

SEAL

DO NOT OPEN THE SEAL UNTIL INSTRUCTED TO DO SO

Question Booklet No.

770127

Invigilator's signature

2018

PGT—PAPER-I : BUSINESS ADMINISTRATION

Time : 2 Hours

Maximum Marks : 100

ROLL NO.

INSTRUCTIONS FOR CANDIDATES

1. This Question Booklet contains 50 optional questions. Each question comprises four responses (answers). You will select ONLY ONE response which you consider the best and darken the bubble on the OMR RESPONSE SHEET.
2. DO NOT write your Name or anything else except Roll No. and the actual answers to the question, anywhere on the OMR RESPONSE SHEET.
3. DO NOT handle your OMR RESPONSE SHEET in such a manner as to mutilate, fold, etc.
4. No candidate shall be admitted to the Examination Hall **20 minutes** after commencement of distribution of the Test Booklet. The invigilator of the Examination Hall will be the time-keeper and his decision in this regard is final.
5. No candidate shall have in his/her possession inside the Examination Hall any book, notebook or loose paper, calculator, mobile phone, etc., except his/her admit card and other things / paper permitted by the Commission.
6. Immediately after the final bell indicating the closure of the examination, stop bubbling. Be seated till the OMR RESPONSE SHEET is collected by the invigilator, thereafter you may leave the Examination Hall.
7. Violation of any of the above rules will render the candidate liable to expulsion from the examination and disqualification from the examination, and according to the nature and gravity of his/her offence, he/she may be debarred from future examinations and interviews to be conducted by the Commission and other such organizations (i.e., UPSC, SSC and SPSCs).

NB: CANDIDATES ARE ALLOWED TO TAKE THIS QUESTION BOOKLET ONLY AFTER COMPLETION OF 2 (TWO) HOURS OF EXAMINATION TIME.

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1. Adequate motivation of employees results in
 - (A) fostering indiscipline among the subordinates
 - (B) boosting the morale of the subordinates
 - (C) decreasing the productivity of the subordinates
 - (D) better control of the subordinates
2. 'No Smoking' in the colleges is an example of
 - (A) policy
 - (B) rule
 - (C) procedure
 - (D) strategy
3. While delegating, a superior delegates
 - (A) only authority
 - (B) authority and responsibility
 - (C) authority, responsibility and accountability
 - (D) authority and responsibility but not accountability
4. In an organization, the most important element is
 - (A) time
 - (B) people
 - (C) doctor
 - (D) patient
5. If a superior has two subordinates, what is the total number of relations among them?
 - (A) 4
 - (B) 5
 - (C) 6
 - (D) 7
6. 'Grapevine' is a term used in relation to
 - (A) fruit
 - (B) organization
 - (C) communication
 - (D) information
7. Which of the following is a statement of objectives?
 - (A) Reduce costs as much as possible
 - (B) Reduce costs by 5 percent
 - (C) Make more profits
 - (D) Reduce fees to attract more patients
8. Communication can be
 - (A) oral only
 - (B) written only
 - (C) sometimes written only
 - (D) oral as well as written
9. Change in ownership resulting in a change in management is
 - (A) disinvestment
 - (B) liberalisation
 - (C) privatisation
 - (D) globalisation

10. To be successful in business, one must
 - (A) produce goods not services
 - (B) produce high price products and services
 - (C) produce capital intensive products and services
 - (D) produce as per market demands
11. The classical theorists attached more importance to the
 - (A) role of people in the organization
 - (B) structure of the organization
 - (C) standardization of work methods
 - (D) role of management in achieving the organizational goals
12. The concept of unity of command is complementary to the principle of
 - (A) span of control
 - (B) authority
 - (C) scalar chain
 - (D) supervision
13. The essence of communication is
 - (A) transmitting information
 - (B) sharing information
 - (C) imparting knowledge
 - (D) sharing understanding
14. Maslow's need hierarchy in descending order is
 - (A) self-actualization, ego, social, security and physiological
 - (B) self-actualization, ego, social, physiological and security
 - (C) self-actualization, ego, physiological, security and social
 - (D) physiological, security, social, ego and self-actualization
15. The hallmark of leadership is
 - (A) achievement of goals of an organization
 - (B) capacity to influence others to follow
 - (C) settlement of disputes in an organization
 - (D) maintaining the core value of organization
16. Control is essential for
 - (A) achievement of determined goals
 - (B) achievement of pre-determined goals
 - (C) resource allocation
 - (D) None of the above
17. The most important means of coordination is
 - (A) hierarchy
 - (B) consultation
 - (C) planning
 - (D) centralisation
18. The first major exponent of the traditional or classical theory of motivation is
 - (A) Maslow
 - (B) Fayol
 - (C) Taylor
 - (D) McGregor
19. The cost of capital of a firm is
 - (A) the dividend paid on the equity capital
 - (B) the weighted average of the dividends paid on the equity capital and preference capital
 - (C) the weighted average cost of various sources of finance
 - (D) the average rate of return on investment

20. Which of the following is/are true about NPV?
- (A) It considers all the cash flows
 - (B) It gives more weights to distance flows than the near flows
 - (C) It considers time value of money
 - (D) Both (A) and (C)
21. The MSMED Act, 2006 is meant for
- (A) micro enterprises only
 - (B) micro and small enterprises only
 - (C) medium and small enterprises only
 - (D) All of the above
22. The objective of financial management is to
- (A) generate the maximum net profit
 - (B) generate the maximum retained earnings
 - (C) generate the maximum wealth for its shareholders
 - (D) generate the maximum funds for the firm at the least cost
23. Which of the following statements represents the financing decision of a company?
- (A) Procuring new machines for the R & D activities
 - (B) Spending heavily for the advertisement of the product of the company
 - (C) Adopting state of the art technology to reduce the cost of production
 - (D) Designing a capital structure by using suitable financial instrument
24. The amount that can be realized by a company when it sells its business as an operating one is termed as
- (A) going concern value
 - (B) market value
 - (C) book value
 - (D) replacement value
25. The management of working capital is a trade-off between
- (A) working capital and fixed capital
 - (B) liquidity and profitability
 - (C) current assets and current liabilities
 - (D) All of the above
26. If net present value for a project is negative, then
- (A) $IRR = \text{cost of capital}$
 - (B) $IRR > \text{cost of capital}$
 - (C) $IRR < \text{cost of capital}$
 - (D) $PI = 1$
27. The key stakeholders in a business are
- (A) owners, creditors, employees, suppliers and consumers
 - (B) owners and employees
 - (C) owners, employees and consumers
 - (D) owners, employees, creditors and consumers
28. The atmosphere of friends and relatives that influences the desire to become an entrepreneur is
- (A) environmental
 - (B) cultural
 - (C) economic
 - (D) social
29. The experiments conducted by Taylor were intended
- (A) to understand motivation of workers
 - (B) to understand the process of mental revolution
 - (C) to discover the best way to carry out specific task
 - (D) to understand the human behaviour in the organization

30. The scientific management stressed upon
 (A) wider applicability
 (B) coordination
 (C) increasing productivity at shop level
 (D) overall production of the organization
31. Which of the following statements is true about decision-making?
 (A) It is an act of determining a course of action
 (B) It is synonymous with policy-making
 (C) It is not related to all traditional management functions
 (D) It is not related to policy-making
32. The principle of unity of command says that
 (A) an employee should be subjected to the orders of more than one supervisor
 (B) a superior should give orders to one subordinate only
 (C) an employee should receive orders from one superior only
 (D) all units of an organization should be integrated under the authority of one head only
33. Time standards, production standards, cost standards, behavioural standards are necessary for
 (A) decision-making
 (B) planning
 (C) controlling
 (D) staffing
34. Motivation, leadership and communication are the major components of
 (A) staffing
 (B) directing
 (C) planning
 (D) decision-making
35. Change is affected by
 (A) internal factors only
 (B) external factors only
 (C) both internal and external factors
 (D) economic factors only
36. Management is
 (A) an art
 (B) a science
 (C) both an art and a science
 (D) neither an art nor a science
37. A plan when expressed in quantitative terms is known as
 (A) policy
 (B) procedure
 (C) objective
 (D) budget
38. Which of the following is the oldest type of organization?
 (A) Functional organization
 (B) Line organization
 (C) Line and staff organization
 (D) Committee organization
39. Communication can be
 (A) upward
 (B) downward
 (C) sideward
 (D) All of the above
40. Delegation is more often
 (A) upward
 (B) downward
 (C) both upward and downward
 (D) None of the above
41. Everything that goes to increase the importance of subordinates is known as
 (A) centralisation
 (B) decentralisation
 (C) directing
 (D) communication

42. Coordination function of management aims at
- (A) providing sufficient personnel
 - (B) bringing harmony in various activities
 - (C) taking up corrective course of action
 - (D) None of the above
43. Policy making is an important part of the process of
- (A) planning
 - (B) coordinating
 - (C) organising
 - (D) motivating
44. 4Ps are related to
- (A) product mix
 - (B) marketing mix
 - (C) both (A) and (B)
 - (D) None of the above
45. Marketing consultancy for MSMEs is provided by
- (A) SEBI
 - (B) NSIC
 - (C) NABARD
 - (D) RBI
46. The stock exchange market is regulated by
- (A) RBI
 - (B) SBI
 - (C) SEBI
 - (D) DIC
47. Which of the following is considered the best sequence?
- (A) Recruitment, Selection, Orientation, Training
 - (B) Selection, Recruitment, Training, Orientation
 - (C) Recruitment, Selection, Evaluation, Training
 - (D) Selection, Recruitment, Evaluation, Orientation
48. Which of the following is closely related to distribution?
- (A) Warehousing
 - (B) E-Business
 - (C) Banking
 - (D) MNCs
49. Setting up a college by a business enterprise is an act of
- (A) social responsibility
 - (B) business ethics
 - (C) consumer protection
 - (D) None of the above
50. The bridge between the present and the future is
- (A) controlling
 - (B) organising
 - (C) planning
 - (D) managing