Paper - II
MANAGEMENT

Booklet Code

A

SUBJECT CODE : 2 5

Roll No. :

(Figures as per admission card)

Roll No. (in words) : _____

_____

OMR Sheet No. :

Name and Signature of Invigilator/s

Signature : _____

Name   : _____

Time : 2 Hours   Maximum Marks : 200

Number of Pages in this Booklet : 32   **Number of Questions in this Booklet : 100**

Instructions for the Candidates

1. Write your roll number in the space provided on the top of this page.
2. This paper consists of hundred (100) multiple-choice type of questions.
3. At the commencement of examination, the test booklet will be given to you. In the first 5 minutes, you are requested **To Open the Booklet and Compulsorily Examine it as Below:**
   (i) To have access to the Test Booklet, tear off the paper seal on the edge of the cover page. Do not accept a booklet without sticker seal or open booklet.
   (ii) Tally the number of pages and number of questions in the booklet with the information printed on the cover page. Faulty booklets due to pages/questions missing or duplicate or not in serial order or any other discrepancy should be got replaced immediately by a correct booklet from the invigilator within the period of 5 minutes. Afterwards, neither the Test Booklet will be replaced nor any extra time will be given.
   (iii) After the verification is over, the Test Booklet Number should be entered in the OMR Sheet and the OMR Sheet Number should be entered on this Test Booklet.
4. Each item has four alternative responses marked (A), (B), (C) and (D). You have to darken the circle as indicated below on the correct response against each item.
   Example : Ⓐ Ⓑ ● Ⓓ
   where (C) is the correct response.
5. Your responses to the questions are to be indicated in the **OMR Sheet kept inside this Booklet**. If you mark at any place other than in the circles, the OMR Sheet will not be evaluated.
6. Read the instructions given in OMR Sheet carefully. Fill the Booklet Code of Paper-II in OMR Sheet **Compulsorily**.
7. Rough Work is to be done in the end of this booklet.
8. If you write your name or put any mark on any part of the OMR Answer Sheet, except for the space provided for the relevant entries, which may disclose your identity, you will render yourself liable to disqualification.
9. You have to return the OMR answer Sheet to the invigilators at the end of the examination compulsorily and must NOT carry it with you outside the Examination Hall.
10. You can take away test booklet and carbon copy of OMR Answer Sheet after the examination.
11. **Use only Blue/Black Ball point pen.**
12. **Use of any calculator, electronic gadgets or log table, etc. is prohibited.**
13. **There is no negative mark for incorrect answer.**

25-A   **1**   **P.T.O.**

1. Arrange the following approaches / models in order of their appearance. Use the codes given below:

   (i) MM Approach to Capital Structure Decision

   (ii) Walter's Dividend Model

   (iii) Capital Asset Pricing Model

   (iv) Miller-Orr Model of Cash Management

   Codes:

   (A) (i), (ii), (iii), (iv)

   (B) (iv),(iii),(ii),(i)

   (C) (i),(iii),(ii),(iv)

   (D) (ii),(i),(iii),(iv)

2. Match List-I and List-II and select the correct answer from the codes given below:

   List-I

   P. Margin of safety ratio

   Q. Defensive-interval ratio

   R. Indifference point

   S. Fixed assets turnover ratio

   List-II

   1. EBIT-EPS analysis

   2. Efficiency analysis

   3. Degree of operating leverage

   4. Liquidity analysis

   Codes:

	P	Q	R	S
(A)	3	2	1	4
(B)	3	4	1	2
(C)	2	1	4	3
(D)	1	3	2	4

3. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below:

   Assertion (a) :The return on total assets (ROTA) of ABC Ltd. goes down with the passage of time.

   Reason (r) : The reduction in the ROTA of ABC Ltd. is either due to a less efficient utilization of the company's total assets or due to lower net profit margin.

   (A) Both (a) and (r) are true and (r) is correct explanation of (a).

   (B) Both (a) and (r) are true and (r) is not correct explanation of (a).

   (C) (a) is true, but (r) is false.

   (D) (a) is false, but (r) is true.

4. Given below are two statements:

Statement I: The simple operating cycle analyses both the time dimension of investment and differential magnitudes of investment at different phases of the operating cycle.

Statement II: The weighted operating cycle analyses only the time dimension of investment.

In light of the above statements, choose the most appropriate answer from the codes given below:

(A) Both Statement I and Statement II are correct.

(B) Both Statement I and Statement II are incorrect.

(C) Statement I is correct and Statement II is incorrect.

(D) Statement I is incorrect and Statement II is correct.

5. Match List-I and List-II and select the correct answer from the codes given below:

List-I

P. Liquidity risk

Q. Financial risk

R. Business risk

S. Capital productivity risk

List-II

1. Capital turnover

2. Capital structure policy

3. Operating profitability

4. Working capital policy

Codes:

	P	Q	R	S
(A)	3	4	1	2
(B)	3	2	1	4
(C)	4	2	3	1
(D)	4	2	1	3

6. Given below are two statements:

Statement I: Grapevine leads to great rumours.

Statement II: Grapevine spreads slowly.

In light of the above statements, choose the most appropriate answer from the codes given below:

(A) Both Statement I and Statement II are correct.

(B) Both Statement I and Statement II are incorrect.

(C) Statement I is correct and Statement II is incorrect.

(D) Statement I is incorrect and Statement II is correct.

7. In the Modified IRR (MIIR) approach to capital budgeting decision, it is assumed that the cash flows associated with the project are reinvested at :

(A) the IRR

(B) the MIIR

(C) the cost of capital

(D) the current bank interest rate

8. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below:

Assertion (a) :If the acquired company has a high degree of business risk, 'Leveraged Buyout' (LBO) will not be considered as a suitable form of corporate restructuring for such company.

Reason (r) :LBOs result in increase in financial risk and a company having high business risk should maintain low financial risk in order to keep its total risk within a reasonable limit.

(A) Both (a) and (r) are true and (r) is correct explanation of (a).

(B) Both (a) and (r) are true and (r) is not correct explanation of (a).

(C) (a) is true, but (r) is false.

(D) (a) is false, but (r) is true.

9. ρ - value of the independent variable in a regression analysis reflects :

(A) The confidence interval

(B) The critical region predetermined

(C) Probability of type II error

(D) Probability of type I error

10. Given below are two statements:

Statement I: International liquidity encompasses the international reserves only.

Statement II: International liquidity covers only official holdings of gold, foreign exchange, special drawing rights and reserve position in the IMF available for the settlement of the international transactions.

In light of the above statements, choose the most appropriate answer from the codes given below:

(A) Both Statement I and Statement II are correct.

(B) Both Statement I and Statement II are incorrect.

(C) Statement I is correct and Statement II is incorrect.

(D) Statement I is incorrect and Statement II is correct.

11. If variance of x = 81, variance of y = 64 and covariance of x and y = - 63 , then correlation coefficient is :

(A) 0.833 (B) -0.125

(C) -0.875 (D) 1.33

12. If two dice are thrown simultaneously, what is the probability of getting a total of greater than 10?

(A) 1/18 (B) 1/12

(C) 1/9 (D) 1/6

13. Which of the following statements relating to the sampling theory are correct?

    I. The values of the statistical measures based on the sampled units are called values of statistics.

    II. In the simple random sampling technique, the element of the population and the unit of the sample are different.

    III. Snow – ball sampling technique is a probability based sampling technique.

    IV. The 'Law of statistical regularity' and the 'Law of inertia of large numbers' are the main bases of the sample to become representative of the population.

    (A) Both II and III

    (B) Both I and IV

    (C) I, II and III

    (D) II, III and IV

14. If two variables x and y are related as y = a + bx (for n values of both the variables x and y), where a and b are constant, and σ_x is the Standard Deviation of x and σ_y is the SD of y, then :

    (A) $\sigma_y = a + b\sigma_x$

    (B) $\sigma_y = b\sigma_x$

    (C) $\sigma_y = a + |b|\,\sigma_x$

    (D) $\sigma_y = |b|\,\sigma_x$

15. The frequency distribution of a continuous variable is negatively skewed if :

    (A) Mode < Median < Mean

    (B) Mode > Mean > Median

    (C) Mode > Median > Mean

    (D) Mode < Mean < Median

16. If Median is 40 and Mode is 30 find the approximate value of Mean and state whether skewness is negative or positive:

    (A) 45 and negative

    (B) 45 and positive

    (C) 25 and positive

    (D) 35 and negative

17. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below:

Assertion (a) :Database assists in market segmentation, especially behavioural segmentation such as developing loyalty segments.

Reason (r) :Customer Relationship Management (CRM) database has become an asset for analysis of customer behaviour.

    (A) Both (a) and (r) are true and (r) is correct explanation of (a).

    (B) Both (a) and (r) are true and (r) is not correct explanation of (a).

    (C) (a) is true, but (r) is false.

    (D) (a) is false, but (r) is true.

18. Given below are two statements:

Statement I: Marketing mix is a mix of markets for optimum sales.

Statement II: Marketing mix is a mix of seven Ps – Product, Price, Place, Promotion, People, Process and Physical evidence.

In light of the above statements, choose the most appropriate answer from the codes given below:

(A) Both Statement I and Statement II are correct.

(B) Both Statement I and Statement II are incorrect.

(C) Statement I is correct and Statement II is incorrect.

(D) Statement I is incorrect and Statement II is correct.

19. With reference to Balance of Payments, which of the following constitutes / constitute the Current Account?

(i) Balance of trade

(ii) Foreign assets

(iii) Balance of invisibles

(iv) Special drawing right

(A) (i) only

(B) (ii) and (iii)

(C) (i) and (iii)

(D) (i) , (ii) and (iv)

20. Given below are two statements:
Statement I: Creation and distribution of reserves in the form of Special Drawing Rights is one of the basic functions of IMF.
Statement II: Providing short term and medium term assistance for overcoming short-term balance of payments deficits is another basic function of IMF.
In light of the above statements, choose the most appropriate answer from the codes given below:

(A) Both Statement I and Statement II are correct.

(B) Both Statement I and Statement II are incorrect.

(C) Statement I is correct and Statement II is incorrect.

(D) Statement I is incorrect and Statement II is correct.

21. Match List-I and List-II and select the correct answer from the codes given below:
List-I(Institution)
P. WTO   Q. RBI
R. IMF   S. IBRD
List-II(Function)
1. Provides loans to address short-term Balance of Payment problems
2. Acts as multilateral trade negotiating body
3. Facilitating lending and borrowing for reconstruction and development
4. Acts as Central Bank of India

Codes:

	P	Q	R	S
(A)	2	4	1	3
(B)	3	4	2	1
(C)	3	4	1	2
(D)	1	2	3	4

22. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below:

Assertion (a) :International Finance Corporation (IFC) promotes sustainable public sector investment in developing countries.

Reason (r) : IFC helps in reducing poverty and improving people's lives.

(A) Both (a) and (r) are true and (r) is correct explanation of (a).

(B) Both (a) and (r) are true and (r) is not correct explanation of (a).

(C) (a) is true, but (r) is false.

(D) (a) is false, but (r) is true.

23. Consumer is said to be in equilibrium, maximising his utility when :

(A) The marginal utilities of the two goods consumed equal.

(B) The proportions of the marginal utilities and respective prices are equal.

(C) The consumer gets full satisfaction from the consumption.

(D) The consumer feels satisfied with his expenditure on the various goods.

24. When goods in the domestic market are sold at a higher price and in the foreign market they are sold at a lower price, it is a situation of :

(A) Dumping

(B) Perfect competition

(C) Oligopoly

(D) Duopoly

25. From the list of the following statements select the ones that increase decentralisation :

I. Delegation of all the authority to subordinates.

II. Delegation pushes down the authority to the lower level.

III. Power and discretion are concentrated in a few executives.

IV. Everything that goes to increase the importance of the role of subordinates.

(A) I, II and III

(B) I and IV

(C) II and IV

(D) I and III

26. In India CSR expenditure is maximum in activities on:

(A) Women Empowerment

(B) Rural Development

(C) Poverty, Eradicating Hunger, Malnutrition

(D) Health Care and Education

27. Which one of the following is not an indicator for measuring inflation?

(A) Consumer Price Index

(B) Wholesale Price Index

(C) Sensitivity Index

(D) Producer Price Index

28. Match List-I and List-II and select the correct answer from the codes given below:

List-I

P. Worker's demand for wages that match the increase in price of goods.

Q. Increase in per unit cost of production.

R. Extremely fast inflation.

S. Excess demand not matched by production.

List-II

1. Hyperinflation

2. Cost-push inflation

3. Demand-pull inflation

4. Creeping inflation

5. Built-in inflation

Codes:

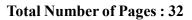|	P	Q	R	S
(A)	4	2	1	3
(B)	5	2	1	3
(C)	5	2	1	4
(D)	1	2	3	4

29. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below:

Assertion (a) : The revenue curve of a monopoly firm is downward sloping from left to right.

Reason (r) : The monopoly firm does not enjoy the freedom to determine both price and quantity to be sold simultaneously according to its whims and fancy.

(A) Both (a) and (r) are true and (r) is correct explanation of (a).

(B) Both (a) and (r) are true and (r) is not correct explanation of (a).

(C) (a) is true, but (r) is false.

(D) (a) is false, but (r) is true.

30. The wealth maximisation objective assumes that the market price of shares of a company is directly influenced by :

(A) The financial decisions taken by the company.

(B) The financing decision taken by the company only.

(C) The profit allocation decision taken by the company only.

(D) The investment decision taken by the company only.

31. Given below are two statements:

    Statement I: Positive working capital indicates the amount of short term fund used in financing long term assets.

    Statement II: Negative working capital indicates the amount of long term fund used in financing short term assets.

    In light of the above statements, choose the most appropriate answer from the codes given below:

    (A) Both Statement I and Statement II are correct.

    (B) Both Statement I and Statement II are incorrect.

    (C) Statement I is correct and Statement II is incorrect.

    (D) Statement I is incorrect and Statement II is correct.

32. Match List-I and List-II and select the correct answer from the codes given below:

    List-I (Proponent)

    P. D. Durand

    Q. J.E. Walter

    R. P.Hunt

    S. E.W.Walker

    List-II (Concept)

    1. Optimal Dividend Pay-out Ratio

    2. Trading on equity

    3. Working Capital Leverage

    4. Net Operating Income Approach

Codes:

	P	Q	R	S
(A)	4	2	1	3
(B)	4	1	2	3
(C)	3	2	1	4
(D)	1	3	2	4

33. Match List-I and List-II and select the correct answer from the codes given below:

    List-I

    (Ratio)

    P. Acid test ratio

    Q. Return on equity

    R. Capital gearing ratio

    S. Dividend coverage ratio

    List-II

    (Category to which the ratio belongs)

    1. Leverage Ratio

    2. Revenue Statement Ratio

    3. Balance Sheet Ratio

    4. Composite Ratio

Codes:

	P	Q	R	S
(A)	4	2	3	1
(B)	3	2	1	4
(C)	1	2	3	4
(D)	3	4	1	2

34. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below:

Assertion (a) :If the expected level of EBIT is greater than the indifference point, the use of fixed charge bearing capital in the capital structure would be advantageous from the viewpoint of EPS.

Reason (r) : At any EBIT level above the indifference point, the EPS for equity dominated capital structure would be higher as compared to the EPS for fixed charge bearing capital dominated capital structure.

(A) Both (a) and (r) are true and (r) is correct explanation of (a).

(B) Both (a) and (r) are true and (r) is not correct explanation of (a).

(C) (a) is true, but (r) is false.

(D) (a) is false, but (r) is true.

35. Which one of the following is not a potential source of stress?

(A) Economic uncertainty

(B) Task demands

(C) Family problems

(D) Depression

36. Which one of the following is not a basic objective of Human Resource Management?

(A) To attract HR into the organisation

(B) To develop and motivate HR for better performance

(C) To have the reward and punishment system for HR

(D) To integrate and maintain HR in the organisation

37. Given the following list select the ones considered as an employee pay approach:

I. Broad banding

II. Pay for competence

III. Pay for superannuation

IV. Team rewards

Choose the correct options from the codes given below:

(A) I and II

(B) II and III

(C) III and IV

(D) I, II and IV

38. The individual sources of resistance to change are: Habit, Security, Economic factors, Fear of the unknown, and :

(A) Threat to expertise

(B) Structural inertia

(C) Selective information processing

(D) Limited focus of change

39. 'Unfreezing', 'movement' and 'refreezing' are the three steps proposed by _____ for managing organizational change.
    (A) John Kotter
    (B) Richard Clark
    (C) Kurt Lewin
    (D) Charles Darwin

40. The six organization development (OD) interventions that the change agents may consider for bringing change is an organization are: Sensitivity training, Survey feedback, Process consultation, Team building, Intergroup development, and :
    (A) Participative management
    (B) Double-loop learning
    (C) Appreciative inquiring
    (D) Action research

41. If the risk free rate of return is 10%, the company's beta is 1.75 and the rate of return on market portfolio is 13.5%, then the cost of equity is :
    (A) 12.125% (B) 14.125%
    (C) 16.125% (D) 18.125%

42. The four perspectives of a traditional balanced scorecard are :
    (A) Financial, Non-financial, Internal Process and Innovation.
    (B) Financial, Environmental, Internal Process and Innovation.
    (C) Financial, Social, Internal Process and Innovation.
    (D) Financial, Customer, Internal Process, and Innovation.

43. Match List-I and List-II and select the correct answer from the codes given below:

List-I

(Authors)

P. Dale Yoder

Q. Beach

R. Flippo

S. Vetter

List-II

(Definition of Training)

1. The process by which management determines how the organization should move from its current manpower position to its desired manpower position

2. Training is the process by which manpower is filled for the particular job it has to perform

3. Training is the organised procedure by which people learn knowledge and skills for definite purpose

4. Training is the act of increasing the knowledge and skill of an employee for doing a particular job

Codes:

	P	Q	R	S
(A)	4	3	2	1
(B)	2	3	4	1
(C)	3	1	4	2
(D)	4	3	1	2

44. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below:

Assertion (a) : Human resource planning helps to forecast personnel requirement.

Reason (r): Human resource planning is backward looking.

(A) Both (a) and (r) are true and (r) is correct explanation of (a).

(B) Both (a) and (r) are true and (r) is not correct explanation of (a).

(C) (a) is true, but (r) is false.

(D) (a) is false, but (r) is true.

45. Match List-I and List-II and select the correct answer from the codes given below:

List-I

(Types of Strike)

P. Bumper strike

Q. Sit down strike

R. Sectional strike

S. Hunger strike

List-II

(Features)

1. Strike in which workers cease to perform their duties but do not leave the place of work

2. It is the refusal of a section of a given class of workers to perform their normal duties

3. It brings moral pressure on employers to iron out the differences with labour quickly

4. Such strikes are supported by the contributions of those who are still at work

Codes:

	P	Q	R	S
(A)	4	3	1	2
(B)	3	1	4	2
(C)	2	1	4	3
(D)	4	1	2	3

46. According to Albert Bandura, self-efficacy can be increased by Enactive mastery, Vicarious modelling, Verbal persuasion, and :

(A) Arousal

(B) Pygmalion

(C) Cognitive union

(D) Reinforcement

47. Match List-I and List-II and select the correct answer from the codes given below:

List-I

(Functions of Management)

P. Planning

Q. Organising

R. Directing

S. Staffing

List-II

(Objectives)

1. Integration of human efforts

2. Filling of vacant positions

3. Optimum utilization of resources

4. To determine goals

5. To achieve pre-determined goals

Codes:

	P	Q	R	S
(A)	3	5	1	2
(B)	5	4	1	2
(C)	4	1	3	2
(D)	5	3	1	2

48. The tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgements about the behaviour of others is best described as :

(A) Selective perception

(B) Fundamental attribution error

(C) Halo effect

(D) Self serving bias

49. Expenditure on plant & equipment, research & development and others designed to increase the nation's productive capacity represents :

(A) National income

(B) Net foreign investment

(C) Real investment

(D) Current account balance

50. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below:

Assertion (a): Business risk is independent of capital structure while the genesis of financial risk lies in the capital structure.

Reason (r): Business risk arises out of fluctuation in the rate of return on total capital invested while financial risk emanates from the possibility of failing to meet contractual obligations.

(A) Both (a) and (r) are true and (r) is correct explanation of (a).

(B) Both (a) and (r) are true and (r) is not correct explanation of (a).

(C) (a) is true, but (r) is false.

(D) (a) is false, but (r) is true.

51. The relationship between DFL and financial break-even-point is :

(A) Positive

(B) Negative

(C) Either positive or negative

(D) Zero

52. Given below are two statements:

    Statement I: Financial statements reflect a combination of recorded facts, accounting conventions and personal judgements; and conventions applied affect them materially.

    Statement II: It is, therefore, obvious that the figures disclosed in the financial statements are influenced by three important factors namely, recorded facts, Generally accepted accounting principles (GAAP) and Personal judgements.

    In light of the above statements, choose the most appropriate answer from the codes given below:

    (A)   Both Statement I and Statement II are correct.

    (B)   Both Statement I and Statement II are incorrect.

    (C)   Statement I is correct and Statement II is incorrect.

    (D)   Statement I is incorrect and Statement II is correct.

53. Given below are two statements:
    Statement I: The concepts of fund which are common to the accounting world are Literal cash, Short-term monetary assets, Net monetary assets, Net working capital and All financial resources.
    Statement II: If a 'fund flow statement' is prepared using 'Literal cash' concept, it is also known as 'cash flow statement'.
    In light of the above statements, choose the most appropriate answer from the codes given below:
    (A)   Both Statement I and Statement II are correct.
    (B)   Both Statement I and Statement II are incorrect.
    (C)   Statement I is correct and Statement II is incorrect.
    (D)   Statement I is incorrect and Statement II is correct.

54. Given below are two statements:
    Statement – I: Labour always gets a major share of productivity gains.
    Statement – II: Partial stoppage of work by workers leads to strike.
    In light of the above statements, choose the most appropriate answer from the codes given below:
    (A)   Both statements are correct.
    (B)   Both statements are incorrect.
    (C)   Statement I is correct, but Statement II is incorrect.
    (D)   Statement II is correct, but Statement I is incorrect.

55. Match List-I and List-II and select the correct answer from the codes given below:

List-I

(Barriers to Communication)

P.   Semantic Barriers

Q.   Socio-Psychological Barriers

R.   Cross Cultural Barriers

S.   Organisational Barriers

List-II

(Ways to overcome)

1.   Understanding of Traditions & Customs

2.   Simple Organisational Structure

3.   Ensure Visibility and Audibility

4.   Use of Simple Language, Symbols and Charts

5.   Assistance and Sympathy

Codes:

	P	Q	R	S
(A)	3	1	5	4
(B)	4	5	1	2
(C)	3	4	5	1
(D)	2	3	4	5

56. Match List-I and List-II and select the correct combination of personality types as per Myers-Briggs Type Indicator from the codes given below :

List-I

P.   Extraverted

Q.   Sensing

R.   Thinking

S.   Judging

List-II

1.   Feeling

2.   Introverted

3.   Intelligent

4.   Intuitive

5.   Perceiving

Codes:

	P	Q	R	S
(A)	2	4	5	3
(B)	2	1	5	4
(C)	2	3	4	1
(D)	2	4	1	5

57. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below :

Assertion (a) :All employees in an organization should have the same view about the organisation they work as a place to work.

Reason (r): What the employees view about the organisation is based on their perception of what reality is, not on reality itself.

(A) Both (a) and (r) are true and (r) is correct explanation of (a).

(B) Both (a) and (r) are true and (r) is not correct explanation of (a).

(C) (a) is true, but (r) is false.

(D) (a) is false, but (r) is true.

58. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below :

Assertion (a) :Merit rating of an employee is the process of evaluating the employee's performance in terms of the requirements of the job.

Reason (r): Employee's merit rating is a technique for fair and systematic evaluation of an employee's capacities, abilities and performance on the specific job.

(A) Both (a) and (r) are true and (r) is correct explanation of (a).

(B) Both (a) and (r) are true and (r) is not correct explanation of (a).

(C) (a) is true, but (r) is false.

(D) (a) is false, but (r) is true.

59. In the BCG Matrix, 'question mark (?)' is characterised by :

(A) High market share and high growth

(B) High market share and low growth

(C) High growth and low market share

(D) Low growth and low market share

60. It stems from consumer's perception of the brand's superiority and the customer's trust with the brand, it is called :

(A) Brand loyalty

(B) Brand equity

(C) Consumer's equity

(D) Brand value

61. Given below are two statements:

    Statement I: If a conglomerate company split its businesses into two or more independent companies, then this is called 'split-up'.

    Statement II: In the case of 'split-up', the parent company disappears and in its place two or more independent companies emerge.

    In light of the above statements, choose the most appropriate answer from the codes given below :

    (A) Both Statement I and Statement II are correct.

    (B) Both Statement I and Statement II are incorrect.

    (C) Statement I is correct and Statement II i incorrect.

    (D) Statement I is incorrect and Statement II is correct.

62. If $\bar{x}$ and σ are $\delta 0$ and 10 respectively and if 2 is subtracted from each observation and it is divided by δ, then new $\bar{x}$ and new σ will be :

    (A) $\bar{x} = 9.6$ and $\sigma = 10$

    (B) $\bar{x} = \delta 0$ and $\sigma = 2$

    (C) $\bar{x} = \delta 0$ and $\sigma = 10$

    (D) $\bar{x} = 9.6$ and $\sigma = 2$

63. Match List-I and List-II and select the correct answer from the codes given below:

    List-I

    (Statistical quality control technique)

    P. Fraction defective chart

    Q. Acceptance sampling

    R. Double sampling inspection plan

    S. Mean chart

    List-II

    (Category of technique)

    1. Control chart for attributes

    2. Attributes sampling inspection plan

    3. Product control

    4. Control chart for variables

    Codes:

	P	Q	R	S
(A)	1	2	3	4
(B)	4	2	3	1
(C)	4	3	2	1
(D)	1	3	2	4

64. Match List-I and List-II and select the correct answer from the codes given below:

List-I (Concept)

P. Market segmentation

Q. Skimming pricing

R. Multilevel marketing

S. Sales management

List-II (Description)

1. Pricing strategy that sets new product prices high

2. Process of disaggregating a market into a number of sub-markets

3. Translation of the marketing plan into marketing performance

4. Modified version of direct marketing

5. Splitting customers into groups based on shared characteristics.

Codes:

	P	Q	R	S
(A)	3	4	2	1
(B)	5	1	2	4
(C)	2	1	3	4
(D)	1	2	4	5

65. World Investment Report is published by :

(A) The World Bank

(B) The International Monetary Fund

(C) The United Nations Conference on Trade and Development

(D) The International Bank for Reconstruction and Development

66. Match List-I and List-II and select the correct answer from the codes given below:

List-I

(Assumption)

P. The investors are risk-averse.

Q. The firm is an all-equity firm.

R. The return on any stock is linearly related to a set of factors referred to as systematic factors.

S. The returns of the underlying asset are normally distributed.

List-II

(Model / Theory)

1. Arbitrage Pricing Theory

2. Black-Scholes Option Pricing Model

3. Capital Asset Pricing Model

4. Gordon's Dividend Model

Codes:

	P	Q	R	S
(A)	1	3	4	2
(B)	2	3	4	1
(C)	3	4	1	2
(D)	1	2	3	4

67. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below:

Assertion (a) :Range Chart (R-Chart) is in common use in measuring the process variability.

Reason (r) : R-Chart is theoretically more appropriate than standard deviation chart for controlling the variability of the process.

(A) Both (a) and (r) are true and (r) is correct explanation of (a).

(B) Both (a) and (r) are true and (r) is not correct explanation of (a).

(C) (a) is true, but (r) is false.

(D) (a) is false, but (r) is true.

68. Which of the following concepts was adopted by PepsiCo while introducing itself in the Indian market in the 1980s?

(A) Mega marketing

(B) Meta marketing

(C) Micro marketing

(D) Multistage marketing

69. Given below are two statements:

Statement I: Sales promotion has a strong impact on consumer behaviour in rural India.
Statement II: Rural people in India give utmost emphasis on sales promotion schemes.

In light of the above statements, choose the most appropriate answer from the codes given below:

(A) Both Statement I and Statement II are correct.

(B) Both Statement I and Statement II are incorrect.

(C) Statement I is correct and Statement II is incorrect.

(D) Statement I is incorrect and Statement II is correct.

70. If two variables x and y are related as y = a + bx (for n values of both the variables x and y), where a and b are constant, and $\bar{x}$ is Arithmetic Mean (AM) of x, $\bar{y}$ is AM of y, then :

(A) $\sum y = a + b \sum x$

(B) $\sum y = na + bx$

(C) $\bar{y} = a + b\bar{x}$

(D) $\bar{y} = na + b\bar{x}$

71. If $\bar{x}$ =27 for n = 30, and you later found two observations 14 and 24 were wrongly taken as 24 and 44, the corrected $\bar{x}$ will be :

(A) 26

(B) 28

(C) 29

(D) 30

72. Match List-I and List-II and select the correct answer from the codes given below:

List-I

P. Bretton Woods Conference

Q. Soft loan window

R. Geneva

S. Loan to private sector

List-II

1. World Trade Organization

2. World Bank

3. International Finance Corporation

4. International Development Association

Codes:

	P	Q	R	S
(A)	1	3	2	4
(B)	4	3	2	1
(C)	2	4	1	3
(D)	4	2	3	1

73. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below:

Assertion (a) : IMF is accountable to the governments of its member countries.

Reason (r) : IMF is controlled and managed by the Board of Governors.

(A) Both (a) and (r) are true and (r) is correct explanation of (a).

(B) Both (a) and (r) are true and (r) is not correct explanation of (a).

(C) (a) is true, but (r) is false.

(D) (a) is false, but (r) is true.

74. Given below are two statements:

Statement I: Persistence is an entrepreneurial competency.

Statement II: Entrepreneurial competency can be developed.

In light of the above statements, choose the most appropriate answer from the codes given below:

(A) Both Statement I and Statement II are correct.

(B) Both Statement I and Statement II are incorrect.

(C) Statement I is correct and Statement II is incorrect.

(D) Statement I is incorrect and Statement II is correct.

75. The International Financial Reporting Standards were issued by :
    (A) International Accounting Standards Committee
    (B) International Accounting Standards Board
    (C) Financial Accounting Standards Board
    (D) Financial Reporting Council

76. Given below are two statements:

    Statement I: Under CAPM expected return of a share is the risk-free return plus risk premium for the share.

    Statement II: Risk premium for the share is the average risk premium multiplied by beta, where beta is the covariance of the return of the share with the market return divided by the variance of the market return, and average risk premium is average market return in excess of the risk-free return.

    In light of the above statements, choose the most appropriate answer from the codes given below:
    (A) Both Statement I and Statement II are correct.
    (B) Both Statement I and Statement II are incorrect.
    (C) Statement I is correct and Statement II is incorrect.
    (D) Statement I is incorrect and Statement II is correct.

77. McKinsey 7s framework which is used as a strategic planning tool by organizations does not include in it :
    (A) Strategy (B) Systems
    (C) Skills (D) Surveillance

78. Value chain analysis is a strategic process that helpsm :
    (A) Increase sales revenue only.
    (B) Increase sales revenue as well as profit margin only.
    (C) Increase sales revenue and provide a competitive advantage for large companies.
    (D) Increase profit margins and provide a competitive advantage for companies of all sizes.

79. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below :

    Assertion (a) : Purchase decision are not based on how customers perceive prices but based on market's stated price.

    Reason (r) : Customers may have a lower price threshold, below which prices signal inferior or unacceptable quality, and an upper price threshold where the product appears not worth the money.
    (A) Both (a) and (r) are true and (r) is correct explanation of (a).
    (B) Both (a) and (r) are true and (r) is not correct explanation of (a).
    (C) (a) is true, but (r) is false.
    (D) (a) is false, but (r) is true

80. Select the McKinsey 7s from the following list:

I. Structure

II. Shared values

III. Staff

IV. Sociability

V. Style

VI. Strategy

VII. Skills

VIII. Sovereignty

IX. Systems

Choose the correct option from the codes given below:

(A) I, II, III, V, VI, VII and IX

(B) I, II, III, IV, V, VI and IX

(C) I, II, III, V, VI, VII and VIII

(D) I, II, III, IV, V, VI and VIII

81. Match List-I and List-II and select the correct answer from the codes given below:

List-I

P. Place

Q. Product

R. Price

S. Promotion

List-II

1. Quality

2. Warehouse

3. Personal selling

4. Profit margin

Codes:

	P	Q	R	S
(A)	2	1	4	3
(B)	1	2	3	4
(C)	2	1	3	4
(D)	2	3	1	4

82. Measureable goals are best known as :

(A) Objectives

(B) Mission

(C) Vision

(D) Strategic intent

83. Which one of the following statements are correct about the logic behind the concept of time value of money?

(a) Rational individuals prefer current consumption to future consumption.

(b) Money can be invested productively to obtain positive return.

(c) In an inflationary situation, the value of money decreases.

(d) There is no relationship between risk and return.

Choose the correct answer from the options given below:

(A) (a), (b), (c) only

(B) (a), (b), (d) only

(C) (b), (c), (d) only

(D) (a), (c), (d) only

84. Given below are two statements:

Statement I: For the purpose of obtaining the maximum benefits from a Leveraged Buyout programme, it is imperative that the acquiring company should carry out the exercise of ascertaining the maximum level of debt it should employ, based on its cash generating capability to service the debt in future.

Statement II: Ascertaining the maximum level of debt to be employed by the company will help inidentifying the maximum degree of operating leverage the company can adopt in a leveraged buyout.

In light of the above statements, choose the most appropriate answer from the codes given below:

(A) Both Statement I and Statement II are correct.

(B) Both Statement I and Statement II are incorrect.

(C) Statement I is correct and Statement II is incorrect.

(D) Statement I is incorrect and Statement II is correct.

85. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below:

Assertion (a): Statistical Quality Control (SQC) helps in establishing goodwill of the products.

Reason (r): SQC protects the manufactures as well as the customers against heavy losses due to rejection of large quantity of products.

(A) Both (a) and (r) are true and (r) is correct explanation of (a).

(B) Both (a) and (r) are true and (r) is not correct explanation of (a).

(C) (a) is true, but (r) is false.

(D) (a) is false, but (r) is true.

86. Given the pessimistic time (t_p) = 12 days, optimistic time (t_0) = 4 days and average expected time (t_e) = 6 days, what is the most likely time (t_m) of the project?

(A) 7 days

(B) 10 days

(C) 8 days

(D) 5 days

87. Match List-I and List-II and select the correct answer from the codes given below:

List-I

P. Cumulative frequency distribution

Q. Goodness of fit of a distribution

R. Multiple correlation coefficient

S. Partial regression coefficient

List-II

1. Chi-square test

2. t test

3. O give

4. F test

5. Z test

Codes:

	P	Q	R	S
(A)	3	2	1	4
(B)	1	2	3	4
(C)	3	1	4	2
(D)	1	3	2	4

88. The degree of uniformity among working capital turnover ratio, fixed assets turnover ratio and return on capital employed can be measured by :

(A) Partial correlation coefficient

(B) Multiple correlation coefficient

(C) Multiple regression coefficient

(D) Kendall's coefficient of concordance

89. Match List-I and List-II and select the correct answer from the codes given below:

List-I(Goods)

P. Convenience goods

Q. Shopping goods

R. Speciality goods

S. Unsought goods

List-II (Nature)

1. Consumer purchases them frequently, immediately and with minimal effort.

2. Consumer compares them on the basis of suitability, quality, price and style.

3. These are goods with unique characteristics or brand identification.

4. Consumers are not aware of them and normally do not think of buying them.

Codes:

	P	Q	R	S
(A)	1	4	2	3
(B)	1	2	3	4
(C)	4	3	2	1
(D)	2	1	3	4

90. Michael Porter's value chain analysis divides the primary activities into inbound logistics, operations, outbound logistics, marketing and sales, and :

(A) Technology Development

(B) Services

(C) Human Resource Management

(D) Firm Infrastructure

91. Match List-I and List-II and select the correct answer from the codes given below:

List-I

P. Product concept

Q. Production concept

R. Marketing concept

S. Societal marketing concept

List-II

1. Mass production and distribution

2. Customer satisfaction

3. Marketing myopia

4. Ethical marketing practices

Codes:

	P	Q	R	S
(A)	3	1	2	4
(B)	1	3	4	2
(C)	2	3	4	1
(D)	4	3	2	1

92. Market gridding mean :

(A) Establishing and running a web marketing facility

(B) A method of survey of experts opinions

(C) Managing brands and developing brand equity

(D) An analytical technique which facilitates dividing a market into segments

93. From the following list of items , select those which indicate the costs associated with the extension of credit and accounts receivable:

(i) Opportunity cost

(ii) Fixed operating cost

(iii) Collection cost

(iv) Delinquency cost

(v) Cost of equity

Choose the correct answer from the codes given below:

(A) (i), (ii) , (iii) and (iv)

(B) (ii), (iii)and (v)

(C) (ii),(iv) and (v)

(D) (i), (iii)and (iv)

94. Project appraisal represents :

(A) Ex-ante analysis

(B) Post-ante analysis

(C) Both (A) and (B)

(D) Technical feasibility analysis

95. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below:

    Assertion (a) :Micro enterprises are like old wine in new bottle as they replace the erstwhile tiny units.

    Reason (r) : Micro enterprises are more labour-intensive and less capital intensive.

    (A) Both (a) and (r) are true and (r) is correct explanation of (a).

    (B) Both (a) and (r) are true and (r) is not correct explanation of (a).

    (C) (a) is true, but (r) is false.

    (D) (a) is false, but (r) is true.

96. Match List-I and List-II and select the correct answer from the codes given below:

    List-I (Financial institution)

    P. IFCI

    Q. ICICI

    R. SFC

    S. SIDBI

    List-II (Constituted in the year)

    1. 1953

    2. 1989

    3. 1955

    4. 1948

Codes:

	P	Q	R	S
(A)	4	3	1	2
(B)	4	3	2	1
(C)	3	4	2	1
(D)	2	1	3	4

97. Match List-I and List-II and select the correct answer from the codes given below:

    List-I(Types of entrepreneurs)

    P. Drone   Q. Imitative

    R. Fabian   S. Innovating

    List-II(Features)

    1. They are characterised by very great caution and scepticism in experimenting any change in their enterprises.

    2. They may even suffer from losses but they are not ready to make changes in their existing production methods.

    3. They are interested in introducing new products and new methods of production, discovering new markets etc.

    4. They require less investment in research and development.

Codes:

	P	Q	R	S
(A)	1	2	4	3
(B)	4	3	2	1
(C)	2	1	4	3
(D)	2	4	1	3

98. Given below are two statements:

Statement I: In order to arrest sickness, at the incipient stage, banks and financial institutions should periodically review of the accounts of small-scale industries to identify units which are becoming sick or are prone to sickness.

Statement II: The rehabilitation packages provided to the sick units consist of only financial supports.

In light of the above statements, choose the most appropriate answer from the codes given below:

(A) Both Statement I and Statement II are correct.

(B) Both Statement I and Statement II are incorrect.

(C) Statement I is correct and Statement II is incorrect.

(D) Statement I is incorrect and Statement II is correct.

99. Match List-I and List-II and select the correct answer from the codes given below:

List-I (Restructuring cases)

P. Vertical Merger

Q. Horizontal Merger

R. Conglomerate Merger

S. Demerger

List-II(Companies involved)

1. L&T and Voltas Ltd. merger

2. Zee Entertainment Enterprises Ltd.(ZEEL) and Dish TV India Ltd. merger

3. Facebook, WhatsApp, Instagram and Messenger merger

4. Pfizer and Nestle

Codes:

	P	Q	R	S
(A)	3	2	1	4
(B)	2	3	1	4
(C)	3	2	4	1
(D)	2	3	4	1

100. Given below are two statements, one labelled as Assertion (a) and the other labelled as Reason (r). Read the statements and choose the correct answer from the codes given below:

Assertion (a) :If a firm has negative working capital, it indicates that the firm adopts highly aggressive financing strategy.

Reason (r) : A firm's negative working capital reflects the amount of short-term funds utilized for financing long-term assets.

(A) Both (a) and (r) are true and (r) is correct explanation of (a).

(B) Both (a) and (r) are true and (r) is not correct explanation of (a).

(C) (a) is true, but (r) is false.

(D) (a) is false, but (r) is true.

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