

SUBJECT CODE C-11-17		SUBJECT MANAGEMENT		PAPER III	
HALL TICKET NUMBER			QUESTION BOOKLET NUMBER 302143		
OMR SHEET NUMBER					
DURATION 2 Hour 30 Minutes		MAXIMUM MARKS 150	NUMBER OF PAGES 16	NUMBER OF QUESTIONS 75	

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Name and Signature of Invigilator

INSTRUCTIONS FOR THE CANDIDATES

- Write your Hall Ticket Number in the space provided on the top of this page.
- This paper consists of seventy five multiple-choice type of questions.
- At the commencement of examination, the question booklet will be given to you. In the first 5 minutes, you are requested to **open the booklet and compulsorily examine it as below** :
 - To have access to the Question Booklet, tear off the paper seal on the edge of this cover page. Do not accept a booklet without sticker-seal and do not accept an open booklet.
 - Tally the number of pages and number of questions in the booklet with the information printed on the cover page. Faulty booklets due to pages/questions missing or duplicate or not in serial order or any other discrepancy should be got replaced immediately by a correct booklet from the invigilator within the period of 5 minutes. Afterwards, neither the Question Booklet will be replaced nor any extra time will be given.
 - After this verification is over, the Test Booklet Number should be entered in the OMR Sheet and the OMR Sheet Number should be entered on this Test Booklet.
- Each item has four alternative responses marked (A), (B), (C) and (D). You have to darken the circle as indicated below on the correct response against each item.
Example : (A) (B) (C) (D)
where (C) is the correct response.
- Your responses to the items are to be indicated in the OMR Answer Sheet given to you. If you mark at any place other than in the circle in the OMR Answer Sheet, it will not be evaluated.
- Read instructions given inside carefully.
- Rough Work is to be done in the end of this booklet.
- If you write your name or put any mark on any part of the OMR Answer Sheet, except for the space allotted for the relevant entries, which may disclose your identity, you will render yourself liable to disqualification.
- The candidate must handover the OMR Answer Sheet to the invigilators at the end of the examination compulsorily and must not carry it with you outside the Examination Hall. The candidate is allowed to take away the carbon copy of OMR Sheet and used Question Paper Booklet at the end of the examination.
- Use only Blue/Black Ball point pen.
- Use of any calculator or log table etc., is prohibited.
- There is no negative marks for incorrect answers.

అభ్యర్థులకు సూచనలు

- ఈ పుట పై భాగంలో ఇవ్వబడిన స్థలంలో మీ హాల్ టికెట్ నంబరు రాయండి.
- ఈ ప్రశ్న పత్రము దెబ్బబడి బహుళైచ్ఛిక ప్రశ్నలను కలిగి ఉంది.
- పరీక్ష ప్రారంభమున ఈ ప్రశ్నాపత్రము మీకు ఇవ్వబడుతుంది. మొదటి ఐదు నిమిషములో ఈ ప్రశ్నాపత్రమును తెరిచి కింద తెలిపిన అంశాలను తప్పనిసరిగా సరిచూసుకోండి.
 - ఈ ప్రశ్న పత్రమును చూడడానికి కవర్ పేజీ అంచున ఉన్న కాగితపు సీలును చించండి. స్టిక్కర్ సీలులేని మరియు ఇదివరకే తెరిచి ఉన్న ప్రశ్నాపత్రమును మీరు అంగీకరించవద్దు.
 - కవరు పేజీ పై ముద్రించిన సమాచారం ప్రకారం ఈ ప్రశ్నపత్రములోని పేజీల సంఖ్యను మరియు ప్రశ్నల సంఖ్యను సరిచూసుకోండి. పేజీల సంఖ్యకు సంబంధించి గానీ లేదా సూచించిన సంఖ్యలో ప్రశ్నలు లేకపోవుట లేదా నిజప్రతి కాకపోవుట లేదా ప్రశ్నలు క్రమవద్దంలో లేకపోవుట లేదా ఏదైనా తేడాలుంటుంటే వంటి దోషపూరితమైన ప్రశ్న పత్రాన్ని వెంటనే మొదటి ఐదు నిమిషాల్లో పరీక్షా పర్యవేక్షకునికి తిరిగి ఇచ్చివేసి దానికి బదులుగా సరిగ్గా ఉన్న ప్రశ్నపత్రాన్ని తీసుకోండి. తదనంతరం ప్రశ్నపత్రము మార్చబడదు అదనపు సమయం ఇవ్వబడదు.
 - పై విధంగా సరిచూసుకొన్న తర్వాత ప్రశ్నాపత్రం సంఖ్యను OMR పత్రము పై అదేవిధంగా OMR పత్రము సంఖ్యను ఈ ప్రశ్నాపత్రము పై నిర్దిష్టస్థలంలో రాయవలెను.
- ప్రతి ప్రశ్నకు నాలుగు ప్రత్యామ్నాయ ప్రతిస్పందనలు (A), (B), (C) మరియు (D) లుగా ఇవ్వబడ్డాయి. ప్రతి ప్రశ్నకు సరైన ప్రతిస్పందనను ఎన్నుకొని కింద తెలిపిన విధంగా OMR పత్రములో ప్రతి ప్రశ్నా సంఖ్యకు ఇవ్వబడిన నాలుగు వృత్తాల్లో సరైన ప్రతిస్పందనను సూచించే వృత్తాన్ని బాల్ పాయింట్ పెన్ తో కింద తెలిపిన విధంగా ఘోరించాలి.
ఉదాహరణ : (A) (B) (C) (D)
(C) సరైన ప్రతిస్పందన అయితే
- ప్రశ్నలకు ప్రతిస్పందనలను ఈ ప్రశ్నపత్రముతో ఇవ్వబడిన OMR పత్రము పైన ఇవ్వబడిన వృత్తాల్లోనే ఘోరించి గుర్తించాలి. అలాకాక సమాధాన పత్రంపై వేరొక చోట గుర్తిస్తే మీ ప్రతిస్పందన మూల్యాంకనం చేయబడదు.
- ప్రశ్న పత్రము లోపల ఇచ్చిన సూచనలను జాగ్రత్తగా చదవండి.
- చిట్టచివరి ప్రశ్నపత్రము చివర ఇచ్చిన ఖాళీస్థలములో చేయాలి.
- OMR పత్రము పై నిర్దిష్ట స్థలంలో సూచించవలసిన వివరాలు తప్పించి ఇతర స్థలంలో మీ గుర్తింపును తెలిపే విధంగా మీ పేరు రాయడం గానీ లేదా ఇతర చిహ్నాలను పెట్టడం గానీ చేసినట్లయితే మీ అనర్హతకు మీరే బాధ్యులవుతారు.
- పరీక్ష పూర్తయిన తర్వాత మీ OMR పత్రాన్ని తప్పనిసరిగా పరీక్ష పర్యవేక్షకుడికి ఇవ్వాలి. వాటిని పరీక్ష గది బయటకు తీసుకువెళ్లకూడదు. పరీక్ష పూర్తయిన తరువాత అభ్యర్థులు ప్రశ్న పత్రాన్ని, OMR పత్రం యొక్క కార్బన్ కాపీని తీసుకువెళ్లవచ్చు.
- నీలి/నల్ల రంగు బాల్ పాయింట్ పెన్ మాత్రమే ఉపయోగించాలి.
- లాగరిథమ్ టేబుల్స్, క్యాలిక్యులేటర్లు, ఎలక్ట్రానిక్ పరికరాలు మొదలగునవి పరీక్షగదిలో ఉపయోగించడం నిషేధం.
- తప్ప సమాధానాలకు మార్కులు తగ్గింపు లేదు.

SEAL



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MANAGEMENT

Paper - III

1. Assigning workers additional same level activities is termed as :

- (A) Job enrichment
- (B) Job enlargement
- (C) Job sharing
- (D) Job involvement

2. Which of the following theories state that "employees make comparison of their efforts and rewards with those of others in similar work situation" ?

- (A) Vroom's Expectancy Theory
- (B) Adam's Equity Theory
- (C) Alderfer's ERG Theory
- (D) Herzberg's Two-factor Theory

3. Find the odd one out :

- (A) Scientific management approach
- (B) Human relations approach
- (C) Structural approach
- (D) Systems approach

4. Match the following :

List - I

(a) Autocratic

List - II

- (i) The leader takes into consideration the individual needs, talents and desires, and works toward fitting the individual into an appropriate position rather than forcing the person to fit into the position.
- (ii) The leader stimulates the employees with novel theories and opportunities.
- (iii) The leader always makes the final decisions. Employees are closely supervised.
- (iv) The leader tries to motivate people from within.
- (v) The leader gives maximum freedom to subordinates. The leader tries to maintain a congenial atmosphere and avoids taking decisions.

Codes :

- | | | | | | |
|-----|-------|-------|-------|------|------|
| | (a) | (b) | (c) | (d) | (e) |
| (A) | (ii) | (iii) | (i) | (iv) | (v) |
| (B) | (iii) | (i) | (v) | (iv) | (ii) |
| (C) | (iii) | (v) | (i) | (ii) | (iv) |
| (D) | (iv) | (ii) | (iii) | (i) | (v) |



5. **Assertion (A) :**
Management by Exception is not a control technique
Reasoning (R) :
The principles of Management by Exception were first propounded by F.W. Taylor
(A) Both (A) and (R) are true
(B) Both (A) and (R) are false
(C) (A) is true but (R) is false
(D) (A) is false but (R) is true
6. Which of the following statements are correct :
(a) Authority flows downward but responsibility flows upward
(b) Authority should be equal to responsibility
(c) Both authority and responsibility are divisible
(d) If delegation is the end, then decentralization should be the means

Codes :
(A) (a) and (b)
(B) (c) and (d)
(C) (a), (b) and (c)
(D) (b), (c) and (d)
7. Giving general information regarding organisation to the newly appointed personnel is called :
(A) Training
(B) Development
(C) Induction
(D) Promotion
8. In Garbage Can model of decision making :
(A) Problems are available
(B) Solutions are already available before the problem
(C) Problems and solutions are available
(D) None of the above
9. The term BARS stands for :
(A) Behavioural Abnormality Rating Scales
(B) Behavioural Abnormality Response Scales
(C) Behaviorally Anchored Response Scale
(D) Behaviorally Anchored Rating Scale
10. Arrange the following experiments conducted by Elton Mayo in the chronological order :
(a) Bank wiring Experiment
(b) Textile Mill Experiment
(c) Illumination Experiment
(d) Mass Interviewing Programme

Codes :
(A) (b), (a), (c), (d)
(B) (b), (c), (d), (a)
(C) (a), (b), (c), (d)
(D) (b), (c), (a), (d)



Questions no.11 to 14 are based on the following information

A high-tech product goes through several phases during its life cycle during which it appeals to different audiences: initially it is adopted by the 'visionaries' and technical aficionados who accept the high risk involved in being first with revolutionary innovations; changes in the life styles through offering truly unique products which are compatible, if it survives that long, it is purchased by the risk-averse main market who always wait until a product is proven and widely accepted before they will use it or deploy it in their companies. A successful launch does not necessarily lead to a smooth take. It can be noted that only ten percentage of such technology products are in the new product stage, up by the rest of the market. The follow-on stages must be planned as carefully as the launch stage if overall success and profits are to be achieved. Due to their technological nature, high-tech products have a particularly difficult time delivering these returns. Some products take so long from the time of their initial launch to their transition to the mainstream market, that they seem to disappear altogether. The launch promotions are quickly accepted by the innovators in the market. The launch stage for a high-tech product can appear at the time to be a make-or-break point in its product life cycle; but of equal or more significance is the moment when it attempts to cross the chasm between revolutionary innovation and technology innovation. Dramatic transitions such as this mean an attack on a completely different audience, and may even require a complete reversal of marketing tactics.


11. If a new product that requires the changes in the lifestyle of the customer, satisfies a need that has not been satisfied before is called :
 - (A) Replacement product
 - (B) Truly unique product
 - (C) Imitative product
 - (D) Innovative product
12. What is the percentage of the new products, arising out of technological breakthroughs ?
 - (A) 20
 - (B) 11
 - (C) 10
 - (D) 8
13. Which one is the characteristic feature of innovativeness ?
 - (A) Risk reduction
 - (B) Uncertainty
 - (C) Compatibility
 - (D) Tangibility
14. High-tech products are expected to be quickly accepted by :
 - (A) A: Innovators
 - (B) B: Early adopters
 - (C) C: Late adopters
 - (D) D: Laggards
15. Assertion (A) :
BCG matrix was developed by Boston Consulting Group
Reasoning (R):
BCG matrix consists of Stars, Cash Cows, Dogs and Question Marks.
 - (A) Assertion (A) and Reasoning (R) both are true
 - (B) Assertion (A) is true but Reasoning (R) is not true
 - (C) Assertion (A) is not true but Reasoning (R) is true
 - (D) Assertion (A) and Reasoning (R) are true and Reasoning (R) is the Reasoning of Assertion (A)



16. Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need is called as :
- (A) Idea (B) Demand
(C) Service (D) Product
17. The psychological factors influencing consumer behavior are :
- (A) motivation, perception, learning, beliefs and attitudes
(B) culture, subculture, social class
(C) reference groups, family, roles and status
(D) all of the above
18. The transformations and augmentations that a particular product might undergo in the future is called :
- (A) Generic products
(B) Potential product
(C) Augmented product
(D) Core benefit
19. When the company introduces additional brands in the same product category is called :
- (A) Co- brands
(B) New brands
(C) Multi brands
(D) Umbrella brands
20. Punjab National Bank combining with HSBC for the issue of international credit cards, is an example for which type of branding ?
- (A) Multi sponsor co-branding
(B) Joint venture co-branding
(C) Ingredient co-branding
(D) Cluster co-branding

Questions no.21 to 24 are based on the following passage

Technology in the retailing industry has provided a new dimension. The introduction of point of sale equipment, bar codes and huge storage capacity for billing and payment database has facilitated the management of large set-ups with ease. Operations are recorded in a structured and systematic manner, providing detailed analysis of the sales and volume of transactions. Electronic transactions have increased the volume of sales in the country. Self-check outs are one such facility. Flexibility in the mode of payment and cashless transactions have helped in driving sales. Communication assists in maintaining a competitive advantage in retaining and attracting customers. Electronic Product codes are the one which facilitates customers in retailing. The introduction of new technology could be intricate for retailers, but the convenience and cost effectiveness create the need for new advancements. Of late POS media have made their presence in the retail market where by computer installed trolleys, RFID etc., are new possibilities emerging. Large stores need to monitor inventories and expenses of establishments. With automated machines and high-end computers making the task simpler, the focus of retailers stays on retaining customers with new strategies. Security systems also help safer shopping, for retailers as well as customers, providing immense mental relief. Such technological advancements are only now coming into India and the need for it has been acknowledged. The point of sale (POS) applications provides for quicker consumer check-out and multiple payment options like credit cards.



21. Product bar codes can be of effective use in providing _____ for customers.

- (A) Billing
- (B) Self-check-out
- (C) Self- service
- (D) Product layout

22. EPC in product in retailing is :

- (A) Electronic Product Classification
- (B) Electronic Product Code
- (C) Electronic Process Coding
- (D) Electronic Preparatory Code

23. Navigating computers installed in trolleys are examples for :

- (A) Home media
- (B) Point of sale media
- (C) Electronic labels
- (D) Biometrics

24. Thefts in retail could be controlled easily by :

- (A) RFID
- (B) Product bar codes
- (C) Security systems
- (D) All of the above

25. The pricing policy when the price is kept high initially is known as :

- (A) Skimming pricing
- (B) Pricing above par
- (C) Market plus pricing
- (D) Penetrating pricing

26. Assertion (A) :

Selling is important not merely for increasing the profits of businessmen, but also for making goods and services available to the consumers in society.

Reason (R) :

It is the process whereby goods and services finally flow to the consumers who need them and the firm performs its functions of distributing its products among consumers.

- (A) Assertion (A) and Reason (R) both are true
- (B) Assertion (A) is true but Reason (R) is not true
- (C) Assertion (A) is not true but Reason (R) is true
- (D) Assertion (A) and Reason (R) are true and Reason (R) is the reason of Assertion (A)

27. Which of the following statements about product life cycle is/are true ?

- (a) Products have limited life.
- (b) Product sales pass through distinct stages, each posing different challenges, opportunities and problem to seller
- (c) Profits rise and fall at different stages of product life cycles
- (d) Products require different marketing, financial, manufacturing, purchasing and human resource strategies in each stage of their life cycle.

Codes :

- (A) Only (a) is true
- (B) Only (b) and (c) are true
- (C) (a), (c) and (d) are true
- (D) All are true



28. The financial results of marketing endeavours should be analysed in terms of :
- (A) Sales volume
 - (B) Market share
 - (C) Marketing costs
 - (D) All of the above
29. The study devised to study and measure accurately the time required for performing a particular industrial operation is :
- (A) Time study
 - (B) Motion study
 - (C) Fatigue study
 - (D) None
30. The objective of wealth maximization takes into account :
- (A) Amount of returns expected
 - (B) Timing of anticipated returns
 - (C) Risk associated with uncertainty of returns
 - (D) All of the above
31. A portfolio having two risky securities can be turned risk less if :
- (A) The securities are completely positively correlated
 - (B) If the correlation ranges between zero and one
 - (C) The securities are completely negatively correlated
 - (D) None of the above.
32. Efficient portfolios can be defined as those portfolios which for a given level of risk provides :
- (A) Maximum return
 - (B) Average return
 - (C) Minimum return
 - (D) None of the above
33. If the coupon rate is constant, the value of bond when close to maturity will be :
- (A) Issued value
 - (B) Par value
 - (C) Redemption value
 - (D) All of the above
34. Which of the following statements are true about Ratio Analysis ?
- (a) Ratio analysis is useful in financial analysis.
 - (b) Ratio analysis is helpful in communication and coordination
 - (c) Ratio Analysis is not helpful in identifying weak spots of the business.
 - (d) Ratio Analysis is helpful in financial planning and forecasting.
- Codes :
- (A) (a), (b), and (d)
 - (B) (a), (c), and (d)
 - (C) (a), (b), and (c)
 - (D) (a), (b), (c) and (d)
35. Given Sales is 1, 20,000 and Gross Profit is 30,000, the gross profit ratio is :
- (A) 24%
 - (B) 25%
 - (C) 40%
 - (D) 44%

36. Match the following :

List - I

List - II

- | | |
|-------------------|--|
| (a) Media Mix | (i) Expose the same message to a smaller group more often |
| (b) Target Market | (ii) The decision to have a certain message seen / heard by a large number |
| (c) Reach | (iii) A combination of communication and media channels use that is utilized to meet marketing objectives, such as social media platforms and magazines. |
| (d) Frequency | (iv) A specific group of consumers that has been identified to aim it's marketing and advertising campaigns towards, as they are the most likely to purchase the particular product. |

Codes :

- | | | | | |
|-----|-------|-------|-------|------|
| | (a) | (b) | (c) | (d) |
| (A) | (i) | (iii) | (iv) | (ii) |
| (B) | (iii) | (iv) | (ii) | (i) |
| (C) | (ii) | (i) | (iii) | (iv) |
| (D) | (iii) | (iv) | (i) | (ii) |

37. Which of the following sources of funds has an Implicit Cost of Capital ?

- (A) Equity Share Capital
- (B) Preference Share Capital
- (C) Debentures
- (D) Retained earnings

38. Financial Leverage measures relationship between :

- (A) EBIT and PBT
- (B) EBIT and EPS
- (C) Sales and PBT
- (D) Sales and EPS

39. Walter's Model suggests for 100% DP Ratio when :

- (A) $k_e = r$
- (B) $k_e < r$
- (C) $k_e > r$
- (D) $k_e = 0$

40. Receivables Management deals with :

- (A) Receipts of raw materials
- (B) Debtors collection
- (C) Creditors Management
- (D) Inventory Management

41. If A = Annual Requirement, O = Order Cost and C = Carrying Cost per unit per annum, then EOQ :

- (A) $(2AO/C)^2$
- (B) $\sqrt{2AO/C}$
- (C) $2A \div OC$
- (D) $2AOC$

42. If a coupon bond is selling at discount, then which of the following is true ?

- (A) $P_o < \text{Par}$ and $YTM < \text{coupon}$
- (B) $P_o < \text{Par}$ and $YTM > \text{coupon}$
- (C) $P_o > \text{Par}$ and $YTM < \text{coupon}$
- (D) $P_o > \text{Par}$ and $YTM > \text{coupon}$



43. Which of the following statements about product life cycle is/are true ?
(a) Products have limited life.
(b) Product sales pass through distinct stages, each posing different challenges, opportunities and problem to seller
(c) Profits rise and fall at different stages of product life cycles
(d) Products require different marketing, financial, manufacturing, purchasing and human resource strategies in each stage of their life cycle.
- Codes :**
(A) Only (a) is true
(B) Only (b) and (c) are true
(C) (a), (c) and (d) are true
(D) All are true
44. A depreciation of a nation's currency usually causes internal or domestic prices to :
(A) Rise (B) Fall
(C) Constant (D) None
45. Which one of the following is not G-7 member ?
(A) India (B) Canada
(C) Italy (D) France
46. Hedging refers to :
(A) Foreign exchange speculation
(B) Foreign exchange arbitrage
(C) Covering of foreign exchange risk
(D) None
47. International Development Association administered by the :
(A) EURO Bank
(B) World Bank
(C) United States Organisation
(D) RBI
48. The UNCTAD is a permanent organisation of the :
(A) UNO (B) RBI
(C) GATT (D) IMF
49. The spot rate of exchange is quoted for the immediate delivery of :
(A) Foreign Treasury
(B) Foreign Exchange
(C) Foreign Rate
(D) Foreign transaction
50. Which one is not part of Ansoff's growth Matrix ?
(A) Focussed development
(B) Market development
(C) Product development
(D) Diversification
51. Market risk is also known as :
(A) Systematic risk or diversifiable risk
(B) Unsystematic risk or diversifiable risk
(C) Systematic risk or Non-diversifiable risk
(D) Unsystematic risk or non-diversifiable risk
52. **Statement (I) :**
Free trade leads to specialization and thereby increased output.
Statement (II) :
import restrictions are both long term and short term measure of balance of payment adjustments.
(A) Statement (I) is true but statement (II) is false.
(B) Statement (II) is true but statement (I) is false.
(C) Both statements (I) and (II) are true.
(D) Both statements (I) and (II) are false.



53. Which one is an international creditrating agency ?

- (a) CRISIL
- (b) B C G
- (c) Standard and poor
- (d) Moody's

Codes :

- (A) only (a) is correct
- (B) only (b) is correct
- (C) (a), (b) and (d) are correct
- (D) (a), (c) and (d) are correct

54. Consider the below mentioned statements :

- (a) The objective of cash management is best achieved by speeding up the working capital cycle, particularly the collection process and investing surplus cash in short term assets in most profitable avenues.
- (b) The necessity to hold cash will arise if there is a perfect co-ordination between the inflows and the outflows.
- (c) The amount of precautionary balance also depends on the firm's ability to raise additional money at a short notice.
- (d) The firm may hold cash to benefit from a falling price scenario or getting a quantity discount when paid in cash or delay purchases of raw materials in anticipation of decline in prices.

State True or False :

- (A) Statements (a), (b) and (c) are true
- (B) Statements (a), (b) and (d) are true
- (C) Statements (b), (c) and (d) are true
- (D) Statements (a), (c) and (d) are true

55. Financial risk arises from :

- (A) R & D and operations stages of value chain
- (B) GNP growth rate and competitive environment
- (C) Volatility of interest rates, currency rates, commodities prices and stock prices
- (D) Changes in laws and regulations

56. _____ is defined as the customer's evaluation of the differences between all the benefits and all the costs of a marketing offer relative to those of competing offers.

- (A) Customer equity
- (B) Customer satisfaction
- (C) Customer evangelism
- (D) Customer-perceived value

57. Match List - I with List - II and select the correct answer using the codes given below the lists

List - I	List - II
(a) Managerial Grid	(i) H Koontz
(b) 3-D Approach	(ii) F E Fiedler
(c) Contingency Model	(iii) R.R Blake
(d) Systems Approach	(iv) R Likrt
	(v) W.I Reddin

Codes :

- (a) (b) (c) (d)
- (A) (i) (iv) (ii) (iii)
- (B) (iii) (v) (iv) (ii)
- (C) (iv) (i) (ii) (iii)
- (D) (iii) (iv) (ii) (i)



58. "Organisational learning" and "Learning Organisation" are :

- (A) Same
- (B) Different
- (C) Opposite to each other
- (D) Complementary to each other

59. Under Gordon's perpetual growth model dividend growth rate "g" is :

- (a) Constant
- (b) Increasing
- (c) Decreasing
- (d) Zero

Codes :

- (A) (a) is true and (b) is false
- (B) Only (a) is true
- (C) (c) and (d) are false
- (D) All are false

60. State whether the following statements are True or False :

- (a) Inferential analysis refers to the transformation of raw data into a form that will facilitate easy understanding and interpretation.
- (b) Under descriptive analysis, inferences are drawn on population parameter based on sample results.

Codes :

- (A) (a) True, (b) False
- (B) (a) False, (b) True
- (C) (a) True, (b) True
- (D) (a) False, (b) False

61. Match the following :

List - I

List - II

- | | |
|-----------------------------|---|
| (a) NPV Method | (i) Rate at which NPV is Zero |
| (b) Average Rate of Return | (ii) Cash Inflow after Interest and Tax |
| (c) Internal Rate of Return | (iii) Discounted Cash Flow |
| (d) Payback Period | (iv) Calculates Cutoff Rate |

Codes :

- | | | | |
|-----------|------|------|-------|
| (a) | (b) | (c) | (d) |
| (A) (i) | (iv) | (ii) | (iii) |
| (B) (iii) | (ii) | (i) | (iv) |
| (C) (iv) | (i) | (ii) | (iii) |
| (D) (iii) | (i) | (ii) | (iv) |

62. Bonds that does not pay any interest rate are considered as :

- (A) interest free bond
- (B) zero coupon bond
- (C) priceless coupon bond
- (D) useless price bonds



63. Consider the below mentioned statements :

- (a) The objective of cash management is best achieved by speeding up the working capital cycle, particularly the collection process and investing surplus cash in short term assets in most profitable avenues.
- (b) The necessity to hold cash will arise if there is a perfect co-ordination between the inflows and the outflows.
- (c) The amount of precautionary balance also depends on the firm's ability to raise additional money at a short notice.
- (d) The firm may hold cash to benefit from a falling price scenario or getting a quantity discount when paid in cash or delay purchases of raw materials in anticipation of decline in prices.

State True or False :

- (A) Statements (a), (b) and (c) are true
- (B) Statements (a), (b) and (d) are true
- (C) Statements (b), (c) and (d) are true
- (D) Statements (a), (c) and (d) are true

64. **Assertion (A) :**

Asset Liability Management refers to the process by which a bank manages its balance sheet in order to allow for alternative interest rate and liquidity scenarios.

Reason (R) :

Securitization is a structural finance process which involves pooling and repackaging of cash flow producing financial assets into securities that are then sold to investors.

- (A) (A) is True and (R) is False
- (B) (A) is True and (R) is True
- (C) (A) is False and (R) is False
- (D) (A) is False and (R) is True

65. The concept of communities of practice (CoP) has grown in the past decade and can evolve formally or informally using communication and information technology. What is an appropriate description of a CoP ?

- (A) Groups of people who interact regularly on issues important to them and share best practice for their mutual benefit
- (B) A workplace based group willing to communicate with others using the internet and intranet
- (C) An individual who is willing to disseminate relevant information to interested parties
- (D) A gathering of experts in a particular field who allow their work to be disseminated over the internet

66. A supervisor has just rated an outstanding performer and is now evaluating an individual who is also a good performer but there seems to be a contrasting difference between the abilities and output of the two individuals. This significant difference in performance or employee competencies lead the supervisor to rate the second individual as an average performer. This is an example of :

- (A) Contrast Effect
- (B) Recency Bias
- (C) Central Tendency Error
- (D) Like "him" syndrome



67. All of the following are major decisions a company faces in international marketing EXCEPT ?

- (A) deciding which markets to enter
- (B) deciding how to enter the market
- (C) deciding on the global marketing program
- (D) looking at the global marketing environment

68. Consider the below mentioned statements with respect to segmentation.

- (a) Psychographic segmentation considers factors like age, culture, income, education and gender.
- (b) The process of selecting or choosing the potential market segment is known as targeting.

State True or False :

- (A) (a) False, (b) True
- (B) (a) True, (b) True
- (C) (a) True, (b) False
- (D) (a) False, (b) False

69. (a) In which organisation structure, international operations are organised by dividing the entire globe into different geographic regions.

(b) Which is the most complex organisational structure and is suitable where several functional divisions from across the globe performing related duties are grouped together into an international product division ?

- (A) Regional structure and International matrix structure
- (B) International matrix structure and Regional structure
- (C) Functional structure and Regional structure
- (D) Regional structure and Functional structure

70. Identify which of the statement are related to intrinsic value of a share.

- (a) It is calculated by dividing the net worth by the number of outstanding shares.
- (b) It is associated with the earnings and profitability of the company.
- (c) It is the economic value of a company considering its characteristics, nature of business, and investment environment.
- (d) It may include intangible assets at acquisition cost minus amortised value.

Codes :

- (A) Options (a) and (d)
- (B) Options (b) and (c)
- (C) Options (a) and (c)
- (D) Options (b) and (d)

71. Match the following sets :

List - I

List - II

- | | |
|------------------------|--|
| (a) Redeemable bonds | (i) The discount rate equaling the present values of cash flow to the current market price |
| (b) Irredeemable bonds | (ii) There is no intermediate payment between the date of issue and the maturity date. |
| (c) Zero coupon bonds | (iii) The maturity value does not exist. |
| (d) Yield to maturity | (iv) The bond with annual interest payments. |

Codes :

- | | | | | |
|-----|-------|-------|------|-------|
| | (a) | (b) | (c) | (d) |
| (A) | (iv) | (iii) | (ii) | (i) |
| (B) | (iii) | (ii) | (i) | (iv) |
| (C) | (iv) | (i) | (ii) | (iii) |
| (D) | (iii) | (i) | (ii) | (iv) |



72. This refers to the periodic flows of equal amount :

- (A) Present value
- (B) Perpetuity
- (C) Annuity
- (D) Sinking fund

73. Gordon's dividend policy is based on the following assumptions :

- (a) The firm will be an all equity firm with investment proposals being financed solely by the retained earnings
- (b) Return on investment (r) and cost of equity capital remain constant
- (c) The ratio retention remains constant

Codes :

- (A) (a) only
- (B) (b) only
- (C) (b) and (c) only
- (D) (a), (b), and (c)

74. Companies adopt this strategy when each country's market needs to be treated as self-contained. What strategy is it ?

- (A) Product-line
- (B) National
- (C) Global Line
- (D) Multinational

75. Match List I with List II and select the correct answer using the codes given below the lists

List - I		List - II	
(a) P/V ratio	(i) Market Price / EPS		
(b) P/I ratio	(ii) PV of Cash Inflows / PV of Cash Outflows		
(c) P/E Ratio	(iii) Contribution / Sales		
(d) Current Ratio	(iv) Current Assets/ Current Liabilities		

Codes :

	(a)	(b)	(c)	(d)
(A)	(i)	(iv)	(ii)	(iii)
(B)	(iii)	(i)	(iv)	(ii)
(C)	(iii)	(ii)	(i)	(iv)
(D)	(iii)	(i)	(ii)	(iv)

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