



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2020
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT

Roll Number

BUSINESS ADMINISTRATION

TIME ALLOWED: THREE HOURS

PART-I(MCQS): MAXIMUM 30 MINUTES

PART-I (MCQS)

PART-II

MAXIMUM MARKS = 20

MAXIMUM MARKS = 80

- NOTE:** (i) Part-II is to be attempted on the separate Answer Book.
(ii) Attempt **ONLY FOUR** questions from **PART-II**. **ALL** questions carry **EQUAL** marks.
(iii) All the parts (if any) of each Question must be attempted at one place instead of at different places.
(iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper.
(v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.
(vi) Extra attempt of any question or any part of the question will not be considered.

PART – II

- Q. No. 2.** Discuss that Management is evolutionary process. Substantiate your answer through commenting on contribution made by Fredrick Taylor, Max Weber and Elton Mayo. (20)
- Q. No. 3.** What are the key elements involved in designing organizational structure? (20)
- Q. No. 4.** What is the importance of Employees Performance Appraisal? Discuss the problems faced in Employee Appraisal. (20)
- Q. No. 5.** Describe how would you plan Integrated Communication Process for launching a product. (20)
- Q. No. 6.** What is Bluewhip effect and how does it relate to lack of coordination in the supply chain. (20)
- Q. No. 7.** Explain the following analytical tools of Financial Management: (05 marks each) (20)
(a) Time series analysis versus cross sectional analysis.
(b) Horizontal analysis versus vertical analysis.
(c) Liquidity ratios versus debt ratios.
(d) Turnover ratios versus profitability ratios.
- Q. No. 8.** Tiger Corporation is considering to invest in a given project. After tax cash flows of the project are given below: (20)

| Years | Project (\$) |
|-------------------|--------------|
| Initial Cash Flow | 150,000 |
| 1 | 50,000 |
| 2 | 56,000 |
| 3 | 64,000 |
| 4 | 68,000 |
| 5 | 72,000 |

Determine Payback Period, Net Present Value and Profitability Index using 13% as required rate of return.



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2019
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT

Roll Number

BUSINESS ADMINISTRATION

| | | |
|--|----------------------|---------------------------|
| TIME ALLOWED: THREE HOURS | PART-I (MCQS) | MAXIMUM MARKS = 20 |
| PART-I(MCQS): MAXIMUM 30 MINUTES | PART-II | MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the question will not be considered. (vii) Use of calculator is allowed. | | |

PART – II

- Q. No. 2.** What is the significance of strategic management for an organization? Explain the various steps of strategic management process. (20)
- Q. No. 3.** What are the internal sources of job candidates? How can managers forecast the supply of internal candidate? (20)
- Q. No. 4.** Discuss the advantages and disadvantages of different methods a manager can adopt for effective performance appraisal of employees. (20)
- Q. No. 5.** Discuss the three common capital budgeting decision techniques with examples and formulas. (20)
- Q. No. 6.** An international manufacturing concern has provided the income statement data. Give formulas to calculate the following ratios. Also explain how to interpret them? (20)
- (i) Current ratio
 - (ii) Quick ratio
 - (iii) Average collection period
 - (iv) Time interest earned
 - (v) Inventory turnover
- Q. No. 7.** The impact of different levels of decision phases of supply chain depends on timeframe. Explain the decision phases in supply chains with examples. (20)
- Q. No. 8.** Compare the advantages of mass marketing to those of market segmentation for a company. Discuss with relevant business examples. (20)



**FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2018
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT**

Roll Number

BUSINESS ADMINISTRATION

| | | |
|---|----------------------|---------------------------|
| TIME ALLOWED: THREE HOURS | PART-I (MCQS) | MAXIMUM MARKS = 20 |
| PART-I(MCQS): MAXIMUM 30 MINUTES | PART-II | MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the attempted question will not be considered. (vii) Use of Calculator is allowed. | | |

PART – II

- Q. No. 2.** Daud Tools, a manufacturer of lathe tools, is currently selling a product for \$10 per unit. Sales (all on credit) for last year were 60,000 units. The variable cost per unit is \$6. The firm's total fixed costs are \$120,000. **(20)**
- The firm is currently contemplating a relaxation of credit standards that is expected to result in the following; a 5% increase in unit sales to 63,000 units; an increase in average collection period from 30 days (the current level) to 45 days; an increase in bad debt expenses from 1% of sales (current level) to 2%. The firm determines that its cost of tying up funds in receivables is 15% before taxes.
- Question:** Determine whether it would be profitable for Daud Tools to relax its credit standards. To arrive at your decision, show the calculation of;
- (a) Additional profit contribution from sales
 - (b) Cost of marginal investment in account receivables
 - (c) Cost of marginal investment in bad debts

- Q. No. 3.** **(20)**
- ABC Industries**
Balance sheet ending December 31, 2016

| <u>Assets</u> | <u>\$</u> | <u>Liabilities and stockholder's Equity</u> | <u>\$</u> |
|-----------------------|------------------|--|------------------|
| Cash | 32,720 | Accounts Payable | 120,000 |
| Marketable securities | 25,000 | Notes payable | ----- |
| Accounts receivable | ----- | Accruals | 20,000 |
| Inventories | ----- | Total current liabilities | ----- |
| Total current assets | ----- | Long-term debt | ----- |
| Net fixed assets | ----- | Stockholder's equity | 600,000 |
| Total assets | ----- | Total liabilities and stockholder's equity | ----- |

The following financial data for 2016 is also available;

- (a) Sales totalled \$1,800,000.
- (b) The gross profit margin was 25%.
- (c) Inventory turnover was 6.0.
- (d) There are 365 days in the year.
- (e) The average collection period was 40 days.
- (f) The current ratio was 1.60.
- (g) The total asset turnover ratio was 1.20.
- (h) The debt ratio was 60%.

Complete the 2016 balance sheet for ABC Industries using the given information.

BUSINESS ADMINISTRATION

- Q. No. 4.

Identify the major drivers of supply chain performance. Discuss the role each driver plays in creating strategic fit between supply chain strategy and the competitive strategy. Define the key metrics that track the performance of the supply chain in terms of each driver.

(20)
- Q. No. 5.

Brand positioning is the act of establishing a distinctive image of a product or offering in the minds of customers. How do marketers analyse competition and differentiate their products for successful positioning?

(20)
- Q. No. 6.

How do consumers process and evaluate prices? What is the 5-step process of setting the initial price for products or services? When and how should a company initiate a price change, i.e. introduce a price cut or price increase?

(20)
- Q. No. 7.

Organizational structures are designed in two major forms; traditional and boundaryless organizations. Discuss their different types, characteristics as well as their relative advantages and disadvantages, in comparison to each other.

(20)
- Q. No. 8.

What is Training Needs Analysis (TNA), why is it important to conduct it, and what should it evaluate? What are the types of training methods and which training method should be employed for each type of training needs?

(20)



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2017
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT
BUSINESS ADMINISTRATION

Roll Number

TIME ALLOWED: THREE HOURS
PART-I(MCQS): MAXIMUM 30 MINUTES

PART-I (MCQS)
PART-II

MAXIMUM MARKS = 20
MAXIMUM MARKS = 80

- NOTE:** (i) **Part-II** is to be attempted on the separate **Answer Book**.
(ii) Attempt **ONLY FOUR** questions from **PART-II**. **ALL** questions carry **EQUAL** marks.
(iii) All the parts (if any) of each Question must be attempted at one place instead of at different places.
(iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper.
(v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.
(vi) Extra attempt of any question or any part of the attempted question will not be considered.
(vii) **Use of Calculator is allowed.**

PART-II

- Q. No. 2.** What does a company need to do to achieve strategic fit between the supply chain and competitive strategies? (20)
- Q. No. 3.** Describe how marketing strategies change during product life cycle. Also indentify and discuss some potential problems with the product life cycle. (20)
- Q. No. 4.** There are several basic techniques managers use for appraising the performance of employees. Discuss these techniques. (20)
- Q. No. 5.** A manager who really wants to approach a decision rationally and logically should try to follow the steps in rational decision making. Discuss these steps with examples. (20)
- Q. No. 6.** (a) A successful strategy requires determining the firm's Critical Success Factors (CSF) and core competencies. Discuss how a manager of pharmaceutical firm can align core competencies with CSF. (10)
- (b) How an operation manager can manage demand of a product in the light of available capacity? (10) (20)
- Q. No. 7.** The following data relates to ABC Company (20)

Income statement

| | |
|---------------------|-------------|
| Sales | Rs. 500,000 |
| Cost of goods sold | 300,000 |
| Operating expenses | 60,000 |
| Interest expenses | 10,000 |
| Income tax expenses | 40,000 |
| Net income | 90,000 |

Balance sheet

Assets

| | |
|---------------------|-----------|
| Cash | Rs 10,000 |
| Accounts receivable | 15,000 |
| Inventory | 20,000 |
| Equipment | 455,000 |

Total:

500,000

Liabilities

| | |
|-------------------------|-----------|
| Accounts payable | Rs 12,000 |
| Long-term notes payable | 48,000 |
| Shareholder's equity: | |
| Capital stock | 300,000 |
| Retained earnings | 140,000 |

Total:

500,000

Find and interpret the company's

- (i) Current ratio (ii) Quick ratio (iii) Average collection period
(iv) Time interest earned (v) Inventory turn over

- Q. No. 8.** Discuss the three common capital budgeting decision techniques with examples and formulas. (20)



**FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2016
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Roll Number

BUSINESS ADMINISTRATION

| | | |
|---|----------------------|---------------------------|
| TIME ALLOWED: THREE HOURS | PART-I (MCQS) | MAXIMUM MARKS = 20 |
| PART-I(MCQS): MAXIMUM 30 MINUTES | PART-II | MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. | | |
| (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. | | |
| (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. | | |
| (iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. | | |
| (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. | | |
| (vi) Extra attempt of any question or any part of the attempted question will not be considered. | | |
| (vii) Use of Calculator is allowed. | | |

PART-II

- Q. No. 2.** Enumerate the important steps you will follow for completing the Strategic Management Process for a Garment Manufacturing Company. **(20)**
- Q. No. 3.** What are the various types of Pricing? Propose the Pricing Strategy for a new, high quality brand of shoes. **(20)**
- Q. No. 4.** Discuss the features of the various types of Financial Markets. **(20)**
- Q. No. 5.** The following data relates to Bright Star Company (millions of Rs.) **(20)**
- | | |
|------------------------------|-----------|
| Cash & equivalents | Rs 100.00 |
| Fixed Assets | 283.50 |
| Sales | 1000.00 |
| Net Income | 50.00 |
| Current Liabilities | 105.50 |
| Current Ratio | 3.00 |
| Days Sales Outstanding (DSO) | 40.55Days |
| Return on Equity | 12.00% |
- The Company has no Preferred Stocks- only Common Equity, Current Liabilities, Long Term Debt.
- (a)** Find the Company's
- | | | |
|-----------------------------|---------------------|--------------------|
| (i) Accounts Receivable | (ii) Current Assets | (iii) Total Assets |
| (iv) Return on Total Assets | (v) Common Equity | (vi) Quick Ratio |
| (vii) Long term Debt | | |
- (b)** In part a) you should have found that the Company's Accounts Receivable (A/R) = Rs. 111.1 million. If Bright Star Company reduces its DSO from 40.55 days to 30.4 days, while holding other things constant, how much cash would it generate?
- Q. No. 6.** Propose a 'Recruitment Yield Pyramid' for a Five Star Hotel. **(20)**
- Q. No. 7.** Discuss the significance of major 'Supply Chain Drivers' in accomplishing business goals. **(20)**



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION FOR
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UNDER THE FEDERAL GOVERNMENT, 2015

Roll Number

BUSINESS ADMINISTRATION

| | | |
|---|----------------------|---------------------------|
| TIME ALLOWED: THREE HOURS | PART-I (MCQS) | MAXIMUM MARKS = 20 |
| PART-I(MCQS): MAXIMUM 30 MINUTES | PART-II | MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II, selecting AT LEAST ONE question from EACH SECTION. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the attempted question will not be considered. (vii) Use of Simple Calculator is allowed. | | |

PART-II
SECTION –I (MANAGEMENT)

- Q. No. 2.** Discuss the nature and scope of Management and also discuss functions of the Management. (20)
- Q. No. 3.** What is difference between leader and Manager and identify important approaches to effective leadership? (20)

SECTION-II (PRINCIPLES OF MARKETING)

- Q. No. 4.** Explain what is meant by “the marketing concept” compare this with a product orientation and a sales orientation. (20)
- Q. No. 5.** What is plan, planning and strategic planning and its role in effective marketing management? (20)
- Q. No. 6.** What do you know about MARKETING MIX and how its effect on increasing the sales volume of a company? (20)

SECTION-III (FINANCIAL MANAGERMENTS)

- Q. No. 7.** Discuss the nature and scope of FINANCE and FINANCIAL MANAGEMENT and also its role in financial efficiency. (20)
- Q. No. 8.** What is the importance of port folio Management and describe different types of investment and financial securities? (20)



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION FOR
RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT, 2014
BUSINESS ADMINISTRATION

Roll Number

| | | | |
|---------------|---------------|----------------------|-------------------|
| TIME ALLOWED: | (PART-I MCQs) | 30 MINUTES | MAXIMUM MARKS: 20 |
| THREE HOURS | (PART-II) | 2 HOURS & 30 MINUTES | MAXIMUM MARKS: 80 |

- NOTE: (i) Part-II is to be attempted on the separate Answer Book.
(ii) Attempt **ONLY FOUR** questions from PART-II, selecting **AT LEAST ONE** question from **EACH SECTION**. ALL questions carry **EQUAL** marks.
(iii) Candidate must write **Q. No.** in the **Answer Book** in accordance with **Q. No.** in the **Q. Paper**.
(iv) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.
(v) Extra attempt of any question or any part of the attempted question will not be considered.
(vi) Use of Simple Calculator is allowed.

PART-II
SECTION-A (MANAGEMENT)

- Q. No. 2. Discuss the contingency factors that effect planning. Describe how managers can effectively plan in today's environment. (20)
- Q. No. 3. What issues do today's leaders face? Do you think that most managers in real life use a contingency approach to increase their leadership effectiveness? Explain. (20)

SECTION-B (PRINCIPLES OF MARKETING)

- Q. No. 4. What constitutes good marketing research? How can company correctly measure and forecast demand? (20)
- ✓ Q. No. 5. How can companies evaluate and select specific foreign markets to enter? What are the differences between marketing in a developing and developed market? (20)

SECTION-C (FINANCIAL MANAGEMENT)

- Q. No. 6. How is a net present value profile used to complete projects? What causes conflicts in making of projects via net present value and internal rate of return? (20)
- Q. No. 7. How are total risk, non-diversifiable risk, and diversifiable risk selected? Why is non-diversifiable risk the only relevant risk? (20)
- ✓ Q.No. 8. The financial statements of Remington Pharmaceuticals for the year ended December 31, 2012, follow: (20)

Remington Pharmaceuticals Income Statement
for the Year Ended December 31, 2012

| | |
|-------------------------------------|---------------|
| Sales revenue | \$ 160000 |
| Less: Cost of goods sold | <u>106000</u> |
| Gross profits | \$ 54000 |
| Less Operating expenses | |
| Selling expense | \$ 16000 |
| General and administrative expenses | 10000 |
| Lease expense | 1000 |
| Depreciation expense | <u>10000</u> |
| Total operating expense | \$ 37000 |
| Operating profits | \$ 17000 |
| Less: Interest expense | <u>6100</u> |
| Net profits before taxes | \$ 10900 |
| Less: Taxes | <u>4360</u> |
| Net Profits after taxes | \$ 6540 |

BUSINESS ADMINISTRATION

Remington Pharmaceuticals Balance Sheet December 31, 2012

| | |
|---|------------------|
| <u>Assets</u> | |
| ✓ Cash | \$ 500 |
| ✓ Marketable Securities | 1000 |
| ✓ Accounts receivable | 25000 |
| ✓ Inventories | 45500 |
| Total Current Assets | <u>\$ 72000</u> |
| Land | \$ 26000 |
| Building and equipment | \$ 90000 |
| Less: Accumulative depreciation | <u>\$ 38000</u> |
| Net fixed Assets | <u>\$ 78000</u> |
| Total Assets | <u>\$ 150000</u> |
| <u>Liabilities and Stockholder's Equity</u> | |
| Accounts payable | \$ 22000 |
| Notes payable | <u>47000</u> |
| Total Current Liabilities | <u>\$ 69000</u> |
| Long term debt | 22950 |
| Common stock equity | \$ 31500 |
| Retained earnings | 26550 |
| Total Liabilities and Stockholders Equity | <u>\$ 150000</u> |

The firm's 3000 outstanding shares of common stock closed 2012 at a price of \$ 25 per share.

- a. Use the preceding financial statements to complete the following table. Assume the industry average given in the table are applicable for both 2011 and 2012.

| Ratio | Industry average | Actual 2011 | Actual 2012 |
|-------------------------------|------------------|-------------|-------------|
| Current ratio ✓ | 1.80 | 1.84 | ---- |
| Quick ratio ✓ | 0.70 | 0.78 | ---- |
| Inventory turnover* | 2.50 | 2.59 | ---- |
| Average collection period* ✓ | 37.5 days | 36.5 days | ---- |
| Debt ratio ✓ | 65% | 67% | ---- |
| Times interest earned ratio ✓ | 3.8 | 4.0 | ---- |
| Gross profit margin | 38% | 40% | ---- |
| Net profit margin | 3.5% | 3.6% | ---- |
| Return on total assets | 4.0% | 4.0% | ---- |
| Return on common equity | 9.5% | 8.0% | ---- |
| Market/Book ratio | 1.1 | 1.2 | ---- |

* Bases on a 365 days year and on end of year figures.

FEDERAL PUBLIC SERVICE COMMISSION



COMPETITIVE EXAMINATION FOR RECRUITMENT TO POSTS IN BS-17 UNDER THE FEDERAL GOVERNMENT, 2013

Roll Number

BUSINESS ADMINISTRATION

| | | | |
|---|----------------------|---------------------------------|--------------------------|
| TIME ALLOWED: | (PART-I MCQs) | 30 MINUTES | MAXIMUM MARKS: 20 |
| THREE HOURS | (PART-II) | 2 HOURS & 30 MINUTES | MAXIMUM MARKS: 80 |
| NOTE: (i) First attempt PART-I (MCQs) on separate OMR Answer Sheet which shall be taken back after 30 minutes. | | | |
| (ii) Overwriting/cutting of the options/answers will not be given credit. | | | |

PART-I ((MCQs) (COMPULSORY)

Q.1. (i) Select the best option/answer and fill in the appropriate Circle● on the OMR Answer Sheet. (20x1=20)
(ii) Answers given anywhere, other than OMR Answer Sheet, shall not be considered.

- What are the earnings per share (EPS) for a company that earned \$100,000 last year in after-tax profits, has 200,000 common shares outstanding and \$1.2 million in retained earnings at the year end?
(a) \$100,000 (b) \$6.00 (c) \$0.50 (d) \$6.50
- The decision function of financial management can be broken down into the decisions:
(a) Financing and investment (b) Investment, financing and asset management
(c) Financing and dividend (d) Capital budgeting, cash management and credit management
- You want to buy an ordinary annuity that will pay you \$4,000 a year for the next 20 years. You expect annual interest rates will be 8 percent over that time period. The maximum price you would be willing to pay for the annuity is closest to:
(a) \$32,000 (b) \$39,272 (c) \$40,000 (d) \$80,000
- Which of the following would NOT improve the current ratio?
(a) Borrow short term to finance additional fixed assets (b) Issue long-term debt to buy inventory
(c) Sell common stock to reduce current liabilities (d) Sell fixed assets to reduce accounts payable
- Alto industries has a debt-to-equity ratio of 1.6 compared with the industry average of 1.4. This means that the company:
(a) Will not experience any difficulty with its creditors
(b) Has less liquidity than other firms in the industry
(c) Will be viewed as having high credit worthiness
(d) Has greater than average financial risk when compared to other firms in its industry
- According to the capital-asset pricing model (CAPM), a security's expected (required) return is equal to the risk-free rate plus a premium:
(a) Equal to the security's beta (b) Based on the unsystematic risk of the security
(c) Based on the total risk of the security (d) Based on the systematic risk of the security
- "How people feel about corporations, government agencies, trade unions and universities" refers to which of the following views?
(a) People's view of others (b) People's view of societies
(c) People's view of themselves (d) People's view of organizations
- Gathering secondary information is one of the steps of developing the research plan. What does the meaning of secondary information in marketing research?
(a) That does not currently exist in an organized form
(b) That already exists somewhere, having been collected for another purpose
(c) That the researcher can obtain through surveys and observation
(d) That already exists somewhere in an organized form
- Which one of the following factor is **NOT** used for measuring the social class?
(a) Income (b) Number of children in family (c) Occupation (d) Education
- Which one of the following three-step process represents "Perception"?
(a) Motivation, personality and attitudes
(b) Collecting, eliminating and organizing information inputs
(c) Receiving, organizing and interpreting information inputs
(d) Anticipating, classifying and discarding information inputs
- Demographic segmentation divides the market into groups based on which of the following variables?
(a) Size, location, industry, customer (b) Size, company, industry, technology
(c) Location, size, occupation, race (d) Customer, technology, company, industry
- Which of the following are those products purchased for further processing or for use in conducting a business?
(a) Unsought products (b) specialty products (c) Shopping products (d) Industrial products
- After concept testing, a firm would engage in which stage for developing and marketing a new product?
(a) Marketing strategy development (b) Business analysis
(c) Product development (d) Test marketing

BUSINESS ADMINISTRATION

14. Frederick Taylor advocated which of the following management principles?
(a) Work and responsibility should be divided almost equally between managers and workers.
(b) Workers should perform all work, while management should maintain responsibility for the work performed.
(c) Managers should perform more work than workers, because managers are generally more skilled.
(d) Workers can be highly productive even if they are randomly selected for a job.
15. General administrative theory focuses on:
(a) The entire organization (b) Managers and administrators
(c) The measurement of organizational design relationships (d) Primarily the accounting function
16. Bureaucracy is defined as a form of organization characterized by:
(a) Division of labor (b) Clearly defined hierarchy
(c) Detailed rules and regulations (d) All of these
17. The quantitative approach involves applications of:
(a) Statistics, information models, and computer simulations
(b) Psychology testing, focus groups, and mathematics
(c) Optimization models, interviews, and questionnaires
(d) Survey, strategic planning, and group problem solving
18. The Hawthorne Studies were initially devised to study:
(a) Productivity levels of groups versus individuals (b) The effect of noise on employee productivity
(c) The effect of illumination levels on employee productivity
(d) The effect of cooperative versus competitive organizational environments on productivity
19. Which of the following is considered a systems input?
(a) Management activities (b) Financial results (c) Operations methods (d) Raw materials
20. A manager who believes that no one set of principles applies equally to all work environments is most likely advocating which management approach?
(a) Contingency (b) Workplace diversity (c) Organizational behaviour (d) Knowledge management

PART-II

NOTE: (i) **Part-II** is to be attempted on the separate **Answer Book**.
(ii) Candidate must write **Q. No.** in the **Answer Book** in accordance with **Q. No.** in the **Q. Paper**.
(iii) Attempt **ONLY FOUR** questions from **PART-II**, selecting at least **ONE** question from **EACH SECTION. ALL questions carry EQUAL marks**.
(iv) Extra attempt of any question or any part of the attempted question will not be considered.

SECTION-A (MANAGEMENT)

- Q.2. Discuss importance of planning in organizations. Briefly describe types of plans. (20)
- Q.3. What criticism has been levelled against scientific approach to management? How the scientific approach to management is compared with behavioural approach? (20)
- Q.4. Briefly comment upon contemporary theories of motivation. (20)

SECTION-B (PRINCIPLES OF MARKETING)

- Q.5. Briefly describe how marketing strategy is formulated? (20)
- Q.6. Discuss product attributes. Product can be differentiated on the basis of product attributes. Explain. (20)
- Q.7. What is Integrated Marketing Communication? Comment on its major components. (20)

SECTION-C (FINANCIAL MANAGEMENT)

- Q.8. (a) You wish to borrow \$10,000 for three years. The bank agrees to lend this amount if you are willing to pay them \$16,000 at the end of three years. What is the implicit rate of interest implied if it is applied (i) on annually (ii) semiannually (to the nearest whole percent)? (10)
- (b) An investment of \$10,000 will return \$130 per year forever. What is its internal rate of return? (10)
- Q.9. Sapphire Corporation is considering cash outlay of \$800,000 for acquisition of new equipment. The useful life is four years and the firm assesses zero residual value at the end of four years. After-tax cash inflow of \$200,000 are expected in year 1, \$250,000 in year 2, \$300,000 in year 3, \$400,000 in year 4. The company falls in the tax bracket of 50%. (10)
- (i) If the required rate of return is 15 percent, what is the net present value of the project? Is the project acceptable? (05)
- (ii) What is the internal rate of return? (05)
- Q.10. A stock currently sells for \$50 per share. The market requires a 13% return on the firm's stock. If the company maintains a constant 5% growth rate in dividends, what was the most recent dividend per share paid on the stock? (20)

FEDERAL PUBLIC SERVICE COMMISSION



COMPETITIVE EXAMINATION FOR RECRUITMENT TO POSTS IN BS-17 UNDER THE FEDERAL GOVERNMENT, 2012

Roll Number

BUSINESS ADMINISTRATION

| | | | |
|---|----------------------|---------------------------------|--------------------------|
| TIME ALLOWED: | (PART-I MCQs) | 30 MINUTES | MAXIMUM MARKS: 20 |
| THREE HOURS | (PART-II) | 2 HOURS & 30 MINUTES | MAXIMUM MARKS: 80 |
| NOTE: (i) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q. Paper. (ii) Attempt ONLY FOUR questions from PART-II , Selecting AT LEAST ONE question from EACH SECTION. ALL questions carry EQUAL marks. (iii) Extra attempt of any question or any part of the attempted question will not be considered. | | | |

PART-II

SECTION-I (MANAGEMENT)

- Q. 2.** What is leadership? List and explain different types of leaders. Discuss any one theory of leadership. (6+7+7=20)
- Q. 3.** Why motivation is considered necessary in today's organizations to increase efficiency of the employees? Briefly describe any one theory of motivation. (10+10=20)
- Q. 4.** Describe major functions of Management. Discuss its significance for modern business organizations. (10=10=20)

SECTION-II (PRINCIPLES OF MARKETING)

- Q. 5.** Briefly describe main features of marketing environment. (20)
- Q. 6.** What is "Marketing Mix"? Discuss the role of marketing mix in the marketing process for increasing sales volumes. (8+12=20)
- Q. 7.** Describe main features of marketing role in the society. Discuss its impact on human life (10+10=20)

SECTION-III (FINANCIAL MANAGEMENT)

- Q. 8.** Describe main features of financial management. Discuss role of Finance Manager in any organization. (10+10=20)
- Q. 9.** Do adjusting entries affect Income Statement Accounts, Balance Sheet Accounts, or both? Discuss. (20)
- Q. 10.** How the Financial Statements are analysed and interpreted through ratio analysis. (20)

FEDERAL PUBLIC SERVICE COMMISSION



COMPETITIVE EXAMINATION FOR RECRUITMENT TO POSTS IN BS-17 UNDER THE FEDERAL GOVERNMENT, 2011

Roll Number

BUSINESS ADMINISTRATION

| | | | |
|---|----------------------|---------------------------------|--------------------------|
| TIME ALLOWED: | (PART-I MCQs) | 30 MINUTES | MAXIMUM MARKS: 20 |
| THREE HOURS | (PART-II) | 2 HOURS & 30 MINUTES | MAXIMUM MARKS: 80 |
| NOTE: (i) First attempt PART-I (MCQs) on separate Answer Sheet which shall be taken back after 30 minutes. | | | |
| (ii) Overwriting/cutting of the options/answers will not be given credit. | | | |

(PART-I MCQs) (COMPULSORY)

- Q.1.** Select the best option/answer and fill in the **appropriate box** on the **Answer Sheet**. (1 x 20=20)
- (i) Fredrick Winslow Taylor's Principles of Scientific Management suggested the use of scientific methods to define:
- (a) The easiest way of doing a job (b) The most complex way of doing a job
- (c) The best way of doing a job (d) None of these
- (ii) The quantitative approach using quantitative techniques in Management is called:
- (a) Scientific Method (b) Operations Research
- (c) Quantitative Approach (d) None of these
- (iii) The perspective that Managers are directly responsible for an organization's success is known as:
- (a) Omnipotent view of management (b) Management orientation
- (c) Autocratic management (d) None of these
- (iv) Effective Management decisions are:
- (a) Emotional (b) Based on lots of data (c) Rational (d) None of these
- (v) Breakeven Analysis is a useful technique for:
- (a) Reducing operating costs (b) Maximizing sales (c) Resource allocation (d) None of these
- (vi) Recruitment helps:
- (a) Improve productivity of HR (b) Reduce number of employees
- (c) Improve labour relations (d) None of these
- (vii) Grapevine is:
- (a) An office decoration plant (b) An information network
- (c) An official drink (d) None of these
- (viii) Most important asset in an organization is:
- (a) Money (b) Plant and Machinery (c) Employees (d) None of these
- (ix) Employees resist organizational change because it:
- (a) Reduces their compensation (b) Creates uncertainty
- (c) Puts more work on them (d) None of these
- (x) Strictly observing Corporate Ethics is:
- (a) Not important in commercial organizations (b) Against the concept of profit maximization
- (c) An essential requirement of professional business management (d) None of these

BUSINESS ADMINISTRATION

- (xi) According to Herzberg’s Motivation – Hygiene Theory, employee’s salary is:
(a) Hygiene Factor (b) Motivating Factor (c) Employee’s Retention Factor (d) None of these
- (xii) Who has the most power in Value Chain?
(a) Suppliers (b) Distributors (c) Customers (d) None of these
- (xiii) Marketing is:
(a) Sales of goods and services (b) The range of services starting and ending with the customer
(c) Sales planning and promotion (d) None of these
- (xiv) Marketing Strategy is:
(a) Activities focused to defeat competitors
(b) Activities aimed at creating value and profitable relationship with customers
(c) Activities for maximizing sales (d) None of these
- (xv) Cost strategy means charging:
(a) Highest price for products (b) Lowest price for products
(c) Varying prices for products (d) None of these
- (xvi) Branding is:
(a) Not possible for services (b) Not very useful commercially
(c) Useful for building product loyalty (d) None of these
- (xvii) Creation of value in a business means:
(a) Earning maximum profits (b) Promoting rapid growth in sales
(c) Optimizing shareholder’s return in a company (d) None of these
- (xviii) Price/Earnings Ratio of a company shows relationship between its:
(a) Net profit and Sales (b) Gross profit and Net earnings
(c) Market price of its share and Earnings per share (d) None of these
- (xix) Free Cash Flows are:
(a) Net after tax profit (b) Expected Revenues minus expected costs and capital expenditures
(c) Cash in hand and in bank (d) None of these
- (xx) Term interest earned is:
(a) EBIT ÷ Interest on debt (b) Net profit ÷ Debt
(c) Sales ÷ Interest Payable (d) None of these

PART-II

NOTE:(i) **PART-II** is to be attempted on separate Answer Book.
(ii) **Attempt ONLY FOUR questions from PART-II, selecting AT LEAST ONE question from EACH SECTION. All questions carry EQUAL marks.**
(iii) **Extra attempt of any question or any part of the attempted question will not be considered.**

SECTION-I (MANAGEMENT)

- Q.2.** Describe the key activities of the Decision – Making Process. (20)
- Q.3.** Briefly describe the steps involved in setting Corporate Goals. (20)
- Q.4.** What are the important contemporary issues in Organizational Control? (20)

BUSINESS ADMINISTRATION

SECTION-II (PRINCIPLES OF MARKETING)

- Q.5.

How can the SBUs of a company be classified according to the ‘Growth-Share Matrix’ of the Boston Consulting Group.

(20)
- Q.6.

Discuss the major Brand Strategy Decisions for a new range of ladies shoes.

(20)
- Q.7.

Compare the important features of ‘Value – Based Pricing’, ‘Good – Value Pricing’ and ‘Value – Adding Pricing’.

(20)

SECTION-III (FINANCIAL MANAGEMENT)

- Q.8.

Describe the main features of the Main Methods of Evaluation of attractiveness of various investment proposals.

(20)
- Q.9.

A company is evaluating the following three investment proposals:

(20)

(1)

Produce a new line of aluminium trays.

(2)

Expand its existing cooker line to include several new sizes.

(3)

Develop a new higher-quality line of cookers.

If only the project in question is undertaken, the expected present values and the amounts of investment required are:

| Project | Investment Required | Present Value of Future Cash Flows |
|---------|---------------------|------------------------------------|
| 1 | Rs.200,000 | Rs.290,000 |
| 2 | 115,000 | 185,000 |
| 3 | 270,000 | 400,000 |

If projects 1 and 2 are jointly undertaken, there will be no economies; the investment required and present values will simply be the sum of the parts. With projects 1 and 3, economies are possible in investment because one of the machines acquired can be used in both production processes. The total investment required for projects 1 and 3 combined is Rs.440,000. If projects 2 and 3 are undertaken, there are economies to be achieved in marketing and producing the products but not in investment. The expected present value of future cash flows for projects 2 and 3 is Rs.620,000. If all three projects are undertaken simultaneously, the economies noted will still hold. However, a Rs.125,000 extension on the plant will be necessary, as space is not available for all three projects. Which project or projects should be chosen?

- Q.10.

DP Company presently has Rs.3 million in debt outstanding bearing an interest rate of 12 percent. It wishes to finance a Rs.4 million expansion program and is considering three alternatives: additional debt at 14 percent interest, preferred stock with a 12 percent dividend, and the sale of common stock at Rs.16 per share. The company presently has 800,000 shares of common stock outstanding and is in a 40 percent tax bracket.

(20)
- (i)

If earnings before interest and taxes are presently Rs.1.5 million, what would be earnings per share for the three alternatives, assuming no immediate increase in profitability?
- (ii)

Develop a break-even, or indifference chart for these alternatives. What are the approximate indifference points? To check one of these points, what is the indifference point mathematically between debt and common?
- (iii)

Which alternative do you prefer? How much would EBIT need to increase before the next alternative would be best?

BUSINESS ADMINISTRATION

**FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION FOR
RECRUITMENT TO POSTS IN BPS-17 UNDER
THE FEDERAL GOVERNMENT, 2010**

Roll Number

BUSINESS ADMINISTRATION

| | | |
|----------------------|---|-------------------------|
| TIME ALLOWED: | (PART-I) 30 MINUTES | MAXIMUM MARKS:20 |
| | (PART-II) 2 HOURS & 30 MINUTES | MAXIMUM MARKS:80 |

- NOTE: (i) First attempt PART-I (MCQ) on separate Answer Sheet which shall be taken back after 30 minutes.**
(ii) Overwriting/cutting of the options/answers will not be given credit.

PART – I (MCQ)
(COMPULSORY)

- Q.1. Select the best option/answer and fill in the appropriate box on the Answer Sheet. (20)**
- You wish to borrow \$8,000 to be repaid in 24 monthly installments at an annual interest of 8%. What is your monthly payment?
 (a) \$262.82 (b) \$361.82 (c) \$150.50
 (d) \$325.00 (e) None of these
 - If you invest \$600 every six months at 8 percent compounded semi annually, how much would you accumulate at the end of 10 years?
 (a) \$15,883.20 (b) \$16,926.82 (c) \$17,866.85
 (d) \$18,233.45 (e) None of these
 - A commercial bank will loan you \$12,250 for three years to buy a car. The loan must be repaid in 36 equal monthly payments. The annual interest rate on the loan is 12% of the unpaid balance. How large are the monthly payments?
 (a) \$425.00 (b) \$350.67 (c) \$375.09
 (d) \$406.88 (e) None of these
 - What is the future value of a \$500 investment, with a stated interest rate of 6% compounded monthly for 7 years (round to the nearest dollar)?
 (a) \$700 (b) \$730 (c) \$760
 (d) \$790 (e) None of these
 - You are considering investing in a preferred stock that has a dividend of \$3.25 per share. The market price of this stock is \$48.625. What is the rate of return you would expect to make on this perpetuity?
 (a) 6.68% (b) 6.24% (c) 6.05%
 (d) 6.28% (e) None of these
 - Which is not a disadvantage of traditional file processing system?
 (a) Program-data dependence (b) Reduced data redundancy (c) Limited data sharing
 (d) Lengthy development time (e) None of these
 - An enterprise data model is a (n) _____ model.
 (a) numerical (b) mathematical (c) narrative
 (d) graphical (e) None of these
 - Which is NOT a component of a relational database?
 (a) Entity (b) Table (c) Attribute
 (d) Hierarchy (e) None of these
 - Database applications can be divided into five categories. Which is not a database application category?
 (a) Personal (b) Department (c) Enterprise
 (d) Relational (e) None of these
 - A database that supports organization-wide operations and decision making is a (n) _____ database.
 (a) department (b) enterprise (c) workgroup
 (d) extranet (e) None of these
 - As small companies begin to achieve success, they tend to adopt some of the tools used in professionally run marketing programs. This is a sign that the firm is in the _____ stage of marketing practice.
 (a) entrepreneurial marketing (b) formulated marketing (c) intrapreneurial marketing
 (d) effective marketing (e) None of these

BUSINESS ADMINISTRATION

- (xii) The concept of a _____ is used to describe a cluster of complementary products that are closely related in the minds of consumers but are spread across a diverse set of industries.
(a) Metamarket (b) Metamediary (c) Marketplace
(d) Marketspace (e) None of these
- (xiii) Marketers can increase the value of a customer offering by:
(a) raising benefits and reducing costs
(b) raising benefits by more than the raise in costs
(c) lowering benefits by less than the reduction in costs
(d) all of the above can increase customer value
- (xiv) When a firm sees its competitors as all companies that compete for the same consumer dollars, they are concerned with the _____ level of competition?
(a) brand (b) industry (c) form
(d) generic (e) None of these
- (xv) The number of channel levels from raw material to final product which a company will participate defines the firm's _____ scope.
(a) industry (b) geographical (c) vertical
(d) competence (e) None of these
- (xvi) Which of the following best describes the organizational members who integrate and coordinate the work of others?
(a) Managers (b) Operatives (c) Subordinates
(d) Customers (e) All of these
- (xvii) _____ represent the lowest level of management.
(a) Team leaders (b) First-line managers (c) Operatives
(d) Labourers (e) None of these
- xviii) Which of the following roles is more important for lower-level managers than for either middle or top-level managers?
(a) Negotiator (b) Leader (c) Coordinator
(d) Entrepreneur (e) None of these
- (xix) Which of the following skills involve working well with other people?
(a) Technical (b) Human (c) Computer
(d) Empirical (e) None of these
- (xx) The phrase most associated with scientific management is _____.
(a) management relations (b) one best way (c) supply and demand
(d) quality control (e) None of these

PART – II

| | |
|--------------|--|
| NOTE: | (i) PART-II is to be attempted on the separate Answer Book . |
| | Attempt ONLY FOUR questions from PART-II . All questions carry EQUAL marks, selecting at least ONE question from each Section. |
| | Extra attempt of any question or any part of the attempted question will not be considered. |

SECTION-I: MANAGEMENT

- Q.2.** What do you understand by Mckinsey's 7's frame work for Management analysis, and how it is different from operational management approach? **(20)**
- Q.3.** How do you differentiate between strategy, policy and procedure? Discuss the various steps in planning process. **(10+10)**

SECTION-II: PRINCIPLES OF MARKETING

- Q.4.** What is product line and product mixed? What kinds of marketing strategy and procedures are required for new product development? **(20)**
- Q.5.** Differentiate between marketing and selling? Describe how the actions of a shoe manufacturer engaged in "marketing" might be different from a shoe manufacturer engaged in "selling"? **(10+10)**

SECTION-III: FINANCIAL MANAGEMENT

- Q.6.** Discuss the major functions of the "financial manager". Explain why judging the efficiency of any financial decision required the existence of a financial goal? **(20)**
- Q.7.** Explain types of long-term debt instruments and also discuss the advantages and disadvantages of issuing/buying the three types of long-term securities from the perspective of both the issuer and investor. **(10+10)**

BUSINESS ADMINISTRATION

**FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION FOR
RECRUITMENT TO POSTS IN BPS-17 UNDER
THE FEDERAL GOVERNMENT, 2009**

BUSINESS ADMINISTRATION

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| S.No. | |
| R.No. | |

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|----------------------|---|-------------------------|
| TIME ALLOWED: | (PART-I) 30 MINUTES | MAXIMUM MARKS:20 |
| | (PART-II) 2 HOURS & 30 MINUTES | MAXIMUM MARKS:80 |

NOTE: (i) First attempt PART-I (MCQ) on separate Answer Sheet which shall be taken back after 30 minutes.
(ii) Overwriting/cutting of the options/answers will not be given credit.

PART – I (MCQ)
(COMPULSORY)

Q.1. Select the best option/answer and fill in the appropriate box on the Answer Sheet. (20)

- (i) The key inputs into Discounted Cash Flow analysis are projected future cash flows.
 (a) True (b) False
- (ii) Market demand for a product is the total volume that would be sold by a defined customer group:
 (a) True (b) False
- (iii) Operational plans apply to the entire organization and establish the organization's overall goals.
 (a) True (b) False
- (iv) Preferred stock has a fixed dividend paid every period forever so preferred stock is essentially a perpetuity.
 (a) True (b) False
- (v) The cost of debt is the return that the firm's debtors demand on new borrowing.
 (a) True (b) False
- (vi) With the Internal Rate of Return, we try to find a single rate of return that summarizes the merits of a project.
 (a) True (b) False
- (vii) IBM is example of a manufacturer brand.
 (a) True (b) False
- (viii) Modifying job responsibilities is an example of structural change:
 (a) True (b) False
- (ix) _____ is a statement reporting the effects of a firm's operating, investing and financing activities on cash flows over an accounting period.
 (a) Income statement (b) Annual report (c) Cash flow statement
 (d) Balance sheet (e) None of these
- (x) _____ studied five chief executives at work and identified ten managerial roles.
 (a) Max Weber (b) Henry Fayol (c) Henry Mintzberg
 (d) Fredrick Taylor (e) Michael Porter
- (xi) A product life cycle _____.
 (a) Shows how a product sales or profits may rise or fall over its life
 (b) Tells you how long a product will sell for and make a profit
 (c) Is divided into three stages (d) Show how profitable a product will be
 (e) None of these
- (xii) All of the following are fixed assets except:
 (a) Building (b) Stocks (c) Production plant
 (d) Vehicles (e) None of these
- (xiii) What is the influencing environmental factor when interest rates increase and firms find it difficult to borrow funds?
 (a) political factor (b) social factor (c) economic factor
 (d) technological factor (e) competitive factor
- (xiv) Which of the following is not a market-entry strategy?
 (a) Licensing (b) Indirect exporting (c) Joint venture
 (d) International marketing (e) None of these
- (xv) _____ is information about physical working conditions, work schedule and the organizational and social context of the job.
 (a) Job specification (b) Job context (c) Work activities
 (d) HR policy manual (e) None of these

BUSINESS ADMINISTRATION

- (xvi) The liquidity of a firm is a measure of _____.
(a) Its ability to pay bills
(b) Its ability to respond to changes in demand
(c) How flexible it is in its production planning
(d) How quickly and easily a firm could relocate to another site
(e) None of these
- (xvii) Market share means _____.
(a) How well a firm is doing (b) How much power a firm has in the market
(c) How many firms are there in the market (d) How big a market is
(e) None of these
- (xviii) _____ refers to a management philosophy that requires employers to continuously set and relentlessly meet ever high quality, cost, delivery and availability goals.
(a) Performance management (b) Performance appraisal (c) Continuous improvement
(d) Management by objective (e) None of these
- (xix) Beta _____.
(a) is a measure of firm specific risk (b) is a measure of market risk
(c) is a measure of total risk (d) All of these (e) None of these
- (xx) What is the price of a stock that is expected to pay a 1.00 dividend next year if the cost of capital is 14% and the growth rate is zero?
(a) 7.14 (b) 6.75 (c) 11.9
(d) 6.13 (e) None of these

PART – II

| | |
|--------------|---|
| NOTE: | <p>(i) PART-II is to be attempted on the separate Answer Book.</p> <p>(ii) Attempt ONLY FOUR questions from PART-II. All questions carry EQUAL marks, selecting at least ONE question from each Section.</p> <p>(iii) Extra attempt of any question or any part of the attempted question will not be considered.</p> |
|--------------|---|

SECTION-I: MANAGEMENT

- Q.2.** What do you understand by ‘efficiency’ and ‘effectiveness’ in management? In today’s environment, which one of the two is more important to organizations? Explaining your choice. **(10+10)**
- Q.3.** What is work specialization? How can the concept of specialization be applied to institutions such as universities and government agencies? **(10+10)**

SECTION-II: PRINCIPLES OF MARKETING

- Q.4.** Identify some major factors that drive the new economy and explain what changes these factors have brought to marketing? **(20)**
- Q.5.** What is the role of advertising in marketing? Select an example to illustrate what you believe to be good advertising and why? **(20)**

SECTION-III: FINANCIAL MANAGEMENT

- Q.6.** What is ratio analysis? List four ratios and explain what they are used for? Discuss various benefits and drawbacks of ratio analysis? **(5+5+10)**
- Q.7.** Assume that it is now January 1, 2009. On January 1, 2010 you will deposit Rs. 1000 into a savings account that pays 8 percent.
- (a) If the bank compounds interest annually, how much will you have in your account on January 1, 2013? **(5)**
- (b) What would your January 1, 2013, balance be if the bank used quarterly compounding rather than annual compounding? **(5)**
- (c) Suppose you deposited Rs. 1000 in four payments of Rs. 250 each on January 1, 2010, 2011, 2012 and 2013. How much would you have in your account on January 1, 2013, based on 8 percent annual compounding? **(5)**
- (d) Suppose you deposited four equal payments in your account on January 1 of 2010, 2011, 2012 and 2013. Assuming an 8 percent interest rate, how large would each of your payment have to be for you to obtain the same ending balance as you calculated in part (a)? **(5)**



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION FOR
RECRUITMENT TO POSTS IN BPS-17 UNDER
THE FEDERAL GOVERNMENT, 2008

Roll No.

BUSINESS ADMINISTRATION

| | | | |
|---------------|-----------|----------------------|------------------|
| TIME ALLOWED: | (PART-I) | 30 MINUTES | MAXIMUM MARKS:20 |
| | (PART-II) | 2 Hours & 30 Minutes | MAXIMUM MARKS:80 |

| | |
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| NOTE: | (i) First attempt PART-I (MCQ) on separate Answer Sheet which shall be taken back after 30 minutes. |
| | (ii) Overwriting/cutting of the options/answers will not be given credit. |

PART – I (MCQ)
(COMPULSORY)

Q.1. Select the best option /answer and fill in the appropriate box on the Answer Sheet. (20)

- (i) The last stage of Maslow Need Hierarchy is Esteem.
(a) True (b) False
- (ii) An effective Manager is one who achieves the goal with the least amount of resources.
(a) True (b) False
- (iii) Audit is a type of controlling system.
(a) True (b) False
- (iv) Removal of undesirable elements serves as Negative Reinforcement tool to motivate the people.
(a) True (b) False
- (v) Marketing of services heavily rely on advertising.
(a) True (b) False
- (vi) Advertising is paid, personal communication through media.
(a) True (b) False
- (vii) Skimming pricing is used when the customers are quality conscious.
(a) True (b) False
- (viii) Advertising is usually at the top of Promotion Mix of every product.
(a) True (b) False
- (ix) Profit as against Share Price Maximization is always a desirable goal of organization.
(a) True (b) False
- (x) For a short term creditor, liquidity ratios are more important than efficiency ratios.
(a) True (b) False
- (xi) Low levels of net working capital decrease risks.
(a) True (b) False
- (xii) The present value of an annuity is inversely related to future value of annuity.
(a) True (b) False
- (xiii) The three levels of a product are:
(a) Core, Packaging and Promotion (b) Actual, Core and Pricing
(c) Augmentation, Core and Actual (d) None of these
- (xiv) MBO means:
(a) Management based on Organization
(b) Management based on Objectives
(c) Management by Objectives
(d) None of these
- (xv) The two broad price policies are:
(a) Demand and sales based pricing
(b) Penetration and low pricing
(c) Skimming and Demand based pricing
(d) None of these
- (xvi) Quick Ratio is calculated by dividing:
(a) Current Assets by Current Liabilities
(b) Current Assets by Inventories
(c) Current Liabilities by Current Assets
(d) None of these

BUSINESS ADMINISTRATION

- (xvii) Decreasing inventories is a source of:
- | | |
|------------|-------------------|
| (a) Assets | (b) Funds |
| (c) Credit | (d) None of these |
- (xviii) Entrepreneur is:
- | |
|--|
| (a) Manager looking for profit |
| (b) Manager looking for employees satisfaction |
| (c) Manager looking for every opportunity |
| (d) None of these |
- (xix) The depth of a 'Product Mix' indicates:
- | |
|---|
| (a) All products offered by a company with its versions |
| (b) All products offered by a company with its brands |
| (c) All products and service brands |
| (d) None of these |
- (xx) A person directly involved in operation and accomplishment of main objectives of the firm is called:
- | | |
|------------------------|-------------------|
| (a) First-Line manager | (b) Line-Manager |
| (c) Staff-Manager | (d) None of these |

PART – II

| | |
|-------|---|
| NOTE: | (i) PART-II is to be attempted on the separate Answer Book . |
| | (ii) Attempt ONLY FOUR questions from PART-II selecting at least ONE question from each SECTION . All questions carry EQUAL marks. |
| | (iii) Extra attempt of any question or any part of the attempted question will not be considered. |

SECTION – I: (Management)

- Q.2. Explain the role of "Strategic Planning" in the present business world. How is it different from simple planning process? Give examples. (20)
- Q.3. Define "Managerial Leadership". Compare the Ohio and Michigan State University's approaches of Leadership Styles. (20)

SECTION – II: (Principles of Marketing)

- Q.4. Define 'Global Marketing'. How is it different from International Marketing? Describe the elements on which an organization should focus to globalize its product more effectively. (20)
- Q.5. "Sales Promotion" is taking the place of "Advertising". Comment. Discuss some commonly used Sales Promotion techniques for customers and channel members. (20)

SECTION –III: (Financial Management)

- Q.6. The 'Big Star Ltd' purchase a machinery from Hi-Tech Corporation. It is agreed that the payment will be made in Four installments. The Big-Star Company paid Rs.10,000 at the time of purchase and will pay Rs.15,000 after one year. The company will pay Rs.18,000 two years later and Rs.21,000 three years later, from the time of purchase. What would be the present value of receipt from the sale if the Hi-Tech Corporation uses a discount rate of 5 percent. (20)
- Q.7. How do "Liquidity and Leverage Ratios" help the management in taking financial decisions? Assume some data to explain the role of these ratios in financial decision making. (20)

FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION FOR RECRUITMENT TO POSTS
IN BPS-17 UNDER THE FEDERAL GOVERNMENT, 2001.

BUSINESS ADMINISTRATION

TIME ALLOWED: THREE HOURS

MAXIMUM MARKS: 100

NOTE: Attempt **FIVE** questions in all, including question No.7 which is **COMPULSORY**. Select at least **ONE QUESTION** from each of the **PARTS I, II AND III**. All questions carry **EQUAL** marks.

PART - I (MANAGEMENT)

1. Explain the **SELECTION PROCESS** used in modern organizations. What techniques can be used to improve the interviewing process used as a selection technique?
2. If you were a manager, would you decentralize authority? State several reasons for your answer.
How would you make sure that you did not decentralize too much?

PART - II (PRINCIPLES OF MARKETING)

3. Explain how the following macro-environmental forces affect the marketing programmes of business organizations:
(a) Technology (b) Economic Conditions
(c) Political and Legal Forces
4. "Once a company decides to target a particular country, it has to determine the best mode of entry". List the alternatives available and explain the natures, advantages and limitations of any **TWO** involving more commitment, risk, control and profit potential.

PART - III (FINANCIAL MANAGEMENT)

5. Explain the following concepts/terms with examples:
(a) Debt-to-Equity Ratio (b) Return on Equity (ROE)
(c) The Economic Order Quantity (EOQ) (d) Cash Budget
(e) Classification of Working Capital on the basis of Time
6. Selected financial ratios for XYZ Co. are as follows:

| | 19 x 1 | 19 x 2 | 19 x 3 |
|----------------------------|---------|---------|---------|
| Current ratio | 4.2 | 2.6 | 1.8 |
| Acid test ratio | 2.1 | 1.0 | .6 |
| Debt-to-total assets | 23% | 33% | 47% |
| Inventory Turnover | 8.7x | 5.4x | 3.5x |
| Average collection period | 33 days | 36 days | 49 days |
| Total asset turnover | 3.2x | 2.6x | 1.9x |
| Net profit margin | 3.8% | 2.5% | 1.4% |
| Return on investment (ROI) | 12.1% | 6.5% | 2.8% |
| Return on Equity (ROE) | 15.7% | 9.7% | 5.4% |

BUSINESS ADMINISTRATION

- (a) Why did return on investment decline?
- (b) Was the increase in debt a result of greater current liabilities or of greater long-term debt? Explain.

COMPULSORY QUESTION

7. Write only the correct answer in the Answer Book. Don't reproduce the questions.

- (1) Most preferred stock pays a fixed dividend at regular intervals:
(a) True (b) False
- (2) Any increase in an asset item is a source of funds:
(a) True (b) False
- (3) Depreciation is a book-keeping entry that allocates the cost of assets against income but does not involve any movement of capital:
(a) True (b) False
- (4) The maturity of a security relates to the owner's ability to convert it into cash on short notice:
(a) True (b) False
- (5) The credit period represents the period of time during which a cash discount can be taken for early payment.
(a) True (b) False
- (6) Which ratio is computed with the help of the following:
$$\frac{\text{Cost of goods sold}}{\text{Inventory}}$$

(a) Receivable turnover (b) Times interest earned
(c) Inventory Turnover (d) None of these
- (7) is the right that is delegated to an individual or a department to control specific processes, practices, policies, and other matters relating to activities undertaken by persons in other departments.
(a) Line authority (b) Functional Authority
(c) Line and Staff authority (d) None of these
- (8) Decentralization is the tendency to disperse decision-making in an organized structure:
(a) True (b) False
- (9) Programs are plans which are general statements or understandings that guide or channel thinking in decision making:
(a) True (b) False
- (10) is that part of managing that involves establishing an intentional structure of roles for people to fill in an organization.:
(a) Leading (b) Controlling (c) Planning
(d) None of these
- (11) Henri Fayol applied the principle of 'Division of Work' to all kinds of work, managerial as well as technical:
(a) True (b) False
- (12) spell out specific required actions or non-actions, allowing no discretion:
(a) Procedures (b) Budgets (c) Rules
(d) None of these

ADMINISTRATION

- (13) Business buyers are as geographically dispersed as final consumers:
(a) True (b) False
- (14) The distinction between a consumer good and an industrial good is based on the purpose for which the product is purchased:
(a) True (b) False
- (15) Intensive distribution occurs when the product is stocked in as many outlets as possible:
(a) True (b) False
- (16) Merchant wholesalers are independently owned businesses that do not own (take title to) the goods they sell:
(a) True (b) False
- (17) Which of the following elements in a compensation package provides the greatest amount of incentive for salespersons:
(a) Salary (b) Fringe benefits
(c) Commissions (d) Use of Company Vehicle
- (18) The process whereby the seller distinguishes between market segments, selects one or more of these segments, and develops products and marketing-mixes tailored to each segment is called..... marketing.
(a) mass (b) target
(c) Product Variety (d) service
- (19) Goods that the consumer, in the process of selection and purchase, characteristically compares on such bases as suitability, quality, price, and style are called..... goods.
(a) Shopping (b) Specialty
(c) Unsought (d) Convenience
- (20) Product..... is a period of rapid market acceptance and increasing profits.
(a) development (b) introduction
(c) growth (d) maturity
- *****

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FEDERAL PUBLIC SERVICE COMMISSION

COMPETITIVE EXAMINATION FOR RECRUITMENT TO POSTS IN PBS-17, UNDER THE FEDERAL GOVERNMENT, 2002

BUSINESS ADMINISTRATION

TIME ALLOWED: THREE HOURS

MAXIMUM MARKS: 100

NOTE: Attempt FIVE questions in all, including QUESTION NO. 7 which is **COMPULSORY**. Select at least **ONE** question each of the **PARTS I, II AND III**. All questions carry **EQUAL** marks.

PART-I (MANAGEMENT)

- Q.1. What is organizational culture? Discuss the sources of organization culture.
- Q.2. The ability to manage conflict is undoubtedly one of the most important skills a manager needs.
Discuss what kinds of conflicts arise in the organizations and how managers can develop effective conflict resolution skills.

PART-II (PRINCIPLES OF MARKETING)

- Q.3. Discuss the evolution of 'marketing concept'. Compare 'marketing concept' with 'selling concept'.
- Q.4. Describe the process of formulation of marketing strategy.

PART-III (FINANCIAL MANAGEMENT)

- Q.5. Explain the following concepts/terms with examples:
Cash conversion cycle (CCC)
Book value per share
Modified internal rate of return (MIRR)
Yield to maturity (YTM)
Business Risk Vs. Financial Risk
- Q.6. The following data apply to A.L. Kaiser & Company (millions of dollars)
Cash and marketable securities \$100.00
Fixed assets \$283.50
Sales \$1000.00
Net income \$50.00
Quick ratio 2.0 X
Current ratio 3.0 X
Average collection period 40 days
Return on equity 12%
- Kaiser has no preferred stock – only common stock equity, current liabilities and long term debt.
- Required:**
Find Kaiser's
- (1) account receivable (A/R),
 - (2) Current liabilities,
 - (3) Current assets,
 - (4) total assets,
 - (5) return on assets (ROA),
 - (6) common stock equity, and
 - (7) long term debt

BUSINESS ADMINISTRATION

COMPULSORY QUESTION

Q.7. Write only the correct answer in the Answer Books. Do not reproduce the question.

- 1) Which of the following statements is true?
 - (a) Decisions in public organizations emphasize political priorities, while decisions in business organizations are rational and apolitical.
 - (b) Public decision makers, in contrast to their business counterparts, are constrained by administrative procedure that limit managerial authority and autonomy.
 - (c) It is hard to get high performance out of government employees because, compared to their business counterparts, they are lazy, more security oriented, and less motivated.
 - (d) None of the above is true.
- 2) Who has written the famous book, 'Principles of Scientific Management'?
 - (a) Elton Mayo
 - (b) Henri Fayol
 - (c) Fredric Taylor
 - (d) Max Weber
 - (e) None of the above
- 3) Which of the following cannot be considered as an important dimension on which nation's culture differ?
 - (a) Individualism Vs. collectivism
 - (b) Power distance
 - (c) Uncertainty avoidance
 - (d) economic development
- 4) Market penetration pricing strategy can be pursued in price sensitive market.
 - (a) True
 - (b) False
- 5) A product can have a combination of physical product and service.
 - (a) True
 - (b) False
- 6) Vertical marketing system is integration of manufacturing and marketing activities.
 - (a) True
 - (b) False
- 7) Distribution of free product samples is part of publicity.
 - (a) True
 - (b) False
- 8) Which of the following is not part of Marketing Mix.
 - (a) Advertising
 - (b) Personnel Selling
 - (c) Publicity
 - (d) Sales Promotion
 - (e) None of the above is part of Marketing Mix
- 9) Which of the following is not part of product attributes?
 - (a) Quality
 - (b) Positioning
 - (c) Brand
 - (d) Packaging
 - (e) None of the above is a product attribute
- 10) Under monopolistic competition, the market consists of a few sellers who are highly sensitive to each other's pricing and marketing strategies.
 - (a) True
 - (b) False
- 11) Which of the following statements is not part of theory 'X' assumptions?
 - (a) Decisions are made in participative manner
 - (b) Employees inherently dislike work
 - (c) Employees must be coerced to achieve goals
 - (d) Employees tend to avoid responsibilities
 - (e) None of the above is theory 'X' assumption

FEDERAL PUBLIC SERVICE COMMISSION

COMPETITIVE EXAMINATION FOR RECRUITMENT TO POSTS
IN PBS-17, UNDER THE FEDERAL GOVERNMENT, 2003

BUSINESS ADMINISTRATION

TIME ALLOWED: THREE HOURS

MAXIMUM MARKS: 100

NOTE: Attempt FIVE questions in all, including Question No.7 which is **COMPULSORY**. Select at least **ONE** question from each of the **PARTS -I, II AND III**. All questions carry **EQUAL** marks.

PART-I (MANAGEMENT)

1. Compare and contrast the Maslow and Herzberg theories of motivation. On what grounds has the Herzberg theory been criticized?
2. How is staffing function related to other managerial functions and activities? List and evaluate external factors affecting staffing.

PART-II (PRINCIPLES OF MARKETING)

3. "Marketing is a total system of business activities designed to plan, price, promote and distribute want – satisfying products and services to present and potential customers". Comment on this statement comprehensively.
4. Explain the following terms:
 - (i) Sales promotion policies.
 - (ii) Global marketing.
 - (iii) Marketing Mix variable and Marketing Environment variables.

PART-III (FINANCIAL MANAGEMENT)

5. What is meant by the term "The Time Value of Money"? How is the concept of "Present value" related to the time value of money?
6. (a) Discuss the effects of the three approaches to working capital financing policy.
- (b) Assuming that the current ratio is 2, state in each of the following cases, whether the ratio will improve, or decline, or have no change:
 - (i) Payment of a current liability.
 - (ii) Purchase of fixed assets.
 - (iii) Cash collected from customers.
 - (iv) Issue of new shares.
- (c) A corporation has total assets of Rs.500,000 and its equity is Rs.200,000. What is the Company's debt-to-total-asset ratio?

COMPULSORY QUESTION

7. (A) Write only "True" or "False" in the answer book. Don't reproduce the statements.

- (1) Business risk is influenced by the firm's decision to use debt in its financial structure.
- (2) The most important function of management is controlling.
- (3) A short term creditor would consider liquidity ratios to be more important than efficiency ratios.
- (4) According to Maslow, when a need is satisfied, it tends to lose its ability to motivate.
- (5) The term marketing mix refers to the degree of advertising Vs personal selling used to market a product.
- (6) The difference between an agent and a merchant wholesaler is that an agent always takes title but a merchant whole saler does not.
- (7) The management of working capital is required because of a lack of short-term synchronization between demand and supply.

BUSINESS ADMINISTRATION

- (8) A manager who believes that people inherently dislike work probably accepts McGregor's Theory X.
- (9) Inventory carrying costs can be minimized by carrying fewer units in inventory.
- (10) A balance sheet is an accounting report used solely for the corporate form of business.

(B) Write only the correct answers in the answer book. Don't reproduce the questions.

- (11) For management, budgeting is perhaps the most powerful
- (a) Forecasting tool (b) Control device
- (c) Hiring tool (d) Accounting measure.
- (12) The income statement is a summary of:
- (a) Revenue and expenses (b) Assets, liabilities and capital
- (c) Increases and decreases in capital (d) None of these.
- (13) One benefit of using ratio analysis when interpreting financial statements is that:
- (a) Ratios facilitates comparisons between different companies.
- (b) All ratios have exact standard values with which performance can be compared.
- (c) Ratios take into account all the specific factors affecting particular companies and industries.
- (d) Ratios are always the same for all types of companies.
- (14) Planning and policy making are primarily functions of:
- (a) Top management (b) Middle management
- (c) Operating management (d) None of these.
- (15) An informal organization often exists within a business because:
- (a) Not all relationships can be specifically defined.
- (b) Small organizations do not necessarily emphasize strict adherence to line authority.
- (c) Human behaviour naturally crosses established authority lines.
- (d) All of these.
- (16) In marketing, selling and buying would be called the:
- (a) Primary functions (b) Exchange functions
- (c) Profit functions (d) Critical functions.
- (17) Institutional advertising is:
- (a) Aimed only at people in institutions.
- (b) Run only by institutions.
- (c) Designed to promote a type of product rather than a particular brand.
- (d) Designed simply to show that the firm is a good place to do business.
- (18) The current ratio of a firm having Rs.25,000 of current assets, Rs.30,000 of fixed assets, Rs.5000 of current liabilities and Rs.10,000 of fixed liabilities would be:
- (a) 5 : 1 (b) 7 : 1
- (c) 10 : 1 (d) None of these.
- (19) The organizational form that replaces individual authority at all levels with group representation is:
- (a) Line (b) Line and staff
- (c) Functional (d) Committee.
- (20) Working Capital may be expressed as:
- (a) Current assets minus current liabilities
- (b) Current and fixed assets minus current and fixed liabilities
- (c) Current assets over current liabilities
- (d) Current and fixed assets over current and fixed liabilities.

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NOTE:

Q.No.

1. (a)

(b)

(c)

(d)

2. (a)

(b)

(c)

3. (a)

(b)

(c)

4. (a)

(b)

(c)

(d)

5. (a)

(b)

(c)

(d)

6. (a)

(b)

(c)

7. (a)

(b)

(c)

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FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION FOR RECRUITMENT TO POSTS
IN BPS-17, UNDER THE FEDERAL GOVERNMENT, 2004

BUSINESS ADMINISTRATION

TIME ALLOWED: THREE HOURS

MAXIMUM MARKS: 100

NOTE: Attempt FIVE questions in all, including Question No. 7 which is **COMPULSORY**. Select at least ONE question from each of the PARTS I, II and III. All questions carry EQUAL marks.

PART-I: (MANAGEMENT)

1. How does effective managing take advantage of motivation? Explain any THREE Special Motivational Techniques used by managers.
2. Briefly explain the BASIC CONTROL PROCESS. Also explain the requirements for effective controls. (5 + 15)

PART-II: (PRINCIPLES OF MARKETING)

3. Explain the several types of channels available to the manufacturer. What influence does each of the following factors have on the choice of marketing channels? (5 + 15)
 - (a) the product
 - (b) the market
 - (c) the manufacturer's organization
4. Explain the following management activities relating to staffing and operating a sales force:
 - (a) Recruitment and Selection
 - (b) Training a sales force
 - (c) Supervising a sales force

PART-III: (FINANCIAL MANAGEMENT)

5. The Royal Corporation manufactures only one product: Yewa. The single raw material used in Yewa is the larg. For each Yewa manufactured, 12 largs are required. Assume that the company manufactures 150,000 Yewas per year, that demand for largs is perfectly steady throughout the year, that it costs Rs. 200 each time largs are ordered, and the carrying costs are Rs. 8 per larg per year.
 - (a) Determine the economic order quantity (EOQ) of largs. (7)
 - (b) What are total inventory costs for Royal (total carrying costs plus total ordering costs)? (7)
 - (c) How many times per year would inventory be ordered? (6)
6. (a) Why might it be possible for a company to make large operating profits, yet still be unable to meet debt payments when due? What financial RATIOS might be employed to detect such a situation? (10)
(b) Briefly explain the key variables considered by the portfolio manager of a company for purchasing marketable securities. (10)

COMPULSORY QUESTION

7. (A) Write only "True" or "False" in the Answer Book. Do not reproduce the question.
 - (1) In a large corporation, the firm's owners are usually its top managers.
 - (2) The basic information needed to construct a flow of funds statement is found on the income statement.

BUSINESS ADMINISTRATION:

- (3) The operating break-even point is the point at which operating profits equal revenues minus operating costs.
 - (4) A sinking fund is a poorly performing mutual fund whose net asset value is declining.
 - (5) Penetration Pricing is used when a marketer introduces a new-product at a relatively high price.
 - (6) The most common channel for consumer products is manufacturer-retailer-consumer.
 - (7) In the classification of consumer products, convenience products are usually more expensive than shopping products.
 - (8) During the maturity stage of the PLC, sales increase at faster rate than during any other stage.
 - (9) A wide span of management results in few organizational levels, and a narrow span results in many levels.
 - (10) The LINE relationship involves making decisions and acting on them.
 - (11) Data is defined as "formal system of gathering, integrating, comparing, analyzing, and dispersing information internal and external to the enterprise in a timely, effective and efficient manner".
 - (12) A manager who believes that people inherently dislike work probably accepts McGregor's Theory X.
- (11) Write only the correct answer in the Answer Book. Don't reproduce the question.
- (13) If a manufacturer gives a 30 percent discount to retailers and a 10 percent discount to wholesalers, which type of discount is being given?
(a) Quantity (b) Cash
(c) Functional (d) Seasonal
 - (14) Publicity differs from advertising in as much as:
(a) It is directed at large numbers of consumers
(b) Its message is of a non-personal nature
(c) It is carried by the mass media
(d) It is a non-paid Form of reaching the public
 - (15) In which stage of the PLC are promotion expenses per product item usually highest?
(a) Introduction (b) Growth
(c) Maturity (d) Decline
 - (16) Which of the following is not a disadvantage of using a Committee?
(a) High cost in time and money (b) Splitting of responsibility
(c) Group deliberation and judgment (d) Compromise decisions
 - (17) Identify the Organization established by our Federal government to regulate security markets:
(a) SBI (b) SEC
(c) NAB (d) NFC
 - (18) If the credit terms are 2/10, net 30 and the amount of invoice is Rs. 4000, how much is the discount if the invoice is paid in 20 days?
(a) Zero (b) Rs. 30 (c) Rs.60 (d) Rs.120
 - (19) Which of the following is not part of the promotion-mix?
(a) Public relations (b) Product planning
(c) Personal selling (d) Advertising
 - (20) Selling activities include:
(a) Sales presentations (b) Demonstrations (c) Handling objections
(d) Closing the sale (e) All the above

FEDERAL PUBLIC SERVICE COMMISSION

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COMPETITIVE EXAMINATION FOR RECRUITMENT TO POSTS IN BPS-17, UNDER THE FEDERAL GOVERNMENT, 2005

BUSINESS ADMINISTRATION

TIME ALLOWED: THREE HOURS

MAXIMUM MARKS: 100

NOTE: Attempt FIVE questions in all, including QUESTION NO.7, which is
COMPULSORY. Select at least one question from each of the PARTS I, II and
III. All questions carry EQUAL marks.

PART - I (MANAGEMENT)

1. What is leadership? Discuss any two theories of leadership.
2. Briefly explain Planning. Describe various steps involved in Planning process in (5 + 15) any business organization.

PART - II (PRINCIPLES OF MARKETING)

3. Explain briefly Marketing. Describe various functions of marketing.
4. Explain global Marketing. Discuss its significance for the modern business organization of the 21st Century. (5 + 15)

PART - III (FINANCIAL MANAGEMENT)

5. Star Corporation is considering a project with a cost of Rs.40,000/- net investment and net operating cash inflows of Rs.11,652/- each year for the next five years. The firm uses 10% discount rate for projects with similar risks.
 - (a) What is Projects' net present value (NPV)? (7)
 - (b) What is its internal rate of return (IRR)? (7)
 - (c) Should the project be accepted assuming that funds are available? (6)

6. Royal Corporation current assets, inventories and current liabilities for a four year period are as follows:

| Item | 2000 | 2001 | 2002 | 2003 |
|---------------------|-----------|-----------|-----------|-----------|
| Current assets | Rs.20,000 | Rs.22,400 | Rs.25,600 | Rs.28,100 |
| Inventories | Rs.8,200 | Rs.10,000 | Rs.12,500 | Rs.14,000 |
| Current liabilities | Rs.10,000 | Rs.10,200 | Rs.10,700 | Rs.11,000 |

- (a) Calculate the firm's current and quick ratios for each year. (10)
- (b) Discuss the firm's liquidity position over the four year period of time. (10)

COMPULSORY QUESTION

7. (A) Write only "True" or "False" in the Answer Book. Do not reproduce the question.
 - (1) Planning initiates other functions of management.
 - (2) Managements makes things to happen.
 - (3) The ultimate criterion of control is the extent that activities are complete in ways that lead to more profits.
 - (4) Computer Technology helps the management but does not replace the management.
 - (5) Promotional mix is also known as communication mix.
 - (6) Marketing environment is made up of micro-environment and macro-environment.
 - (7) Promotional mix is the part of marketing mix.
 - (8) Marketing strategy consists of specific strategy for target markets, positioning, the marketing mix and marketing expenditure levels.
 - (9) A Financial manager has a full control over its firm's stock price.
 - (10) Liquidity ratios measure a firm's ability to meet short-term obligations.
 - (11) The internal rate of return method is the most widely used capital budgeting techniques.
 - (12) Stock Exchange facilitates investment in real assets by providing secondary market to the financial securities.

Page 1 of 2

(B) Write only the correct answer in the Answer Book. Do not reproduce the question.

- (13) The organizing function of management includes:
- (a) how tasks to be grouped.
 - (b) Conflict resolution among sub-ordinates.
 - (c) Comparison of actual results with a budget.
 - (d) definition of organization's goals.
- (14) The key to motivating today's diversified work force lies in:
- (a) creativity
 - (b) goal setting
 - (c) support
 - (d) flexibility
- (15) Control should be placed:
- (a) Where they are cost-effective
 - (b) On all activities
 - (c) Where there are problem areas
 - (d) On the single most important
- (16) The marketing logic by which the business unit hopes to achieve its marketing objective is called:
- (a) Business strategy
 - (b) Marketing strategy
 - (c) Production & distribution strategy
 - (d) All of the above
- (17) Strategic Planning is the process of developing a formal strategy for:
- (a) Identifying clear objectives
 - (b) Long run survival & growth
 - (c) Continuity & Consistency
 - (d) All of the above
- (18) Who are the true owners of Corporation?
- (a) debt holder
 - (b) common stock holders
 - (c) Managers of the firm
 - (d) board of directors
- (19) What does an efficient port folio provide?
- (a) highest return for a given amount of risk.
 - (b) least risk for a given level of return.
 - (c) Highest possible return and least amount of risk.
 - (d) Both (a) and (b)
- (20) The economic order quantity (EOQ) increases when which of the following increases?
- (a) Sales
 - (b) ordering costs
 - (c) carrying costs
 - (d) Both (a) and (b)
