

# Question Paper

## Introduction to Management – II (MB112): July 2008

- Answer all 100 questions.
- Each question carries one mark.

1. Which of the following is **not** a strategy for companies to remain continuously innovative? <Answer>
- (a) Not resorting to outsourcing activities, instead developing them in-house
  - (b) Making everyone accountable
  - (c) Replacing rigid procedures with clear business activities
  - (d) Challenging employees to compete
  - (e) Rewarding employees for innovation exhibited.
2. Achievement, recognition and challenging work are examples of <Answer>
- (a) Physiological factors
  - (b) Existence factors
  - (c) Motivators
  - (d) Hygiene factors
  - (e) Leadership determinants.
3. As per Fiedler's contingency approach to leadership, which of the following refers to the degree to which tasks can be clearly spelled out and people are held responsible for them? <Answer>
- (a) Task structure
  - (b) Position power
  - (c) Leader-member relations
  - (d) Consideration
  - (e) Valence.
4. Unanalyzed facts and figures can be referred to as <Answer>
- (a) Communication
  - (b) Data
  - (c) Hardware
  - (d) Noise
  - (e) Feedback.
5. Likert proposed different leadership styles, based on his studies, spanning over three decades. According to him, which of the following leadership styles should be adopted by managers to become successful leaders? <Answer>
- (a) Exploitive-authoritative
  - (b) Benevolent-authoritative
  - (c) Consultative
  - (d) Participative
  - (e) Instrumental.
6. Which of the following involves periodically shifting workers through a set of jobs in a planned sequence? <Answer>
- (a) Job analysis
  - (b) Job enlargement
  - (c) Job satisfaction
  - (d) Job rotation
  - (e) Job sharing.
7. When a manager meets with a subordinate to provide feedback about the job performance of the subordinate, this is part of <Answer>
- (a) Role perception
  - (b) Role conflict
  - (c) Performance appraisal
  - (d) Control
  - (e) Effort.
8. Managers use several motivational techniques to improve the productivity and performance of employees. Which of the following is **not** a motivational technique? <Answer>
- (a) Reward

- (b) Participation
- (c) Quality of work life
- (d) Job enrichment
- (e) Job analysis.

9. Just-in-time (JIT) inventory control is an approach to inventory control which stipulates that materials should arrive just, as they are needed, in the production process. Which of the following would generally **not** be associated with a successful JIT program, for the purpose of inventory control?

[<Answer>](#)

- (a) Well-organized receiving and handling of materials purchased from suppliers
- (b) Strong management commitment
- (c) Suppliers located in diverse and distant locations
- (d) High quality of materials purchased from suppliers
- (e) Dependable and long-lasting relationships with suppliers and customers.

10. There are various means of assessing internal man power supply. In this context, which of the following is a means of identifying potential candidates to fill specific managerial positions?

[<Answer>](#)

- (a) Succession Planning
- (b) Replacement Planning
- (c) Resources Planning
- (d) Requirements Planning
- (e) Operational Planning.

11. If a manager is evaluating the quality of the company's product by examining complaint forms submitted by customers, then he is using which of the following types of control?

[<Answer>](#)

- (a) Concurrent control
- (b) Feedback control
- (c) Cybernetic control
- (d) Yes-no control.
- (e) Feedforward control.

12. In which of the following responsibility centers does the control system examine the role of assets in generating profit apart from measuring the monetary value of inputs and outputs?

[<Answer>](#)

- (a) Profit centers
- (b) Investment centers
- (c) Revenue centers
- (d) Standard cost centers
- (e) Discretionary expense centers.

13. Businesses operating globally have different orientations, depending on their management philosophies. Which of the following orientations is an approach to international management whereby executives assume those practices that work in the headquarters?

[<Answer>](#)

- (a) Ethnocentric
- (b) Polycentric
- (c) Regiocentric
- (d) Geocentric
- (e) Gendercentric.

14. An information system is an organized collection of data, equipment, procedures and people involved in the collection, storage and processing of data to produce information required in the management of an organization. For an information system to be effective, it should provide

[<Answer>](#)

- (a) Internal timely information
- (b) External timely information
- (c) Internal accurate information
- (d) External accurate information
- (e) Internal and external information that is timely and accurate.

15. Which of the following is the process of identifying and attempting to attract candidates who are capable of effectively filling up job vacancies?

[<Answer>](#)

- (a) Motivation
- (b) Recruitment
- (c) Selection
- (d) Performance appraisal
- (e) Socialization.

16. Which of the following is the first step in formulating a career strategy? [<Answer>](#)
- (a) Monitoring progress
  - (b) Preparation of a personal profile
  - (c) Implementation of a career plan
  - (d) Development of contingency plans
  - (e) Development of strategic career alternatives.
17. Communication is a process of exchanging ideas or information between two persons. During the communication process, when the message is converted to a symbolic form, it is known as [<Answer>](#)
- (a) Encoding
  - (b) Transmission
  - (c) Receiving
  - (d) Decoding
  - (e) Noise.
18. The forces of change in an organization can be internal or external. An example of an internal force for change is [<Answer>](#)
- (a) Marketplace
  - (b) Government regulation
  - (c) Technology
  - (d) Workforce
  - (e) Economic change.
19. Managers vary in their assumptions about people working in an organization. Which of the following types of managers would **best** describe an individual who believes that most people dislike work and will avoid it whenever possible? [<Answer>](#)
- (a) Creative manager
  - (b) Transformational manager
  - (c) Theory Y manager
  - (d) Theory X manager
  - (e) Autocratic manager.
20. Which of the following statements is/are **true** with respect to debt management ratios? [<Answer>](#)
- I. They indicate what percentage of the organization's assets, are financed by creditors.
  - II. They are also called leverage ratios.
  - III. A higher percentage indicates that creditors have lesser claim over the assets of the organization than the owners.
- (a) Only (I) above
  - (b) Only (II) above
  - (c) Only (III) above
  - (d) Both (I) and (II) above
  - (e) All (I), (II) and (III) above.
21. A leader who tends to centralize authority, dictate work methods, and make decisions without involving subordinates is a/an [<Answer>](#)
- (a) Participative leader
  - (b) Laissez-faire leader
  - (c) Autocratic leader
  - (d) Consultative leader
  - (e) Benevolent leader.
22. A PERT network is an important tool for improving productivity in an organization. This network depicts the sequence of activities needed to complete a project and the [<Answer>](#)
- (a) Layout of work situations
  - (b) Time or cost required for each activity
  - (c) Stage of project reached
  - (d) Manpower required by each activity
  - (e) Cumulated amount of work completed.
23. Among the controls implemented at various managerial levels, which form of control regulates the activities or methods an organization uses to produce the goods and services it supplies to customers and clients? [<Answer>](#)
- (a) Strategic

- (b) Tactical
- (c) Operational
- (d) Human Resources
- (e) Financial.

24. There are different orientations toward international business. One such orientation is geocentric orientation. The view associated with this type of orientation can be termed as [<Answer>](#)

- (a) National
- (b) Narrow
- (c) Regional
- (d) Global
- (e) Culture-bound.

25. Information is essential for managers to appraise the performance of subordinates. Appraisal information can be ascertained from various sources. Which of the following is **not** a possible source of information for appraisals? [<Answer>](#)

- (a) Supervisors of the appraisee
- (b) Peers
- (c) The appraisee himself
- (d) Subordinates of the appraisee
- (e) Family members of the appraisee.

26. The drive to find food, drink and shelter refers to which needs in Maslow's hierarchy of needs? [<Answer>](#)

- (a) Safety needs
- (b) Social needs
- (c) Physiological needs
- (d) Esteem needs
- (e) Self-actualization needs.

27. Internal or external training techniques are used for manager development in organizations. Which of the following training techniques helps individuals in developing skills for diagnosing and understanding group processes, while also gaining insights into their own behavior? [<Answer>](#)

- (a) Sensitivity training
- (b) Conference programs
- (c) University programs
- (d) Readings
- (e) Business simulation.

28. The marketing department sends a four-page report to the engineering department concerning plans for a new product launch that will take place in the next two months. This would be an illustration of which of the following forms of communication? [<Answer>](#)

- (a) Downward communication
- (b) Upward communication
- (c) Two-way communication
- (d) Diagonal communication
- (e) Horizontal communication.

29. Information is one of the important resources for managers. For information to be useful to managers, it must possess certain attributes. The information attribute which explains that information is available when it is needed without excessive delay pertains to [<Answer>](#)

- (a) Information accuracy
- (b) Information timeliness
- (c) Information time horizon
- (d) Information completeness
- (e) Information frequency.

30. Which of the following is/are advantages of preventive control? [<Answer>](#)

- I. Greater accuracy at work is achieved.
  - II. Corrective actions improve the processes and make them more effective.
  - III. It discourages managers implementing controls through self exercised control.
- (a) Only (I) above
  - (b) Only (II) above
  - (c) Both (II) and (III) above
  - (d) Both (I) and (II) above

- (d) Both (I) and (II) above
- (e) All (I), (II) and (III) above.

31. Which of the following focuses on the qualifications a person must possess to perform a given job successfully?

[<Answer>](#)

- (a) Job analysis
- (b) Job specification
- (c) Job description
- (d) Job rotation
- (e) Job enrichment.

32. A Total Quality Management (TQM) programme is **not** characterized by

[<Answer>](#)

- (a) A continual process
- (b) Efforts by all organization members
- (c) A focus on only a few critical work activities
- (d) A focus on the production process
- (e) Efforts to involve organization members.

33. The managerial grid, propounded by Robert Blake and Jane Srygley Mouton, is a well-developed approach to defining leadership styles. It identifies five distinct leadership styles. According to this grid, the (9,9) manager

[<Answer>](#)

- (a) Gives thoughtful attention to the needs of people, for a satisfying relationship leads to a comfortable, friendly atmosphere and work tempo
- (b) Believes that concern for people and tasks are compatible and that tasks need to be carefully explained and decisions endorsed by subordinates to achieve a high level of commitment
- (c) Believes in compromise, so that decisions are taken but only if endorsed by subordinates
- (d) Exerts minimum effort to get required work done
- (e) Is task-oriented and stresses the quality of the decision over the wishes of subordinates.

34. Which of the following responsibility centers are also referred to as 'engineered expense centers'?

[<Answer>](#)

- (a) Discretionary expense centers
- (b) Standard cost centers
- (c) Profit centers
- (d) Revenue centers
- (e) Investment centers.

35. Controls used by organizations can be classified on various bases. Which of the following statements is **not true** about controls categorized based on timing or stage in the production process?

[<Answer>](#)

- (a) Steering controls are used during the implementation of activities
- (b) Feedback control is exercised after a product or service has been produced
- (c) Feedforward control involves implementation of control measures before the implementation of activities
- (d) Quality control tests of output are an example of concurrent control
- (e) Balance sheets, final inspections etc., are examples of steering control.

36. Which of the following are approaches for formal performance appraisals?

[<Answer>](#)

- I. Superior's rating of subordinates.
- II. Group of superiors rating subordinates.
- III. Peer assessment.
- IV. Subordinate's ratings.

- (a) Both (I) and (II) above
- (b) Both (II) and (III) above
- (c) Both (III) and (IV) above
- (d) (I), (II) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

37. In a meeting, when a senior manager communicates ambiguously giving rise to different responses from different people, then the communication aberration can be referred to as

[<Answer>](#)

- (a) Grapevine
- (b) Crosswise communication
- (c) Lateral communication
- (d) Semantic distortion
- (e) Premature evaluation.

38. Which of the following shows managerial positions, current incumbents, potential replacements for each position, and the age of each person?

[<Answer>](#)

and the age of each person?

- (a) Gantt chart
- (b) Skills inventory
- (c) Manager inventory chart
- (d) Pie chart
- (e) PERT diagram.

39. Ms. Shivani Sondhi has been assigned the task of planning a strategy to enhance creativity in her organization. [<Answer>](#)  
Which of the following would be the **best** suggestion for Ms. Sondhi to explore, in order to meet her objective of enhancing creativity?

- (a) Mandate that all employees think creatively
- (b) Hire a Vice-President of creativity
- (c) Use diversity in the organization to expand perspectives on creative efforts – stress conformity less
- (d) Creativity in an organization is either there or it is not – it is a natural process and cannot be controlled
- (e) Conduct a training program.

40. Firms with international business have several advantages over firms that operate only within the home country. [<Answer>](#)  
Which of the following is **not** an advantage to a multinational corporation?

- (a) Business opportunity in various countries and ability to raise funds for their operations throughout the world
- (b) Ability to establish production facilities in countries where their products can be produced most efficiently, effectively and economically
- (c) Access to natural resources and materials that may not be available to domestic firms
- (d) Recruitment from a worldwide labor pool enables MNCs to select the most suitable candidates for filling key positions in their firms
- (e) Developing countries have become more adept in international negotiations and have become aware of their natural resources.

41. As per Vroom's expectancy theory, which of the following refers to the preference of an individual for a particular outcome? [<Answer>](#)

- (a) Valence
- (b) Expectancy
- (c) Instrumentality
- (d) Growth
- (e) Existence.

42. Which of the following is a subsystem of the Just-in-time (JIT) approach and involves the use of cards and containers to move parts and components from one work area to another? [<Answer>](#)

- (a) Value engineering
- (b) Linear programming
- (c) Reorder point
- (d) Kanban
- (e) Distribution logistics.

43. According to the University of Michigan studies, a leader who monitors workers closely to ensure that the prescribed methods are followed and productivity standards are met is said to be [<Answer>](#)

- (a) Employee-centered
- (b) Initiating structure centered
- (c) Consideration centered
- (d) Production-centered
- (e) Boss centered.

44. In which of the following responsibility centers is the budgetary performance determined on the basis of expense constraints established at the discretion of the manager? [<Answer>](#)

- (a) Revenue centers
- (b) Standard cost centers
- (c) Investment centers
- (d) Profit centers
- (e) Discretionary expense centers.

45. To achieve the maximum benefit from performance evaluations, a manager should [<Answer>](#)

- (a) Focus only on the negative aspects of performance
- (b) Not involve subordinates in the appraisal process

- (b) Not involve subordinates in the appraisal process
  - (c) Be as subjective as possible
  - (d) Focus only on the positive aspects of performance
  - (e) Use constructive feedback.
46. A skills inventory is a computerized database containing basic information about each employee that can be used to assess the availability of candidates for meeting current and future human resource needs. Which of the following is an application of skills inventory? [<Answer>](#)
- (a) Forecasting manpower demand
  - (b) Forecasting manpower supply
  - (c) Replacement training
  - (d) Succession planning
  - (e) Planning human resource actions.
47. Need is the origin for any motivated behavior. Which of the following needs is related to the desire to control and influence? [<Answer>](#)
- (a) Need for security
  - (b) Need for power
  - (c) Need for achievement
  - (d) Need for affiliation
  - (e) Need for self-actualization.
48. Which of the following involves overseeing the transformation process that converts resources such as labor and raw materials into finished goods and services? [<Answer>](#)
- (a) Simulation
  - (b) Organizing
  - (c) Operations management
  - (d) Linear programming
  - (e) Inventory management.
49. Fiedler identified two major styles of leadership: task-oriented and employee-centered. Which variable is at the heart of Fiedler's contingency theory? [<Answer>](#)
- (a) Least preferred leader
  - (b) Least preferred task
  - (c) Least preferred company
  - (d) Least preferred position
  - (e) Least preferred co-worker.
50. Most of the conflict-resolution approaches either focus on interpersonal relationships or structural changes. Which of the following conflict-resolution approaches would correspond to a high level of assertiveness and a low level of cooperativeness? [<Answer>](#)
- (a) Compromising
  - (b) Collaborating
  - (c) Forcing
  - (d) Avoiding
  - (e) Accommodating.
51. Which of the following phrases **most** accurately describes the term "standards"? [<Answer>](#)
- (a) The code around which the organization rallies
  - (b) Targets of performance
  - (c) Strategic vision
  - (d) The mission of the organization
  - (e) Inherent or distinguishing characteristic of an organization.
52. An evaluation system that involves supervisors rating individual employees on various characteristics typically using a five grade system is called [<Answer>](#)
- (a) Assessment center
  - (b) Corrective appraisal
  - (c) Behaviorally anchored rating scale
  - (d) Graphic rating scale
  - (e) 360-degree appraisal.

53. Which of the following statements is/are **true** about investment centers?

[<Answer>](#)

- I. The control system examines the role of assets in generating profit.
  - II. In investment centers, outputs are measured in monetary terms and directly compared with input costs.
  - III. It helps top management calculate the mere inflow and outflow of currency, rather than giving a total picture of profitability.
- (a) Only (I) above
  - (b) Only (II) above
  - (c) Both (I) and (III) above
  - (d) Both (II) and (III) above
  - (e) All (I), (II) and (III) above.

54. The manager inventory chart is used in human resource replacement planning. Which of the following is **not** an advantage of the 'manager inventory chart'?

[<Answer>](#)

- (a) It gives an overview of the human resource situation of an organization
- (b) It shows the future internal supply of managers by indicating who is likely to be promoted in a year
- (c) It shows the position to which a manager may be promoted
- (d) Managers who are ready for promotion can be easily identified
- (e) Managers who do not perform satisfactorily can be identified, and they can be trained or replaced.

55. Ms. Jyotsna strives to develop friendships, prefers to work in cooperative situations, and works towards a high degree of mutual understanding in her relationships. Which need, as identified by Mr. David C. McClelland, is she demonstrating?

[<Answer>](#)

- (a) Achievement need
- (b) Power need
- (c) Recognition need
- (d) Affiliation need
- (e) Existence need.

56. Expectancy theory is the foundation of the path-goal concept of leadership. Apart from the expectancy theory variables, the other situational factors contributing to effective leadership include characteristics of subordinates and the work environment. Which of the following can be categorized as a characteristic of subordinates?

[<Answer>](#)

- (a) Tasks
- (b) Relationship with co-workers
- (c) Appraisal systems
- (d) Self confidence
- (e) Reward systems.

57. Evaluation of the effectiveness and efficiency of various systems within an organization is referred to as

[<Answer>](#)

- (a) Budgeting
- (b) Activity-based costing
- (c) Quality control
- (d) Management audit
- (e) Transfer pricing.

58. Lyman Porter and his colleagues classified the underlying nature of people into six models. Which of the following views holds that individuals are predominantly ruled by their feelings, some of which are uncontrollable in nature?

[<Answer>](#)

- (a) Rational
- (b) Emotional
- (c) Behavioristic
- (d) Self-actualizing
- (e) Phenomenological.

59. Which of the following is **not** an application of office automation systems?

[<Answer>](#)

- (a) Voice mail
- (b) Internet
- (c) Groupware
- (d) Teleconferencing
- (e) Graphics.

60. In Japanese management, the organizing function usually involves

[<Answer>](#)

- I. Collective responsibility and accountability.
- II. Ambiguity of decision responsibility.
- III. Clear and specific decision responsibility.
- IV. Informal organization structure.
- V. Formal bureaucratic organization structure.

- (a) (I), (II) and (III) above
- (b) (I), (II) and (IV) above
- (c) (I), (II) and (V) above
- (d) (II), (III) and (IV) above
- (e) (III), (IV) and (V) above.

61. EOQ stands for

[<Answer>](#)

- (a) Economic optimal quality
- (b) Economic order quality
- (c) Economic optimal quantity
- (d) Economic order quantity
- (e) Efficient order quantity.

62. Kurt Lewin, a researcher at the University of Iowa, and his colleagues made some of the earliest attempts to scientifically determine effective leader behaviors and proposed some leadership styles. According to Lewin, a leader who involves employees in decision-making, delegates authority, and allows the employees to have direct input into the final decision, with the leader serving as only one input from the group is using which style of leadership?

[<Answer>](#)

- (a) Democratic
- (b) Laissez-faire
- (c) Autocratic
- (d) Consultative
- (e) Impoverished.

63. Performance appraisal methods must consider various aspects of a job. Which of the following types of appraisals involves evaluating an individual based on actual job performance?

[<Answer>](#)

- (a) Behavior-oriented
- (b) Results-oriented
- (c) Work-oriented
- (d) Skills-oriented
- (e) Knowledge-oriented.

64. Which of the following statements is/are **true** about staffing?

[<Answer>](#)

- I. It is necessary to take into account the internal and external organizational factors while staffing.
- II. Staffing is a process, which does not influence other managerial functions.
- III. It involves selecting individuals whose goals are congruent with those of the organization.

- (a) Only (I) above
- (b) Only (II) above
- (c) Only (III) above
- (d) Both (I) and (III) above
- (e) All (I), (II) and (III) above.

65. Rewards can be broadly categorized into extrinsic and intrinsic rewards. While extrinsic rewards are pay-offs granted by others, intrinsic rewards are self-granted and internally experienced payoffs. Which of the following is **not** an extrinsic reward?

[<Answer>](#)

- (a) Money
- (b) Satisfaction
- (c) Amenities
- (d) Promotion
- (e) Perks.

66. Which financial control element, describes the company in terms of its assets, liabilities and net worth?

[<Answer>](#)

- (a) Balance sheet
- (b) Income statement

- (c) Budget
- (d) Ratio analysis
- (e) Cash flow statement.

67. Which of the following is **not** a type of information system?

<Answer>

- (a) Transaction processing system
- (b) Office automation system
- (c) Management information system
- (d) Decision support system
- (e) Customer support system.

68. Listening is one of the most essential ingredients of effective communication. No message can be properly understood without intent listening. Which of the following is **not** an effective listening technique?

<Answer>

- (a) Avoiding premature evaluation
- (b) Avoiding eye contact
- (c) Exhibiting affirmative nods and appropriate facial gestures
- (d) Finding an area of interest in what the other person is saying
- (e) Judging the content of the message, but not the weakness of the speaker.

69. Controls can be classified on the basis of their timing or stage in the production process. Which of the following controls, classified on the basis of stage in production, monitors activities while they are being carried out?

<Answer>

- (a) Feedback
- (b) Feedforward
- (c) Precontrol
- (d) Concurrent
- (e) Preliminary.

70. Various leadership studies were conducted in the past to explain and understand leadership. Which of the following leadership studies involves the dimensions of leadership behavior “initiating structure” and “consideration”?

<Answer>

- (a) University of Michigan studies
- (b) Blake and Mouton's managerial grid
- (c) House's path-goal theory
- (d) Ohio State studies
- (e) Fiedler's contingency approach.

71. In which of the following techniques for improving productivity are workers invited to participate in simplifying their work?

<Answer>

- (a) Time-event networks
- (b) Value engineering
- (c) Work simplification
- (d) Quality circles
- (e) Total quality management.

72. Several intervention techniques are used as change strategies in organization development. Which of the following interventions is intended to improve work technology and/or organization structure?

<Answer>

- (a) Survey feedback
- (b) Technostructural activities
- (c) Skill development
- (d) Third-party intervention
- (e) Process consultation.

73. Which of the following is an approach to systematic job analysis?

<Answer>

- (a) Job design
- (b) Job enlargement
- (c) Position analysis questionnaire
- (d) Job enrichment
- (e) Graphic rating scale.

74. Which of the following are appraisals done by employees themselves wherein they identify their strengths and achievements and recognize areas for further development?

<Answer>

- (a) Self-appraisals
- (b) 360 degrees appraisals

- (b) 360 degrees appraisals
- (c) Group appraisals
- (d) Peer appraisal
- (e) Informal appraisals.

75. Sabari's supervisor just told her that if she works overtime this weekend she could have two days off next week. Last month Sabari worked one weekend and still has not received her promised two days off. This is an example of which variable in Vroom's expectancy theory? [<Answer>](#)

- (a) Effort-performance linkage
- (b) Performance-reward linkage
- (c) Valence
- (d) Attractiveness
- (e) Instrumentality-value linkage.

76. The Managerial Grid, propounded by Blake and Mouton, is based on a manager's concern for people and concern for production. The **most** effective management style as characterized by the Managerial Grid is [<Answer>](#)

- (a) High concern for people and low concern for production
- (b) High concern for people and high concern for production
- (c) Low concern for people and high concern for production
- (d) Low concern for people and low concern for production
- (e) Moderate concern for people and moderate concern for production.

77. Inventory that can be converted into cash within one year is an example of [<Answer>](#)

- (a) Current asset
- (b) Fixed asset
- (c) Current liability
- (d) Equity
- (e) Debt.

78. Which of the following is **not** a component of an information system? [<Answer>](#)

- (a) Hardware
- (b) Software
- (c) People
- (d) Data
- (e) Policies.

79. According to the Japanese management practices, what refers to a manager whose task is not only to supervise people at work but also to show fatherly concern for their subordinate's private life? [<Answer>](#)

- (a) Ringi
- (b) Henko
- (c) Kacho
- (d) Sushin Kayo
- (e) Habatsu.

80. There are several techniques to foster creativity. Which of the following is one of the best-known techniques for facilitating creativity, developed by Alex F. Osborn? [<Answer>](#)

- (a) Brainstorming
- (b) Synectics
- (c) Delphi Technique
- (d) Nominal Group Technique
- (e) Simulation.

81. Which of the following costs decreases with an increase in inventory? [<Answer>](#)

- (a) Cost of capital
- (b) Storage space costs
- (c) Obsolescence costs
- (d) Ordering costs
- (e) Insurance.

82. Which of the following controls is based on the idea that most of the negative deviations from standards can be overcome by applying the fundamentals of management? [<Answer>](#)

- (a) Preventive control
- (b) Cybernetic control

- (b) Cybernetic control
- (c) Direct control
- (d) Steering control
- (e) Yes-no control.

83. On the basis of equity theory, when employees perceive an inequity, they might do all of the following **except** [<Answer>](#)

- (a) Distort either their own or others' inputs or outcomes
- (b) Behave so as to induce others to change their inputs or outcomes
- (c) Behave so as to change their personal inputs or outcomes
- (d) Work harder on their job
- (e) Quit the job.

84. Interviewing is an important step in the selection process of an organization. When a manager interviews a job candidate by asking him a list of questions from an outline, it is an example of which type of interview? [<Answer>](#)

- (a) Structured
- (b) Extempore
- (c) Unstructured
- (d) Comprehensive
- (e) Semi-structured.

85. A catalyst is a person or thing that precipitates a change. In organizations, people who act as catalysts and assume the responsibility for managing the change process are called [<Answer>](#)

- (a) Change masters
- (b) Change agents
- (c) Diplomats
- (d) Charismatic leaders
- (e) Managers.

86. Effective leadership calls for various traits – physical, intelligence and ability, personality, task-related, and social. Which of the following is **not** a 'personality' trait required for effective leadership? [<Answer>](#)

- (a) Adaptability
- (b) Enthusiasm
- (c) Aggressiveness
- (d) Cooperativeness
- (e) Self-confidence.

87. The employee performance rating method 'BARS' stands for [<Answer>](#)

- (a) Behaviorally Assisted Rating Scales
- (b) Behaviorally Aided Rating Scales
- (c) Behaviorally Anchored Rating Scales
- (d) Benchmark Anchored Rating scales
- (e) Benchmark Assisted Rating Scales.

88. Managers often have to choose the best alternative from a given set of alternatives. What is the technique that managers use for selecting an optimum combination of factors from a series of interrelated alternatives? [<Answer>](#)

- (a) Value engineering
- (b) Linear programming
- (c) JIT system
- (d) Kanban
- (e) Distribution logistics.

89. With respect to international management, staff specialists, such as engineers and budget analysts, who hold influential positions in the bureaucracy and specialize in economic planning are referred to as [<Answer>](#)

- (a) Senators
- (b) Technocrats
- (c) Expatriates
- (d) Outlaws
- (e) Émigrés.

90. Which of the following refers to the way data should be verified for accuracy and completeness? [<Answer>](#)

- (a) Data management
- (b) Data validation
- (c) Data security

- (c) Data security
- (d) Data integrity
- (e) Data sufficiency.

91. Direct control is the control that is exercised after the deviations from plans have occurred. Which of the following [<Answer>](#) is **not** the underlying assumption of direct control?

- (a) Personal responsibility is absent
- (b) Performance can be measured
- (c) The time expenditure is warranted
- (d) Mistakes can be discovered in time
- (e) The individual who is responsible will take corrective steps.

92. Productivity can be measured in two ways: total productivity and partial productivity. In both the cases it is [<Answer>](#) expressed as a ratio of outputs to inputs. Which one of the following inputs is common to both the measures?

- (a) Capital
- (b) Energy
- (c) Materials
- (d) Labor
- (e) Technology.

93. Which of the following is **not** used as a technique of financial control? [<Answer>](#)

- (a) Balance sheet
- (b) Quality circle
- (c) Income statement
- (d) Cash flow statement
- (e) Ratio analysis.

94. The systematic effort to compare performance with predetermined standards, plans, or objectives to determine [<Answer>](#) whether performance is in line with standards and whether any corrective actions needs to be taken, is referred to as

- (a) Planning
- (b) Organizing
- (c) Influencing
- (d) Controlling
- (e) Staffing.

95. The communication process is made up of various components. Which of the following is transmitted through the [<Answer>](#) sender to the receiver, either orally or in a written manner?

- (a) Feedback
- (b) Channel
- (c) Message
- (d) Noise
- (e) Interruption.

96. Which of the following theories of leadership focus on distinguishing characteristics that tell apart leaders from [<Answer>](#) non-leaders?

- (a) Trait theories
- (b) Behavioral theories
- (c) Vroom yetton theory
- (d) Transformational theories
- (e) Path goal theory.

97. Mary Chu is honored to finally be able to visit her home country China. While there she expects to be personally [<Answer>](#) fulfilled by visiting ancient Chinese religious sites and historical monuments that she has heard of all her life. To Mary, this visit will be the crowning accomplishment in her life and will help her to raise her own talents because of the expertise gained. Which of Maslow's Need Hierarchy categories would **most** likely apply in the above situation?

- (a) Security
- (b) Social
- (c) Esteem
- (d) Basic
- (e) Self-actualization.

98. Kurt Lewin proposed the three-step model of the change process in organizations. Which stage in this change [<Answer>](#) model involves preparing employees to accept change?
- Refreezing
  - Changing
  - Unfreezing
  - Benchmarking
  - Moving.
99. In a performance appraisal system, managers can obtain information from an individual's inputs, activities [<Answer>](#) performed and outputs. Performance appraisal based on this information leads to corrective actions. In this context, which of the following would constitute an individual's 'inputs'?
- Employee traits and abilities
  - Job performance
  - Goods produced
  - Results obtained
  - Training.
100. A vast array of selection methods is available to organizations. Which of the following is a selection method that [<Answer>](#) involves oral examination of a candidate for employment?
- Initial screening
  - Interview
  - Walk-in
  - Selection test
  - Reference check.

**END OF QUESTION PAPER**

## Suggested Answers

### Introduction to Management – II (MB112): July 2008

ANSWER	REASON
1. A	To remain continuously innovative companies should focus on the core strengths and outsource most of the other activities. <a href="#">&lt;TOP</a>
2. C	Achievement, recognition, and challenging work are examples of motivators in Herzberg's theory. <a href="#">&lt;TOP</a>
3. A	Task structure refers to the degree to which tasks can be clearly spelled out and people be held responsible for them. <a href="#">&lt;TOP</a>
4. B	Unanalyzed facts and figures can be referred as data. <a href="#">&lt;TOP</a>
5. D	According to Likert, Participative leadership style should be adopted by managers to become successful leaders. <a href="#">&lt;TOP</a>
6. D	Job rotation is a job design approach that involves periodically shifting workers through a set of jobs in a planned sequence. (a) Job enrichment is a job design process aimed at providing the employee with better chances of personal growth, achievement, responsibility and recognition. (b) Job enlargement is a job design approach that involves the allocation of a wider variety of similar tasks in order to make the job more challenging. (c) Job satisfaction is the fulfillment an individual derives from completing a job. (e) Job sharing is an alternative work schedule in which two or more people share a single full-time job. <a href="#">&lt;TOP</a>
7. C	Performance appraisal is the process of defining expectations for employee performance; measuring, evaluating and recording employee performance relative to those expectations; and providing feed back to the employee. So, (c) is the correct answer. <a href="#">&lt;TOP</a>
8. E	Job analysis is the process of determining the tasks that make up a job and the skills, abilities and responsibilities an employee needs to accomplish that job. <a href="#">&lt;TOP</a>

Therefore, job analysis is not a motivational technique, while all others are techniques of motivation.

9. C A successful JIT program requires that suppliers be located in close proximity of the company, so that materials can arrive as and when needed. Hence from above discussion, we can infer that option (c) would generally not be associated with a successful JIT program. Options (a), (b), (d) and (e) would all be associated with a successful JIT program. [<TOP](#)
10. B Replacement Planning is a means of identifying potential candidates to fill specific managerial positions. [<TOP](#)  
Hence, option (b) is correct.
11. B Feedback control is a control type based on timing that involves regulation exercised after a product or service has been completed, to ensure that they meet the standards necessary for the transformation process. [<TOP](#)  
Hence, option (b) is correct.
12. B In investment centers, the control system examines the role of assets in generating profit apart from measuring the monetary value of inputs and outputs. [<TOP](#)
13. A Ethnocentric (or home-country) orientation is an approach to international management whereby executives assume those practices that work in the headquarters. [<TOP](#)  
Hence, option (a) is correct.  
The other orientations are not applicable in this case.
14. E For an information system to be effective, it should provide both internal and external information that is timely and accurate. [<TOP](#)
15. B Recruitment is process of identifying and attempting to attract candidates who are capable of effectively filling up job vacancies. [<TOP](#)
16. B The first step in formulating a career strategy is the preparation of a personal profile. [<TOP](#)
17. A The process of converting a message into a symbolic form is called Encoding. [<TOP](#)  
Hence, option (a) is correct.
18. D An example of an internal force for change is workforce. [<TOP](#)  
Hence, option (d) is correct.  
Options (a), (b), (c) and (e) are all incorrect as they are all external forces for change.
19. D Mc Gregor's Theory X manager assumes that individuals dislike work and will avoid it whenever possible. [<TOP](#)
20. D Debt management ratios (I) indicate what percentage of the organization's assets are financed by creditors, (II) they are also called leverage ratios and (III) a higher percentage indicates that creditors have a greater claim over the assets of the organization than the owners. Hence statement (III) is not true and option (d) is the answer. [<TOP](#)
21. C An autocratic leader tends to centralize authority, dictate work methods, and make unilateral decisions. [<TOP](#)
22. B A PERT network depicts the sequence of activities needed to complete a project and the time or costs associated with each activity. [<TOP](#)  
Hence, option (b) is correct.
23. C Operational Control regulates the activities or methods an organization uses to produce the goods and services that are supplied to customers and clients. [<TOP](#)
24. D The view associated with geocentric attitude can be said to be global. In such a situation, executives believe that a global view is needed in both the headquarters of the parent company and its various subsidiaries. [<TOP](#)

of the parent company and its various subsidiaries.

Hence, option (d) is correct.

25. E Family members of the appraisee would **not** be a possible source of information for appraisals. [<TOP](#)
26. C The drive to find food, drink, and shelter is based on Physiological need in Maslow's Hierarchy of Needs Theory. [<TOP](#)
27. A Sensitivity training is concerned with (i) better understanding of group processes, (ii) development of organizing and intervening skills in group processes and (iii) better insight into one's own behavior and the way one is viewed by others. Hence, option (a) is correct. [<TOP](#)
28. E The given example is an illustration of horizontal communication. [<TOP](#)
29. B Information timeliness explains that information is available when it is needed without excessive delay. Hence, option (b) is correct. [<TOP](#)
30. D The following are advantages of preventive control: [<TOP](#)  
I. Greater accuracy at work is achieved.  
II. Corrective actions improve the processes and make them more effective.  
Statement (III) is not an advantage since preventive control encourages managers implementing controls through self exercised control, which helps in taking corrective actions voluntarily whenever deficiencies are found.
31. B Job specification focuses on the qualifications a person must possess to perform a given job successfully. [<TOP](#)
32. C A TQM programme is a continual process involving all organization members that spans all production activities in the organization. [<TOP](#)
33. B As per the managerial grid, the 9,9 manager believes that concern for people and tasks are compatible and that tasks need to be carefully explained and decisions endorsed by subordinates to achieve a high level of commitment. [<TOP](#)  
Hence, option (b) is correct.
34. B Standard cost centers are also referred as engineered expense centers. [<TOP](#)
35. E Balance sheets, final inspections etc. are examples of feedback control and not steering control. [<TOP](#)
36. E All four statements are approaches for formal performance appraisals. [<TOP](#)
37. D Semantic distortion, either deliberate or accidental, acts as a barrier to effective communication. Such distortion takes place if the meaning is not communicated properly. So, (d) is correct answer. [<TOP](#)
38. C Manager Inventory Chart shows managerial positions, current incumbents, potential replacements for each position, and the age of each person. [<TOP](#)
39. D Creativity in an organization is either there or it is not – it is a natural process and cannot be controlled. This would be the best suggestion for Ms. Sondhi to explore. [<TOP](#)
40. E Developing countries have become more adept in international negotiations and have become aware of their natural resources is **not** an advantage to a multinational corporation, instead is a challenge for them. [<TOP](#)
41. A Valence is the motivational component that refers to the preference of an individual for a particular outcome. [<TOP](#)
42. D Kanban is a subsystem of the just-in-time approach and involves the use of cards and containers to move parts and components from one work area to another. [<TOP](#)

and containers to move parts and components from one work area to another.

43. D A leader who monitors workers closely to ensure that the prescribed methods are followed and productivity standards are met is said to be production-oriented, according to the University of Michigan studies. [<TOP](#)
44. E A discretionary expense center is a responsibility center whose budgetary performance is determined on the basis of expense constraints established at the discretion of the manager. [<TOP](#)
45. E To achieve the maximum benefit from performance evaluations, a manager should use constructive feedback. [<TOP](#)
46. B Skills inventory is a computerized database containing basic information about each employee that can be used to assess the likely availability of individuals for meeting current and future human resource needs. Thus it is used in forecasting manpower supply. (a) Forecasting manpower demand implies assessing how many people with what abilities the organization will need in the foreseeable future to remain in action. (c) Replacement planning is a means of identifying potential candidates to fill specific managerial positions. (d) Succession planning provides the organization with a well-qualified pool of individuals from which top-level and middle level managers can be selected in future. (e) Planning human resource actions is the matching of projected human resource needs with projected availability of human resources. [<TOP](#)
47. B According to Mc Clelland's Needs Theory of Motivation, need for power refers to the desire to be influential and to have an impact on a group. Hence, option (b) is correct. [<TOP](#)
48. C Operations Management oversees the transformation process that converts resources such as labor and raw materials into finished goods and services. Hence, option (c) is correct. [<TOP](#)
49. E The variable that is at the heart of Fiedler's contingency theory is least preferred co-worker. [<TOP](#)
50. C The conflict-resolution approach that corresponds with a high level of assertiveness and a low level of cooperativeness is referred to as Forcing. Hence, option (c) is correct. [<TOP](#)
51. B Targets of performance most accurately describe the term "standards." [<TOP](#)
52. D Graphic rating scales use a number of factors, including general behaviors and characteristics on which employees are rated by superior. Superiors rate individuals on each factor, using a scale that typically has about five grades. So, (d) is correct answer. [<TOP](#)
53. A The following statement is true about investment centers:  
I. The control system examines the role of assets in generating profit. [<TOP](#)
54. C It does not show the position to which a manager may be promoted. Hence, option (c) is **not** an advantage of Manager Inventory Chart. Options (a), (b), (d) and (e) are all advantages of Manager Inventory Chart. [<TOP](#)
55. D People with a need for affiliation strive to develop friendships, prefer to work in cooperative situations and work towards a high degree of mutual understanding in their relationships. [<TOP](#)
56. D Self-confidence is an employee contingency factor identified by the path-goal theory, while all the other options given are environmental contingency variables. [<TOP](#)
57. D Functioning of various systems in an organization can be better understood by conducting management audits. The management audits encompass verification of functioning of various systems in an organization. (d) is correct answer. [<TOP](#)
58. B The emotional view holds that individuals are predominantly ruled by their feelings, some of which are uncontrollable in nature. [<TOP](#)

- feelings, some of which are uncontrollable in nature.
59. B Internet in itself is not an application of office automation systems, although it may aid in office automation. [<TOP](#)
60. B The Japanese Management organizing process usually involves [<TOP](#)  
 I. Collective responsibility and accountability.  
 II. Ambiguity of decision responsibility.  
 IV. Informal organization structure.  
 Hence, (b) is the correct answer.
61. D EOQ stands for economic order quantity. [<TOP](#)
62. A A democratic leader involves employees in decision-making, delegates authority, and allows the employees to have direct input into the final decision, with the leader serving as only one input from the group. [<TOP](#)
63. B Results-oriented appraisal implies evaluating an individual based on actual job performance. [<TOP](#)  
 Hence, option (b) is correct.
64. D The following statements are true about staffing: [<TOP](#)  
 I. It is necessary to take into account the internal and external organizational factors while staffing.  
 II. Staffing is a process, which influences other managerial functions like leading and controlling.  
 III. It involves selecting individuals whose goals are congruent with those of the organization.  
 Hence statements (I) and (III) are true about staffing.
65. B Satisfaction is an intrinsic reward. [<TOP](#)
66. A A balance sheet describes the company in terms of its assets, liabilities and net worth. [<TOP](#)
67. E Customer support system is **not** a type of information system. [<TOP](#)
68. B Avoiding eye contact is not an effective listening technique. Effective listening requires eye contact. [<TOP](#)  
 Hence, option (b) is not an effective listening technique.  
 Options (a), (c), (d) and (e) are all effective listening techniques.
69. D With regard to the time element of controls, concurrent controls monitor activities while they are being carried out. [<TOP](#)  
 Hence, option (d) is correct.
70. D Ohio State Studies called the dimensions of leadership behavior “initiating structure” and “consideration”. Initiating structure is the degree to which a leader defines his or her own role and the roles of subordinates in terms of achieving unit goals. Consideration is another aspect, which emphasizes people related issues. (a) University of Michigan studies confirmed the usefulness of an employee-centered approach when compared to other approaches like job-centered or production-centered approach. (b) Blake and Mouton’s managerial grid is a well-developed approach to defining leadership styles. They argue that managerial behavior is a function of two variables: concern for people and concern for production. (c) House’s path-goal theory of leadership attempts to explain how leader’s behavior can positively influence the motivation and job satisfaction of subordinates. (e) Fiedler’s contingency approach suggested a contingency theory of leadership which holds that people become leaders not only because of the attributes of their personalities but because of various situational factors and the interactions [<TOP](#)

- between leaders and managers.
71. C In work simplification method, workers are invited to participate in simplifying their work. [<TOP](#)
72. B Technostructural activities are intended to improve work technology and/or organization structure. [<TOP](#)
73. C Position analysis questionnaire is an approach to systematic job analysis. [<TOP](#)
74. A Self appraisals are appraisals done by employees themselves wherein they identify their strengths and achievements and recognize areas for further development. [<TOP](#)
75. B It is the performance-reward linkage that is explained in the given example. [<TOP](#)
76. B According to the Managerial Grid, propounded by Blake and Mouton, the most effective management style is characterized by high concern for people and high concern for production. [<TOP](#)
77. A Inventory that can be converted into cash within one year is an example of a current asset. [<TOP](#)
78. E Policies is not a component of an information system. [<TOP](#)
79. C Kacho refers to a manager whose task is not only to supervise people at work but also to show fatherly concern for their subordinate's private life. [<TOP](#)
80. A Brainstorming is one of the best-known techniques for facilitating creativity, developed by Alex F. Osborn. [<TOP](#)
81. D Ordering costs decrease with an increase in inventory. The remaining costs increase with an increase in inventory. [<TOP](#)
82. A Preventive control is based on the idea that most of the negative deviations from standards can be overcome by applying the fundamentals of management. Concurrent, steering and yes-no controls are feedback or corrective controls. [<TOP](#)
83. D With respect to the equity theory, when employees perceive an inequity, they may resign from the organization, induce others to change their inputs or outcomes, change their own inputs or outcomes or reduce quantity or quality of output. Employees work harder on their job when the rewards are more than equitable. Therefore, option (d) is the answer. [<TOP](#)
84. A When a manager interviews a job candidate by asking him a list of questions from an outline, it is an example of a structured interview. In this, the interviewee has a predetermined set of questions that are asked in sequence with virtually no deviations. (b) An extempore interview relies on a series of harsh rapid-fire questions that are indeed to upset the applicant and show how the applicant handles stress. (c) Unstructured interviews are informal and unorganized. (d) A Comprehensive interview is an in-depth selection interview which is designed to find out more about the applicant as an individual, and in general, obtain information of interest to the interviewer so that the suitability of the candidate for the job and the organization can be determined. (e) Semi-structured interview is a combination of structured and unstructured interviews. [<TOP](#)
85. B In organizations, people who act as catalysts and assume the responsibility for managing the change process are called change agents. Hence, option (b) is correct. [<TOP](#)
86. D Cooperativeness is a social trait, not a personality trait. [<TOP](#)

87. C BARS' stands for Behaviorally Anchored Rating Scales. [<TOP](#)
88. B Linear programming is a technique for selecting an optimum combination of factors from a series of interrelated alternatives, each subject to limitations, to achieve a desired goal. [<TOP](#)
89. B With respect to international management, staff specialists, such as engineers and budget analysts, who hold influential positions in the bureaucracy and specialize in economic planning, are referred to as technocrats. [<TOP](#)  
[>](#)
90. B Data validation refers to the way data should be verified for accuracy and completeness. [<TOP](#)  
[>](#)
91. A The underlying assumptions of direct control are: [<TOP](#)  
[>](#)  
i. Personal responsibility exists.  
ii. Performance can be measured.  
iii. The time expenditure is warranted.  
iv. Mistakes can be discovered in time.  
v. The individual who is responsible will take corrective steps.  
Hence, option (a) is not the underlying assumption of direct control.  
Options (b), (c), (d) and (e) are all underlying assumptions of direct control.
92. D Labor is a common input to both the productivity measures: total productivity and partial productivity. [<TOP](#)  
[>](#)
93. B Quality circle is not used as a technique of financial control. A quality circle is a group of people who generally belong to a particular department of an organization and meet regularly to solve their problems at work. [<TOP](#)  
[>](#)
94. D Controlling is the systematic effort to compare performance to predetermined standards, plans, or objectives to determine whether performance is in line with those standards and whether any corrective actions need to be taken. [<TOP](#)  
[>](#)  
Hence, option (d) is correct.
95. C The communication process is made up of various components. The message is transmitted through the sender to the receiver, either orally or in a written manner. [<TOP](#)  
[>](#)  
Hence, option (c) is correct.
96. A Trait theories isolate characteristics that differentiate leaders from nonleaders. [<TOP](#)  
[>](#)
97. E Self-actualization most likely applies in the given situation. [<TOP](#)  
[>](#)
98. C The unfreezing stage of Kurt Lewin's change model involves preparing employees to accept the change. [<TOP](#)  
[>](#)
99. A Employee traits and abilities would be inputs. Job performance falls under 'activities performed' by an individual. Goods produced and results obtained are outputs given by an individual. Training pertains to corrective action taken after a performance appraisal. [<TOP](#)  
[>](#)
100. B An interview is a selection method that involves oral examination of a candidate for employment. [<TOP](#)  
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