</b></p>
<p><b>26</b></p>	<p>..... is responsible for overseeing the financial operations and assuring that board members have the information they need to be effective fiscal stewards of the nonprofit organization.</p> <p>(A) Share Holders (B) Volunteers (C) Treasurer (D) Secretary</p>	<p><b>C</b></p>
<p><b>27</b></p>	<p>..... generally offers support to the Board Chair and substitute leadership when needed and it also takes on some special project such as leading the CEO evaluation or heading a task force.</p> <p>(A) Share Holders (B) Vice Chair (C) Volunteers (D) Secretary</p>	<p><b>B</b></p>
<p><b>28</b></p>	<p>..... is the systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organization.</p> <p>(A) Share Holders (B) Governance (C) Vice Chair (D) Volunteers</p>	<p><b>B</b></p>
<p><b>29</b></p>	<p>“Takes lead responsibility for overseeing financial affairs of the organization, presents and explains budgets and financial reports to board, leads finance or audit committee.” Is mainly the responsibility of?</p> <p>(A) Share Holders (B) Volunteers (C) Treasurer (D) Board of Director</p>	<p><b>C</b></p>

<b>30</b>	<p>.....is a brief expression of your organization’s purpose. vIt answers the question – “Why do we exist?” and “What, at the most basic level do we do?” summarizes the What, How and Why of your organization’s work.</p> <p>(A) Vision Statement (B) Board Statement (C) Mission Statement (D) Class Statement</p>	<b>C</b>
<b>31</b>	<p>..... is internally focused: It projects the future in terms of the program, budget or staff size, answering the question “where do we want to be?”</p> <p>(A) Vision Statement (B) Board Statement (C) Mission Statement (D) Class Statement</p>	<b>A</b>
<b>32</b>	<p>Which of the below is not a Problems faced by Non-profit oriented organizations:</p> <p>(A) Competitions from other sector qualified staff (B) More of human resource management expertise (C) Increasing societal demands to do more (D) Competitions for funding support</p>	<b>B</b>
<b>33</b>	<p>In a NPO membership paid every year is known as .....</p> <p>(A) Entrance fees (B) Legacy (C) Subscription (D) Donation</p>	<b>C</b>
<b>34</b>	<p>An income and expenditure account reveals:</p> <p>(A) Case position (B) Surplus and Deficits (C) Capital Fund (D) None of the above</p>	<b>B</b>
<b>35</b>	<p>An individual who is able to exert leadership and to manage an operation is called a:</p> <p>(A) Leader. (B) Leader-manager. (C) Manager. (D) First line supervisor.</p>	<b>B</b>
<b>36</b>	<p>According to path goal theory, which of the following is not a leadership behavior?</p> <p>(A) Directive behavior. (B) Supportive behavior. (C) Participative behavior. (D) None of the above.</p>	<b>D</b>

<b>37</b>	Which of the following are self-management strategies? (A) Self-set goals. (B) Self observation. (C) Self rewards. (D) All of the above.	<b>D</b>
<b>38</b>	Capital receipts are presented in (A) Trading account (B) Balance sheet (C) Profit and loss account (D) Manufacturing account	<b>B</b>
<b>39</b>	Which of the following is considered as non profit organization? (A) Corporate (B) Charitable organisation (C) Audit Firm (D) Insurance Companies	<b>B</b>
<b>40</b>	An Advance receipts of subscriptions from a member of the non-profit organization is considered as a /an (A) Assets (B) Equity (C) Liability (D) Expense	<b>B</b>
<b>41</b>	Which of the following statement is false regarding receipts and payments account (A) Give fair idea of earned position (B) Based on accrual basis (C) An assets account (D) Recoded transactions	<b>B</b>
<b>42</b>	Out of the billowing items, which one is shown in the ‘Receipts and Payments Account’ of a not for profit organization? (A) Accrued subscription (B) Outstanding salary (C) Depreciation (D) None of these	<b>D</b>
<b>43</b>	Gifts, donations, Grants, Loan financing are all the types of ..... for nonprofit organization. (A) Natural Sources (B) Funding sources (C) Environmental Sources (D) Political sources	<b>B</b>

44	<p>Nonprofit organizations are managed by a group of persons elected by the members from among themselves and that group is known as.....</p> <p>(A) Organizing committee (B) Placement committee (C) Managing committee (D) Governing committee</p>	<b>C</b>
45	<p>NPOs are commonly known as Joint sector or Non-Governmental Organizations (NGOs) they cannot be registered in which of the below:-</p> <p>(A) Trust (B) Private limited company (C) Society (D) Special licensing</p>	<b>B</b>
46	<p>Who are the competitors in Raising fund for NPO?</p> <p>(A) NGO working in similar areas (B) Public sector companies (C) Private sector companies (D) Government policies</p>	<b>A</b>
47	<p>Which of the below are considered as volunteers of non profit organization?</p> <p>(A) Mr. X working with NGO no Salary bases (B) Mr Y Working from his own self for kindness whole heartedly (C) Mr. Z Cleaning the office on wages (D) Mr. P Making furniture for office on daily wages</p>	<b>B</b>
48	<p>Which of the below is not the objective of Nonprofit organization?</p> <p>(A) Organizations are not to make profit but to provide service to its members and to the society in general. (B) organizations are managed by a group of persons elected by the members from among themselves. This group is called managing committee (C) They also prepare their accounts following the same accounting principles and systems that are followed by business for profit organizations that are run with an objective to earn profits (D) Organizations are to make profit but not to provide service to its members and to the society in general</p>	<b>D</b>
49	<p>.....of a nonprofit take the mission statement further to describe what the organization hopes to accomplish in near future .</p> <p>(A) Fund (B) Allowances (C) Goals (D) Management</p>	<b>C</b>

<b>50</b>	If an NGO is working Medical Work they prefer which type of Volunteers (A) Medical Diploma (B) Social work (C) Sports person (D) Engineer	<b>A</b>
<b>51</b>	In this Act “charitable purpose” includes relief of the poor, education, medical relief and the advancement of any other object of general public utility, but does not include a purpose which relates exclusively to religious teaching or worship. (A) Indian Companies Act (B) Charitable Endowment Act (C) Indian Trust Act (D) Societies Registration Act	<b>B</b>
<b>52</b>	Which of the below statement does not have a correct definition of companies act? (A)—banking company   means a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (B)—articles   means the articles of association of a company as originally framed or as altered from time to time or applied in pursuance of any previous company law or of this Act; (C)—Appellate Tribunal   means the Foreign Company Law Appellate Tribunal constituted under section 410 (D)—associate company  , in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.	<b>C</b>
<b>53</b>	How many members are required in Managing Committee of Society? (A) Four (B) Five (C) Seven (D) Three	<b>D</b>
<b>54</b>	Who are on Board of Management of Trust? (A) Governing body of Council (B) Trustees/ Board of Trustees (C) Board of Directors (D) Board of Council	<b>B</b>
<b>55</b>	Which of the below does not comes under jurisdiction of Nonprofit organizations ? (A) Register of Companies (B) Register of Societies (C) Company Secretary (D) Deputy Register	<b>C</b>



<b>56</b>	How many members are required in Managing Committee of Companies Act? (A) Four (B) Five (C) Seven (D) Three	<b>D</b>
<b>57</b>	Who are on Board of Management of Society? (A) Governing body of Council/managing of executive Committee (B) Trustees/ Board of Trustees (C) Board of Directors (D) Board of Council	<b>A</b>
<b>58</b>	Who are on Board of Management of Section 25 Company? (A) Governing body of Council/managing of executive Committee (B) Trustees/ Board of Trustees (C) Board of Directors (D) Board of Council	<b>C</b>
<b>59</b>	The recipient of money or the donee gives a receipt of donation, based on which the donor is entitled to claim deduction provided, the donee institution is approved under .....Act' 1961. (A) Section 80G of the Income Tax (B) GST (C) VAT (D) Indirect Tax	<b>A</b>
<b>60</b>	How many members are required in Managing Committee of Trust? (A) Four (B) Two (C) Seven (D) Three	<b>B</b>
<b>61</b>	According to section 20 of....., the following societies can be registered under the Act: ' charitable societies, military orphan funds or societies established at the several presidencies of India (A) Companies act (B) The societies registration act, 1860 (C) Trust act (D) Joint stock company	<b>B</b>
<b>62</b>	Which is not the hat of Nonprofit organization? (A) Governance (B) Volunteer (C) Owner (D) Implementer	<b>C</b>
<b>63</b>	Nonprofit Organization does not include which of the below characteristics (A) Size (B) Location (C) Industry (D) Currency	<b>D</b>

<b>64</b>	Fundraising in Non profit organization comes from? (A) Special events (B) Corporate donors (C) Infant kids (D) Foundations & Endowments & Grants	<b>C</b>
<b>65</b>	The memorandum of association does not contain which of the following thing (A) The name of the society; (B) The object of the society; (C) Name of joint stock company (D) The names, addresses, and occupations of the governors, council, directors, committee, or other governing body to whom	<b>C</b>
<b>66</b>	It is mandatory for a .....to file return of income electronically with or without digital signature. It may also file return of income under Electronic Verification Code. (A) Society (B) Trust (C) Company (D) Joint Stock company	<b>B</b>
<b>67</b>	Trusts can be categories mainly in two categories:..... (A) Private Public (B) Public Government (C) Private ownership (D) Private person	<b>A</b>
<b>68</b>	The Private trusts are covered under the provisions of ..... (A) Indian Trusts Act, 1886 (B) Indian Companies Act, 1882 (C) Indian Trust Act, 1882 (D) Indonesia Trusts Act, 1882	<b>C</b>
<b>69</b>	Which of the following are not the main functional areas of non profit oriented organization, (A) Accounting Section (B) Human resource (C) Location (D) Financial	<b>C</b>
<b>70</b>	Which of following is not types of financial statements that are generally prepared by Not-for-Profit Organizations (NPOs) are: (A) Receipts and Payments Account (B) Income and Expenditure Account (C) Balance Sheet (D) Performance statement	<b>D</b>