

Time allowed: 45 minutes

Maximum Marks: 200

General Instructions: Same as Practice Paper-1.

Choose the correct option in the following questions.

1. **Management is**
(a) an art (b) a science
(c) both art and science (d) neither
2. **Policy formulation is the function of**
(a) top level managers (b) middle level managers
(c) operational management (d) all of the above
3. **Coordination is**
(a) function of management (b) the essence of management
(c) an objective of management (d) none of the above
4. **The following is not an objective of management**
(a) earning profits (b) growth of the organisation
(c) providing employment (d) policy making
5. **Henry Fayol was a**
(a) Social Scientist (b) Mining engineer
(c) Accountant (d) Production engineer
6. **Which of the following statements best describes the principle of 'Division of Work'?**
(a) Work should be divided into small tasks.
(b) Labour should be divided.
(c) Resources should be divided among jobs.
(d) It leads to specialisation.
7. **How are principles of management formed?**
(a) In a laboratory (b) By experience of a manager
(c) By experience of customers (d) Adaptation to changing technology
8. **Management should find 'one best way' to perform. Which technique of scientific management is defined in this sentence?**
(a) Time study (b) Motion study (c) Fatigue study (d) Method study
9. **Liberalisation is**
(a) Free Flow of goods and services
(b) Increase participation of private sector

- (c) Reduction in formalities, taxes and tariff
(d) Unity among Political Parties
10. **Economic condition, changes in technology are related to**
(a) General forces (b) Specific forces
(c) Both (a) and (b) (d) None of the above
11. **Which of the following does not characterise the business environment?**
(a) Uncertainty (b) Employees
(c) Relativity (d) Complexity
12. **'Pace Ltd.' is an enterprise selling T.V. sets, they have decided to buy LED screens only from vendors using Japanese technique of manufacturing. This is related to which type of Plan?**
(a) Objective (b) Policy (c) Strategy (d) Rule
13. **What are certain assumptions about the future on the basis of which the plan will be ultimately formulated?**
(a) Method premises (b) Planning premises
(c) Esteem needs (d) Management premises
14. **A company is manufacturing garments. The manager wants to increase profits by purchasing new high speed machines or increasing the sale price or using waste materials in manufacturing stuffed toys. He decided that "using waste material" is the best solution for him.**
Identify the concept of management involved.
(a) Directing (b) Coordination (c) Planning (d) Organising
15. **The form of organisation known for giving rise to rumours is called**
(a) Centralised organisation (b) Decentralised organisation
(c) Formal organisation (d) Informal organisation
16. _____ **is the process of dividing work into manageable activities and then grouping the activities which are similar in nature.**
(a) Coordination (b) Departmentalisation
(c) Organisation Structure (d) Delegation of authority
17. **Statement I : "Responsibility is the obligation to do a job".**
Statement II : Accountability is answerable for not completing the job.
(a) Statement I is correct and II is incorrect.
(b) Statement I is incorrect and II is correct.
(c) Both are correct
(d) Both are incorrect.
18. **A network of social relationship that arises spontaneously due to interaction at work is called**
(a) Formal organisation (b) Informal organisation
(c) Decentralisation (d) Delegation
19. **For delegation to be effective, it is essential that response should be accompanied with necessary.**
(a) Authority (b) Manpower (c) Incentives (d) Promotions
20. **Imparting skill necessary to perform a job is called**
(a) Training (b) Development (c) Recruitment (d) Selection
21. **Staffing is a part of**
(a) Marketing management (b) Financial management
(c) Human Resource management (d) None of the above
22. **Duplicate model is prepared in**
(a) Induction training (b) Vestibule school
(c) Apprenticeship training (d) Internship

- 23. The concept which involves growth of individual in all respect is:**
 (a) Training (b) Development (c) Promotion (d) Transfer
- 24. Which of the following is not semantic barrier?**
 (a) Lack of Attention (b) Premature evaluation
 (c) Distrust (d) All of the above
- 25. Which of the following is a financial incentive?**
 (a) Promotion (b) Stock Incentive
 (c) Job Security (d) Employee Participation
- 26. Status comes under which following type of barriers?**
 (a) Semantic barrier (b) Organisational barrier
 (c) Non Semantic barrier (d) Psychological barrier
- 27. The highest level need in the need Hierarchy of Abraham Maslow:**
 (a) Safety need (b) Belongingness need
 (c) Self-actualisation need (d) Prestige need
- 28. Which one of the following is not an element of direction?**
 (a) Motivation (b) Communication (c) Delegation (d) Supervision
- 29. Planning and controlling are _____ to each other.**
 (a) opposite (b) unrelated (c) Interrelated (d) Separate
- 30. Planning provides**
 (a) Direction to Controlling (b) Base of Controlling
 (c) Standard for Controlling (d) All of the above
- 31. Management by exception refers to:**
 (a) Controlling significant deviations. (b) Focus on key result areas.
 (c) Check on each and every activity. (d) Keep a control on everything.
- 32. The financial management is concerned with**
 (a) Efficient acquisition of finance (b) Efficient utilisation of finance
 (c) Efficient disposal of surplus (d) All of the above
- 33. Financial planning is**
 (a) Same as Financial management (b) Part of Financial management
 (c) Same as Financing decision (d) None of the above
- 34. A decision to acquire a new and modern plant to upgrade an old one is a**
 (a) Financing decision (b) Working capital decision
 (c) Investment decision (d) Dividend decision
- 35. Other things remaining the same, an increase in the tax rate on corporate profits will**
 (a) Make debt relatively cheaper (b) Make debt relatively less cheaper
 (c) No impact on the cost of debt (d) We can't say
- 36. Higher working capital usually results in**
 (a) Higher current ratio, higher risk and higher profits
 (b) Lower current ratio, higher risk and profits
 (c) Higher equitably, lower risk and lower profits
 (d) Lower equitably, lower risk and higher profits
- 37. 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

38. Secondary market is also known as
 (a) Primary Market (b) New Issue Market (c) Financial Market (d) Stock Exchange
39. Which instrument does not relate to money market?
 (a) Call money (b) Treasury bill (c) Commercial Bill (d) IPOs
40. Conversion of physical form of share certificate into an electronic entry is called
 (a) Exchange Mechanism (b) Conversion
 (c) Dematerialisation (d) Rematerialisation
41. For the following statements choose the correct option:
Statement I : Marketing is Pre Production Activity.
Statement II : Marketing is Post Production Activity.
 (a) Statement I is correct. (b) Statement II is correct.
 (c) Statement I and II both are correct. (d) Statement I and II both are incorrect.
42. High price is related to _____.
 (a) High competition (b) Low competition
 (c) Both (a) and (b) (d) None of the above
43. Raman is a wholesaler of food grains. He categorises his stock into different groups on the basis of their quality and also fixes up the prices accordingly. Identify the type of marketing function being mentioned in the given lines.
 (a) Physical distribution (b) Transportation
 (c) Warehousing (d) Standardization and grading
44. _____ is called a silent salesman.
 (a) Packaging (b) Branding (c) Personal selling (d) Advertisement
45. The first level packing in which product is initially packed is called
 (a) Primary Packing (b) Secondary Packing
 (c) Transportation Packing (d) None of the above
46. A major decision area under one of the functions of marketing is the decision regarding marketing intermediaries to be used. Name the function.
 (a) Physical Distribution (b) Gathering and analysing market information
 (c) Promotion (d) Transportation
47. Informing consumer about the contents of the product, its usage, etc. is part of
 (a) Right to Safety (b) Right to Information
 (c) Right to Consumer Education (d) Right to be Heard
48. The consumer must be assured whenever possible access to a variety of goods and services at competitive prices.
 (a) Right to Consumer Protection Act (b) Right to choose
 (c) Right to safety (d) Right to be heard
49. Consumer Protection Act is applicable to
 (a) Immovable goods (b) Movable goods
 (c) Specific goods and services (d) All goods and services.
50. Call money is used to
 (a) Maintain a minimum cash balance known as a cash reserve ratio
 (b) To meet floatation cost
 (c) To meet working capital needs
 (d) To meet fixed capital needs

Answers

PRACTICE PAPER – 7

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