

Q1. Efficiency is increased when for the same benefit or outputs _____.

- (a) fewer resources are used and less costs are incurred.
- (b) fewer resources are used and more costs are incurred.
- (c) more resources are used and less costs are incurred.
- (d) more resources are used and more costs are incurred.

Q2. From the options given below, identify the steps that are involved in the process of ensuring that actual activities conform to planned activities:

- (A) Setting performance standards and measurement of actual performance
- (B) Comparison of actual performance with standards
- (C) Taking corrective action
- (D) Analysis of deviations

Choose the **correct** answer from the options given below:

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

Q3. Since planning is an activity, there are certain logical steps for every manager to follow. Identify the correct sequence from the options given below:

- (A) Selecting an alternative: This is the real point of decision-making.
- (B) Evaluating alternative courses: The next step is to weigh the pros and cons of each alternative. The best plan has to be adopted and implemented.
- (C) Follow-up action: Monitoring the plans is equally important to ensure that objectives are achieved.
- (D) Implement the plan: This is concerned with putting the plan into action.

Choose the **correct** answer from the options given below:

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

Q4. Which of the following components are important activities involved in physical distribution?

- (a) Transportation, Warehousing, Order processing, and Inventory Control
- (b) Transportation, Labeling, Material Handling, and Inventory Control
- (c) Transportation, Branding, Material Handling, and Inventory Control
- (d) Transportation, Packaging, Material Handling, and Inventory Control

Q5. Identify the advantages of the functional structure from the options given below.

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(A) It leads to occupational specialisation since emphasis is placed on specific functions. This promotes efficiency in the utilisation of manpower as employees perform similar tasks within a department and are able to improve performance.

(B) It promotes control and coordination within a department because of similarity in the tasks being performed.

(C) It promotes flexibility and initiative because each unit functions as an autonomous sector, which leads to faster decision-making.

(D) It helps in increasing managerial and operational efficiency and this results in increased profit.

Choose the correct answer from the options given below:

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

Q6. Match the items in List-I with the appropriate types of needs in List-II

| List-I (Aspects) | List-II (Type of needs) |
|-------------------------------|-----------------------------------|
| (A) Stability of income | (I) Safety/Security Needs |
| (B) Hunger & thirst | (II) Physiological Needs |
| (C) Self-respect & autonomy | (IV) Esteem Needs |
| (D) Acceptance and friendship | (III) Affiliation/Belonging Needs |

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

Q7. The buyers are willing to spend a lot of time and effort on the purchase of _____.

- (a) Convenience Products
- (b) Shopping Products
- (c) Speciality Products
- (d) Non-durable Products

Q8. Which of the following is not a factor affecting the working capital requirements of a business firm?

- (a) Production Cycle
- (b) Availability of Raw Material
- (c) Inflation
- (d) Technology Upgradation

Q9. Procedures are steps to be carried out within a broad _____ framework.

- (a) Policy
- (b) Strategy
- (c) Budgetary
- (d) Regulatory

Q10. The term "Caveat Emptor" means:

- (a) Let the seller beware
- (b) Let the buyer beware
- (c) Let the producer beware
- (d) Let the distributor beware

Q11. Identify the correct sequence of the process of staffing from the options given below.

- (A) Estimating the Manpower Requirements
- (B) Recruitment and Selection
- (C) Placement and Orientation
- (D) Training and Development

Choose the correct answer from the options given below:

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

Q12. Identify the advantages of formal organization from the options given below.

- (A) It is easier to fix responsibility since mutual relationships are clearly defined.
- (B) There is no ambiguity in the role that each member has to play as duties are specified. This also helps in avoiding duplication of effort.
- (C) It helps to fulfill the social needs of the members and allows them to find like-minded people. This enhances their job satisfaction since it gives them a sense of belongingness in the organisation.
- (D) Unity of command is maintained through an established chain of command.

Choose the correct answer from the options given below:

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

Q13. "The common thread that runs through all activities such as purchase, production, sales, and finance to ensure continuity in the work of the organization, for achieving harmony among individual efforts towards the accomplishment of group goals". Identify the concept of management highlighted in the aforesaid statement.

- (a) Coordination
- (b) Organising
- (c) Controlling
- (d) Directing

Q14. Delegation refers to the _____ transfer of authority from a superior to a subordinate.

- (a) Downward
- (b) Upward
- (c) Horizontal
- (d) Permanent

Q15. "At times, it may be difficult to know the extent of the relative impact of the social, economic, political, technological or legal factors on changes in demand for a product in the market". Identify the feature of the business environment highlighted in the aforesaid statement.

- (a) Uncertainty
- (b) Relativity
- (c) Complexity
- (d) Dynamic nature

Q16. "A manager can leave routine decision-making to his subordinates and deal with exceptional situations which require her/his expertise by following the principles of delegation". Identify the significance of the management principle highlighted in the aforesaid statement.

- (a) Optimum utilisation of resources
- (b) Adaptation to changing environment
- (c) Scientific decision making
- (d) Providing managers with useful insights into reality

Q17. Divisional structure is suitable for which of the following business enterprises?

- (a) A large-sized organization requiring functional specialization.
- (b) Organisation has diversified activities where emphasis is placed on specific functions.
- (c) An organization where operations require a high degree of specialization
- (d) Organization producing a large variety of products using different productive resources

Q18. Identify the benefits offered to the organization through proper staffing.

- (a) Helps in discovering and obtaining competent personnel for various jobs.
- (b) It contributes to lower performance of employees, by putting the right person in the right job.
- (c) Ensures the temporary survival and growth of the enterprise through the succession planning for managers.
- (d) Helps to ensure limited utilization of human resources.

Q19. Which of the following responsibilities a consumer should keep in mind while purchasing, using and consuming goods and services?

- (a) Be aware of various goods and services available in the market so that an irrational choice can be made.
- (b) Buy only non-standardised goods as they provide assurance.
- (c) Learn about the risks associated with products and services, follow manufacturer's instructions and use the products safely.
- (d) Assert yourself to ensure that you get an unfair deal.

Q20. Which function of management is considered as the "thinking function"?

- (a) Planning
- (b) Organizing
- (c) Directing
- (d) Controlling

Q21. A good manager _____ through praise and criticism in such a way that it brings out the best in the employee.

- (a) directs
- (b) organises
- (c) coordinates
- (d) plans

Q22. Which of the following is not a valid aspect of formal organization?

- (a) Formal organization specifies the relationships among various job positions and the nature of their interrelations. This clarifies who has to report to whom.
- (b) Formal organization is a means to achieve the objectives specified in the plans, as it lays down rules and procedures essential for their achievement.
- (c) Independent channels of communication without a specified direction of flow of information are developed by group members in formal organisation
- (d) Efforts of various departments are coordinated, interlinked and integrated through formal organisation.

Q23. If a firm's objective is to obtain a larger share of the market, it will keep the price of its products at _____ levels so that _____ number of people are attracted to purchase the product.

- (a) Lower, Greater
- (b) Higher, Greater
- (c) Higher, Fewer
- (d) Lower, Fewer

Q24. Human Resource Management includes many specialised activities and duties which the human resource personnel must perform. Identify such activities from the options given below:

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- (A) Developing compensation and incentive plans.
- (B) Training and development of employees for efficient performance and career growth.
- (C) Analysing jobs, collecting information about jobs to prepare job descriptions.
- (D) Recruitment, i.e., search for qualified people

Choose the **correct** answer from the options given below:

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

Q25. Identify the benefits of training and development activities for employees from the options given below:

- (A) Improved skills and knowledge due to training lead to a better career for the individual.
- (B) Increased performance by the individual helps him to earn more.
- (C) Training increases the satisfaction and morale of employees.
- (D) Training reduces absenteeism and employee turnover.

Choose the **correct** answer from the options given below:

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

Q26. "The consumer has a right to get relief against unfair trade practices, restrictive trade practices or unscrupulous exploitation in case the product or a service falls short of his expectations". Which consumer right has been exhibited in this statement?

- (a) Right to consumer education
- (b) Right to safety
- (c) Right to seek redressal
- (d) Right to information

Q27. "The health and fitness trend has become popular among many urban dwellers. This has created a demand for products like organic food, gyms, bottled (mineral) water and food supplements". Identify the component of the business environment highlighted in the aforesaid statement.

- (a) Economic environment
- (b) Social environment
- (c) Technological environment
- (d) Political environment

Q28. "Entrepreneurship is not a mysterious gift or charm and something that happens by chance! It is step by step and a purposeful activity". Identify the characteristic of entrepreneurship highlighted in the aforesaid statement.

- (a) Purposeful activity

- (b) Lawful activity
- (c) Innovation
- (d) Systematic activity

Q29. Match List-I with List-II

| List-I (Types of Training) | List-II (Aspects) |
|-------------------------------|--|
| (A) Internship Training | (I) Puts the trainee under the guidance of a master worker. |
| (B) Job Rotation | (II) Employees learn their jobs on the equipment they will be using, but the training is conducted away from the actual workplace. |
| (C) Apprenticeship Programmes | (III) A joint programme of training in which educational institutions and business firms cooperate. |
| (D) Vestibule Training | (IV) Shifting the trainee from one department to another or from one job to another. |

Choose the **correct** answer from the options given below:

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

Q30. Match List-I with List-II

| List-I (Functions of Marketing) | List-II (Description/Function) |
|--|--|
| (A) Customer Support Services | (I) Classification of products into different groups |
| (B) Standardisation | (II) Identification of the needs of the customer |
| (C) Grading | (III) After-Sale Services |
| (D) Gathering and Analysing Market Information | (IV) Producing goods of predetermined specifications |

Choose the **correct** answer from the options given below:

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

Q31. Identify the type of plan which provides the manner in which a task has to be performed considering the objective.

- (a) Method
- (b) Procedure
- (c) Policy
- (d) Strategy

Q32. Match List-I with List-II

| List-I (Component) | List-II (Dimension of Business Environment) |
|--|---|
| (A) The nature of the relationship of our country with foreign countries | (I) Economic Environment |
| (B) Scientific improvements | (II) Social Environment |
| (C) Rates of saving and investment | (III) Political Environment |
| (D) Attitudes towards product innovations | (IV) Technological Environment |

Choose the correct answer from the options given below:

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

Q33. Identify the correct sequence of the process of financial planning from the options given below:

- (A) The preparation of a sales forecast.
- (B) Estimates showing expected profits are made to know how much fund requirements can be met internally.
- (C) The preparation of financial statements.
- (D) Estimation of the requirement for external funds.

Choose the correct answer from the options given below:

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

Q34. "A good control system enables management to verify whether the standards set are accurate and objective." Identify the importance of controlling highlighted in the aforesaid statement.

- (a) Accomplishing organizational goals
- (b) Making efficient use of resources
- (c) Judging accuracy of standards
- (d) Ensuring order and discipline

Q35. Identify the correct sequence of the process of selection from the options given below:

- (A) Selection Decision
- (B) Reference and Background Checks
- (C) Job Offer
- (D) Medical Examination

Choose the **correct** answer from the options given below:

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

Q36. Identify the basic features of “Management as an Art”.

- (A) Universal Validity
- (B) Existence of theoretical knowledge
- (C) Based on creativity
- (D) Personalised Application

Choose the **correct** answer from the options given below:

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

Q37. Identify from the options given below, the competency of an entrepreneur, which focuses on “observing the symptoms, diagnosing and curing”.

- (a) Problem-solving
- (b) Self-confidence
- (c) Persistence
- (d) Assertiveness

Q38. Match **List-I** with **List-II**

| List-I (Elements of Communication) | List-II (Nature) |
|------------------------------------|--|
| (A) Media | (I) The path through which the encoded message is transmitted to the receiver. |
| (B) Decoding | (III) The process of converting encoded symbols of the sender. |
| (C) Feedback | (II) All those actions of the receiver indicating that he has received and understood the message from the sender. |
| (D) Noise | (IV) Hindrance to communication. |

Choose the correct answer from the options given below:

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

Q39. "According to Taylor, there should be an almost equal division of work and responsibility between workers and management. All day long, the management should work almost side by side with the workers helping, encouraging and smoothing the way for them". Identify the principle of scientific management highlighted in the aforesaid statement.

- (a) Science, not the rule of thumb
- (b) Harmony, not discord
- (c) Cooperation, not individualism
- (d) Development of each and every person to his/her greatest efficiency and prosperity

Q40. Which step of controlling states that "performance should be measured in an objective and reliable manner"?

- (a) Setting performance standards
- (b) Analysing Deviations
- (c) Measurement of Actual Performance
- (d) Taking Corrective Action

Comprehension Passage:

On the basis of the passage given below, answer the questions:

Everyone realised that Kalyani Joshi was extremely ambitious and was seeking a higher-level management position. When one of her sales representatives did a good job, she would attempt to take the credit. However, if a problem arose, she thought it was not her fault. For Adarsh, the general manager, providing good and effective direction is a challenging task as it involves many complexities. Adarsh, the general manager, has to deal with people like Kalyani Joshi with diverse backgrounds and expectations. This complicates the directing process. Adarsh is of the viewpoint that directing techniques must help every individual in the organisation to contribute to his maximum for achievement of organisational objectives. Adarsh holds a convincing thought that employee rewards and work efficiency are complimentary to each other. Adarsh ensured that every person in his organisation should receive instructions from one superior only. Adarsh also ensured that appropriate motivational and leadership techniques should be used while directing the people based on subordinate needs, capabilities, attitudes and other situational variables. Adarsh tried to maintain effective managerial contact across all the levels in the organisation, making direction effective. He conveyed clear instructions to create total understanding to subordinates.

Q41. "Adarsh ensured that every person in his organisation should receive instructions from one superior only." Which of the following guiding principles of directing has been highlighted in the aforesaid statement?

- (a) Principle of harmony of objectives
- (b) Principle of unity of command
- (c) Principle of appropriateness of direction technique
- (d) Principle of managerial communication

Q42. "Adarsh holds a convincing thought that employee rewards and work efficiency are complimentary to each other".

Which of the following guiding principles of directing has been highlighted in the aforesaid statement?

- (a) Principle of harmony of objectives
- (b) Principle of leadership

(c) Principle of maximum individual contribution

(d) Principle of unity of command

Q43. "Adarsh tried to maintain effective managerial contact across all the levels in the organisation, making direction effective. He conveyed clear instructions to create total understanding to subordinates".

Which of the following guiding principles of directing has been highlighted in the aforesaid statement?

(a) Principle of harmony of objectives

(b) Principle of unity of command

(c) Principle of managerial communication

(d) Principle of leadership

Q44. "Adarsh ensured that proper motivational and leadership techniques should be used while directing the people based on subordinate needs, capabilities, attitudes and other situational variables".

Which of the following guiding principles of directing has been highlighted in the aforesaid statement?

(a) Follow Through

(b) Use of informal organization

(c) Principle of appropriateness of direction technique

(d) Principle of managerial communication

Q45. "Adarsh is of the viewpoint that directing techniques must help every individual in the organisation to contribute to his maximum for achievement of organisational objectives".

Which of the following guiding principles of directing has been highlighted in the aforesaid statement?

(a) Principle of maximum individual contribution

(b) Principle of harmony of objectives

(c) Principle of unity of command

(d) Principle of appropriateness of direction technique

Comprehension:

On the basis of the passage given below, Answer the questions

Aval Ltd. is engaged in the business of the export of canvas goods and bags. In the past, the performance of the company was above expectations. In line with the latest demand in the market, the company decided to venture into leather goods for which it required specialized machinery. For this, the Finance Manager Prabhu prepared a financial blueprint for the organization's future operations to estimate the amount of funds required and the timings with the objective to ensure that enough funds are available at the right time. He also collected the relevant data about the profit estimates for the coming years. By doing this, he wanted to be sure about the availability of funds from the internal sources of the business. For the remaining funds, he is trying to find alternative sources from outside. The company is willing to go for a public issue of shares and debentures to be made under SEBI guidelines. Public issue of shares and debentures requires considerable outlay of funds too. Due to extensive operations, the manager is of the viewpoint that a company may have to ensure that earnings before interest and taxes of a company should cover the interest obligation. The manager also felt that the cash profits generated by the operations need to be compared with the total cash required for the service of the debentures and the preference share capital.

Q46. "Finance Manager Prabhu prepared a financial blueprint for the organization's future operations to estimate the amount of funds required and the timings with the objective to ensure that enough funds are available at the right time". Identify the concept of financial management highlighted in the aforesaid statement.

- (a) Financial Planning
- (b) Finance Management
- (c) Capital Structure
- (d) Financial Leverage

Q47. "The company is willing to go for a public issue of shares and debentures to be made under SEBI guidelines". Identify the factor affecting capital structure highlighted in the aforesaid statement.

- (a) Risk Consideration
- (b) Regulatory Framework
- (c) Stock Market Conditions
- (d) Capital Structure of other Companies

Q48. "Public issue of shares and debentures requires considerable outlay of funds at the time of issue too". Identify the factor affecting capital structure highlighted in the aforesaid statement.

- (a) Return on Investment
- (b) Cost of Equity
- (c) Floatation Costs
- (d) Cost of Debt

Q49. "Due to extensive operations, the manager is of the viewpoint that a company may have to ensure that earnings before interest and taxes of a company should cover the interest obligation". Identify the factor affecting capital structure highlighted in the aforesaid statement.

- (a) Cash Flow Position
- (b) Interest Coverage Ratio
- (c) Debt Service Coverage Ratio
- (d) Tax Rate

Q50. Which financial ratio will establish the relation between the cash profits generated by the operations and the total cash required for the service of the debentures and the preference share capital?

- (a) Interest Coverage Ratio
- (b) Debt Service Coverage Ratio
- (c) Return on Investment
- (d) Return on Equity