

PRC - 3

BUSINESS AND ECONOMIC INSIGHTS



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VOLUME - I

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NATURE OF BUSINESS

1. Sports shoe brands constantly update their product lines by making use of innovative technology, as competitive business world require to provide.
 - a) Customer care
 - b) Quality of products
 - c) Value for money
 - d) All of the above
2. Non-profit organizations do not engage in marketing activities to help reach their goals.
 - a) True
 - b) False
3. SMART objectives created by an airline company.
 - a) May generate stress through a constant pressure
 - b) Achieve market growth
 - c) Develop investors trusts
 - d) All of the above
4. Manager of F Food outlet is keen to serve customers with smile not because.
 - a) Customers are key stakeholders
 - b) Profit is generated by continuous sales
 - c) It is a legal compliance
 - d) Environment responsibility
5. Every business begins as a result of ideas about a product or service by one or more entrepreneur.
 - a) True
 - b) False
6. Aina is working for B town. She is responsible for services to clients with excellent level of service. She delivers services with motto of “best care” which is a part of:
 - a) Mission statement
 - b) Vision statement
 - c) Goals
 - d) Objectives
7. T is a telecommunication company that also serves all poor people in town with free meals. It is part of:
 - a) Objectives
 - b) Social responsibility
 - c) Mission
 - d) Vision

8. 50 percent of the total sales of Suits-4-all is being spent on advertising campaigns for 4 years. This is a part of:
- a) Strategy
 - b) Marketing
 - c) Goals
 - d) Objectives
9. S has partnered with a supplier of cooling systems to replace all ACs in the head office. S is working with:
- a) Internal Stakeholder
 - b) External Stakeholder
 - c) Connected Stakeholder
 - d) None of above
10. A mission statement is:
- a) Where you are and why you do what you do.
 - b) Defines values of organisation
 - c) Is well understood by the employees of the organisation
 - d) All of the above
11. To achieve and maintain profitability, businesses have found that they must do the following:
- a) Operate efficiently
 - b) Be socially responsible
 - c) None of the above
 - d) A and B
12. The money a company receives by providing services or selling goods to customers:
- a) Revenue
 - b) Cost
 - c) Profit
 - d) Expenses
13. Building a high quality of life is a combined effort of:
- a) Businesses
 - b) Government
 - c) Not-For-Profit Organizations
 - d) All of the above
14. Quality of Life can be achieved by organization activities like:
- a) Employment generation
 - b) Services
 - c) Products
 - d) All of the above

15. Earning profits contributes to society by providing employment, which in turn provides money that is reinvested in the economy. In addition, profits must be earned in:
 - a) Ethical and socially responsible manner.
 - b) Local currency only
 - c) Strategic manner
 - d) Competitive markets
16. To _____, a person or organization needs management skills to plan, organize, and control the activities of the business and to find and develop employees so that it can make products consumers will buy
 - a) Run a business
 - b) Earn profit
 - c) Manage Sole proprietorship
 - d) Control partnership
17. A Pharma is producing various lifesaving drugs. A Pharma should operate within the confined boundaries of _____ to avoid any problem from the government.
 - a) Marketing and sales
 - b) Policies and strategies
 - c) Laws and regulation
 - d) Taxes and costs
18. F paper (Pvt) Ltd is a paper manufacturing company. F paper is under a lot of pressure from key rivals that are able to produce low price paper to acquire a bigger market share. As a response strategy, management of fine paper is stressing to reduce the production cost by 20% so that they can stay competitive by reducing the prices of their products. F paper is focusing on:
 - a) Strategy
 - b) Tactics
 - c) Policies
 - d) Procedures
19. T oil refinery in the country is leading the oil industry for the last decade. The reason behind this success is attributed to the strategic planning of the management in the strategic planning process.
 - a) Goals, objectives and strategies should be decided with the aim of fulfilling the entity's purpose.
 - b) Developing SMART goals
 - c) Stakeholders' analysis is key to success
 - d) All of the above
20. Which of the following does not really discuss the present state of the organization but more what the organization wants to be and how it wants to be viewed?
 - a) Mission statement
 - b) Goals
 - c) Objectives
 - d) Vision statement

21. Mission statement is formally communicated in written form to all the key stakeholders of the business. It acts as value driven force for strategist and action teams. Which statement best describes one of the key characteristics of the mission statement.
- a) Mission statement is time bound
 - b) Mission statement is changed yearly
 - c) Mission statement is based on industry
 - d) Mission statement is rarely modified
22. The main difference between mission and vision is that mission statement reflects
- a) Product and services
 - b) Stakeholders
 - c) Current perspectives
 - d) Resources and capabilities
23. A corporate objective might be to double the share price within the next ten years. Which of the following is the key characteristic of objectives?
- a) Objectives are always quantified
 - b) Objectives are always qualified
 - c) Objectives are broader goals
 - d) None of above
24. M and Co are tax consultants operating under the arrangement of partnership. Ideally, the mission statement of M and Co is developed by:
- a) Owners
 - b) Directors
 - c) Managers
 - d) Employees
25. Physical facilities are typically necessary to produce many goods and services. Especially in recent years, technology has enabled businesses to use their capital more effectively. Which of the following could be an added advantage of use of technology in the business organizations?
- a) It adds efficiency
 - b) Used for efficiency
 - c) Efficiency and effectiveness are enhanced
 - d) Use for Management goals
26. Suppliers provide a business with:
- a) Raw material and supplies
 - b) Finished goods and services
 - c) Consultancy
 - d) None of the above

27. W Gas is a gas supplier to the domestic users. It is governed by board of directors that include highly experienced individuals appointed as Non-Executive Directors (NEDs). Appointing independent NEDs to the company board of directors is good for:
 - a) Corporate governance practice
 - b) Government regulation
 - c) Supporting corporate strategies
 - d) Company law compliance
28. Organizations' strategies regarding stakeholders' powers as vital for operations' success. Power-interest matrix is used to categorize relevant stakeholders based on their power or influence and level of interest in a project or an entity
 - a) True
 - b) False
29. Family members having medical experience, initiated a private hospital. All members will exercise equal control over business
 - a) True
 - b) False
30. Public sector organizations are one of types of not-for-profit organization that are funded by the government to achieve social indicators of the country like:
 - a) Employment
 - b) Quality of life
 - c) Education
 - d) All of the above
31. Government interest in commercial organization include all of the following EXCEPT:
 - a) Taxes
 - b) Employment generations
 - c) Economic boost
 - d) Voter influences
32. Select two Factors of productions which constitute people.
 - a) Labor
 - b) Entrepreneurship
 - c) Board of directors
 - d) CEO
33. Customers can switch from one product to another product if their interests are not satisfied because customers have _____
 - a) Position power
 - b) Market power
 - c) Decision power
 - d) Buying power

34. Environmentalists are raising their concern about factory air pollution. They have High interest and high level of power to influence operations of the businesses.
- a) True
 - b) False
35. ABC Mate Health Products is firm on improving health standards for everyone. This is reflected in firm's _____
- a) Mission statement
 - b) Aims
 - c) Slogans
 - d) Strategies
36. Vision is established by companies only.
- a) True
 - b) False
37. Goals are expectations of stakeholders and termed in quality
- a) True
 - b) False
38. Quantitative objectives can serve as:
- a) Motivation for employees
 - b) Market trend setters
 - c) Basis for production schedules
 - d) Process milestones
39. Core activities of a cement factory include cash management from daily sales. Which of the following area covers cash management?
- a) Strategic plan
 - b) Mission statement
 - c) Operational plan
 - d) Tactical plan
40. Departmental manager of each business function is responsible for the department's
- a) Operational plans
 - b) Tactical plans
 - c) Task efficiencies
 - d) All of the above
41. Operation plans mainly focus on efficient production of goods and services with an effort to save costs.
- a) True
 - b) False

42. Setting sales targets for each salesperson for the next quarter is a _____ objective.
 - a) Specific
 - b) Measurable
 - c) Agreed upon
 - d) Time bound
43. The capital as a factor of production only includes money in banks and in the form of cash.
 - a) True
 - b) False
44. Modern business in competitive world run on another vital factor of production considered as fifth factor. This fifth factor is called as:
 - a) Energy
 - b) Power
 - c) Technology
 - d) Knowledge
45. Business in tough competition is forced to change its products and services to meet customers' demands. The business in such competitive environment should focus on:
 - a) Strategic plan
 - b) Operational plans including change
 - c) Tactical plans considering innovation in each task
 - d) All of the above
46. Which of the following is not SMART in terms of setting objectives?
 - a) Specific
 - b) Maintained
 - c) Agreed
 - d) Realistic
 - e) Time bound
47. Not-for- profit organization have:
 - a) Goals
 - b) Objectives
 - c) Aims
 - d) All of the above
48. Top hotels chains reflect employee's role in
 - a) Vision
 - b) Mission

ANSWERS TO SELF TEST QUESTIONS							
1	d	13	d	25	c	37	a
2	b	14	a	26	b	38	a
3	d	15	a	27	a	39	c
4	c	16	a	28	a	40	b
5	a	17	c	29	b	41	a
6	a	18	b	30	d	42	b
7	b	19	a	31	d	43	b
8	d	20	d	32	a, b	44	d
9	b	21	d	33	d	45	d
10	d	22	c	34	b	46	b
11	d	23	a	35	a	47	d
12	a	24	a	36	b	48	b

OWNERSHIP OF BUSINESS

1. MB computers is a sole owner business producing and selling industrial computers. The business has pending payments to suppliers for a quantity of components purchased the delayed payments are completely a responsibility of:
 - a) Owner
 - b) Line Managers
 - c) Shareholders
 - d) Finance Manager
2. NS is a Private Limited company that is facing a legal action from the basketball players who suffered foot injury due to poor finishing of their sportswear range. The case will be:
 - a) Player Vs. Directors
 - b) Player Vs. Stakeholders
 - c) Player Vs. Noshshoes
 - d) Player Vs. Management
3. Mr. Ali as a director of P co. is accused of a financial fraud involving customers and company account. Mr. Ali is required to make payments to court from:
 - a) Company Account
 - b) Personal Account
 - c) Family Account
 - d) Drawings
4. A Company is owned by family of 5 individuals who all collectively run the business. It would be recognized as:
 - a) Corporation
 - b) Private Limited
 - c) Partnership
 - d) Public Limited
5. The profit earned by XY Tour and Travels for the year 2021 will be retained to expand the business. _____ business has the discretion to use the profit in whatever mean it wants.
 - a) Partnership
 - b) Limited company
 - c) Sole proprietorship
 - d) NGO
6. A portion of business ownership which is traded in the stock market is known as:
 - a) Shares
 - b) Bonds
 - c) Credits
 - d) none of the above

7. In a public company with its shares traded in stock market who would be responsible for formulating the business strategy:
 - a) Employees
 - b) NED
 - c) CEO
 - d) Chairman
8. Who is concerned that whether board of directors are operating within the framework of corporate governance:
 - a) CEO
 - b) NED
 - c) Chairman
 - d) Manager
9. CD Power produce batteries in huge quantity optimizing space and labor. Such large-scale production with the aim of saving cost is a part of:
 - a) Strategy
 - b) Financial Management
 - c) Economy
 - d) Economies of Scale
10. A public limited company wishes to convert back to private limited company. They have to:
 - a) Reregister
 - b) Private Limited
 - c) Buy back all the share issued to general public
 - d) Declare Insolvency
11. Risk of failure of a business is high due to dependency on single person in:
 - a) Public Limited
 - b) Private Limited
 - c) Sole Proprietorship
 - d) Partnership
12. Board of directors of public limited company act as:
 - a) Agents of the Company
 - b) Agents of the Shareholders
 - c) Agents of The Stakeholders
 - d) Agents of The Owners
13. A small coffee house in city is operated by Saad. He manages all operations and ensure customers are served with satisfactions as he is a sole proprietor, he is working in the capacity of:
 - a) Business owner
 - b) Business manager
 - c) Business employee
 - d) All of the above

14. As a sole proprietor Moona is running her own beauty salon. She received the training from a local beautician college. Being sole owner of the business, she may have her limits in which of the following capacities:
 - a) Managerial
 - b) Technical
 - c) Purchase of beauty products
 - d) All of above
15. The life of sole proprietorship is very:
 - a) Stable
 - b) Very Short Life
 - c) Unstable
 - d) Long Life
16. Sole proprietorship may come to an end due to
 - a) Failure
 - b) Insanity
 - c) Death
 - d) All of the Above
17. Meeshah is running an interior design shop as a Sole proprietorship business owner. she bears:
 - a) Restricted Liability
 - b) No Liability
 - c) Limited Liability
 - d) Unlimited Liability
18. New bookshop's owner needs some funds to purchase books. It is fairly easy for the owner to approach financial institutions such as banks and take loan from them without any problem.
 - a) True
 - b) False
19. When a doctor or lawyer wants to set up consulting services, government may require which of the following certification:
 - a) Company incorporation certificate
 - b) Professional qualification certification
 - c) Trade Regulator Certification
 - d) All of The Above
20. Following is NOT an essential element of partnership:
 - a) At Least Two People
 - b) There Is an Agreement Between All Partners
 - c) Equal Share of Profit
 - d) Partnership Agreement for Some Business

21. Sami and Jamal decided to set up a combined business with equal investment and profit sharing. The best approach is that they should register their business under:
- Sole proprietorship
 - Company
 - Partnership
 - NGO
22. What should be the minimum number of people to form a partnership:
- 2
 - 7
 - 10
 - 20
23. When all partners are running the firms, handling disputes is the responsibility of SECP
- True
 - False
24. Liability of general partners in a limited partnership is:
- Fixed
 - Unlimited
 - Not Defined in The Law
 - Limited to the invested Capital Only
25. Which element is the most essential for dissolution of partnership
- Compliance to law
 - Division of assets
 - Tax payment
 - Completions of assignments
26. Sr. Manager of ABC Cola is making plan for next year marketing in the cricket league matches, this is critical for the next year sales and profit targets, marketing plan is part of:
- Strategy
 - Responsibility
 - Crowding
 - Authority
27. Managers in functional departments are responsible for all department activities. Line of authority refer to use of resource as per given task:
- True
 - False
28. CEO of ZZ toys is keen in knowing the overall environmental impact when toys are disposed of. This falls under:
- Making overall plans
 - Ensuring contracts are completed on time
 - Formulating strategy for the company
 - Financial management

29. The total investment to be made in a new project in a limited company is usually authorized by:
 - a) Board of Directors
 - b) CEO
 - c) Shareholders
 - d) Chairman
30. Registering a business as a limited partnership is advisable when the business risk is:
 - a) High
 - b) Low
31. Corporations pay tax for the sake of regulations as they are incorporated, and it is mandatory for the corporations to follow tax laws. Which of the following statement is true concerning taxation of a company.
 - a) Taxes are deducted on fixed rate
 - b) Taxes are part of revenue
 - c) Taxes are calculated from sales
 - d) Taxes are paid from personal accounts of owners
32. The decision making in partnership can be delayed due to:
 - a) absence of one partner during decision making process
 - b) conflict amongst partners during decision making process
 - c) complaints from the customer
 - d) Strike by the employees
33. Sole proprietor personal assets are can be sold when settling the liabilities
 - a) True
 - b) False
34. Private and public companies are incorporated under company law, Company law is NOT designed to
 - a) Protect stakeholders' rights
 - b) Encourage investments
 - c) Ensure Ethical practices
 - d) Maintain production efficiency
35. Which organizations has higher degree of decision-making freedom
 - a) Sole proprietor
 - b) Public limited
 - c) Public Sector
 - d) Clubs
36. People become owners of a company by purchasing shares of stock. It is possible when companies go through:
 - a) IPOs
 - b) Investments
 - c) supply chain
 - d) Value added services

37. Which of the following is not responsible for achieving corporate goals and objectives in a public limited company
- a) CEO
 - b) CFO
 - c) Managers
 - d) Shareholders
38. SAI is software company listed in Karachi stock market. The company made a profit of Rs. 200 million last year. The company has also announced a dividend of 20% on profit after tax. The tax will be charged on:
- a) Profit of the year
 - b) Dividends received by shareholders
 - c) Both a and b
 - d) none of the above
39. Not-for-profit / Charities are established for achieving objectives in
- a) Environment services
 - b) Social services
 - c) Animal protection and care
 - d) all of the above
40. Motorway police has established an organization for the welfare of their families in terms of children education and health cover of family members. Annual contribution serves the needs of all members. This setup is referred to as:
- a) Club
 - b) Cooperative
 - c) Government institution
 - d) NGO
41. Public sector organizations funding needs are met with
- a) Taxes
 - b) Donations
 - c) Investments
 - d) Charity
42. Charities do not require any legal documentation for starting services
- a) True
 - b) False
43. Clubs collect money from membership fee and subscriptions
- a) True
 - b) False
44. Public sector organization provide essential services to
- a) General public
 - b) Taxpayers only

45. SECP procedures for incorporation of companies are same as
- a) Clubs
 - b) NGOS
 - c) Cooperatives
 - d) None of the above
46. In a limited partnership, at least one partner is _____ partner, whose liability is _____
- a) General, Limited
 - b) Specific, unlimited
 - c) Limited, limited
 - d) General, unlimited
47. The closure of company is done through mutual understanding of all shareholders
- a) True
 - b) False
48. Usually the _____ receives a larger share of the profits after the limited partners have received their initial investment back.
- a) Limited partner
 - b) General partner
 - c) Specific partner
 - d) Standard partner
49. Board of Directors is a mix of
- a) EDs and NEDs
 - b) CEO and EDs
 - c) CEO and Managers
 - d) EDs and Chairman

ANSWERS TO SELF TEST QUESTIONS

1	a	11	c	21	b	31	a	41	a
2	c	12	b	22	a	32	b	42	b
3	b	13	d	23	b	33	a	43	a
4	b	14	a	24	b	34	d	44	a
5	c	15	c	25	a	35	a	45	d
6	a	16	d	26	a	36	a	46	d
7	c	17	d	27	b	37	d	47	b
8	b	18	b	28	c	38	c	48	b
9	d	19	b	29	a	39	d	49	a
10	c	20	c	30	a	40	b		

ORGANIZATION OF BUSINESS

1. During orientation of newly inducted trainees in a firm, the manager explained the importance of organization hierarchy and stressed that each trainee should know his/her role and placement in the hierarchy. This will benefit the organization and help smooth flow of key organizational working. The manager knows that:
 - a) The right structure helps organization achieve its goals
 - b) Trainee would never understand their role unless they are explained
 - c) Organizations always need a structure to operate
 - d) The profits are directly linked with the hierarchy
2. An organizational structure is the formal arrangement within an organization that defines:
 - a) Formally division of tasks and activities
 - b) How processes and information would flow within this structure
 - c) How to maximize profit
 - d) What market competitions is beneficial
 - i. A and c
 - ii. A and b
 - iii. C and d
3. National Guard work in formal structures of clear line of authority and control. Formal structure is needed by organizations for:
 - a) Efficiency out of all operations
 - b) Effectiveness of tasks
 - c) Coordination of all operations
 - d) All of the above
4. Most of the failures of government owned organizations in Pakistan are due to wrong structure that creates tensions between employees and officers leading to:
 - a) Inefficient work practices
 - b) Increased profitability
 - c) Enhanced public trusts
 - d) More productivity
5. G Textile Ltd has outsourced its Information technology function to SApps IT company because
 - a) Outsourcing of non-core activities to specialists enhance productivity
 - b) Outsourcing of core activity is for better efficiency
 - c) Outsourcing increases the cost
 - d) Outsourcing enhances the productivity of the organization

6. NT Corporation Ltd has hired experienced managers to head various business functions such as marketing, finance, human resources, and IT. Each manager should contribute to the achievement of:
 - a) only units' goals
 - b) financial goals to earn more incentives
 - c) overall objectives
 - d) None of the above
7. JF 123 is designed and developed by Pakistan Aeronautical experts and special advisors from SC jets company. SC experts are working in horizontal fashion to provide expert support to the new project. Which of the following statement(s) characterize SC
 - a) The matrix organization is also called the project management approach of organizational structure.
 - b) It combines functional and product departmentalization from Pakistan aero, complementing their strengths and weaknesses, which brings together people from different functional areas of SC organization (such as manufacturing, finance, and marketing) to work on a special project.
 - c) Each employee has two direct supervisors: the line manager from her or his specific functional area and the project manager.
 - d) All of the above
8. ABC drive is a cab company with application software to get personal car owners register as shared car system. People look for best option and opt for the ride. ABC drive may be a:
 - a) project company
 - b) virtual company
 - c) entrepreneurial setup
 - d) group of companies
9. The decision-making and planning and control activities are decentralised ('devolved') at the regional manager to adjust according to market environment. Which of the following best characterize devolution of decision making:
 - a) Decentralisation provides effective decision making
 - b) Centraliation is suitable for such regional decisions
 - c) Decentralisation results in tall structure
 - d) Centralisation results in flat structure
10. It is difficult to control a large and complex entity from head office without delegating substantial amounts of authority to divisional managers.
 - a) True
 - b) False
11. An organization is owned and run by central government agencies. The organization is best described as
 - a) independent organisation
 - b) private sector organisation
 - c) public sector organisation
 - d) virtual organisation

12. A Ltd (AL) is a manufacturing organization that produces homecare products. Currently AL is serving the needs of a single city only with a workforce of 50 people. Which structure suits AL the best:
 - a) Function
 - b) Divisional
 - c) Entrepreneurial
 - d) Matrix
13. N has divided its business in different countries whereby each country has a different managerial hierarchy meeting the needs of that specific country. The structure N may be opting is:
 - a) Production divisions
 - b) Geographic divisions
 - c) Customer divisions
 - d) Process divisions
14. Manager of local bank has staff of 12 people under his supervision to manage the entire branch and serve customers. This structure is:
 - a) Tall-narrow
 - b) Tall-flat
 - c) Flat-narrow
 - d) Wide-flat
15. Decision making and problem solving is slow in wide-flat structured organizations
 - a) True
 - b) False
16. Managers are empowered in
 - a) Centralised tall-flat structure
 - b) Decentralised tall-wide structures
 - c) Centralised tall-wide structures
 - d) Decentralised wide-flat structures
17. A Food company in Pakistan specialises in canned processed food. The management has structured the company in a way that in each city there is a separate production facility for all products along with all business functions such as marketing, HR, finance, and IT. The company is structured as:
 - a) Process divisions
 - b) Geographical divisions
 - c) Customer divisions
 - d) Product divisions
18. Product division enables companies that function in several locations to be less responsive to customers at a local level.
 - a) True
 - b) False

19. Which of the following organizations would rely most heavily on social indicators and efficiency rather than information on performance and profitability?
- a) A private accountancy college
 - b) A city mayors office
 - c) A small retailer shop
 - d) None of the above
20. Matrix organizations can restrict the performance and efficiency of the organization in terms of:
- a) Slow communication
 - b) Conflicts due to dual chain of command
 - c) Specialisation
 - d) Decentralisation
21. Yplc is a growing Chinese organization which has recently diversified into a number of significant new product markets. It has also recently acquired another company in one of its overseas markets. What would be the most appropriate form of organization for Y plc?
- a) Geographical departmentalisation
 - b) Divisionalisation
 - c) Functional departmentalisation
 - d) None of the above
22. Which of the following principles of classical management is challenged by matrix management?
- a) Unity of command
 - b) Structuring the organization on functional lines
 - c) Structuring the organization on geographical lines
 - d) Decentralization of decision-making
23. Which of the following statements about the informal organization is not true?
- a) Quick decision making
 - b) Creative and innovative
 - c) Strong team relations
 - d) More documentations
24. Which one of the following is a disadvantage of centralization?
- a) It motivates the employees at the lower level in the hierarchy
 - b) It overburdens top managers in terms of workload and stress
 - c) Senior managers have all the knowledge to make perfect decisions
 - d) All of the above
25. Organizational structures should be flexible enough to
- a) Accommodate growth
 - b) Ensure new compliances
 - c) Follow international practices
 - d) All of the above

26. Different airlines operating on international routes adopt organizational structures to achieve efficiency and effectiveness. Which of the following statements is true:
 - a) All airlines have similar structures
 - b) International airlines have similar structures
 - c) Structures suit the needs of the shareholders
 - d) Structure varies from airline to airline based on the volume of business and level of services offered
27. Organizational structures allow authority and responsibility to be used for the achievement of overall objectives such as
 - a) Functional objectives
 - b) Strategic objectives
 - c) Personal objectives
 - d) All of the above
28. Ayla is a gardening expert; she controls the entire business. She serves the customers as per their requirements. She can hire few people to help her redesign the gardens. Which structure is appropriate for her:
 - a) Entrepreneurial structure
 - b) Functional structure
 - c) Divisional structure
 - d) Product structure
29. Organizational structures are direct means of controlling the organization resources for optimum results.
 - a) True
 - b) False
30. Public sector organizations define roles of different position holders with respect to the
 - a) Government policies
 - b) Media pressures
 - c) Market demand
 - d) Shareholders expectations
31. Because local managers have better knowledge of the market conditions and customers' choice, organizations opt for:
 - a) Centralized structure
 - b) Tall-narrow structure
 - c) Decentralized structure
 - d) Projectized structure
32. Span of control depends on all of the following factors EXCEPT:
 - a) Managers' capabilities
 - b) Nature of workload
 - c) Level of cohesiveness in teams
 - d) Nature of the organization

33. An organizational _____ is a formal arrangement of activities that bring efficiency and effectiveness for the achievement of business/organizational _____
- a) Plan, Goals
 - b) Strategy, Objectives
 - c) Structure, goals
 - d) Structure, management
34. Choosing the correct management structure ensures an organization's
- a) Growth
 - b) Employee satisfaction
 - c) Good Profit
 - d) All of the above
35. In an early phase best structure is
- a) Functional
 - b) Entrepreneurial
 - c) Divisional
 - d) None of the above
36. In a functional setup, managers' own preferences can hinder communication and decision making between units and even promote interdepartmental conflict.
- a) True
 - b) False
37. Organizations having too many divisions can result in
- a) Cost increase
 - b) Goal congruence
 - c) More market power
 - d) Enhanced productivity
38. Divisions tend to focus on their own needs and goals at the expense of the organization as a whole.
- a) True
 - b) False
39. The matrix structure is not suitable where
- a) Culture is to obey one leader
 - b) Complex projects are managed
 - c) Communication is key
 - d) Innovation is required
40. Functional structures allow employees to set
- a) Financial goals
 - b) Career goals
 - c) Social goals
 - d) All of the above

41. Decentralisation provides competitive advantage with environmental alignment of
 - a) Strategic business unit Goals
 - b) Managers decisions
 - c) Project planning
 - d) Resource management
42. Each manager in decentralized setup establishes own objectives with
 - a) Clear separate objectives
 - b) SMART objectives of own choice
 - c) Intervals
 - d) Corporate objectives in sight
43. Team effectiveness is key to virtual organization rather than external relationships
 - a) True
 - b) False
44. A key to a successful virtual organization is the effective management of all the different internal relationships, and co-ordination of their activities
 - a) True
 - b) False
45. CEO of T tel receive reports from functional managers that have been compiled after supervisors' feedback. This represents:
 - a) Span of Control
 - b) Chain of Command
 - c) Centralization
 - d) Decentralization
46. Project manager in virtual company is always connected to all employees via internet link as in virtual setup
 - a) No physical infrastructure is available
 - b) Employees work remotely
 - c) Data flows to all employees and work is done
 - d) All of the above
47. A virtual company relies heavily on:
 - a) Land
 - b) Labor
 - c) Capital
 - d) External service providers

ANSWERS TO SELF TEST QUESTIONS

1	a	11	c	21	a	31	c	41	a
2	(ii)	12	a	22	a	32	d	42	d
3	d	13	b	23	d	33	d	43	b
4	a	14	d	24	b	34	d	44	b
5	a	15	b	25	d	35	b	45	b
6	c	16	d	26	d	36	a	46	d
7	d	17	b	27	d	37	a	47	d
8	b	18	b	28	a	38	a		
9	a	19	b	29	a	39	a		
10	a	20	b	30	a	40	d		

SOURCES OF BUSINESS FINANCE

1. TR is telecom company which is financed by its owners. The assets are purchased from ASB Bank. The Payment is made to bank on monthly basis. City towers of telecom are pledged for further cash raising to make payment to suppliers. Asif is the finance manager who is responsible for planning the financial needs of the company for current and future operations.
 - a) Asif ensures that funds management is always in line with _____ of the company.
 - i) Business plan
 - ii) Market competition
 - iii) Financial problems
 - iv) Goals and Objectives
 - b) TR manages its cash flows to make timely payments it is
 - i) Art of financial management
 - ii) Science of financial management
 - iii) Documentation of accounts
 - iv) Business operation
 - c) Funds raised from ASB bank are
 - i) Assets
 - ii) Liability on Telefar
 - iii) Liability on owners
 - iv) All of the above
 - d) In case of Liquidation of Tr all assets will be sold to make payment to ASB bank and owners will not be forced to sell their personal assets to settle the liabilities.
 - i) True
 - ii) False
2. Funds required for purchasing current assets to start a new factory to produce jackets is an example of
 - a) Fixed capital requirement
 - b) Ploughing back of profits
 - c) Working capital requirement
 - d) Lease financing
3. Shareholders in PMED (a public limited company) can vote in meetings, on various matters they are called
 - a) Owners of the company
 - b) Partners of the company
 - c) Executives of the company
 - d) Directors of the company

4. The term 'redeemable' is used for
 - a) Commercial paper
 - b) Equity shares
 - c) Public deposits
 - d) Bonds
5. The key activities of the financial manager include all of the following EXCEPT:
 - a) Investments
 - b) Supplier negotiations
 - c) Financial planning
 - d) Financing
6. Which of the following long-term debt instruments involving two parties- the borrower (issuer) and the lender (buyer or investor).
 - a) Loan
 - b) Stocks
 - c) Lease
 - d) Bonds
7. Lease agreement is secured against the asset. In case of non-payment, the asset may be
 - a) Sold in market
 - b) Sold to lenders
 - c) Revalued for next loan
 - d) Repossessed
8. Banks offer cars to customers for certain amount of down payment and then subsequent installments to be paid for 5 years or so. this is referred to as:
 - a) Bank loan
 - b) Bank operating lease
 - c) Bank finance lease
 - d) Insurance
9. Finance lease may allow borrowers keep the assets after the payment of all due installments and further, paying a negotiated price of the asset.
 - a) True
 - b) False
10. Accounts payable can be a source of short-term finance in the form of the credit that is availed from the supplier on the supply of raw material.
 - a) True
 - b) False
11. Interest rates are typically a part of
 - a) Loans
 - b) Accounts receivables factoring
 - c) stocks
 - d) shares issuance

12. Long-term finances may come with certain conditions or regulations such as maintaining certain mix of capital structure and level of current ratios. These conditions are referred to as:
 - a) Legal contracts
 - b) Caveats
 - c) Terms and conditions
 - d) Bindings
13. Convertible bonds can be converted to equity shares after a specified period, making them more appealing to borrower.
 - a) True
 - b) False
14. Bonds Creates a commitment of cash payments – interest and principal – Fixed interest rate bonds are exposed to inflationary risk.
 - a) True
 - b) False
15. Leasing is complex for recording on financial statements as
 - a) Finance lease is included as an asset on the income statement of the lessee.
 - b) Operating lease is treated as an off-balance sheet item.
 - c) Leases are recorded on separate financial statements
 - d) a and b
16. Financial management is an art and science of managing firms' finances. The art part deals with
 - a) People management
 - b) Revenue
 - c) Financial
 - d) Optimum resource utilization
17. Which of the following is/are features of an efficient capital structure?
 - i) A mix of long-term funding
 - ii) Availability of adequate funds for day-to-day expenses
 - iii) A suitable balance between equity and debt in the long-term
 - a) I only
 - b) I and III only
 - c) III only
 - d) I, II and III
18. Which of the following is the not the role of a financial manager?
 - a) To maximize the value of the business for its shareholders
 - b) To make decisions of product strategies
 - c) To arrange loans for investments
 - d) Provide funds for companies' expansion

19. Revenues from sales of product or services should be the primary source of funding but funds from sales don't always come in when required.
- a) TRUE
 - b) FALSE
20. Corporations are often required to raise external funding, or capital. Which of the following may NOT be reasons for requirement of additional funding?
- a) To expand their businesses into new markets or locations,
 - b) To invest in research & development,
 - c) To handle legal disputes
 - d) To spend on competitive market campaigns.
21. Sources of equity finance can include the following EXCEPT:
- a) Profit
 - b) Loans
 - c) Common stock
 - d) Preferred stock
22. Safia is working as financial manager in GGroc super store. She keeps a track of:
- a) Day to day operation cash flow data
 - b) Funding needs
 - c) Capital structures
 - d) All of the above
23. Common shares often do not have voting rights.
- a) TRUE
 - b) FALSE
24. Which of the following is NOT a feature of preference shares?
- a) Most preference shares are issued with a fixed rate of annual dividend.
 - b) Preference dividends are paid out of gross profit
 - c) Preference shareholders will be entitled to receive dividends out of profits before any remaining profit can be distributed to equity shareholders.
 - d) If the company goes into liquidation, preference shareholders are paid before equity shareholders.
25. Preferred shareholders can vote in AGM to select, remove and reelect directors
- a) True
 - b) False
26. Accounts Payable are amounts payable to vendors or suppliers for goods or services provided but have not yet been paid. Generally, this is an unsecured mode of financing.
- a) True
 - b) False

27. Bushra is finance manager in P Books corporations. Her core activities include
 - a) Risk management
 - b) Training and development
 - c) Production planning
 - d) None of the above
28. Mamona is sales representative in H company. She is engaged in an argument with finance manager in a recent meeting. The argument could be about:
 - a) The company's Production policies as it will affect her ability to make sales
 - b) The company's quality control policies as it will affect her ability to make sales
 - c) The company's credit and collection policies as it will affect her ability to make sales
 - d) The company's Marketing policies as it will affect her ability to make sales.
29. An efficient capital structure is that provides:
 - a) Long term growth of company
 - b) Short term survival
 - c) Profit maximization
 - d) None of the above
30. T company is purchasing telecom equipment from international suppliers. The company has agreed a credit term of three months with the supplier. The goods have been received and Telco is now arranging with local bank to make the payment to suppliers after three months. This characterizes:
 - a) This is form of long-term loan
 - b) Accounts payable are quick source financing
 - c) Bank loans on receipts are of high interests
 - d) None of the above
31. Every retailer can obtain short term loans for purchasing inventory as it is available and returnable within one year.
 - a) True
 - b) False
32. Committed line of credit is best source of finance for factory to finance working capital as it can be obtained at any time during the year with choice of amount to withdraw and pay interest on the amount borrowed.
 - a) True
 - b) False
33. XYZ computers sold 10000 computers on credit. The finance manager is in negotiation with the bank to receive loan by surrendering the 10000 invoices to bank.
 - a) XYZ will receive loan amount less than invoices
 - b) XYZ will receive full loan but less than total invoices
 - c) XYZ will pay interest on loan
 - d) XYZ will receive all invoices back after return of loan

34. There are chances that in an operating lease arrangement might impose certain restrictions on the use of assets such as.
- a) It may not allow the lessor to make any modification in the asset.
 - b) It may not allow the lessee to use the asset in specific time of the day.
 - c) It may not allow the lessee to make use of asset.
 - d) It may not allow the lessee to make any modification in the asset.
35. Long term bank loans obtained by corporations are always
- a) Unsecured
 - b) Secured
36. Bonds are long term financing methods that always carry risk of
- a) Market
 - b) Currency
 - c) Reputation
 - d) Inflation
37. Retained earnings dilute ownership of company
- a) True
 - b) False
38. Dividend is payment of
- a) Interests on loan
 - b) Bond premium
 - c) Profit to shareholders
 - d) None of the above
39. Loan borrowed by corporations are liability on
- a) Directors
 - b) Shareholders
 - c) Managers
 - d) Corporations
40. Shareholders don't have to worry about their shareholding being diluted in
- a) Equity investment
 - b) Debt financing
 - c) Ordinary shares issuance
 - d) Long term loans
41. If shares are issued to selected group of investors it is termed as
- a) IPO
 - b) Placement of shares
 - c) Rights issuance
 - d) Restoration

42. IPO is process through which general public can purchase
 - a) Assets of company
 - b) Shares of companies
 - c) Bonds
 - d) Securities
43. Companies gain tax advantages on payment of large dividends to shareholders
 - a) True
 - b) False
44. Investors always prefer
 - a) Ordinary share
 - b) Bonds
 - c) Preferred shares
 - d) Secured shares
45. Debt financing is a cheaper source of finance as
 - a) Deductibility of all expenses from revenue
 - b) Deductibility of interest expenses for income tax
 - c) Deductibility of major liabilities
 - d) None of the above
46. ACB Corporation is a private limited company. The directors are searching from private investors to invest in the company. This is because:
 - a) The company cannot issue preference shares
 - b) The company cannot issue bonds
 - c) The company cannot raise finance from the bank
 - d) The company cannot issue shares on stock market
47. Investors and other stakeholder will hold a positive opinion about the company if it has:
 - a) made good profit in a year
 - b) reduced its debt obligations
 - c) distributed dividends to the shareholders
 - d) All of the above
48. Companies have to honour the commitment to pay back funds raised through share issuance
 - a) True
 - b) False
49. When a company retains its earning, it helps them to _____ in future.
 - a) Give more dividend
 - b) Obtain loans from banks
 - c) Pay debts
 - d) None of the above

50. Maturity date for repayment of principal amount is a concern for
- a) Debt financing
 - b) Equity financing
 - c) Share capital
 - d) retained earnings

ANSWERS TO SELF TEST QUESTIONS

1	(a-iv) (b-ii) (c-ii) (d-ii)	11	a	21	b	31	b	41	b
2	c	12	b	22	d	32	a	42	b
3	a	13	a	23	b	33	a	43	b
4	d	14	a	24	b	34	d	44	c
5	b	15	d	25	b	35	b	45	b
6	d	16	d	26	a	36	d	46	d
7	d	17	d	27	d	37	b	47	d
8	c	18	b	28	c	38	c	48	b
9	a	19	a	29	d	39	d	49	d
10	a	20	c	30	b	40	a	50	a

INFORMATION SYSTEMS

1. Saeed is working on the sales data to produce reports for analyzing last year's production cost. He will input data using
 - a) OCR
 - b) MICR
 - c) QR
 - d) Keyboard
2. Ms.Aleena is telling her friends about the limitations of certain input devices. She is telling them that this can be inaccurate and affected by external interference. Which input device Ms.Aleena is talking about?
 - a) Barcodes
 - b) EPOS
 - c) Voice Data Entry
 - d) both a & b
3. Mina was working on her laptop. She typed the data on MS Word file and saved it. The battery of the laptop died. The data is on:
 - a) Primary storage
 - b) Secondary storage
 - c) Hard disk
 - d) B and C
4. You bought a new WIFI device for home that needs software on your laptop to adjust the setting of the device. The WIFI device is _____ whereas the software in your laptop is _____
 - a) IT; IS
 - b) IS; IT
 - c) ICT; IST
 - d) None of above
5. Information system include all hardware systems, software and procedures involved in the collection, storage, production and distribution of information
 - a) True
 - b) False
6. Input device that reads data from text and convert it into editable document is called
 - a) MICR
 - b) OCR
 - c) Scanner
 - d) None of the above

7. Headsets are
 - a) Input device
 - b) Output device
 - c) OCR
 - d) All of the above
8. During an interview one candidate was asked to define system. He referred it to input/output/processing /storage.
 - a) Answer is correct
 - b) Incorrect answer
 - c) Ans is input/output/processing /primary and secondary storage
 - d) Ans is input/output/CPU /primary and secondary storage
9. Mobile phones connected with services providers that provide access to users to send and receive text messages. It is an example of:
 - a) Probabilistic system
 - b) Deterministic systems
 - c) Cybernetic system
 - d) None of the above
10. Teachers need to know about student progress in current semester. They should be provided with
 - a) Information
 - b) Data
 - c) Knowledge
 - d) Facts
11. Any business can create a _____ by the effective use of Information Technology (IT). This may be achieved through _____ business processes (for instance; purchasing, selling, human resource), and obtaining information for optimal decision-making, which result in substantial operational and cost benefits.
 - a) Competitive advantage, efficient
 - b) Profit, smart
 - c) Product, raw material
 - d) Efficient; competitive advantage
12. Fill in the blanks

The_____ is used in day-to-day decision-making to perform multiple tasks such as planning, acquiring, searching, analysing, organizing, storing, programming, producing, distributing, marketing, or selling functions. In order to know how to gather and use information from the many resources available to us, an understanding _____ is critical.

 - a) Information, Information systems
 - b) Data, information
 - c) Databases, information
 - d) Information; data
13. Banking information system (IS) collects and processes data into information that is provided to Managers for use in
 - a) Strategic planning
 - b) Decision making,
 - c) Performance monitoring, and production.
 - d) All of the above

14. Device which facilitates the introduction of data and information into the system.
 - a) Scanner
 - b) Printer
 - c) Projector
 - d) LCD
15. _____ is integrated with barcode readers and allows credit and debit cards to be read for instant payment for goods.
 - a) Mouse
 - b) Keyboard
 - c) Cam
 - d) EPOS
16. File size is matter of concern for which type of input device
 - a) Keyboard
 - b) OCR
 - c) MICR
 - d) Digital Camera
17. EPOS normally works with which device to complete the provision of data/information tor relevant parties.
 - a) Camera
 - b) Microphone
 - c) Printer
 - d) All of the above
18. Minute areas on screen for quality of resolution on monitor is called as
 - a) Bar codes
 - b) Resolution
 - c) QR
 - d) Boxes
19. Another level of development in EPOS is that now the customer can even pay using:
 - a) Cash
 - b) Credit cards
 - c) Mobile phones
 - d) OCR
20. Storage devices which use Robotic mechanism to manage storage media are known as _____ devices.
 - a) Cloud
 - b) Remote
 - c) Offline
 - d) Tertiary

21. Applications of computer and telecommunications equipment to store and retrieve data is categories as
- Information Systems
 - Information control
 - Information Technology
 - Information Management
22. An organization that grows its own cotton, completes are textile related activities and produce uniforms for its employees only. Such type of an organization is referred to as:
- Open system organization
 - Closed System
 - Dependent system
 - Closed loop control system
23. XY phone maintains all records of calls made on its networks. This record is maintained on an electronic filing system called as:
- Networks
 - Database
 - DBMS
 - All of the above
24. City police is monitoring all road activities through closed circuit camera networks, this is part of well planed
- Information Systems
 - Information control
 - Information Technology
 - Information Management
25. MN City real estate is using information to plan all construction projects for the new developmental project. The company is managing this task by a team of experts in various locations and only employees can see the information for the projects. They are making use of a(n)
- Extranet
 - Internet
 - Intranet
 - Wide area networks
26. Banks use combination of customer account special coding systems written in:
- MICR
 - OMR
 - OCR
 - QR
27. All functional managers of a company require quality internal and external information processed according to units needs and its integration with other departments. for the information system that can help achieve this task is referred to as:
- TPS
 - DSS
 - ERP
 - All of the above

28. No information system in today's dynamic era work without:
 - a) Network connectivity
 - b) Data Security
 - c) Cyber law
 - d) Employee training
29. The head office of a commercial bank receives online reports from all branches. The senior managers make use of these reports for strategic decision making. The information from all branches is stored in:
 - a) Centralised database
 - b) LAN
 - c) DBMS
 - d) Outsourcing
30. Artificial intelligence systems have extensive knowledge of aviation safety. It prompts threats based on environment dynamics and human behaviours. This is an example of:
 - a) Open system
 - b) Closed system
 - c) Integrated system
 - d) Self-corrective system
31. 8th Generation aircraft have sensors attached to pilots. The system can sense vitals of the pilot in real time. If pilot loses senses, the system can take control of the aircraft and land it safely on nearest airport. The aircrafts have built-in:
 - a) Simulation system
 - b) Closed loop system
 - c) Open loop control system
 - d) Remote control system
32. Which of the following business environments are more suited to a closed system.
 - a) Stable
 - b) Dynamic
 - c) Unstable
 - d) Recursive
33. Data analyst at investment bank create various reports based on real time data from clients' banks and stock market trading data. This data is shared with the data analyst through:
 - a) Intranets
 - b) Extranets
 - c) Databases
 - d) DBMS
34. JHG is a fast food chain with 20 outlets. The operations manager makes use of sophisticated information system to determine the trends of product sales. He decides on whether to continue a product or not based on the statistical reports he generates through:
 - a) LAN
 - b) Decentralised architecture processing
 - c) VPN
 - d) DSS

35. Banking ATMs use connectivity in such a way as various links are used to provide best link to customer to accounts. This is done by:
- a) Network servers
 - b) Client servers
 - c) Mail servers
 - d) File servers
36. University Computer based exams are conducted in house on special software. The students are given access to secure network where they can attempt the exam and save it to be evaluated by the subject specialist. The University is using _____ system to conduct the exams.
- a) WAN
 - b) VPN
 - c) Intranet
 - d) LAN
37. Sales department of ST shoes updates all information using networks designed to give access to internal authorised users only. This is an example of
- a) Extranet
 - b) Internet
 - c) WAN
 - d) Intranet
38. Mining corporation of Pakistan want all miners' sites to provide information with complete security using public mobile networks. For this:
- a) VPN is suitable
 - b) Decentralised networks can be used
 - c) Mobile apps can be helpful
 - d) LAN is effective
39. Information System Auditor in his findings reported that some employees are using fake IDs to spread political agenda of a political party that may enhance company's reputation risk. The conduct of employees falls in:
- a) Cyber crime
 - b) Cyber fraud
 - c) Cyber crooking
 - d) Cyber misconduct
40. Creating formal written information security policies to set standards and provide the basis for enforcement is the first step in a company's security strategy.
- a) True
 - b) False
41. Point- of- sale terminal in a grocery store that help operator scan the products, print receipts and do financial transaction is an example of
- a) Online TPS
 - b) Real time TPS
 - c) Batch TPS
 - d) Sequential TPS

42. Batch processing system are ineffective in banks due to
- a) Large number of transactions
 - b) Security of data
 - c) Forms based data entry
 - d) Delays in transactions and data update
43. One customer may use several ATMs in single day and always get updated account information as it is
- a) On central Database
 - b) Online system
 - c) Centralised computer system
 - d) All of the above
44. Risk in real time systems is breakdown of central system which can result in loss of transactions
- a) True
 - b) False
45. Operations Manager at the Logistic company needs daily reports on assignments, transport from various locations and the amount charged for the services. The most suitable reporting system in case would be:
- a) DSS
 - b) EIS
 - c) MSS
 - d) TPS
46. Manager at Human resource department is busy in analysing right man for right job with respect to skills, knowledge, experience and past assignments success factors. The company can make use of _____ to get the desired information.
- a) Company databases
 - b) Data analytics software
 - c) Database management systems
 - d) Data warehouses
47. Product life cycle of fizzy drinks was analysed and decision was taken after careful what-if analysis covering market demand, customer care and competitors market share, most helpful in this regard are
- a) MSS
 - b) DSS
 - c) OAS
 - d) EIS
48. CEO of an airline company uses dashboard of all operations and competitor airlines product and market share. He must be using:
- a) Databases
 - b) Spread sheets
 - c) EIS
 - d) Data warehouse

49. An ES is a computer program that simulates the judgement and behaviour of a human or an organization that has expert knowledge and experience in a particular field
- a) True
 - b) False
50. Most of integrated software suites in market are off-the-shelf solutions
- a) True
 - b) False

ANSWERS TO SELF TEST QUESTIONS

1	d	11	a	21	a	31	c	41	b
2	c	12	a	22	d	32	a	42	d
3	d	13	d	23	b	33	b	43	d
4	a	14	a	24	a	34	d	44	a
5	a	15	d	25	c	35	a	45	c
6	b	16	d	26	a	36	b	46	b
7	b	17	c	27	c	37	d	47	b
8	a	18	b	28	a	38	a	48	c
9	b	19	c	29	a	39	d	49	a
10	a	20	d	30	a	40	a	50	b

BUSINESS ETHICS

1. A not-for-profit organization supplies free food to the deserving on daily basis. The organization expects employees to work without any remuneration as they believe that it is the responsibility of the employees also to contribute towards the social cause. It is:
 - a) Ethical and Fair to work free
 - b) considered unethical behaviour
 - c) normal for those who work as social workers volunteers
 - d) None of the above
2. One of the employees of hospital provides services to family member of priority basis as he knows many doctors and other staff. He is involved in:
 - a) Corruption
 - b) Misconduct
 - c) Dishonesty
 - d) Conflict of interest
3. Many current consumer protection laws were passed because it was reported that different businesses were taking unfair advantage of the people who lack understanding of the complex contracts or were unable to discern the nuances of the agreements. For instance, Moona leased a car and she was told that monthly instalment would be PKR 40,000. She received her first month payment reminder in which she was directed to deposit PKR 48,000 to bank. When she inquired, she was told that insurance fee was part of the plan and she has already signed up for that. This is an example of:
 - a) Documentation and contract
 - b) Terms of short-term loan
 - c) Taking unfair advantage
 - d) Cost of loan
4. Manager Finance of P Ltd gives special consideration to give loan to the employees of his department without approval from the head office. There is no record maintained of such loans as he claims that all employees return the loan on time. This is an example of:
 - a) Conformance to rules
 - b) Modification of rules
 - c) Ignorance of rules
 - d) Violation of rules
5. A doctor is charging a significant amount of money from a pharmaceutical company to recommend their medicines to patients. The doctor is depicting:
 - a) Ethical behaviour
 - b) Rule violation
 - c) Conflict of interest
 - d) None of the above

6. Providing the employees with adequate salaries and a good working environment is a part of company's CSR.
 - a) TRUE
 - b) FALSE
7. N operates its production plant in a distant location away from urban areas and housing societies. They ensure to dispose all the waste safely without affecting any damage to the local ecosystem. This reflects N's:
 - a) CSR
 - b) Rule conformance
 - c) Ethical behaviour
 - d) All of the above
8. A very common practice has been observed at the workplace where employees are free to use office time on their personal chores. This depicts:
 - a) Misuse of organizational time
 - b) Quality degradation
 - c) Resources wastage
 - d) Dishonesty
9. An organization arranges for training on codes of ethics for senior managers only as the CEO believes that codes of ethics are only applicable to managers.
 - a) True
 - b) False
10. In business relations the key factor that can help sustain the relationship in future is:
 - a) Contractual terms
 - b) Norms of business
 - c) Professionalism
 - d) Honesty
11. Lack of ethical behavior can also cause tension among employees, with some employees resenting those who do not play by _____ and still manage to get ahead.
 - a) Values
 - b) Norms
 - c) Laws
 - d) Rules
12. The fundamental principle of integrity refers to be straightforward and honest in all professional and
 - a) Personal conduct
 - b) Business deals
 - c) Legal compliance
 - d) Norms and values
13. Selling a car without telling the customer about the accident that the previous car owner encountered in which the car was seriously damaged is an example of:
 - a) Divulging information
 - b) Hiding information
 - c) Conflict of interest
 - d) Misuse of customer's time

14. You are working as a procurement manager in a large organization. Recently the CEO has authorized you to invite quotations for a quantity of raw material for a new launched product. Your brother deals in the same raw material. You have asked your brother to submit a quotation with the price you told him. This is an example of:
 - a) Conflict of interest
 - b) Non-professional behaviour
 - c) Breach of confidentiality
 - d) None of the above
15. You travel to a client by bus and presented a forged bill of taxicab for reimbursement. This is an example of:
 - a) Breach of contract
 - b) Unprofessional behaviour
 - c) Misuse of resource
 - d) Taking something that does not belong to you
16. It is possible that something is legal but unethical.
 - a) True
 - b) False
17. A sales manager shared the projected sales figures with a friend who works for a rival firm. The manager has shown:
 - a) Unprofessional behaviour
 - b) Lack of professional competence
 - c) Breach of confidentiality
 - d) Lack of integrity
18. Auditors reviewed some documents on request of clients, this is
 - a) Ethical
 - b) Normal audit procedures
 - c) Unprofessional approach
 - d) None of the above
19. Employees working extra hours with double hour rates is:
 - a) Legal
 - b) Correct
 - c) Ethical
 - d) All of the above
20. Factory operations are reported on media for spoiling the drinking water. This is due to factory's
 - a) Weak plant controls
 - b) Lack of CSR
 - c) Material quality
 - d) Employees carelessness

21. CHP products are labelled as halal. This depicts:
- Grading
 - Professional behaviour
 - Honesty
 - Branding
22. PSL ensures stadiums garbage is recycled. This shows:
- Social responsibility
 - Environmental responsibility
 - Economic responsibility
 - Labour responsibility
23. ICAP maintains all office records on paper free e-filing system. This represents ICAP's:
- Eco-centric approach
 - Environment friendliness
 - effort to create social footprint
 - All of the above
24. In addition to the primary goal i.e., value maximization for shareholders, businesses are responsible not only to the bottom-line, but to providing goods and services:
- In an ethically responsible manner.
 - In a competitive manner
 - In a high quality with low price
 - In accordance to customer needs
25. A proper governance process must be put in place to achieve key goals and objectives of an organization through ethical decision-making, and
- Legal compliances
 - Corporate responsibility
 - Human rights
 - Market values
26. Ethics is defined as the "discipline dealing with what is good and bad and with moral duty and obligation". It is a set of moral standards for judging whether something is right or wrong. Except
- Review of employee's character is Ethical before hiring
 - View about employee's religion is morally right
 - Processing order after full payment is correct
 - Giving orders to do jobs daily is correct
27. Showing respect for human rights concerns which of the following:
- Right salary for work
 - Proper dress code for employees
 - Sick leave in time of need
 - Approval of all above

28. Manager hired one of the close relatives to do the job of factory quality control when there were more competent candidates for the job. This is an example of:
- a) Okay as it will help receive honest reports
 - b) It will provide insight in factory operation weekly
 - c) It will maintain discipline
 - d) It is a conflict of interest
29. Many stock exchanges in the world require the firms to have:
- a) CSR
 - b) Financial statements issued to international media
 - c) Defined professional code of ethics
 - d) All of the above
30. Employees are celebrating birthday of manager before prayer break. This refers to:
- a) Misuse of Organisation Time.
 - b) Happy quality time in office
 - c) Good for team bonding
 - d) Way of working in the offices
31. Bribery is immoral, unethical and illegal, it should be discouraged and the ones involved in it should be legally accused as taking and giving bribe result in
- a) Abuse of power
 - b) Obtaining undue favours
 - c) Creating discrimination
 - d) All of the above
32. An organisation should treat its employees fairly and with respect. The fair treatment of employees includes all except
- a) Office Equipment for Personal Use
 - b) Working Conditions
 - c) Education And Training
 - d) Salary And Compensation
33. Philanthropy is legal source of business entity reduction in its tax liability
- a) True
 - b) False
34. Organisations with a good reputation find it easier to win and keep loyal customers, and also loyal employees. There is a risk of losing customers to rival organisations.
- a) When a business profit is declining
 - b) When a business is on loans
 - c) When a business reputation is damaged
 - d) When a business is facing tough competition

35. The Institute of Chartered Accountants of Pakistan (ICAP) is a member of the International Federation of Accountants (IFAC). IFAC is a global organization of the accountancy profession comprising more than 175 members and associate organizations in 130 countries and jurisdictions, representing nearly 3 million professional accountants.
- a) All Audit firms must register with ICAP
 - b) All Qualified CA must follow ICAP guidelines
 - c) ICAP must review CA code of conduct
 - d) All of the above
36. Accountant must report the mismanagement in the organisation, that is resulting in criminal activity. This is conformity of:
- a) integrity
 - b) objectivity
 - c) professional competence and due care
 - d) confidentiality
37. If bribe was offered by client to a member of audit team to overlook the double accounting and record keeping.
- a) Mirror test failed to prove its efficacy
 - b) Mirror test cannot be used after action is taken
 - c) Mirror test is for moral judgement
 - d) None of the above
38. The water pollution by one of the factories near a village is of moral and unethical consequences on human life. This is where _____ will help.
- a) Consequences test
 - b) Mirror test
 - c) Professional code of ethics
 - d) None of the above
39. A cement factory in local village providing clean drinking water to local community is part of
- a) Social responsibility
 - b) Environment responsibility
 - c) Ethical business products
 - d) Management by objectives
40. After working for 15 years in bank, Mehnaz is now facing a situation where she is under pressure from family member to get the loans written off. The Chartered Accounts as last resort can leave job if judgement is in crossroads of conflict of interest
- a) Integrity
 - b) Confidentiality
 - c) Due care
 - d) Objectivity

41. All Qualified CAs must attain minimum CPDs to uphold:
 - a) Professional competence and due care
 - b) Objectivity
 - c) Integrity
 - d) None of the above
42. Code of professional ethics can be challenged by individual not of same religion as of other chartered accountants.
 - a) True
 - b) False
43. Effective way to maintain professional approach is to remain
 - a) Unbiased
 - b) Honest
 - c) Objective
 - d) All of the above
44. If client is generous in giving gifts and financial benefits this is direct cause of damage to
 - a) Objectivity
 - b) Confidentiality
 - c) Professional due care
 - d) None of the above
45. Afia agreed to provide home tuition to the son of the director of the client organization after her assignment at client has been completed. This is an example of _____.
 - a) Ethical behaviour
 - b) Unethical behaviour
 - c) Illegal action
 - d) Not part of qualified CA values
46. Labour practices in Pakistan are exploitative as labour class from remote areas with no CNIC cards are used on constructions projects on low wages and threatened to be reported to authorities for not having CNIC. This is:
 - a) Unethical
 - b) Illegal
 - c) Discriminatory
 - d) All of the above
47. Insider trading is considered as
 - a) A conflict of interest
 - b) A conflict of business
 - c) A conflict of contract
 - d) A conflict of norms

48. Code of conduct is for
- a) Employees
 - b) Employers
 - c) Both a and b
 - d) All stakeholders
49. Employees having good knowledge of code of conduct perform better in controlled environment, where rights are protected
- a) True
 - b) False
50. International clients prefer compliance on ethical code of conduct for
- a) Brand creditability
 - b) Making profit
 - c) Gaining more business
 - d) None of the above

ANSWERS TO SELF TEST QUESTIONS

1	b	11	d	21	c	31	d	41	a
2	d	12	a	22	b	32	a	42	b
3	c	13	b	23	d	33	b	43	d
4	d	14	a	24	a	34	c	44	a
5	c	15	d	25	b	35	d	45	b
6	a	16	a	26	b	36	a	46	d
7	a	17	c	27	d	37	d	47	a
8	a	18	c	28	d	38	a	48	c
9	a	19	d	29	c	39	a	49	a
10	d	20	b	30	a	40	a	50	a

CONCEPTS OF BRANDING AND MARKETING

1. Road safety campaign by ABC tyres makers is way to develop:
 - a) Trust with customers
 - b) Profit Maximization
 - c) Effective relationships with customers
 - d) A and C
2. E Home Products produces high quality home lightings., They market their products extensively to ensure customers prefer their products while making purchasing decision. Their marketing should be based on
 - a) Customer manipulation Quality of products
 - b) Market monopolisation
 - c) Marketing pressures
3. School kids prefer school bags that have appealing design and vibrant colours. Thus, the bag manufacturers focus more on design and features of their products. This refers to:
 - a) Value to customer
 - b) Market trends
 - c) Pricing strategy
 - d) Selling proposition
4. TM Communications provide internet packages to metro bus travellers. Marketing is based on daily affordable needs of city commuters. Even in the presence of many competitors, TM is becoming talk of the town.
 - a) Marketing is selling service by targeting customer segments
 - b) Sales use special marketing techniques to fetch more business
 - c) Marketing achieves prime business objectives
 - d) Marketing is creating value to customers in competitive environment
5. H Travel tours provide various packages to northern areas travellers. Travellers can avail help from local students who help them in exploring the place. The students who help tourists get volunteer certificates along with school fee support. Travellers receive the information on this value-added service through social media. This is categorized as:
 - a) HTravel CSR
 - b) Marketing
 - c) Branding
 - d) Sales
6. G bookfair helps students and general public to access quality books on various topics. Big discounts are available on valuable titles to trigger the instant sales. This refers to:
 - a) Advertisement for publishers
 - b) Selling
 - c) Marketing
 - d) Distribution of books to areas far from publishers

7. G BANK use customer data to develop marketing strategies for various services they offer in the cities. This data is helpful in
 - a) Satisfying the needs of the customers
 - b) Accomplishment of organisation goals
 - c) Generate value for the business
 - d) All of the above
8. Use of data in developing products to cater future needs is now- a- days embedded in
 - a) Marketing strategy
 - b) Data analytics for market research
 - c) Product development
 - d) All of the above
9. Books publishers use water marks of clouds in all papers. This helps in:
 - a) Marketing
 - b) Selling
 - c) Branding
 - d) Promotion
10. Fruit and vegetable section in shopping centre has displayed potatoes in different sizes - sweet and simple categories. It is a part of:
 - a) Grading
 - b) Sizing
 - c) Cataloguing
 - d) Stocking
11. OLED TV technology is improving in colours, resolution and sleek smart designs. TV manufacturer is having continuous innovations and development with input NOT from
 - a) Marketing Research
 - b) Customer feedback
 - c) Technological Market trends
 - d) Training and development
12. Housing society in the town provide low-cost high-quality living. The project is developed by LS company. The main focus of the company is on:
 - a) Housing products
 - b) Society services
 - c) Happy living idea
 - d) All of the above
13. Service is intangible in nature produced by companies to fulfil customer needs like education, transport, cleaning and security.
 - a) True
 - b) False

14. Business incubation centres help new start-ups to established strong footings in the industry. BICs are providing:
 - a) Products
 - b) Service
 - c) Networks
 - d) Ideas
15. R Airline serves customers on domestic routes. The service is appreciated by the business community as it helps them meet the conferences and meetings schedules on time and on place of their choices. The AirBizMeetings (ABM) packages include:
 - a) Relevant for all local business needs
 - b) Communicated to all chambers and commerce across Pakistan.
 - c) Brand for business community
 - d) ABM is adaptable to every casual traveller
 - i) A and B are ABM package benefits
 - ii) A and C are ABM value
 - iii) A, B, C, D are characteristics of ABM
16. Bridal dresses are designed according to customer choices and interests. It is
 - a) Convenience Product
 - b) Speciality Products
 - c) Shopping products
 - d) Branded Products
17. Business centres are designed for various activities to support entrepreneurs gain business objectives of networking, financing, marketing and HR. Business centres are:
 - a) Speciality services
 - b) Customise services
 - c) Business development services
 - d) None of the above
18. Air conditioners designed for food item container carriers are termed as manufactured parts
 - a) True
 - b) False
19. Banks give customers services to maintain accounts in local and foreign currency. This service is:
 - a) Intangible
 - b) Facility service
 - c) Not to be carried away
 - d) All of the above
20. Students save data files on cloud drives using internet. Cloud drives refer to:
 - a) Services
 - b) Digital products
 - c) Speciality products
 - d) Internet apps

21. Capital items are designed and manufactured according to customer needs for manufacturing
- True
 - False
22. In marketing Airline services
- Customer needs are primary
 - Pricing is key to success
 - Market trends is key consideration
 - Sales of target product to target market is attained
23. Strong Brands help reduce:
- Marketing costs
 - Sales efforts
 - Products prices
 - All of the above
24. Customers loyalty is one aspect of Marketing segmentation strategy
- True
 - False
25. Wheat is sold by various growers and wholesalers irrespective of specific needs and wants. This is referred to as total market approach. An opposite approach is called:
- Market segment approach
 - Market Penetration approach
 - Total Market approach
 - Niche Market approach
26. A new beauty product manufacturing company targets working women who have lesser time to get ready for work. This is:
- A market segment
 - A market group
 - A market section
 - A market area
27. Universities aim students who seek higher education are using _____ segmentation.
- Geographic
 - Demographic
 - Lifestyle
 - Behavioural
28. High price luxury items are in demand by customers who consider quality is associated with price. Price play key role in buyers' decision making.
- True
 - False

29. Training plays vital role in developing companies' image due to value added customer services
- a) Products tangible feature are main attributes for sales success
 - b) Price trigger the sales volumes
 - c) Place is behind market share gains
 - d) People help retain and gain trust of customers
30. Management of Q Burger chain are evaluating best marketing mix for the growth- stage continuation, the best mix for QB
- a) Price, Promotion, place
 - b) People, price, Promotion, product
 - c) Product, price
 - d) Product, price, promotion, place
31. In introduction phase the majority of cost is incurred in:
- a) Promotion
 - b) Quality
 - c) Branding
 - d) Selling
32. Brands are differentiated on the basis of:
- a) Logo
 - b) Trademark
 - c) Slogan
 - d) All of the above
33. Legal protection of product's name, logo, and design is called:
- a) Trademark
 - b) Patent
 - c) Copyright
 - d) All of the above
34. Established brands are considered vital options for future
- a) Legal compliance
 - b) Ethical practices
 - c) Business survival
 - d) Investments
35. Cola XY is a newly launched carbonated soft drink that had seriously suffered a setback in its early stage of lifecycle in terms of declining sales and negative word of mouth from the customer. They used Lizard as a brand character that created disgust amongst the consumers. Where did the company go wrong?
- a) Poor selection of brand elements
 - b) Poor brand promotion
 - c) Selling in wrong segmentation
 - d) Using inappropriate marketing

36. A famous basketball player represents a famous shoe brand H in most of the brand promotions of the company's products. This reflects:
- a) Brand Personality
 - b) Brand characteristics
 - c) Brand power
 - d) Brand quality
37. F2F is selling live fish from large freshwater tanks. Even the customers are allowed to select the fish of their choice. This refers to as:
- a) Unique Selling Propositions (USP)
 - b) Customer care
 - c) Customer service
 - d) Product quality
38. Various pricing strategies are used to get maximum market share this is included in
- a) Marketing
 - b) Selling
 - c) Branding
 - d) Distribution
39. Marketing technique needs market data for research and analysis to build long term relations with customers
- a) True
 - b) False
40. A transaction between two parties where the buyer receives goods (tangible or intangible), services and/or assets in exchange for money.
- a) Marketing
 - b) Sales
 - c) Promotion
 - d) Place
41. _____ refers to broader range of activities to sell product/services maintain client relationships, determine future needs and has a strategy in place to meet those needs for the long-term relationship.
- a) Segmentation
 - b) Marketing
 - c) Selling
 - d) Branding
42. CS is real estate developer. They are organizing a family funfair to unleash their new project. This is referred to as:
- a) product push strategy
 - b) customer pull strategy
 - c) skimming strategy
 - d) selling strategy

43. Few organisations don't need any marketing as the best way to get more customers are through
 - a) Pricing
 - b) Word of mouth
 - c) Placement
 - d) People
44. Golf M S is sports store for golf products only. All the products are sold at a price premium. The best segmentation strategy would be:
 - a) Education demography
 - b) Professional demography
 - c) Geography
 - d) Social class demography
45. SuperS (SS) is a mega store selling all famous brands in the city. People prefer visiting SS as there is a kids play area in the vicinity and a restaurant also. This refers to:
 - a) Price
 - b) Segmentations
 - c) USP
 - d) Value chain
46. Best way to maintain and grow in any industry is to use marketing
 - a) Mix
 - b) Cycle
 - c) Forces
 - d) modules
47. Which of the following is not part of marketing mix
 - a) Place
 - b) Procurement
 - c) Promotion
 - d) People
48. Products are produced with economies of scale to keep production cost low. This will help in keeping the pricing low to enter the market or survive tough competition. This strategy is referred to as:
 - a) Penetration strategy
 - b) Skimming strategy
 - c) Manipulation
 - d) Differentiation
49. Manager finance approved high budgeted marketing sponsorship of sports event as it will create
 - a) Profit
 - b) Customer base
 - c) Market reputation
 - d) Value addition for sales

ANSWERS TO SELF TEST QUESTIONS

1	d	11	d	21	a	31	a	41	b
2	b	12	a	22	a	32	d	42	b
3	a	13	a	23	a	33	d	43	b
4	d	14	b	24	a	34	d	44	d
5	b	15	(iii)	25	a	35	a	45	c
6	b	16	b	26	a	36	a	46	a
7	d	17	c	27	b	37	a	47	b
8	b	18	a	28	a	38	b	48	a
9	c	19	d	29	d	39	a	49	d
10	a	20	a	30	d	40	b		

HUMAN RESOURCE STRATEGIES

1. The S Transport Ltd have not been able to retain employees for long time with satisfactions and high level of motivation because of
 - a) Fair compensation
 - b) Lack of training opportunities
 - c) Poor supervisory practices
 - d) All of the above
2. Management team is unclear about the person specification for the new position of data analyst in the planning division. They are unsure whether the person should have academic qualification in finance or business management. This is due to lack of:
 - a) Job Analysis
 - b) Job Description
 - c) Job appraisal
 - d) Job specification
3. The main failure to attract most suitable candidate for a job is due to lack of:
 - a) Recruitment policy
 - b) Recruitment advisement
 - c) Recruitment process
 - d) Recruitment and training
4. Human resource plan is an integral part of
 - a) Tactical plan
 - b) Operational plan
 - c) Strategic plan
 - d) None of the above
5. Majority of Human resource managers make comprehensive strategies for Human resources (labour) inductions and development as it is one of the four traditional factors of production. It refers to the economic contributions of people working with their minds and body in terms of all of the following EXCEPT:
 - a) This is key factor to manage all other factors of production
 - b) Human resource is a key source of competitive advantage
 - c) This is factor of strategic synergy
 - d) The success of a business entity depends only on the skills and experience of its human resources
6. Motorway police have one unit of paramedics who serve the commuters in time of emergency. Local hospitals have signed a contract with highway authorities for such services as and when needed. This HR arrangement comes under
 - a) Joint venture
 - b) Outsourcing
 - c) Sub offices
 - d) Consultants

7. K Crafts hire artisans for production of arts and crafts items for export markets, HR management functions include:
 - a) Assess current head counts and their skills
 - b) Future estimations of skilled and other workforce
 - c) Replacement as and when needed.
 - d) All of the above
8. Team of government experts are in a meeting to write scope of internal auditors to be inducted for next 20 years projects. This is the process of:
 - a) Job Analysis
 - b) Job Descriptions
 - c) Appraisals
 - d) Training Assessment
9. A job description is casual explanation of a specific job that usually includes job title and tasks to be performed.
 - a) True
 - b) False
10. Safia and Murad were not called for the job interview for the position of Finance manager which required a qualified CA. Both were awaiting the result of their qualifying attempt. They could not fulfil:
 - a) Job specification
 - b) Job Analysis
 - c) Job Descriptions
 - d) Appraisals
11. Current employee with proven track record and having personality suited to environment will be hired through
 - a) Internal recruiting process
 - b) Same as external recruitment process
 - c) Recruitment agencies
 - d) None of the above
12. External recruitment strategy is to avoid internal competition and politics.
 - a) True
 - b) False
13. ABC group conducts initial interviews of the candidates to shortlist the most suitable candidates for a detailed interview. In the initial interview the interviewer focusses on:
 - a) Technical knowledge
 - b) Ethics and values
 - c) Background and salary expectations
 - d) All of the above

14. Team leadership is key to junior and senior managers. During interviews few candidates showed exceptional leadership skills. They were given a situation to reflect their approach to handle a leadership dilemma. is the situation can be called as:
 - a) Work place scenario
 - b) Mind game
 - c) Team management
 - d) Management Planning
15. Audit firms sent trainees to foreign assignments to get exposure of international standards of accounting and auditing practices. This is a part of
 - a) Coaching
 - b) Mentoring
 - c) Training
 - d) Development
16. Managerial experience at workplace is considered vital for growth and promotions. It is part of
 - a) Development
 - b) Coaching
 - c) Mentoring
 - d) Training
17. FP media is national broadcasting news agency. Content writers and analysts are working in close supervision of the supervisor to gain insights into news and views in various issues. This is referred to as:
 - a) Work place training is for technical or practical skills
 - b) Work place development helps the individual to gain experience and develop personal skills, such as management and leadership.
 - c) Workplace mentoring
 - d) Work shadowing
18. On-the-job training has the advantage of giving first hand _____ under actual working conditions.
 - a) knowledge and experience
 - b) knowledge and certification
 - c) motivation and experience
 - d) support and motivation
19. Nomaal is hired in customer services department of N2N internet company. She is assigned to Saima (a senior customer care executive) to observe her way and means to carry out customer care. She is learning on the job via
 - a) Apprenticeship
 - b) Coaching
 - c) Mentoring
 - d) Work shadowing
20. Coaching involves senior manager instructing how to accomplish various tasks on job.
 - a) True
 - b) False

21. Jamshaid is known for his support to all in office. He is always there to guide anyone, especially newcomers in developing professional expertise and how to use social skills. He is acting as
- Mentor
 - Supervisor
 - Trainer
 - None of the above
22. FE Bank has organised a training program for all ranks at a training centre, specialist in data analytics. This is an example of
- Development program
 - Off-the-job training
 - Value added training
 - All of the above
23. Being a marketing manager, you have felt that your subordinates are overburdened with work. You have conducted interviews with all subordinates to determine whether there is a need to hire additional personnel in the department. This is an example of:
- Recruitment
 - Selection
 - Job design
 - Job analysis
24. Finance department usually put employees on various roles to learn all aspects of finance. Once they get back to assigned tasks, they are familiar with all work inflows and outflows of finance department. This is:
- Job enrichment
 - Job consolidation
 - Job appraisal
 - Job rotation
25. In an office, Secondment means given second tasks for which have been trained for. This is as an appreciation of performance.
- True
 - False
26. Deputising for a manager in airport service means an individual may be given the opportunity to deputise for his or her boss when the boss is absent from work for an extended period, on holiday or due to illness. The individual gains experience by handling all airport services for a period of time.
- True
 - False
27. A boss who wants to develop individuals will give the individuals additional responsibilities, and _____ to the individuals to make their own decisions.
- Delegate Authority
 - Pass Orders
 - Support
 - Give Tasks

28. Internet security personnel are given more responsibility to block any effort to do illegal money transfers from the company accounts. This is part of
 - a) Job enrichment
 - b) Job rotation
 - c) Empowerment
 - d) Management role
29. Job enrichment is not same as authority for a higher level of decision-making.
 - a) True
 - b) False
30. Suffa is given tasks of client account management along with her original position as a brand manager.
 - a) Client account task is job enlargement
 - b) Brand management is job enrichment
 - c) Brand management is job rotation
 - d) Only a and b
31. Online Call centre is facing shortage of employees as they switch jobs or are fired by managers for being casual at tasks. They are facing
 - a) High job rotation
 - b) High employee turn over
 - c) Bad hiring and training
 - d) None of the above
32. Unchallenging work tasks is one cause of employee turnover.
 - a) True
 - b) False
33. In times of high inflation, one major factor in employee's decision to switch to other places for job is:
 - a) Management style
 - b) Career prospects
 - c) Compensation package
 - d) Lack of trainings
34. Work relationships that affect employee retention include supervisory management support and _____. A supervisor or manager builds positive relationships and aids retention by being fair and _____, allowing work flexibility and work-family balancing, giving feedback that recognizes employee efforts and performance, and supporting career planning and development.
 - a) Co-worker relations, non-discriminatory
 - b) Education, knowledge
 - c) Roles, responsibility
 - d) Authority, responsibility
35. S is a software house with a gym at office. This is a part of
 - a) Work life balance
 - b) Healthy work environment
 - c) Mental wellbeing
 - d) All of the above

36. The selection tests are designed according to organisations need of professional for various posts. The tests usually focus on
- Cognitive ability (ability to learn, adapt, and solve problems),
 - Motivation potential (attitude, behaviour performance, and productivity)
 - Knowledge and skills (math, verbal, data entry, software proficiency)
 - all of the above
37. Training is for new inductions whereas development is for experienced staff and is meant for promotions.
- True
 - False
38. Recruitment policy of government sector organisation is designed keeping in mind the person's ability to serve in various development sectors of the country. This is done to establish:
- Job description
 - Job specifications
 - Job design
 - All of the above
39. Companies may ask candidates to submit medical tests (including drug test for certain jobs) to
- Minimize medical insurance risks
 - Ensure that only healthy candidates are selected
 - Others can be kept safe
 - Get medical history for analysis
40. Human resource selection is based on ability to do all HR functions in line with operational plans
- True
 - False
41. HR department of the organization is the key to all departments as they provide essential human support to their units. There is a possibility that employees are less productive due to:
- Poor job design
 - Low motivation
 - Lack of goal clarity
 - All of the above
42. Main conflict of HR department with Finance department can be on which of the following:
- Cost cutting
 - Job designs
 - Job specifications
 - Job description
43. CEO of S Drinks require proactive HR needs assessment for next 10 years. This should all of the following EXCEPT:
- Retirements schedules
 - Redundancies
 - Rotations
 - Resignations

44. Commitment and morale of employees is boosted by
 - a) Recruitment and compensation
 - b) Training and development
 - c) Job rotations
 - d) All of the above
45. The mode of training that helps employees learn the tasks of a job to be performed step by step through a computer software is known as:
 - a) PPT
 - b) PGT
 - c) BOT
 - d) CBT
46. Employees of A-Insurance are promised special payment on achievement of targets, this payment will be in the form of
 - a) Shares
 - b) Salary
 - c) Insurance
 - d) Bonus
47. S Airline is giving all its employees concession on travel tickets it is part of
 - a) Economic benefits
 - b) Insurance
 - c) Bonus
 - d) Long term benefits
48. Many good IT start-ups attract IT professionals by promising a share in the ownership of the business. This refers to as:
 - a) Long-term incentives
 - b) Stock options
 - c) Stock grants
 - d) all of the above
49. Factory workers can get treatment in authorised hospitals through employee health card. This refers to:
 - a) Salary
 - b) Health Insurance Coverage
 - c) Special Bonus
 - d) None of The Above
50. Employees after retirement get a financial package to receive a fair compensation. This is referred to as:
 - a) Professional fund
 - b) Provisional fund
 - c) Support fund
 - d) Provident fund

ANSWERS TO SELF TEST QUESTIONS

1	d	11	a	21	a	31	b	41	d
2	d	12	a	22	b	32	a	42	a
3	a	13	c	23	d	33	c	43	c
4	c	14	a	24	d	34	a	44	d
5	d	15	c	25	b	35	d	45	d
6	b	16	a	26	a	36	d	46	d
7	d	17	d	27	a	37	b	47	a
8	a	18	a	28	a	38	d	48	b
9	b	19	d	29	b	39	a	49	b
10	a	20	a	30	a	40	b	50	d