

Time allowed: 45 minutes

Maximum Marks: 200

*General Instructions: Same as Practice Paper-1.*

*Choose the correct option in the following questions.*

1. Name the process of working with and through others to effectively achieve organisational objectives by efficiently using limited resources in a changing environment.  
(a) Management (b) Planning  
(c) Organising (d) Controlling
2. Aarav has recently started a business to sell computers. He hired shop in Nehru Place in New Delhi, where he assembles computers and various components, supplies them as per order. He performs a series of composite but separate functions simultaneously and ensures that computers are delivered in time as per orders. These functions are performed by all managers at all times. The feature of management highlighted here is  
(a) Management is a continuous process (b) Management is pervasive  
(c) Management is a dynamic function (d) Management is a group activity
3. "Every member of an organisation has a different purpose for joining the organisation but as members of the organisation they work towards fulfilling the common organisational goal. This requires team work and coordination of individual effort in a common direction." Identify the characteristic of management highlighted above.  
(a) Management is a goal-oriented process (b) Management is a group activity  
(c) Management is multi-dimensional (d) Management is a dynamic function
4. "All the management practices are based on the same set of principles, what distinguishes a successful manager from a less successful one is the ability to put these principles into practice." Identify the nature of management highlighted above.  
(a) Management as a science (b) Management as an art  
(c) Management as a profession (d) management is both science and art
5. Through this principle of management, Henri Fayol guides the managers to exhibit exemplary behaviour and advises that they should not fall into temptation of misusing their powers for personal benefit at the cost of general interest of the organisation. Which principle of management is being described in the above statement?  
(a) Remuneration of employees  
(b) Centralisation and decentralisation  
(c) Subordination of individual interest to general interest  
(d) Equity

- 6. The principles of management enhance the understanding of the relationship between human and material resources for the achievement of organisational goals. Identify the feature of the principles of management being described in the given statement.**
- Cause and effect relationships
  - Optimum utilisation of resources and effective administration
  - Formed by practice and experimentation
  - Mainly behavioural
- 7. Which principle of management aims at securing the loyalty and devotion of the employees by giving them fair and just treatment?**
- Unity of direction
  - Equity
  - Order
  - Unity of command
- 8. Scientific management brings**
- Social change
  - Economic change
  - Mental change
  - Industrial change
- 9. Which of the following is not a component of specific forces of business environment?**
- Technological conditions
  - Customers
  - Employees
  - Investors
- 10. According to the United Nations Environmental Agency, the world produces around 300 million tons of plastic each year, half of which constitutes single-use items. Ford is recycling over one billion plastic bottles every year to develop elements of the car's interior, reducing the amount of plastic ending up in a landfill. The American car maker has revealed that their Romanian-built Eco Sport SUVs' carpets are made using 470 recycled single-use plastic bottles. The process for making Ford EcoSport carpets involves shredding bottles and their caps into tiny flakes and then heating them to 260° C. Identify the related dimension of business environment.**
- Economic dimension
  - Social dimension
  - Technological dimension
  - Political dimension
- 11. Through environmental scanning business can enjoy \_\_\_\_\_**
- First mover advantage
  - Benefit of taxes
  - Last mover advantage
  - None of the above
- 12. Planning has no meaning unless it contributes to the achievement of predetermined organisational goals. Identify the feature of planning from above statement:**
- Planning focuses on achieving objectives
  - Planning is futuristic
  - Planning is continuous
  - Planning is pervasive
- 13. It requires application of intelligent imagination and sound judgement. It determines the action to be taken with the logical and systematic thinking. Identify the feature of one of the function of management.**
- It involves decision making.
  - It is a mental exercise
  - It is futuristic.
  - It is pervasive.
- 14. Planning cannot foresee everything, thus, there may be obstacles to effective planning. Identify the related limitation.**
- Reduces creativity
  - Lack of flexibility
  - May not work in dynamic environment
  - Does not provide guarantee success
- 15. Organising is a process by which the manager**
- Establishes order out of chaos
  - Removes conflict among people over work or responsibility sharing
  - Creates an environment suitable for teamwork
  - All of the above

- 16. Uranus 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.**
- (a) Functional structure (b) Relational structure  
(c) Divisional structure (d) None of the above
- 17. Which of the following is not a merit of divisional structure?**
- (a) It promotes product specialisation.  
(b) It ensures that different functions get due attention.  
(c) It promotes flexibility and faster decision making.  
(d) It facilitates expansion and growth as new divisions.
- 18. Which of the following is not structure of organisation?**
- (a) Functional (b) Divisional  
(c) Control (d) None of the above
- 19. The extent of \_\_\_\_\_ decides the power that each job position enjoys in the organisation.**
- (a) Authority (b) Responsibility  
(c) Delegation (d) Decentralisation
- 20. Which one of the following is not a marketing mix?**
- (a) Product (b) Physical distribution  
(c) Product pricing (d) Production process
- 21. \_\_\_\_\_ ensures that products reach the ultimate customers from the manufacturers.**
- (a) Selling (b) Marketing  
(c) Physical distribution (d) Sales promotion
- 22. A cardboard box consisting of 10 packs of toothpaste is an example of**
- (a) primary packaging (b) secondary packaging  
(c) transportation packaging (d) none of these
- 23. Folk Ltd. is a leather bags manufacturing company. The company is using prohibited animal skin to make leather bags, in order to satisfy some of its customers. Which marketing concept is being violated in the given case?**
- (a) Product concept (b) Production concept  
(c) Societal marketing concept (d) Marketing concept
- 24. In an inter-school quiz competition, the participants were shown empty bottles of soft drinks and were asked to identify the brands. All the participants were able to do so. Identify the related point highlighting the importance of packaging which is being described in the given case.**
- (a) Rising standards of health and sanitation  
(b) Facilitates product differentiation  
(c) Innovative packaging adds value to a product  
(d) Useful in self service outlets
- 25. Luxury products such as Rolex watches are known as**
- (a) Convenience product (b) Shopping product  
(c) Speciality product (d) Emergency products
- 26. While purchasing gold jewellery which mark one should look for?**
- (a) Hall mark (b) ECO mark  
(c) ISI mark (d) All of the above
- 27. Who can be a Judge of State Commission?**
- (a) Retired or working Judge of District Court  
(b) Retired or working Judge of High Court

- (c) Both (a) and (b)  
(d) None of the above
- 28. If the value of product is ₹10 lakhs the consumer can file case in**  
(a) District Commission (b) State Commission  
(c) National Commission (d) All of the above
- 29. Clearing and settlement operations of NSC is carried out by**  
(a) NSDL (b) NSCCL  
(c) SBI (d) CDSL
- 30. National Stock Exchange of India was recognised as Stock Exchange in the year**  
(a) 1992 (b) 1993  
(c) 1994 (d) 1995
- 31. The safest instrument of money market is**  
(a) Call Money (b) Commercial Paper  
(c) Treasury Bill (d) Commercial Bill
- 32. Under Private Placement, shares are never offered to**  
(a) Institutes (b) Brokers  
(c) General Public (d) None of the above
- 33. Commercial paper is a short term unsecured promissory note having a maturity period of**  
(a) 91 days to one year (b) 15 days to one year  
(c) one day to 15 days (d) one year
- 34. Longer the operating and production cycle \_\_\_\_\_ is the requirement of working capital.**  
(a) More  
(b) Less  
(c) No effect of operating cycle on working capital  
(d) None of the above
- 35. Customers of different banks can use same ATM machine for withdrawal of money. This is related to which factor of fixed capital requirement?**  
(a) Diversification  
(b) Growth Prospects  
(c) Availability of finance  
(d) Level of collaboration/Joint Venture and Leasing
- 36. The decision in financial management which determines the proportion between debt and equity is called**  
(a) Financing decision (b) Investment decision  
(c) Capital structure (d) Dividend decision
- 37. The concept which makes sure the availability of right amount of finance at the right time is called**  
(a) Financial Planning (b) Capital Structure  
(c) Working Capital (d) Fixed Capital
- 38. If fixed operating cost is high, a firm should prefer**  
(a) Debt (b) Equity  
(c) Both (a) and (b) (d) None of the above
- 39. If large number of shareholders of the firm are from middle income group and old age group who prefer regular income, then the firm should prefer giving**  
(a) Low dividend (b) High dividend  
(c) No dividend (d) None of the above



- 40. Retained earnings are affected by**  
(a) Financing decision (b) Investment decision  
(c) Dividend decision (d) Capital structure
- 41. Measurement of employees' performance can be done by**  
(a) Increasing the market share of the company  
(b) Gross profit ratio  
(c) Return on investment  
(d) Performance report
- 42. Which one of the following is not the step in the process of controlling?**  
(a) Measurement of actual performance (b) Establishing reporting relationship  
(c) Setting performance standards (d) Taking corrective action
- 43. Controlling function brings back the management cycle to which function?**  
(a) Directing (b) Planning (c) Organizing (d) Staffing
- 44. Controlling is**  
(a) Backward looking function.  
(b) Forward looking function.  
(c) Both backward as well as forward looking function.  
(d) None of the above
- 45. The software company promoted by Narayana Murthy is**  
(a) Wipro (b) Infosys (c) Satyam (d) HCL
- 46. Which of the following is a financial incentive?**  
(a) Promotion (b) Stock Incentive  
(c) Job Security (d) Employee Participation
- 47. Grapevine is**  
(a) Formal communication (b) Barrier to communication  
(c) Lateral communication (d) Informal communication
- 48. Which one of the following is not an element of direction?**  
(a) Motivation (b) Communication (c) Delegation (d) Supervision
- 49. Status comes under which following type of barriers?**  
(a) Semantic barrier (b) Organisational barrier  
(c) Non Semantic barrier (d) Psychological barrier
- 50. The process of converting the message into communication symbols is known as**  
(a) Media (b) Encoding (c) Feedback (d) Decoding



## Answers

### PRACTICE PAPER – 12

- |         |         |         |         |         |         |         |
|---------|---------|---------|---------|---------|---------|---------|
| 1. (a)  | 2. (a)  | 3. (b)  | 4. (b)  | 5. (c)  | 6. (d)  | 7. (b)  |
| 8. (c)  | 9. (a)  | 10. (c) | 11. (a) | 12. (a) | 13. (b) | 14. (c) |
| 15. (d) | 16. (a) | 17. (b) | 18. (c) | 19. (a) | 20. (d) | 21. (c) |
| 22. (c) | 23. (c) | 24. (b) | 25. (b) | 26. (a) | 27. (b) | 28. (a) |
| 29. (b) | 30. (a) | 31. (c) | 32. (c) | 33. (b) | 34. (a) | 35. (d) |
| 36. (a) | 37. (a) | 38. (b) | 39. (b) | 40. (c) | 41. (d) | 42. (b) |
| 43. (b) | 44. (c) | 45. (b) | 46. (b) | 47. (d) | 48. (c) | 49. (b) |
| 50. (b) |         |         |         |         |         |         |