

MANAGEMENT

PAPER - II

Note : This paper contains fifty (50) objective type questions of two (2) marks each. All questions are compulsory.

1. Managerial economics is concerned with which combination of the following ?

- (a) Investment Analysis and Decisions
- (b) Production Behaviour and Cost Analysis
- (c) Input Reward Analysis and Decisions
- (d) Economic Environment Analysis

Code :

- (1) (a), (b) and (c)
- (2) (b), (c) and (d)
- (3) (a), (b) and (d)**
- (4) (a), (c) and (d)

2. When P_0 and P_1 and Q_0 and Q_1 denote before and after change in the price and quantity respectively and in both the situations, total outlay remains the same, which of the following formulae give the similar value of the arc price - elasticity of demand ?

(a) $\frac{Q_0 - Q_1}{P_0 - P_1} \times \frac{P_0 + P_1}{Q_0 + Q_1}$

(b) $\frac{Q_0 - Q_1}{P_0 - P_1} \times \frac{P_0}{Q_1}$

(c) $\frac{Q_0 - Q_1}{P_0 - P_1} \times \frac{P_0}{Q_0}$

(d) $\frac{Q_0 - Q_1}{P_0 - P_1} \times \frac{P_1}{Q_1}$

(e) $\frac{Q_0 - Q_1}{P_0 - P_1} \times \frac{P_1}{Q_0}$

Code :

- (1) (b), (c) and (e)
- (2) (a), (b) and (e)**
- (3) (a), (c) and (e)
- (4) (b), (c) and (d)

3. In case the producer's equilibrium shifts to a higher isoquant due to decrease in price of an input, the curve combining the successive equilibrium positions is known as :

- (1) Product Possibility Curve
- (2) Price Factor Curve**
- (3) Expansion Path
- (4) Product Line

4. Which one of the following statements is not correct ?
- (1) Marginal cost declines at a faster rate as compared to the average cost.
 - (2) Marginal cost rises at a faster rate as compared to the average cost.
 - (3) Marginal cost equals average cost where average cost is minimum.
 - (4) Average cost equals marginal cost where marginal cost is minimum.**
5. Cost - Plus pricing is not suitable for :
- (1) Product Tailoring
 - (2) Profit Maximising**
 - (3) Monopsony Pricing
 - (4) Public Utility Pricing
6. Match the following and select the correct code of matching :
- | List - I | List – II |
|--------------------------------|---|
| (a) F.W. Taylor | (i) Fair day's pay for fair day's work |
| (b) Henry L. Gantt | (ii) Motion study |
| (c) Frank and Lillian Gilbreth | (iii) Graphic scheduling for planning and controlling of Work |
| (d) Max Weber | (iv) Bureaucratic organization |
- Code :
- (a) (b) (c) (d)
 - (1) (i) (ii) (iii) (iv)
 - (2) (i) (iii) (ii) (iv)**
 - (3) (iv) (iii) (ii) (i)
 - (4) (iv) (i) (ii) (iii)
7. The achievement of goals with the least amount of resources is :
- (1) **Effectiveness**
 - (2) Efficiency
 - (3) Productivity
 - (4) Both (1) and (2)
8. Which one of the following is the fundamental rethinking and radical redesign of business processes to achieve improvements in performance ?
- (1) **Reengineering**
 - (2) Reorganising
 - (3) Revisiting
 - (4) Rescheduling

9. Match the following and select the code of correct matching :

List - I

- (a) Motivating through rewards and penalties
- (b) Changing organisation by creating and communicating a vision
- (c) Influencing by dint of personality and charm
- (d) Modifying style with respect to readiness of followers

List - II

- (i) Charismatic leadership
- (ii) Situational leadership
- (iii) Transactional leadership
- (iv) Transformational leadership

Code :

- (a) (b) (c) (d)
- (1) (iii) (i) (ii) (iv)
- (2) **(iii) (iv) (i) (ii)**
- (3) (iii) (iv) (ii) (i)
- (4) (iv) (iii) (ii) (i)

10. Which one of the following is not a 'hygiene factor' of Herzberg's Two Factor theory ?

- (1) Interpersonal relations
- (2) Working conditions
- (3) **Responsibility**
- (4) Job security

11. Assertion (A) : Promotion is a move within the organisation to a higher position that has greater responsibilities and requires more advanced skills.

Reasoning (R) : Promotion may not involve a raise in status but a hike in salary is a must.

Code :

- (1) (A) and (R) both are correct.
- (2) (A) and (R) both are incorrect.
- (3) **(A) is correct whereas (R) is incorrect.**
- (4) (A) is incorrect whereas (R) is correct.

12. Match the following and select the code of correct matching :

List - I

- (a) Identification of leadership potential
- (b) Finding most suitable area of working
- (c) Discovering interest and potential
for acquiring skills
- (d) Measuring capacity to think, learn
and draw relationships

List - II

- (i) Vocational Tests
- (ii) Aptitude Tests
- (iii) Intelligence Tests
- (iv) Personality Tests

Code :

- (a) (b) (c) (d)
- (1) (iv) (iii) (ii) (i)
 - (2) (i) (ii) (iii) (iv)
 - (3) **(iv) (i) (ii) (iii)**
 - (4) (i) (iii) (ii) (iv)

13. Which one of the following is a facility to file anonymous complaints ?

- (1) Juke Box (2) Wide Box (3) **Gripe Box** (4) Hard Box

14. Which of the following is/are not gainsharing plan(s) ?

- (a) Scanlon Plan
- (b) Rucker Plan
- (c) Employee Stock Option Plan
- (d) Improshare Plan

Code :

- (1) (c) only**
- (2) (d) only
- (3) (c) and (d) both
- (4) (b), (c) and (d)

15. In which one of the following methods of performance appraisal, predetermined percentages of rates are placed in various performance categories ?
- (1) Alternation Ranking Method
 - (2) Forced Distribution Method**
 - (3) Paired Comparison Method
 - (4) Check - list Method
16. Indicate the **correct** code for the combination from the following regarding the superiority of the wealth maximisation over the profit maximisation objective of the financial management :
- (a) It takes into account long term stability and survival of the firm.
 - (b) It takes care of all other objectives of the firm like exploring and expanding markets, etc.
 - (c) It is based on the assumption of perfect competition in the market.
 - (d) It considers risk alongwith returns.
- Code :
- (1) (a), (b), (c) and (d)
 - (2) (b), (c) and (d)
 - (3) (a), (b) and (d)**
 - (4) (a), (c) and (d)
17. The controller function of the financial management concerns with :
- (1) advertising the public issue of the firm
 - (2) negotiating with banks for loans
 - (3) analysing variance between standard costs and actual costs**
 - (4) estimating the future cash flows from certain project
18. Capital Asset Pricing Model (CAPM) for risk measurement has been given by :
- (1) Sharpe and Lintner
 - (2) Lintner and Treynor
 - (3) Sharpe, Lintner and Treynor**
 - (4) Lintner, Modigliani and Miller

19. Beta (β) is a measure of :
- (1) **Systematic Risk**
 - (2) Unsystematic Risk
 - (3) Total Risk
 - (4) Business Risk
20. Capital budgeting is concerned with :
- (1) Arranging cash resources for the project.
 - (2) Managing the working capital of the firm.
 - (3) Managing the fixed assets through repairs and renewals.
 - (4) **Evaluating the returns and investment in projects.**
21. Which one of the following is the demand state where “Consumers dislike the product and may even pay to avoid it” ?
- (1) Unwholesome demand
 - (2) Declining demand
 - (3) **Negative demand**
 - (4) Latent demand
22. Evaluate the statements according to Brand Asset Valuator Model of Brand Equity :
- Statement (I) : Knowledge measures the degree to which a brand is seen as different from others as well as its pricing power.
- Statement (II) : Esteem measures perceptions of quality and loyalty or how well the brand is regarded and respected.
- Code :
- (1) Both the Statements are correct.
 - (2) Both the Statements are incorrect.
 - (3) Statement (I) is correct while Statement (II) is incorrect.
 - (4) **Statement (I) is incorrect while Statement (II) is correct.**
23. If a coaching institute provides some supporting study material along with teaching, then which one of the following service mix category would it be ?
- (1) Hybrid offering
 - (2) **Major service with accompanying minor goods and services**
 - (3) Tangible good with accompanying services
 - (4) Pure service

24. Statement (I) : A low market - penetration index indicates substantial growth potential for all the firms.

Statement (II) : Generally, price competition increases and margins fall when the market - penetration index is already high.

Code :

(1) Both the Statements are correct.

(2) Both the Statements are incorrect.

(3) Statement (I) is correct while Statement (II) is incorrect.

(4) Statement (I) is incorrect while Statement (II) is correct.

25. Which one of the following is a system of partnerships and alliances that a firm creates to source, augment, and deliver its offerings ?

(1) Value network

(2) Omnichannel marketing

(3) Integrated marketing channel system

(4) Direct marketing channel

26. Statement (I) : Time study is an area of study whose fundamental purpose is to set time standards for work using different methods.

Statement (II) : Work measurement is a structured process of directly observing and measuring (using a timing device) human work in order to establish the time required for completion of the work by a qualified worker when working at a defined level of performance.

Code :

(1) Both the Statements are correct.

(2) Both the Statements are incorrect.

(3) Statement (I) is correct while Statement (II) is incorrect.

(4) Statement (I) is incorrect while Statement (II) is correct.

27. Which one of the following combinations of the characteristics of the popular layouts is not matching ?

	Factors	Fixed layout	Product layout	Process layout	Cellular layout
(1)	Material Travel	Fixed path	Variable path	Often high path	Variable path
(2)	Process	Ship building	Continuous and repetitive	Job or small batch	Small to medium batch
(3)	Product	Made to order, low volume	Standardized product	Diversified products using common operations	Diversified products
(4)	Utilization of Facilities	Moderate	Very high	General purpose	High

28. In the context of distinguishing between forecasting and prediction, which one of the following statements is false ?
- (1) Forecasting is based on a theoretical model while prediction may be based on intuition.
 - (2) **Forecasting reflects management's judgement after taking all available information into account; while prediction involves the projection of the past into the future.**
 - (3) Error analysis is possible in the case of forecasting while no error analysis is done in the case of prediction.
 - (4) No objectivity is found in the case of prediction.
29. An activity that consumes no time but shows precedence among activities is known as :
- (1) Slack activity
 - (2) Successor activity
 - (3) **Dummy activity**
 - (4) Critical activity
30. Which one of the following is not correct matching between level of facility planning and type of activity ?
- (1) Global level and site location and selection
 - (2) Macro layout level and Site planning
 - (3) **Micro layout level and Cell design**
 - (4) Sub - Micro layout level and work station and Cell design

31. Which one of the following statements is false ?

- (1) **Sample space refers to the collection of all favourable outcomes of an experiment.**
- (2) Collectively exhaustive events are those whose union is sample space.
- (3) All the outcomes of an experiment are known as sample space.
- (4) Two events are said to be independent if the happening of one does not affect the probability of happening of the other.

32. Which one of the following is a false statement?

- (1) **A binomial distribution involves infinite number of trials**
- (2) The mean and the variance of a Poisson distribution are equal
- (3) The standard normal distribution has $\mu=0$ and $\sigma=1$
- (4) The standard deviation of an exponential distribution is equal to its mean

33. In the context of coefficient of correlation (r), match the items of List - I with the items of List - II and select the code of correct matching :

List - I

List - II

(a) $\frac{1-r^2}{\sqrt{N}}$

(i) Probable error of r

(b) $(0.6745) \frac{1-r^2}{\sqrt{N}}$

(ii) Coefficient of determination

(c) r^2

(iii) Standard error of r

Code :

(a) (b) (c)

- (1) **(ii) (i) (iii)**
- (2) **(iii) (ii) (i)**
- (3) **(ii) (iii) (i)**
- (4) **(i) (ii) (iii)**

34. Which one of the following statements is true ?
- (1) If one of the regression coefficients is greater than one, the other must also be greater than one.
 - (2) The product of the two regression coefficients is always more than one.
 - (3) Correlation coefficient is the arithmetic mean of the two regression coefficients.
 - (4) The signs of the two regression coefficients are always the same.**

35. In the absence of which of the following, SPSS can be used as an alternate ?
- (1) MS Word
 - (2) MS Excel**
 - (3) MS Access
 - (4) MS Datapro

36. Match the items of List - I with List - II and select the code of correct matching :

List - I	List - II
(a) Merger of Vodafone and Idea	(i) Business Strategy
(b) Launch of Apple iphone 7 plus	(ii) Operational Strategy
(c) Manufacturing Samsung mobile handsets in India (iii)	Corporate Strategy

Code :

- (a) (b) (c)
- (1) (iii) (i) (ii)**
- (2) (iii) (ii) (i)
- (3) (ii) (iii) (i)
- (4) (ii) (i) (iii)

37. Which among the following are 5 Ps of strategy as identified by Mintzberg ?

- (a) Plan
- (b) Problem
- (c) Pattern
- (d) Position
- (e) Ploy
- (f) Perspective

Code :

- (1) (a), (b), (c), (d) and (e)
- (2) (a), (b), (d), (e) and (f)
- (3) (b), (c), (d), (e) and (f)
- (4) (a), (c), (d), (e) and (f)**

38. Assertion (A) : A firm's relative position within its industry determines whether the firm's overall profitability is above or below the industry average.

Reasoning (R) : The fundamental basis of average profitability in the long run is sustainable competitive advantage.

Code :

(1) **(A) and (R) both are correct and (R) is the right explanation of (A).**

(2) (A) and (R) both are correct but (R) is not the right explanation of (A).

(3) (A) is correct but (R) is incorrect.

(4) (R) is correct but (A) is incorrect.

39. Statement (I) : A "Star" is the market leader in a high-growth market ; and it has sufficient cash to support other businesses.

Statement (II) : "Dogs" have weak market share in high - growth market.

Code :

(1) Statement (I) is correct but (II) is incorrect.

(2) Statement (II) is correct but (I) is incorrect.

(3) Both the Statements (I) and (II) are correct.

(4) **Both the Statements (I) and (II) are incorrect.**

40. Which among the following is not a generic strategy ?

(1) **Unity Strategy**

(2) Cost Leadership Strategy

(3) Differentiation Strategy

(4) Niche Strategy

41. Elements of entrepreneurial competencies, according to the theorist of the subject, pertain to which one of the following ?

(1) Body of knowledge, set of skills, cluster of appropriate motives and traits

(2) Ability to prepare viable project, executional skills and materialisation of group goals

(3) Ability to work in a group, enforce group dynamics and motivate employees

(4) Assigning priorities to hierarchy of Maslow's monetary needs and non-monetary needs

42. Under the new norms of Micro, Small and Medium Enterprises Development (MSMED) Act 2006, the criteria of investment limit in plant and machinery for MSME falls under which one of the following category ?

(1) Micro ` 25 lakh, small ` 5 crore, Medium ` 10 crore

(2) Micro ` 20 lakh, small ` 2.5 crore, Medium ` 5 crore

(3) Micro ` 20 lakh, small ` 6 crore, Medium ` 8 crore

(4) Micro ` 25 lakh, small ` 10 crore, Medium ` 15 crore

43. Entrepreneurial Judo strategy aims at which one of the following ?

(1) Filling holes left by others in the industry.

(2) Developing effectiveness in the industry.

(3) Mobilising finance and effective use to reduce NPAs.

(4) Creating competitive environment in the environment of SMMEs.

44. Preparation of a business plan as a pre-requisite to a promotion of a business enterprise, relates to which one of the following ?

(1) **There is no flaws in the business idea, the fashion, conviction and tenacity of the entrepreneur.**

(2) Make arrangement for finance and prevent occurrence of NPAs by business entity.

(3) Ensure that business entity works at break even level.

(4) Make plan to raise finance from market and alternative investment opportunities.

45. Federation of Associations of Small Industries of India (FASII) promoted in 1959 is which one of the following type ?

(1) Government organisation

(2) **Liaisoning organisation**

(3) Small Scale unit

(4) SSI Board

46. Statement (I) : The science of ethics is a normative science.

Statement (II) : Normative sciences judge the value of the facts in terms of an idea ; concerned with judgements of 'what ought to be' but not with factual judgements.

Code :

(1) Statement (I) is correct but Statement (II) is incorrect.

(2) Statement (II) is correct but Statement (I) is incorrect.

(3) Both the Statements (I) and (II) are incorrect.

(4) **Both the Statements (I) and (II) are correct.**

47. Match the items of List (I) with those of List (II) ; and choose the correct combination :

List – I

List - II

- | | |
|---|---------------------|
| (a) Ethics are the principles of conduct governing an individual or profession. | (i) John Donaldson |
| (b) Ethics is the discipline dealing with what is good and bad, or right and wrong, or with moral duty and obligation. | (ii) Keith Davis |
| (c) Ethics are a set of rules that defines right and wrong conduct. | (iii) Shea |
| (d) Business ethics, in short can be described as the systematic study of moral (ethical) matters pertaining to business, industry or related activities, institutions, or practices and beliefs. | (iv) R. Wayne Mondy |

Code :

- (a) (b) (c) (d)
- (1) (iii) (iv) (i) (ii)
- (2) **(iii) (iv) (ii) (i)**
- (3) (iv) (iii) (ii) (i)
- (4) (i) (ii) (iii) (iv)

48. Assertion (A) : Decisions in small matters largely tend to set a pattern for the more important ones you may make as managers.

Reasoning (R) : A multi - industry survey conducted in the USA indicated that 40% of the managers said that their superiors had at some time told them to do certain things unethical.

Code :

- (1) (A) and (R) both are correct and (R) is the right explanation of (A).
- (2) (A) is correct whereas (R) is incorrect.
- (3) (A) is incorrect whereas (R) is correct.
- (4) (A) and (R) both are correct but (R) is not the correct explanation of (A).**

49. Deontological theory of ethics is concerned with which of the following ?

- (a) Duty ethics
- (b) Obligation ethics
- (c) Rule based ethics
- (d) Classical ethics

Code :

- (1) (a) and (b)
- (2) (a) and (c)
- (3) (a) and (d)
- (4) (a), (b) and (c)**

50. Utilitarianism theory of ethics refers to which one of the following ?

- (1) Welfare**
- (2) Duty
- (3) Obligation
- (4) Rules

- o O o -