

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.

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

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

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

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) $br > ke$

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

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 $m + n - 1$

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

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

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

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

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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