428 QUESTION PAPER BOOKLET CODE : **A**

Question Paper Booklet No.

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PART—I

1. The market value of each share of X Ltd company is ₹ 40, and its equity share capital is ₹ 400 crores comprising of shares of face value of ₹ 100 each. The market value of the company is ....

   (A) 16000 lakh

   (B) 1600 lakh

   (C) 1 lakh

   (D) 16 lakh

2. Which among the following is not true ?

   (A) Capital budgeting is the process of evaluating and selecting long-term investments that are in line with the goal of investors' wealth maximization

   (B) The common traditional capital budgeting techniques are Payback Period and Accounting Rate of Return

   (C) Modified Internal Rate of Return (MIRR) is the discount rate that equates the present value of the expected cash inflows with the initial cash outflow

   (D) All the above statements are true

3. A project has net cash flows of ₹ 11,000 per annum for four years. The Initial cash outflow is ₹ 34,000. Which of the following statement is correct concerning the project's internal rate of return (IRR) ?

   (A) The IRR is less than 10%

   (B) The IRR is greater than 10%, but less than 13%

   (C) The IRR is greater than 13%, but less than 15%

   (D) The IRR is greater than or equal to 15%

4. The shareholder value maximisation model holds that the primary goal of the firm is to maximise :

   (A) Accounting profit

   (B) Liquidity

   (C) Market value

   (D) Working capital

5. The project planning activities and goals include defining :

   (1) The specific work to be performed and goals that define and bind the project

   (2) Estimates to be documented for planning, tracking, and controlling the project

   (3) Commitments that are planned, documented, and agreed to by affected groups

   (4) Project alternatives, assumptions, and constraints

   Select the *correct* answer from the options given below :

   (A) (1), (2) and (3) only

   (B) (2), (3) and (4) only

   (C) (1), (2), (3) and (4)

   (D) (1), (3) and (4) only

6. Y Ltd. is considering a project which requires initial investment of ₹ 20,000. Cost of capital is 10%. Estimated cash flows after tax are as follows :

Year 1	8000
Year 2	5000
Year 3	6000
Year 4	7000
Year 5	5000

What is the project's discounted payback period ?

(A) 3 years & 6.52 months

(B) 4 years & 2.32 months

(C) 3 years & 10.27 months

(D) 4 years & 8.25 months

7. According to ...., the movements of the market are divided into three classifications, the primary movement, the secondary movement, and the daily/minor fluctuations.

(A) The Dow Theory

(B) The Elliot Wave Theory

(C) Random Walk Theory

(D) Efficient Market Hypothesis

8. A dividend policy that helps in creating confidence among the investors, stabilizes the market price of shares and helps in marinating the goodwill of the company is :

(A) Regular dividend policy

(B) Stable dividend policy

(C) Both (A) and (B)

(D) Neither (A) nor (B)

9. Which of the following would be consistent with a more aggressive approach to financing working capital ?

(A) Financing short-term needs with short-term funds.

(B) Financing permanent inventory buildup with long-term debt.

(C) Financing some long-term needs with short-term funds.

(D) Financing seasonal needs with short-term funds.

10. .... are usually taken as proxy for risk-free return as it is issued by the Government and duration is not very long.

(A) Commercial Papers

(B) Commercial Bills

(C) Treasury Bills

(D) Certificate of Deposits

11. The venture capital financing is a .... financing of new high risky venture promoted by skilled entrepreneurs who lack .... and funds but have ....
    (A) Debt, Experience, Skill
    (B) Equity, Experience, Idea
    (C) Debt, Experience, Idea
    (D) Equity, Skill, Idea

12. A company has an existing EPS of ₹ 7.5; it makes an FPO of 15000 shares (Face value ₹ 10) issued at a price of ₹ 25 per share. The additional funds thus raised are expected to earn a post-tax return of 28%. What will be the expected impact on EPS considering the EPS on existing shares to be constant ?
    (A) EPS will remain 7.5
    (B) EPS will be greater than 7.5
    (C) EPS will be below than 7.5
    (D) Information not sufficient for calculation

13. Commercial paper is a .... issued by .... interest rate of which is linked to ....
    (A) Debenture, Corporates, 1 Yr Gov. Securities Yield
    (B) Promissory Note, Corporates, 1 Yr Gov. Securities Yield
    (C) Promissory Note, Banks, 1 Yr Gov. Securities Yield
    (D) Promissory Note, Banks, RBI Repo rate

14. .... is the rate of return associated with the best investment opportunity for the firm and its shareholders that will be forgone if the projects presently under consideration by the firm were accepted.
    (A) Explicit Cost
    (B) Future Cost
    (C) Opportunity Cost
    (D) None of the above

15. CC Industries Ltd. has net assets of ₹ 1,70,000 which have been financed with ₹ 58,000 of debt, ₹ 1,00,000 of equity and a general reserve of ₹ 12,000. The firm's total profits after interest and taxes for the year ended 31st March 2022 were ₹ 15,000. It pays 10% interest on borrowed funds and is in the 30% tax bracket. It has 1000 equity shares of ₹ 100 each, selling price at a market price of ₹ 130 per share. What is the weighted average cost of capital using book value weights if Earnings-price Ratio approach is followed and growth rate of EPS is zero ?
    (A) 7.68%
    (B) 9.97%
    (C) 8.72%
    (D) 10.11%

16. Gamma Ltd. has furnished the following information :

    Earnings Per Share (EPS) ₹ 4

    Dividend payout ratio 25%

    Market price per share ₹ 50

    Rate of tax 30%

    Growth rate of dividend 10%

    The company wants to raise additional capital of ₹ 12 lakhs including debt of ₹ 6 lakhs. The cost of debt (before tax) is 10% up to ₹ 3 lakhs and 15% beyond that. The weighted average cost of capital of additional funds raised by the company on the basis of dividend growth model is approx. :

    (A) 9.35%

    (B) 11.35%

    (C) 10.45%

    (D) 12.25%

17. Retention ratio is 0.60 and return on equity is 15.5%, D0 = 10, P0 = 70 then Ke = ?

    (A) 14.9%

    (B) 25.84%

    (C) 16.1%

    (D) 24.91%

18. Ranu & Co. has issued 10% debenture of face value 100 for ₹ 10 lakh. The debenture is expected to be sold at 5% discount. It will also involve floatation costs of ₹ 10 per debenture. The debentures are redeemable at a premium of 10% after 10 years. Calculate the cost of debenture if the tax rate is 30%.

    (A) 8.97%

    (B) 9.56%

    (C) 8.25%

    (D) 10.12%

19. A company has a cost of equity of 10% and an interest rate of 6%. The company's debt-to-equity ratio is 1.5, and the corporate tax rate is 40%. What is the company's weighted average cost of capital ?

    (A) 7.2%

    (B) 6.16%

    (C) 7.6%

    (D) 8.4%

20. Which of the following actions will not generally cause an increase in WACC ?

    (A) Increase in proportion of equity

    (B) Increase in proportion of debt

    (C) Both (A) and (B)

    (D) Neither (A) nor (B)

21. A company's beta is 1.5. The market return is 15% and the risk-free rate is 10%. What is the expected return of the company's stock based on CAPM ?

(A) 17.5%

(B) 15%

(C) 11.5%

(D) 25%

22. Following information is provided by the Lake Ltd. for the year ending 31 March 2023 :

Raw material storage period — 60 days

WIP conversion period — 22 days

Finished goods storage period — 29 days

Debt collection period — 40 days

Creditor's payment period — 60 days

Annual operating cost including depreciation of ₹ 2,00,000 was ₹ 20,00,000.

[1 Year = 360 days]

You are required to calculate working capital on cash cost basis, assuming no cost classification is available.

(A) 4,66,667

(B) 4,55,000

(C) 5,05,555

(D) 10,55,000

23. A Factoring firm has credit sales of ₹ 300 lakhs and its average collection period is 36 days. The financial controller estimates bad debt losses are around 2% of credit sales. The firm spends ₹ 1,50,000 annually on debtor's administration. This cost comprises of telephonic and fax bills along with salaries of staff members. These are the avoidable costs. A Factoring firm has offered to buy the firm's receivables. The factor will charge 1% commission and will pay an advance against receivables on an interest @ 12% p.a. after withholding 10% as reserve. What is the approx. Net annual benefit of factoring to the firm in rupees ? Ignore capital cost.

(A) (1,73,400)

(B) 1,73,400

(C) (1,56,000)

(D) 1,26,000

24. Which of the following is a factor that affects the optimal level of working capital ?

(A) Sales revenue

(B) Competitive position of firm

(C) Fixed assets

(D) Management style

25. Which among the following is not a systematic risk ?
    (A) Interest Rate Risk
    (B) Purchasing Power Risk
    (C) Market Risk
    (D) Business Risk
26. Which of the following indicates aggressive working capital policy ?
    (A) Higher liquidity and poor risk
    (B) Higher risk and higher liquidity
    (C) Higher risk and poor liquidity
    (D) Lower risk with lower liquidity
27. Which of the following is a technique used to manage working capital ?
    (A) Factoring
    (B) IPO
    (C) Mergers and Acquisitions
    (D) Divestment
28. Which of the following statements is not covered in Credit Monitoring Arrangements report ?
    (A) Particulars of current and proposed limits
    (B) Comparative statement of current assets and current liabilities
    (C) Statement of contingent liabilities
    (D) Ratio Analysis
29. Maximum permissible bank finance as per the first method of Tandon Committee norms was ₹ 57,41,813 while current liabilities are reported at ₹ 32,50,000. Current assets = ?
    (A) 10905750
    (B) 9905720
    (C) 10907550
    (D) 10509750
30. Which of the following is the most important determinants of a firm's cash reserve requirements ?
    (A) Size of the firm
    (B) Industry type
    (C) Sales and profitability
    (D) Seasonal fluctuations in sales
31. Which of the following is not a stage in evolving plan of a project ?
    (A) Concept Planning
    (B) Concept Definition
    (C) Project Start-up
    (D) Project Close-out
32. Which of the following dividend types is not prevalent in India ?
    (A) Cash Dividend
    (B) Bond Dividend
    (C) Property Dividend
    (D) Stock Dividend

33. Bharat Ltd is an all-equity firm that has projected earnings before interest and taxes of ₹ 5,50,000 forever. The current cost of equity is 15% and tax rate 30%. The company is in the process of issuing ₹ 17,00,000 of bonds at par that carry an 8% annual coupon. What is the value of the firm after issuing bonds if the EBIT increases by 50% after bond issue ?

    (A) 45,60,133

    (B) 49,15,333

    (C) 39,16,667

    (D) 42,25,600

34. .... assumes that co-movement between stocks is due to change or movement in the market index.

    (A) Single Index Model

    (B) Multi Index Model

    (C) Markowitz model of Risk-Return Optimization

    (D) Capital Assets Pricing Model

35. Which one of the following approaches of the capital structure pleads that debt financing initially increases the value of the firm; however excess debt financing beyond a particular point reduces the value of the firm ?

    (A) Net income approach

    (B) Net operating income approach

    (C) Traditional approach

    (D) M&M approach

36. Mr. Dashan recently came back from a conference titled Capital Structure Theory and was extremely excited about what he learned concerning Modigliani and Miller's capital structure propositions. He has been trying to choose between three potential capital structures for his firm, Dashmart Corporation, and believes that Modigliani and Miller's work may guide him in the right direction. The capital structures Mr. Dashan is considering are :

    CS I : 100% equity.

    CS II : 50% equity and 50% debt.

    CS III : 100% debt.

    If he uses Modigliani and Miller's propositions and includes all their assumptions including the assumption of no taxes, which capital structure is he most likely to choose ? Which capital structure would be chosen in case of tax regime ?

    (A) CS I and CS II

    (B) CS I and CS III

    (C) CS II and CS III

    (D) Any of the above CS I, II and III

37. Tarmarind Ltd. wants to implement a project for which ₹ 25 lakhs is required. Following financing options are at hand :

Option 1 :

Equity Shares	25,000@₹ 100

Option 2 :

Equity Shares	10,000@₹ 100
12% Preference Shares	5,000@₹ 100
10% Debentures	10,000@₹ 100

Calculate the indifference point & EPS at that level of EBIT assuming corporate tax to be 35%.

(A) ₹ 2,94,872; ₹ 11.80

(B) ₹ 3,20,513; ₹ 8.33

(C) ₹ 2,94,872; ₹ 7.67

(D) ₹ 3,20,513; ₹ 12.82

38. **Assertion (A) :** The capital structure should involve minimum risk of financial insolvency.

Reason (R) : The use of excessive debt threatens the solvency of the company.

(A) Both (A) and (R) are true and (R) is correct explanation of (A)

(B) Both (A) and (R) are true but (R) is not correct explanation of (A)

(C) (A) is true, but (R) is false

(D) (A) is false, but (R) is true

39. One-fourth of the total market value of X Ltd. consists of loan stock, which has a cost of 11%. 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 15%. According to Modigliani and Miller, if we ignored taxation and tax relief on debt capital, what would be the cost of equity of X Ltd. ?

(A) 16.33%

(B) 15.50%

(C) 17.00%

(D) 14.83%

40. According to the residual dividend theory, dividend payment is determined on the basis of :

(A) The availability of excess funds after all investment opportunities with positive net present value are undertaken.

(B) The preference of shareholder for a consistent dividend payout ratio

(C) The desire to maintain a stable dividend payout ratio regardless of investment opportunity

(D) The goal of maximizing shareholder wealth by paying out all available earning as dividend

41. Determine the market price of share of XYZ Ltd as per Gordon's model, given that equity capitalisation rate = 11%, expected earning = ₹ 20, rate of return on investment = 10% & retention ratio = 30%.

(A) 165

(B) 175

(C) 185

(D) 195

42. Following information is available in respect of Rama Ltd. :

No. of shares outstanding : 4 lakh

Net profit : ₹ 20 lakh

Equity capitalization rate : 15%

Rate of return on investment : 20%

You are required to calculate Dividend payout ratio to keep share price at ₹ 40.

(A) 30%

(B) 40%

(C) 45%

(D) 50%

43. The repurchase of stock is considered .... decision rather than .... decision.

(A) financing; an investment

(B) an investment; a financing

(C) a dividend; a financing

(D) an investment; a dividend

44. Ram Ltd is a listed company. Its ₹ 1 ordinary shares are quoted on the stock exchange. The Board of Ram Ltd. is aware that the market is expecting Ram Ltd. to pay a dividend of ₹ 90 lakh to be paid at the year end, but in order to fund the investment in an important new project, the Board is considering offering a scrip dividend of 1 share for every 10 shares held instead of a cash dividend. Profit after tax and interest is forecast to be ₹ 250 lakh in the current financial year, and Ram Ltd. equity comprises of :

Ordinary share capital (₹ 1 shares) ₹ 1,000 lakh

Reserves ₹ 350 lakh

Ram Ltd's share price is ₹ 1.5 per share.

What is the approx. expected share price of Ram Ltd after the scrip dividend has been issued ?

(A) ₹ 1.42

(B) ₹ 1.28

(C) ₹ 1.36

(D) ₹ 1.45

45. When IRR is greater than ...., the price per share .... and dividend pay-out is expected to ....

(A) Cost of equity capital, increases, decrease

(B) Cost of debt capital, decreases, increase

(C) Cost of capital, increases, decrease

(D) Cost of capital, decreases, increase

46. According to "Bird-in-hand Theory", investors are ....
    (A) Risk Averse and Put premium on certain return and discount on certain return
    (B) Risk takers and Put premium on uncertain return and discount on certain return
    (C) Risk neutral and put no premium or discount on return
    (D) Risk Averse and put premium on uncertain return and discount on certain return

47. The MM hypothesis of the irrelevance of dividends is based on which of the critical assumption ?
    (*i*) Investors can forecast future prices & dividends with certainty.
    (*ii*) The firm has a given investment policy which does not change.
    (*iii*) All financing is done only through retained earnings.
    (*iv*) There are no taxes.
    (*v*) Perfect capital market in which all investors are rational.
    (A) (*i*), (*ii*) and (*iii*) only
    (B) (*iii*), (*iv*) and (*v*) only
    (C) (*i*), (*ii*), (*iv*) and (*v*) only
    (D) (*ii*), (*iii*), (*iv*) and (*v*) only

48. .... helps to analyze the level of fixed cost which is invested in day-today activities of business firm.
    (A) Operating Leverage
    (B) Financial Leverage
    (C) Combined Leverage
    (D) Profit Volume relationship

49. When EBIT is less than Finance Break-even point, the result is ....
    (A) Positive Financial leverage
    (B) Negative Financial leverage
    (C) Higher Financial Leverage
    (D) No Financial leverage

50. If the combined leverage and operating leverage figures of a company are 2.5 and 1.25 respectively, find the financial leverage and P/V ratio, given that the equity dividend per share is ₹ 2, interest payable per year is ₹ 1 lakh, total fixed cost ₹ 0.5 lakh and sales ₹ 10 lakhs.
    (A) 3.125; 25%
    (B) 2.00; 40%
    (C) 2.00; 25%
    (D) 3.00; 40%

51. Trading on equity represents :

(A) high volume of equity shares traded on stock market.

(B) use of equity trading to enhance the returns of long-term interest bearing funds.

(C) use of equity trading to enhance the returns of preferred funds.

(D) use of long-term interest bearing funds to enhance return on equity.

52. .... is also known as double edged sword.

(A) Operating leverage

(B) Financial leverage

(C) Combined leverage

(D) Financial break-even point

53. Which of the following is a modern technique of capital budgeting ?

(A) Accounting Rate of Return

(B) Internal Rate of Return

(C) Modified Internal Rate of Return

(D) Discounted Pay-back Period

54. Following data is available for A Ltd.

Financial Leverage - 3 : 1, Interest - ₹ 2,000, Operating Leverage - 4 : 1, Variable cost (% to sales) - 66.67%, Income Tax Rate - 45%. Amount of contribution will be :

(A) ₹ 6,000

(B) ₹ 12,000

(C) ₹ 36,000

(D) ₹ 18,000

55. Operating leverage is 8 and financial leverage is 2.2769. How much change in sales will be required to bring 80% change in EBIT ?

(A) 10%

(B) 80%

(C) 11.429%

(D) 30%

56. Profitability index of Project ₹ is 1.50 when its cash flow is discounted at 12%. Initial investment on project was ₹ 1,44,200. This project generates equal cash flow over the five year's time. How much cash flow will be generated by the project each year ?

(A) 50,000

(B) 60,000

(C) 52,615

(D) 71,220

57. A professional kitchen is attempting to choose between gas and electricity for its main heat source. Once a choice is made, the kitchen intends to keep to that source indefinitely. Each gas oven has a net present value (NPV) of ₹ 60,000 over its useful life of 5 years. Each electric oven has an NPV of ₹ 75,000 over its useful life of 7 years. The cost of capital is 8%. Which should the kitchen choose and why ?
   (A) Gas because its average NPV per year is higher than electric
   (B) Electric because its NPV is higher than gas
   (C) Gas because its equivalent annual benefit is higher
   (D) Electric because its equivalent annual benefit is higher

58. The following data is available for Project A whose initial investment is ₹ 80,000 and salvage value after 5 years are ₹ 4,500.

Year	**CFAT (₹)**
1	35,000
2	30,000
3	20,000
4	20,000
5	2,500

What is the NPV of Project A if the Ke of the company is 10% ? Ignore taxation.
   (A) ₹ 9,622
   (B) ₹ 6,827.5
   (C) ₹ 7,500
   (D) ₹ 8,500

59. A project under consideration whose useful life is 4 years, will have no change in revenue but will save cost of ₹ 1,60,000 annually. It has IRR of 15%. What is the project cost i.e., initial investment ?
   (A) ₹ 10,66,667
   (B) ₹ 4,80,200
   (C) ₹ 5,32,800
   (D) ₹ 4,56,800

60. Initial capital cost ₹ 100 crores, Annual unit sales 1.25 crores, Selling Price ₹ 100 per unit. Variable cost ₹ 50 per unit, Fixed Cost 12.50 crores per year, Cost of capital is 6%. What will be approx. % change in NPV for 5% reduction in Sale Price per unit considering duration of the project is 3 years ? Ignore taxation and depreciation and assume no interest cost.
   (A) 49.66%
   (B) 24.81%
   (C) 4.96%
   (D) 12.58%

PART—II

61. Scalar chain indicates :
    (A) Employees should have complementary skill sets that allow them to specialize in certain areas.
    (B) There has to be unity of command for each employee.
    (C) The team comes before the individual.
    (D) Each company should have clear hierarchical structures and that should be known to employees.

62. Koontz and O'Donnell believed that there ought to be five key functions of management. Which one is not part of those five functions ?
    (A) Planning
    (B) Organizing
    (C) Staffing
    (D) Motivating

63. Y is a clothing brand that also offers consumers washable diaper products. According to Porter's Five Forces model, which one of the following indicates that the power of buyers in Y's industry is high ?
    (A) Y has few rivals in the diaper products
    (B) Y's diaper products have a number of special features, differentiating them from those offered by its rivals.
    (C) Their products are crucial to the buyer and substitutes to the material required for production are not available.
    (D) Y's customer typically uses comparison websites to see how much their diapers are costlier from a number of different sellers

64. Ranu, a top-level manager of a large manufacturing plant, tries to ensure that the material spoilage is not more than 5%. She is performing the management process of :
    (A) Organizing
    (B) Controlling
    (C) Planning
    (D) Leading

65. In projects like Civil Construction and Ship building, which of the following is more suitable ?
    (A) PERT
    (B) CPM
    (C) Both
    (D) Neither CPM nor PERT

66. Which of the following signifies Attractive Industry as per Porter's five forces model ?
    (A) High Barrier to enter
    (B) Strong buyers bargaining power
    (C) Strong supplier bargaining power
    (D) Intense Competition

67. Which of the following is about communication with the employees and other stakeholders of the ogranisation, which let them see where the organization is aspiring to head in the future ?
    (A) Mission statement
    (B) Vision statement
    (C) Goals
    (D) Objectives

68. Strategic Planning process is modelled in cyclical framing of various steps. Which one of the following is not part of the cycle ?
    (A) Deliberating mission of the Organisation
    (B) Developing goals based on Vision statement
    (C) Examining internal environment (strengths and weaknesses)
    (D) Examine external environment (opportunities and threats)

69. Following are the components of Six Sigma process :
    (*a*) Analyse
    (*b*) Define
    (*c*) Measure
    (*d*) Control
    (*e*) Improve

    Identify the correct flow of Six Sigma process :
    (A) (*a*), (*b*), (*c*), (*d*), (*e*)
    (B) (*b*), (*c*), (*a*), (*e*), (*d*)
    (C) (*a*), (*b*), (*c*), (*e*), (*d*)
    (D) (*b*), (*a*), (*c*), (*e*), (*d*)

70. Which of the following is not an advantage of GE matrix ?
    (A) It helps to prioritize the limited resources in order to achieve the best returns.
    (B) It provides synergy benefit that could exist between two or more business units.
    (C) Managers become more aware of how their products or business units perform.
    (D) Identifies the strategic steps the company needs to make to improve the performance of its business portfolio.

71. Following is based on the participation of all members of an organization to improving processes, products, services, and the culture they work in :
    (A) TQM
    (B) BPR
    (C) Benchmarking
    (D) Six Sigma

72. .... is the essence of strategic planning process, and occupies highest level of strategic decision-making.
    (A) Corporate Level Strategy
    (B) Business Level Strategy
    (C) Functional Level Strategy
    (D) Operational Level Strategy

73. Business Policy also includes dealing with :

(A) Acquisition of resources with which organizational goals can be achieved

(B) The process that is conducted periodically to keep the strategies up to date

(C) Process of improving product or services being offered by the business at present.

(D) Research and its operating environment

74. Which of the following is *not* a parameter considered in "Competitive Positioning and Value Creation Frontier" by Hill and Jones ?

(A) Sustainability

(B) Innovation

(C) Responsiveness

(D) Efficiency

75. Which of the following is not regarding an organization's Mission statement ?

(A) It talks about how you will get to where you want to be.

(B) It describes where the company wants to be.

(C) It describes what an organization does and what makes it different.

(D) It talks about the present leading to its future.

76. Which of the following is not a stage in implementing HR strategies ?

(A) Assessing the current HR capacity

(B) Forecasting HR requirements

(C) Developing organizational strategies to support the HR strategies

(D) Gap Analysis

77. Which of the following is not an exclusively production strategy under Competitive Priorities category ?

(A) Price strategy

(B) Quality strategy

(C) Low cost strategy

(D) Eco-friendly products strategy

78. Which of the following is not an element of Logistics Strategy plan ?

(A) Customer service policy

(B) Inventory location policy

(C) Logistics organisation structure

(D) Delivery policy

79. AB Ltd. currently sells its products in US and China. While it is a market leader in US, AB Ltd has struggled to maintain its market share in China. It has decided to pull out of China entirely and focus on its US markets. Which is the following level of strategy does AB's decision relate to ?

(A) Operational

(B) Functional

(C) Corporate

(D) Business

80. Following is the means by which a firm is effectively able to differentiate itself from its competitors by capitalising on its strengths (both existing as well as potential) to provide consistently better value to its customers than its competitors :
    (A) Marketing strategy
    (B) Business policy
    (C) Corporate strategy
    (D) Finance strategy

81. Working Capital Management is a part of :
    (A) Investment decision
    (B) Financing decision
    (C) Dividend decision
    (D) Asset management

82. Which of the following is not a core focus area of complete situation analysis ?
    (A) The Problem
    (B) The Product
    (C) The People
    (D) The Broad Context

83. Benchmarking against external organisations that do not compete directly with the competitors inside its industry is called :
    (A) Competitive benchmarking
    (B) Collaborative benchmarking
    (C) Non-competitive benchmarking
    (D) Generic benchmarking

84. Which of the following is/are tools of BPR ?
    (A) Visualization for end process and benchmarking
    (B) Change management
    (C) Business process mapping
    (D) All of the above

85. Profitability of a company depends on which of the following factor as per value creation ?
    (A) The value customer places on the company's products
    (B) The price that a company charges for its products
    (C) The costs of creating those products
    (D) All of the above

86. Which of the following is the 'Mini-Maxi' strategy in TOWS analysis ?
    (A) Conservative strategy
    (B) Competitive strategy
    (C) Aggressive strategy
    (D) Defensive strategy

87. ABC Ltd has updated the packaging of its products as well as slightly reducing its selling price. According to Ansoff 's product/market matrix, which of the following strategies has ABC Ltd adopted ?
    (A) Market development
    (B) Product development
    (C) Market penetration
    (D) Diversification

88. Rate relating to Sky Ltd. is shown below, which product is cash cows among the following ?

Product	Percentage Market Share	Market Growth rate
Alpha	65	High
Beta	30	High
Gamma	50	Low
Delta	15	Low

(A) Gamma

(B) Beta

(C) Delta

(D) Alpha

89. With which of the four perspectives of a balanced scorecard, is the objective 'reduce employee turnover' is associated with ?

(A) Financial

(B) Internal processes

(C) Learning and growth

(D) Customer

90. If Industry Attractiveness is 'Low' and Business Strength is 'Average' , then which of the following strategy should be followed as per GE Matrix ?

(A) Invest/Expand

(B) Select/Earn

(C) Harvest/Divest

(D) Hold/Selective

91. The ADL Matrix is technique that is based on the :

(A) Market Growth Strategy

(B) Market Relative Share

(C) Strategic Business Units (SBU)

(D) Product Life Cycle

92. Identify steps that are involved in using the ADL Matrix :

(A) Identify the industry maturity category

(B) Determining competitive position

(C) Plot the position of the matrix

(D) All of the above

93. Which of the following is a strategic alternative according to Glueck and Jauch ?

(*a*) Internal Growth

(*b*) Retrenchment

(*c*) Differentiation

(*d*) Cost Focus

Options :

(A) Both (*c*) and (*d*)

(B) Both (*a*) and (*b*)

(C) (*b*) only

(D) All of the above

94. Which of the following is not a certification of six sigma ?
    (A) Champion
    (B) Black belt
    (C) Blue belt
    (D) Master Black belt

95. As per Porter's five force theory, low raw materials substitute is a factor of :
    (A) Buyer Power
    (B) Supplier Power
    (C) Threat of new entry
    (D) Threat of substitutes entry

96. Which of the following is not a commonly known style of leadership ?
    (A) Transactional Leadership
    (B) Charismatic Leadership
    (C) Transformational Leadership
    (D) Independent Leadership

97. Which of the following is not a type of a Strategic Control techniques ?
    (A) Premise control
    (B) Strategic surveillance
    (C) Monitoring control
    (D) Special alert control

98. Which of the following is a soft factor identified by McKinsey's 7 S Model ?
    (A) Skills
    (B) System
    (C) Structure
    (D) Strategy

99. What is meant by the element of "style" in the 7-S framework ?
    (A) Why customers should buy from them.
    (B) Whether a business is doing ethical Commerce.
    (C) What are the capabilities of employees.
    (D) How is the behavioral patterns and of managerial styles of Managers.

100. Balanced Score Card was developed for :
    (A) evaluating financial performance of business organization
    (B) addressing customer concerns
    (C) optimizing business process
    (D) all the above

Space for Rough Work

ANSWERS MARKED IN THE OMR ANSWER SHEET SHALL ONLY BE EXAMINED