

KENDRIYA VIDYALAYA SANGHATHAN
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STUDENT SUPPORT
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CHIEF PATRON

Dr. D MANJUNATH

DEPUTY COMMISSIONER

KVS HYDERABAD RO

PREPARED BY

1. SRINIVAS MUTHINENI
KV NO. 2 NAUSENABAUGH, VISAKHAPATNAM
2. MANOJ KUMAR
KV NO. 1 NAUSENABAUGH, VISAKHAPATNAM
3. P JYOTI
KV MALKAPURM, VISAKHAPATNAM
4. SHAZAD ARABI
KV 1, TIRUPATI
5. PREETHA SREEKUMAR
KV NPA SHIVRAMPALLY, HYDERABAD

PART – A: PRINCIPLES AND FUNCTIONS OF MANAGEMENT

CHAPTER 1: NATURE AND SIGNIFICANCE OF MANGEMENT

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| 1 | <p>“The activities involved in managing an enterprise are common to all organizations whether economic, social or political”. Which characteristic of management is highlighted in the given statement?</p> <p>(a) Management is a goal-oriented process (b) Management is all pervasive (c) Management is multidimensional (d) Management is a group activity</p> |
| 2 | <p>“Management aims at reducing costs and increasing productivity”. Which importance of management is highlighted in the given statement?</p> <p>(a) Management helps in achieving group goals (b) Management creates a dynamic organisation (c) Management increases efficiency (d) Management helps in development of society</p> |
| 3 | <p>Raj Ltd.’s target production is 2000 units per month. To achieve this target manager of the company decided to operate in double shifts. The manager is able to achieve the target of 2000 units, but at a higher production cost. In this case the status of manager is</p> <p>(a) Manager was effective and efficient (b) Manager was neither efficient nor effective (c) Manager was effective, but not efficient (d) Manager was efficient, but not effective</p> |
| 4 | <p>Ravikumar is the Managing Director of a small scale industry. He believes in using environment friendly methods of production and aims at giving employment opportunities to the disadvantaged section of the community. Identify the objective of management discussed in this case.</p> <p>(a) Organisational objective (b) Economic Objective (c) Personal Objective (d) Social Objective</p> |
| 5 | <p>James joins an IT firm as system analyst after completing his masters in computer science. As the nature of his work demands he has to work in very close coordination with all the departmental heads in the firm. Very soon he realizes that each departmental head has own individual style of working. They differ greatly in their day to day approach to work. They tend to deal with a given situation, an issue or a problem through a combination of their own experience, creativity, imagination, initiative and innovation.</p> <p>In the context of the above case identify the nature of management.</p> <p>(a) Management as a science (b) Management as an art (c) Management as a profession (d) Management as a discipline</p> |
| 6 | <p>JP Ltd. is a highly reputed company. Different functions are performed by different individuals in this company, who are bound together in a hierarchy of relationships. Every individual in the hierarchy is responsible for successful completion of a particular task. Mr. Rahul responsible for the welfare and survival of the organisation. He formulates overall organizational goals and strategies for their achievement.</p> <p>At which level of management Mr. Rahul is working in JP Ltd.</p> <p>(a) Top Level Management (b) Middle level Management (c) Lower level Management (d) Supervisory Level Management</p> |
| 7 | <p>“Anyone can be called a manager irrespective of the educational qualification possessed.” Identify the characteristic of profession that management does not fulfil in the above statement.</p> <p>(a) Ethical code of conduct (b) Service motive (c) Professional Association (d) Restricted entry</p> |

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| 8 | <p>To become a chartered accountant in India a candidate has to clear a specified examination conducted by the Institute of Chartered Accountants of India. Identify the feature of profession to which the above statement is related.</p> <p>(a) Ethical code of conduct (c) Professional Association</p> <p>(b) Service motive (d) None of these</p> |
| 9 | <p>Globemart is a private limited company with several branches all over the country. It needs a team of designers and craft people. Similarly, another company Info Technologies which develops software needs systems analysts and programmers.</p> <p>Which function of management is needed to satisfy the requirement of the above companies?</p> <p>(a) Planning (c) Staffing</p> <p>(b) Organising (d) Directing</p> |
| 10 | <p>In a manufacturing unit the purchase department purchased 100 tonnes of raw material for production department. Although only 80 tonnes was needed by the production department. Due to this goods were over produced and not accepted by sales department. As a result some goods remained unsold. Which aspect of management is lacking in the above case?</p> <p>(a) Organising (c) Co-ordination</p> <p>(b) Controlling (d) Directing</p> |
| 11 | <p>Directors of PK Ltd. assigned the task of implementing the plans and policies framed the board to all the department heads. Departmental heads appointed supervisors, superintendent, executives etc. so that work can be assigned to workers as per the plan. Identify the feature of management highlighted in the above case.</p> <p>(a) Management is a goal oriented process (c) Management is multidimensional</p> <p>(b) Management is all pervasive (d) Management is a group activity</p> |
| 12 | <p>A group of people believes that management is a systematic body of knowledge that explain certain general truth and is based on logical observation. The nature of management mentioned here is</p> <p>(a) Management as a science (c) Management as a profession</p> <p>(b) Management as an art (d) Management as a discipline</p> |
| 13 | <p>The manager of Bheem Ltd. makes sure all the employees in his team perform the task on time with minimum cost. His main focus is on cost cutting, so he never listens to the demand of employees for increasing salary. He even gives no opportunity to employees for promotion. As a result, workers started becoming frustrated and dissatisfied all the time. Which objective of management is not considering by the manager?</p> <p>(a) Organisational objective (c) Personal Objective</p> <p>(b) Economic Objective (d) Social Objective</p> |
| 14 | <p>An important factor of the organizational objectives of a business can be measured by sales volume, number of employees, number of products, number of branches etc. Name the factor out of the following:</p> <p>(a) Profit (c) Survival</p> <p>(b) Growth (d) None of these</p> |
| 15 | <p>'In order to be successful an organisation must change its goals according to the needs of the environment'. Which characteristic of management is highlighted in the statement?</p> <p>(a) Management is dynamic (c) Management is multidimensional</p> <p>(b) Management is all pervasive (d) Management is a group activity</p> |

| 16 | <p>'Even where members of a department willingly cooperate and work, a manager has to coordinate the efforts of different people in a conscious manner'. Identify the feature of coordination mentioned in this statement.</p> <p>(a) Coordination ensures unity of action (b) Coordination is a deliberate function (c) Coordination is a continuous process (d) Coordination integrates group efforts</p> | | | | | | | | | | | | | | | | |
|-----|---|-------|---|--|-----------|-----|----------------------|-----|--|-----|-------------------------|------|--------------------------------|-----|------------------------|-------|---|
| 17 | <p>Which one of the following sequences of management process is correct?</p> <p>(a) Planning-staffing- organizing- directing – controlling (b) Directing – Planning – Controlling – Staffing – organizing (c) Planning – Organising- Staffing- Directing – Controlling (d) Organising – staffing – Directing- Planning – Controlling</p> | | | | | | | | | | | | | | | | |
| 18 | <p>Match the concepts in Column I with their respective statements in column –II</p> <table border="1" data-bbox="159 649 1241 840"> <thead> <tr> <th></th> <th>Column-I</th> <th></th> <th>Column-II</th> </tr> </thead> <tbody> <tr> <td>(a)</td> <td>Effectiveness</td> <td>(i)</td> <td>Doing the task correctly with minimum cost</td> </tr> <tr> <td>(b)</td> <td>Efficiency</td> <td>(ii)</td> <td>Finishing the task on time</td> </tr> <tr> <td>(c)</td> <td>Process</td> <td>(iii)</td> <td>The activities or functions that management performs to get things done</td> </tr> </tbody> </table> <p>(a) (ii), (i), (iii) (b) (ii), (iii), (i) (c) (iii), (ii), (i) (d) (i), (iii), (ii)</p> | | Column-I | | Column-II | (a) | Effectiveness | (i) | Doing the task correctly with minimum cost | (b) | Efficiency | (ii) | Finishing the task on time | (c) | Process | (iii) | The activities or functions that management performs to get things done |
| | Column-I | | Column-II | | | | | | | | | | | | | | |
| (a) | Effectiveness | (i) | Doing the task correctly with minimum cost | | | | | | | | | | | | | | |
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| 19 | <p>Match the levels of management in Column I with their respective managerial personnel in column II</p> <table border="1" data-bbox="159 1019 1412 1176"> <thead> <tr> <th></th> <th>Column-I</th> <th></th> <th>Column-II</th> </tr> </thead> <tbody> <tr> <td>(a)</td> <td>Top Level Management</td> <td>(i)</td> <td>Supervisor</td> </tr> <tr> <td>(b)</td> <td>Middle Level Management</td> <td>(ii)</td> <td>Chairman</td> </tr> <tr> <td>(c)</td> <td>Lower Level Management</td> <td>(iii)</td> <td>Production Manager</td> </tr> </tbody> </table> <p>(a) (ii), (i), (iii) (b) (ii), (iii), (i) (c) (iii), (ii), (i) (d) (i), (iii), (ii)</p> | | Column-I | | Column-II | (a) | Top Level Management | (i) | Supervisor | (b) | Middle Level Management | (ii) | Chairman | (c) | Lower Level Management | (iii) | Production Manager |
| | Column-I | | Column-II | | | | | | | | | | | | | | |
| (a) | Top Level Management | (i) | Supervisor | | | | | | | | | | | | | | |
| (b) | Middle Level Management | (ii) | Chairman | | | | | | | | | | | | | | |
| (c) | Lower Level Management | (iii) | Production Manager | | | | | | | | | | | | | | |
| 20 | <p>Match the Nature of Management in Column I with their respective statement in Column II</p> <table border="1" data-bbox="159 1355 1412 1512"> <thead> <tr> <th></th> <th>Column-I</th> <th></th> <th>Column-II</th> </tr> </thead> <tbody> <tr> <td>(a)</td> <td>Science</td> <td>(i)</td> <td>Restricted entry</td> </tr> <tr> <td>(b)</td> <td>Art</td> <td>(ii)</td> <td>Systematized body of knowledge</td> </tr> <tr> <td>(c)</td> <td>Profession</td> <td>(iii)</td> <td>Personalized Application</td> </tr> </tbody> </table> <p>(a) (ii), (i), (iii) (b) (ii), (iii), (i) (c) (iii), (ii), (i) (d) (i), (iii), (ii)</p> | | Column-I | | Column-II | (a) | Science | (i) | Restricted entry | (b) | Art | (ii) | Systematized body of knowledge | (c) | Profession | (iii) | Personalized Application |
| | Column-I | | Column-II | | | | | | | | | | | | | | |
| (a) | Science | (i) | Restricted entry | | | | | | | | | | | | | | |
| (b) | Art | (ii) | Systematized body of knowledge | | | | | | | | | | | | | | |
| (c) | Profession | (iii) | Personalized Application | | | | | | | | | | | | | | |
| 21 | <p>Assertion (A): Coordination is needed in all departments and at all levels. Reason (R): Activities are independent in all departments and levels.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True.</p> | | | | | | | | | | | | | | | | |
| 22 | <p>Assertion (A): Management is called an inexact Science. Reason (R): Management deals with complex human behaviour, which cannot be determined with accuracy.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of</p> | | | | | | | | | | | | | | | | |

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| | <p>Assertion (A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True.</p> | | | | |
| 23 | <p>Assertion (A): Effectiveness and efficiency are two sides of the same coin. Reason (R): For management, it is important to be both effective and efficient. (a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True.</p> | | | | |
| 24 | <p>Assertion (A): Coordination is the essence of management. Reason (R): Coordination is implicit and inherent in all functions of an organisation. (a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True.</p> | | | | |
| 25 | <p>Assertion (A): Management is a tangible force. Reason (R): The effect of management is noticeable in an organisation where targets are met according to plan. (a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True.</p> | | | | |
| 26 | <p>Assertion (A): Coordination is not a one-time function, but a continuous process. Reason (R): Coordination begins at directing stage and continues till controlling. (a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True.</p> | | | | |
| | <p>Kiran is the Managing Director of PCB (P) Ltd. He decided to set up a new manufacturing unit of his company in a rural area of Odisha where job opportunities are very less. He believes in using environment friendly methods of production and aims at giving employment opportunities to the disadvantaged section of the community. As a manager he aims at reducing cost and increasing productivity through better planning, organizing, directing, staffing and controlling the activities of the organization. Kiran considers human resources as the greatest asset of any organization. Getting work done through others is a major task of a manager as per the views of Kiran. As a manager Kiran believes that his task is to make workers work towards achieving the organisations' goal.</p> | | | | |
| 27 | <p>Identify the level of management at which Kiran is working</p> <table border="0"> <tr> <td>(a) Top Level Management</td> <td>(b) Middle Level Management</td> </tr> <tr> <td>(c) Lower-Level Management</td> <td>(d) Supervisory level Management</td> </tr> </table> | (a) Top Level Management | (b) Middle Level Management | (c) Lower-Level Management | (d) Supervisory level Management |
| (a) Top Level Management | (b) Middle Level Management | | | | |
| (c) Lower-Level Management | (d) Supervisory level Management | | | | |
| 28 | <p>Identify the objective of the management discussed in the given case</p> <table border="0"> <tr> <td>(a) Economic Objective</td> <td>(b) Organisational Objective</td> </tr> <tr> <td>(c) Social Objective</td> <td>(d) Personal Objective</td> </tr> </table> | (a) Economic Objective | (b) Organisational Objective | (c) Social Objective | (d) Personal Objective |
| (a) Economic Objective | (b) Organisational Objective | | | | |
| (c) Social Objective | (d) Personal Objective | | | | |

CHAPTER 2: PRINCIPLES OF MANGEMENT

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| 1 | <p>‘Principles of Management are not rigid prescriptions which have to be followed absolutely’. Identify the nature of management principles discussed in the given statement.</p> <p>(a) General Guidelines (b) Pervasive (c) Flexible (d) Contingent</p> |
| 2 | <p>“Principles of Management act as guidelines for the managers. These principles improve knowledge, ability, and understanding of managers under various managerial situations”. Identify the significance of Management Principles mentioned in the above statement.</p> <p>(a) Providing managers with useful insight into reality (b) Scientific decisions (c) Effective administration (d) Fulfilling social responsibilities</p> |
| 3 | <p>The principle of division of work is applied in government offices, hospitals, schools, banks etc. Which characteristic of principles of management is referred in the above statement?</p> <p>(a) General Guidelines (b) Pervasive (c) Flexible (d) Contingent</p> |
| 4 | <p>The employees of SK Ltd. deserve fair and just remuneration. But what is just and fair is determined by multiple factors. They include contribution of the employee, paying capacity of the employer and also prevailing wage rate etc. Identify the feature of principles of management to which the above case is related.</p> <p>(a) General Guidelines (b) Pervasive (c) Flexible (d) Contingent</p> |
| 5 | <p>‘Principles of Management are at the core of management theories. Professional courses such as BBA, MBA also teach these principles as a part of their curriculum’. Which importance of principles of management is highlighted in the above statement?</p> <p>(a) Management training, education and research (b) Scientific decisions (c) Effective administration (d) Fulfilling social responsibilities</p> |
| 6 | <p>Mr. Arun is the owner of a printing press. The size of his organization has increased during the recent past. There are many employees who works in his organization. The organization is considered good and has earned a lot of reputation in the market. However, when it comes to making key decisions in the organization related to many things, he never considers the opinions of his subordinates. Even though the size of the organization has increased yet he tries to take all the key decisions on his own. Which principle of Fayol has been violated by him?</p> <p>(a) Centralization and decentralization (b) Discipline (c) Scalar Chain (d) Authority and Responsibility</p> |
| 7 | <p>Deepak and Rajesh started their career in Green Ltd. after going through a rigorous recruitment process. Since they had no prior work experience, the firm decided to give them one year to prove themselves. The principle of management followed by Green Ltd. is</p> <p>(a) Division of work (b) Initiative (c) Order (d) Stability of personnel</p> |
| 8 | <p>Mr. Rohan, sales manager of Ruby Ltd. has to negotiate a deal with a buyer. He finds that if he can offer credit period of 40 days he is likely to clinch the deal which is supposed to fetch the company net margin of say Rs.30 crores. Now the company gives power to the manager to offer a credit period of only 30 days. Which principle of Fayol is violated here?</p> <p>(a) Division of work (b) Authority and Responsibility (c) Order (d) Stability of personnel</p> |

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| 9 | <p>Employees of production department is asked to go slow in production to maintain quality standard and at the same time sales in-charge insisted them to fasten the production to meet the pending orders. This situation is creating confusion among employees. What would you suggest to follow to get rid of this situation?</p> <p>(a) Unity of direction (c) Unity of command</p> <p>(b) Discipline (d) Order</p> |
| 10 | <p>There was disorder, confusion, and chaos in a company as superior in the company do not meet up their commitments. There is no systematic working in the organization and delay in work due to absence of rules and regulations. Which principle of management is overlooked in this company?</p> <p>(a) Unity of direction (c) Unity of command</p> <p>(b) Discipline (d) Order</p> |
| 11 | <p>According to Fayol, 'Organisations should have a chain of authority and communication that runs from top to bottom and should be followed by managers and the subordinates. According to Fayol, this chain should not be violated in the normal course of formal communication. Which principles of management is given by Fayol?</p> <p>(a) Division of work (c) Scalar Chain</p> <p>(b) Discipline (d) Authority and Responsibility</p> |
| 12 | <p>Mahesh and Maya are sales representatives of a company having same educational qualification. Mahesh is getting Rs.8,000 per month and Maya Rs.6,000 per month. Which Principle of management is violated in this case?</p> <p>(a) Order (c) Initiative</p> <p>(b) Equity (d) Remuneration of personnel</p> |
| 13 | <p>Arjun and Govind are employees of Star Ltd. Arjun designed a plan for the cost reduction, but it was not welcomed by the production manager. Similarly, Govind gave some suggestion for improvement in quality of the product. But it was also not appreciated by the production manager. Which Principle of Management is not followed by Star Ltd?</p> <p>(a) Initiative (c) Discipline</p> <p>(b) Equity (d) Esprit de corps</p> |
| 14 | <p>Rajeev, Purchase Manager of GK Ltd. has to purchase 200 tonnes of raw material. Apart from the other suppliers in the market, his uncle also supplies that raw material. Rajeev purchased the raw material from his uncle at a rate higher than the market rate. Which principle of management has been violated in this situation?</p> <p>(a) Order (c) Initiative</p> <p>(b) Equity (d) Subordination of individual interest to general interest</p> |
| 15 | <p>A manager should replace "I" with "We" in all his conversation to encourage team spirit. Identify the principle of management emphasized here</p> <p>(a) Esprit de corps (c) Discipline</p> <p>(b) Equity (d) Initiative</p> |
| 16 | <p>In a company, on the basis of several observations it is determined that standard time taken by the worker to make one cardboard box is 20 minutes. So in one hour he/she will make 3 boxes. Assuming that a worker has to put in 8 hours of work in a shift and deducting one hour for rest and lunch, it is determined that in 7 hours a worker makes 21 boxes @ 3 boxes per hour. Identify the technique of scientific management used in this case.</p> <p>(a) Method Study (b) Time Study (c) Motion Study (d) Fatigue Study</p> |

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| 17 | <p>BNK Ltd. wants to differentiate between its efficient and inefficient workers. For the same, it is determined that standard output per worker per day is 10 units and those who made standard or more than standard will get Rs.60 per unit and those below will get Rs.50 per unit. Now an efficient worker making 12 units will get $12 \times 60 = \text{Rs.}720$ per day whereas a worker who makes 8 units will get $8 \times 50 = \text{Rs.}400$ per day.</p> <p>Which technique of scientific management is highlighted in the above case?</p> <p>(a) Method Study (c) Standardisation of work</p> <p>(b) Functional Foremanship (d) Differential piece wage system</p> |
| 18 | <p>The management of Glory Ltd. decided that they should not close its ears to any constructive suggestions made by the employees. They should be rewarded for their suggestions. They should be part of management and if any important decisions are taken, workers should be taken into confidence.</p> <p>Which principle of scientific management is related to the above case?</p> <p>(a) Science, not rule of thumb (c) Cooperation, not individualism</p> <p>(b) Harmony, not discord (d) Development of each and every person</p> |
| 19 | <p>RK Ltd. is a world-renowned retail chain store. The customers here are very much pleased with the products and services provided in the stores. The customer satisfaction and internal efficiency indicator of the organization is rated best in the industry. However there have been a few steps taken by the organization which provide the organization this edge. The organization has used a special type of software which integrates all the stores and brings uniformity in its billing and working pattern.</p> <p>Which principle of scientific management is mentioned here?</p> <p>(a) Science, not rule of thumb (c) Cooperation, not individualism</p> <p>(b) Harmony, not discord (d) Development of each and every person</p> |
| 20 | <p>According to this principle of scientific management, “ Scientific management has for its foundation the firm conviction that true interest of the management and workers are one and the same; the prosperity for the employer cannot exist for a long time unless it is accompanied by prosperity for the employees and vice versa”.</p> <p>Identify the principle of scientific management mentioned in the above statement.</p> <p>(a) Science, not rule of thumb (c) Cooperation, not individualism</p> <p>(b) Harmony, not discord (d) Development of each and every person</p> |
| 21 | <p>Assertion (A): Management principles are not as rigid as principles of pure science Reason (R): Management principles deal with human behaviour.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True</p> |
| 22 | <p>Assertion (A): The principles of management should be distinguished from techniques of management Reason (R): Techniques are guidelines to take decisions while practicing principles</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True</p> |

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| 23 | <p>Assertion (A): Unity of command prevents dual subordination. Reason (R): According to Fayol, there should be one and only one boss for every individual employee.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion(A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion(A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True</p> |
| 24 | <p>Assertion (A): Principle of order is to get order from one superior at one time Reason (R): Fayol favoured this principle as men and material at fixed place saves time and energy.</p> <p>a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A) b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A) c) Assertion (A) is True but Reason (R) is False. d) Assertion (A) is False but Reason (R) is True</p> |
| 25 | <p>Assertion(A): A business is creation of society and makes use of resources of society. Reason(R): Management principles do not help to perform social responsibilities. It only helps in achieving organizational objectives.</p> <p>a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A) b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A) c) Assertion (A) is True but Reason (R) is False. d) Assertion (A) is False but Reason (R) is True.</p> |
| 26 | <p>Assertion (A): According to Division of work the whole work is divided into small task or unit of work should be assigned to one person according to the capacity, qualification and experience of the person. Reason (R): When a person is performing a part again and again he will become perfect and get the benefit of specialization.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A) (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion (A) (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True</p> |
| 27 | <p>Zenit Ltd. is a well-known company in India. It is able to earn adequate revenues to cover costs. Its capital base, number of employees and production turnover has increased manifolds over the years. The rate of profitability of the business is also credible. The employees of the company are happy and satisfied. The overall pay and compensation paid by the company is fair to both employees and the organization. There is complete cooperation between the workers and the management. The spirit of competition has been replaced by the spirit of cooperation within the organization. As a part of its moral obligation, the company has taken many initiatives for providing employment to specially abled persons and promoting literacy in the rural areas</p> <p>‘It is able to earn adequate revenue to cover costs’. Which organizational objective is achieved by the company in the given statement ? (a) Growth (b) Profit (c) Survival (d) Diversification</p> |

CHAPTER 3: BUSINESS ENVIRONMENT

| 1 | <p>Demand for Sari may be fairly high in India, whereas it may be almost non-existent in France. Which characteristics of Business environment are referred here?</p> <p>(a) Dynamic (b) Inter-relatedness (c) Complexity (d) Relativity</p> | | | | | | | | | | |
|---|--|----------|-----------|---------------------------|---------------------------|---------------------------|-------------------------|---|---------------------------------|---|---------------------------|
| 2 | <p>The Trend of Yoga as a result of COVID-19 relates to:</p> <p>(a) Social (b) Political (c) Technological (d) Legal</p> | | | | | | | | | | |
| 3 | <p>Since business environment consist of numerous interrelated and dynamic conditions or forces which arise from different sources it becomes difficult to comprehend at once what exactly constitute a given environment. The characteristics of business environment highlighted here is:</p> <p>(a) Relativity (b) Complexity (c) Uncertainty (d) Totality</p> | | | | | | | | | | |
| 4 | <p>Investors, Customers, Competitors and suppliers come under _____ forces.</p> <p>(a) General (b) Specific (c) General & Specific (d) None of the above</p> | | | | | | | | | | |
| 5 | <p>Which of the following is an example of social environment?</p> <p>(a) Money supply in the economy (b) Consumer Protection Act (c) The Constitution of the country (d) Composition of family</p> | | | | | | | | | | |
| 6 | <p>Many multinational food chains such as KFC, Mc Donald's, Domino's etc. have altered their menu according to Indian taste and culture. Name the dimension of business environment which is responsible for this step.</p> <p>(a) Economic environment (b) Social Environment (c) Technological environment (d) Legal environment</p> | | | | | | | | | | |
| 7 | <p>The court issued the order that it is essential for the vehicles to be smokeless and that any one violating this order shall have to pay fine. Identify the dimension of business environment.</p> <p>(a) Economic (b) Political (c) Social (d) Legal</p> | | | | | | | | | | |
| 8 | <p>Online reservation of railway ticket is an example for which types of dimensions of business environment.</p> <p>(a) Economic (b) Political (c) Social (d) Technological</p> | | | | | | | | | | |
| 9 | <p>Legal environment includes</p> <p>(a) Various Laws and Legislative Act (b) Administrative order issued by government authorities (c) Court judgments (d) All of these</p> | | | | | | | | | | |
| 10 | <p>Match the following</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="width: 50%; text-align: left;">Column I</th> <th style="width: 50%; text-align: left;">Column II</th> </tr> </thead> <tbody> <tr> <td>A. Stock Market Indicates</td> <td>(i) Political Environment</td> </tr> <tr> <td>B. Customs and Traditions</td> <td>(ii) Social Environment</td> </tr> <tr> <td>C. New Techniques of operating business</td> <td>(iii) Technological Environment</td> </tr> <tr> <td>D. General stability and peace in the country</td> <td>(iv) Economic Environment</td> </tr> </tbody> </table> <p>(a) A (iv), B (iii), C (i), D (ii) (b) A (ii), B (iii), C (iv), D (i) (c) A (iii), B (iv), C (ii), D (i) (d) A (iv), B (ii), C (iii), D (i)</p> | Column I | Column II | A. Stock Market Indicates | (i) Political Environment | B. Customs and Traditions | (ii) Social Environment | C. New Techniques of operating business | (iii) Technological Environment | D. General stability and peace in the country | (iv) Economic Environment |
| Column I | Column II | | | | | | | | | | |
| A. Stock Market Indicates | (i) Political Environment | | | | | | | | | | |
| B. Customs and Traditions | (ii) Social Environment | | | | | | | | | | |
| C. New Techniques of operating business | (iii) Technological Environment | | | | | | | | | | |
| D. General stability and peace in the country | (iv) Economic Environment | | | | | | | | | | |

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| | <p>Direction (Q. No.11 to 13) There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below:</p> <p>(a) Both Assertion(A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)</p> <p>(b) Both Assertion (A) and Reason (R) are true but reason (R) is not the correct explanation of Assertion (A)</p> <p>(c) Assertion (A) is true but Reason (R) is false</p> <p>(d) Assertion (A) is false but Reason (R) is true</p> |
| 11 | <p>Assertion (A): Manufacturers have now flexible manufacturing systems.</p> <p>Reason (R) : Agricultural and industrial production trends are the economic dimensions of the environment which affect the business environment.</p> |
| 12 | <p>Assertion (A): Entry of new firms in the market may make an enterprise think afresh about how to deal with the situations.</p> <p>Reason (R): Business Environment assist in planning and policy formulation.</p> |
| 13 | <p>Assertion (A): Reservation of jobs for backward classes as per the constitution of India affects the business environment.</p> <p>Reason (R): Various elements of legal dimension affect the business environment</p> |
| | <p>Direction Read the following text and answer the question number 14-18 on the basis of the same</p> <p>The government all over the world are becoming more and more cautious towards the environment. To ensure the same, recently, many state governments passed an order to ban polythene bags since these are non-biodegradable. As a result, the government also decided to give a subsidy to jute industry (bags). The minister said in the statement that they believe it will be helpful as income of people is rising and people can afford jute bag.</p> <p>After this subsidy, Aman saw great potential in jute multi-pocket bags business which was not established yet in India but had been flourishing in UK where he studied during his graduation. He launched the product and his business started to boom. So, more companies entered into the market with other articles and improvisations.</p> <p>14 Which business dimension is highlighted in the line," As a result, the government also decided to give a subsidy to jute industry (bags)."</p> <p>(a) Legal (b) Political (c) Economic (d) Social</p> <p>15 Which business dimension is highlighted in the line," The Minister said in the statement that he believes it will be helpful as income of people are rising and people can afford jute bags."?</p> <p>(a) Legal (b) Political (c) Economic (d) Social</p> <p>16 Which merit of business environment is highlighted in the lines, "After the subsidy Aman saw great potential in jute multi-pocket bags business which was not established yet in India but had been flourishing in UK where he studied during his graduation."</p> <p>(a) Identify opportunities (b) Tapping useful resources (c) Coping with rapid changes (d)Assisting in planning</p> <p>17 Which merit of business environment is highlighted in the lines," He launched the product and his business started to boom. So, more companies entered into the market with other articles and improvisations."</p> <p>(a) Identify opportunities (b) Identified threats (c) Assisting in planning (d) Coping with rapid changes</p> |

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| 18 | Which dimension of business environment is highlighted in the given lines," To ensure the same, many state government passed an order to ban polythene bags since these are non-biodegradable." (a) Political (b) Legal (c) Technological (d) Economic |
| 19 | Direction Read the following text and answer the question number 19-22 on the basis of the same Rita and Rohit are good friends and after finishing their graduation they decided to start their own travel agency which will book Rail Tickets and Air Tickets on commission basis. They also thought of providing tickets through the use of internet. They discussed the idea with Rita's uncle Manoj who was working as a professor in a reputed university. He liked their idea and suggested them to first analyse the business environment which consist of investors, competitors and other forces like social, political etc., that may affect their business. He further told them about the technological improvements and shifts in customer preferences that were taking place and hence, they should be aware of the environmental trends and changes which may hinder their business performance. |
| 20 | Identify the component of business environment highlighted in the above paragraph (a) Economic Environment (b) Social Environment (c) Technological Environment (d) Political Environment |
| 21 | Identify the feature(s) of business environment as discussed by Professor Manoj with Rita and Rohit. (a) Specific and general forces (b) Inter-relatedness (c) Dynamic nature (d) Uncertainty |
| 22 | Identify the point(s) of importance of business environment as stated by Professor Manoj in the above situation. (a) It enables the firm to identify opportunities and getting the first mover advantage. (b) It helps the firm to identify threats and early warning signals. (c) It helps in tapping useful resources. (d) It helps in assisting in planning and policy formulation |
| 22 | "Rita and Rohit after finishing their graduation they decided to start their own travel agency which will book Rail Tickets and Air Tickets on commission basis" Which dimension of business environment highlighted here? (a) Economic (b) Political (c) Legal (d) Social. |

ANSWERS:

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| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| d | a | b | b | d | b | d | d | b | d |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| b | a | a | b | c | a | b | b | c | a |
| 21 | 22 | | | | | | | | |
| b | a | | | | | | | | |

CHAPTER 4: PLANNING

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| 1 | <p>Mr. Mohan Kumar is working as the manager of KS Foods (P) Ltd. The general goal of establishing his company was to become the leader of food industry. He determined the activities and plans for the realization of the general goal. In the plans themselves he determined the specific goals also. He knew it very well that the planning done by him was of no significance if he failed to contribute to the realization of pre-determined organizational objectives.</p> <p>Identify the feature of planning described in the above case.</p> <p>(a) Planning focuses on achieving objectives (b) Planning is pervasive (c) Planning is primary function of management (d) Planning is continuous</p> |
| 2 | <p>'Planning lays down the base for other managerial functions'. Which feature of planning is mentioned here?</p> <p>(a) Planning focuses on achieving objectives (b) Planning is pervasive (c) Planning is primary function of management (d) Planning is continuous</p> |
| 3 | <p>Planning requires application of the mind involving foresight, intelligent imagination and sound judgement. Which feature of planning is mentioned in the given statement?</p> <p>(a) Planning focuses on achieving objectives (b) Planning is pervasive (c) Planning is forward looking (d) Planning is a mental exercise</p> |
| 4 | <p>Planning is required at all levels of the management and in all types of organizations. It is not a function restricted to top level managers only but planning is done by managers at every level. Identify the feature of planning mentioned in the above statement?</p> <p>(a) Planning focuses on achieving objectives (b) Planning is pervasive (c) Planning is forward looking (d) Planning is a mental exercise</p> |
| 5 | <p>Rajeev is working as the sales manager in PK Ltd. He is preparing a sales plan for his department. He is of the view that a good plan can be prepared by possibilities of future events and conditions through the medium of forecast. Identify the feature of planning given in the above case.</p> <p>(a) Planning focuses on achieving objectives (b) Planning is pervasive (c) Planning is forward looking (d) Planning is futuristic</p> |
| 6 | <p>Mr. Arun is working as the top-level manager in a business organization. He has been given the job of preparing the plans for the whole company. Mr. Arun is an expert in making a correct forecast. At first, he looks for the different options to complete every job, and then on the basis of their evaluation selects most suitable option. In this way by taking correct decision and beating his competitors, he is moving forward.</p> <p>Identify the importance of planning described above.</p> <p>(a) Planning facilitates decision making (b) Planning provides direction (c) Planning promotes innovative ideas (d) Planning establishes standard for controlling</p> |
| 7 | <p>Surya (P) Ltd. is a newly established company. The goals of the company have been very well defined. The employees know what the organisation aims at doing and what they should do for the realization of the goal. The company did the planning in such a way that all the departments and employees are able to work in coordination. This is the very result of successful planning that the company is moving forward on the path of success.</p> <p>Which importance of planning is described in the above case?</p> <p>(a) Planning facilitates decision making (b) Planning provides direction (c) Planning promotes innovative ideas (d) Planning establishes standard for controlling</p> |

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| 8 | <p>“If there were no goals and standard, then finding deviation would not be possible. The nature of corrective action required depends upon the extent of deviations from the standard”. Identify the importance of planning mentioned in the above statement.</p> <p>(a) Planning facilitates decision making (b) Planning provides direction (c) Planning promotes innovative ideas (d) Planning establishes standard for controlling</p> |
| 9 | <p>“Planning ensures clarity in thought and action; work is carried on smoothly without interruption. Useless and redundant activities are minimized or eliminated”. Which importance of planning is highlighted here?</p> <p>(a) Planning facilitates decision making (b) Planning provides direction (c) Planning reduces overlapping and wasteful activities (d) Planning establishes standard for controlling</p> |
| 10 | <p>Excel Ltd. spent a lot of money to hire specialised people for framing their plans and collecting important facts from environment. Which limitation of planning is mentioned in the above case?</p> <p>(a) Planning leads to rigidity (b) Planning reduces creativity (c) Planning involves huge cost (d) Planning is time consuming</p> |
| 11 | <p>Ramesh, is working as a supervisor in Star (P) Ltd. To achieve the target, he wants to try a new method and a different way of allocating the work. His superior did not permit him and forced him to do the work strictly as per the plan.</p> <p>Name the limitation of planning indicated in the above case.</p> <p>(a) Planning does not give guarantee success (b) Planning reduces creativity (c) Planning involves huge cost (d) Planning is time consuming</p> |
| 12 | <p>“Once plans are made to decide the future course of action, the manager may not be in a position to change them”. Identify the limitation of planning</p> <p>(a) Planning leads to rigidity (b) Planning reduces creativity (c) Planning involves huge cost (d) Planning is time consuming</p> |
| 13 | <p>Mr. Vinod is the Managing Director of PVS Ltd. The company has 56 Stores in the whole of India, through which the company makes it good reach to the customers. The company’s products have a good hold in the market. Mr. Vinod had decided to increase the number of stores to 100. The information has been communicated to all the departments; namely, Finance, purchase, sales, production, Personnel etc.</p> <p>Identify the stage of planning process which is being completed by Mr. Vinod</p> <p>(a) Setting objectives (b) Developing premises (c) Identifying alternative courses of action (d) Evaluating alternative course of action</p> |
| 14 | <p>This is the step where other managerial functions also come into the picture as it concerned with putting the plan into action. i.e., doing what is required. Identify the step in the planning process.</p> <p>(a) Setting objectives (b) Developing premises (c) Identifying alternative courses of action (d) Implementation of plan</p> |
| 15 | <p>Which of the following step in the process of planning states that the managers are required to make some assumptions about the future ?</p> <p>(a) Setting objectives (b) Developing premises (c) Identifying alternative courses of action (d) Implementation of plan</p> |

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| 16 | <p>“The monitoring of plan is very important because it helps to verify whether the conditions and predictions assumed in plan are holding true in present situation or not. If these are not coming true then immediately changes are made in the plan”. Which step in the planning process is mentioned in the above statement?</p> <p>(a) Setting objectives (b) Developing premises (c) Follow-up (d) Implementation of plan</p> |
| 17 | <p>Arrange the steps in the planning process in correct sequential order</p> <p>(i) Implementing the plan (ii) Selecting an alternative (iii) Identifying alternatives (iv) Developing premises (v) Setting up of objectives (vi) Follow up action (vii) Evaluating alternatives</p> <p>(a) (ii)-(v)-(i)-(vii)-(vi)-(iii)-(iv) (b) (iii)-(i)-(iv)-(vii)-(v)-(ii)-(vi) (c) (i)-(v)-(iii)-(vii)-(vi)-(ii)-(iv) (d) (v)-(iv)-(iii)-(vii)-(ii)-(i)-(vi)</p> |
| 18 | <p>“A company wants to increase its sales by 10%”. Identify the type of plan formulated by the company.</p> <p>(a) Policy (b) Objective (c) Procedure (d) Method</p> |
| 19 | <p>‘A company does not sell its goods on credit’. Which type of plan is reflected in the given statement ?</p> <p>(a) Policy (b) Objective (c) Procedure (d) Method</p> |
| 20 | <p>Aravind has given a detailed statement of expected results in numerical terms. This plan is conveyed to the subordinates by him in a special meeting. Identify the type of plan stated in the above case.</p> <p>(a) Policy (b) Objective (c) Procedure (d) Budget</p> |
| 21 | <p>Assertion (A): Planning facilitates decision making Reason (R): Planning help the manager to make a choice from amongst various alternative course of action.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion(A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion(A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True.</p> |
| 22 | <p>Assertion (A): Planning is pervasive Reason (R): Planning provides basis to all other functions</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion(A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion(A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True.</p> |

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| 23 | <p>Assertion (A): Planning is a mental exercise Reason (R): Planning requires logical and systematic thinking rather than guess work</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion(A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion(A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True.</p> |
| 24 | <p>Assertion (A): Planning involves huge cost. Reason (R): Planning guarantee success.</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion(A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion(A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True.</p> |
| 25 | <p>Assertion (A): Planning may not work in a dynamic environment Reason (R): It becomes difficult to accurately assess the future happening in the continuously changing environment</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion(A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion(A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True.</p> |
| 26 | <p>Assertion (A): Planning is pre requisite for controlling Reason (R): If there were no standards, then finding deviations which are a part of controlling would not be possible</p> <p>(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion(A). (b) Both Assertion (A) and Reason (R) are True and Reason (R) is not the correct explanation of Assertion(A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason (R) is True.</p> |
| 27 | <p>Read the passage given below and answer to the following questions.</p> <p>Promod Kumar, a purchase manager in SKR (P) Ltd. has made a plan regarding requirement of packages, transport, services, printing and stationery, water and power supply. He was made plan regarding how should vendors be selected for procuring supplies and from how many suppliers should the company make purchase. His plan is working well and helps him to look into the future and make a choice amongst various alternatives courses of action. As a manager, Promod Kumar realizes the fact that the success of the enterprise is possible only when plan are drawn up and implemented. Any plan needs to be translated into action or it becomes meaningless. It is not always true that just because a plan has worked before, it will work again.</p> <p>Name the type of plan being followed in the given case.</p> <p>(a) Policy (c) Rule (b) Budget (d) Procedure</p> |

CHAPTER 5 : ORGANISING

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| 1 | Which of the following is not a feature of formal organization? (a) It specifies the relationships among various job positions. (b) The standards of behavior of employees are evolved from group norms. (c) It is deliberately designed by the top management. (d) It places less emphasis on interpersonal relationships among the employees. |
| 2 | The Main purpose of _____ is to reduce the work load of Mangers. a. Delegation b. Formal Organization b. Decentralization d. Divisional Organisation |
| 3 | Inter-departmental conflicts are one the disadvantages of _____ structure. a. Functional b. Divisional c. Both (a) and (b) d. None of the above |
| 4 | Identify the correct sequence of steps to be followed in an organising process. a. Departmentalisation, Establishing reporting relationships, Assignment of duties, Identification and division of work b. Identification and division of work, Departmentalisation, Assignment of duties, Establishing reporting relationships c. Identification and division of work, Assignment of duties, Departmentalisation, Establishing reporting relationships d. Identification and division of work, Establishing reporting relationships, Departmentalisation, Assignment of duties. |
| 5 | It refers to the number of subordinates that can be effectively managed by a superior, (a) Organisational structure (b) Informal organisation (c) Span of management (d) None of the above |
| 6 | Raj Kishore was given a task by his superior Asthana to prepare a plan in 20 days. He asked two of his subordinates to work upon two aspects of his task. One of the subordinates met with an accident and could not complete his work. Who is answerable for this task? A. Raj Kishore is accountable. B. Raj Kishore's subordinate is responsible. C. Raj Kishore's superior is responsible. D. None of them is responsible |
| 7 | An Indian information technology company, presently employing 10,000 people, desires to expand its business in manufacturing, trading, etc. It wants to become a global company. To achieve its objectives, it started shifting from a centralized to a decentralized management system. Identify the management function being performed by the company to become a decentralized company. a. Planning b. Organising c. Staffing d. Directing |
| 8 | For delegation to be effective it is essential that responsibility be accompanied with necessary A. authority B. incentives C. manpower D. promotion |
| 9 | Varun Limited is a company dealing in metal products. The work is mainly divided into functions including production, purchase, marketing, accounts and personnel. Identify the type of organisational structure followed by the organisation. |

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|---------------------|--|---|--------------|--------------------------------|--------------------|--|---------------------|-------------------------------|----|-----|---|-----|-----|-----|---|-----|-----|-----|---|-----|-----|-----|---|-----|-----|-----|
| | (a) Functional structure (c) Divisional structure | (b) Relational structure (d) None of the above | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | When decision-making authority is retained organisation is said to be by higher management levels, an (a) Decentralised (b) Centralised (c) Fragmented (d) None of the above | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | Match the following | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <tr> <td>i. Authority</td> <td>c. Arises from formal position</td> </tr> <tr> <td>ii. Accountability</td> <td>d. Arises from delegation of authority</td> </tr> <tr> <td>iii. Responsibility</td> <td>e. Arises from responsibility</td> </tr> </table> | | i. Authority | c. Arises from formal position | ii. Accountability | d. Arises from delegation of authority | iii. Responsibility | e. Arises from responsibility | | | | | | | | | | | | | | | | | | |
| i. Authority | c. Arises from formal position | | | | | | | | | | | | | | | | | | | | | | | | | |
| ii. Accountability | d. Arises from delegation of authority | | | | | | | | | | | | | | | | | | | | | | | | | |
| iii. Responsibility | e. Arises from responsibility | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table> <tr> <td></td> <td>i</td> <td>ii</td> <td>iii</td> <td></td> <td>i</td> <td>ii</td> <td>iii</td> </tr> <tr> <td>A</td> <td>(a)</td> <td>(b)</td> <td>(c)</td> <td>B</td> <td>(a)</td> <td>(c)</td> <td>(b)</td> </tr> <tr> <td>C</td> <td>(c)</td> <td>(a)</td> <td>(b)</td> <td>D</td> <td>(c)</td> <td>(b)</td> <td>(a)</td> </tr> </table> | | | i | ii | iii | | i | ii | iii | A | (a) | (b) | (c) | B | (a) | (c) | (b) | C | (c) | (a) | (b) | D | (c) | (b) | (a) |
| | i | ii | iii | | i | ii | iii | | | | | | | | | | | | | | | | | | | |
| A | (a) | (b) | (c) | B | (a) | (c) | (b) | | | | | | | | | | | | | | | | | | | |
| C | (c) | (a) | (b) | D | (c) | (b) | (a) | | | | | | | | | | | | | | | | | | | |
| 12 | <p>Assertion(A): Delegation helps a manager to extend his area of operations as without it, his activities would be restricted to only what he himself can do.</p> <p>Reason(R): A manager, no matter how capable he is, cannot manage to do every task on his own. The volume of work makes it impractical for him to handle it all by himself.</p> <p>A. Both Assertion (A) and Reason (R) are true. B. Both Assertion (A) and Reason (R) are false. C. Assertion (A) is true and Reason (R) is false. D. Assertion (A) is false and Reason (R) is true.</p> | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 | <p>Assertion(A): A large sized organization can be totally decentralized.</p> <p>Reason(R): As an organization grows in size and complexity, there is tendency to move towards decentralized decision making. Complete centralization would imply concentration of all decision-making functions at the apex of the management hierarchy.</p> <p>A. Both Assertion (A) and Reason (R) are true. B. Both Assertion (A) and Reason (R) are false. C. Assertion (A) is true and Reason (R) is false. D. Assertion (A) is false and Reason (R) is true.</p> | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | <p>Assertion(A): Identification and division of work is the first step in the process of organising.</p> <p>Reason (R): Organising involves identifying and dividing the work that has to be done in accordance with previously determined plans.</p> <p>(A) Both (A) and (R) are true and (R) is the correct explanation of (A) (B) Both (A) and (R) are true and (R) is not the correct explanation of A (C) (A) is true, but (R) is false (D) (A) is false, but (R) is true</p> | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | <p>Assertion (A): Organisation structure is the outcome of the planning process.</p> <p>Reason (R): The organising process leads to the creation of an organisation structure which includes the designing of roles to be filled by suitably skilled people and defining the inter- relationship between these roles so that ambiguity in performance of duties can be eliminated.</p> <p>a. Both Assertion (A) and reason (R) are true. b. Both Assertion (A) and reason (R) are false c. Assertion (A) is true and reason (R) is false d. Assertion (A) is false and reason (R) is true</p> | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | <p>Read the extract given below and answer the questions Q 16 – Q 19 on the basis of the same:</p> <p>Raviranjana, the owner of 'Ravi Constructions' decided to begin a campaign in order to create awareness among the residents for creating a clean and safe environment. In an effort to develop clean surroundings in the area, he formed a team of 30 members to list the different ways that can be adopted for keeping the area clean. Different people had different suggestions, someone suggested to take the help of local residents including young children, one suggestion was to involve unemployed youth. The idea to take the help of volunteers was also given. A combination of the most effective strategies after evaluating all options was selected for implementation. To achieve the desired goals and objectives, various activities were identified like:</p> <ul style="list-style-type: none"> (i) Purchase of essential items like dustbins, garbage bags, brooms, phenyl, etc. (ii) Door-to-door collection of garbage. (iii) Recycling of garbage. (iv) Disposal of garbage, etc. <p>Thus, an organisational design was chosen which grouped similar activities together in order to minimize duplication of effort. After identification and grouping of these activities, the work was allocated among the different members.</p> <p>16 "After identification of different activities, the work was allocated to different members." Which step does this represent in the process of organising?</p> <ul style="list-style-type: none"> A. Identification and division of work B. Departmentalisation C. Assignment of duties D. Establishing reporting relationships <p>17 "Thus, an organisational design was chosen which grouped similar activities together in order to minimise duplication of effort." Which step under the process of organising is being referred to in this line?</p> <ul style="list-style-type: none"> A. Identification and division of work B. Departmentalisation C. Assignment of duties D. Establishing reporting relationships <p>18 "Thus, an organisational design was chosen which grouped similar activities together in order to minimise duplication of effort." Which step under the process of organising is being referred to in this line?</p> <ul style="list-style-type: none"> A. Identification and division of work B. Departmentalisation C. Assignment of duties D. Establishing reporting relationships <p>19 "Thus, an organisational design was chosen which grouped similar activities together in order to minimize duplication of effort." Which organisational design is being referred to in this line?</p> <p>(A) Functional (B) Formal (C) Divisional (D) Informal</p> |
| | <p>Direction Read the following text and answer the question numbers Q 20 – Q 24 on the basis of the same.</p> <p>'Journey Limited' is a car manufacturing company. The company have allocated the work among different people working the organization to ensure that no employee in the organization feels overburdened. The company has further functionally grouped these jobs under different departments. Although the company strictly follows Principle of Scalar Chain, but this has led to a big disadvantage to the company. The manager in the company too realized that it was becoming difficult for him to perform all the work</p> |

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| | alone. So, he shared some of it with three of his subordinates. |
| 20 | Which function of management has been described above? a. Planning b. Staffing c. Motivation d. Organising |
| 21 | “The company has allocated the work among different people working in the organization to ensure that no employee in the organization feels overburdened.” Which step of organizing is highlighted in the given lines? (a) Establishing reporting relationship (b) Departmentalisation (c) Identification and division of work (d) Assignment of duties |
| 22 | “The company has further functionally grouped these jobs under different departments”. Which step of organizing is highlighted in the given lines? (a) Division of work (b) Departmentalisation (c) Assigning duties (d) Establishing reporting relationships |
| 23 | What disadvantage must the principle of scalar chain have caused in the above case? (a) Delay in action (b) Ignorance of psychological needs (c) More emphasis only on work (d) Ignorance of social needs |
| 24 | “The manager in the company too realized that it was becoming difficult for him and to perform all the work alone. So, he shares some of it with three of his subordinates.” Identify the concept highlighted here. (a) Decentralisation (b) Delegation (c) Informal Organisation (d) None of the above |

ANSWERS:

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| B | A | D | B | C | A | B | A | A | B |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| B | A | D | A | D | C | B | B | A | D |
| 21 | 22 | 23 | 24 | | | | | | |
| C | B | A | B | | | | | | |

CHAPTER 6 : STAFFING

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| 1 | <p>When Jaskaran Singh applied for the post of Computer teacher in a school in Bhubaneswar, he was asked to prepare a PowerPoint presentation on a particular topic during the selection procedure. Identify the type of selection test being mentioned in the above lines.</p> <p>(A) Trade test (B) Intelligence test (C) Personality test (D) Interest test</p> |
| 2 | <p>Identify the correct sequence of the steps involved in the staffing process.</p> <p>(a) Recruitment, Estimating the Manpower Requirements, Placement, and Orientation, Selection (b) Estimating the Manpower Requirements, Selection, Placement, and Orientation, Recruitment (c) Selection, Estimating the Manpower Requirements, Recruitment, Placement, and Orientation (d) Estimating the Manpower Requirements, Recruitment, Selection, Placement, and Orientation</p> |
| 3 | <p>Under the _____ method of training, a trainee is put under the guidance of a master worker.</p> <p>A. Internship training B. Vestibule training C. Apprenticeship training D. Induction training</p> |
| 4 | <p>The various activities involved in the process of recruitment include:</p> <p>A. Identification and assessment of the different sources of recruitment B. Selecting the most suitable source or sources C. Inviting applications from the prospective candidates D. All of the above</p> |
| 5 | <p>_____ is the process of introducing the selected employee to other employees and familiarising him with the rules and policies of the organisation.</p> <p>A. Orientation B. Selection C. Training D. Recruitment</p> |
| 6 | <p>Which of the following is not an external source of recruitment</p> <p>A. Campus Recruitment B. Promotion C. Casual Callers D. Direct Recruitment</p> |
| 7 | <p>Which of the following is not a disadvantage of using external sources of recruitment?</p> <p>A. Dissatisfaction among existing staff B. Lengthy process C. The scope for induction of fresh talent is reduced D. Costly Process</p> |
| 8 | <p>Aruna applied for the post of an art and craft teacher in a reputed school in Delhi. After successfully clearing the tests and the interview, she was offered an employment contract containing the terms and conditions, and the date of joining. Identify the steps</p> |

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| | <p>in the staffing process being described in the above lines.</p> <p>A. Reference and background checking B. Selection decision C. Job offer D. Contract of employment</p> |
| 9 | <p>This determines the number and types of personnel required to performs the jobs</p> <p>A. Workforce analysis B. Workload analysis C. Selection D. None of the above</p> |
| 10 | <p>“It has been defined as the process of searching for prospective employees and stimulating them to apply for jobs in an organization”. Which process is being referred to in the above lines?</p> <p>A. Recruitment B. Selection of a potential candidate C. Advertising D. Organising</p> |
| 11 | <p>Mayank & Co. is a firm dealing in goods and raw materials. The company has various vacant positions within the organization and is in need for recruitment. The company decided to fill these positions by methods such as transfers and promotions. By doing this they realized that the existing employees had become lethargic and didn't do their work as efficiently as they did it before. From the above instance identify the limitations stated of internal source of recruitment-</p> <p>A. The employees become lethargic if they are sure of time bound promotions B. Spirit of competition among the employees is hampered C. Frequent transfers of employees reduce the productivity D. Both A and C</p> |
| 12 | <p>Manik got selected for the job he had applied for the position of a graphic design intern. He carried out the given tasks along with his regular studies and worked closely with the managers gaining practical knowledge and skills. Which type of training is Manik involved in here-</p> <p>A. On the job training method B. Orientation C. Off the job training method D. Both a and c</p> |
| 13 | <p>Assertion(A) – The task of staffing involves manning the organisational structure. Reason(R) – It involves not only the requirements, but also the subsequent growth of individuals within the company.</p> <p>(A) Both A and R are correct (B) A is correct R is incorrect (C) Both A and R are correct and R is the correct explanation of R (D) Both A and R are correct and R is not the correct explanation of R</p> |

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| 14 | <p>Assertion(A) -Through succession planning for managers, staffing ensures the enterprise's continued growth and survival.</p> <p>Reason(R) -.The role of staffing allows the manager to determine how many people are needed and what qualifications and experience they should have.</p> <p>(A) Both A and R are correct (B) A is correct R is incorrect (C) Both A and R are correct and R is the correct explanation of R (D) Both A and R are correct and R is not the correct explanation of R</p> |
| 15 | <p>Assertion (A) : Recruitment is positive step in the process of Staffing.</p> <p>Reason (R) : Internal sources of recruitment boots up the morale of employees</p> <p>(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A) (B) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A) (C) Assertion (A) is true but Reason (R) is False (D) Assertion (A) is False but Reason (R) is True</p> |
| 16 | <p>Read the following passage and answer accordingly</p> <p>“The Chocolate Makers” is a chocolate making company which has turnovers in crores. In order to manage the work in the organisation, the department have been created on the basis of functions. Examine the following situations of this organisation and give answers accordingly. Situation 1: It is expected that employees were performing similar task work under the same department. So the company now has HR, marketing and Finance department. The division is based on specific functions. Situation 2: There are similarities in the task performed within the same department. Situation 3 : The profit is increasing month by month due to the success of the structure of the organisation. Situation 4: There has been minimum duplication of effort has the same department is taking care of single function.</p> <p>16 Which type of organization structure is discussed in the above case? A. Functional B. Divisional C. Linear D. None of these</p> <p>17 What will be the outcome of Situation 2? A. Increase in control and coordination B. Quick decision making C. More initiatives D. Flexibility</p> <p>18 What do you think the profit is increasing as given in situation 3? A. Due to product specialization B. Due to managerial and operational efficiency C. Due to flexibility D. Due to no repetition of task</p> |

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| 19 | <p>What will be the result of situation 4?</p> <p>A. Reduction in cost B. Increase in cost C. Stability to the organization D. None of the above</p> |
| <p>Read the extract given below and answer the questions Q 20 – Q 23 on the basis of the same:</p> <p>Sneha is the manager of delta communication ltd as a part of her quarterly exercise, she conducted workload and workforce analysis for each department. On the basis of this, she placed an advertisement in a leading newspaper for two junior accountants and after discussion with finance manager, drafted a letter of vertically shifting Mr Sharma from lower level to higher level of internal auditor. However, it took her around one month's time to shortlist candidate for position of junior accountant as a part of selection process, a written test was conducted for all the candidates in order to judge their level of knowledge and proficiency</p> | |
| 20 | <p>Identify the internal source of recruitment used by Sneha</p> <p>A) Transfer B) Recommendation C) Promotion D) Employment exchange</p> |
| 21 | <p>Which step in the process of staffing did Sneha perform by workload and workforce analysis?</p> <p>A) Selection B) Recruitment C) Estimating manpower requirements D) Performance appraisal</p> |
| 22 | <p>Identify external source of recruitment used by Sneha</p> <p>A) Advertising B) Web publishing C) Casual callers D) Direct recruitment</p> |
| 23 | <p>Identify the test conducted by the organisation at the time of selection</p> <p>A) Aptitude test B) Intelligence test C) Trade test D) Personality test</p> |

ANSWERS:

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| A | D | C | D | A | B | C | C | A | A |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| D | A | D | C | B | A | A | B | A | C |
| 21 | 22 | 23 | | | | | | | |
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CHAPTER 7 : DIRECTING

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| 1 | <p>A manager directing his immediate subordinate and taking instructions from his immediate boss is an example of which characteristic of directing-</p> <p>(a) Directing flows from top to bottom (b) Directing in a continuous process (c) Directing initiate action (d) Both b and c</p> |
| 2 | <p>Which among the following is not related to the merits of directing?</p> <p>(a) Brings stability and balance to the organization (b) Initiated action in the organisation (c) Integrates employee efforts (d) Introduction of fresh talent to organization</p> |
| | <p>‘Malt Rocks’ is a front winemaker. Mr. Sanjay is a young and energetic manager who has recently joined the company. The management is completely supportive of him. Infrastructure, planning mechanisms, and subordinate support are all in place. On March 31st, he issued orders and began the real operation of a new unit. His schedule becomes quite busy. He is almost completely engaged in his tough work throughout the day. Throughout the day, he is busy sending messages, conversing with his subordinates or seniors, and so on. He runs across his friend Daksh, who works in lower-level management despite being in middle-level management himself. Even though Daksh works at a lower level of management, he finds that he is active in talking with and monitoring his staff throughout the year. His superiors in higher-level management are in a similar situation. He feels relieved now that he knows this and is able to devote himself even more to his work.</p> |
| 3 | <p>In the example above, which managerial function is highlighted?</p> <p>(a) Planning (b) Organising (c) Directing (d) None of these</p> |
| 4 | <p>Identify the characteristics of this managerial function that were highlighted in the preceding example.</p> <p>(a) It initiates action (b) It reduces employee absenteeism (c) It is an all-pervasive function (d) Both a and b</p> |
| 5 | <p>_____ refers to incentives that are in monetary form and serve to motivate people for better performance-</p> <p>(a) Non-financial incentives (b) Financial incentives (c) Non-economic incentives (d) In-kind incentives</p> |
| 6 | <p>A mining engineer explains about safety precautions to be followed while working in a coal mine is an example of-</p> <p>(a) Motivation (b) Leadership (c) Supervision (d) Communication</p> |
| 7 | <p>Sakshi, the departmental head of her company, makes the decision to increase the department’s performance. She decides to provide her employees some monetary and non-monetary incentives.</p> |

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| | <p>She is confident that these incentives will meet their requirements. As a result, they will be motivated to take action on their own. Identify the element of directing used in the above case-</p> <p>(a) Leadership (b) Motivation (c) Supervision (d) Leadership</p> |
| 8 | <p>Arsh and Neil are debating a point concerning directing. They claim that without this factor, no organization or individuals will be able to reach a shared understanding. This factor necessitates work on both sides and takes up 89 percent of a manager's time. Identify the element of directing used in this case-</p> <p>(a) Motivation (b) Leadership (c) Communication (d) Supervision</p> |
| 9 | <p>A manager working in an organisation came to know about the changing behaviour pattern of the employees in the organisation. The employees were not willing to work to their potential and were getting lazy in terms of completing the tasks given to them. The manager thought to make some changes in their working pattern and decided to stop the increments of the employees. Which element did he use by doing this?</p> <p>(a) Positive Motivation (b) Negative motivation (c) Communicating (d) Leadership</p> |
| 10 | <p>The process of making the subordinate act in a desired manner to achieve certain organizational goals is known as-</p> <p>(a) Motive (b) Motivation (c) Motivator (d) Both a and b</p> |
| 11 | <p>Rani has an urge or desire for possessing a scooty, comfortable house and reputation in society. This is an example of-</p> <p>(a) Motivation is a complex process (b) Motivation is internal (c) Motivation can be negative or positive (d) Produces goal-directed behaviour</p> |
| 12 | <p>Which of the following is not a feature of motivation?</p> <p>(a) Motivation is a complex process (b) Motivation is internal (c) Motivation is an easy process (d) Motivation is positive or negative</p> |
| 13 | <p>An unsatisfied need of an individual creates _____ which stimulates his or her drive-</p> <p>(a) Behaviour (b) Tension (c) Satisfied need (d) Reduction in tension</p> |
| 14 | <p>Absenteeism in an organization might be due to which of the following reasons-</p> <p>(a) Bad working conditions</p> |

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| | <p>(b) Inadequate rewards (c) Poor relation with superiors (d) All of these</p> |
| 15 | <p>Which among the following statement does not stand true for Motivation-</p> <p>(a) Motivation helps reduce absenteeism in the organization (b) Motivation helps managers to introduce changes smoothly without much resistance from the employees (c) Motivation helps save costs and retain talented people in the organization (d) Motivation changes positive attitude of employees to negative attitude and actions</p> |
| 16 | <p>Choose the correct option from the below options which are not considered as an advantage of motivation-</p> <p>(a) Motivation helps improve the performance of the employees (b) Motivation helps in removing barriers related to bad working conditions (c) Motivation helps to act as a basis of decision making (d) Motivation helps organizations to retain talented people</p> |
| 17 | <p>Which among the following is not a need which comes under Maslow's need hierarchy theory of motivation?</p> <p>(a) Security needs (b) Esteem needs (c) Self-actualization needs (d) Organisational needs</p> |
| 18 | <p>Stability of income is an example of –</p> <p>(a) Belonging needs (b) Security needs (c) Esteem needs (d) Self-actualisation needs</p> |
| 19 | <p>Maslow's need hierarchy theory initiates with _____ and ends with _____.</p> <p>(a) Belonging needs, Self-actualization needs (b) Basic psychological needs, esteem needs (c) Self-actualization needs, belonging needs (d) Basic psychological needs, self-actualization needs</p> |
| 20 | <p>From the below-given statements choose the statement which does not stand true in accordance with Maslow's need hierarchy theory-</p> <p>(a) People's behaviour is based upon their needs and satisfaction of such needs influences their behaviour (b) A satisfied need no longer motivates a person (c) A person moves to the lower level in the hierarchy from a higher level when his need is satisfied (d) Hierarchy starts from basic needs to other higher-level needs</p> |
| 21 | <p>Akhil & Co. Is a well-known company dealing in raw materials for manufacturing of goods from textile industries and has a large client base located all over India. The company provides its employees with incentives in order to motivate them so that productivity is increased along with the earnings. For the month of March, the company announced that the employees will be getting incentives based on their increase in productivity at the end of the financial year. From the above case identify the type of incentive and the incentive that the company will be providing to its employees at the end of this financial year-</p> <p>(a) Non-financial incentive, status (b) Financial incentive, bonus (c) Non-financial incentive, profit sharing</p> |

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| | (d) Financial incentive, productivity linked wage |
| 22 | <p>Viraj is employed by a company. He has been a member of the organization for the past 17 years. Despite his finest performance in the organization throughout the years, he was unable to reach the position of vice president. Identify the Maslow needs that apply to the following organizational setups.</p> <p>(a) Safety need (b) Esteem need (c) Affiliation need (d) Basic psychological needs</p> |
| 23 | <p>A corporation has granted its staff more liberty while also assuring them of more accountability. They will also be part of the organization's decision-making process. Employees now believe that their work is really vital to them. This mood has a positive effect in that it encourages individuals to use their abilities and talents to a greater extent, which benefits the company. In the following scenario, identify the non-monetary incentives.</p> <p>(a) Employee participation (b) Employee empowerment (c) Job enrichment (d) Career advancement opportunity</p> |
| 24 | <p>_____ communication is also called grapevine communication.</p> <p>(a) Written (b) Oral (c) Formal (d) Informal</p> |
| 25 | <p>These types of communications may be written or oral but are generally recorded in the official files-</p> <p>(a) Formal communication (b) Vertical communication (c) Informal communication (d) Lateral communication</p> |
| 26 | <p>An inattentive receiver is an example of-</p> <p>(a) Wrong sender (b) Noise (c) Incorrect feedback (d) Both a and c</p> |
| 27 | <p>The process of converting the message into pictures or gestures is known as-</p> <p>(a) Decoding (b) Encoding (c) Feedback (d) Media</p> |
| 28 | <p>In a cloth manufacturing company, there was a strike. The employees were demanding a few things that the management knew they would never agree to. Radhika, an MBA graduate from a prestigious university, was given the task of negotiating with the workers on behalf of the top management. Radhika's ideas were communicated to the workers, but they were not understood since her language was too complicated, and many of the phrases she used were only understood by graduates. The majority of the laborers had barely completed fifth grade.</p> <p>What is one thing you would advise her to do to improve her communication skills?</p> <p>(a) She should make an effort to follow up on communications. (b) She should communicate in accordance with the receiver's requirements. (c) She should provide useful and valuable information to her listeners.</p> |

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| | (d) All of the above |
| 29 | <p>A group at a well-established company is going through a process of exchanging concepts and ideas on various issues related to the proper operation of the company's many operations. The entire group has come to an agreement on the timing, delivery, and placement of schedules and machinery. Determine the process described in the above example.</p> <p>(a) Motivating (b) Communicating (c) Leadership (d) Supervising</p> |
| | <p>Sakina works as a middle manager. She is the marketing department head for a forward-thinking firm. She is excellent at communicating her intentions to her subordinates, and she goes above and beyond by remaining a patient listener. Her progress through the ranks of the company has been lightning rapid. She has effectively led her team on multiple occasions. Her ability to comprehend her team's requirements and get extra work done by gratifying them has been the key to her extraordinary success. Her courage has been great since her undergraduate days. She has the ability to gain chances and make the most of them. People from other areas, such as finance and operations, have also joined her fan club. She is said to know a lot about her main subject, making her indispensable in the department. Everyone expects she will one day be a member of the upper management team because her company wants to maximize her potential.</p> |
| 30 | <p>I. Which directing concept was highlighted in the above case?</p> <p>(a) Qualities of a good leader (b) Motivation, motive, and motivators (c) Good communications (d) All of these</p> |
| 31 | <p>II. In the example above, determine the type of concept.</p> <p>(a) Initiative (b) Encoding messages (c) Motivating employees by incentives (d) Creating a work environment</p> |
| 32 | <p>III. "She is said to know a lot about her main subject, making her indispensable in the department." Which characteristic of the identified concept is highlighted above-</p> <p>(a) Communication skills (b) Motivating skills (c) Initiative (d) Knowledge</p> |
| 33 | <p>Which among the following is not an advantage of leadership?</p> <p>(a) Brings positivity and good results (b) Provides training (c) Bring changes with maximum discontent (d) Helps to handle conflicts</p> |
| 34 | <p>"A Leader should not only be a good speaker but also a good listener, teacher, counsellor, and persuader." Which quality of a good leader is the statement here highlighting?</p> <p>(a) Motivation skills (b) Communication skills (c) Physical features (d) Knowledge</p> |
| 35 | <p>There is no delegation of authority in which leadership style?</p> |

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| | <p>(a) Democratic (b) Authoritative (c) Laissez-faire (d) None of these</p> |
| 36 | <p>Which of the following is not a leadership style?</p> <p>(a) Free-rein (b) Autocratic (c) Democratic (d) Dictatorship</p> |
| 37 | <p>Identify the leadership style in which the superior establishes power by utilizing forces from inside the groups.</p> <p>(a) Autocratic leadership (b) Democratic leadership (c) Laissez faire leadership (d) Authoritarian leadership</p> |
| 38 | <p>Ashish works as a marketing manager for a company that makes foodstuff goods such as chips, biscuits, and namkeens. On a daily basis, he deals with a significant number of sales executives. He offers his subordinates a lot of freedom in order for them to come up with their own goals and strategies for achieving them. He only encourages them and supplies them with the information they require to perform the task at hand. Ashish believes that power should only be used if it is absolutely necessary to get things done through his subordinates. Determine Ashish's leadership style in the scenario above.</p> <p>(a) Laissez-faire (b) Democratic (c) Authoritative (d) Autocratic</p> |
| 39 | <p>Assertion (A): Informal Communication arises from the social interaction of people. Reason (R): The information system of communication is generally referred to as the Grapevine. Alternatives: a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A) c) Assertion (A) is true but Reason (R) is False d) Assertion (A) is False but Reason (R) is True.</p> |
| 40 | <p>Assertion (A): Job Security often makes people complacent and they do not perform efficiently. Reason (R): There is no risk of job in case of Job Security. Alternatives: a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A) c) Assertion (A) is true but Reason (R) is False d) Assertion (A) is False but Reason (R) is True.</p> |
| 41 | <p>Assertion (A): Directing takes place at every level of management. Reason (R): There may be change in managers, but the directing process continues as organisational activities can't continue further without direction. Alternatives: a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> |

| | <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is true but Reason (R) is False</p> <p>d) Assertion (A) is False but Reason (R) is True.</p> | | | | | | | | |
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| 42 | <p>Assertion (A): Money only satisfies the lower-level needs.</p> <p>Reason (R): As money has the purchasing power, it becomes a very important incentive for every individual.</p> <p>Alternatives:</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is true but Reason (R) is False</p> <p>d) Assertion (A) is False but Reason (R) is True.</p> | | | | | | | | |
| 43 | <p>Assertion (A): Co-Partnership induces the employees to contribute for the growth of the organisation.</p> <p>Reason (R): The allotment of shares creates a feeling of ownership in the employees.</p> <p>Alternatives:</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is true but Reason (R) is False</p> <p>d) Assertion (A) is False but Reason (R) is True.</p> | | | | | | | | |
| 44 | <p>Assertion (A): Motivation can be forced on employees.</p> <p>Reason (R): The internal feelings influence human behaviour to act in particular manner.</p> <p>Alternatives:</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is true but Reason (R) is False</p> <p>d) Assertion (A) is False but Reason (R) is True.</p> | | | | | | | | |
| 45 | <p>Match the 'Financial and Non-Financial Incentives' given under 'A' with the suitable statements under 'B'.</p> <table border="1" data-bbox="156 1534 1422 2000"> <thead> <tr> <th>Column – (A)</th> <th>Column – (B)</th> </tr> </thead> <tbody> <tr> <td>i) Co-partnership</td> <td>A) Employees should be provided the opportunity to improve their skills and be promoted to higher-level jobs.</td> </tr> <tr> <td>ii) Career Advancement Opportunity</td> <td>B) Employees are offered company shares at a price less than the market price.</td> </tr> <tr> <td>iii) Status</td> <td>C) Refers to the ranking of positions in the organisation.</td> </tr> </tbody> </table> <p>Options</p> <p>a) i – B, ii – A, iii – C</p> <p>b) i – A, ii – B, iii – C</p> <p>c) i – C, ii – A, iii – B</p> | Column – (A) | Column – (B) | i) Co-partnership | A) Employees should be provided the opportunity to improve their skills and be promoted to higher-level jobs. | ii) Career Advancement Opportunity | B) Employees are offered company shares at a price less than the market price. | iii) Status | C) Refers to the ranking of positions in the organisation. |
| Column – (A) | Column – (B) | | | | | | | | |
| i) Co-partnership | A) Employees should be provided the opportunity to improve their skills and be promoted to higher-level jobs. | | | | | | | | |
| ii) Career Advancement Opportunity | B) Employees are offered company shares at a price less than the market price. | | | | | | | | |
| iii) Status | C) Refers to the ranking of positions in the organisation. | | | | | | | | |

d) i – A, ii – C, iii – B

46 Match the needs of ‘Maslow’s Need Hierarchy Theory’ given under ‘A’ with the suitable statements under ‘B’:

| Column – A | Column – B |
|------------------------------|---|
| i) Basic Physiological Needs | A) Include factors such as growth, self-fulfilment, and achievement of goals. |
| ii) Self Actualisation Needs | B) Acceptance and friendship help to satisfy the need. |
| iii) Affiliation Needs | C) Basic salary helps to satisfy the need. |
| iv) Esteem Needs | D) Stability of income and Pension plans helps to satisfy the need. |
| v) Safety Needs | E) Include factors such as self-respect, autonomy status, etc. |

Options

- a) i – B, ii – A, iii – D, iv – C, v – E
- b) i – D, ii – B, iii – A, iv – C, v – E
- c) i – C, ii – A, iii – B, iv – E, v – D
- d) i – A, ii – B, iii – C, iv – D, v – E

47 Match the ‘Financial and Non-Financial Incentives’ given under ‘A’ with the suitable statements under ‘B’

| Column – A | Column – B |
|-----------------------|--|
| i) Pay and Allowances | A) Concerned with designing jobs that include a greater variety of work content, require a higher level of knowledge and skill, etc. |
| ii) Job Enrichment | B) Fringe benefits like car allowance, medical aid etc. are offered over and above the salary. |
| iii) Perquisites | C) It includes basic pay, dearness allowance, and other allowances |

Options

- a) i – A, ii – B, iii – C
- b) i – C, ii – A, iii – B
- c) i – B, ii – C, iii – A
- d) i – A, ii – C, iii – B

48 Match the items given under ‘A’ with the suitable statements under ‘B’.

| Column – (A) | Column – (B) |
|-------------------|---|
| i) Organisational | A) Personal factors of both sender and receiver may exert influence |

CHAPTER 8 : CONTROLLING

| | |
|---|---|
| 1 | <p>Which of the following is not a necessary feature of the controlling?</p> <ul style="list-style-type: none">(a) It maintains order and discipline(b) It prevents action coordination.(c) It aids in the evaluation of standard accuracy.(d) It boosts worker motivation. |
| 2 | <p>Which one of the following is a step of controlling?</p> <ul style="list-style-type: none">(a) Assessing personnel required(b) Taking corrective action(c) Assessing environment(d) Taking disciplinary action |
| 3 | <p>The controlling function returns the management cycle to the</p> <ul style="list-style-type: none">(a) organising(b) directing(c) planning(d) none of the above functions. |
| 4 | <p>The Concept of Control Management is built on the idea that attempting to control everything would likely result in controlling nothing –</p> <ul style="list-style-type: none">(a) Critical point control(b) Key result ideas(c) Management by exception(d) Deviations |
| 5 | <p>To make sure employees focus on work and follow the method of production as per plan the management of Jai Ltd. Decided to install CCTV (close circuit television) in the factory for monitoring the activity of workers.</p> <ul style="list-style-type: none">(a) Planning(b) Controlling(c) Staffing(d) Directing |
| 6 | <p>Controlling is said to as a backward-looking function since it –</p> <ul style="list-style-type: none">(a) concerns future actions.(b) It's similar to a post-mortem on previous events.(c) It seeks to improve future performance by determining deviance.(d) Every single one of the preceding |
| 7 | <p>Some personnel have been tasked with judging the output of production in a fair and consistent manner. They are employing a variety of methods to achieve this goal. Personal observation, sample checking, and so on are examples of this. They're also sticking to the same measurement units as the established standards. Determine which phase of the controlling process applies in the example?</p> <ul style="list-style-type: none">(a) Taking corrective action(b) Analysing deviations(c) Measurement of actual performance(d) Comparing actual and standard performance |
| 8 | <p>The comparison of actual performance with the planned performance becomes easier if the standards are set in</p> <ul style="list-style-type: none">(a) Qualitative terms |

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| | <ul style="list-style-type: none"> (b) Quantitative terms (c) Either of the above (d) None of the above |
| 9 | <p>Determine which phase of the controlling process applies in the following example. Management in a company is attempting to determine the difference between the actual number of goods produced and the desired quantity. He is already familiar with the standard because he has been assigned a specific number of goods to create by the corporation.</p> <ul style="list-style-type: none"> (a) Setting standards (b) Measurement of actual performance (c) Analysing deviations (d) Comparing actual and standard performance |
| 10 | <p>When deviations are good in nature, they are referred to as deviations-</p> <ul style="list-style-type: none"> (a) Expected performance exceeds actual performance (b) Expected performance exceeds actual performance (c) Both expected and actual performances are the same (d) None of the above |
| 11 | <p>When standards are established, comparing actual performance to intended performance becomes easier</p> <ul style="list-style-type: none"> (a) Qualitative terms (b) Quantitative terms (c) Either of the above (d) None of the preceding |
| 12 | <p>Which of the following claims about the controlling function is correct?</p> <ul style="list-style-type: none"> (a) It is a function that looks ahead. (b) Is a function that looks backward. (c) Both (a) and (b) (d) None of the above |
| 13 | <p>The function of controlling is performed by-</p> <ul style="list-style-type: none"> (a) Senior management (b) Management at the lower levels (c) Management at the middle level (d) All of the above |
| 14 | <p>In a marketing firm, the Financial Manager pays more attention towards an increase of 3% in the marketing cost as compared to a 15% increase in the courier expenses. Identify the concept being used by the manager.</p> <ul style="list-style-type: none"> (a) Management by exception (b) Critical point control (c) Corrective action (d) None of the above |
| 15 | <p>Reducing the workers, absenteeism in a factory by 20% is an example of _____.</p> <ul style="list-style-type: none"> (a) Quantitative standard (b) Qualitative standard (c) Deviation (d) None of the above |
| 16 | <p>Which of the following statements does not highlight the relationship between planning and controlling?</p> <ul style="list-style-type: none"> (a) Planning and controlling are separable twins of management. |

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| | <p>(b) Planning without controlling is meaningless; controlling without planning is blind.</p> <p>(c) Planning is prescriptive, controlling is evaluative.</p> <p>(d) Planning and controlling are interrelated and interdependent.</p> |
| 17 | <p>In an artificial plant manufacturing unit, the standard output set for a worker is 50 units per day. Dinesh produces 48 units in one day. In the given case, the value of deviation is _____.</p> <p>(a) -2 (b) + 2 (c) 98 (d) None of the above</p> |
| 18 | <p>Identify the correct sequence of the steps involved in the controlling process.</p> <p>(a) Measurement of actual performance, taking corrective action, setting performance standards, Comparison of actual performance with standards, Analysing deviations (b) Comparison of actual performance with standards, Setting performance standards. Measurement of actual performance, analysing deviations, Taking corrective action (c) Setting performance standards, Measurement of actual performance, Comparison of actual performance with standards, analysing deviations, Taking corrective action (d) Taking corrective action, Measurement of actual performance, Comparison of actual performance with standards, analysing deviations, Setting performance standards</p> |
| 19 | <p>Deviations are said to be positive in nature when _____.</p> <p>(a) Planned performance is more than the actual performance (b) Actual performance is more than the planned performance (c) Both planned and actual performances are the same (d) None of the above</p> |
| 20 | <p>Om Prakash has set up a small business unit for the manufacturing of detergent. In order to market the detergent in the local residential areas, he has appointed a team of ten salesmen. Each salesman is expected to sell at least 200 units of the detergent within a week's time. Identify the point of importance of controlling being highlighted in the above case.</p> <p>(a) Controlling helps in judging accuracy of standards. (b) It ensures efficient use of resources. (c) It helps in improving employee motivation. (d) It facilitates co-ordination in action.</p> |
| 21 | <p>In a marketing firm, the Financial Manager pays more attention towards an increase of 3% in the marketing cost as compared to a 15% increase in the courier expenses. Identify the concept being used by the manager.</p> <p>(a) Management by exception (b) Critical point control (c) Corrective action (d) None of the above</p> |
| 22 | <p>Assertion (A) : Directing involves motivation and encourages the employees to perform the tasks assigned to them. Reason (R): Controlling involves comparison of current performance of the employees with the established standards.</p> <p>(a) Both Assertion (A) & Reason(R)are true and Reason ® is correct explanation of Assertion (A) (b) Both Assertion (A) and Reason(R)are true but Reason ® is not the correct explanation of Assertion (A) (c) Assertion (A) is true but Reason(R)is false (d) Assertion (A) is false but Reason(R)is true</p> |
| 23 | <p>Assertion (A): Control is exercised at all levels of management.</p> |

| | <p>Reason (R): Controlling is a pervasive Function. Alternatives: a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A) c) Assertion (A) is true but Reason (R) is False d) Assertion (A) is False but Reason (R) is True.</p> | | | | | | | | |
|------------------------------|--|--------------|--------------|---------------------------|---|------------------------------|--|----------------|--|
| 24 | <p>Assertion (A): Controlling aims to ensure that resources are used effectively and efficiently to achieve predetermined goals. Reason (R): Controlling is both a backward-looking as well as forward-looking function. Alternatives: a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A) c) Assertion (A) is true but Reason (R) is False d) Assertion (A) is False but Reason (R) is True.</p> | | | | | | | | |
| 25 | <p>Assertion (A): Controlling helps to reduce wastage and spoilage of resources. Reason (R): An efficient control system creates an atmosphere of order and discipline in the organisation. Alternatives: a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A) c) Assertion (A) is true but Reason (R) is False d) Assertion (A) is False but Reason (R) is True.</p> | | | | | | | | |
| 26 | <p>Assertion (A): Controlling is the last function of management. Reason (R): Controlling brings back the management cycle back to the planning function. Alternatives: a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A) c) Assertion (A) is true but Reason (R) is False d) Assertion (A) is False but Reason (R) is True.</p> | | | | | | | | |
| 27 | <p>Match the items given under 'A' with the suitable statements under 'B':</p> <table border="1"> <thead> <tr> <th>Column – (A)</th> <th>Column – (B)</th> </tr> </thead> <tbody> <tr> <td>i) Critical Point Control</td> <td>A) Unrealistic standards and defective process may be the reason for the occurrence of deviations</td> </tr> <tr> <td>ii) Taking Corrective Action</td> <td>B) Control system should focus on key result areas</td> </tr> <tr> <td>iii) Analysing</td> <td>C) If deviation cannot be corrected through managerial action,</td> </tr> </tbody> </table> | Column – (A) | Column – (B) | i) Critical Point Control | A) Unrealistic standards and defective process may be the reason for the occurrence of deviations | ii) Taking Corrective Action | B) Control system should focus on key result areas | iii) Analysing | C) If deviation cannot be corrected through managerial action, |
| Column – (A) | Column – (B) | | | | | | | | |
| i) Critical Point Control | A) Unrealistic standards and defective process may be the reason for the occurrence of deviations | | | | | | | | |
| ii) Taking Corrective Action | B) Control system should focus on key result areas | | | | | | | | |
| iii) Analysing | C) If deviation cannot be corrected through managerial action, | | | | | | | | |

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| | Deviations | the standards may have to be revised. |
| | Options a) i – B, ii – C, iii – A b) i – A, ii – B, iii – C c) i – C, ii – A, iii – B d) i – A, ii – C, iii – B | |
| 28 | Match the items given under A with the suitable statements under B. | |
| | Column – A | Column – B |
| | i) Measurement of Actual Performance | A) Only significant deviations which go beyond the permissible limit should be brought to the notice of management |
| | ii) Setting Performance Standards | B) Comparison reveals the deviation between actual and desired results |
| | iii) Management by Exception | C) Performance should be measured in the same units in which standards are set |
| | iv) comparing Actual Performance with Standards | D) Standards can be set in both quantitative as well as qualitative terms |
| | Options a) i – A, ii – B, iii – C, iv – D b) i – B, ii – A, iii – D, iv – C c) i – D, ii – C, iii – A, iv – B d) i – C, ii – D, iii – A, iv – B | |

ANSWERS :

| | | | | | | | | | | | |
|----|---|----|---|----|---|----|---|----|---|----|---|
| 1 | B | 2 | B | 3 | C | 4 | C | 5 | B | 6 | B |
| 7 | C | 8 | B | 9 | D | 10 | B | 11 | B | 12 | C |
| 13 | D | 14 | B | 15 | A | 16 | A | 17 | A | 18 | C |
| 19 | B | 20 | C | 21 | B | 22 | B | 23 | A | 24 | B |
| 25 | B | 26 | D | 27 | A | 28 | D | | | | |

CHAPTER 9 : FINANCIAL MANAGEMENT

| | |
|---|---|
| 1 | Financial management aims to keep the risk under- (a) Control (b) Minimum decided the expense (c) Higher than before (d) Lesser than before |
| 2 | The main goal of financial management is to- (a) Maximize shareholder wealth (b) Wealth maximization concept (c) Market value of equity shares maximization (d) All of the above |
| 3 | Which of the following is connected to financial activity planning, organization, direction, and control? (a) Capital structure (b) Investment decision (c) Financial management (d) Financial decision |
| 4 | An increase in investment of fixed assets is likely to lead to a – (a) Increase in working capital requirements (b) Decrease in working capital requirements (c) No change (d) None of these |
| 5 | Making an investment decision involves- (a) Investing in fixed assets (b) putting money into existing assets (c) fixed and current asset investments (d) the purchase of government securities |
| 6 | A long-term investment decision is called as – (a) Short term financing (b) Capital budgeting decision (c) Working capital decision (d) Financial planning decision |
| 7 | This choice has to do with how the firm's finances are invested in various assets. (a) Investment decision (b) Financing decision (c) Dividend decision (d) None of these |
| 8 | Asset size, profitability, and competitiveness are all influenced by – (a) Working capital decision (b) Capital budgeting decision (c) Financing decision (d) Dividend decision |
| 9 | This decision concerns the amount of money to be raised from a variety of long-term sources- (a) Investment decision (b) Financing decision |

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| | <p>(c) Dividend decision (d) Capital budgeting decision</p> |
| 10 | <p>The inability of a company to meet its set financial commitments, such as interest payments, is referred to as-</p> <p>(a) Financial risk (b) Business risk (c) Market risk (d) Long-term risk</p> |
| 11 | <p>This decision influences the enterprise's overall cost of capital and financial risk.</p> <p>(a) investment decision (b) Financing decision (c) Dividend decision (d) Capital budgeting decision</p> |
| 12 | <p>If a company's fixed costs are large, which of the following sources of capital should it avoid?</p> <p>(a) Debentures (b) Equity shares (c) Preference shares (d) Bonds</p> |
| 13 | <p>A company is unlikely to announce a bigger dividend in which of the following circumstances?</p> <p>(a) When the company's earnings are high (b) When a company is about to start a profitable start-up company. (c) When the company's cash flow position is good (d) None of the above</p> |
| 14 | <p>Electronic items are the specialty of Ktp Limited. The company's earning potential has increased over time, and it has an excellent reputation. The Financial Manager is certain that not just this year's earnings, but all of our future years' earnings will be high. Determine the relevant factor in the dividend decision described in the following paragraph.</p> <p>(a) Stability of earnings (b) Earnings (c) Stability of dividend (d) Growth prospects</p> |
| 15 | <p>Name the procedure that allows management to forecast fund requirements, both in terms of quantity and timing.</p> <p>(a) Dividend decision (b) Capital budgeting decision (c) Financial management (d) Financial planning</p> |
| 16 | <p>The financial plans are created by taking into account a variety of factors. These are –</p> <p>(a) Prospects for Growth (b) Organizational Performance (c) Investments (d) All of the above</p> |
| 17 | <p>Short-term financial planning is referred to as-</p> <p>(a) Objectives (b) Budget (c) Programme (d) Policies</p> |

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| 18 | <p>Arrange the following phases in the process of financial planning in the proper order.</p> <p>(a) Estimation of expected profit, Preparation of a sales forecast, Preparation of financial statements (b) Preparation of financial statements, Estimation of expected profit, Preparation of a sales forecast (c) Preparation of a sales forecast, Estimation of expected profit, Preparation of financial statements (d) Preparation of a sales forecast, Preparation of financial statements, Estimation of expected profit</p> |
| 19 | <p>Which of the following is not a reason why financial planning is important?</p> <p>(a) It aids in the avoidance of business surprises and shocks. (b) It assists in the coordination of numerous business functions. (c) It aids in the reduction of waste, duplication of effort, and planning gaps. (d) It makes an attempt to separate the present from the future.</p> |
| 20 | <p>Which of the following does not belong to the funds of the holders?</p> <p>(a) Equity shares (b) Reserves and surplus (c) Debentures (d) Preference shares</p> |
| 21 | <p>Which of the following is not a source of credit facility?</p> <p>(a) Loan from financial institutions (b) Debentures (c) Retained earnings (d) Public deposits</p> |
| 22 | <p>Which of the statements below is not correct?</p> <p>(a) Debt has a greater cost of capital than equity. (b) The lender's risk in Debt is lower than that of the equity stakeholder. (c) Interest paid on debt is deductible as a business expense. (d) None of the above</p> |
| 23 | <p>Identify the option that has an impact on both profitability and financial risk.</p> <p>(a) Financial planning decision (b) Capital budgeting decision (c) Capital structure decision (d) All of the above</p> |
| 24 | <p>A higher financial leverage ratio means that –</p> <p>(a) The firm's debt dependency is increasing. (b) The company's debt dependency is reduced. (c) The equity component of total capital is high. (d) None of the above</p> |
| 25 | <p>As a company's financial leverage grows, it leads to –</p> <p>(a) The cost of funds is decreasing, but the financial risk is increasing. (b) the cost of money has risen; the financial risk has decreased. (c) An increase in the cost of financing as well as a risk of financial loss (d) A decrease in the cost of money as well as a reduction in financial risk</p> |
| 26 | <p>When do increasing debt levels result in increased earnings per share (EPS)?</p> <p>(a) When the rate of return on investment exceeds the interest rate. (b) When the rate of interest is lower than the rate of return on investment. (c) When the interest rate exceeds the rate of return. (d) None of these</p> |
| 27 | <p>If the earnings per share (EPS) declines as a result of higher debt usage, it means that –</p> |

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| | <p>(a) The cost of debt is less than the rate of return on investment (ROI).</p> <p>(b) The rate of return on investment exceeds the cost of borrowing.</p> <p>(c) Debt has a lower cost of debt than investment returns.</p> <p>(d) None of the above</p> |
| 28 | <p>Which of the following statements about the use of fixed capital is false?</p> <p>(a) It has an impact on the company's long-term growth</p> <p>(b) A large sum of money is at risk.</p> <p>(c) The commercial risk is minimal.</p> <p>(d) Investment decisions cannot be reversed.</p> |
| 29 | <p>Which of the following conditions is unlikely to cause a business's fixed capital requirements to go below?</p> <p>(a) When the raw material is easily obtainable</p> <p>(b) When a labour-intensive production method is employed,</p> <p>(c) When there is a lack of unity</p> <p>(d) When the company's growth prospects appear poor</p> |
| 30 | <p>A business's fixed capital demand is unlikely to be substantial in which of the following circumstances?</p> <p>(a) When raw material is difficult to come by</p> <p>(b) Production procedures that need a lot of capital are applied.</p> <p>(c) A company's growth prospects are excellent.</p> <p>(d) When a variety of financial options are readily available</p> |
| 31 | <p>Which among the following is not a factor affecting fixed capital requirements?</p> <p>(a) Nature of the business</p> <p>(b) Business cycle</p> <p>(c) Diversification</p> <p>(d) Financing alternatives</p> |
| 32 | <p>Which among the following is not a factor affecting working capital requirements?</p> <p>(a) Credit availed</p> <p>(b) Operating efficiency</p> <p>(c) Inflation</p> <p>(d) Growth prospects</p> |
| 33 | <p>Assertion (A): Capital budgeting decisions are very crucial and must be taken with utmost care. Reason (R): Investment decisions affect the earning capacity of the firm over the long run and are irreversible except at a huge cost.</p> <p>Alternatives:</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is true but Reason (R) is False</p> <p>d) Assertion (A) is False but Reason (R) is True.</p> |
| 34 | <p>Assertion (A): The primary objective of financial management is to maximise the wealth of equity shareholders.</p> <p>Reason (R): Investment Decision is concerned with the investment of a firm's funds in different assets.</p> <p>Alternatives:</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> |

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|----|---|
| | <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is true but Reason (R) is False</p> <p>d) Assertion (A) is False but Reason (R) is True.</p> |
| 35 | <p>Assertion (A): Higher the lead time, the lower is the amount of working capital requirement.</p> <p>Reason (R): If the raw material is available freely and continuously, then less working capital is needed as less inventory has to be maintained.</p> <p>Alternatives:</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is true but Reason (R) is False</p> <p>d) Assertion (A) is False but Reason (R) is True.</p> |
| 36 | <p>Assertion (A): More working capital is required in a highly competitive market.</p> <p>Reason (R): Competition forces a firm to adopt strict credit terms.</p> <p>Alternatives:</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is true but Reason (R) is False</p> <p>d) Assertion (A) is False but Reason (R) is True.</p> |
| 37 | <p>Assertion (A): Collaboration of an organisation with another organisation reduces the need of fixed capital.</p> <p>Reason (R): Availability of leasing facilities reduces the fixed capital requirement of a company.</p> <p>Alternatives:</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is true but Reason (R) is False</p> <p>d) Assertion (A) is False but Reason (R) is True.</p> |
| 38 | <p>Assertion (A): A transport service provider needs less working capital.</p> <p>Reason (R): A service firm sells more on a cash basis and does not have to maintain inventory.</p> <p>Alternatives:</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is true but Reason (R) is False</p> <p>d) Assertion (A) is False but Reason (R) is True.</p> |
| 39 | <p>Assertion (A): Trading on Equity raises the return of equity shareholders.</p> <p>Reason (R): Cost of debt is lower than the cost of equity and interest paid on debt is a deductible expense.</p> <p>Alternatives:</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is true but Reason (R) is False</p> |

| | d) Assertion (A) is False but Reason (R) is True. | | | | | | | | | | |
|--------------------------------|--|--------------|--------------|-----------------------|--|--------------------------------|--|--------------------------------|--|------------------------|------------------------------------|
| 40 | Match the items given under A with the suitable statements under B. | | | | | | | | | | |
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| Column – A | Column – B | | | | | | | | | | |
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| | Options a) i – A, ii – B, iii – C b) i – B, ii – A, iii – C c) i – A, ii – C, iii – B d) i – C, ii – A, iii – B | | | | | | | | | | |
| 41 | Match the items given under ‘A’ with the suitable statements under ‘B’. | | | | | | | | | | |
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| | Options a) i – B, ii – A, iii – D, iv – C b) i – A, ii – B, iii – C, iv – D c) i – C, ii – A, iii – B, iv – D d) i – A, ii – B, iii – D, iv – C | | | | | | | | | | |

ANSWERS:

| | | | | | | | | | | | |
|----|---|----|---|----|---|----|---|----|---|----|---|
| 1 | A | 2 | D | 3 | C | 4 | A | 5 | C | 6 | B |
| 7 | A | 8 | B | 9 | B | 10 | A | 11 | B | 12 | A |
| 13 | B | 14 | C | 15 | D | 16 | D | 17 | B | 18 | D |
| 19 | D | 20 | C | 21 | C | 22 | A | 23 | C | 24 | A |
| 25 | A | 26 | A | 27 | A | 28 | C | 29 | C | 30 | D |
| 31 | B | 32 | D | 33 | A | 34 | B | 35 | D | 36 | C |
| 37 | B | 38 | A | 39 | A | 40 | D | 41 | A | | |

CHAPTER 10 : FINANCIAL MARKETS

| 1 | <p>When securities are allotted to institutional investors & some selected individuals are referred to as _____.</p> <p>(a) Initial public offer (b) Offer through prospectus (c) Private placement (d) Offer for sale</p> | | | | | | | | | | |
|-------------------|--|----------|----------|-------------------|--|------------------|--|-------------|--|--|--|
| 2 | <p>From the set of statements given in Column I and Column II, Choose the correct pair of statements:</p> <table border="1" data-bbox="242 488 1353 862"> <thead> <tr> <th data-bbox="242 488 577 555">Column A</th> <th data-bbox="577 488 1353 555">Column B</th> </tr> </thead> <tbody> <tr> <td data-bbox="242 555 577 633">i) Offer for sale</td> <td data-bbox="577 555 1353 633">A) It involves inviting subscriptions from the public through the issue of prospectus.</td> </tr> <tr> <td data-bbox="242 633 577 712">ii) Rights Issue</td> <td data-bbox="577 633 1353 712">B) It involves the issue of capital to the public through the online system of the stock exchange.</td> </tr> <tr> <td data-bbox="242 712 577 790">iii) e-IPOs</td> <td data-bbox="577 712 1353 790">C) It is a privilege given to existing shareholders to subscribe to a new issue of shares.</td> </tr> <tr> <td data-bbox="242 790 577 862"></td> <td data-bbox="577 790 1353 862">D) It involves issue of securities through intermediaries like issuing houses.</td> </tr> </tbody> </table> <p>Options</p> <p>a) i – D, ii – C, iii – B b) i – A, ii – B, iii – C c) i – B, ii – A, iii – D d) i – C, ii – B, iii – A</p> | Column A | Column B | i) Offer for sale | A) It involves inviting subscriptions from the public through the issue of prospectus. | ii) Rights Issue | B) It involves the issue of capital to the public through the online system of the stock exchange. | iii) e-IPOs | C) It is a privilege given to existing shareholders to subscribe to a new issue of shares. | | D) It involves issue of securities through intermediaries like issuing houses. |
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| | D) It involves issue of securities through intermediaries like issuing houses. | | | | | | | | | | |
| 3 | <p>The Stock Exchange is a method for valuing securities using the dynamics of supply and demand. Determine the purpose of stock exchanges in this regard.</p> <p>(a) Providing liquidity & marketability of securities (b) Safety of transaction (c) Pricing of security (d) Spreading of the equity cult</p> | | | | | | | | | | |
| 4 | <p>Which of the following statements about the money market is false?</p> <p>(a) It has a low market risk. (b) It is located in specific areas. (c) Deals in short-term and unsecured debt products. (d) The instruments that are traded are quite liquid.</p> | | | | | | | | | | |
| 5 | <p>_____ is used to describe organizations and entities that give long-term funding.</p> <p>(a) Capital market (b) Money market (c) Primary market (d) Secondary market</p> | | | | | | | | | | |
| 6 | <p>The process of holding securities in an electronic form is known by a specific term . identify the term</p> <p>(a) Capital formation (b) Disinvestment (c) Investment (c) Dematerialisation</p> | | | | | | | | | | |
| 7 | <p>For large and creditworthy enterprises, it is utilized as an alternative to bank borrowing. What exactly is it?</p> <p>(a) Commercial papers (b) Call money (c) Commercial bill (d) None of the above.</p> | | | | | | | | | | |
| 8 | <p>From the set of statements given in Column I and Column II, Choose the correct pair</p> | | | | | | | | | | |

| | of statements: | | | | | | | | | | |
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| | Options a) i – A, ii – B, iii – C, iv – D b) i – C, ii – D, iii – A, iv – B c) i – B, ii – A, iii – C, iv – D d) i – D, ii – B, iii – A, iv – C | | | | | | | | | | |
| 9 | <p>ASSERTION(A): Primary market is also known as the new issues market REASON(R): Primary market deals with the securities already traded in market</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A). c) Assertion (A) is True but Reason (R) is False d) Assertion (A) is False but Reason (R) is True</p> | | | | | | | | | | |
| 10 | <p>Rajan was reluctant to buy stock in the stock market since he had heard that it is a location where various malpractices occur. He chooses to speak with a friend about the situation, who explains how SEBI protects investors' interests. In the following scenario, determine the type of SEBI function.</p> <p>(a) Protective function (b) Regulatory function (c) Development function (d) Both a and b</p> | | | | | | | | | | |
| 11 | <p>This form of primary market floatation involves requesting subscriptions from the general public to participate in a company's securities through the publication of advertisements-</p> <p>(a) Private placement (b) Offer through a prospectus (c) Offer for sale (d) All of the above</p> | | | | | | | | | | |
| 12 | <p>From the set of statements given in Column I and Column II, Choose the correct pair of statements:</p> <table border="1"> <thead> <tr> <th>Column A</th> <th>Column B</th> </tr> </thead> <tbody> <tr> <td>A) Money Market</td> <td>i) It deals with instruments with a maturity of more than one year.</td> </tr> <tr> <td>B) Primary Market</td> <td>ii) It deals with the sale and purchase of existing securities.</td> </tr> <tr> <td>C) Capital Market</td> <td>iii) It requires huge financial investment.</td> </tr> <tr> <td>D) Secondary Market</td> <td>iv) Price is determined by demand and supply of the securities</td> </tr> </tbody> </table> <p>Options a) A – I b) B – ii c) C – iii d) D – iv</p> | Column A | Column B | A) Money Market | i) It deals with instruments with a maturity of more than one year. | B) Primary Market | ii) It deals with the sale and purchase of existing securities. | C) Capital Market | iii) It requires huge financial investment. | D) Secondary Market | iv) Price is determined by demand and supply of the securities |
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| D) Secondary Market | iv) Price is determined by demand and supply of the securities | | | | | | | | | | |
| 13 | <p>In order to raise share capital ABC Ltd. is issuing shares and giving privilege to the existing shareholders to subscribe to the new issues of shares according to the terms</p> | | | | | | | | | | |

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| | <p>of conditions of the company. Identify the method of floatation used by the company</p> <p>A) Offer for sale B) Right issue C) Private placement D) E-IPO</p> |
| 14 | <p>Funds raised through commercial paper are used to meet the flotation cost which is termed as _____</p> <p>A) Equity financing B) Bridge financing C) Debt financing D) None of the above</p> |
| 15 | <p>ASSERTION: money market economise use of cash REASON: money market deals with financial instruments that are close substitutes of money.</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A) b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A) c) Assertion (A) is True but Reason (R) is False. d) Assertion (A) is False but Reason (R) is True</p> |
| 16 | <p>.....is manipulating the market price of shares by increasing or decreasing their prices.</p> <p>a) Price rigging b) Insider trading c) Private placement d) Fluctuation</p> |
| 17 | <p>ASSERTION: Dematerialization is the process by which physical form of securities are converted into electronic form REASON: SEBI's main purpose is to keep a check on malpractices and to protect the interest of investors</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A) c) Assertion (A) is True but Reason (R) is False. d) Assertion (A) is False but Reason (R) is True</p> |
| 18 | <p>SEBI was established onand its headquarter is situated at</p> <p>a) 12th April,1988 , Mumbai b) 12th April,1990 , Mumbai c) 12th May,1958 , Delhi d) 12th May,1988 ,Mumbai</p> |
| 19 | <p>Read the case study & answer the following question 1 to 4 on the basis of same:-</p> <p>‘Foods India Ltd’ is the company engaged in the production of packed juice since 2010. Over this period, a large number of competitors have entered the market and are putting a tough challenge to ‘Foods India Ltd’. To face this challenge and to increase its market share, the company has decided to replace the old machine with an estimated cost of ₹ 100 crore to raise the finance, the company decided to issue 9% debentures. The finance department of the company has estimated that the cost of issuing the 9% venture will be ₹ 10,00, 000.</p> <p>“ To raise the finance, the company decided to issue 9% debentures.” Identify the financial decision highlighted above</p> |

| | |
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| | <p>a) Investment decision b) Financing decision c) Capital structure decision d) Dividend decision</p> |
| 20 | <p>“The finance department of the company has estimated that the cost of issuing 9% adventures will be ₹ 10,00,000”. Identify the term highlighted above</p> |
| | <p>a) Cost of debt b) Cost of equity c) Flotation cost d) None of these</p> |
| 21 | <p>The instrument that the company may issue for this purpose</p> |
| | <p>a) Treasury bill b) Call money c) Commercial paper d) Certificate of deposit</p> |
| 22 | <p>In which type of financial market is the instrument which company will issue traded ?</p> |
| | <p>a) Money market b) Capital market c) Primary market d) Stock market</p> |
| | <p>The RBI sells Naman a financial asset. This financial asset is a short-term borrowing instrument. He bought it because he doesn't want to take any risk and wants a guaranteed profit. A promissory note is a type of financial instrument. It's a very liquid substance. Zero-Coupon Bond is another name for this instrument. T-65 is inscribed on this instrument.</p> |
| 23 | <p>In the example above, which financial asset is mentioned? (a) Call money (b) Treasury bills (c) Commercial paper (d) Commercial bill</p> |
| 24 | <p>Who does the RBI issue this instrument on behalf of? (a) State government (b) None of these (c) State bank of India (d) Government of India</p> |
| 25 | <p>What is the smallest sum that this instrument can be purchased for? (a) 50,000 (b) 40,000 (c) 25,000 (d) 40,000</p> |

ANSWER KEY : FINANCIAL MARKET

| | | | | | | | | | |
|----|----|----|----|----|----|----|----|----|----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| C | A | C | B | A | D | A | B | C | A |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| B | D | B | B | A | A | B | A | B | C |
| 21 | 22 | 23 | 24 | 25 | | | | | |
| C | A | B | D | C | | | | | |

| 8 | <p>Match the following:</p> <table border="1" data-bbox="226 208 1337 510"> <thead> <tr> <th data-bbox="226 208 1007 282">Statement</th> <th data-bbox="1007 208 1337 282">Components of product mix</th> </tr> </thead> <tbody> <tr> <td data-bbox="226 282 1007 358">a) process of preparing a name, sign or symbol for a product</td> <td data-bbox="1007 282 1337 358">i) packaging</td> </tr> <tr> <td data-bbox="226 358 1007 434">b) process of preparing an wrapper or container for product</td> <td data-bbox="1007 358 1337 434">ii) labelling</td> </tr> <tr> <td data-bbox="226 434 1007 510">c) process of preparing a slip used to describe information about product</td> <td data-bbox="1007 434 1337 510">iii) branding</td> </tr> </tbody> </table> <p>Options</p> <p>a) ii, i, iii b) iii, i, ii c) i, ii, iii d) iii, ii, I</p> | Statement | Components of product mix | a) process of preparing a name, sign or symbol for a product | i) packaging | b) process of preparing an wrapper or container for product | ii) labelling | c) process of preparing a slip used to describe information about product | iii) branding |
|---|---|---------------------|---------------------------|--|-----------------|---|-----------------|---|-------------------|
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| 9 | <p>Choose the correct option</p> <table border="1" data-bbox="226 694 932 1072"> <tbody> <tr> <td data-bbox="226 694 632 790">a) Order processing</td> <td data-bbox="632 694 932 790">1. Time utility</td> </tr> <tr> <td data-bbox="226 790 632 887">b) Transportation</td> <td data-bbox="632 790 932 887">2. Cost Control</td> </tr> <tr> <td data-bbox="226 887 632 983">c) Warehousing</td> <td data-bbox="632 887 932 983">3. Availability</td> </tr> <tr> <td data-bbox="226 983 632 1072">d) Inventory Control</td> <td data-bbox="632 983 932 1072">4. Speed y orders</td> </tr> </tbody> </table> <p>a) 1,2,3,4 b) 4,3,1,2 c) 4,2,3,1 d) 3.4.1,2</p> | a) Order processing | 1. Time utility | b) Transportation | 2. Cost Control | c) Warehousing | 3. Availability | d) Inventory Control | 4. Speed y orders |
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| b) Transportation | 2. Cost Control | | | | | | | | |
| c) Warehousing | 3. Availability | | | | | | | | |
| d) Inventory Control | 4. Speed y orders | | | | | | | | |
| 10 | <p>A marketer of colour TV having 20% of the current market share of the country aims at enhancing the market share to 50% in the next three years .For achieving this objective he specified an action programme. The function of marketing being discussed above is</p> <p>a) Marketing planning b) Gathering and analysing market information c) Product designing and development d) Promotion</p> | | | | | | | | |
| 11 | <p>_____ refers to a complete offer for a product or service, having given features like size, quality, taste, etc, at a certain price; available at a given outlet or location and so on.</p> <p>a) Product b) Market offering c) Marketing d) Selling</p> | | | | | | | | |
| 12 | <p>Sugandha purchased a pack of crayons for her daughter from a nearby stationery shop. She noticed that the crayons were packed in a portable transparent plastic bag. Identify the level of packaging being described in the above lines.</p> <p>a) Primary package b) Secondary packaging c) Transportation packaging d) None of the above</p> | | | | | | | | |
| 13 | <p>On visiting a supermarket to buy a pack of moisturizer, Ankita noticed that the packaging of most of the beauty products exhibited a photograph of a celebrity.</p> <p>Identify the related function of packaging being described in the given case.</p> <p>a) Facilitates the use of product b) Assists in promotion of the product c) Helps in product identification d) Provides protection to the product</p> | | | | | | | | |
| 14 | <p>ASSERTION: Packaging is known as a silent salesman REASON: Attractive and innovative packages can attract a lot of customers to purchase</p> | | | | | | | | |

| | |
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| | <p>the product</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is True but Reason (R) is False.</p> <p>d) Assertion (A) is False but Reason (R) is True</p> |
| 15 | <p>ASSERTION: Production mix is the combination of all decisions taken by marketers regarding product.</p> <p>REASON: Product mix covers only tangible attributes of products</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is True but Reason (R) is False.</p> <p>d) Assertion (A) is False but Reason (R) is True</p> |
| 16 | <p>ASSERTION: Personal selling involves face-to-face interaction between buyer and seller for the purpose of sale.</p> <p>REASON: Public relations are strategic management function that adds value to an organization by helping it to manage its reputation.</p> <p>Alternatives:- (a) Both Assertion (A) and Reason (R) are correct</p> <p>(b) Assertion (A) is correct, but Reason (R) is incorrect</p> <p>(c) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A)</p> <p>(d) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A)</p> |
| 17 | <p>ASSERTION: Social marketing concept is followed generally by marketers in present time.</p> <p>REASON: Social responsibility is considered as an important aspect to get success in the business</p> <p>a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A)</p> <p>c) Assertion (A) is True but Reason (R) is False.</p> <p>d) Assertion (A) is False but Reason (R) is True</p> |
| 18 | <p>In order to get feedback about its recently launched immunity boosting ayurvedic medicine, Atulya limited conducted an online survey using a questionnaire to gather customer views and opinions, Identify the marketing function being used by Atulya Ltd:</p> <p>a) Standardization b) Product designing</p> <p>c) Customer support service d) Gathering and analyzing market information</p> |
| 19 | <p>For the following two statements, choose the correct option.</p> <p>Statement I: Production philosophy focused on quality of products.</p> <p>Statement II: Marketing philosophy focused on consumer satisfaction.</p> <p>Alternatives :- a) Statement I is correct and Statement II is incorrect</p> <p>b) Statement II is correct and statement I is incorrect</p> <p>c) Both the statements are correct</p> <p>d) Both the statements are incorrect</p> |

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| | <p>The Marketing Manager, Mr. Kasim Ahmed of ‘Singh and Singh Pvt. Ltd’ was not satisfied with the marketing philosophy implemented in his company. He examined several marketing philosophies, one after the other First of all, he prepared a large-scale production plan. He believed that several economies would be obtained from the large-scale production. It would reduce the cost per unit and by fixing a balanced price, he would be able to attract customers to his side. But such a thing did not happen. Afterwards, he changed his thinking.</p> <p>His new thinking was that he would be able to attract customers when the emphasis of the company shifted from quantity of production to quality of products. But again, it did not serve the purpose. Afterwards, Mr. Ahmed again changed his thinking. Now the basis of his thinking was that ‘Goods are not bought but they have to be sold’. In order to give a practical shape to this thinking took the help of aggressive selling techniques, but once again it did not serve the purpose. Finally, he focused his attention on ‘Consumer satisfaction and social welfare’. This marketing philosophy gave him full success. On the basis of this case study answer following questions:-</p> |
| 20 | <p>Identify the marketing philosophy under which the emphasis is laid on large-scale production?</p> <p>a) Production philosophy b) Product philosophy c) Selling philosophy d) Social marketing philosophy</p> |
| 21 | <p>Identify the marketing philosophy out of the following which contains the essence of quality production?</p> <p>a) Production philosophy b) Product philosophy c) Selling philosophy d) Societal marketing philosophy</p> |
| 22 | <p>Identify the marketing philosophy in which the use of aggressive selling techniques are used?</p> <p>a) Production philosophy b) Product philosophy c) Selling philosophy d) Societal marketing philosophy</p> |
| 23 | <p>Last of all, the Marketing Manager focused his attention on ‘Consumer satisfaction and social welfare’ and he succeeded. Identify the marketing philosophy used here.</p> <p>a) Marketing philosophy b) Selling philosophy c) Societal Marketing philosophy d) None of these</p> |
| 24 | <p>Identify the marketing philosophy not tested by Mr. Ahmed in the given case.</p> <p>a) Production philosophy b) Marketing philosophy c) Selling philosophy d) None of these</p> |

ANSWER KEYS :MARKETING MAGEMENT

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|----|----|----|----|----|----|----|----|----|----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| B | A | B | D | D | D | B | D | B | A |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| B | A | B | A | D | D | A | D | B | A |
| 21 | 22 | 23 | 24 | | | | | | |
| B | C | C | B | | | | | | |

CHAPTER 12 : CONSUMER PROTECTION

| | |
|---|--|
| 1 | <p>Which quality certification mark is used for agriculture products?</p> <p>a) Food process products b) Eco-mark c) Agmark d) Hallmark</p> |
| 2 | <p>Saumya purchased a watch from titan gallery. As a proof of purchase, what she could ask for</p> <p>a) Invoice b) Cash memo c) Warranty card d) None of these</p> |
| 3 | <p>Government is actively advertising for Jago Grahak Jago. Which consumer right is highlighted in the given statement?</p> <p>a) Right to be informed b) Right to consumer education c) Right to be heard d) Right to seek redressal</p> |
| 4 | <p>Which of the following is not an appropriate role for a non -government organisations?</p> <p>a) Providing legal assistance b) Filling legal suits on behalf of the consumers c) Maintaining consumer documents like cash memos etc safely d) Educating the general public about consumer rights</p> |
| 5 | <p>Arushi purchased a pack of biscuits. When she felt the biscuits were stale she carefully read the label on the pack of biscuits which mentioned. 'If you are not satisfied with the product quality, write to our customer care cell at bells food Pvt. Ltd'. The biscuit company has set up its own customer service and grievance cell to promote and protect the following right. About which right the company is talking about?</p> <p>a) Right to safety b) Right to be heard c) Right to be informed d) Right to consumer education</p> |
| 6 | <p>Who among the following is not considered a consumer under the consumer protection act?</p> <p>a) A person who buys any good for a consideration which has been paid b) A person who avails of any service for a consideration which has been promised c) A person who avails of a service for a commercial purpose d) Any user of goods when such use is made with the approval of the buyer</p> |
| 7 | <p>FSSAI (Food safety and standards authority of India) has made a proposal for hotels and other food outlets to declare the kind of oil/fat used in cooking each of the food items on their menus. Which consumer right being reinforced by this proposal?</p> <p>a) Right to be informed b) Right to consumer education c) Right to be heard d) Right to seek redressal</p> |
| 8 | <p>Which one of the following statements is true?</p> <p>1) Asserting oneself to ensure that one gets a fair deal, is the right of a consumer. 2) ISI is the quality certification mark used in case of food products. 3) The legal framework in India requires the manufacturers to provide the information such as ingredients of the product, on the package and label of the product 4) A complaint can be made to a district forum when the value of the good or service does not exceed ₹ 20 lakh.</p> <p>Choose the correct answer from the options given below</p> <p>a) Only 3 b) Both 1 AND 3 c) Only 1 d) All 1,3,4</p> |
| 9 | <p>Statement I: Ansh wants to buy a packet of juice. As an aware consumer, she can be sure</p> |

| | <p>about the quality of juice she plans to buy looking for FPO marks on the packet of juice. Statement II: consumer protection act provides required information related to the rights and remedies available to the consumers</p> <p>After reading both the statements, choose the correct alternative</p> <p>Alternatives</p> <p>a) Statement I is correct and Statement II is wrong b) Statement II is correct and Statement I is wrong c) Both the statements are correct d) Both the statements are incorrect</p> | | | | | | | | | | |
|--|---|----------|----------|--|---|--|---|--|---|--|--|
| 10 | <p>Match with the correct part and choose the correct option from the options given below</p> <table border="1"> <thead> <tr> <th>Column A</th> <th>Column B</th> </tr> </thead> <tbody> <tr> <td>A) Business firms set up consumer grievance cell</td> <td>I) Labelling</td> </tr> <tr> <td>B) Consumer organisations take active part in creating awareness about consumer rights and reliefs</td> <td>II) Agmark</td> </tr> <tr> <td>C) Quality certifications used for agricultural products</td> <td>III) Right to be heard</td> </tr> <tr> <td>D) Component of product mix that helps the consumer to exercise the right to information</td> <td>IV) Right to Consumer education</td> </tr> </tbody> </table> <p>Options</p> <p>a) III, IV, II, I b) IV, III, II, I c) III, IV, I, II d) IV, III, I, II</p> | Column A | Column B | A) Business firms set up consumer grievance cell | I) Labelling | B) Consumer organisations take active part in creating awareness about consumer rights and reliefs | II) Agmark | C) Quality certifications used for agricultural products | III) Right to be heard | D) Component of product mix that helps the consumer to exercise the right to information | IV) Right to Consumer education |
| Column A | Column B | | | | | | | | | | |
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| C) Quality certifications used for agricultural products | III) Right to be heard | | | | | | | | | | |
| D) Component of product mix that helps the consumer to exercise the right to information | IV) Right to Consumer education | | | | | | | | | | |
| 11 | <p>Match the following and choose the correct option: -</p> <table border="1"> <thead> <tr> <th>Column A</th> <th>Column B</th> </tr> </thead> <tbody> <tr> <td>District commission</td> <td>I) Right to file a complaint and to be heard in case of dissatisfaction with a product or service</td> </tr> <tr> <td>State commission</td> <td>II) Compensation amount up to ₹ 1 crore</td> </tr> <tr> <td>National commission</td> <td>III) Compensation amount from ₹ 1 crore to ₹ 10 crore</td> </tr> <tr> <td>Right to be heard</td> <td>IV) Compensation amount above ₹ 10 crore</td> </tr> </tbody> </table> <p>OPTIONS</p> <p>a) IV, III, II, I b) II, III, IV, I c) II, IV, III, I d) IV, II, III, I</p> | Column A | Column B | District commission | I) Right to file a complaint and to be heard in case of dissatisfaction with a product or service | State commission | II) Compensation amount up to ₹ 1 crore | National commission | III) Compensation amount from ₹ 1 crore to ₹ 10 crore | Right to be heard | IV) Compensation amount above ₹ 10 crore |
| Column A | Column B | | | | | | | | | | |
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| Right to be heard | IV) Compensation amount above ₹ 10 crore | | | | | | | | | | |
| 12 | <p>ASSERTION(A): Appeals against the State Commission can also be filed before the National Commission of consumer protection. REASON(R): Consumer protection institution is of three tier- structure</p> <p>Choose the correct alternative: -</p> <p>a) Both assertion and reason are true and reason is correct explanation of assertion b) Both assertion and reason are true and reason is not correct explanation of assertion c) Assertion is true but reason is false d) Assertion is false but reason is true</p> | | | | | | | | | | |
| 13 | <p>ASSERTION(A): Consumer Protection Act provides required information related to the rights and remedies available to consumers. REASON(R): Consumer is treated as the ‘King’ of the market</p> <p>Choose the correct alternative</p> <p>a) Both assertion and reason are true and reason is correct explanation of assertion b) Both assertion and reason are true and reason is not correct explanation of assertion c) Assertion is true but reason is false</p> | | | | | | | | | | |

PREPARED BY:

- 1. SRINIVAS MUTHINENI
KV NO. 2 NAUSENABAUGH, VISAKHAPATNAM**

- 2. MANOJ KUMAR
KV NO. 1 NAUSENABAUGH, VISAKHAPATNAM**

- 3. P JYOTI
KV MALKAPURM, VISAKHAPATNAM**

- 4. SHAZAD ARABI
KV 1, TIRUPATI**