

# SAMPLE PAPER 11

Maximum Marks : 200

Time : 45 Minutes

## General Instructions :

- (i) This paper consists of 50 MCQs, attempt any 40 out of 50
- (ii) Correct answer or the most appropriate answer: Five marks (+5)
- (iii) Any incorrect option marked will be given minus one mark (– 1)
- (iv) Unanswered/Marked for Review will be given no mark (0)
- (v) If more than one option is found to be correct then Five marks (+5) will be awarded to only those who have marked any of the correct options.
- (vi) If all options are found to be correct then Five marks (+5) will be awarded to all those who have attempted the question.
- (vii) If none of the options is found correct or a Question is found to be wrong or a Question is dropped then all candidates who have appeared will be given five marks (+5).
- (viii) Calculator / any electronic gadgets are not permitted.

1. Name the process of working with and through others to effectively achieve organisational objectives by efficiently using limited resources in a changing environment.  
(1) Management                      (2) Planning  
(3) Organising                      (4) Controlling
2. Directing is initiated at ..... level of management.  
(1) Lower                              (2) Middle  
(3) Top                                  (4) All of these
3. An effort to control everything may end up in controlling nothing is related to:  
(1) Critical Point Control  
(2) Management by Exception  
(3) Management by Information  
(4) Key Result Areas
4. Which of the following feature of management states that the management functions cannot be performed in isolation?  
(1) Management is a goal-oriented process.  
(2) Management is all pervasive.  
(3) Management is a continuous process.  
(4) Management is a group activity.
5. If a manager is able to achieve the target production of 7,000 units but at a higher cost, then what will he be considered as?  
(1) Only efficient  
(2) Only effective  
(3) Both efficient and effective  
(4) Neither efficient nor effective
6. Gang Plank is a term associated with which principle of Fayol.  
(1) Equity                              (2) Order  
(3) Scalar Chain                      (4) Initiative
7. Coordination is needed when:  
(1) An individual is working independently.  
(2) A group is working.  
(3) Both when an individual is working independently and a group is working.  
(4) Neither when an individual is working independently nor when a group is working.
8. Shashi joined 'Fashion Ltd.' as Head of Production Department and realized that company was not performing well. She developed the best method using several parameters right from deciding the sequence of operations, place of men, machines and raw materials till the delivery of the product to the customers. Identify the technique of scientific management being followed by Shashi.  
(1) Motion study                      (2) Fatigue study  
(3) Method study                      (4) Time study

9. Which of the following is an objective of standardization?

- (1) To reduce a given line or product to fixed types, sizes and characteristics.
- (2) To establish interchangeability of manufactured parts and products.
- (3) To establish standards of excellence and quality in materials and of performance of men and machines.
- (4) All of the above

10. By whom was the term intrapreneur coined?

- (1) Robert Owen           (2) Joseph Schumpeter
- (3) Richard Cantillon   (4) Gifford Pinchot

11. Which of the following is a feature of Planning?

- (1) Provides directions
- (2) Reduces the risks of uncertainty
- (3) Focuses on achieving objectives
- (4) All of the above

12. Principles of management provide managers with useful insights into reality. Which of the following statements explain this appropriately?

- (1) Adds to managerial knowledge
- (2) Enables managers to learn from past mistakes
- (3) Helps managers conserve time by solving recurring problems quickly
- (4) All of the above

13. Who applied the word entrepreneur to business for the first time?

- (1) Robert Owen           (2) Joseph Schumpeter
- (3) Richard Cantillon   (4) Max Weber

14. Meena, a proof reader in Akash Publications, has been given a target of reading at least 40 pages per day. She has a habit of doing things differently. While doing her work, an idea struck her that a summary of a chapter in the form of a map where all the concepts related to that chapter would be interlinked, should be given in starting of each chapter. It will give students a gist of chapter as well as provide a competitive edge over other publishers. But instead of appreciating her idea, her immediate boss scolded her and asked her to complete the work as per prescribed format. Out of the following, identify the limitation of planning stated in above paragraph :

- (1) Planning reduces creativity.
- (2) Planning involves huge cost.
- (3) Planning is a time-consuming process.
- (4) Planning does not work in dynamic environment.

15. Which of the following statements is true regarding planning?

- (1) Once plans are made to decide the future course of action, the management may not be in a position to change them.
- (2) Planning is a one-time process.

(3) Planning is required only at Top Level of Management as plans are made by Top Level of Management.

(4) Planning always leads to success.

16. .... ensures that the heads of separate business units in the organisation are responsible for profit or loss of their unit and have authority over it.

- (1) Span of management
- (2) Divisional structure
- (3) Functional structure
- (4) Hierarchy of authority

17. Which of the following type of selection test provides clues to a person's emotions, reactions, maturity and value system, etc.?

- (1) Aptitude Tests
- (2) Personality Tests
- (3) Intelligence Tests
- (4) Interest Tests

18. Who among the following is the Chairman of SEBI as of August 2018

- (1) Sanjeev Kaushik       (2) U.K. Sinha
- (3) C. B. Bhavne         (4) Ajay Tyagi

19. Match the FUNCTIONAL AREA in Column I with their respective STANDARDS set to gauge performance in Column II, as a part of the controlling function.

	Column I		Column II
(1)	Marketing	(i)	Quality
(2)	Production	(ii)	Liquidity
(3)	Human Resource Management	(iii)	Advertising expenditures
(4)	Finance and Accounting	(iv)	Labour absenteeism

- (1) (i), (iii), (iv), (ii)
- (2) (iii), (i), (iv), (ii)
- (3) (iv), (ii), (i), (iii)
- (4) (iii), (i), (ii), (iv)

20. Which of the following money market instrument is also known as Zero Coupon Bonds?

- (1) Call Money           (2) Treasury Bill
- (3) Commercial Paper   (4) Commercial Bill

21. "Bhuvan, who was a vegetarian went to a snack bar for having French fries and later found out that it had non-vegetarian content. Neither the advertisement nor the packing of the product displayed that the product has non-vegetarian content." Which right of consumer is violated ?

- (1) Right to Choose
- (2) Right to be Informed
- (3) Right to be Heard
- (4) Right to Seek Redressal

22. Staffing is considered as a ..... process.

- (1) Continuous           (2) One-time
- (3) Random               (4) None of these

**23.** Which type of organisational structures is the most suitable for those business enterprises where a large variety of products are manufactured?

- (1) Functional
- (2) Divisional
- (3) Both (1) and (2)
- (4) None of the above

**24.** Which of the following steps in the Controlling process state that comparison becomes easier when standards are set in quantitative terms ?

- (1) Analysing deviations
- (2) Measurement of actual performance
- (3) Comparing actual performance with standards
- (4) Setting performance standards

**25. Assertion (A):** Supervisor acts as a link between workers and management.

**Reason (R):** Supervisor plays a key role in maintaining group unity among workers placed under his control.

**27.** Match the TERMS in Column I with their corresponding MEANING or EXPLANATION in Column II.

	Column I		Column II
(a)	Fixed capital	(i)	Investment in current assets
(b)	Working capital	(ii)	Assets which get converted into cash or cash equivalents within one year
(c)	Fixed assets	(iii)	Assets which remains in the business for more than one year
(d)	Current assets	(iv)	Investment in long-term assets

(1) (ii), (i), (iii), (iv)

(3) (iv), (i), (iii), (ii)

**28.** In order to get feedback about its recently launched immunity-boosting ayurvedic medicine, Atulya Limited conducted an online survey using a questionnaire, to gather customer views and opinions. Identify the marketing function being used by Atulya Limited.

- (1) Standardisation
- (2) Product designing
- (3) Customer support service
- (4) Gathering and analysing market information

**29.** Rajan Ltd. decided to change their organization structure and shift to functional structure. So, it decided to hire four different Heads for Sales, Accounts, Purchase and Production from outside the company to bring fresh talent. It publishes advertisement and shortlists 20 candidates for each position after conducting various selection tests. Out of the following, identify the next step to be followed by Rajan Ltd.

- (1) Employment interview
- (2) Preliminary screening
- (3) Reference and background check
- (4) Selection decision

**30.** Which of the following is a function of the stock exchange?

(1) Both (A) and (R) are true, and (R) is the correct explanation of (A).

(2) Both (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.

**26. Assertion (A):** Motivation helps to change negative or indifferent attitudes of employee to positive attitudes so as to achieve organisational goals.

**Reason (R):** Motivation helps to improve performance levels of employees as well as the organisation.

(1) Both (A) and (R) are true, and (R) is the correct explanation of (A).

(2) Both (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.

(2) (iii), (iv), (ii), (i)

(4) (iii), (i), (ii), (iv)

(1) Providing liquidity and marketability to existing securities

(2) Spreading of equity cult

(3) Contributing to economic growth

(4) All of the above

**31.** Match the STEPS of Planning process in Column I with the appropriate SEQUENCE in Column II.

	Column I		Column II
(1)	Setting Objectives	(i)	Fourth step
(2)	Implementing the plan	(ii)	First step
(3)	Evaluating alternative courses	(iii)	Sixth step

(1) (iii), (ii), (i)

(2) (ii), (i), (iii)

(3) (ii), (iii), (i)

(4) (iii), (i), (ii)

**32.** Identify an important principle of management control in which only significant deviations which go beyond the permissible limit should be brought to the notice of management.

(1) Management by control

(2) Control by exception

(3) Critical point control

(4) Both (1) and (2)

- 33.** Match the STRUCTURE in an organisation in Column I with the appropriate EXPLANATION in Column II.

	Column I		Column II
(1)	Organisation Structure	(i)	Grouping activities on the basis of products.
(2)	Functional Structure	(ii)	Framework within which managerial and operating tasks are performed.
(3)	Divisional Structure	(iii)	Grouping of similar jobs and organizing them as separate departments.

- (1) (ii), (iii), (i)                      (2) (iii), (ii), (i)  
 (3) (ii), (i), (iii)                     (4) (iii), (i), (ii)

- 34.** Mr. Prateek Goyal, the Ex-chairman of India Original Ltd., built up his successor before retiring. Following the norms set up by himself, he handed over the reins of the company to the co-founder Mr. Arvind Mishra, who had the potential to bring about change in the behaviour of others. Name the concept of management which was the reason, why Mr. Prateek Goyal choose Mr. Arvind Mishra to be his successor.

- 39.** Match the CONSUMER RIGHTS as per Consumer Protection Act in Column I with the appropriate EXPLANATION in Column II.

	Column I		Column II
(1)	Right to be Protected	(i)	Wide variety of products in terms of quality, brand, prices, size, etc. should be offered to the consumer.
(2)	Right to Choose	(ii)	Protection to consumer against goods and services which are hazardous to life and health.
(3)	Right to Seek Redressal	(iii)	Consumer to get relief in case the product or service falls short of his expectations.

- (1) (ii), (iii), (i)                      (2) (iii), (ii), (i)  
 (3) (ii), (i), (iii)                     (4) (iii), (i), (ii)

- 40.** Marketing is a ..... process by which people interact with others in order to persuade them to act in a particular way, say to purchase a product or service rather than forcing them to do so.

- (1) Physical                                (2) Social  
 (3) Technical                              (4) Psychological

- 41.** \_\_\_\_\_ is the hallmark of a successful entrepreneur

- (1) Risk bearing capacity  
 (2) Persistence  
 (3) Flexibility  
 (4) Self-confidence

- 42.** Your mother purchased a washing machine for ₹ 10,000 from an authorised dealer of the manufacturer with a verbal guarantee that the machine will be replaced with a new one if any

- (1) Motivation                          (2) Leadership  
 (3) Communication                  (4) Staffing

- 35.** Which of the following gives shape to the organisation structure?

- (1) Extent of delegation  
 (2) Employee strength  
 (3) Span of management  
 (4) None of the above

- 36.** Which aspect of staffing is concerned with upgradation of the knowledge and skills of the employees?

- (1) Placement and Orientation  
 (2) Training and Development  
 (3) Selection

- (4) Estimating manpower requirement

- 37.** ICR = .....

- (1) EBIT/Interest                      (2) EBIT × Interest  
 (3) EBIT – Interest                  (4) Interest/EBIT

- 38.** Zakira Ltd. wants to invest in treasury bills issued by RBI. What will be the minimum amount to be invested in Treasury Bill?

- (1) ₹ 25,000                              (2) ₹ 20,000  
 (3) ₹ 50,000                              (4) ₹ 1,00,000

- of its parts becomes defective within 3 months from the date of purchase. The motor of the machine was burnt within 15 days of its purchase. On complaining, the seller refused to replace the machine. Name the redressal agency under Consumer Protection Act where your mother can file the complaint.

- (1) District Commission  
 (2) State Commission  
 (3) National Commission  
 (4) None of the above

- 43.** Which of the following can be a depository participant (DP)?

- (1) Bank  
 (2) Broker  
 (3) Financial Services Company  
 (4) All of the above

44. "Buy appliances worth ₹ 15,000 and get a discount voucher of ₹ 3,000." Which of the following sales promotion activity is being depicted here?

- (1) Discount
- (2) Usable benefits
- (3) Rebate
- (4) Quantity gift

45. For optimal procurement of funds, a finance manager identifies different available sources and compares those items in terms of cost and associated risks. Identify concept highlighted in the above lines.

- (1) Financial management
- (2) Financial decisions
- (3) Working capital
- (4) None of the above

46. Match the FUNCTIONS of Marketing in Column I with the appropriate ACTIVITIES in Column II.

	Column I		Column II
(1)	Marketing Planning	(i)	Providing basis for distinguishing the product of a firm with that of the competitor.
(2)	Product Designing and Development	(ii)	Specifying the action programmes to achieve different objectives.
(3)	Branding	(iii)	Making the product attractive to the target customers.

- (1) (ii), (iii), (i)
- (2) (iii), (ii), (i)
- (3) (ii), (i), (iii)
- (4) (iii), (i), (ii)

I. Read the following text and answer the following questions on the basis of the same:

The name and taste of Coca-Cola is known to almost each and every individual in India as well as throughout the world. This carbonated soft drink holds the most market share in the soft drink market and got itself a special seat in each and

every gathering. The Coca-Cola Company has on occasion introduced other cola drinks under the Coke name. The most common of these are Diet Coke, along with others including Caffeine free Coca-Cola, Diet Coke Caffeine free, Coca-Cola Zero Sugar, Coca-Cola Cherry, Coca-Cola Vanilla and the list goes on. It has capitalized on each and every opportunity to market itself effectively and place itself in the middle of every gathering. The main reason for such an outstanding placement of product goes to the way they have established the connection between every occasion and the need for Coke to be present there, product design and creative advertising.

47. In the context of the above given case, identify one valid importance of Business Environment.

- (1) Enables a firm to identify opportunities and getting first mover advantage
- (2) Uncertainty
- (3) Delay in action
- (4) Pervasive function

48. Identify the feature of Business Environment which the Coca-Cola Company managed to get in their favour.

- (1) Complex
- (2) Specific and general forces
- (3) Futuristic
- (4) Mental Exercise

49. Which business environment did Coca-Cola majorly tap into ?

- (1) Technological Environment
- (2) Social Environment
- (3) Political Environment
- (4) Economic Environment

50. Which of the following is not a product of COCA-COLA?

- (1) Diet Coke Caffeine free
- (2) Coca-Cola Zero Sugar
- (3) Coca-Cola Avocado
- (4) Coca-Cola Cherry



# SOLUTIONS

1. Option (1) is correct.

*Explanation:* Management as a process means to carry out primary functions or activities that management performs to get things done. These functions are planning, organising, staffing, directing and controlling.

2. Option (3) is correct.

*Explanation:* Directing is first initiated at top level and flows to the bottom through organisational hierarchy. It means that every manager can direct his immediate subordinate and take instructions from his immediate boss.

3. Option (2) is correct.

*Explanation:* Management by exception, which is often referred to as control by exception, is an important principle of management control based on the belief that an attempt to control everything results in controlling nothing.

4. Option (4) is correct.

*Explanation:* Management always refers to a group of people involved in managerial activities. The management functions cannot be performed in isolation. Even the result of management affects every individual and every department of the organisation. So it always refers to a group effort and not the individual effort of one person.

5. Option (2) is correct.

*Explanation:* Effectiveness in management is concerned with doing the right task, completing activities and achieving goals. In other words, it is concerned with the end result.

6. Option (3) is correct.

*Explanation:* Fayol defines scalar chain as 'The chain of superiors ranging from the ultimate authority to the lowest'. Every orders, instructions, messages, requests, explanation etc. has to pass through scalar chain. But, for the sake of convenience and urgency, this path can be cut short and this short cut is known as Gang Plank.

7. Option (2) is correct.

*Explanation:* The need for coordination is felt when group effort is needed for the accomplishment of an objective. In short, it can be said that coordination is related to group effort and not individual effort.

8. Option (3) is correct.

*Explanation:* The objective of method study is to find out one best way of doing the job. To conduct this study, process chart and operation research techniques are used. The main objective of this study is to minimise the cost of production and maximise the quality and level of consumer satisfaction.

9. Option (4) is correct.

*Explanation:* In order to ensure uniformity in work operations, work should be standardised. It ensures that everyone works according to same standards framed in respect of time, cost, amount of work, working conditions, quality of work, etc.

10. Option (4) is correct.

11. Option (4) is correct.

*Explanation:* Planning reduces uncertainty, risk and confusion in operation. Planning begins with the determination of objectives and is directed towards their achievement.

12. Option (4) is correct.

*Explanation:* The principles of management provide the managers with useful insights into real world situations. Adherence to these principles will add to their knowledge, ability and understanding of managerial situations and circumstances. It will also enable managers to learn from past mistakes and conserve time by solving recurring problems quickly.

13. Option (3) is correct.

14. Option (1) is correct.

*Explanation:* Planning reduces creativity: Planning is an activity which is done by the

top management. Usually the rest of the members just implements these plans. As a consequence, middle management and other decision makers are neither allowed to deviate from plans nor are they permitted to act on their own. Thus, much of the initiative or creativity inherent in them also gets lost or reduced.

**15. Option (1) is correct.**

*Explanation:* In an organisation, a well-defined plan is drawn up with specific goals to be achieved within a specific time frame. These plans then decide the future course of action and managers may not be in a position to change it. This kind of rigidity in plans may create difficulty.

**16. Option (2) is correct.**

*Explanation:* In a divisional structure, the organisation structure comprises of separate business units or divisions. Each unit has a divisional manager responsible for performance and who has authority over the unit.

**17. Option (2) is correct.**

*Explanation:* These tests judge the psychological make up of any person. These tests check a person's motivational level, emotions, integrity, sympathy, sensitivity, etc. These traits in an individual provide the manager with an overall picture of his personality.

**18. Option (4) is correct.**

**19. Option (2) is correct.**

**20. Option (2) is correct.**

*Explanation:* Treasury bill are also known as Zero Coupon Bonds issued by the Reserve Bank of India on behalf of the Central Government to meet its short-term requirement of funds.

**21. Option (2) is correct.**

*Explanation:* The right to be informed is an important component of consumer protection. The consumer must be provided with adequate and accurate information about quality, quantity, purity, standard and the price of the goods and services. Such information helps the consumers in their buying decision and use of the product.

**22. Option (1) is correct.**

*Explanation:* Staffing is a continuous process because new jobs may be created thorough out the life of an organisation and some of the existing employees may leave the organisation. So to fill up vacancies staffing is continuously required.

**23. Option (2) is correct.**

*Explanation:* A company dealing in laye variety of product should have divisional organisation structure because in this system a company segments its employees based on products or market which leads to the success of each division independently.

**24. Option (3) is correct.**

*Explanation:* This step involves comparison of actual performance with the standard. Such comparison will reveal the deviation between actual and desired results. Comparison becomes easier when standards are set in quantitative terms.

**25. Option (2) is correct.**

*Explanation:* Supervisor acts as a link between workers and management. He conveys management ideas to the workers on one hand and workers problems to the management on the other. This role played by supervisor helps to avoid misunderstandings and conflicts between management and workers/employees.

**26. Option (1) is correct.**

*Explanation:* Good and positive motivation in the organisation helps to achieve higher levels of performance as motivated employees contribute their maximum efforts for organisational goals.

**27. Option (3) is correct.**

**28. Option (4) is correct.**

*Explanation:* One of the important functions of a marketer is to gather and analyse market information. This is necessary to identify the needs of the customers and take various decisions for the successful marketing of the products and services. This is important for making an analysis of the available opportunities and threats as well as strengths and weaknesses of the organisation.

**29. Option (1) is correct.**

*Explanation:* Interview is a formal, in-depth conversation conducted to evaluate the applicant's suitability for the job. The role of the interviewer is to seek information and that of the interviewee is to provide the same.

**30. Option (4) is correct.**

*Explanation:* Stock Exchange provides both liquidity and easy marketability to already existing securities in the market. In stock exchange securities of various companies are bought and sold. This process of disinvestment and reinvestment helps to invest in most productive investment proposal and this leads to capital formation and economic growth.

31. Option (3) is correct.

32. Option (2) is correct.

*Explanation:* Management by exception, which is often referred to as control by exception, is an important principle of management control based on the belief that an attempt to control everything results in controlling nothing.

33. Option (1) is correct.

34. Option (2) is correct.

*Explanation:* Leadership influences the behaviour of people and makes them to positively contribute their energies for the benefit of the organisation. Good leaders always produce good results through their followers.

35. Option (3) is correct.

*Explanation:* The span of management, to a large extent, gives shape to the organisational structure. Span of management refers to the number of subordinates that can be effectively managed by a superior. This determines the level of management in the structure.

36. Option (2) is correct.

*Explanation:* Training helps employees to improve their knowledge and skill and make them perform their tasks more efficiently. It also helps them in promotion and improves their attitudes and confidence levels.

37. Option (1) is correct.

*Explanation:* The interest coverage ratio refers to the number of times earnings before interest and taxes of a company covers the interest obligation.

38. Option (1) is correct.

*Explanation:* Treasury bills are available for a minimum amount of ₹ 25,000 and in multiples thereof.

39. Option (3) is correct.

40. Option (2) is correct.

*Explanation:* According to Philip Kotler, "Marketing is that social process by which individuals and groups obtain what they need and want through creating offerings and fully exchanging products and services of value with others."

41. Option (3) is correct.

42. Option (1) is correct.

*Explanation:* Under the Consumer Protection Act, 2019, the District Consumer Disputes Redressal Commission will entertain complaints when the value of goods or services is up to ₹ 1 crore.

43. Option (4) is correct.

*Explanation:* A depository participant (DP), can be either a bank, broker, or financial services company. Depository Participant (DP) is an agent of the depository. Investors interact only with DP. Any financial institution can become DP after registration with SEBI. The company whose shares are to be transacted in electronic form must be registered with a depository.

44. Option (2) is correct.

45. Option (1) is correct.

*Explanation:* Financial management is concerned with the profitability, expenses, cash and credit, so that the organisation may have the means to carry out its working as satisfactorily as possible.

46. Option (1) is correct.

47. Option (1) is correct.

*Explanation:* Environment provides numerous opportunities for business success. Early identification of opportunities helps an enterprise to be the first to exploit them instead of losing them to competitors.

48. Option (2) is correct.

*Explanation:* Business environment includes both specific and general forces. Specific forces (such as investors, customers, competitors and suppliers) affect individual enterprises directly and immediately in their day-to-day working. General forces (such as social, political, legal and technological conditions) have an impact on all business enterprises and thus, may affect an individual firm only indirectly.

49. Option (2) is correct.

*Explanation:* The social environment of business includes the social forces like customs and traditions, values, social trends, society's expectations from business, etc.

50. Option (3) is correct.

