

## PROVISIONAL ANSWER KEY

Question 89/2024/OL

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Question1:-Which of the following statements are correct ?

- i. Controls pertain to means and control pertains to an end.
- ii. Controls are analytical and concerned with what was. Control is normative and is concerned with what ought to be.
- iii. Controls refer to measurement and information whereas control is related to direction.
- iv. Controls deal with facts and events of the past. Control deals with expectations.

A:-Only (i and ii)

B:-Only (ii and iii)

C:-All of the above

D:-Only (i and iii)

Correct Answer:- Option-C

Question2:-In which form of organization structure are Strategic Business Units created ?

A:-Functional structure

B:-Divisional structure

C:-Project structure

D:-Matrix structure

Correct Answer:- Option-B

Question3:-\_\_\_\_\_ denotes the authorization of managers at various levels to make decisions.

A:-Authority

B:-Delegation

C:-Decentralization

D:-Centralization

Correct Answer:- Option-B

Question4:-\_\_\_\_\_ is concerned with action or performance and is aimed at evaluating the performance of the organization as a whole or its different components-strategic business units, divisions and departments.

A:-Operational control

B:-Effective control

C:-Strategic control

D:-Internal control

Correct Answer:- Option-A

Question5:-\_\_\_\_\_ involves designing suitable courses of action in anticipation of likely changes in the relevant environment.

A:-Formal planning

B:-Reactive planning

C:-Informal planning

D:-Proactive planning

Correct Answer:- Option-D

Question6:-Narrow span of management results

A:-Tall structure

B:-Flat structure

C:-Organic structure

D:-Mechanistic structure

Correct Answer:- Option-A

Question7:-\_\_\_\_\_ is based on the team concept in which each employee develops high degree of understanding towards others and shares common goals.

A:-Autocratic model

B:-Custodial model

C:-Supportive model

D:-Collegial model

Correct Answer:- Option-D

Question8:-\_\_\_\_\_ is the intended goal that prescribed definite scope and suggests direction to the planning efforts of a manager.

A:-Objective

B:-Vision

C:-Mission

D:-Target

Correct Answer:- Option-A

Question9:-In decisional role, the manager performs roles of

i. Entrepreneur

ii. Figurehead

iii. Disturbance handler

iv. Negotiator

A:-Only (i and iii)

B:-Only (i, ii and iii)

C:-Only (i, iii and iv)

D:-All of the above

Correct Answer:- Option-C

Question10:-'Every manager has a planning function to perform. Planning extends throughout the organization.' The above statement implies

- i. Pervasiveness of planning
- ii. Primacy of planning
- iii. Planning premises
- iv. Flexibility in planning

A:-Only (i and iii)

B:-Only (i and ii)

C:-Only (i)

D:-All of the above

Correct Answer:- Option-C

Question11:-\_\_\_\_\_ is a problem in two way communication in the form of internal conflict and anxiety that occurs when people receive information incompatible with their value systems, prior decisions, or other information they may have.

A:-Polarization

B:-Cognitive dissonance

C:-Semantic barrier

D:-Prejudice

Correct Answer:- Option-B

Question12:-In which type of barriers, does premature evaluation fall ?

A:-Organizational barrier

B:-Psychological barrier

C:-Semantic barrier

D:-Personal barrier

Correct Answer:- Option-B

Question13:-In communication, adequacy is concerned with

A:-Coverage and quantity

B:-Clarity and coverage

C:-Coverage and timing

D:-Integrity and purpose

Correct Answer:- Option-A

Question14:-In determining an effective communication strategy, managers must consider

- i. The specific content of the message.
- ii. The message's channel.
- iii. The physical environment in which it occurs.
- iv. The time the communication occurs.

A:-Only (i and ii)

B:-Only (i, ii and iv)

C:-Only (i, ii and iii)

D:-All of the above

Correct Answer:- Option-D

Question15:-Communication performs the \_\_\_\_\_ by relating various components of the organization and maintaining equilibrium among them.

A:-Information function

B:-Instructive function

C:-Influence function

D:-Integrative function

Correct Answer:- Option-D

Question16:-Which one of the following is not an element of communication process ?

A:-Channel

B:-Encoding

C:-Receiver

D:-Measurement

Correct Answer:- Option-D

Question17:-\_\_\_\_\_ is a type of semantic barrier in communication.

A:-Status relationships

B:-Distrust of communication

C:-Inattention

D:-Faulty translations

Correct Answer:- Option-D

Question18:-\_\_\_\_\_ is the study of nonlinguistic bodily movements, such as gestures, facial expressions etc.

A:-Kinesics

B:-Proxemics

C:-Semantics

D:-Chronemics

Correct Answer:- Option-A

Question19:-Nonverbal communication performs following function

i. Complementing

ii. Accenting

iii. Contradicting

iv. Repeating

A:-Only (i)

B:-Only (i, ii and iii)

C:-Only (i and ii)

D:-All of the above

Correct Answer:- Option-D

Question20:-What causes rumors in organization ?

A:-Ambiguity x interest

B:-Channel x feedback

C:-Ambiguity x channel

D:-Sender x channel

Correct Answer:- Option-A

Question21:-An asset shall be classified as current when it satisfies any of the following criteria

i. It is expected to be realized in or is intended for sale or consumption in, the company's normal operating cycle.

ii. It is not held primarily for the purpose of being traded.

iii. It is expected to be realized within twelve months after the reporting date.

Of the statements

A:-Only (i) and (ii) are correct

B:-Only (i) and (iii) are correct

C:-Only (ii) and (iii) are correct

D:- (i), (ii), (iii) are correct

Correct Answer:- Option-B

Question22:-Which of the following accounting standards deals with the impairment of Assets ?

A:-AS 12

B:-AS 14

C:-AS 20

D:-AS 28

Correct Answer:- Option-D

Question23:-Consider the following statements

i. According to AS1 revenues and costs are accrued, that is recognized as they are earned or incurred and recorded in the financial statements of the periods to which they relate.

ii. Section 128 (1) of the Companies Act, 2013 makes it mandatory for companies to maintain accounts on accrual basis only.

Of the statements :

A:-Only (i) is correct

B:-Only (ii) is correct

C:- (i) and (ii) are correct

D:- (i) and (ii) are not correct

Correct Answer:- Option-C

Question24:-According to accounting standards, an accounting policy can be changed if the change is required

A:-By a statute

B:-By an accounting standard

C:-For more appropriate presentation of financial statements

D:-All of the above

Correct Answer:- Option-D

Question25:-Which of the following financial statements portrays value of economic resources controlled by an enterprise ?

A:-Cash flow statement

B:-Balance Sheet

C:-Statement of profit and loss

D:-All of the above

Correct Answer:- Option-B

Question26:-\_\_\_\_\_ is defined as residual interest in the assets of an enterprise after deducting all its liabilities.

A:-Asset

B:-Income

C:-Equity

D:-Trading on equity

Correct Answer:- Option-C

Question27:-Which of the following accounting standard deals with depreciation accounting ?

A:-AS5

B:-AS6

C:-AS8

D:-AS12

Correct Answer:- Option-B

Question28:-According to sub Section (1) of Section 63, a company may issue fully paid up bonus shares to its members, in any manner whatsoever, out of

A:-Its free reserves

B:-The securities premium account

C:-Capital redemption reserve account

D:-All of the above

Correct Answer:- Option-D

Question29:-Under \_\_\_\_\_ measurement basis, assets are valued at the amount of cash or cash equivalents that would be needed to purchase the same or

an equivalent asset at present.

A:-Current cost

B:-Historical cost

C:-Realisable value

D:-None of these

Correct Answer:- Option-A

Question30:-Which of the following accounting standards deals with the disclosure of accounting policies ?

A:-AS 1

B:-AS 2

C:-AS 4

D:-AS 5

Correct Answer:- Option-A

Question31:-Bills payable on 01-01-2023 Rs. 3,00,000

Creditors on 01-01-2023 Rs. 2,50,000

Bills payable on 31-12-2023 Rs. 3,50,000

Creditors on 31-12-2023 Rs. 3,00,000

Credit purchase for the year Rs. 50,00,000

Credit sales for the year Rs. 60,00,000

What is the creditor's turnover ratio ?

A:-8.3 times

B:-6.2 times

C:-4 times

D:-5.5 times

Correct Answer:- Option-A

Question32:-Equity share capital (Rs. 20 each) 50,00,000

Reserves and surplus 5,00,000

Secured loan at 15% 25,00,000

Unsecured loan at 12.5% 10,00,000

Fixed assets 30,00,000

Investments 5,00,000

Operating profit 25,00,000

Income tax rate 50%

Market price per share Rs. 50

What is the P/E ratio ?

A:-12.5

B:-10

C:-8.5

D:-18

Correct Answer:- Option-A

Question33:-From the following data, calculate the Earnings per share :

Net profit before tax Rs. 4,00,000  
Tax at 40% of net profit  
5% preference shares of Rs. 100 each Rs. 1,00,000  
Equity shares Rs. 4,00,000, Face value Rs. 10  
Market price per share Rs. 150

A:-6.2

B:-5.8

C:-4

D:-3.2

Correct Answer:- Option-B

Question34:-Which of the following is not a liquidity ratio ?

A:-Acid test ratio

B:-Proprietary ratio

C:-Cash ratio

D:-Current ratio

Correct Answer:- Option-B

Question35:-Consider the following statements about equity ratio which of the following statements are correct ?

i. The share holder's equity is equity share capital, reserves and surplus (excluding fictitious assets).

ii. This ratio indicates proportion of owners fund to total fund invested in the business.

A:-Only (i) is correct

B:-Only (ii) is correct

C:-(i) and (ii) are correct

D:-(i) and (ii) are not correct

Correct Answer:- Option-C

Question36:-Which of the following is a liquidity ratio ?

A:-Equity ratio

B:-Proprietary ratio

C:-Net working capital ratio

D:-Capital gearing ratio

Correct Answer:- Option-C

Question37:-The following information of a company is given

Current ratio 2.5 : 1

Acid test ratio 1.5 : 1

Current liabilities 50,000

Fixed assets 20,00,000

What will be the value of inventory ?

A:-75,000



B:-50,000

C:-60,000

D:-None of these

Correct Answer:- Option-B

Question38:-If inventory turnover ratio is 5 times and average stock at cost is Rs. 75,000. Equity share capital Rs. 40,00,000. What is the cost of goods sold ?

A:-3,00,000

B:-2,00,000

C:-3,75,000

D:-None of these

Correct Answer:- Option-C

Question39:-Given :

Cash Rs. 10,000

Bills receivables Rs. 5,000

Debtors Rs. 25,000

Stock Rs. 20,000

Creditors Rs. 30,000

Cost of sales Rs. 1,50,000

Building Rs. 40,00,000

What is the working capital turnover ratio ?

A:-5 times

B:-7 times

C:-2 times

D:-10 times

Correct Answer:- Option-A

Question40:-The net profit (after tax) of a firm is Rs. 75,000 and its fixed interest charges on long term borrowings are Rs. 10,000. The rate of income tax is 50%. What will be the interest coverage ratio ?

A:-10 times

B:-7 times

C:-16 times

D:-None of these

Correct Answer:- Option-C

Question41:-Two concepts that provide foundation for Lean Operations

A:-JIT and TPS

B:-Kaizen and Kanban

C:-Both 1 and 2

D:-None of the above

Correct Answer:- Option-A

Question42:-Steps followed in production planning and control functions

A:-Routing, Loading, Scheduling, Dispatching, Expanding

B:-Loading, Routing, Scheduling, Dispatching, Expanding

C:-Routing, Scheduling, Loading, Dispatching, Expanding

D:-Scheduling, Routing, Loading, Dispatching, Expanding

Correct Answer:- Option-A

Question43:-Factor affecting capacity planning

A:-Existing and future manpower

B:-Supervision

C:-All of the above

D:-None of the above

Correct Answer:- Option-A

Question44:-Gantt Chart is a principal tool used for

A:-Inventory control

B:-Product scheduling

C:-Routing

D:-Loading

Correct Answer:- Option-B

Question45:-BIS stands for

A:-Board of Indian Standards

B:-Bureau of Indian Standards

C:-Bureau of India Standards

D:-None of the above

Correct Answer:- Option-B

Question46:-The five P's in Production/Operations Management are

A:-Product, Planning, Process, Plant, People

B:-Product, Plant, Processes, Programmes, People

C:-Product, Plan, Place, People, Plant

D:-Product, Processes, Programmes, Plan, Plant

Correct Answer:- Option-B

Question47:-Which does not come under TQM tools ?

A:-Pie Chart

B:-Gantt Chart

C:-Run Chart

D:-Pareto Chart

Correct Answer:- Option-B

Question48:-A family of environmental management standards developed by the International Organization for Standardisation (ISO) volume

A:-ISO 9000

B:-ISO 9001

C:-ISO 14000

D:-None of the above

Correct Answer:- Option-C

Question49:-Which issue is not related to Talent Management ?

A:-Supervision

B:-Leadership

C:-Worker Conflicts

D:-Cost

Correct Answer:- Option-C

Question50:-A management strategy that minimizes inventory and increases efficiency

A:-JIT

B:-ABC Analysis

C:-TQM

D:-None of the above

Correct Answer:- Option-A

Question51:-Supply Chain risk includes

A:-Outsourcing

B:-Logistics delay

C:-Distribution

D:-All of the above

Correct Answer:- Option-D

Question52:-Honda and Nissan are moving more manufacturing out of Japan as the exchange rate of Yen makes Japanese-made autos expensive. The risk reduction tactic used is

A:-Supplier quality failure

B:-Political

C:-Economic

D:-Theft and vandalism

Correct Answer:- Option-C

Question53:-Variable not considered for supplier evaluation

A:-Price

B:-Documentation

C:-Delivery

D:-Quality and service

Correct Answer:- Option-B

Question54:-Planning and calculating raw material requirement are done in

A:-MRP I

B:-MRP II

C:-Both 1 and 2

D:-None of the above

Correct Answer:- Option-A

Question55:-Most widely used pull inventory model

A:-MRP I and MRP II

B:-DRP and EOQ

C:-JIT and KANBAN

D:-None of the above

Correct Answer:- Option-C

Question56:-Cost related to overtime, training, layoff are included in

A:-Ordering cost

B:-Inventory carrying cost

C:-Out of stock cost

D:-Capacity associated cost

Correct Answer:- Option-D

Question57:-Which is the conversion process in which successive units of output undergo the same sequence of operation, using specialised equipment usually positioned along a product line ?

A:-Flow shop

B:-Job shop

C:-Batch manufacturing

D:-None of the above

Correct Answer:- Option-A

Question58:-Which of the following does not belong to fixed path equipment in material handling ?

A:-Belt conveyor

B:-Screw conveyor

C:-Hand stacks

D:-Monorail

Correct Answer:- Option-C

Question59:-Efficiency of output and input factors of an enterprise is termed as

A:-Production

B:-Productivity

C:-Policy

D:-None of the above

Correct Answer:- Option-B

Question60:-Basic approach to inventory control

A:-Unit control

B:-Value control

C:-Both 1 and 2

D:-None of the above

Correct Answer:- Option-C

Question61:-Document issued by a shipping company or its agent acknowledging the receipt of goods mentioned in the bill for shipment on board of the vessel is known as

A:-Shipping order

B:-Carting order

C:-Bill of lading

D:-Shipping bill

Correct Answer:- Option-C

Question62:-What is concerned with maintaining materials at the optimum level keeping in view the operational requirements and financial resources ?

A:-Quality control

B:-Operating control

C:-Inventory control

D:-Cost of material

Correct Answer:- Option-C

Question63:-ROI stands for

A:-Role of Institution

B:-Return on Investment

C:-Return on Interest

D:-None of the above

Correct Answer:- Option-B

Question64:-Document prepared on receipt of material stores is

A:-MRN

B:-GRN

C:-Challan

D:-Bill of materials

Correct Answer:- Option-B

Question65:-Document which contains a precise description of goods is known as

A:-Weight list

B:-Packing list

C:-Invoice

D:-Certificate of origin

Correct Answer:- Option-C

Question66:-Which of the following is not true of a letter of credit ?

A:-It is a document

B:-It is issued by a bank

C:-Issued at the request of the exporter

D:-Bank agrees to honour a draft drawn on the importer

Correct Answer:- Option-D

Question67:-Important shipping document necessary and useful in export import transaction.

A:-Letter of credit

B:-Certificate of origin

C:-Bill of entry

D:-Bill of lading

Correct Answer:- Option-A

Question68:-Physical movement of goods out of a country in a legal manner is

A:-Export

B:-Import

C:-Entrepot

D:-None of the above

Correct Answer:- Option-A

Question69:-Which is an example of intellectual property ?

A:-Computer hardware

B:-Trademark

C:-Textiles

D:-Electronic equipment

Correct Answer:- Option-B

Question70:-BOP means balance of receipts and payments of

A:-All banks

B:-State bank

C:-Foreign exchange by a country

D:-Government

Correct Answer:- Option-C

Question71:-Material issues are always valued at the highest price of the receipts

A:-FIFO

B:-LIFO

C:-HIFO

D:-Weighted Average Price

Correct Answer:- Option-C

Question72:-Last alternative to launch marketing strategies by challengers.

A:-Frontal attack

B:-Guerilla attack

C:-Bypass attack

D:-Flank attack

Correct Answer:- Option-B

Question73:-Last stage in product life cycle is

A:-Growth stage

B:-Maturity stage

C:-Decline stage

D:-None of these

Correct Answer:- Option-C

Question74:-Safety stock level is also known as

A:-Danger level

B:-Minimum stock level

C:-Maximum stock level

D:-Reorder level

Correct Answer:- Option-B

Question75:-Stock verification is done at the end of an accounting year in

A:-Perpetual inventory system

B:-Periodic inventory system

C:-Continuous stock taking

D:-None of the above

Correct Answer:- Option-B

Question76:-Loss which does not have any saleable value is

A:-Wastage

B:-Scrap

C:-Spoilage

D:-Defectives

Correct Answer:- Option-A

Question77:-Estimate or prediction as to what will happen in future which is uncertain is

A:-Budget

B:-Forecast

C:-Plan

D:-Strategy

Correct Answer:- Option-B

Question78:-Zero based budgeting was introduced by

A:-Karl Marx

B:-Jimmy Carter

C:-Philip Kotler

D:-F.W. Taylor

Correct Answer:- Option-B

Question79:-When prices fluctuate widely, the method that will smooth out the effect of fluctuation is

A:-Simple Average Method

B:-Weighted Average Method

C:-FIFO

D:-LIFO

Correct Answer:- Option-B

Question80:-Under FSN system of inventory control, inventory is classified on the basis of

A:-Volume of material consumption

B:-Frequency of usage of items of inventory

C:-Criticality of the item of inventory for production

D:-Value of items of inventory

Correct Answer:- Option-B

Question81:-What is a key factor in maintaining good customer relations in a store ?

A:-High prices

B:-Limited product variety

C:-Excellent customer service

D:-Poor store layout

Correct Answer:- Option-C

Question82:-What does the acronym SKU stand for in retail ?

A:-Stock Keeping Unit



B:-Standard Kit Unit

C:-Storekeeping Unit

D:-Shelf Keeping Unit

Correct Answer:- Option-A

Question83:-Which inventory system involves continuous tracking of inventory levels ?

A:-Periodic inventory system

B:-Just-in-time inventory system

C:-Perpetual inventory system

D:-ABC analysis

Correct Answer:- Option-C

Question84:-What is the purpose of a planogram ?

A:-To schedule employee shifts

B:-To plan marketing campaigns

C:-To map out product placement on shelves

D:-To forecast sales

Correct Answer:- Option-C

Question85:-In which type of store layout are products grouped by category to facilitate comparison shopping ?

A:-Grid layout

B:-Free-form layout

C:-Boutique layout

D:-Loop layout

Correct Answer:- Option-C

Question86:-What is the primary consideration when choosing a store location ?

A:-Proximity to suppliers

B:-Customer traffic flow

C:-Store employee preferences

D:-Weather conditions

Correct Answer:- Option-B

Question87:-What type of store is known for offering a wide selection of products within a specific category, often with a focus on high-end or niche items ?

A:-Discount store

B:-Specialty store

C:-Warehouse club

D:-Supermarket

Correct Answer:- Option-B

Question88:-Which type of store is generally smaller in size, located in residential areas, and provides quick shopping for everyday items like snacks, beverages, and toiletries ?

A:-Convenience store

B:-Department store

C:-Supermarket

D:-Warehouse club

Correct Answer:- Option-A

Question89:-What is 'Lead Time' in inventory management ?

A:-The time taken to deliver goods to customers

B:-The time taken to produce goods

C:-The time between ordering and receiving goods

D:-The time to sell off all stock

Correct Answer:- Option-C

Question90:-In storekeeping, what does 'EOQ' stand for ?

A:-Economic Order Quantity

B:-Efficient Order Quality

C:-Essential Order Quantity

D:-Estimated Order Quality

Correct Answer:- Option-A

Question91:-What is a 'bin card' used for in storekeeping ?

A:-Tracking the number of bins in the store

B:-Recording the movement of materials in and out of a specific bin

C:-Labelling bins

D:-Managing bin locations

Correct Answer:- Option-B

Question92:-The process of ensuring that the right quality and quantity of materials are stored is called

A:-Quality control

B:-Material handling

C:-Inventory management

D:-Procurement

Correct Answer:- Option-C

Question93:-Which document is used to record the receipt of goods in storekeeping ?

A:-Purchase order

B:-Invoice

C:-Goods Received Note (GRN)

D:-Delivery note

Correct Answer:- Option-C

Question94:-What technology is commonly used to streamline the stock verification process ?

A:-RFID (Radio Frequency Identification)

B:-CRT (Cathode Ray Tube)

C:-VHS (Video Home System)

D:-BCD (Binary Coded Decimal)

Correct Answer:- Option-A

Question95:-During stock verification, what is the purpose of a cycle count ?

A:-To count all inventory items at once

B:-To count a subset of inventory items on a regular basis

C:-To predict future inventory needs

D:-To track sales trends

Correct Answer:- Option-B

Question96:-Which of the following is an indicator of effective stock verification processes ?

A:-Frequent stockouts

B:-High levels of shrinkage

C:-Accurate inventory records

D:-Increasing levels of obsolete inventory

Correct Answer:- Option-C

Question97:-In which type of layout are workstations grouped by the types of operations they perform ?

A:-Process layout

B:-Fixed-position layout

C:-Product layout

D:-Cellular layout

Correct Answer:- Option-A

Question98:-Which type of layout arranges workstation in a sequence that follows the flow of materials or operations ?

A:-Process layout

B:-Fixed-position layout

C:-Product layout

D:-Cellular Layout

Correct Answer:- Option-C

Question99:-Which tool is useful for minimizing the risk of stockouts ?

A:-Just-in-Time (JIT)

B:-Safety stock

C:-EOQ model

D:-Kanban system

Correct Answer:- Option-B

Question100:-What is the main advantage of using barcode systems in inventory management ?

A:-Real-time tracking of inventory

B:-Automated demand forecasting

C:-Calculation of safety stock levels

D:-Optimization of order quantities

Correct Answer:- Option-A