



6. **The principles are guidelines to action but do not provide readymade, straitjacket solutions to all managerial problems. This is so because \_\_\_\_\_.**
- (a) The applications of principles has to be changed as per requirements. ‘  
 (b) Real business situations are very complex and dynamic and are a result of many factors.  
 (c) Principles are like different tools serving different purposes, the manager has to decide which tool to use under what circumstances.  
 (d) All the above
7. **The Foreman responsible for quality of work is**
- (a) Repair Boss (b) Disciplinarian  
 (c) Inspector (d) Gang Boss
8. **Functional Foremanship is the extension of**
- (a) Division of Work (b) Discipline  
 (c) Unity of Direction (d) Unity of Command
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. **General forces consist of \_\_\_\_\_.**
- (a) Political system (b) Demographic factors  
 (c) Culture of the society (d) All the above
11. **“The nature of the relationship of our country with foreign countries”, is a major element of which of the following components of the Business Environment?**
- (a) Social Environment (b) Legal Environment  
 (c) Political Environment (d) Economic Environment
12. **Mansi, after completing her course in fashion designing planned to start designer boutique. She had to address her issues like target customers, channels of distributions to be used, pricing policy, etc. The type of plan Mansi needs to develop to get a blue print of the business venture is**
- (a) Policy (b) Programme  
 (c) Strategy (d) Objective
13. **The plan which includes objective, policy, procedure and rule is called**
- (a) Strategy (b) Budget  
 (c) Programme (d) All of the above
14. **Planning is closely connected with \_\_\_\_\_ and \_\_\_\_\_.**
- (a) Responsibility and accountability (b) Delegation and decentralization  
 (c) Stability and security (d) Creativity and innovation
15. **Assertion (A) : Planning is futuristic**  
**Reason (R) : Planning is concerned with the future which is certain and does not require forecast**
- (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 (A)  
 (d) Both (A) and (R) are correct, and R is not the correct explanation of (A)
16. **The form of organisation known for giving rise to rumours is called**
- (a) Centralised organisation (b) Decentralised organisation  
 (c) Formal organisation (d) Informal organisation
17. **Span of management refers to**
- (a) Area of responsibilities of a manager.  
 (b) Manager’s accountability.

- (c) Number of subordinates who can be effectively controlled by one manager.
- (d) None of the above

**18. Centralisation refers to**

- (a) Retention of decision making authority.
- (b) Dispersal of decision making authority.
- (c) Creating divisions as profit centers.
- (d) Opening new centers or branches.

**19. Dividing work into smaller and manageable task is a part of**

- (a) Departmentalisation
- (b) Identification and division of work
- (c) Assigning duties
- (d) Not assigning duties

**20. For fast communication and to get correct feedback, which of the following organisations is suitable?**

- (a) Formal Organisation
- (b) Informal Organisation
- (c) Functional Structure
- (d) Divisional Structure

**21. "Appointment is as per the requirement and satisfaction of the job". This is related to which importance of staffing?**

- (a) Filling the roles by obtaining competent persons.
- (b) Placing right person at the right job.
- (c) Optimum utilisation of human resources.
- (d) Improves job satisfaction and morale of the employee.

**22. Imparting skill necessary to perform a job is called**

- (a) Training
- (b) Development
- (c) Recruitment
- (d) Selection

**23. The candidate who has applied for job can clarify his queries during**

- (a) Test
- (b) Employment interview
- (c) Medical examination
- (d) Selection decision

**24. Professional Institutes send their students to corporate sector for doing**

- (a) Apprenticeship Training
- (b) Internship
- (c) Induction Training
- (d) Vestibule School

**25. It is concerned with designing jobs that include greater variety of work content:**

- (a) Employees' Recognition Programme
- (b) Job Enrichment
- (c) Career advancement opportunity
- (d) Promotion

**26. Which of the following is not semantic barrier?**

- (a) Lack of Attention
- (b) Premature evaluation
- (c) Distrust
- (d) All of the above

**27. The leader who encourages the employees to give suggestion and allots the work after consulting the employees is called**

- (a) Autocratic leader
- (b) Free Rein leader
- (c) Democratic leader
- (d) None of the above

**28. Safety from illness, accident, fire, etc. is included in**

- (a) Physical security
- (b) Economic security
- (c) Social security
- (d) None of the above

**29. Directing**

- (a) Is a primary function of management.
- (b) Initiates action.
- (c) Recruits and Selects employees.
- (d) Identifies and groups the activities.

**30. Under critical point, control manager**

- (a) Critically observes and takes action on every deviation.

- (b) Ignores deviation.  
 (c) Gives more importance to deviations taking place in key areas.  
 (d) None of the above
- 31. When mismatch between plan and actual performance is due to over or under stating of plan, then it is called**
- (a) Strategic Control (b) Operational Control  
 (c) Both (a) and (b) (d) None of the above
- 32. Planning provides**
- (a) Direction to Controlling (b) Base of Controlling  
 (c) Standard for Controlling (d) All of the above
- 33. The cheapest source of finance is**
- (a) Debenture (b) Equity share capital  
 (c) Preference share (d) Retained earning
- 34. Financial leverage is called favourable if**
- (a) Return on Investment is lower than cost of debt  
 (b) ROI is higher than cost of debt  
 (c) Debt is nearly available  
 (d) If the degree of existing financial leverage is low
- 35. Higher debt equity ratio  $\left(\frac{\text{Debt}}{\text{Equity}}\right)$  results in**
- (a) Lower financial risk (b) Higher degree of operating risk  
 (c) Higher degree of financial risk (d) Higher EPS
- 36. Current assets of a business firm should be financed through**
- (a) Current liability only  
 (b) Long-term liability only  
 (c) Partly from both types, i.e., long and short-term liabilities.  
 (d) None of these
- 37. Financial planning arrives at**
- (a) Minimising the external borrowing by resorting to equity issues.  
 (b) Entering that the firm always have significantly more fund than required so that there is no paucity of funds.  
 (c) Ensuring that the firm faces neither a shortage nor a glut of unusable funds.  
 (d) Doing only what is possible with the funds that the firms has at its disposal.
- 38. The ABC Ltd. wants to raise ₹500 Cr. to fulfill its expansion plans by issue of equity shares. Identify the market ABC Ltd. will look for raising funds:**
- (a) Primary market (b) Secondary Market  
 (c) Both (a) and (b) (d) None of the above
- 39. \_\_\_\_\_ is a legal document as it help to settle disputes/claims between investor and the broker.**
- (a) Credit note (b) Contract note  
 (c) Both (a) and (b) (d) None of the above
- 40. In Right Issue, shares are issued to**
- (a) General public (b) Existing shareholders  
 (c) Institutes only (d) None of the above
- 41. SEBI is also called as**
- (a) Watchbull of stock exchange (b) Watchbear of stock exchange  
 (c) Watchdog of stock exchange (d) None of the above

- 42. Clearing and settlement operations of NSC is carried out by**  
 (a) NSDL (b) NSCCL  
 (c) SBI (d) CDSL
- 43. 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.
- 44. Which element of product concept help in fulfilling the right to information?**  
 (a) Branding (b) Packaging  
 (c) Labelling (d) All of the above
- 45. Nike, a shoe manufacturing company sell its product through its own showrooms and websites. This method of selling comes under which method of selling?**  
 (a) Zero level channel (b) One level channel  
 (c) Two level channel (d) Three level channel
- 46. 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
- 47. Which of the following statements is incorrect?**  
 (a) Marketing is a social process.  
 (b) Focus of the marketing activities is on customer needs.  
 (c) Marketing is merely a post production activity.  
 (d) Marketing mix is a wider term than product mix.
- 48. Due to large size and non availability of facilities there can be communication gap. This is related to**  
 (a) Semantic barrier (b) Personal barrier  
 (c) Organisational barrier (d) None of the above
- 49. To avail the benefits of Consumer Protection Act, the consumer**  
 (a) Must insist on cash memo (b) No necessity for cash memo  
 (c) Need a certificate of consumer (d) None of the above
- 50. Consumer should use ISI marked electrical appliance, is an example of**  
 (a) Right to safety (b) Right to be informed  
 (c) Right to choose (d) Right to be heard

## Answers

### PRACTICE PAPER – 14

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