

MBA I SEM I

MCQ: 107 – Management Fundamental

Sr. No.	Question	Answer
1	The steps in .....must include, among other things, the establishment of objectives, the course of actions to take and the follow-up of those actions if the business wants success. (A) Planning (B) Organizing (C) Staffing (D) Producing	A
2	.....is a network of cooperation made possible by, ICT, i.e. Information and Communication Technology, which is flexible and comes to meet the dynamics of the market. (A) Learning Organization (B) Organization (C) Boundary less Organization (D) Virtual Organization	D
3	Departments in decentralization are often broken down by broad categories which is not among them (A) Functional (B) Cost (C) Product (D) Geographical	B
4	.....is what the organizational chart typically illustrates. (A) Span of control (B) Interest area (C) The chain of command (D) Department	B
5	Tasks are subdivided into individual jobs and Employees perform only the tasks relevant in to their specialized function comes under (A) Work Specialization (B) Work planning (C) Work functions (D) Departmental	A
6	The duty to perform the task or activity an employee has been assigned and Managers are assigned authority Commensurate with (A) Functions (B) Rules (C) Responsibility (D) Department	C

7	<p>Process managers use to transfer authority and responsibility on organizations encourage managers to delegate authority to lowest possible level know as.....</p> <p>(A) Structure (B) Resealing (C) Delegation (D) Responsibility</p>	C
8	<p>An organizational structure Results in a complex network of superior-subordinate reporting relationships and the structure is very flexible and can respond rapidly to the need for change is very well known as.....</p> <p>(A) Global geographic structure (B) Departments structure (C) Divisional structure (D) Matrix structure</p>	D
9	<p>The structure of a large organization that has many divisions and simultaneously uses many different organizational structures</p> <p>(A) Departments structure (B) Divisional structure (C) Matrix structure (D) Hybrid Structure</p>	D
10	<p>Top managers should always construct a hierarchy with the fewest levels of authority necessary to efficiently and effectively use organizational resources comes under.....</p> <p>(A) Accountability (B) Responsibility (C) Minimum Chain of Command (D) Structure</p>	C
11	<p>Interpersonal Category does not include.</p> <p>(A) Liaison (B) Toys (C) Figurehead (D) Leader</p>	B
12	<p>Informational Category does not include.</p> <p>(A) Disseminator (B) Spokesperson (C) Monitor (D) System</p>	D
13	<p>Decisional Category does not include.</p> <p>(A) Disturbance Handler (B) Process (C) Resource Allocator (D) Entrepreneur</p>	B

14	.....have universal application in every kind of enterprise and at every level of the enterprise. (A) Management fund (B) Management fundamentals (C) Mutual Fund (D) Maturity Date	B
15	Practical lessons from scientific management say which of the belonging. (A) Carefully design jobs with inefficient work methods (B) Carefully select workers with the no abilities to do these jobs (C) Train workers to perform jobs to the best of their abilities (D) Train supervisors does not support workers so they can perform jobs to the best of their abilities	C
16	Administrative principles does not includes (A) Foresight (B) Organization (C) Command (D) Force	D
17	Which of the below is correct option for Characteristics of bureaucratic organizations (A) Physiological (B) Safety (C) Formal rules and procedures (D) Social	C
18	Which of the below is Foundations in the behavioral or human resource approaches to management (A) Theory X and Theory Y (B) Classical (C) Scientific (D) Administrative	A
19	Which of the below is Classical or human resource approaches to management (A) Maslow's Need Theory (B) Theory X And Theory Y (C) Administrative (D) Hawthorne Studies	C
20	Which of the below is Quantitative Approaches to management. (A) Theory X and Theory Y (B) Classical (C) Scientific (D) Operation Management	D
21	.....to Management provides a framework of management practices based on more recent trends, such as globalization, theory Z concepts, McKinsey's 7-S approach, excellence models, productivity and quality issues. (A) Contemporary Approaches (B) Classical Approach (C) Behavioral Approach (D) Quantitative Approach	A

22	Which of the following is a Theory X assumes that workers are:- (A) Willing to work (B) Capable of self control (C) Lack ambition (D) Willing to accept responsibility	C
23	Which of the following is a Theory Y assumes that workers are:- (A) Are irresponsible (B) Resist change (C) Prefer to be led (D) Willing to accept Responsibility	D
24	The .....school emerged to treat the problems associated with global warfare. (A) Management Information System (B) Operation Management (C) Management Science (D) Perfect Competition	C
25	.....is a narrow branch of the quantitative approach to management. It focuses on managing the process of transforming materials, labor, and capital into useful goods and/or services. (A) Management Information System (B) Operation Management (C) Management Science (D) Perfect Competition	B
26	.....has contributed directly to management decision making in the areas of planning and control. (A) Quantitative Approach (B) Science Management (C) Management Information System (D) Bureaucratic	A
27	A .....which says that organizations are different, face different situations and require different ways of managing. (A) Quantitative Approach (B) Science Management (C) Management Approach (D) Management Information System	C
28	There a relationship between employee job performance and (A) Employees satisfaction (B) Customer satisfaction (C) Labour Job (D) Skilled Employees	B

29	<p>.....Means doing things differently, exploring new territory, and taking risks, innovative effort can be found in all types of organizations.</p> <p>(A) Innovation (B) Growth (C) Development (D) Design</p>	A
30	<p>“Acting in their managerial capacity, president, college deans, bishops, and....., all do the same things.”</p> <p>(A) Head of secret agencies (B) Head of government agencies (C) Help of government agencies (D) Head of great agencies</p>	B
31	<p>.....is a process of agreeing upon objectives within an organization so that management and employees agree to the objectives and understand what they are in the organization.</p> <p>(A) Material by Objectives (B) Management by Objectives (C) Management by Order (D) Mix by Objectives</p>	B
32	<p>Which of the following is not a benefit of planning?</p> <p>(A) Planning reduces overlapping and wasteful activities. (B) Planning is a mental exercise. (C) Planning provides directions. (D) Planning reduces the risks of uncertainty.</p>	B
33	<p>Which of the following statements is not true with reference to planning?</p> <p>(A) Planning is a pre-requisite for controlling. (B) Planning does not lead to rigidity. (C) Planning enables a manager to look ahead and anticipate changes. (D) Planning facilitates co-ordination among departments and individuals in the organisation.</p>	B
34	<p>What is known as the primary function of management?</p> <p>(A) Controlling (B) Organising (C) Planning (D) Staffing</p>	C
35	<p>All other managerial functions are performed within the framework of the plans drawn. Identify the related feature of planning.</p> <p>(A) Planning focuses on achieving objectives. (B) Planning is pervasive. (C) Planning is futuristic. (D) Planning is primary function of management.</p>	D

36	Customer Departmentalization includes which of the below work . (A) Customers' needs and problems can be met by specialists (B) Allows specialization in particular products and services (C) Managers can become experts in their industry (D) Closer to customers	A
37	Product Departmentalization includes which of the below:- (A) Simple of functions (B) Unlimited view of organizational goals (C) Managers can become experts in their industry (D) Customers' needs and problems can be met by specialists	C
38	.....A desired future state that the organization attempts to realize (A) Mission (B) Goal (C) Vision (D) Structure	B
39	Broadly states the basic business scope and operations that distinguishes it from similar types of organizations..... (A) Mission (B) Goal (C) Vision (D) Structure	A
40	“Accomplishing tasks through small groups of people who are collectively responsible and whose job requires coordination “relates to which of the below skill. (A) Strategic Action Competency (B) Team work competency (C) Multicultural(Global) Competency (D) Self-Management Competency	B
41	“Understanding, appreciating and responding to diverse political, cultural, ethnic, and economic issues across and within nations”. relates to which of the below skill. (A) Strategic Action Competency (B) Team work competency (C) Multicultural(Global) Competency (D) Self-Management Competency	C
42	“Deciding what tasks need to be done, determining how they can be done, allocating resources to enable them to be done, and then monitoring progress to ensure that they are done.” relates to which of the below skill. (A) Strategic Action Competency (B) Team work competency (C) Planning & administrative Competency (D) Self-Management Competency	C

43	<p>“Understanding the overall mission and values of the organization and ensuring that employees’ actions match with them – includes Understanding industry, understanding Co ,taking strategic actions.” relates to which of the below skill.</p> <p>(A) Strategic Action Competency (B) Team work competency (C) Planning & administrative Competency (D) Self-Management Competency</p>	A
44	<p>“Developing yourself and taking responsibility, Integrity and ethical conduct, Personal drive and resilience”. are the skills belongs to.....</p> <p>(A) Strategic Action Competency (B) Team work competency (C) Planning & administrative Competency (D) Self-Management Competency</p>	D
45	<p>Ability to effectively transfer and exchange information that leads to understanding between yourself and others</p> <p>(A) Strategic Action Competency (B) Communication competency (C) Planning & administrative Competency (D) Self-Management Competency</p>	B
46	<p>“Directly responsible for production of goods or services and Spend little time with top managers in large organizations.” are the responsibility of which manager?</p> <p>(A) Top manager (B) First Line manager (C) Middle line manager (D) Lower line manager</p>	B
47	<p>“Develop goals and strategies for entire organization and Spend most of their time planning and leading , Communicate with key stakeholders— stockholders” are the responsibility of which manager ?</p> <p>(A) Top manager (B) First Line manager (C) Middle line manager (D) Lower line manager</p>	A
48	<p>Three Approaches to Defining What Managers Do does not include.</p> <p>(A) Functions they perform. (B) Roles they play. (C) Unlawful (D) Skills they need.</p>	C

49	Responsible for setting objectives that are consistent with top management's goals and translating them into specific goals and plans for first-line managers to implement, Responsible for coordinating activities of first-line managers. (A) Top manager (B) First Line manager (C) Middle line manager (D) Lower line manager	C
50	.....refers to the degree to which jobs within the organization are standardized and the extent to which employee behaviour is guided by rules and procedures. (A) Chain of Command (B) Formalization (C) Centralization (D) Decentralization	B
51	..... describes the degree to which decision making is concentrated at a single point in the organization. (A) Chain of Command (B) Formalization (C) Centralization (D) Decentralization	C
52	The more that lower-level employees provide input or actually make decisions, the more .....there is. (A) Chain of Command (B) Formalization (C) Centralization (D) Decentralization	D
53	.....are more expensive because of the number of managers involved. communication problems because of the number of people through whom information must pass. (A) Tall organization (B) Flat organization (C) Structure organization (D) Organic structure	A
54	Lead to higher levels of employee morale and productivity. Create more administrative responsibility for the relatively few managers. (A) Tall organization (B) Flat organization (C) Structure organization (D) Organic structure	B
55	An organizational arrangement based on multiple businesses in related areas operating within a larger organizational framework; following a strategy of related diversification. Activities are decentralized down to the divisional level; others are centralized at the corporate level. (A) Multidivisional Design	A

	<p>(B) Geographic Structure (C) Structure organization (D) Organic structure</p>	
56	<p>Enhances organizational flexibility. Team members have the opportunity to learn new skills. (A) Multidivisional Design (B) Matrix Structure (C) Structure organization (D) Organic structure</p>	B
57	<p>Right to take decisions that arises due to position in organizational structure. Authority is the right to perform or command. It allows its holder to act in certain designated ways and to directly influence the actions of others through orders. (A) Responsibility (B) Authority (C) Rules (D) Delegation</p>	B
58	<p>Assigning work to subordinates and giving them necessary authority to do the assigned work effectively. (A) Responsibility (B) Authority (C) Rules (D) Delegation</p>	D
59	<p>Do not give Sound Advice Steal Credit for Success Fail to Keep line personnel informed of their activities. (A) Assume line Authority (B) Delegation Of Authority (C) Ask line Authority (D) Assume line Attention</p>	B
60	<p>.....Organizations Another approach to contemporary organizational design is the It is an organization whose design is not determined by a predefined structure. Instead the organization seeks to eliminate (A) Boundary less Organizations (B) Virtual Organizations (C) Tele-working (D) Global Organizations</p>	A
61	<p>Assisting in recruiting efforts. Enhancing worker morale. Managing employee attendance and reducing absenteeism (A) Boundary less Organizations (B) flexi –work Organizations (C) Tele-working (D) Global Organizations</p>	B

62	The recent proliferation of "....." has been fueled more by economic necessity than strategic planning. (A) Boundary less Organizations (B) flexi –work Organizations (C) Tele-working (D) Global Organizations	C
63	Which of the following terms is associated with nonprogrammer decisions? (A) Unique (B) Recurring (C) Routine (D) Repetitive	A
64	Lower-level managers typically confront what type of decision making? (A) Unique (B) Nonroutine (C) Programmed (D) Nonprogrammed	C
65	When problems are _____, managers must rely on _____ in order to develop unique solutions. (A) Well structured; nonprogrammed decision making (B) Well structured; pure intuition (C) Poorly structured; nonprogrammed decision making (D) Poorly structured; programmed decision making	C
66	Nonprogrammed decisions are best described as _____. (A) Recurring, but difficult to make (B) Very similar to problems in other areas of the organization (C) Requiring more aggressive action on the decision maker's thought processes (D) Unique and nonrecurring	D
67	Poorly structured problems _____. (A) Are easily solved (B) Present new or unusual circumstances (C) Force managers to deal with incomplete or ambiguous information (D) b and c	D
68	A business school's statement that it "strives for productive relationships with local organizations" is an example of a _____. (A) Rule (B) Policy (C) Procedure (D) Commitment	B
69	Which of the following factors contrasts the difference between a policy and a rule? (A) A policy establishes parameters (B) A rule establishes parameters (C) A policy is more explicit (D) A rule is more ambiguous	A
70	A policy _____.	A

	<p>(A) Typically Contains An Ambiguous Term (B) Is Used Frequently When A Manager Faces A Well-Structured Problem (C) Allows Little Discretion On The Part Of The Manager (D) Offers Strict Rules As To How A Problem Should Be Solved</p>	
71	<p>A _____ is an explicit statement that tells a manager what he or she can or cannot do. (A) Procedure (B) Policy (C) Rule (D) Solution</p>	C
72	<p>Programmed decision making tends to rely on which of the following? (A) The Problem Solver's Ability To Think On His Or Her Feet (B) The Development Of A Clear Set Of Alternative Solutions (C) Previous Solutions (D) Identification Of The Actual Problem</p>	C
73	<p>_____ decision making is relatively simple and tends to rely heavily on previous solutions. (A) Nonprogrammed (B) Linear (C) Satisfying (D) Programmed</p>	D
74	<p>The most efficient way to handle structured problems is through _____ decision making. (A) Linear (B) Unique (C) Focused (D) Programmed</p>	D
75	<p>According to the textbook, all of the following are aspects of intuition except _____. (A) Experienced-Based Decisions (B) Affect-Initiated Decisions (C) Cognitive-Based Decisions (D) Programmed Decisions</p>	D
76	<p>In studying intuitive decision making, researcher have found that _____. (A) Managers Do Not Make Decisions Based On Feelings Or Emotions (B) Managers Use Data From Their Subconscious Mind To Help Make Their Decisions (C) Rational Thinking Always Works Better Than Intuitive (D) Accumulated Experience Does Not Support Intuitive Decisions</p>	B
77	<p>Managerial decisions are strongly influenced by _____. (A) The Organization's Culture (B) Internal Politics (C) Power Considerations (D) All Of The Above</p>	D

78	When a decision maker chooses an alternative under perfect rationality, she chooses a _____ decision, whereas under bounded rationality she chooses a _____ decision. (A) Minimizing; Satisfying (B) Satisfying; Maximizing (C) Maximizing; Satisfying (D) Maximizing; Minimizing	C
79	Which of the following is important to remember in evaluating the effectiveness of the decision-making process? (A) Ignore Criticism Concerning The Decision-Making Process (B) You May Have To Start The Whole Decision Process Over (C) Restart The Decision-Making Process If The Decision Is Less Than 50 Percent Effective. (D) Ninety Percent Of Problems With Decision Making Occur In The Implementation Step.	B
80	Which of the following is the final step in the decision-making process? (A) Identifying The Problem (B) Evaluating The Decision's Effectiveness (C) Identifying Decision Criteria (D) Selecting An Alternative That Can Resolve The Problem	B
81	Which of the following is important in effectively implementing the chosen alternative in the decision-making process? (A) Getting Upper-Management Support (B) Double-Checking Your Analysis For Potential Errors (C) Allowing Those Impacted By The Outcome To Participate In The Process (D) Ignoring Criticism Concerning Your Chosen Alternative	C
82	_____ includes conveying a decision to those affected and getting their commitment to it. (A) Selecting An Alternative (B) Evaluation Of Decision Effectiveness (C) Implementation Of The Alternatives (D) Analyzing Alternatives	C
83	To determine the _____, a manager must determine what is relevant or important to resolving the problem. (A) Geocentric Behavior Needed (B) Number Of Allowable Alternatives (C) Weighting Of Decision Criteria (D) Decision Criteria	D
84	The feedback control system: (A) Cannot make corrections until a measurable error exists (B) Makes a change in output which is the differentiated error (C) Is always superior to a feedforward system in operation (D) Is theoretically capable of perfect control	A
85	The most dramatic application of feedforward techniques has occurred in their application to:	D

	<p>(A) Heat exchangers (B) Level processes (C) Flow processes (D) Distillation columns</p>	
86	<p>A properly designed feedforward control system: (A) Should be applied to every process (B) Should be employed when its use can be justified economically and technologically (C) Is always easier to adjust than a feedback system (D) Will always result in more economical process operation</p>	B
87	<p>_____ function of management not only helps in keeping a track on progress of activities but also ensures that activities conform to standards fill in the above blank with the most suitable functions of management. (A) Planning (B) Organizing (C) Controlling (D) Directing</p>	C
88	<p>Which of the following is not the feature of controlling? (A) A goal of oriented process (B) Not the last function of management (C) A pervasive function (D) Improves employees motivation</p>	D
89	<p>controlling functions finds out how for actual performance deviates from standards, analyses the causes of such deviation and attempts to take corrective measure which helps in better planning in future which features of controlling the highlighting in above case. (A) A goal oriented process (B) Not the last function of management (C) A pervasive function (D) Improves employees motivation.</p>	B
90	<p>Mr. Arnold is of the view that a good control system helps to minimize dishonest behavior on the part of the employees by keeping a close check on their activities. Which importance of controlling function is expressed by Mr. Arnold? (A) Accomplishment of organizational goal (B) Ensures order and discipline (C) Judging accuracy of standards (D) Facilitating coordination in action</p>	B
91	<p>An efficient control system keeps a careful check on the changes taking place in the organization and in the environment. Which importance of controlling function is expressed by Mr. arnold? (A) Accomplishment of organizational goal (B) Ensures order and discipline (C) Judging accuracy of standards (D) Facilitating coordination in action</p>	C

92	Determining a percentage to be applied to a chosen benchmark for materiality involves the exercise of _____. (A) Professional skepticism (B) Professional judgment (C) Independence (D) Provision	B
93	Factors that may affect the identification of an appropriate benchmark in determining Materiality for the financial statements as a whole include the following: (A) The elements of the financial statements (B) The entity's ownership structure and the way it is financed (C) Both the above (D) None of the above	C
94	Audit risk is a function of: (A) Audit risk and detection risk (B) Risks of material misstatement and detection risk (C) Control risk and detection risk (D) Inherent risk and detection risk	B
95	In relation to the chosen benchmark in determining materiality for the financial statements as a whole, relevant financial data ordinarily includes: (A) Prior periods' financial results and financial position (B) The period-to-date financial results and financial position (C) Both the above (D) None of the above	C
96	The audit documentation shall include the basis for the auditor's conclusions about the _____ of accounting estimates and their disclosure that give rise to significant risks. (A) Reasonableness (B) Correctness (C) personality (D) Disinvestment	A
97	Due to which of the following reasons excessive band width in control systems should be avoided? (A) It leads to slow speed of response (B) It leads to low relative stability (C) Noise is proportional to bandwidth (D) Presence of feedback	C
98	In an automatic control system which of the following elements is not used? (A) Error detector (B) Final control element (C) Sensor (D) Oscillator	D

99	The use of feedback element in the feedback loop is: (A) It converts the output variable 'c' to another suitable feedback variable 'b' to compare with the input command signal. (B) It is the actuating element (C) To increase the stability (D) None of the mentioned	A
100	Practically all the elements are: (A) Linear (B) Non-linear (C) Exponential (D) None of the mentioned	B
101	The need of assuming non-linear element as linear: (A) Simplicity of analysis and accuracy of results (B) Ease of calculations (C) Less time consuming (D) Mathematical tool available	D
102	A situation in which a decision maker knows all of the possible outcomes of a decision and also knows the probability associated with each outcome is referred to as. (A) Certainty. (B) Risk. (C) Uncertainty. (D) Strategy.	B
103	Which of the following methods of selecting a strategy is consistent with risk averting behavior? (A) If two strategies have the same expected profit, select the one with the smaller standard deviation. (B) If two strategies have the same standard deviation, select the one with the smaller expected profit. (C) Select the strategy with the larger coefficient of variation. (D) All of the above are correct.	A
104	Which one of the following does measure risk? (A) Coefficient of variation (B) Standard deviation (C) Expected value (D) All of the above are measures of risk.	C
105	If a person's utility doubles when their income doubles, then that person is risk. (A) Averse. (B) Neutral. (C) Seeking. (D) There is not enough information given in the question to determine an answer.	B

106	<p>Strategy A has an expected value of 10 and a standard deviation of 3. Strategy B has an expected value of 10 and a standard deviation of 5. Strategy C has an expected value of 15 and a standard deviation of 10. Which one of the following statements is true?</p> <p>(A) A risk averse decision maker will always prefer A to B, but may prefer C to A.</p> <p>(B) A risk neutral decision maker will always prefer C to A or B.</p> <p>(C) A risk seeking decision maker will always prefer C to A or B.</p> <p>(D) All of the above are correct.</p>	D
107	<p>The coefficient of variation measures.</p> <p>(A) The risk per unit of expected payoff.</p> <p>(B) The risk-adjusted expected value.</p> <p>(C) The payoff per unit of risk.</p> <p>(D) A decision maker's risk-return tradeoff.</p>	A
108	<p>A situation in which a decision maker must choose between strategies that have more than one possible outcome when the probability of each outcome is unknown is referred to as</p> <p>(A) Diversification.</p> <p>(B) Certainty.</p> <p>(C) Risk.</p> <p>(D) Uncertainty.</p>	D
109	<p>If a decision maker is risk averse, then the best strategy to select is the one that yields the.</p> <p>(A) Highest expected payoff.</p> <p>(B) Lowest coefficient of variation.</p> <p>(C) Highest expected utility.</p> <p>(D) Lowest standard deviation.</p>	C
110	<p>Circumstances that influence the profitability of a decision are referred to as</p> <p>(A) Strategies.</p> <p>(B) A payoff matrix.</p> <p>(C) States of nature.</p> <p>(D) The marginal utility of money.</p>	C
111	<p>The marginal utility of money diminishes for a decision maker who is</p> <p>(A) A risk seeker.</p> <p>(B) Risk neutral.</p> <p>(C) A risk averter.</p> <p>(D) In a situation of uncertainty.</p>	C
112	<p>A strategy that yields an expected monetary payoff of zero is called a</p> <p>(A) Risk-neutral strategy.</p> <p>(B) Fair game.</p> <p>(C) Zero-sum game.</p> <p>(D) Certainty equivalent.</p>	B

113	A risk-return tradeoff function (A) Shows the minimum expected return required to compensate an investor for accepting various levels of risk. (B) Slopes upward for a risk averse decision maker. (C) Is horizontal for a risk neutral decision maker. (D) All of the above are correct.	D
114	If the market interest rate is 10% and a decision maker's risk adjusted discount rate is 12%, then the decision maker (A) Is risk averse. (B) Has a certainty-equivalent coefficient that is greater than one. (C) Is risk neutral. (D) None of the above is correct.	A
115	Circumstances that influence the profitability of a decision are referred to as (A) Strategies. (B) A payoff matrix. (C) States of nature. (D) The marginal utility of money.	C
116	The marginal utility of money diminishes for a decision maker who is (A) A risk seeker. (B) Risk neutral. (C) A risk averter. (D) In a situation of uncertainty.	C
117	Fred is willing to pay \$1 for a lottery ticket that has an expected value of zero. This proves that Fred. (A) Is risk averse. (B) Has a certainty-equivalent coefficient that is equal to one. (C) Is risk neutral. (D) None of the above is correct.	D
118	The analysis of a complex decision situation by constructing a mathematical model of the situation and then performing a large number of iterations in order to determine the probability distribution of outcomes is called (A) Sensitivity analysis. (B) Expected utility analysis. (C) Simulation. (D) A decision tree.	C
119	A payoff matrix presents all the information required to determine the optimal strategy using the (A) Expected value criterion. (B) The maximin criterion. (C) The utility maximization criterion. (D) Simulation criterion.	B
120	A futures contract (A) Is a type of bond that specifies the amount of interest that must be paid on a loan at a future point in time. (B) Is an agreement to buy or sell a commodity at a specified price at a specified point in time.	B

	<p>(C) Is a partnership agreement between two parties that determines their future business relationship.</p> <p>(D) None of the above is correct.</p>	
121	<p>Hedging refers to an investment strategy that is used to</p> <p>(A) Control risk from variations in currency prices.</p> <p>(B) Prevent losses due to corporate bankruptcies.</p> <p>(C) Ensure the highest possible rate of return.</p> <p>(D) Prevent foreign competition in domestic capital markets.</p>	A
122	<p>Asymmetric information refers to circumstances in which</p> <p>(A) Both parties to a transaction have identical amounts of information.</p> <p>(B) Neither party to a transaction has any relevant information.</p> <p>(C) One party to a transaction has more information than the other party.</p> <p>(D) The riskiness of a transaction is greater than its expected return.</p>	C
123	<p>The tendency for low-quality cars to drive high quality cars out of the used car market is an example of</p> <p>(A) Hedging.</p> <p>(B) Adverse selection.</p> <p>(C) Portfolio analysis.</p> <p>(D) Moral hazard.</p>	B
124	<p>A person with health insurance is more likely to become ill and visit a doctor than is someone without health insurance. One reason is that a person with health insurance is less likely to take precautions that will prevent illness. This is an example of</p> <p>(A) Propinquity.</p> <p>(B) A futures contract.</p> <p>(C) Hedging.</p> <p>(D) Moral hazard.</p>	D
125	<p>The principal-agent problem may result if</p> <p>(A) A firm is owned and operated by the same person.</p> <p>(B) Managers make decisions that are not in the best interest of owners.</p> <p>(C) A firm compensates managers based on the profitability of the firm.</p> <p>(D) All of these answers are correct.</p>	B
126	<p>One way to correct a potential principal-agent problem is for stockholders to</p> <p>(A) Offer managers "golden parachutes" in the event of a takeover.</p> <p>(B) Empower managers to make the decisions they feel are best.</p> <p>(C) Ensure that there is no explicit linkage between managers' compensation and the profitability of the firm.</p> <p>(D) All of these answers are correct.</p>	A

127	Element of control does not include..... (A) Prohibition (B) Knowledge (C) Director (D) Constraint	A
128	Control process does include..... (A) Establishment of standards of performance (B) Measurement of actual performance (C) Taking incorrect action (D) Comparison of actual performance with the original standards	C
129	.....is an organizational structure that groups similar or related occupational specialties together. (A) Divisional Structure (B) Functional structure (C) Simple Structure (D) Traditional; Structure	B
130	....., an organization whose design is not determined by a predefined structure. Instead the organization seeks to eliminate the chain of command (A) Virtual organization (B) Boundary less organization (C) Flexi work organization (D) Learning organization	B
131	A .....is the term given to an organization which facilitates the learning of its employees so that the organization can continuously transforms itself .It develops as a result of the pressures which are being faced by the organizations these days for enabling them to remain competitive in the present day business environment (A) Virtual organization (B) Boundary less organization (C) Flexi work organization (D) Learning organization	D
132	Which of the below is not a tpe of control (A) Pre-controls or forward-looking control (B) Feed forward or steering control (C) Freedom (D) Yes-no controls	C
133	Which of the below is not a essential of control system? (A) Suitability (B) Prompt reporting (C) Offensive -looking (D) Focus on strategic points	C

134	<p>..... culture is nothing but a form of organisation culture where the team members connect with each other, regardless of when, where, and how they work.</p> <p>(A) Virtual organization (B) Boundary less organization (C) Flexi work organization (D) Learning organization</p>	C
135	<p>Factors Affecting Structural Choice.</p> <p>(A) Strategy (B) Size (C) Technology (D) Cost</p>	D
136	<p>Which of the below is not a environmental factor</p> <p>(A) Environment is a constraint on managerial discretion (B) Environment also has a major effect on an organization's structure (C) Unstable environment: mechanistic structure (D) Dynamic/uncertain environment: organic structure</p>	C
137	<p>Adding a significant number of new employees to a smaller organization that has a more .....structure will force it to become more</p> <p>(A) Vertical and horizontal (B) Organic and mechanistic (C) Mechanistic and Organic (D) Horizontal and vertical</p>	B
138	<p>.....involves tasks that must be performed to attain organizational goals, outlining how the tasks must be performed, and indicating when they should be performed.</p> <p>(A) Organizing (B) Planning (C) Structuring (D) Performing</p>	B
139	<p>Which of the below is not a rational decision Maker</p> <p>(A) A rational decision maker would be fully objective and logical. (B) Solution faced would be clear, unambiguous (clear) (C) Decision maker would have a clear and specific goal to be achieved (D) Know all possible alternatives and consequences</p>	B

140	A high degree of .....on an assembly line can lead to boredom and alienation, this is unlikely to be true of specialization on a building project, such as the construction of Biosphere II in Oracle, Arizona. (A) Job Design (B) Job analysis (C) Job specialization (D) Job Specification	C
141	A person has this style if they have a low tolerance for ambiguity and are efficient, rational, and logical in their way of thinking. (A) Directive style (B) Analytic style (C) Conceptual style (D) Behavioral style	A
142	They are careful decision makers that like to be well informed and thoroughly assess their options. They usually have the ability to adapt or cope with unique and challenging situations. (A) Directive style (B) Analytic style (C) Conceptual style (D) Behavioral style	B
143	They are long-term oriented and are usually capable of formulating creative solutions to problems. Individuals who tend to be very broad in outlook, to look at many alternatives, and to focus on the long run and often look for creative solutions. (A) Directive style (B) Analytic style (C) Conceptual style (D) Behavioral style	C
144	Work well with others, are open to suggestions, and are concerned about the achievements of their team. They generally try to avoid conflict and place importance on their acceptance by others. (A) Directive style (B) Analytic style (C) Conceptual style (D) Behavioral style	D
145	The .....attempts to reconcile these two earlier approaches and the work of the formal and the informal writers. (A) Systems approach (B) Environmental approach (C) Ethical approach (D) Quantitative approach	A

146	.....to decision-making produces the best results when the problem is clearly defined, several alternatives exist, and decision outcomes are easily measurable. (A) Systems approach (B) Environmental approach (C) Ethical approach (D) Quantitative approach	D
147	..... issues become manageable when the societal decision making process is compared with the decision making of family. (A) Systems approach (B) Environmental approach (C) Ethical approach (D) Quantitative approach	B
148	..... standard of business people apart from the demanding situation and competitive pressures. (A) Systems approach (B) Environmental approach (C) Ethical approach (D) Quantitative approach	C
149	.....is a method of thinking that is outside of the box. According to It, it is a process available for humans to use when complexity is introduced into a scenario or stimuli. (A) Linear Thing (B) Nonlinear thinking (C) Style profile (D) Non verbal thinking	B
150	..... is thinking inside the box, it is straight forward, cut and dry. It is a “follow the recipe” method of thinking that takes information at face value and thinks directly on a task without ever trying to read into the information to find hidden. (A) Linear Thing (B) Nonlinear thinking (C) Style profile Non verbal thinking	A
151	Decision-Making Errors and Biases includes which of the below.... (A) Hindsight (B) Defensive -serving (C) Total Costs (D) Simple	A
152	Decision-Making Errors and Biases includes which of the below . (A) Posting Effect (B) Selective Perception (C) Not Confirmation (D) Framing	D

153	.....comparing the additional revenue and the additional cost arising from increasing output. (A) Marginal analysis (B) Breakeven point (C) Cost Analysis (D) Performance analysis	A
154	Recognizing and overcoming factors that stand critically in the way of a goal, the best alternative course of action can be selected stands for..... (A) Principle of the Option factor (B) Principle of the Resource factor (C) Principle of the limiting factor (D) Principle of the Political factor	C
155	The use of mostly short-term programs that facilitate the learning process to help managers do their jobs better could be best explain by (A) Soft skill training (B) Managerial training (C) Technical training (D) Personal training	B
156	The relationship in which a superior exercises direct supervision over a subordinate could be explain by the term (A) Square authority (B) Line authority (C) Staff authority (D) Circle authority	B
157	The clearer the line of authority, the clearer will be the responsibility for decision making and the more effective will be organizational communication can be well explain by the term (A) Scalar principle (B) Actual principle (C) Regard principle (D) Performance principle	A