

428

QUESTION PAPER BOOKLET CODE : **A**

Question Paper Booklet No.

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Time allowed : 3 hours

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Total number of questions : 100

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PART—I

1. In order to increase a given net present value from a given set of outflows and inflows, the discount rate should generally be :
 - (A) Increased
 - (B) Decreased
 - (C) Kept as it is
 - (D) None of the above is required
2. Wealth maximization is preferred over profit maximization as it :
 - (A) Considers wealth for the short term perspective
 - (B) Ignores risk or uncertainty
 - (C) Facilitates calculation of profits
 - (D) Considers shareholders' returns
3. Which of the following is NOT a reason for criticism of profit maximization as the basic objective of finance function ?
 - (A) It is vague conceptually
 - (B) It ignores the timing of returns
 - (C) Its emphasis is generally long-term
 - (D) None of the above
4. Which of the following is true from the perspective of calculating Market Value Added ?
 - (A) MVA is a calculation that shows the difference between the market value of the company and capital contributed by all the investors
 - (B) MVA is a calculation that shows the difference between the market value of the company and capital contributed by all the shareholders
 - (C) MVA is a calculation that shows the difference between the market value of the company and capital contributed by all the equity shareholders
 - (D) All the above are incorrect
5. Failure of a firm to meet its current obligations, when its liabilities exceed its assets is :
 - (A) Financial uncertainty
 - (B) Financial insolvency
 - (C) Financial distress
 - (D) Technical insolvency

6. You have ₹ 9,000 to deposit. ABC Bank offers 12 percent per year compounded monthly, while Kings Bank also offers 12 percent per year, but will only compound annually. How much will your investment be worth in 10 years at each bank respectively ?
- (A) ₹ 29,703.48 and ₹ 27,952.63
(B) ₹ 27,952.63 and ₹ 26,703.48
(C) ₹ 28,703.48 and ₹ 26,952.63
(D) ₹ 29,952.63 and ₹ 28,703.48
7. ₹ 2,000 is invested at the end of each month in an account paying interest 6% per year compounded monthly. What is the approximate amount/value of this investment after 10th payment ?
- (A) ₹ 21,220
(B) ₹ 20,360
(C) ₹ 20,450
(D) ₹ 20,580
8. is the most suitable method assessing projects in those circumstances where availability of resources is not a constraint.
- (A) Pay Back Period method
(B) Net Present Value
(C) EVA Method
(D) MVA Method
9. A company is considering investing in a project that will cost ₹ 3 lakh, will last for 5 years with straight line method of depreciation and salvage value of ₹ 20,000. Annual NPAT expected from project is ₹ 60,000. The pay-back period of the project will be :
- (A) 5 years
(B) 2.59 years
(C) 2.50 years
(D) Cannot be determined with given information
10. Point out the FALSE statement in relation to MIRR method :
- (A) Under MIRR method, all cash inflows are assumed to be reinvested at reinvestment rate
(B) This method of calculation eliminates the problem of multiple IRR for projects with abnormal cash flows
(C) A project can simultaneously have positive NPV & MIRR lower than the cost of capital
(D) None of the above

11. A project under consideration is expected to require ₹ 9 lakh of initial investment. Its expected life is 5 years and it is expected to generate Cash flow after tax (CFAT) of ₹ 2,82,500 through years 1 to 5. If the cut-off rate for decision making is 12%, the Internal Rate of Return of the project will lie in the range of :
- (A) 12% - 13%
(B) 11% - 12%
(C) 16% - 17%
(D) 23% - 24%
12. Raja & Co. desires to take a project whose cost is ₹ 10,000 and useful life is 4 years. Expected annual cash flows are 4,000 p.a. Cost of capital is 14%. The sensitivity of the project (in terms of percentage) will be :
- (A) 16.55%
(B) 16.95%
(C) 17.55%
(D) 17.95%
13. A firm is considering a project requiring ₹ 3,00,000 with 7 years life and ₹ 55,000 salvage value. The project is expected to generate net profit before depreciation and tax of ₹ 1,20,000 per annum. If straight line method of depreciation is to be followed and applicable income tax rate is 20%, the Average Rate of Return (ARR) of the project will be :
- (A) 27.75%
(B) 47.88%
(C) 38.31%
(D) 22.66%
14. Two projects are under consideration with following details :
- Project A will require initial outlay of ₹ 60,000, will last for 5 years and will generate annual CFAT of ₹ 20,000.
- Project B will require initial outlay of ₹ 90,000, will last for 5 years and will generate annual CFAT of ₹ 29,000.
- If the cost of capital of the company is 10%, which of the following statements is true regarding these projects ?
- (A) Project A is better on the basis of NPV criteria, whereas project B is better on IRR criteria
(B) Project B is better on the basis of NPV criteria, whereas project A is better on IRR criteria
(C) Both the projects are indifferent and acceptable similarly on NPV and IRR criteria
(D) Both the projects shall be rejected on NPV and IRR criteria
15. In Risk-Adjusted Discount Rate method, is adjusted.
- (A) Cash Inflows
(B) Cash Outflows
(C) Project duration
(D) None of the above

: 5 :

16. Company A has an offer to invest in three projects – B, C and D. However, Company A has funds to invest in only one project. So, it decided to use the NPV method to decide on the project that it should invest in. Which project should the company invest in ?

Following are the details :

Project B – ₹ 56,000 (Initial Investment), Cash flows for year, 1, 2 and 3 resp. (₹ 25,000; ₹ 20,000; ₹ 15,000), Risk-free rate is 2%, while Risk premium is 5%.

Project C – ₹ 68,000 (Initial Investment), Cash flows for year 1, 2 and 3 resp. (₹ 32,000; ₹ 12,000; ₹ 35,000), Risk-free rate is 1.2%, while Risk premium is 4%.

Project D – ₹ 85,000 (Initial Investment), Cash flows for year 1, 2 and 3 resp. (₹ 12,000; ₹ 30,000; ₹ 53,000), Risk-free rate is 3%, while Risk premium is 7%.

- (A) Project B
- (B) Project C
- (C) Project D
- (D) None of the above

17. Which one of the following statements is TRUE ?
- (A) IRR method can tend to understate the relative attractiveness of superior investment projects when the opportunity cost of cash flows is below the IRR
 - (B) Selection solely according to the NPV criterion will tend to favor larger rather than smaller investment projects
 - (C) When $NPV = 0$, the IRR exceeds the cost of capital
 - (D) Use of the PI criterion is especially appropriate for larger firms with easy access to capital markets
18. Which of the following is TRUE for Net Income Approach ?
- (A) Lower Equity is better
 - (B) Lower Debt is better
 - (C) Debt-Equity ratio is irrelevant
 - (D) None of the above
19. One-fifth of the total market value of X Ltd. consists of loan stock, which has a cost of 10%. Another company, Y Ltd. is identical in every respect to X Ltd., except that its capital structure is all-equity, and its cost of equity is 16%. According to Modigliani and Miller approach, if we ignored taxation and tax relief on debt capital (proposition I), what would be the cost of equity of X Ltd. ?
- (A) 16.5%
 - (B) 17.5%
 - (C) 18.5%
 - (D) 19.5%

20. Skyline Software Ltd. wants to implement a project for which ₹ 30 lakh is required.
- Following financing options are at hand :
- Option 1 : Equity Shares 30,000 nos. @ ₹ 100 each
- Option 2 : Equity Shares 10,000 nos. @ ₹ 100 each, 12% Preference Shares 5,000 nos. @ ₹ 100 each, and 10% Debentures 15,000 nos. @ ₹ 100 each
- Calculate the indifference point (level of EBIT) assuming corporate tax to be 35%.
- (A) ₹ 3,63,462
 (B) ₹ 3,53,562
 (C) ₹ 3,33,662
 (D) ₹ 3,66,762
21. Which of the following statements is TRUE ?
- (A) If Fixed cost rises, DOL and EPS rises
 (B) If Sales rises, DOL increases and EPS reduces
 (C) If EBIT increases, DFL increases and EPS reduces
 (D) Higher the DFL higher the financial risk and vice versa
22. Which of the following is considered to be the optimal combination ?
- (A) Low DOL & Low DFL
 (B) High DOL & High DFL
 (C) High DOL & Low DFL
 (D) Low DOL & High DFL
23. Which of the following statements is TRUE ?
- (A) Higher fixed cost implies higher DOL & lower DFL
 (B) Lower fixed cost implies lower DOL & higher DFL
 (C) No Fixed cost implies $DOL = 1$ & $DFL = 2$
 (D) None of the above
24. “Cost of capital may be defined as the rate that must be earned on the net proceeds to provide the cost elements of the burden at the time they are due”. This definition has been given by :
- (A) William and Donaldson
 (B) John J. Hampton
 (C) Solomon Ezra
 (D) James C. Van Horne
25. Which is not the factor affecting cost of capital that the company has control over ?
- (A) Capital Structure Policy
 (B) Dividend Policy
 (C) Investment Policy
 (D) Management Policy
26. A company raised ₹ 4,90,000 by issuing 5,000 10% debentures of ₹ 100 each with 8-year maturity at 2% discount. It also paid commission of 3% of the face value to brokers. If the company falls in 30% tax bracket, the approx. effective cost of the debt is :
- (A) 10.90%
 (B) 7.37%
 (C) 7.63%
 (D) 7.25%

27. A company issued 20000 7% preference shares of ₹ 50 each at premium of 4%. Flotation cost was ₹ 2 per share. Applicable income tax rate is 20%. Cost of preference share capital will be :
- (A) 7%
 (B) 6.73%
 (C) 7.29%
 (D) 5.6%
28. A company has outstanding 2,00,000 equity shares of ₹ 100 each and 5,00,000 8% preference shares of ₹ 10 each. Apart from the dividend on preference shares, the company has paid a dividend of ₹ 12, ₹ 13.2 and ₹ 14.52 respectively for last 3 years on its equity shares. If the current market price of equity shares is ₹ 140, the cost of equity share capital as per Dividend Growth Model approach will be :
- (A) 29.96%
 (B) 25.97%
 (C) 21.41%
 (D) 20.37%
29. A Ltd. requires an amount of ₹ 5,00,000 to finance a project. It was decided to raise such finance by the issue of debentures. Cost of debt (before tax) up to ₹ 2,00,000 is 10% and 13% (before tax) for additional amount. Applicable tax rate is 30%. What is the average marginal cost of capital of new finance of ₹ 5,00,000 ?
- (A) 7.26%
 (B) 7.96%
 (C) 8.26%
 (D) 8.96%
30. Which of the following statements is true from the perspective of weighted average cost of capital ?
- (A) Generally, WACC calculated using book value weights will be overstated if the market value of the shares is higher than the book value
 (B) Generally, WACC calculated using book value weights will be understated if the market value of the shares is higher than the book value
 (C) Generally, WACC calculated using book value weights will be understated if the market value of the shares is lower than the book value
 (D) None of the above
31. Which among the following is generally not incorporated in set of analysis in a project report ?
- (A) Market Analysis
 (B) Technical Analysis
 (C) Financial Analysis
 (D) Fundamental Analysis
32. The project is unviable when Benefit Cost Ratio (BCR) it is less than :
- (A) One
 (B) Two
 (C) Three
 (D) None of the above

33. analysis takes care of only one or two variables which is at times inadequate. This limitation is partially overcome by what is known as analysis, where of certain prices, cost and other variables are created and the financial parameters are computed.
- (A) Scenario, Sensitivity, Sensitivity
(B) Scenario, Sensitivity, Risk Analysis
(C) Sensitivity, Scenario, Scenario
(D) Risk, Scenario, Sensitivity
34. does not result in a substantial transfer of the risks and rewards of ownership from one party to other.
- (A) Finance Lease
(B) Operating Lease
(C) Hire Purchase
(D) None of the above
35. This refers to a strategy of making equity investments as part of a transaction in which a company, business unit or business assets are acquired from the current shareholders typically with the use of financial leverage.
- (A) Venture Capital
(B) Growth Capital
(C) Leveraged Buyout (LBO)
(D) None of the above
36. Which of the following is not a required condition for SEZ units to avail tax incentives ?
- (A) Must be engaged in the export of goods and services from April 1, 2006 onward;
(B) Must not be formed by splitting up or reconstructing an existing business;
(C) Must not to be formed by transferring a previously owned plant and machinery to the SEZ unit;
(D) None of the above
37. Issue of bonus shares is a nature of :
- (A) Cash Dividend
(B) Bond Dividend
(C) Property Dividend
(D) None of the above
38. Walter's Model suggests for 100% Dividend Payout Ratio when :
- (A) $r > K_e$
(B) $r = K_e$
(C) $r < K_e$
(D) $K_e = 0$

39. The following information is available in respect of Sober Ltd. :
- No. of shares outstanding : 1 lakh; Earnings per share : ₹ 4; Equity capitalization rate : 12%, Rate of return on investment : 15%; you are required to calculate the Dividend payout ratio to keep the share price at ₹ 40 as per the Walter's model.
- (A) 50%
 (B) 40%
 (C) 60%
 (D) 20%
40. The earning per share of a company is ₹ 25. Its internal rate of return is 15% and capitalization rate of the risk category to which it belongs is 12%. If the retention ratio is 100%, the approx. market price of the shares according to Walter's model will be ₹ :
- (A) 167
 (B) 260
 (C) 133
 (D) 208
41. Which of the following approach advocates irrelevance of dividend ?
- (A) Walter's Model
 (B) Gordon's Model
 (C) M.M. Approach
 (D) All of the above advocates relevance of dividend
42. The market price of A Ltd. is ₹ 200 per share as per Gordon Model. Earning per share is ₹ 20. Cost of capital is 11%. Rate of return on investment is 12%. What was the retention ratio ?
- (A) 25%
 (B) 50%
 (C) 75%
 (D) 100%
43. The aggressive working capital investment approach covers those policies, which :
- (A) Invest high capital in current assets, keep inventory at higher level
 (B) Follow liberal credit policies and higher cash balances
 (C) Hold lower level of inventory and follow strict credit policies
 (D) None of the above
44. A Ltd. has provided the following information :
- Net working capital ₹ 2,800; Current ratio 2.4; Liquid ratio 1.6;
- Amount of Current Assets is :
- (A) ₹ 2,000
 (B) ₹ 4,800
 (C) ₹ 2,800
 (D) ₹ 3,600

45. Tandon Committee recommendations aims that the dependence of industry on bank finance should gradually :

- (A) Decrease
- (B) Remain Stable
- (C) Increase
- (D) None of the above

46. Quarterly consumption of materials : 2,000 kg; Cost of placing an order : ₹ 50; Cost per unit : ₹ 40; Storage and other carrying costs : 8% of average inventory cost. Economic order quantity and number of orders to be placed per quarter of the year will be :

- (A) 400 kg and 5 orders
- (B) 400 kg and 20 orders
- (C) 500 kg and 4 orders
- (D) 500 kg and 16 orders

47. An asset is not classified as current when :

- (A) The asset is held primarily for the purpose of trading activities
- (B) It is not cash equivalent
- (C) It is expected to be realized within twelve months after the reporting period
- (D) It is expected to be realized or intends to be sold or consumed in normal operating cycle of the entity

48. Sales collection policy of a company is “20% sales are on cash, 50% of the credit sales are collected next month and the balance in the following month”, The Collection for the month of March will be :

- (A) 20% of Jan sales + 40% of February sales + 40% of March sales
- (B) 20% of February sales + 50% of January sales + 50% of March sales
- (C) 20% of March sales + 40% of January sales + 40% of February sales
- (D) 20% of March sales + 50% of January sales + 50% of February sales

49. Apollo Ltd. sells its products allowing a credit period of 15 days only. The average variable cost is 60% of sales value and current sales amount to ₹ 100 lakh. Data for the year is as follows :

Particulars	Current	Proposed
Credit Period (Months)	½	1
Sales (lakh ₹)	100	120
Fixed Cost (lakh ₹)	15	18
Bad Debts (% sales)	1	1.5%

Debtors are calculated on cost price. Expected rate of return is 16%. Which one of the following is correct ?

- (A) Incremental profit ₹ 3.50 lakh
- (B) Incremental loss ₹ 3.50 lakh
- (C) Incremental profit ₹ 4.20 lakh
- (D) Incremental loss ₹ 4.20 lakh

50. Which of the following statements is/are true ?
- (A) When a firm relaxes the credit terms and offers cash discount for extended term, the profitability is sure to increase
 - (B) When a firm relaxes the credit terms and offers cash discount for extended term, the profitability is sure to increase if the sales increases
 - (C) When a firm relaxes the credit terms and offers cash discount for extended term, the profitability is sure to increase if cash sales increases
 - (D) None of the above
51. Which statement is true about terms of trade credit of 2/10, net 30 ?
- (A) A 10% cash discount is offered for payment before 30 days
 - (B) A 2% cash discount can be taken for payment before the 10th of the following month
 - (C) A 10% cash discount can be taken if paid by the second day after invoicing
 - (D) No cash discount is offered from the eleventh day of sales
52. Which is not key requirement/premise for an efficient securities market ?
- (A) Prices must be efficient so that new inventions and better products will cause a firms' securities prices to rise and motivate investors to buy the stocks
 - (B) Information must be discussed freely and quickly across the nations so that all investors can react to the new information
 - (C) Transaction costs such as brokerage on sale and purchase of securities are not ignored
 - (D) Investors are rational and make investments in the securities providing maximum yield
53. According to Dow Jones theory, share prices demonstrate a pattern over 4 to 5 years. These patterns can be :
- (A) Preliminary, primary and secondary trends
 - (B) Preliminary, bullish and bearish trends
 - (C) Primary, secondary and minor trends
 - (D) Primary, secondary and major trends
54. Random walk theory does not imply that price changes are random.
- (A) Day to day
 - (B) Week to week
 - (C) Year to year
 - (D) None of the above

55. Portfolio theory was originally proposed by :
- (A) Kenneth Fisher
 - (B) Harry Markowitz
 - (C) Henry Fayol
 - (D) Peter Drucker
56. If a portfolio's expected return is 9 percent, variance of return is 100 percent and the investor's risk tolerance is 50, the risk penalty and utility respectively are :
- (A) 2 & 7
 - (B) 2 & 8
 - (C) 3 & 7
 - (D) 3 & 8
57. Which of the following is located on the horizontal axis of the Security Market Line ?
- (A) Beta
 - (B) Standard Deviation
 - (C) Expected Return
 - (D) None of the above
58. Which one of the following is not a key difference between Capital Market Line (CML) & Security Market Line (SML) ?
- (A) CML uses systematic risk, while SML uses total risk
 - (B) CML uses efficient portfolio only, while SML uses both efficient & inefficient portfolio
 - (C) Capital Market Line is a proportional combination between Risk free Rate of Return and Market Return, while SML graphs all portfolios and securities which lie on and off the Capital Market Line
 - (D) None of the above
59. Which one of the following is not true in relation to Sharpe Ratio ?
- (A) Sharpe ratio is a risk-adjusted measure of return that is often used to evaluate the performance of a portfolio
 - (B) The ratio helps to make the performance of one portfolio comparable to that of another portfolio by making an adjustment for risk
 - (C) The idea of the ratio is to see how much additional returns are receiving for the additional volatility of holding the risky asset over a risk-free asset
 - (D) Lower the Sharpe ratio, better is the situation
60. The current capital invested in a company is ₹ 60 Lakh. Its post-tax net operating profit is ₹ 15 Lakh. Applicable income tax rate is 30%. If the opportunity cost of investment is 12%, the amount of Economic Value Added will be ₹ :
- (A) 3,30,000
 - (B) 7,80,000
 - (C) 10,50,000
 - (D) 7,20,000

PART—II

61. Which of the following is not a principle of Bureaucratic theory by Max Weber ?
- (A) Task specialization—importance of each employee fulfilling a specific role within a company
- (B) Hierarchy—to have a clear hierarchy within the organization
- (C) Form selection—When selecting leaders, businesses view a person's attitudes
- (D) Rules and requirements—These ensure everyone knows what's expected of them
62. X & Y Theory was formulated by :
- (A) Douglas McGregor
- (B) Ludwig von Bertalanffy
- (C) Elton Mayo
- (D) None of the above
63. is a bridge between the operational needs and the human requirements of its employees. Since it aims to improve productivity, you are strengthening how well the organization succeeds.
- (A) Planning
- (B) Staffing
- (C) Directing
- (D) Controlling
64. Which one does match, out of the following leadership styles ?
- (A) Democratic Leadership – Rarely Effective
- (B) Autocratic Leadership – Commonly Effective
- (C) Laissez-Faire Leadership – Sometimes Effective
- (D) None of the above
65. Which one of the following is not in the Maslow's hierarchy of needs ?
- (A) Psychological
- (B) Social (belongingness and love)
- (C) Self-esteem
- (D) Safety
66. Which one of the following is not correct ?
- (A) Douglas McGregor formulated two distinct views of human being based on participation of workers
- (B) The first is basically negative, labelled as Theory X, and the other is basically positive, labelled as Theory Y
- (C) Theory X : workers are inherently lazy, self-centered, and lacking ambition and an appropriate management style is strong, top-down control
- (D) Theory Y : workers are less-motivated and not eager to accept responsibility and an appropriate management style is to focus on creating a productive work environment coupled with negative rewards and reinforcement

67. Which one of the followings is not a feature of Controlling Function ?
- (A) Controlling is performed by managers at all levels and in all type of concerns.
 - (B) Controlling always look to future so that follow-up can be made whenever required.
 - (C) Controlling presupposes planning and planning succeeds controlling.
 - (D) Controlling is forward looking- because effective control is not possible without past being controlled.
68. Which one of the followings is not a phase of strategic management process ?
- (A) Environmental Scanning
 - (B) Strategy Forecasting
 - (C) Strategy Implementation
 - (D) Strategy Evaluation
69. attracts, develops and retains talent to ensure that people with the right skills and motivations to meet business needs are in the right place at the right time.
- (A) Enterprise Guardian
 - (B) Captivator
 - (C) Talent Advocate
 - (D) Global Thinker
70. Which of the following statements is not true ?
- (A) Kaplan and Norton developed the concept of a “balanced scorecard”
 - (B) Balanced Scorecard helps to monitor, measure and control strategic performance within four perspectives : Financial, Customer, Internal Business Process, and Planning and Control
 - (C) The main value of the balanced scorecard model lies in its emphasis on forging a balanced approach to measuring and managing strategic control factors
 - (D) It remains for each organization to identify its own key strategy, strategic objectives, strategic initiatives and strategic measurements
71. Business policies are the developed by an organization to govern the actions.
- (A) Benchmarks
 - (B) Regulations
 - (C) Roadmaps
 - (D) Guidelines

72. Identify the wrong statement out of the following :
- (A) A mission statement talks about HOW you will get to where you want to be, whereas a Vision statement outlines WHERE you want to be
 - (B) Mission answers the question, “What do we do ? What makes us different ?”, whereas vision answers the question, “Where do we aim to be ?”
 - (C) A mission statement talks about the past leading to its present whereas a vision statement talks about your present and future
 - (D) Mission statement lists the broad goals for the organization, whereas vision statement lists where you see yourself some years from now
73. Identify the FALSE statement out of the following :
- (A) Corporate level strategy defines how the firm will remain sustainable in the long run
 - (B) Business level strategy is applicable in those organizations, which have different businesses and each business is treated as Strategic Business Unit (SBU)
 - (C) Functional strategy, as is suggested by the title, relates to a single functional operation and the activities involved therein
 - (D) None of the above
74. In market strategy, business avoids “neck to neck” competition and its objective is to build strong ties with the existing customer base and develop strong loyalty with them.
- (A) Market leader
 - (B) Market challenger
 - (C) Market follower
 - (D) Market nicher
75. Which one of the following is FALSE in context of human resource planning ?
- (A) Human resource planning is a process that identifies past, current and future human resources needs for an organization to achieve its goals
 - (B) Human resource planning should serve as a link between human resource management and the overall strategic plan of an organization
 - (C) Human resource planning includes creating an employer brand, retention strategy, absence management strategy, flexibility strategy, (talent management) strategy, (recruitment) and selection strategy
 - (D) All the above are true
76. Which of the following is not a component of ‘competition priorities’ dimension in formulating Production Strategies ?
- (A) Price
 - (B) Low Cost
 - (C) Delivery
 - (D) Eco-friendly product

77. Which one of the following questions may not be relevant in assessing the effectiveness of Situation analysis ?
- (A) Is it simple and practical to use ?
 - (B) Is it easy and clear for even an outsider to understand ?
 - (C) Does it clearly identify present goals for the business ?
 - (D) Is it focused on key factors that are impacting my business both internally and externally ?
78. Match the followings in the light of Amazon's SWOT analysis :
- | | | | |
|----|-------------|----|-----------------------------|
| A1 | Strength | B1 | Seasonality |
| A2 | Weakness | B2 | Brand Identity |
| A3 | Opportunity | B3 | Patent Infringement |
| A4 | Threats | B4 | Expansion of local business |
- (A) A1-B2; A2-B1; A3-B4; A4-B3
 - (B) A1-B2; A2-B3; A3-B1; A4-B4
 - (C) A1-B4; A2-B1; A3-B2; A4-B3
 - (D) A1-B4; A2-B3; A3-B2; A4-B1
79. Match the following in the light of COCA-COLA's SWOT analysis :
- | | | | |
|----|-------------|----|--|
| A1 | Strength | B1 | Pepsi biggest competitor |
| A2 | Weakness | B2 | Olympic games' sponsorship |
| A3 | Opportunity | B3 | Loss of market development opportunities |
| A4 | Threats | B4 | Long history with certain status |
- (A) A1-B4; A2-B3; A3-B2; A4-B1
 - (B) A1-B4; A2-B2; A3-B3; A4-B1
 - (C) A1-B2; A2-B3; A3-B1; A4-B4
 - (D) A1-B2; A2-B3; A3-B4; A4-B1
80. Identify the FALSE statement :
- (A) Wehrich developed TOWS Matrix in 1982, as the next step of SWOT Analysis in developing alternative strategies
 - (B) TOWS Matrix is an effective way of combining (a) internal strengths with external opportunities and threats, and (b) internal weaknesses with external opportunities and threats to develop a strategy
 - (C) The SWOT/TOWS Matrix is not just meant for the top levels of management in an organization, rather can be very useful tool for divisions, products, functions as well as departments
 - (D) These cannot be used for individual employees on an operational level
81. Match the following as per the TOWS strategies :
- | | | | |
|----|-----------------------|----|-----------|
| A1 | Aggressive strategy | B1 | mini-mini |
| A2 | Conservative strategy | B2 | mini-maxi |
| A3 | Competitive strategy | B3 | maxi-mini |
| A4 | Defensive strategy | B4 | maxi-maxi |
- (A) A1-B3; A2-B2; A3-B1; A4-B4
 - (B) A1-B2; A2-B3; A3-B4; A4-B1
 - (C) A1-B4; A2-B3; A3-B2; A4-B1
 - (D) A1-B4; A2-B2; A3-B1; A4-B3

82. Match the followings as per the TOWS matrix of Pepsi :
- A1 'WT' Analysis B1 Pepsi had more expensive products than Coke
- A2 'WO' Analysis B2 Very strong taste, it really feels that something highly toxic
- A3 'ST' Analysis B3 Use celebrities in their advertising campaigning
- A4 'SO' Analysis B4 They lack behind in catering the rural areas
- (A) A1-B3; A2-B1; A3-B4; A4-B2
- (B) A1-B3; A2-B1; A3-B2; A4-B4
- (C) A1-B2; A2-B4; A3-B3; A4-B1
- (D) A1-B2; A2-B4; A3-B1; A4-B3
83. CPM computes the path of planned jobs/activities to logical end points/the end of the project, and the earliest and latest time by which each activity can start and finish without making the project longer. This process determines the activities that are "....." or on the longest path and having "total float".
- (A) Shortest; Crucial
- (B) Shortest; Critical
- (C) Longest; Critical
- (D) Longest; Feasible
84. The BCG Matrix aims to evaluate each product in following two dimensions :
- (A) Market growth & Market share
- (B) Market Volatility & Market share
- (C) Market volatility & Market strength
- (D) Market growth & Market strength
85. are products which have a high market share in a low growing market.
- (A) Stars
- (B) Question Marks
- (C) Dogs
- (D) Cash Cows
86. Which of the following strategies is not based on BCG matrix ?
- (A) Build
- (B) Hold
- (C) Invest
- (D) Divest
87. Match the four growth options of the Ansoff's Growth Matrix :
- A1 Market Penetration B1 new products and strategy current markets
- A2 Product development B2 current products and new markets strategy
- A3 Market development B3 current products and current strategy markets
- A4 Diversification B4 new products and new markets
- (A) A1-B2; A2-B1; A3-B4; A4-B3
- (B) A1-B2; A2-B1; A3-B3; A4-B4
- (C) A1-B3; A2-B2; A3-B1; A4-B4
- (D) A1-B3; A2-B1; A3-B2; A4-B4

88. Which one is not an Industry Maturity or Life Cycle stage in ADL Matrix ?
- (A) Embryonic
 - (B) Pre-Mature
 - (C) Mature
 - (D) Growth
89. The fundamental concept of strategic business unit is to identify the independent served by an organization.
- (A) Cost/Market segments
 - (B) Profit/Market segments
 - (C) Profit/Cost segments
 - (D) Product/Market segments
90. Matrix structure is one where each becomes strategic.
- (A) Problem and Solution
 - (B) Problem and Project
 - (C) Problem and Product
 - (D) Project and Product
91. Which structure is suitable to firms operating single or related business ?
- (A) Functional Structure
 - (B) Divisional Structure
 - (C) Matrix Organization Structure
 - (D) Free Form Organization
92. Which of the following is NOT one of the objectives of the Business Process Reengineering (BPR) ?
- (A) Boost effectiveness and produce higher quality products for end customer
 - (B) Improve efficiency in the production processes
 - (C) Providing more meaningful work to employees
 - (D) Cost saving in short-run
93. Which of the following may NOT be the reason for failure of Business Process Reengineering ?
- (A) Employees' resistance against change
 - (B) Communication Breakdown
 - (C) Personnel Turnover during transition
 - (D) None of the above
94. Point out the FALSE statement :
- (A) BPR challenges process fundamentals whereas Six Sigma prioritizes by Cost of Poor Quality
 - (B) BPR relies on outside consultants whereas Six Sigma on internal experts
 - (C) BPR based as process maps, whereas Six Sigma on Statistical analysis
 - (D) Risk/return of BPR is Medium-High, whereas that of Six Sigma is High-Low

95. Match the following :

- | | |
|-----------------------------|---|
| A1 Benchmarking | B1 Determining how strong a company's products & services are |
| A2 Strategic benchmarking | B2 Finding and implementing Best Business Practices |
| A3 Performance benchmarking | B3 Looking others to identify best practices to improve own processes |
| A4 Process benchmarking | B4 Identifying best way to compete in the market |

- (A) A1-B4; A2-B2; A3-B1; A4-B3
 (B) A1-B4; A2-B2; A3-B3; A4-B1
 (C) A1-B2; A2-B4; A3-B1; A4-B3
 (D) A1-B2; A2-B4; A3-B3; A4-B1

96. Ford Motor Company total quality management or TQM practices started in the 1980s when was their slogan.

- (A) "Quality is main Job"
 (B) "Quality is most important"
 (C) "Quality is Job 1"
 (D) "Quality is priority"

97. is a disciplined, statistical-based, data-driven quality control program.

- (A) TQM
 (B) Six Sigma
 (C) Quality Control Management
 (D) None of the above

98. Identify the statement which is incorrect :

- (A) ERP is a modular software system designed to integrate the main functional areas of an organization's business processes into a unified system
 (B) ERP may be implemented on premises as well as through cloud
 (C) Gartner coined the term "enterprise resource planning" in 1990
 (D) ERP do not require change management during implementation

99. Industry 4.0 is the digitization of the manufacturing sector, driven by four clusters of disruptive technologies. Which one of the following is not included in such technologies ?

- (A) Data, computational power and connectivity
 (B) Physical-to-digital conversion
 (C) Human-machine interaction
 (D) Analytics and intelligence

100. is used to describe new tech that seeks to improve and automate the delivery and use of financial services.

- (A) Financial technology (Fintech)
 (B) Artificial Intelligence (AI)
 (C) TQM
 (D) 5G

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Space for Rough Work