

SSR DEGREE COLLEGE (AUTONOMOUS) NIZAMABAD
SEM –II INTENAL ASSESMENT –II
BUSINESS STATS
QUESTION BANK

I. Multiple Choice Questions (10 MCQs)

1. Correlation studies the relationship between
- a) One variable
 - b) Two or more variables
 - c) Constants
 - d) Frequencies

Ans: b

2. When both variables move in the same direction, correlation is
- a) Negative
 - b) Zero
 - c) Positive
 - d) Perfect

Ans: c

3. Scatter diagram is used to study
- a) Trend
 - b) Dispersion
 - c) Correlation
 - d) Index numbers

Ans: c

4. Karl Pearson's coefficient ranges between
- a) 0 and 1
 - b) -1 and +1
 - c) $-\infty$ and $+\infty$
 - d) 1 and 100

Ans: b

5. Spearman's rank correlation is used for
- a) Qualitative data
 - b) Ranked data
 - c) Time series
 - d) Frequency data

Ans: b

6. Regression shows
- a) Degree of relationship
 - b) Cause and effect relationship
 - c) Dispersion
 - d) Skewness

Ans: b

7. Line of best fit is obtained by

- a) Graphic method
- b) Least squares method
- c) Average method
- d) Trial method

Ans: b

8. Regression coefficient represents

- a) Intercept
- b) Slope
- c) Origin
- d) Mean

Ans: b

9. In simple regression, number of dependent variables is

- a) One
- b) Two
- c) Three
- d) Many

Ans: a

10. Correlation does not imply

- a) Association
- b) Dependence
- c) Causation
- d) Relationship

Ans: c

1. Time series data is arranged in

- a) Alphabetical order
- b) Numerical order
- c) Chronological order
- d) Random order

Ans: c

2. Long-term movement in time series is called

- a) Seasonal variation
- b) Trend
- c) Cyclical variation
- d) Irregular variation

Ans: b

3. Seasonal variations occur due to

- a) Weather
- b) Festivals
- c) Habits
- d) All of the above

Ans: d

4. Moving average method is used to measure
- a) Seasonal variation
 - b) Trend
 - c) Cyclical variation
 - d) Irregular variation

Ans: b

5. Semi-average method divides data into
- a) Three parts
 - b) Two equal parts
 - c) Four parts
 - d) Unequal parts

Ans: b

6. Index numbers measure
- a) Absolute change
 - b) Relative change
 - c) Total change
 - d) Average change

Ans: b

7. Price index relates to
- a) Quantity
 - b) Cost
 - c) Prices
 - d) Production

Ans: c

8. Laspeyres index uses
- a) Current weights
 - b) Base year weights
 - c) Average weights
 - d) No weights

Ans: b

9. Paasche index uses
- a) Base year weights
 - b) Current year weights
 - c) Fixed weights
 - d) No weights

Ans: b

10. Fisher's index is known as
- a) Simple index
 - b) Ideal index
 - c) Quantity index
 - d) Value index

Ans: b

1. Probability measures

- a) Certainty
- b) Uncertainty
- c) Risk
- d) Chance of occurrence

Ans: d

2. Probability value always lies between

- a) -1 and +1
- b) 0 and 1
- c) 1 and 100
- d) $-\infty$ and $+\infty$

Ans: b

3. An event that cannot happen is called

- a) Sure event
- b) Possible event
- c) Impossible event
- d) Random event

Ans: c

4. Addition theorem is used when events are

- a) Independent
- b) Dependent
- c) Mutually exclusive
- d) Random

Ans: c

5. Multiplication theorem applies to

- a) Mutually exclusive events
- b) Independent events
- c) Impossible events
- d) Certain events

Ans: b

6. Conditional probability is denoted by

- a) $P(A+B)$
- b) $P(A \times B)$
- c) $P(A/B)$
- d) $P(A-B)$

Ans: c

7. Bayes' theorem is used for

- a) Prediction
- b) Revision of probability
- c) Addition rule
- d) Sampling

Ans: b

8. Population refers to

- a) Sample units

- b) Part of universe
- c) Entire group
- d) Selected items

Ans: c

9. Simple random sampling gives

- a) Equal chance
- b) Unequal chance
- c) No chance
- d) Fixed chance

Ans: a

10. Convenience sampling is a

- a) Probability sampling
- b) Non-probability sampling
- c) Stratified sampling
- d) Cluster sampling

Ans: b

II. Fill in the Blanks

1. Correlation measures the ____ of relationship.
2. Positive correlation means variables move in ____ direction.
3. Scatter diagram uses ____ points.
4. Karl Pearson's correlation is based on ____ deviations.
5. Spearman's method is also called ____ correlation.
6. Regression predicts ____ variable.
7. Least squares method minimizes ____ of squared errors.
8. Regression line is also called ____ line.
9. Correlation coefficient is denoted by ____.
10. Regression analysis helps in ____ making.
11. Time series data relates to ____ over time.
12. Trend shows ____ movement.
13. Seasonal variations repeat after ____ intervals.
14. Cyclical variations relate to ____ cycles.
15. Irregular variations are ____ in nature.
16. Index numbers show ____ changes.
17. Laspeyres index is based on ____ year quantities.
18. Paasche index is based on ____ year quantities.
19. Fisher's index is the ____ mean of Laspeyres and Paasche.
20. Index numbers are useful in business ____.
21. Probability is the measure of ____.
22. Sure event has probability ____.
23. Impossible event has probability ____.
24. Conditional probability depends on ____ event.
25. Bayes' theorem helps in ____ probabilities.
26. Population is the ____ of all items.

27. Sample is a ____ of population.
28. Stratified sampling divides population into ____.
29. Cluster sampling selects groups called ____.
30. Sampling helps in better business _____.

III. Descriptive Question

1. Define Correlation. Explain types of correlation with examples.
2. Explain Karl Pearson's coefficient of correlation and its significance.
3. What is Time Series? Explain its components.
4. Explain Moving Average Method and Semi-Average Method of trend estimation.
5. Define Probability. Explain types of events.