

Q1. Rohan, the sales supervisor of MTS Ltd. is in the process of selecting salesman for his unit. Arrange the steps, after employment interview, which he would undertake?

- (A) Selection Decision
- (B) Medical Examination
- (C) Job Offer
- (D) Contract Of Employment
- (E) Reference and background checks

Choose the correct answer from the options given below: 7th June 2023 (Shift 3)

- (a) (E), (A), (B), (C), (D)
- (b) (E), (B), (C), (A), (D)
- (c) (C), (A), (B), (D), (E)
- (d) (D), (A), (B), (E), (C)

Q2. Which of the following is not an importance of staffing?

- (a) Helps in discovering and obtaining competent personnel
- (b) Ensures optimum utilisation of physical resources
- (c) Improves job satisfaction and morale
- (d) Ensures succession planning for managers

Q3. Which of the following is the correct order of steps a manager must undertake while structuring tasks and creating a formal authority system within an enterprise?

- (A) Clarify who reports to whom and who commands whom
- (B) Divide the work into specific roles
- (C) Allocate duties based on competency
- (D) Group similar activities into functional units

- (a) B , D , C , A
- (b) A , C , D , B
- (c) C , A , B , D
- (d) D , B , C , A

Q4. A manager at a textile company aims to introduce a new eco-friendly product line. Which of the following steps would he follow to ensure the success of this plan?

- (A) Analyse multiple options before choosing the best one
- (B) Put the selected plan into action by allocating machinery and labour
- (C) Define the targets clearly for all teams involved
- (D) Monitor if everything is progressing as scheduled
- (E) Base planning on demand forecasts and other assumptions

- (a) C, A, B, E, D
- (b) A, E, C, D, B
- (c) C, E, A, B, D
- (d) E, C, B, A, D

Q5. A manufacturing firm notices an increase in product defects. To fix the issue using the control process, which of the following sequences must they follow?

- (A) Find out why actual performance differs from expected results
- (B) Decide how many defects per batch are acceptable

- (C) Take action like retraining staff or modifying standards
 (D) Observe and document the real-time output quality
 (E) Compare defect rate with what was expected
 (a) B, D, E, A, C
 (b) D, B, E, A, C
 (c) B, D, A, E, C
 (d) D, A, B, E, C

Q6. Match the items in List I with the correct description in List II:

List I (Importance of Controlling)	List II (Descriptions)
A. Accomplishing organisational goals	I. Prevents misuse and ensures effective resource utilisation
B. Judging accuracy of standards	II. Helps in reviewing benchmarks in changing environment
C. Making efficient use of resources	III. Highlights deviations from plans and guides corrective actions
D. Improving employee motivation	IV. Informs employees about performance expectations in advance

Options:

- (a) A-I, B-II, C-III, D-IV
 (b) A-II, B-I, C-IV, D-III
 (c) A-I, B-III, C-II, D-IV
 (d) A-III, B-II, C-I, D-IV

Q7. Match the types of financial decisions in List I with their real-life examples in List II:

List I (Financial Decisions)	List II (Examples)
A. Investment Decision	I. Deciding the proportion of profit to distribute
B. Financing Decision	II. Managing day-to-day cash and inventory levels
C. Dividend Decision	III. Buying new machinery for a production plant
D. Working Capital Decision	IV. Choosing between issuing equity or debentures

Options:

- (a) A-I, B-II, C-III, D-IV
 (b) A-II, B-I, C-IV, D-III
 (c) A-III, B-IV, C-I, D-II
 (d) A-IV, B-III, C-II, D-I

Q8. Who can be considered a consumer under the Consumer Protection Act, 2019?

- (A) A person who buys goods or avails services for personal use by paying or promising consideration.
 (B) A person who buys goods for resale or commercial purposes is also a consumer.
 (C) A person who avails services through teleshopping, direct selling, or online mode is a consumer.
 (D) A person who uses the goods with the approval of the buyer is also treated as a consumer.

Options:

- (a) Only A, C, and D
 (b) Only A and B
 (c) Only B, C, and D
 (d) All of the above

Q9. Standardisation refers to the process of setting standards for every business activity; it can be standardisation of process, raw material, time, product, machinery, methods or working conditions.

This definition of Standardisation was given by:

- (a) Fayol
 (b) Oontz
 (c) Taylor
 (d) Maslow

Q10. Which of the following statements correctly describe the significance of Principles of Management?

Statements:

- (A) Principles of management help managers make decisions based on personal judgement and instinct rather than logic.
- (B) They assist in the optimum utilisation of resources and promote effective administration.
- (C) They act as general guidelines that can be adapted to suit changing business environments.
- (D) These principles serve as a theoretical foundation for management training, education, and research.

Options:

- (a) Only A, B, and D
- (b) Only B, C, and D
- (c) Only A, C, and D
- (d) All of the above

Q11. Which of the following is NOT an element of directing?

- (a) Delegation of Authority
- (b) Motivation
- (c) Communication
- (d) Leadership

Q12. Match the Dimensions of Business Environment (List I) with their respective descriptions (List II):

List I (Dimensions)	List II (Descriptions)
A. Economic Environment	I. Laws, court decisions, and legal orders
B. Political Environment	II. Government stability and policy attitude
C. Social Environment	III. Traditions, values, and lifestyles
D. Legal Environment	IV. Interest rates, inflation, and GDP

Options:

- (a) A-IV, B-II, C-III, D-I
- (b) A-I, B-IV, C-II, D-III
- (c) A-III, B-I, C-II, D-IV
- (d) A-II, B-III, C-I, D-IV

Q13. Which of the following factors is LEAST likely to be a direct contributor to the development of an individual's entrepreneurial capabilities and mindset?

- (a) Family Background
- (b) Education
- (c) Government Support
- (d) Future Certainty

Q14. It implies a desire to accomplish something difficult.

- (a) Need for Power
- (b) Need for Achievement
- (c) Need for Affiliation
- (d) Need for Autonomy

Q15. Which of the following is NOT management in the real sense:

- (a) A Finance Manager working to attain profit with the help of his subordinates.
- (b) Captain of the Football team discussing strategies to win the match with his team.
- (c) A manager of a Restaurant discussing the days menu with his staff
- (d) A street hawker selling his goods alone in the market

Direction (Q16-Q20): Read the passage given below and answer question

Khanna Ltd. is a company engaged in production and trade of "Phulkari" work of Punjab. Its products are in great demand overseas. The company plans to open one more unit for manufacturing Phulkari products. For this purpose, it requires additional investment of Rs.10 crores. It involves committing the finance on a long-term basis. The Finance Manager of the company has suggested issue of debentures at an estimated cost of 8%. The EBIT of the company was Rs.6,00,000 and total capital invested was Rs.1,00,00,000. The company can also opt for issuing equity shares as an alternative to debt financing. A judicious mix of both sources – Debt and Equity would increase the EPS.

Q16. _____ decision is exhibited in the above case.

- (a) Working Capital
- (b) Dividend
- (c) Investment
- (d) Investment and Financing

Q17. "A judicious mix of both sources - Debt and Equity would increase the EPS' _____ concept of Financial Management is conveyed by the above statement.

- (a) Risk consideration
- (b) Return on Investment
- (c) Cost of Equity
- (d) Trading on Equity

Q18. "The Finance Manager of the company has suggested issue of debentures at an estimated cost of 8%".

The above statement conveys _____ type of financial decision.

- (a) Working capital decision
- (b) Investment decision
- (c) Financing decision
- (d) Dividend decision

Q19. "It involves committing the finance on a long-term basis."

_____ concept of Financial Management is indicated from the above statement.

- (a) Capital budgeting decision
- (b) Financial leverage
- (c) Capital structure decision
- (d) Financial risk

Q20. The decision for opening one more manufacturing unit is related to _____.

- (a) Financing decision
- (b) Investment decision
- (c) Dividend decision
- (d) General decision

Direction (Q21 to Q25): On the basis of the information given in the case, answer the next five questions.

"Just Foodie" is a food chain offering different snacks like chips, biscuits, choco-chip cookies, cakes, etc. through their own retail outlets. To make their products available to customers at right time, right place, they are also selling their products to grocery stores in addition to their own outlets. The taste, quality and packing are given utmost care. They are offering good quality, so they are able to charge higher price than their competitor. To increase their sales. they are using different offers like: Free gifts, Cash backs, etc. They are offering discounts to customers on various occasions. All these considerations have made "Just Foodie" a complete success and they are able to win over different competitors in the market, and their market share is rising continuously.

Q21. In the above case "Just Foodie" is using various variable of Marketing Mix. Identify the variable used in the following statement:

"To make their products available to customers at right time, right place, they are also selling their products to grocery stores in addition to their own outlets. "

- (a) Product
- (b) Price
- (c) Promotion
- (d) Physical distribution

Q22. Identify the element of marketing mix in the following statement:

"The taste, quality and packing are given utmost care."

- (a) Product mix
- (b) Price mix
- (c) Promotion mix
- (d) Physical distribution mix

Q23. "They are able to charge higher price than their competitors." Which element of marketing mix is discussed in the statement?

- (a) Product mix
- (b) Price mix
- (c) Promotion mix
- (d) Physical distribution mix

Q24. "To increase their sales, they are using different offers like: Free gifts, Cash backs etc. They are offering discounts to customers on various occasions." Identify the marketing mix element from the above statement.

- (a) Product mix
- (b) Price mix.
- (c) Promotion mix
- (d) Physical distribution mix

Q25. "To increase their sales, they are using different offers like: Free gifts, Cash backs etc. They are offering discounts to customers on various occasions." Which tool of the promotion mix is used in the given statement?

- (a) Advertisement
- (b) Sales promotion
- (c) Personal selling
- (d) Publicity

Solutions

S1. Ans. (a)

Sol. The Correct Sequence is:

- (E) Reference and background checks
- (A) Selection Decision
- (B) Medical Examination
- (C) Job Offer
- (D) Contract Of Employment

S2. Ans. (b)

Sol. Staffing is primarily concerned with human resources, not physical resources. Ensuring optimum utilisation of human resources (like avoiding overstaffing and understaffing) is a key benefit of staffing. Physical resource management comes under other functions like operations or resource management.

S3. Ans. (a)

Sol. The correct sequence is:

- (B) Identification and division of work
- (D) Departmentalisation
- (C) Assignment of duties
- (A) Establishing authority and reporting relationships

This ensures a logical flow from task recognition to hierarchy establishment.

S4. Ans. (c)

Sol. The correct sequence is:

- (C) Setting objectives
- (E) Developing premises
- (A) Evaluating alternative courses
- (B) Implementing the plan
- (D) Follow-up action

S5. Ans. (a)

Sol. The correct sequence is:

- (B) Setting performance standards - Decide how many defects per batch are acceptable
- (D) Measuring actual performance - Observe and document the real-time output quality
- (E) Comparing with standards - Compare defect rate with what was expected
- (A) Analysing deviations - Find out why actual performance differs from expected results
- (C) Taking corrective action - Take action like retraining staff or modifying standards

S6. Ans. (d)

Sol.

List I (Importance of Controlling)	List II (Descriptions)
A. Accomplishing organisational goals	III. Highlights deviations from plans and guides corrective actions
B. Judging accuracy of standards	II. Helps in reviewing benchmarks in changing environment
C. Making efficient use of resources	I. Prevents misuse and ensures effective resource utilisation
D. Improving employee motivation	IV. Informs employees about performance expectations in advance

S7. Ans. (c)

Sol.

List I (Financial Decisions)	List II (Examples)
A. Investment Decision	III. Buying new machinery for a production plant
B. Financing Decision	IV. Choosing between issuing equity or debentures
C. Dividend Decision	I. Deciding the proportion of profit to distribute
D. Working Capital Decision	II. Managing day-to-day cash and inventory levels

S8. Ans. (a)

Sol.

- **Statement A – Correct:** A consumer is someone who buys goods or services for consideration (paid, promised, or under deferred payment), for personal use.
- **Statement B – Incorrect:** A person who buys goods for resale or commercial purposes is *not* considered a consumer.
- **Statement C – Correct:** The Act covers online, teleshopping, direct selling, and multilevel marketing transactions.
- **Statement D – Correct:** A user or beneficiary using goods/services with the buyer's approval is also a consumer.

S9. Ans. (c)

Sol. The definition of Standardization as setting standards for every business activity, including process, raw material, time, product, machinery, methods, or working conditions, was primarily emphasized by Taylor.

S10. Ans. (b)

Sol.

- **Statement A – Incorrect:** Principles of management promote **scientific and logical decision-making**, not based on personal instinct.
- **Statement B – Correct:** Principles guide managers to use resources efficiently and ensure effective administration.

- **Statement C – Correct:** The principles are flexible and can be adapted to dynamic environments.
- **Statement D – Correct:** These principles form the core of management education and research.

S11. Ans. (a)

Sol. Directing is the management function that involves instructing, guiding, supervising, and inspiring people in the organization to achieve its objectives. Its key elements are:

Motivation: Inspiring employees to perform to the best of their abilities.

Communication: Ensuring clear and effective exchange of information and instructions.

Leadership: Influencing and guiding employees towards the achievement of goals.

Delegation of Authority is a crucial element of the Organizing function of management.

S12. Ans. (a)

Sol.

List I	List II
A. Economic Environment	IV. Interest rates, inflation, and GDP
B. Political Environment	II. Government stability and policy attitude
C. Social Environment	III. Traditions, values, and lifestyles
D. Legal Environment	I. Laws, court decisions, and legal orders

S13. Ans. (d)

Sol. While family background can provide exposure and influence, and government support can offer resources, education directly aims to build entrepreneurial skills and knowledge. Future certainty, on the other hand, is generally not a factor that fosters entrepreneurial development. Entrepreneurship inherently involves navigating uncertainty and ambiguity. A predictable future might even reduce the perceived need for innovation and risk-taking, which are central to entrepreneurship.

S14. Ans. (b)

Sol. Need for Achievement implies a desire to accomplish something difficult.

S15. Ans. (d)

Sol. Management involves coordinating the efforts of others to achieve organizational goals. A street hawker working alone does not engage in management in the true sense, as there is no coordination of efforts or delegation of tasks involved. Management typically involves working with and through people.

S16. Ans. (d)

Sol. The decision to open one more manufacturing unit involves both investment (long-term commitment of funds for the new unit) and financing (choice between issuing debentures or equity shares). Therefore, it exhibits both investment and financing decisions.

S17. Ans. (d)

Sol. Trading on Equity is the concept where a company uses a judicious mix of debt and equity to increase its Earnings Per Share (EPS). By using debt, the company can potentially enhance returns for equity shareholders due to the tax deductibility of interest, provided the return on investment exceeds the cost of debt.

S18. Ans. (c)

Sol. The suggestion to issue debentures at an estimated cost of 8% is a financing decision. It involves choosing the source of funds (debt financing) to raise the necessary capital for the company's expansion.

S19. Ans. (a)

Sol. Committing finance on a long-term basis indicates a capital budgeting decision. This involves planning and managing the company's long-term investments and projects, such as opening a new manufacturing unit.

S20. Ans. (b)

Sol. The decision to open one more manufacturing unit is an investment decision. It involves committing funds to a long-term project that is expected to generate future returns for the company.

S21. Ans. (d)

Sol. In the case of "Just Foodie," the statement describes the company's approach to making their products available to customers through their own retail outlets and grocery stores. This part of the marketing mix relates to how the product reaches the consumer, which is categorized under "Physical distribution."

S22. Ans. (a)

Sol. The statement focuses on the aspects of "Just Foodie's" products like taste, quality, and packing. These are features of the product itself, which falls under the "Product mix" of the marketing mix.

S23. Ans. (b)

Sol. The statement explicitly talks about the monetary value customers pay for the product ("charge higher price"). Setting and managing the pricing strategy, including in relation to competitors, is the core function of the price mix. This element of the marketing mix focuses on determining the value exchange for the product or service.

S24. Ans. (c)

Sol. The use of free gifts, cashbacks, and discounts are promotional strategies aimed at increasing sales and customer engagement. This is categorized under "Promotion mix" in the marketing mix.

S25. Ans. (b)

Sol. The statement describes offers like free gifts, cash backs, and discounts used to increase sales. These are all short-term incentives designed to encourage immediate purchase or trial of a product. This is the core definition and function of sales promotion as a tool within the marketing mix.