

Management
Paper II

Time Allowed : 75 Minutes] [Maximum Marks : 100

Note : This Paper contains Fifty (50) multiple choice questions, each question carrying Two (2) marks. Attempt All questions.

1. The most appropriate measure of a country's economic growth is its : (A) GDP (B) NDP (C) NNP (D) Per capita real income 2. If the demand for a commodity is, the entire burden of Indirect Tax will fall on the consumer. (A) Relatively inelastic (B) Perfectly inelastic (C) Perfectly elastic (D) Relatively elastic	3. Which of the following economists is credited with developing Modern Monetary Economics ? (A) Adam Smith (B) J.B. Say (C) Milton Friedman (D) Marshall 4. Through which of the following policies, do authorities maintain control over the supply of money for the realization of general economic objectives ? (A) Fiscal Policy (B) Exim Policy (C) Trade Policy (D) Monetary Policy
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5. Capital gains tax is the example of :

- (A) Proportional Tax
- (B) Indirect Tax
- (C) Regressive Tax
- (D) Direct Tax

6. “Assistant Manager, after observing the style of conducting a meeting of Senior Manager on number of occasions started conducting the meeting in similar manner” is an example of :

- (A) Classical conditioning
- (B) Social learning
- (C) Insight learning
- (D) Operant conditioning

7. Organizational commitment is an example of :

- (A) Job satisfaction
- (B) Work attitude
- (C) Personality
- (D) Perception

8. Group dynamics is the systematic study of :

- (A) the forces operating outside the organisation
- (B) the forces operating within the group
- (C) the forces operating between management and union
- (D) the forces operating between suppliers and customer

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9. Participative leadership :

- (A) dictates the terms
- (B) asks for and uses suggestions from subordinates
- (C) gives free-hand to the subordinates
- (D) supports subordinates

10. Conflict is a :

- (A) Natural disagreement arising between two people
- (B) Disliking for each other
- (C) Lack of understanding of one party
- (D) Lack of understanding of the problem

11. Human Resource Management is primarily concerned with :

- (A) Sales
- (B) Dimension of People
- (C) External Environment
- (D) Internal Environment

12. Human Resource Planning is the process of :

- (A) Managing people at work
- (B) Stimulating people to work effectively
- (C) Getting maximum out of employee
- (D) Demand and supply forecasting of manpower

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13. By-product of Job Analysis are :

- (A) Job Enrichment and Job Evaluation
- (B) Job Description and Job Specification
- (C) Job Rotation and Job Transfer
- (D) Job Satisfaction and Job Specification

14. The training analysis is required to :

- (A) Find out the training needs
- (B) Find out additional requirement of manpower
- (C) Find out working problems
- (D) Maintain industrial democracy at work

15. Management Development

Programmes are required :

- (A) to increase production
- (B) to increase effectiveness and personality of a manager
- (C) to increase morale
- (D) to increase team work

16. Green shoe option refers to :

- (A) Options issued by a company engaged in shoe business
- (B) Options issued by company engaged in green marketing
- (C) Option of allocating shares in excess of shares included in public issue
- (D) Option of issuing debentures in place of equity

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17. Which of the following statement is *true* ?

- (A) The degree of operating leverage is a measure of financial risk
- (B) The degree of financial leverage is a measure of business risk
- (C) The EBIT level at which the EPS is the same for two alternative financial plans is known as the financial break-even point
- (D) At financial break-even point, EPS is zero

18. While comparing risk involved in two capital budgeting projects with different initial outlays, the suitable measure is :

- (A) Standard deviation
- (B) Co-efficient of variation
- (C) Co-efficient of correlation
- (D) Beta

19. Which of the following statement is *true* ?

- (A) Retained earnings do not have explicit cost, they carry implicit cost
- (B) Cost of debt is higher than cost of equity
- (C) Beta is a measure of unsystematic risk
- (D) The higher the corporate tax rate, the higher is the cost of debt

20. Which of the following assumption is *not* true in respect of Gordon's Model ?

- (A) All investments are financed by either equity or retained earnings
- (B) The firm has perpetual life
- (C) Growth rate [$g = br$] is constant
- (D) $br > k_e$

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21. Which of the following is *not* true for vertical marketing system ?

- (A) Improves operating efficiency
- (B) Each function is performed at the most advantageous position in the channel
- (C) Stresses the independence of individual members
- (D) Is a tightly co-ordinated distribution channel

22. Mr. X and Mr. Y both own woollen sweaters and are currently shopping for two more sweaters. They both have earlier prices in mind when shopping for new ones. These prices are termed as :

- (A) Psychological prices
- (B) Reference prices
- (C) Price points
- (D) Skimmed prices

23. Which of the following is *not* a generic strategy as given by Michael Porter ?

- (A) Overall cost leadership
- (B) Focus
- (C) Line Pruning
- (D) Differentiation

24. When we practice, we arrange for a product to occupy a clear, distinctive and desirable place relative to competing products in the minds of target consumers.

- (A) Positioning
- (B) Target segmenting
- (C) Re-positioning
- (D) Product distribution

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25. An organization with a orientation assumes that the customers will resist purchasing products not deemed essential.

- (A) Production concept
- (B) Marketing concept
- (C) Societal concept
- (D) Sales concept

26. Infeasibility in graphical solution to Linear Programming Problem is caused by :

- (A) Wrong objective function
- (B) Conflicting constraints
- (C) Absence of alternatives
- (D) Absence of non-negativity constraints

27. Shadow prices of economic resources are given by :

- (A) Optimal solution of Dual
- (B) Optimal solution of Primal
- (C) Intermediate solution of Dual
- (D) Intermediate solution of Primal

28. Degeneracy in Linear Programming Simplex Solution is indicated by :

- (A) Tie in the smallest positive ratio
- (B) Tie in the largest $C_j - Z_j$ value
- (C) No. of occupied cells is less than $m + n - 1$
- (D) No. of occupied cells is more than $m + n - 1$

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29. Markov Analysis is *not* applicable to :

- (A) Brand Switching
- (B) Brand Positioning
- (C) Maintenance Management
- (D) Accounts Receivables

30. In a decision tree model, when the result of taking a decision is uncertain, then the result is represented by :

- (A) A line
- (B) A triangle
- (C) A square
- (D) A circle

31. In order to find independence of two variables which are attributes, the following test is most appropriate test :

- (A) 't' test
- (B) 'Z' test
- (C) 'F' test
- (D) 'Chi-square' test

32. In cluster sampling, the clusters are so formed as :

- (A) The units in the cluster are as homogeneous as possible
- (B) The units in the cluster are as heterogeneous as possible
- (C) The clusters are heterogeneous among themselves
- (D) Some stratification factor may be chosen

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33. If the value of r (Karl Pearson's Correlation Coefficient) is $= -0.1$ then :

- (A) Only b_{yx} must be -ve
- (B) Only b_{xy} must be -ve
- (C) Both b_{yx} and b_{xy} must be -ve
- (D) Both b_{yx} and b_{xy} must be +ve

34. If $P(A) = 0.6$, $P(B) = 0.3$, $P(A \cap B) = 0.2$, then $P(A/B)$ is :

- (A) 0.1
- (B) 0.333
- (C) 0.50
- (D) 0.6607

35. Which of the following is *not* an alternative hypothesis ?

- (A) $H_1 : m \neq m_0$
- (B) $H_1 : m > m_0$
- (C) $H_1 : m < m_0$
- (D) $H_1 : m = m_0$

36. The mechanism whereby the organization seeks to earn a profit by selling its goods is known as :

- (A) Competitive advantage
- (B) Distinctive advantage
- (C) Business model
- (D) Competitive competence

37. Diversification mainly allows a firm to :

- (A) Concentrate on a single business
- (B) Create excess resources
- (C) Use its resources more effectively
- (D) Send its directors on foreign tours

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38. Divestment strategy is pursued when :

- (A) The industry is flourishing
- (B) Many takeovers have already taken place
- (C) The industry is in decline stage
- (D) R&D is not adequate

39. Differentiated business firms are vulnerable to :

- (A) Diversification by rivals
- (B) Regulatory changes
- (C) High costs of R&D
- (D) Low-cost competitors offering similar products

40. Global Entry Strategies are *not* based on :

- (A) Capacity of the shipping-line normally used by a company
- (B) Import Policy of the foreign country
- (C) Costs of manufacturing products abroad
- (D) Requirement of company's products in foreign markets

41. The person who introduced the term 'entrepreneur' was :

- (A) Peter Drucker
- (B) J.S. Mill
- (C) Richard Cantillon
- (D) Schumpeter

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42. Which is the key factor that an entrepreneur should focus on, in ensuring survival of his enterprises ?

- (A) Profits
- (B) Cash flow
- (C) Margin
- (D) Market Share

43. The idea that, 'Extra-ordinary individuals' are the source of entrepreneurial emergence, is put-forth by :

- (A) McClelland
- (B) Schumpeter
- (C) Weber
- (D) Drucker

44. In case of SSIs, who said that 'small is beautiful' ?

- (A) E.F. Schumacher
- (B) Peter Drucker
- (C) Mahatma Gandhi
- (D) Azim Premji

45. The transformation of an idea into useful application is termed as :

- (A) Creativity
- (B) Invention
- (C) Innovation
- (D) Syndication

46. Why should business be socially responsible ?

- (A) To protect customers' requirement
- (B) To increase reputation of the company
- (C) To protect and serve public interest
- (D) To go for organisational development

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47. Which of the practice will *not* create an ethical culture in an organization ?

- (A) Visible role models from an organization
- (B) Clearly communicating ethical expectations
- (C) Provide ethical training
- (D) Punishing whistle blowers

48. In which corporate governance model do financial institutions have major say ?

- (A) American Model
- (B) German Model
- (C) Japanese Model
- (D) Indian Model

49. Dependability, predictability and faith are the three elements that constitute :

- (A) Values
- (B) Moral principles
- (C) Trust
- (D) Justice

50. Corporate governance is the key :

- (A) To the integrity of corporations
- (B) To increase profit
- (C) To motivate employees
- (D) To implement government policies

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