

428

QUESTION PAPER BOOKLET CODE :

A

Question Paper Booklet No.

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Time allowed : 3 hours

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Total number of questions : 100

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PART—I

1. ABC Ltd. has capital investment of ₹ 400 crores. After tax operating income is ₹ 45 crore and company has a cost of capital of 10%. Determine the “Economic Value” Added of the firm :
 - (A) ₹ 2 Crore
 - (B) ₹ 3 Crore
 - (C) ₹ 4 Crore
 - (D) ₹ 5 Crore
2. means the management of an organization maximizes the present value not only for shareholders but for all including employees, customers, suppliers and community at large.
 - (A) Profit Maximisation
 - (B) Wealth Maximisation
 - (C) EVA
 - (D) MVA
3. Financial Management is mainly concerned with :
 - (A) Acquiring and developing assets to forfeit its overall benefit
 - (B) Acquiring, financing and managing assets to accomplish the overall goal of a business enterprise
 - (C) Efficient management of the business
 - (D) Sole objective of profit maximisation
4. Which of the following need not be followed by the finance manager for measuring and maximising shareholders’ wealth ?
 - (A) Accounting profit analysis
 - (B) Cash Flow approach
 - (C) Cost benefits analysis
 - (D) Application of time value of money
5. Which of the following statement is correct, related to fixed charges like interest on debt ?
 - (A) Higher the fixed charges, greater the risk
 - (B) Higher the fixed charges, lower the risk
 - (C) Higher the fixed charges, no change in the risk
 - (D) Higher the fixed charges, risk may either be lower or higher
6. A company is considering a proposal to install either a semi-automatic or highly automatic machine. If the firm installs a semi-automatic machine it excludes the acceptance of proposal to install highly automatic machine. Which type of capital budgeting decision is this ?
 - (A) Mutually exclusive decisions
 - (B) Independent decision
 - (C) Contingent decisions
 - (D) Rejectable decisions

7. Risk Adjusted Discount Rate (RADR) is :
- Risk free rate minus risk premium
 - Risk free rate plus risk premium
 - Risk free rate multiplied by risk premium
 - Risk free rate divided by risk premium
8. Derive the formula for calculation of NPV if 'NCF' represents net cash flow, 'K' represents risk adjusted discount rate, 'I' represents initial investment, and 't' represents time period :
- $$NPV = \sum_{t=0}^n \frac{NCF}{(1+k)^t} - I$$
 - $$NPV = \sum_{t=n}^n \frac{NCF}{(1+k)^t} - O$$
 - $$NPV = \sum_{t=0}^n \frac{NCF}{(1+k)^t} - I$$
 - $$NPV = \sum_{t=0}^n I - \frac{NCF}{(k+1)^{t-1}}$$
9. Find the amount of an annuity if payment of ₹ 50,000 is made annually for 7 years at interest rate of 14% compounded annually.
- ₹ 5,36,000
 - ₹ 5,35,000
 - ₹ 5,36,500
 - ₹ 5,35,000
10. A profitability index of 0.90 for a project means :
- The present value of benefits is 90% greater than the project's costs
 - The project's NPV is positive
 - The project returns 90 cents in present value for each current rupee invested
 - The payback period is less than two years
11. Which of the following statements is correct ?
- If the NPV of a project is greater than 0, its PI will be negative
 - If the IRR of a project is 0%, its NPV, using a discount rate, k , greater than 0, will be 0
 - If the PI of a project is less than 1, its NPV should be negative
 - If the IRR of a project is greater than the discount rate, k , its PI will be less than 1 and its NPV will be greater than 0
12. If the cut off rate of a project is lower than IRR, we may :
- Accept the proposal
 - Reject the proposal
 - Be neutral about it
 - Wait for the IRR to increase and match the cut off rate

13. The re-investment assumption in the case of IRR technique assumes :
- (A) Cash flows can be re-invested at the project IRR
- (B) Cash flows can be re-invested at the weighted cost of capital
- (C) Cash flows can be re-invested at the marginal cost of capital
- (D) None of the above
14. For a Project, the cost benefit ratio is equal to one, then :
- (A) IRR will be greater than one
- (B) IRR will be greater than discount rate
- (C) IRR will be lesser than discount rate
- (D) IRR will be equal to discount rate
15. In a capital budgeting decision, incremental cash flows mean :
- (A) Cash flows which are increasing
- (B) Cash flows occurring over a period of time
- (C) Cash flows directly related to the project
- (D) Difference between cash inflows and outflows for each and every expenditure
16. Shaktiman Inc. considering a project that requires ₹ 4 Crore as initial investment. It is expected to generate annual after-tax cash flows of ₹ 60 Lakh for 12 years. Shaktiman's weighted average cost of capital (WACC) is 14%. This project's net present value (NPV) and the approximate internal rate of return (IRR) are :
- | | NPV | IRR |
|-----|-----------|-----|
| (A) | 60,40,000 | 10% |
| (B) | 60,40,000 | 14% |
| (C) | 62,10,000 | 14% |
| (D) | 62,10,000 | 10% |
17. Mohan Pizza Ltd. is considering purchasing of a Pizza Oven. The expected purchase price is ₹ 2,70,000, expected annual revenues from the oven is ₹ 1,50,000, and expected annual costs are ₹ 90,000, including ₹ 22,500 of depreciation. The investment has a payback period of approximately :
- (A) 2.3 years
- (B) 4.2 years
- (C) 3.3 years
- (D) 4.5 years

18. A capital budgeting technique which does not require the computation of cost of capital for decision making purposes is,
- (A) Net Present Value method
 - (B) Internal Rate of Return method
 - (C) Modified Internal Rate of Return method
 - (D) Pay back Period Method
19. When EBIT is higher than Financial Break-even point, there would be :
- (A) Positive Financial Leverage
 - (B) No Financial Leverage
 - (C) Higher Financial Leverage
 - (D) Negative Financial Leverage
20. of an organisation refers to the composition of its long-term funds and its capital structure.
- (A) Capitalisation
 - (B) Over-capitalisation
 - (C) Under-capitalisation
 - (D) Market capitalization
21. A critical assumption of the net operating income (NOI) approach to valuation is :
- (A) That debt and equity levels remain unchanged
 - (B) That dividends increase at a constant rate
 - (C) That k_0 remains constant regardless of changes in leverage
 - (D) That interest expense and taxes are included in the calculation
22. Capital structure of ABC Ltd. consists of equity share capital ₹ 1,00,000 (10000 share of @ ₹ 10 each) and 8% debentures of ₹ 50,000 & earnings before interest and tax is ₹ 20,000. The degree of financial leverage is :
- (A) 1
 - (B) 1.25
 - (C) 2
 - (D) 2.5
23. An EBIT-EPS indifference analysis chart is used for
- (A) Evaluating the effects of business risk on EPS
 - (B) Examining EPS results for alternative financing plans at varying EBIT levels
 - (C) Determining the impact of a change in sales on EBIT
 - (D) Showing the changes in EPS quality over time

24. Degree of combined leverage is the fraction of :
- (A) Percentage change in EBIT on Percentage change in Sales
- (B) Percentage change in EPS on Percentage change in Sales
- (C) Percentage change in Sales on Percentage change in EPS
- (D) Percentage change in EPS on Percentage change in EBIT
25. From the following information, calculate combined leverage :
- | | |
|---------------|--------------------------|
| Sales | ₹ 20,00,000 |
| Variable Cost | 40% |
| Fixed Cost | ₹ 10,00,000 |
| Borrowings | ₹ 10,00,000
@ 8% p.a. |
- (A) 7
- (B) 0.9
- (C) 9
- (D) 10
26. The is the percentage change in earnings per share that results from a percentage change in operating income.
- (A) Degree of combined leverage
- (B) Degree of financial leverage
- (C) Break-even point
- (D) Degree of operating leverage
27. Which kind of capital structure has a large proportion consisting of equity capital and retained earnings which have been ploughed back into the firm over a considerably large period of time :
- (A) Pyramid shaped Capital structure
- (B) Horizontal Capital Structure
- (C) Vertical Capital Structure
- (D) Inverted Pyramid shaped Capital Structure
28. Which is not the main function of specialised financial institutions established by the Central and State governments ?
- (A) To grant loans for a longer period to industrial establishment
- (B) To help the establishment of business units that require small amount of funds and have short gestation period
- (C) To provide support for the speedy development of the economy in general and backward regions in particular
- (D) To offer specialized services operating in the areas of promotion, project assistance, technical assistance services and training and development of entrepreneurs

29. PQR Ltd. has expected earnings at ₹ 40 per share which is growing at 9% annually. Company follows fixed pay out ratio of 60%. The market price of its share is ₹ 500. What is the current cost of equity ?
- (A) 12%
 (B) 12.8%
 (C) 13.8%
 (D) 12.1%
30. Sachin Company has sales of ₹ 75,00,000. Variable cost of ₹ 45,00,000 and fixed cost of ₹ 15,00,000. Operating leverage will be :
- (A) 1
 (B) 2
 (C) 3
 (D) 4
31. A company has issued 50,000 equity shares of ₹ 100 each. Its current market price is ₹ 90 per share and the current dividend is ₹ 8 per share. The dividends are expected to grow at the rate of 10%.
 Compute the cost of equity capital :
- (A) 14.07%
 (B) 18.78%
 (C) 19.78%
 (D) 9.78%
32. Shyamali Limited is currently financed with ₹ 5,00,000 of 10% Debenture and ₹ 15,00,000 of Equity share. The equity share has a beta of 1.5, and the risk free rate is 6%, and the market risk premium is 4%. The tax rate is 20%. What is the WACC of Shyamali Limited ?
- (A) 11%
 (B) 12%
 (C) 13%
 (D) 10%
33. The cost of each component of a firm's capital structure multiplied by its weight in the capital structure is called :
- (A) Marginal cost of capital
 (B) The cost of debt
 (C) Weighted average cost of capital
 (D) Opportunity Cost
34. While calculating weighted average cost of capital which is not considered :
- (A) Retained earnings
 (B) Bank borrowings for working capital
 (C) Cost of issue shares
 (D) Weights are based on market value or on book value

35. Venture capital means :
- (A) equity funds from internal sources used to finance high-risk projects
 - (B) capital raised from issuing equity securities in order to retire debt securities
 - (C) financing for new firms which generally entails high levels of risk
 - (D) bank loans used to pay the start-up costs of a new firm
36. In Social Cost-Benefit Analysis, a project is analysed from the point of view of the benefit, if :
- (A) It will generate for the society as a whole
 - (B) It will generate for a particular Company
 - (C) It will generate for a particular Industry
 - (D) It will generate for the customers
37. Which of the following statement is correct with respect to Gordon's model ?
- (A) When IRR is greater than cost of capital, the price per share increases and dividend pay-out decreases
 - (B) When IRR is greater than cost of capital, the price per share decreases and dividend pay-out increases
 - (C) When IRR is equal to cost of capital, the price per share increases and dividend pay-out decreases
 - (D) When IRR is lower than cost of capital, the price per share increases and dividend pay-out decreases
38. What are the different options other than cash used for distributing profits to shareholders ?
- (A) Bonus shares
 - (B) Stock split
 - (C) Stock dividend
 - (D) All of the above

39. According to the Walter's model, a firm should have 100% dividend pay-out ratio when :
- (A) $r = k_e$
 (B) $r < k_e$
 (C) $r > k_e$
 (D) $g > k_e$
40. Modigliani and Miller, recognizing that dividends do somehow affect stock prices, suggest that positive effects of dividend increases are attributable :
- (A) Directly to the dividend policy
 (B) Directly to the optimal capital structure
 (C) Not to the informational content but to the consistency in the payment of dividends
 (D) Not to the dividend itself but to the informational content of the dividends with respect to future earnings
41. A Company has 5,000 shares of ₹ 100 each. The capitalisation rate is 12%. Income before tax is ₹ 2,00,000. Tax rate is 30%. Dividend pay-out ratio is 50%. Find Market Price Per Share (MPS) at the end of the current year based on MM approach if dividend is paid.
- (A) ₹ 101
 (B) ₹ 100
 (C) ₹ 99
 (D) ₹ 98
42. PQR company earns ₹ 10 per share, is capitalised at a rate of 10 per cent and has a rate of return on investment of 20 percent. If dividend payout ratio is 50%, what should be the price per share, according to Walter's model ?
- (A) ₹ 200
 (B) ₹ 150
 (C) ₹ 125
 (D) ₹ 225
43. When the firm does not pay out fixed dividend regularly, the dividend policy is known as :
- (A) Irregular
 (B) Regular
 (C) No immediate
 (D) Liberal
44. What do you understand by the term 'factoring' with respect to management of accounts receivable ?
- (A) Use of accounts receivables as prime collateral for a secured loan
 (B) Pledging of accounts receivables to a lender
 (C) Outright sale of accounts receivables to a financial agency
 (D) Encashing accounts receivable before closure of accounts

45. Calculate maximum permissible bank finance (MPBF) as per first method suggested by the Tandon Committee, from the information given below :

Particulars	Amount (₹ lakhs)
Creditors	150
Other current liabilities	50
Debenture	400
Finished goods	500
Receivables	150
Other current assets	150

- (A) ₹ 150 Lakhs
 (B) ₹ 200 Lakhs
 (C) ₹ 350 Lakhs
 (D) ₹ 450 Lakhs
46. Credit term '4/20 net 90' means :
- (A) 0.40% discount will be granted if the customer pays within 90 days
 (B) 20% discount will be granted if the customer pays within 4 days, and if he does not avail the offer he must make payment within 90 days
 (C) Net 90% discount will be granted if the customer pays 4 times the amount due within 20 days
 (D) 4% discount will be granted if the customer pays within 20 days, otherwise he must make payment within 90 days

47. According to William J. Baumol's economic order quantity model with respect to cash management, optimum cash level is that level of cash where :

- (A) Carrying costs are maximum and transactions costs are minimum
 (B) Carrying costs and transactions costs are minimum
 (C) Carrying costs and transactions costs are maximum
 (D) Carrying costs are minimum and transactions costs are maximum

48. Determine the economic order quantity from the following figures :

- (i) Annual requirement of inventory 1,00,000 units
 (ii) Cost per unit (other than carrying and ordering cost) ₹ 20
 (iii) Carrying cost are likely to be 10% per year
 (iv) Cost of placing order ₹ 1,000 per order
- (A) 10,000 Units
 (B) 1,000 Units
 (C) 2,000 Units
 (D) 5,000 Units

49. Net Operating Cycle (NOC) can be defined as sum of :
- (A) Raw Material, W.I.P. and Finished Goods Conversion period
 - (B) Raw Material, W.I.P., Finished Goods and Receivables Conversion period
 - (C) Inventory Plus Receivables Conversion period minus Deferral period
 - (D) None of the above
50. Net working capital is equal to :
- (A) Fixed Assets–Current Assets
 - (B) Current Assets–Current Liabilities
 - (C) Current Assets–Cash
 - (D) Long Term Loans–Short Term Loans
51. The intercept of Security Market Line (SML) on the Y Axis is
- (A) Risk Free Return
 - (B) Risk Premium
 - (C) Market Return
 - (D) Beta (β)
52. In, the future earning capacity is predicted with the help of accounting ratios.
- (A) Technical Analysis
 - (B) Industry Analysis
 - (C) Economic Analysis
 - (D) Company Analysis
53. Beta of the Market portfolio generally is :
- (A) Zero
 - (B) 1
 - (C) 2
 - (D) Negative
54. The main aim of portfolio is to reduce by diversification.
- (A) Risk
 - (B) Profit
 - (C) Cash flow
 - (D) Borrowing Fund
55. Suppose two portfolios have the same average return, the same standard deviation of returns, but portfolio A has a higher beta than portfolio B. According to the Sharpe measure, the performance of portfolio A.
- (A) Is the same as the performance of portfolio B
 - (B) Is better than the performance of portfolio B
 - (C) Is poorer than the performance of portfolio B
 - (D) Cannot be measured

56. Anubhav is planning to purchase a share that has a beta coefficient of 0.95. He estimates the expected market return to be 12% while T-Bills yield 7%. What rate should he expect and require on the stock according to be SML (Security Market Line) ?
- (A) 11.33%
(B) 12.67%
(C) 12.33%
(D) 11.75%
57. Tansen Ltd. has a beta of 0.80. If the expected market return is 21.50 and the risk free rate of return is 9.50%. Using CAPM mode to calculate the appropriate required rate of return :
- (A) 19.10%
(B) 20.10%
(C) 20.30%
(D) 22.00%
58. Which of the following is most closely associated with the terms 'primary trend,' 'intermediate trend,' and 'short-term trend' ?
- (A) Trend line
(B) Dow Theory
(C) Candlestick chart
(D) Bar chart
59. Bar chart is used to illustrate :
- (A) High, low and closing stock price on a daily basis
(B) Reversal in the direction of stock prices without consideration of time
(C) High, low, opening and closing price on a daily basis
(D) The candlestick line
60. Which of the following is not a basic principle of the Dow Theory ?
- (A) A bear market is established when the Dow Jones Industrial Average is moving down
(B) There is usually a positive relationship between a trend and the volume of shares traded
(C) The financial market has three distinct types of movements : the primary trend, the intermediate trend, and short-term trends
(D) The intermediate trend has duration of three weeks to six months

PART—II

61. The first ever 14 principles of 'classical management theory' was shelled out by :
- (A) George R Terry
 - (B) Henry Fayol
 - (C) Peter Drucker
 - (D) Harold Koontz
62. Which of the following is not a function of management ?
- (A) Planning
 - (B) Staffing
 - (C) Co-operation
 - (D) Controlling
63. Planning process begins with :
- (A) Establishment of objectives
 - (B) Generating alternatives
 - (C) Selecting alternatives
 - (D) Resource allocation
64. The framework within which managerial and operating tasks are performed is called :
- (A) Staffing
 - (B) Organisation structure
 - (C) Job design
 - (D) Departmentation
65. An efficient control system helps to :
- (A) Accomplish organizational objectives
 - (B) Boost employees' morale
 - (C) Judge accuracy of standards
 - (D) All of the above
66. Which one of the following is not part of the Porter's Five Forces model ?
- (A) Rivalry among shareholders
 - (B) Bargaining power of suppliers
 - (C) Rivalry among present competitors
 - (D) Bargaining power of buyers
67. The fundamental purpose for the existence of any organization is described by its :
- (A) Visions
 - (B) Mission
 - (C) Objective
 - (D) Strategy

68. Which of the following is not considered as a major elements of the strategic management process ?
- (A) Environmental Scanning
 - (B) Implementing strategy
 - (C) Evaluating strategy
 - (D) Assigning administrative tasks
69. Which of the following is a part of Macro Business environment ?
- (A) Suppliers
 - (B) Customers
 - (C) Competitors
 - (D) Technology
70. Threat to New Entrants to the industry is very low when :
- (A) Smaller capital is required to make an entry
 - (B) Existing firms do not have strong brand value
 - (C) There is no or little government regulation
 - (D) Customer switching costs are high
71. Rivalry among competitors in an industry is NOT intensified when :
- (A) There are several competitors
 - (B) High customer loyalty is existing
 - (C) Exit barriers are high
 - (D) Products can be easily substituted
72. Which strategy is about how to compete successfully in particular markets ?
- (A) Business-level strategy
 - (B) Corporate-level strategy
 - (C) Alliance-based strategy
 - (D) Operational-level strategy
73. What is the key benefit of identifying the organisation's SBUs ?
- (A) It helps the development of business-level strategies
 - (B) It makes financial control easier
 - (C) It prevents a focus solely on market-based criteria
 - (D) It decreases the complexity of the organisation's structures

74. Select the incorrect statement regarding Business Strategy/Corporate Strategy :
- (A) Business Strategy can be viewed as the strategy designed by the business managers to improvise the overall performance of the firm
 - (B) Corporate Strategy is the one expressed in the mission statement of the company, which describes the business type and ultimate goal of the organization
 - (C) The nature of business strategy is executive and governing, whereas the corporate strategy is deterministic and legislative
 - (D) Business strategy is a long term strategy; corporate strategy is a short term one
75. Strategic Marketing answers three 'W's except :
- (A) Which markets to compete in ?
 - (B) Where to bargain for purchase ?
 - (C) What is the basis of the firm's competitive ?
 - (D) When to compete ?
76. Which of the followings is not part of production strategies under Competitive Priorities ?
- (A) Market segmentation strategy
 - (B) Price or cost strategy
 - (C) Quality strategy
 - (D) Delivery strategy
77. What strategy shall be used for the products classified as Dogs in BCG matrix ?
- (A) New customer acquisition
 - (B) Divest
 - (C) Sales promotion
 - (D) Invest
78. Strategies that minimize weakness and avoid threats are represented by which cell of the TOWS Matrix ?
- (A) The WT cell
 - (B) The WO cell
 - (C) The SO cell
 - (D) The ST cell

79. An organization that has a high market share position and competes in a low-growth industry is referred to as a
- (A) Dog
(B) Question Mark
(C) Star
(D) Cash Cows
80. 'Build,' 'Hold,' 'Harvest' and 'Divest' are the strategies explained by :
- (A) Ansoff's Product Matrix Growth
(B) ADL matrix
(C) GE McKinsey Matrix
(D) BCG Matrix
81. The SWOT/TOWS analysis is a very simple yet valuable technique which aids in identifying opportunities and threats from an enviroment, and analysing its strengths and weakness.
- (A) external; own
(B) own; own
(C) external; external
(D) own; external
82. In long run, when the growth rate slows down stars become :
- (A) Question Marks
(B) Moon
(C) Dogs
(D) Cash Cows
83. GE Nine-cell Matrix is based on :
- (A) Market growth rate and relative market share
(B) Market growth rate and business strength
(C) Market attractiveness and relative market share
(D) Market attractiveness and business strength
84. Which one of the following is NOT a level of diversification prescribed in Ansoff's matrix ?
- (A) Diversification into related markets
(B) Conglomerate Diversification with new product
(C) Diversification into unrelated markets using existing resources
(D) Diversification into unrelated markets using new resources

85. According to Porter's generic strategy model, Mercedes-Benz C-Class could sell its cars as most expensive ones, is an example of :
- (A) The Cost Leadership Strategy
 - (B) The Differentiation Strategy
 - (C) The Focus Strategy
 - (D) Combination Strategies
86. In Porter's Generic Strategies model, a focus strategy includes :
- (A) Selling a high range of products
 - (B) Selling products that require less cost to produce
 - (C) Selling to premium customers
 - (D) Selling to a niche market
87. Which of the following is not correct related with reference to PERT ?
- (A) Compels managers to plan their projects critically in considerable detail from beginning to the end and analyse all factors affecting the progress of the plan.
 - (B) Provides management a tool for forecasting the impact of schedule changes. The likely trouble spots are located early enough to take preventive measures or corrective actions
 - (C) A considerable amount of data may be presented in precise manner. The task relationships are presented graphically for easier evaluation
 - (D) The PERT time is based upon 5-way estimate and hence is the most objective time in the light of uncertainties and results in greater degree of accuracy in time forecasting
88. According to MCKINSEYS 7-S framework change in strategy is implemented through change in
- (A) Systems
 - (B) Style
 - (C) Shared Values
 - (D) Skills
89. The difference between strategy formulation and strategy implementation is that :
- (A) Strategy is developed by Top Management Team and implemented by Managers
 - (B) Strategy is created by a few but implemented by all
 - (C) Strategy is customer centric and implementation is operations centric
 - (D) All of the above

90. Which of the following most suitably applies to the matrix structure ?
- (A) It encourages empowerment which results in high morale and motivation adding to quality decisions and implementation
 - (B) It incurs extra costs since each division has its own set of functional departments
 - (C) It seeks to introduce specialist functional managers into organisations
 - (D) It allows the owner to control all aspects of the business
91. Which model is based on the premise that the organization is an open system and basic task of the manager is to facilitate the change in the organization ?
- (A) Free Form Organisation
 - (B) The divisional structure
 - (C) Matrix Structure
 - (D) The functional structure
92. Which is not a correct element of strategic leadership ?
- (A) It deals with vision keeping the mission insight and with effectiveness and results
 - (B) It emphasises on transformational aspects which leads to emergence of leaders in the organization
 - (C) It inspires and motivates people to work together with a common vision and purpose
 - (D) Strategic leadership has internal focus rather than external focus which helps the organization to relate with environment
93. Which strategic control techniques enables the organizations operating in a relatively unstable and turbulent environment in defining new strategic requirements and to cope with environmental realities ?
- (A) Premise Control
 - (B) Strategic Leap Control
 - (C) Special Alert Control
 - (D) Strategic Momentum Control

94. Which of the following perspective is not a part of Balance Scorecard ?
- (A) Financial Perspective
 - (B) Customer Perspective
 - (C) Learning and Growth Perspective
 - (D) Creditors Perspective
95. Business Process Reengineering mainly involves :
- (A) Radical improvement of various measures of performance
 - (B) Fine-tuning of the production process
 - (C) Slight reduction in cost
 - (D) Recruitment of business process Engineers
96. Which is not a factor for a successful implementation of BPR as identified Al-Mashari and Zairi ?
- (A) Change in management
 - (B) Management competencies
 - (C) Organizational structure
 - (D) Business network process
97. With reference to benchmarking, select the correct statement out of the following :
- (A) Finding and implementing the best business
 - (B) Traditional controlling is also known as benchmarking
 - (C) The focus of benchmarking is to identify and eliminate non-value added activities
 - (D) Benchmarking deals only with medium size organisation
98. Which of the practice started by Ford Motor with a slogan of 'Quality is Job 1' ?
- (A) Total Quality Management
 - (B) Six Sigma
 - (C) Business Excellence Model
 - (D) Business Process Reengineering
99. In which Six Sigma, an individual should have a basic understanding of Six Sigma, statistical tools and DMAIC methodology ?
- (A) Yellow Belt
 - (B) Green Belt
 - (C) Black Belt
 - (D) Master Black Belt
100. In 'DMAIC', with reference to Six Sigma D stands for :
- (A) Direction
 - (B) Define
 - (C) Decision
 - (D) Dignity

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Space for Rough Work