

# NTA UGC NET MANAGEMENT SOLVED SAMPLE PAPER *(English Medium)*



- \* DETAILED SOLUTIONS
- \* NEW SYLLABUS
- \* NEW PATTERN





3. Match the following:

**List – I**

- a. Functional Organisation
- b. Transactional Analysis
- c. Managerial Grid
- d. Need Theory

**List – II**

- 1. F.W. Taylor
- 2. McClelland
- 3. Eric Berne
- 4. Blake and Mouton

**Codes:**

- |     | <b>a</b> | <b>b</b> | <b>c</b> | <b>d</b> |
|-----|----------|----------|----------|----------|
| (1) | a-1      | b-3      | c-4      | d-2      |
| (3) | a-4      | b-3      | c-2      | d-1      |

- |     | <b>a</b> | <b>b</b> | <b>c</b> | <b>d</b> |
|-----|----------|----------|----------|----------|
| (2) | a-1      | b-2      | c-3      | d-4      |
| (4) | a-2      | b-1      | c-4      | d-3      |

4. Under Alderfer's ERG theory, the three core needs are

- (1) Emotional, Relational, and Growth
- (2) Emotional, Rational and Growth
- (3) Existence, Reliability and Gain
- (4) Existence, Relatedness and Growth

5. India has signed bilateral Free Trade Agreements (FTAs) with several Asian economies but which one of following Asian country India never signed a bilateral Free Trade Agreements (FTAs) with?

- |                 |              |
|-----------------|--------------|
| (1) Sri Lanka   | (2) China    |
| (3) Afghanistan | (4) Thailand |

6. Development of organizing and intervening skills in group processes, usually takes place in case of

- |                          |                          |
|--------------------------|--------------------------|
| (1) Sensitivity training | (2) Survey feedback      |
| (3) Team building        | (4) Process consultation |

7. Which of the following are the generic strategies suggested by Porter that might adopt to make their organizations more competitive?

- I. Divestiture.
- II. Focus.
- III. Cost leadership.
- IV. Differentiation.
- IV. Differentiation.



**Codes:**

a b c

(1) iii i ii

(2) iii ii i

(3) ii iii i

(4) ii i iii

13. For an MBO (Management by objectives) system to work, the business unit's objectives must meet \_\_\_ criteria.
- (1) 5 (2) 2  
(3) 3 (4) 4
14. Propensity of people to consume is an example of an \_\_\_\_\_ variable. .
- (1) Political (2) Economic  
(3) Social (4) Demographic
15. The belief that businesses that help in solving difficult social problems create a desirable community and attract and keep skilled employees is known as which argument for social responsibility ?
- (1) Ethical obligation (2) Public image  
(3) Better environment (4) Possession of resources
16. Aggressive involvement in a chronic, incessant struggle to achieve more in less time, even against opposition from others is the characteristic of people belonging to.
- (1) Type A personality (2) Locus of control  
(3) Type B personality (4) None of above.
17. What is the nature of management interaction in the case of a mechanistic organization?
- (1) Flat (2) Horizontal  
(3) Vertical (4) Responsive.
18. Which of the following are most important decisions that managers make?
- (1) Functional (2) Programmed  
(3) Non – programmed (4) Tactical

19. Ego strength and locus of control are \_\_\_\_\_ that influence an individual's ethical behavior.
- (1) Values, (2) Beliefs  
(3) Personality variables (4) Structural variables.
20. Motivation is a \_\_\_\_\_ state.
- (1) Sociological (2) Psychological  
(3) Physiological (4) Biological
21. Employees must be given the tools and resources they need to be creative. One of the most valuable resources is:
- (1) Time (2) Money  
(3) Rules & guidelines (4) Providing Challenges
22. \_\_\_\_\_ is not an operative function of human resource management.
- (1) Employee Relations (2) Compensation of employees  
(3) Organizing (4) Employment
23. The point rating method is a quantitative technique & job evaluation. What are the advantages of this method?
- i. The system is accurate & dependable  
ii. It is a simple technique.  
iii. It is a quick & inexpensive method.  
iv. Wage differentials are likely to be systematic  
And in accordance with the content of each job.
- (1) Only i & ii (2) Only i & iii  
(3) Only ii & iii (4) Only i & iv
24. Law of diminishing return is not relevant when.
- (1) All labors are equally efficient.  
(2) The time period is short.  
(3) All factors of input are increased by the same proportion.  
(4) Capital is held constant.
25. Which of the following methods does a firm resort to avoid dividend payments?
- (1) Share Splitting (2) Right issue  
(3) Bonus Shares (4) Declaring bonus Shares



- 26.** Tight cost control is associated with which of the following strategies?
- (1) Market segmentation strategy
  - (2) Market dominance strategy
  - (3) Cost leadership strategy
  - (4) Differentiation Strategy
- 27.** \_\_\_\_\_ Provides a way for individual investors to support socially responsible companies.
- (1) NASDAQ
  - (2) Going green
  - (3) A band
  - (4) A socially responsible mutual stock bond
- 28.** Which of the following comes under the broad definition for factors of production?
- (1) Technology
  - (2) Innovation
  - (3) Capital
  - (4) Patent right
- 29.** Which of the following aggregate planning strategies is a “capacity option”?
- (1) Influencing demand by changing price.
  - (2) Counter -seasonal product mixing
  - (3) Influencing demand by extending lead times.
  - (4) Changing inventory levels.
- 30.** Over the past 25 years, all of these areas of legal environment have influenced HRM except:
- (1) Equal employment opportunity legislation
  - (2) Employees pay and benefits
  - (3) Employee competition legislation
  - (4) Job security
- 31.** Which of following has a negative impact on the share price?
- (1) Unexpected dividend increase
  - (2) Unexpected dividend initiation
  - (3) Unexpected dividend decrease
  - (4) None of the above

32. A \_\_\_\_\_ consists of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers.
- (1) Management information system
  - (2) Marketing information system
  - (3) Financial information system
  - (4) Management intelligence plan
33. The \_\_\_\_\_ process is the process of evaluating each market segment's attractiveness and selecting one or more segments to enter.
- (1) Market Positioning
  - (2) Market Targeting
  - (3) Market Differentiation
  - (4) Market Segmentation
34. Which of the following is not a characteristic of a money market instrument?
- (1) Liquidity
  - (2) Marketability
  - (3) Long maturity
  - (4) Liquidity premium
35. Which tool of the promotional mix is defined as any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor?
- (1) Advertising
  - (2) Public relations
  - (3) Direct marketing
  - (4) Sales promotion
36. \_\_\_\_\_ is direct communications with carefully targeted individual consumers to obtain an immediate response.
- (1) Personal selling
  - (2) Public relations
  - (3) Direct marketing
  - (4) Sales promotion
37. Two major factors are changing the face of today's communications. One of these factors is the fact that:
- (1) Costs of promotion are rising.
  - (2) Mass markets are fragmented and marketers are shifting away from mass marketing.
  - (3) Global communications are not growing rapidly enough.
  - (4) Managers have achieved more power and control.



38. Which type of marketing system is used when a company is involved in more than one type of distribution arrangement?
- (1) Independent vertical marketing system
  - (2) Partially integrated vertical marketing system
  - (3) Fully integrated vertical marketing system
  - (4) Dual vertical marketing system
39. Which statement about product/trademark franchising is correct?
- (1) Franchised dealers sometimes agree to operate under suppliers' names.
  - (2) Dealers operate under the strict control of suppliers.
  - (3) Suppliers determine store hours and location.
  - (4) Examples are restaurants and real estate establishments.
40. By security in e-commerce we mean
- (i) Protecting an organization's data resource from unauthorized access
  - (ii) Preventing disasters from happening
  - (iii) Authenticating messages received by an organization
  - (iv) Protecting messages sent on the internet from being read and understood by unauthorized persons/organizations
- (1) i, ii
  - (2) ii, iii
  - (3) iii, iv
  - (4) i, iii, iv
41. Which of the following is not an element of a service firm's communication mix?
- (1) Personal selling
  - (2) Sales promotion
  - (3) Positioning strategy
  - (4) Publicity and public relations
42. Which of the following best describes the concept of the value chain?
- (1) Adding financial value to an organization through the acquisition of other firms
  - (2) The step-wise increases in product prices as raw materials are turned into goods/services
  - (3) The steps in manufacturing that add value to finished products
  - (4) All steps in the transformation process that add value even if they don't come from manufacturing
43. The parts of a network that represent the origins are
- (1) The axes
  - (2) The flow
  - (3) The nodes
  - (4) The arrows

44. Put into chronological order on the basis of development:

1. Law of demand
2. Law of indifference
3. Law of diminishing marginal utility
4. Revealed preference curve
5. Indifference curve

**Codes:**

- |                   |                   |
|-------------------|-------------------|
| (1) 1, 2, 3, 4, 5 | (2) 1, 5, 3, 4, 2 |
| (3) 1, 3, 2, 5, 4 | (4) 1, 3, 4, 2, 5 |

45. Match the following:

**List-I**

- a. Principle of Economics
- b. Diamond Water. Paradox
- c. Value and Capital
- d. Asian Drama
- e. Language of Economics

**List-II**

1. Gunnar Myrdal
2. J. K Galbraith
3. Alfred Marshall
4. J. R Hicks
5. Adam Smith

**Codes:**

- |     | a   | b   | c   | d   | e   |
|-----|-----|-----|-----|-----|-----|
| (1) | a-1 | b-2 | c-3 | d-5 | e-4 |
| (2) | a-2 | b-4 | c-3 | d-5 | e-1 |
| (3) | a-5 | b-2 | c-3 | d-1 | e-4 |
| (4) | a-3 | b-5 | c-4 | d-1 | e-2 |

46. **Assertion (A):** According to Taylor, one best way of doing each task leads to increase in productivity in organization.

**Reason (R) :** It was the management responsibility alone to find out this one best way.

**Codes:**

- (1) A and R are true and R is the correct explanation of A.
- (2) A and R are true but R is not the correct explanation of A.
- (3) A is true but R is false.
- (4) A is false but R is true



51. A strategy is a(n)
- (1) Plan for cost reduction
  - (2) Broad statement of purpose
  - (3) Simulation used to test various product line options
  - (4) Action plan to achieve the mission
52. Which of the international operations strategies uses import/export or licensing of existing products?
- (1) International strategy
  - (2) Global strategy
  - (3) Transnational strategy
  - (4) Multidomestic strategy
53. Mergers and acquisitions in unrelated industries are called:
- (1) Horizontal mergers
  - (2) Vertical mergers
  - (3) Conglomerate mergers
  - (4) Privatization
54. At corporate level, diversification comes about when a firm is involved in two or more:
- (1) Businesses
  - (2) Markets
  - (3) Segments
  - (4) Industries
55. One of the quickest and cheapest ways to develop a global strategy is through \_\_\_\_\_.
- (1) Exporting
  - (2) Wholly owned subsidiaries
  - (3) Strategic alliances
  - (4) Importing
56. Entrepreneurship is a constant process that relies on:
- (1) Creativity, innovation, and profit.
  - (2) The ability to win over the consumer.
  - (3) Creativity, innovation, and application in the marketplace.
  - (4) Intellectual property rights.
57. The philosophy of zero defects is
- (1) Unrealistic
  - (2) Prohibitively costly
  - (3) An ultimate goal; in practice, 1 to 2% defects is acceptable
  - (4) Consistent with the commitment to continuous improvement

- 58.** Pareto charts are used to
- (1) Identify inspection points in a process
  - (2) Organize errors, problems or defects
  - (3) Outline production schedules
  - (4) Show an assembly sequence
- 59.** Which of the following is the risk associated with the retail banking?
- (1) Strong recovery strategy
  - (2) Definite lending limits
  - (3) Effective credit process and proposals
  - (4) Inadequate risk pricing
- 60.** In which of the following phases, entrepreneurs begin sharing the ideas with a few close friends in the organization?
- (1) The solo phase.
  - (2) The network phase.
  - (3) The Bootleg phase.
  - (4) The formal team building phase.
- 61.** Which of the following factor (s) does not help in creating an entrepreneurial environment in the organization?
- (1) Self - selection.
  - (2) Group appraisal.
  - (3) No Handoffs.
  - (4) The Doer decides.
- 62.** All managers play the role of hiring, training, motivating and disciplining employees. This role may be termed as:
- (1) Figurehead role
  - (2) Leadership role
  - (3) Liaison role
  - (4) None of the above
- 63.** The capacity of human beings to change would be virtually unrestricted in which of the following situations?
- (1) If internal factors alone determine human behavior.
  - (2) If external factors alone determine behavior.
  - (3) If both internal and external factors determine behavior.
  - (4) If neither internal nor external factors determine behavior.
- 64.** Which of the following is not a benefit accruing to an organization because of its grievance redressal procedure?
- (1) It helps to maintain harmonious industrial relations.
  - (2) Previous knowledge and experience, captured in the grievance redressal sys-

tem helps the management when formulating major plans like plant expansion on installation of the latest technologies.

(3) It keeps a check on supervisors indulging in biased decisions.

(4) Grievance redressal procedures insulate the top management from the problems of the employees.

**65.** Benefits of international trade are limited to

(1) Tangible goods. (2) Intangible goods.

(3) All goods but not services. (4) None of the above.

**66.** The theory of purchasing power parity says that .

(1) The inflation rates in two countries are unrelated

(2) The exchange rate reflects the inflation rate difference between two countries in the opposite direction

(3) The inflation rate is greater than the interest rate

(4) The interest rate is greater than the inflation rate

**67.** Which of the international operations strategies involves low cost reductions and low local responsiveness?

(1) International strategy (2) Global strategy

(3) Transnational strategy (4) Multidomestic strategy

**68.** Which of the following is not a characteristic of a person with high need for achievement?

(1) Does not like to shoulder responsibility.

(2) Likes to take risks.

(3) Tends to be innovative.

(4) Shows tolerance to ambiguity.

**69.** Which of the following is not a part of the process of organizational development?

(1) Data gathering. (2) Organizational diagnosis.

(3) Action interventions. (4) Feedback.

**70.** Which of the following is not a difference between Intrapreneurship and entrepreneurship?

(1) Intrapreneurship is often restorative whereas individual entrepreneurship is development.

(2) In individual entrepreneurship, the "enemy" is the market but in the case of



intrapreneurship, the corporate culture may be the primary foe.

(3) Intrapreneur does not have the ownership of the new venture created nor is completely independent whereas an individual entrepreneur is completely independent and has complete ownership.

(4) The intrapreneur has no access to company's fund while individual entrepreneur, on the other hand has to use his personal wealth or scramble to obtain funding.

71. A computer based information system which increases the efficiency and productivity of managers and office through document and message processing is known as a/an \_\_\_\_\_.
- (1) Decision support system (DSS).
  - (2) MIS
  - (3) Office automation system
  - (4) Transaction processing system.
72. The manufacturer of a wide range of consumer goods, follow a policy that allows employees to approach managers at any time and discuss their problems with them. What type of policy is the company following?
- (1) Open door policy
  - (2) Exit interviews
  - (3) Attitude questionnaire
  - (4) Participative decision - making technique.
73. If a person fails to get promoted due to his poor rating in the annual performance appraisal, but attributes this to poor managerial assessment of his capabilities, he is considered to have focus of control.
- (1) Internal
  - (2) External
  - (3) Agreeable
  - (4) Conscientious
74. \_\_\_\_\_ refers to all the extrinsic rewards received by the employee of an organization during and after the course of the job, for his/her contributions to the organization.
- (1) Bonus
  - (2) Compensation
  - (3) Fringe Benefits
  - (4) Incentives
75. In the \_\_\_\_\_ method of conflict resolution, both the parties emerge as "Winners".
- (1) Compromise
  - (2) Problem solving
  - (3) Mediation
  - (4) Accommodation

- 76.** Dumping is an example of:
- (1) Monopolistic practice in international trade.
  - (2) Monopoly practice in international trade.
  - (3) Oligopoly practice in international trade.
  - (4) Perfect competition in international trade.
- 77.** When the required rate of return on a bond is greater than the coupon rate.
- (1) The premium on the bond declines as maturity approaches.
  - (2) The discount on the bond declines as maturity approaches.
  - (3) The value of the bond is greater than its par value.
  - (4) The greater is its price change in response to a given change in the required rate of return.
- 78.** Which of the following statements regarding IRR is true?
- (1) A project can have only one IRR.
  - (2) If IRR is that the firm's cost of capital, the project should be rejected.
  - (3) A project can have multiple IRRs depending on the cash flow streams.
  - (4) Both (2) & (3) above.
- 79.** A simple correlation can be defined as the tendency of \_\_\_\_\_ .
- (1) Independent variation
  - (2) Dependent variation
  - (3) Simultaneous variation
  - (4) Instantaneous variation.
- 80.** A / an \_\_\_\_\_ is a computer based information system that supports the process of managerial decision making in situations that are not well structured.
- (1) MIS
  - (2) Decision – Support system
  - (3) Expert system
  - (4) Transaction support system
- 81.** Globalization of industries is occurring for all of these reasons except.
- (1) World wide trend towards similar consumption pattern.
  - (2) An emergence of global buyers & sellers.
  - (3) A world wide trend towards different consumption patterns.
  - (4) E - commerce and the instant transmission of money and information across continents.



88. In what way are Distribution Resource Planning (DRP) and Material Requirements Planning (MRP) similar?
- (1) Both employ similar logic and procedure.
  - (2) Both are employed in a manufacturing organization.
  - (3) Both work most efficiently with largest lot sizes.
  - (4) Both are employed by retail organization.
89. Managers have to play several roles while performing their duties. One of these roles, called the interpersonal relationships involved. The interpersonal roles of a manager includes \_\_\_\_\_
- |                       |                       |
|-----------------------|-----------------------|
| (i) Liaison role      | (ii) Leadership role  |
| (iii) Figurehead role | (iv) Information role |
- (1) Only i, ii and iii
  - (2) Only i and ii
  - (3) Only i and iv
  - (4) Only ii and iii
90. Interest free loans provided by companies to their employees, are an example of \_\_\_\_\_.
- |              |                                |
|--------------|--------------------------------|
| (1) Benefits | (2) Incentives                 |
| (3) Bonus    | (4) Performance based rewards. |
91. When a company enters a new product category for which its current brand names are not appropriate, it will likely follow which of the following brand strategies?
- |                        |                     |
|------------------------|---------------------|
| (1) Product extensions | (2) Line extensions |
| (3) Brand extensions   | (4) New Brands      |
92. The type of sales presentation approach that requires good listening and problem solving skills is the:
- (1) Canned approach
  - (2) Formula approach
  - (3) Need - satisfaction approach
  - (4) Critical - thinking approach.
93. The five forces that affect the level of competition in an industry are:
- (1) Threat of entrants; power of buyers; power of suppliers; threat of substitutes; competitive rivalry.
  - (2) Threat of buyers; power of entry; power of substitutes; threat of suppliers;

threat of recession.

(3) Threat of recession; power of buyers; power of suppliers; threat of management failure; competitive rivalry.

(4) Threat of entry; power of buyers; power of suppliers; threat of substitutes; government action.

**94.** Companies go international for a number of different reasons. Which of the following is not a defensive reason for going international?

(1) To protect domestic market.

(2) To explore new market.

(3) To acquire new technology

(4) To diversify geographically.

**95.** The market value of the firm is result of

(1) Dividend decision                      (2) Working capital decision.

(3) Capital budgeting decisions      (4) Trade of between risk and return.

**96.** The starting point for preparing the master budget is the.

(1) Inventory policy                      (2) Sales Budget

(3) Production budget                  (4) Budgeted balance sheet

**97.** Which of the following statement is/are true?

(1) For non - simple mixed investment all the appraisal criteria can be applied.

(2) NPV is not suitable for the non - simple mixed investment.

(3) BCR and NBCR criteria are not suitable to evaluate non - simple mixed investment.

(4) IRR is not suitable for simple investment.

**98.** Acc. to net operating Income Approach.

(1) The overall capitalization rate of the firm decreases as the degree of leverage increases.

(2) The cost of debts increases with increase in degree of leverage.

(3) The overall capitalization rate increases as the degree to leverage increase.

(4) The market is assumed to capitalize the firm at a discount rate that is independent of the firm's degree of leverage.





# ANSWER KEY

## PAPER-II

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Answer	3	1	1	4	2	1	4	2	2	4	4	2	4	2	3	1	3	3	3	2
Question	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
Answer	1	3	4	3	3	3	4	3	4	3	3	2	2	3	1	3	2	4	1	4
Question	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
Answer	3	4	3	3	4	2	2	2	3	4	4	1	3	4	3	3	4	2	4	2
Question	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80
Answer	2	2	2	4	4	2	1	1	4	4	3	1	2	2	2	1	2	4	2	2
Question	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Answer	3	3	2	2	3	2	2	1	1	1	4	3	1	1	4	2	3	4	1	4

## HINTS AND SOLUTIONS

### PAPER-II

1.(3) The government is pitching India as a friendly destination for manufacturing and exporting goods, and the new policy is being seen as an important step towards realising that goal.

Some key features of the new Foreign Trade Policy:

- > India to be made a significant participant in world trade by 2020
- > Merchandize exports from India (MEIS) to promote specific services for specific Markets Foreign Trade Policy
- > FTP would reduce export obligations by 25% and give boost to domestic manufacturing
- > FTP benefits from both MEIS & SEIS will be extended to units located in SEZs
- > FTP 2015-20 introduces two new schemes, namely “Merchandise Exports from India Scheme (MEIS)” and “Services Exports from India Scheme (SEIS)”

2.(1) The World Trade Organization (WTO) is an intergovernmental organization which regulates international trade.

The WTO deals with regulation of trade between participating countries by providing a framework for negotiating trade agreements and a dispute resolution process aimed at enforcing participants’ adherence to WTO agreements, which are signed by representatives of member governments and ratified by their parliaments.

As of 2016, the WTO has 163 members. Liberia is the newest member, joining on 14 July 2016.

**3.(1)** Functional organization is a type of organizational structure that uses the principle of specialization based on function or role.

The concept of Functional organization was suggested by F.W. Taylor who recommended the appointment of specialists at important positions

Transactional analysis is a psychoanalytic therapy wherein social transactions are analyzed to determine the ego state of the patient (whether parent-like, child-like, or adult-like) as a basis for understanding behavior.

Eric Berne developed the concept and paradigm of transactional analysis in the late 1950s.

The managerial grid model (1964) is a style leadership model developed by Robert R. Blake and Jane Mouton. This model originally identified five different leadership styles based on the concern for people and the concern for production. The optimal leadership style in this model is based on Theory Y.

Need theory, also known as Three Needs Theory, proposed by psychologist David McClelland, is a motivational model that attempts to explain how the needs for achievement, power, and affiliation affect the actions of people from a managerial context.

**4.(4)** In an attempt to line up Maslow's Theory of Needs with empirical studies, Alderfer's ERG Theory elicits three core requirements: Existence, Relatedness, and Growth. According to Alderfer, the needs aren't in any order and any desire to fulfil a need can be activated at any point in time . This results in the lower level needs not requiring to be satisfied in order to satisfy a higher level need. Alderfer's ERG Theory can actually be utilized as a frustration-regression principle where an already satisfied lower level need can be "re-activated" when confronted with the impossibility of satisfying a higher level one.

**5.(2)** Within Asia, India has signed bilateral FTAs with Sri Lanka , Afghanistan, Thailand, Singapore, Bhutan, Nepal , Korea , Malaysia and Japan . India and China have Free Trade Agreements under consideration.

**6.(1)** Sensitivity training is concerned with (i) better understanding of group processes, (ii) development of organizing and intervening skills in group processes and (iii) better insight into one's own behavior and the way one is viewed by others.

**7.(4)** The generic strategies developed by Porter to illustrate the kind of strategies managers might develop to make their organizations more competitive are as follows:

- I. Cost leadership.
- II. Differentiation.
- III. Focus.

**8.(2)** In international economic relations and international politics, "most favoured nation" (MFN) is a status or level of treatment accorded by one state to another in international trade.

The term means the country which is the recipient of this treatment must, nominally, receive equal trade advantages as the "most favoured nation" by the country granting such treatment. (Trade advantages include low tariffs or high import quotas).

The members of the World Trade Organization (WTO) agree to accord MFN status to each other.

Exceptions allow for preferential treatment of developing countries, regional free trade areas and customs unions. Together with the principle of national treatment, MFN is one of the cornerstones of WTO trade law.

**9.(2)** Job description deals with what, why, when, and how tasks are to be performed. In other words, it is a written statement of work conditions, time involvement and job responsibilities.

This focuses on job. It consists of a written statement of the major and minor duties involved in each task along with a description of responsibilities, work conditions and task requirements e.g. hazards, time involvement etc. The job description, therefore, focuses on what, why, when and how tasks are to be performed.

**10.(4)** Expectancy theory (or expectancy theory of motivation) proposes an individual will behave or act in a certain way because they are motivated to select a specific behavior over other behaviors due to what they expect the result of that selected behavior will be.

The theory is based upon the perception of employees as to whether they will actually get what they desire even if it has been promised by a manager.

Management must ensure that promises of rewards are fulfilled and that employees are aware of that.

**11.(4)** An executive information system (EIS), also known as an executive support system (ESS), is a type of management information system that facilitates and supports senior executive information and decision-making needs.

It provides easy access to internal and external information relevant to organizational goals.

EIS helps executives find data according to user-defined criteria and promote information-based insight and understanding.

Unlike a traditional management information system presentation, EIS can distinguish between vital and seldom-used data, and track different key critical activities for executives, both which are helpful in evaluating if the company is meeting its corporate objectives.

After realizing its advantages, people have applied EIS in many areas, especially, in manufacturing, marketing, and finance areas.

**12.(2)** The Agreement on Trade-Related Investment Measures (TRIMs) are rules that apply to the domestic regulations a country applies to foreign investors, often as part of an industrial policy.

Intellectual property rights (IPRs) are the protections granted to the creators of IP, and include trademarks, copyright, patents, industrial design rights, and in some jurisdictions trade secrets.

A patent is a form of right granted by the government to an inventor, giving the owner the right to exclude others from making, using, selling, offering to sell, and importing an invention for a limited period of time, in exchange for the public disclosure of the invention.

**13.(4)** Management by objectives (MBO), also known as management by results (MBR), was first popularized by Peter Drucker in his 1954 book *The Practice of Management*. Management by objectives is the process of defining specific objectives within an organization that management can convey to organization members, then deciding on how to achieve each objective in sequence..

The objectives must meet four criteria: they must be (1) arranged in order of their importance, (2) expressed quantitatively, wherever possible, (3) realistic and (4) consistent with the organization's policies.

- 14.(2)** Propensity of people to consume is an economic variable. The proportion of the disposable income which individuals desire to spend on consumption is known as propensity to consume. Marginal propensity to consume [MPC] is the proportion of additional income that an individual desire to consume.
- 15.(3)** The belief that businesses that help solving difficult social problems create a desirable community and they make a good public image. Which in turn attract and keep skilled employees. They create a better environment which is essential for long run survival of any business. Involvement by business can solve difficult social problems, thus creating a better quality of life and a more desirable community in which to attract and hold skilled employees.
- 16.(1)** Aggressive involvement in a chronic, incessant, Struggle to achieve more in less time, even against opposition from others is the characteristic of people belonging to type A personality.  
Even type B personality does not experience a sense of urgency when carrying out tasks and even if they fail to accomplish them within the specified time do not become impatient.  
Locus of control is defined as an individual is perception of what controls his fate.
- 17.(3)** In a mechanistic organization, management interaction is vertical that is, between superior and subordinate. Operations and working behavior are administered by instructions and decisions made by the superior and communicated to the subordinates.
- 18.(3)** Non – programmed decisions generally deal with unstructured problems under conditions of uncertainty . Managers require a lot of information about the external environment when making non – programmed decisions.
- 19.(3)** Personality variables refer to those characteristics of an individual which influence his/her ethical types of personality variables
- 20.(2)** Understanding motivation can help in understanding individual behavior. So it is a Psychological state.

- 21.(1)** Entrepreneurship is the process of exploring the opportunities in the market place and arranging resources required to exploit opportunities for long term gain. To stimulate his own creativity and encourage it among and enough time which involves generating applying alternative options to company's products, services, procedures for a most profitable outcome.
- 22.(3)** The operative function of HRM are related to specific activities of HRM, viz. employment, human resources development, compensation and employee relations Organizing is a managerial function of HRM.
- 23.(4).** The advantage of point - rating method are that the system is accurate & dependable, and that wage differentials are likely to be systematic and in an accordance with the content of each job. The disadvantage is that it is a complex time consuming assignment involving high costs and a lot of clerical work.
- 24.(3)** The law of diminishing return state that by employing more units of same factors of production to work with one or more fixed factors, the total production will increase at an increasing rate, than at a constant rate and finally at a diminishing rate, In option (c) this law is not applicable since two inputs are used in same proportion. When all the inputs are increased by same proportions, this law is not relevant.
- 25. (3)** Bonus shares are the additional shares issued to existing shareholders to increase the ownership in the company.
- 26.(3)** A firm pursuing a cost - leadership strategies attempts to gain a competitive advantage primarily by reducing its economic costs below its competitors. The ability of a valuable cost - leadership competitive strategies to generate a sustainable competitive advantage depends on that strategies being rare and costly to imitate.
- 27.(4)** A Socially Responsible mutual stock fund provides a way for individual investors to support socially responsible companies. This mutual fund holds securities in companies that adhere to social, moral, religious or environmental beliefs. A socially responsible mutual fund will only hold securities in companies that adhere to high standards of good corporate citizenship.
- 28.(3)** To produce any commodity, we need three factors of production land, labor and capital.



Machinery, Fuel etc, comes under capital.

- 29.(4)** Changing inventory level is a planning strategy of capacity option. Since inventory level is varied, during the months of low demand, the excess units produced over demand are accumulated as inventory and during the month of high demand, the same can be utilized to fulfill that shortage of production over demand.
- 30.(3)** Over the past 25 years, equal employment opportunity legislation, employees pay and benefits, job security have influenced HRM in various ways.
- 31.(3)** Decrease in the unexpected dividend has a negative impact on the share price.
- 32.(2)** MIS(Marketing Information System) is the group of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers.
- 33.(2)** Under target marketing market segment's attractiveness is being evaluated and on the basis of the marketer selects one or segments to enter.
- 34.(3)** Money market instruments are short-term instruments with high liquidity and marketability; they do not have long maturities nor pay liquidity premiums.
- 35.(1)** Advertising is defined as any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.
- 36.(3)** Direct marketing is direct communications with carefully targeted individual consumers to obtain an immediate response.
- 37.(2)** Two major factors are changing the face of today's communications. One of these factors is the fact that mass markets are fragmented and marketers are shifting away from mass marketing, they are more focusing on customized products.
- 38.(4)** Dual vertical marketing system is used when a company is involved in more than one type of distribution arrangement.
- 39.(1)** In franchising business model Franchised dealers sometimes agree to operate under suppliers' names.
- 40.(4)** By security in e-commerce we mean
- (i) Protecting an organization's data resource from unauthorized access
  - (ii) Authenticating messages received by an organization
  - (iii) Protecting messages sent on the internet from being read and understood by unauthorized persons/organizations

- 41.(3)** Positioning Strategy is not a part of any communication mix.
- 42.(4)** Value chain involves all steps in the transformation process that add value even if they don't come from manufacturing.
- 43.(3)** The parts of a network that represent the origins are called nodes.
- 44.(3)** Correct chronological order on the basis of development
1. Law of demand
  2. Law of diminishing marginal utility
  3. Law of indifference
  4. Indifference curve
  5. Revealed preference curve
- 45.(4)**
- |                           |   |                 |
|---------------------------|---|-----------------|
| a. Principle of Economics | - | Alfred Marshall |
| b. Diamond Water. Paradox | - | Adam Smith      |
| c. Value and Capital      | - | J. R Hicks      |
| d. Asian Drama            | - | Gunner Myrdal   |
| e. Language of Economics  | - | J. K Galbraith  |
- 46.(2)** A and R are true but R is not the correct explanation of A.
- 47.(2)** The Scientific Management is based upon the following assumptions :
1. Application of the scientific methods to organizational problems leads to efficiency.
  2. The good worker is one who accepts orders, but does not initiate actions.
  3. Each worker is interested in maximizing his monetary rewards.
- 48.(2)** Generating a list of numbers by picking numbers out of a hat and matching these numbers to names in the telephone book is an example of random sampling techniques. In statistics, a sample is a subject chosen from a population for investigation; a random sample is one chosen by a method involving an unpredictable component. Random sampling can also refer to taking a number of independent observations from the same probability distribution, without involving any real population. The sample usually is not a representative of the population of people from which it was drawn— this random variation in the results is termed as sampling error.
- 49.(3)** E- marketing is known as achieving marketing objectives through the use of any electronic communications technology. E- Marketing complements our overall

marketing strategy perfectly, and offers our advertising campaigns proven, measurable results that can take our current marketing campaign to the next level. For product promotion, event invitations, query responses and new sletters, Email provides an all-in-one solution. E- Marketing offers businesses and other advertising organisations with an easily customised, efficient form of marketing to complement existing advertising strategies and close in on the profitable and interactive market.

**50.(4)** Labor standards vary depending on customer requirements concerning the operations management decision is relevant to services.

**51.(4)** "Strategy is the direction and scope of an organisation over the long-term: which achieves advantage for the organisation through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfil stakeholder expectations". It is an action plan to achieve the mission.

**52.(1)** "An international strategy is a strategy through which the firm sells its goods or services outside its domestic market" ( Hill 378). One of the primary reasons for implementing an international strategy (as opposed to a strategy focused on the domestic market) is that international markets yield potential new opportunities. International strategy uses import/export or licensing of existing products.

**53.(3)** Mergers and acquisitions in unrelated industries are called Conglomerate mergers .

A conglomerate merger is officially defined as being "any merger that is not horizontal or vertical; in general, it is the combination of firms in different industries or firms operating in different geographic areas". Conglomerate mergers can serve various purposes, including extending corporate territories and extending a product range.

**54.(4)** At corporate level, diversification comes about when a firm is involved in two or more industries.

**55.(3)** One of the quickest and cheapest ways to develop a global strategy is through strategic alliances. In strategic alliance both the companies use their expertise in order to get advantages into business.

- 56.(3)** Entrepreneurship is the implementation of an individual's talent in the resources in which he is available with; and expanding these resources in the future so that one can get individual as well as general i.e. social success. Entrepreneurship comes from the French verb 'entreprendre' which means 'To undertake,' is the act and art of being an entrepreneur or one who undertakes innovations or introducing new things, finance and business acumen in an effort to transform innovations into economic goods. Entrepreneurship is a constant process that relies on creativity, innovation, and application in the marketplace.
- 57.(4)** "Zero defects" is referred to as a philosophy, a mentality or a movement. It's not a program, nor does it have distinct steps to follow or rules to abide by. This is perhaps why zero defects can be so effective, because it means it's adaptable to any situation, business, profession or industry. The philosophy of zero defects can be achieved with continuous improvement.
- 58.(2)** A Pareto chart, also called a Pareto distribution diagram, is a vertical bar graph in which values are plotted in decreasing order of relative frequency from left to right. Pareto charts are extremely useful for analyzing what problems need attention first because the taller bars on the chart, which represent frequency, clearly illustrate which variables have the greatest cumulative effect on a given system. Pareto charts are used to organize errors, problems or defects
- 59.(4)** The process of identification, analysis and either acceptance or mitigation of uncertainty in investment decision-making. Essentially, risk management occurs anytime an investor or fund manager analyzes and attempts to quantify the potential for losses in an investment and then takes the appropriate action (or inaction) given their investment objectives and risk tolerance. Inadequate risk management can result in severe consequences for companies as well as individuals. For example, the recession that began in 2008 was largely caused by the loose credit risk management of financial firms. Inadequate risk pricing is the risk associated with the retail banking.
- 60.(2)** Once the idea is clear then in the next "Network phase" entrepreneurs begin sharing the ideas with a few close friends in the organization and few trusted

customers.

- 61.(2)** There are various factors that help in creating an entrepreneurial environment in the organization. These are self - selection, no handoffs, the Doer decides, patient money, cross functional teams, freedom from turf and ending the home - run philosophy.
- 62.(2)** Interpersonal role of a manager include figurehead, leadership and liaison. Leadership includes hiring, training, motivating and disciplining employees. In the liaison role, the managers interact with individual or groups, inside or outside the organization. In the figurehead role, the manager performs certain symbolic and ceremonial duties as head of a group.
- 63.(2)** Human behavior is either influenced by external factors or internal factors. If internal factors alone determine human behavior, the degree of change and growth possible for an individual would be highly restricted.
- 64.(4)** A grievance redressal procedure helps an organization in maintaining harmonious industrial relations, keep a check on biased/ arbitrary actions by supervisors, given an employee more than one opportunity in an effective redressal procedure, and helps in upward communication as employees are free to express their discontentment, problems or frustration to the top management. Thus grievance redressal procedures enhance the top management's awareness of the problems of employees.
- 65.(4)** International trade is the exchange of capital, goods, and services across international borders or territories. International trade are not limited to either tangible, intangible, goods and services.
- 66.(2)** Purchasing power parity (PPP) is an economic theory and a technique used to determine the relative value of currencies, estimating the amount of adjustment needed on the exchange rate between countries in order for the exchange to be equivalent to (or on par with) each currency's purchasing power. The theory of purchasing power parity says that the exchange rate reflects the inflation rate difference between two countries in the opposite direction
- 67.(1)** Going international strategies involves low cost reductions and low local responsiveness.

- 68.(1)** A person with high need for achievement likes to shoulder responsibility. He/she thinks not only about the achievement of goals but also how it can be attained, what obstacles or blocks might be encountered and how he/she would take help to overcome the blocks in achieving the goal.
- 69.(4)** The process of OD consists of data gathering organizational diagnosis and action interventions. These closely follow the process of planned change and involve a number of interacting and interrelated activities.
- 70.(4)** Intrapreneur has the access to company's fund, marketing network, manufacturing facilities and other support facilities provided the venture opportunity warrants it while individual intrapreneur has to use his personal wealth or scramble to obtain funding from various outside sources.
- 71.(3)** Office automation systems are computer - based information systems for helping office workers become more productive. Electronic calendaring, groupware, and teleconferencing are some examples of office automation systems.
- 72.(1)** Open - door is an organizational policy that allows employees to approach managers at any time and discuss their problems with them.
- 73.(2)** The locus of control is defined as the degree to which people believe that they can control their any situation and their fate. Some attribute their success or failure to their internal abilities (known as internals) while others believe that their fate is controlled by luck, chance or external forces (known as externals). Accordingly, if a person fails to get promoted due to his poor rating in the annual performance appraisal, but attributes it to poor managerial assessment of his capabilities, he is considered to have an external locus of control.
- 74.(2)** Compensation includes all the extrinsic rewards received by an employee during and after the course of the job for the employee's contribution to the organization. Fringe benefits are connected to employment with an organization and not to performance, they include the monetary and non - monetary benefits given to the employee of an org. during the period of employment, and at times, after it. Bonus is primarily a share in the surplus and is directly related to the performance of the organization. Incentive is the rewards an employee earns in addition to regular wages or salary based on the performance of the individual the team and / or the organization.



- 75.(2)** In the problem - solving method, an open exchange of information takes place so that differences between both the parties can be resolved to results in a win-win situation.
- 76.(1)** Dumping is an example of Monopolistic practice in international trade, In dumping the products are sold on less price than the home countries price.
- 77.(2)** When the required rate of return on a bond is greater than the coupon rate, then the value of the bond is less than the par value. This discount on the bond declines as maturity approaches.
- 78.(4)** The IRR is the rate interest at which the net present value of a project is equal to zero. A project can have multiple IRRs depending on the cash flow streams. If IRR is less than the firm's cost of capital, the project should be rejected.
- 79.(2)** Correlation is the study of the linear relationship between two variables. The coefficient of correlation measures the degree of relationship between two sets of figures or mutual dependence of two or more variables.
- 80.(2)** DSS provide managers with tool for analyzing problem situation. A Decision support system [DSS] supports and makes the process of managerial decision making more effective.
- 81.(3)** World wide trend towards similar consumption patterns, the emergence of global buyers & sellers, e-commerce and the instant transmission of money & information across continents are reasons of globalization.
- 82. (3)** Entrepreneurship is a constant process that relies on creativity, innovation and its application in the market place. It is the act of being an entrepreneurs, which can be defined as "one who undertakes innovation, finance and business acumen in an effort to transform innovations into economic goods.
- 83.(2)** Innovation is the creation of better or more effective products processes, service, technology or ideas that are accepted by markets, government and society. It differs from invention in that innovation refers to the use of a new idea or method, whereas invention refers more directly to the creation of the idea or method itself.
- 84.(2)** A way that organizations can show their commitment to being green is through adopting the ISO 14001. Meeting the requirements of ISO 14001 : 2004 is a management tool enabling an org. of any size or type to identify and control the environmental impact of its activities, products or service and to improve its

environmental performance continually and to implement a systematic approach to settling environmental objectives and targets.

- 85.(3)** The ethics hotline is a mechanism for ethical management in organization. This hotline is handled by an executive who investigates and helps the employees concerned to solve their problems internally, thus preventing an employee from contacting outside agency.
- 86.(2)** Archie B Carroll identified three types of management depending on the degree to which an organization's decisions are ethical or moral. These are moral, immoral & amoral management. Amoral managers regard profitability as their ultimate goal and ignore the consequences of their behavior on their social stakeholders.
- 87.(2)** If a business spends excessively high amount in social welfare activities, it might transfer the cost to its customers in the form of higher prices. Indirectly society will be made to pay for the social involvement of the business.
- 88.(1)** In MRP and DRP, both employ similar logic and procedures. MRP is a concept of creating material plans & production schedules based on the lead time of supply chain & DRP is also a method used in business administration for planning orders within a supply chain.
- 89.(1)** Henry Mintzberg classified management roles into three categories depending on the extent of interpersonal relationships, transfer of information and decision making involved.
- The interpersonal roles of a manager include figure head, leadership and liaison roles.
- 90.(1)** Interest free loans provided by companies to their employees are an example of benefits.
- Benefits are fringe advantages that accrue to an employee over and above his salary as a result of his employment and position in the organization and which are not related to his performance.
- 91. (4)** When a company enters a new product category for which its current brand names are not appropriate, it will likely follow new brands.
- 92.(3)** Need satisfaction approach requires good listening and problem solving skills. In this sales technique, a sales person first seeks to understand the prospect's stated

(express) and unstated (tacit) needs through probing question and careful listening.

- 93. (1)** Porter's five force model is a framework for industry and business strategy development and to derive five forces that determine the competitive intensity and therefore attractiveness of a market. It refers to competition from external sources. The remainder are internal threats.
- 94. (1)** Exploring new market is an aggressive reason for going companies international, Defensive reason is to protect domestic market.
- 95. (4)** The trade of between risk and return is a central concept of financial management since the objective of the firm is to maximize its value to its share holders.
- 96. (2)** The starting point of a master budget is sales forecast or sales budget that is an assessment of anticipated sales. A sales budget is a detailed schedule showing the expected sales for the budget period typically it is expressed in both dollars/ Rupees and units of production.
- 97. (3)** BCR & NBCR criteria are not suitable to evaluate a non - simple mixed investment.
- 98. (4)** Acc. to Net operating income approach, the overall capitalization rate and the cost of debts remain constant for all degree of leverage.
- 99. (1)** Theoretical value of the right  $= \frac{P_0 - S}{N + 1} = \frac{80^0 - 60^0}{4 + 1} = 4$
- 100. (4)** For both the methods required rate of earning of investment made on a project is compared with the return and their time value. Thus, if the return crosses the requisite only then it is accepted.