

SET 2016  
PAPER – II

MANAGEMENT

250062

Signature of the Invigilator

Question Booklet No. ....

OMR Sheet No. ....

Subject Code 25

ROLL No.

Time Allowed : 75 Minutes

Max. Marks : 100

No. of pages in this Booklet : 8

No. of Questions : 50

INSTRUCTIONS FOR CANDIDATES

1. Write your Roll No. and the OMR Sheet No. in the spaces provided on top of this page.
2. Fill in the necessary information in the spaces provided on the OMR response sheet.
3. This booklet consists of fifty (50) compulsory questions each carrying 2 marks.
4. Examine the question booklet carefully and tally the number of pages/questions in the booklet with the information printed above. **Do not accept a damaged or open booklet.** Damaged or faulty booklet may be got replaced within the first 5 minutes. Afterwards, neither the Question Booklet will be replaced nor any extra time given.
5. Each Question has four alternative responses marked (A), (B), (C) and (D) in the OMR sheet. You have to completely darken the circle indicating the most appropriate response against each item as in the illustration



6. All entries in the common OMR response sheet for Papers I and II are to be recorded in the original copy only.
7. Use only Blue/Black Ball point pen.
8. Rough Work is to be done on the blank pages provided at the end of this booklet.
9. If you write your Name, Roll Number, Phone Number or put any mark on any part of the OMR Sheet, except in the spaces allotted for the relevant entries, which may disclose your identity, or use abusive language or employ any other unfair means, you will render yourself liable to disqualification.
10. You have to return the Original OMR Sheet to the invigilators at the end of the examination compulsorily and must not carry it with you outside the Examination Hall. **You are, however, allowed to carry the test booklet and the duplicate copy of OMR Sheet on conclusion of examination.**
11. Use of any calculator, mobile phone or log table etc. is strictly prohibited.
12. There is no negative marking.

SEAL

25-16

Paper-II

CMB-33269

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**PAPER-II**  
**MANAGEMENT**

1. Which of the following is the best definition of Managerial Economics? Managerial Economics is \_\_\_\_\_.
- (A) a distinct field of Economic Theory
  - (B) a field that applies Economic Theory and the tools of Decision Science
  - (C) a field that combines Economic Theory and Mathematics
  - (D) a field that combines both Micro Economics and Macro Economics
2. The Law of Demand refers to the \_\_\_\_\_.
- (A) Inverse relationship between the price of a commodity and the quantity demanded of the commodity per time period
  - (B) Direct relationship between the desire a consumer has for a commodity and the amount of the commodity that the consumer demands
  - (C) Inverse relationship between a consumer's income and the amount of a commodity that consumer demands
  - (D) Direct relationship between population and the market demand for a commodity
3. According to Kinked Demand Curve Model, a firm will assume that rival firms will \_\_\_\_\_.
- (A) Keep their rates of production constant
  - (B) Keep their prices constant
  - (C) Match price cuts but not price increases
  - (D) Match price increases but not price cuts
4. Which of the following is an assumption associated with the definition of a production function?
- (A) Technology remains constant
  - (B) Both inputs and outputs are measured in monetary units
  - (C) The function shows the maximum level of output possible with a given combination of inputs
  - (D) All units of the inputs are homogeneous
5. Which of the following is NOT a type of market structure?
- (A) Competitive Monopoly
  - (B) Oligopoly
  - (C) Perfect Competition
  - (D) All of the above are types of market structures
6. The structure of an OB Model includes three levels of analysis: individual, group, and organizational systems. Issues that influence all the three levels in various ways and thus affect behavioral dynamics are:
- (A) Change and Stress
  - (B) Organizational Culture and Commitment
  - (C) Power and Politics
  - (D) Work Design and Technology
7. The field of Organizational Behavior examines such questions as the nature of leadership, effective development \_\_\_\_\_ and \_\_\_\_\_.
- (A) Interpersonal conflict resolution, motivation of individuals
  - (B) Organizational control; conflict management
  - (C) Motivation of individuals; planning
  - (D) Planning; development
8. Of the four building blocks skills, which is frequently considered to be the largest management challenge?
- (A) The ability to inspire employees
  - (B) The ability to analyze situations
  - (C) Personal flexibility and adaptability
  - (D) Outstanding perceptual skills

9. The area of "knowledge foundation" deals with the importance of \_\_\_\_\_.
- (A) Understanding Organizational Behavior
  - (B) The behavior management process
  - (C) Development of solutions for achieving behavioral goals
  - (D) Identification of the causes of behavior
10. Which of the following best explains why an employee behaves as s/he does ?
- (A) The environment is the most important consideration in understanding individual employee behavior
  - (B) Both the environment and individual differences are important considerations in understanding individual employee behavior
  - (C) Neither the environment nor individual differences are important considerations in understanding individual employee behavior
  - (D) Employee personality and attitudes are primarily dictated by the environment
11. What did the Hawthorne experiments discover ?
- (A) That people need to belong to a 'social group'
  - (B) That people need heat and good lighting to work well
  - (C) Money is a motivator
  - (D) It makes no difference how you treat people at work in relation to their Behavior
12. The creation of personnel as a specialist function dealing with people issues from the latter part of the twentieth century has been responsible in part for :
- (A) Disenfranchising line managers in dealing with key aspects of People Management
  - (B) Reducing the stress and work load of line managers
  - (C) Creating greater workplace efficiency
  - (D) Bureaucratizing the people function in workplaces
13. A distinction can be made between 'hard' and 'soft' types of HRM. Soft HRM can be characterized by :
- (A) Seeing people as organizational assets
  - (B) A quantitative approach to HRM
  - (C) A mutual commitment of employees and employers to the goals of the organization
  - (D) Being driven by costs
14. The most common activities performed by HR, which are outsourced, are :
- (A) Recruitment and Selection
  - (B) Occupational Health, Payroll, Pensions, and Training
  - (C) Human Resource Planning
  - (D) Assessment Centers
15. How does the concept of 'indulgency' help us understand some of the complexities of employee rule breaking ?
- (A) Where managers condone or ignore behavior that breaches formal rules, they can give such behavior a degree of legitimacy which is limited to that informal context
  - (B) It suggests that some managers are 'soft'
  - (C) It means that managers don't know what is going on and are not interested in finding out
  - (D) It means that employees know how to subvert formal rules

16. A great deal of financial theory is based on the concept of free markets and in particular the theory of \_\_\_\_\_.
- (A) Perfect completion  
(B) Monopolistic competition  
(C) Monopoly  
(D) Oligopoly
17. Asymmetric information occurs because \_\_\_\_\_.
- (A) One party to a financial transaction has more information than another  
(B) Stock market prices on the internet lag real prices by up to fifteen minutes  
(C) Not all investors understand company accounts and Balance Sheets  
(D) Not all shareholders are able to attend company Annual General Meetings
18. If  $I_0$  stands for the initial investment at time 0,  $C_1$  - for cash flow after one year, and  $r$  - for the rate of interest, then the net present value (NPV) for 1 period is given by the following formula :
- (A)  $NPV = -I_0 + C_1/(1+r)$   
(B)  $NPV = I_0 + r/(1+C_1)$   
(C)  $NPV = I_0 + C_1/(1+r)$   
(D)  $NPV = I_0 + C_1 + (1-r)$
19. Which investment will be characterized by the highest monetary return at the end of the investment horizon? Assume annual compounding :
- (A) 5 years at the interest rate of 5% per year  
(B) 7 years at the interest rate of 3% per year  
(C) 4 years at the interest rate of 9% per year  
(D) 2 years at the interest rate of 6% per year
20. If an asset has a beta of one, then it can be described in which of the following ways ?
- (A) It is very risky  
(B) It is risk-free  
(C) It is riskier than the market portfolio  
(D) It has the same risk as the market portfolio
21. Tobacco advertising is now virtually banned in all marketing communication forms in many countries around the world. This can be explained as an influence of \_\_\_\_\_.
- (A) Technological environment  
(B) Legal environment  
(C) Economic environment  
(D) Ecological environment
22. The process of collecting information about the external marketing environment is \_\_\_\_\_.
- (A) Environmental management  
(B) Environmental scanning  
(C) Marketing management  
(D) Marketing research
23. To be effective, the process of market segmentation must meet which of the following basic requirements
- (A) The firm must avoid focusing on non-variable such as profitability and volume.  
(B) The market segment must have measurable purchasing power and size.  
(C) The company must expand beyond its marketing capabilities to capture growing markets.  
(D) The market segment must reflect the population's changing attitudes and lifestyles.

24. Management of distribution channels concerns two key elements: (1) managing the design of the channel and its activities, and (2) \_\_\_\_\_.
- (A) managing the communications
  - (B) managing the relationship of members in the channel
  - (C) managing customers' expectations
  - (D) managing new technology
25. These are stores designed to kill off the competition and are characterized by narrow but very deep product assortment, low prices and few to moderate customer services:
- (A) Specialty stores
  - (B) Limited line retailers
  - (C) Category killer stores
  - (D) Superstores
26. Operations Management is a \_\_\_\_\_ process.
- (A) Translation
  - (B) Transformation
  - (C) Transaction
  - (D) Transition
27. Which of these would an Operations Manager not be responsible for?
- (A) Safety and maintenance
  - (B) Sales and marketing
  - (C) Selecting suppliers
  - (D) Recruiting employees
28. Operations can be diagnosed by volume, variety, variation, and \_\_\_\_\_?
- (A) Validity
  - (B) Variability
  - (C) Value
  - (D) Variance
29. This innovative science of Operations Research (OR) was discovered during \_\_\_\_\_.
- (A) Civil War
  - (B) World War I
  - (C) World War II
  - (D) Industrial Revolution
30. Please state which statement is true:
- (I) All linear programming problems may not have unique solutions.
  - (II) The artificial variable technique is not a device that does not get the starting basic feasible solution.
- (A) Both (I) and (II)
  - (B) (II) only
  - (C) (I) only
  - (D) Both are incorrect
31. The null hypothesis for the Mann-Whitney U test is used to test that:
- (A) Two samples are from different populations
  - (B) Two samples are from different populations but have the same mean
  - (C) Two samples are from the same population and have the same mean
  - (D) Two samples are from the same population and have the same median

32. Residual plot in regression analysis is used to mean \_\_\_\_\_
- (A) Plot of residuals
  - (B) Plot of marginally residual value
  - (C) Plot of regressors
  - (D) Plot of regressing values
33. A method of using samples to estimate population parameters is known as \_\_\_\_\_.
- (A) Population statistics
  - (B) Statistical interference
  - (C) Statistical inference
  - (D) Statistical appliance
34. Microprocessors as switching devices are for \_\_\_\_\_ generation computers.
- (A) First
  - (B) Second
  - (C) Third
  - (D) Fourth
35. Which of the following are the two main components of the CPU ?
- (A) Control Unit and Registers
  - (B) Registers and Main Memory
  - (C) Control unit and ALU
  - (D) ALU and bus
36. The perspective on strategy formulation that is associated with frameworks such as the SWOT analysis is known as :
- (A) The Learning School
  - (B) The Cognitive School
  - (C) The Design School
  - (D) The Deliberate School
37. Theodore Levitt (1983) was a proponent of which view ?
- (A) Global divergence
  - (B) Global diversity
  - (C) Global convergence
  - (D) Glocalization
38. Porter has designed a framework to help understand why certain countries achieve global competitive advantage in certain industries. It also helps internationalizing firms to make location decisions. The framework is called \_\_\_\_\_.
- (A) Porter's Value Chain
  - (B) Porter's Five Forces
  - (C) Porter's Generic Strategies
  - (D) Porter's Diamond
39. In terms of Porter's Diamond model, a demand condition as applied to the chocolate industry in Belgium would be \_\_\_\_\_.
- (A) Belgium has a network of firms that support each other in becoming stronger as a whole in the chocolate industry
  - (B) Belgium consumers are particularly discerning about chocolate
  - (C) Belgium has a number of very strong competing firms in the chocolate industry
  - (D) Belgium possesses a number of secret recipes in chocolate making are not enough price-sensitive consumers
40. The three objectives of the transnational are efficiency, responsiveness, and \_\_\_\_\_.
- (A) Flexibility
  - (B) Quality
  - (C) Adaptability
  - (D) Learning

41. Which of the following is **NOT** recognized as a misconception about entrepreneurship ?
- (A) Successful entrepreneurship needs only a great idea
  - (B) Entrepreneurship is easy
  - (C) Entrepreneurship is found only in small business
  - (D) Entrepreneurial ventures and small businesses are different
42. All of the following represent countries in which the highest level of entrepreneurial activity was found **EXCEPT** :
- (A) Australia
  - (B) Korea
  - (C) Norway
  - (D) Japan
43. Positive external trends or changes that provide unique and distinct possibilities for innovating and creating value are called \_\_\_\_\_.
- (A) Strengths
  - (B) Opportunities
  - (C) Weaknesses
  - (D) Threats
44. **All** of the following are popular demographic factors about entrepreneurs that have been studied **EXCEPT** \_\_\_\_\_.
- (A) Self-confidence
  - (B) Gender
  - (C) Education
  - (D) Family birth order
45. Key technological trends that are affecting the context of entrepreneurship **do not include** all of the following **EXCEPT** \_\_\_\_\_.
- (A) The increasing rate of technological change and innovation
  - (B) The increasing knowledge intensity
  - (C) The increasing uncertainty of innovations
  - (D) The increasing recognition that advanced technologies are critical
46. Which of the following is one of the questions that can be used to determine whether a decision is ethical ?
- (A) Does my decision fall within the accepted values or standards that typically apply in the organizational environment?
  - (B) Would the people with whom I have a significant personal relationship approve of the decision?
  - (C) Am I willing to see the decision communicated to all stakeholders affected by it?
  - (D) All of the above are questions that can be used to determine whether a decision is ethical.
47. Strong corporate governance procedures are needed to ensure that \_\_\_\_\_.
- (A) Stock prices remain high
  - (B) Managers carry out business unit plans
  - (C) Managers adhere to ethical norms
  - (D) All of the above occur
48. The process by which companies identify the most important stakeholders is called \_\_\_\_\_.
- (A) Stakeholder importance evaluation
  - (B) Stakeholder impact analysis
  - (C) Shareholder impact evaluation
  - (D) Stakeholder Boundary spanning
49. If shareholders sell off their shares because they are not pleased with management decisions, which of the following is the most likely result ?
- (A) Nothing adverse will happen
  - (B) Key employees will certainly leave
  - (C) Revenues will fall
  - (D) The cost of capital will rise
50. Which of the following actions will likely lead to organizational ethical behavior ?
- (A) Promoting moral courage
  - (B) Establishing an Ethics Office
  - (C) Developing strong governance processes
  - (D) All of the above