

## Sample Questions for Practice

**Course: MMM/MHRDM /MFM – (Second Year) (Semester – I) (Choice Based) ATKT/Backlog**

### **Subject: International Business**

1. In which of the following modes of entry, does the domestic manufacturer give the right to use intellectual property such as patent and trademark to a manufacturer in a foreign country for a fee
  - a. Licensing
  - b. Contract manufacturing
  - c. Joint venture
  - d. Exports
  
2. Which one of the following modes of entry brings the firm closer to international markets?
  - a. Licensing
  - b. Franchising
  - c. Contract manufacturing
  - d. Joint venture
  
3. Which of the following is not an advantage of exporting?
  - a. Easier way to enter into international markets
  - b. Comparatively lower risks
  - c. Limited presence in foreign markets
  - d. Less investment requirements
  
4. Which one of the following is not amongst India's major trading partners?
  - a. USA
  - b. UK
  - c. Germany
  - d. New Zealand
  
5. Horizontal and Vertical are types of:
  - a. Greenfield strategy
  - b. Licensing and franchising
  - c. Mergers and acquisitions
  - d. Greenfield investments
  
6. The international monetary system introduced by Bretton Woods rested on
  - a. The maintenance of stable exchange rates
  - b. multilateral credit mechanism institutionalised in the IMF
  - c. The principle of gold standard
  - d. The principle of agricultural output
  
7. A case of international price discrimination in which an exporting firm sells at a lower price in a foreign market than it charges in other markets, is known as
  - a. Dumping
  - b. Non-Dumping
  - c. Anti-Dumping
  - d. Mark-up pricing

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8. NAFTA is an example of:
  - a. Common Market
  - b. Customs Union
  - c. Economic Community
  - d. Free Trade Area
  
9. Which of the following is not the objective of the IMF?
  - a. To promote international monetary cooperation
  - b. To ensure balanced international trade
  - c. To ensure exchange rate stability
  - d. To provide loan to private sector
  
10. The cultural environment of a country is best defined by which of the following characteristics:
  - a. Production process and standards of measurement.
  - b. Economic community membership.
  - c. Values, attitudes, heroes, myths and beliefs.
  - d. Standard of living and stage of economic development.
  
11. Pepsi International supplies rice to South Africa from India. From South Africa, it procures the steel equivalent of the rice provided and supplies it to Ghana. From Ghana, it procures coffee and cocoa equivalent to the steel imports and sells them to Canada. Canada has sufficient foreign exchange reserves to pay for them.  
  
The above transactions are an example of:
  - a. Contract Management
  - b. Counter Purchase
  - c. Contract Manufacturing
  - d. Contract Marketing
  
12. Hofstede's dimensions of culture were based on a study at:
  - a. Google
  - b. Pepsi
  - c. Intel
  - d. IBM
  
13. Which of the following is a case of 'International Exports'?
  - a. Wal-Mart decides to expand to India and purchases a large plot of land in Noida for its first store
  - b. Star Fisheries of India ships 20 truckloads of seafood to the USA
  - c. Bank of Baroda sends \$ 30 million dollars to its subsidiary in Kenya
  - d. Nissan Automobiles, Japan starts a production unit in Chennai, India

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14. One of the following lists the global market entry modes from Lowest Level of Risk/Commitment to the Highest Level of Risk/Commitment. Identify that list from the options given below:
- Acquisition - Joint Venture - Licensing - Exporting
  - Exporting - Licensing - Joint Venture - Acquisition
  - Joint Venture - Licensing - Exporting - Acquisition
  - Exporting - Acquisition - Joint Venture – Licensing
15. Which one of the following modes of entry permits greatest degree of control over overseas operations?
- Contract manufacturing
  - Licensing/Franchising
  - Wholly owned subsidiary
  - Joint venture
16. The cultural environment of a country is best defined by which of the following characteristics:
- Production process and standards of measurement.
  - Economic community membership.
  - Values, attitudes, heroes, myths and beliefs.
  - Standard of living and stage of economic development.
17. Hofstede argues that:
- International firms can easily transfer their ways of working from one country to another
  - Business does not need to take into account the norms and values of the countries where they operate
  - Each country has a single culture
  - National Culture is more influential than Organizational Culture
18. Raymond Vernon's International Product Life Cycle theory:
- shows why the United States, surprisingly, exports relatively more labor-intensive goods and imports capital-intensive goods
  - helps explain the movement from absolute advantage to comparative advantage
  - helps explain why a product that begins as a nation's export often ends up becoming an import
  - extends the concept of comparative advantage by bringing into consideration the endowment and cost of factors of production
19. What one of the following is not the advantage of MNCs to the host country
- Increase in social activities
  - Increase in economic activities
  - Utilisation of natural resources
  - R&D efforts enhanced

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20. Which Ministry entrusted with formulating and implementing the 'Foreign Trade Policy' and responsibilities relating to multilateral and bilateral commercial relations, export promotion measures, and development and regulation of certain export-oriented industries and commodities of India? Who is the head of that ministry?
- Ministry of Corporate Affairs – Mr. Amit Shah
  - Ministry of External Affairs – Mr. Jaishankar
  - Ministry of Commerce & Industry – Mr. Piyush Goyal
  - Ministry of Overseas Indian Affairs – Ms. Nirmala Sitharaman
21. *Example 01:* Saudi Arabia agreed to buy Ten 747 jets from Boeing with payment in crude oil, discounted at 10 percent below posted world oil prices.  
*Example 02:* General Electric won a contract for a \$150-million electric-generator project in Romania by agreeing to market \$150 million of Romanian products in markets to which Romania did not have access.
- The above cases are examples of:
- Contract Manufacturing
  - Foreign Direct Investment
  - Counter Trade
  - Management Contracts
22. Out of the following, one is not related with WTO:
- TRIPS
  - Ministerial Conference
  - TRIMS
  - TRAI
23. Which of the following does not belong to the World Bank group?
- IBRD
  - IDA
  - MIGA
  - IMF
24. TRIPS is one of the WTO agreements that deal with
- Trade in agriculture resources
  - Trade in International products and services
  - Trade Related Investment Measures for Profits
  - Trade-Related Aspects of Intellectual Property Rights
25. When did the government started to remove the barriers on foreign trade and foreign investment in India?
- 1990
  - 1991
  - 1992
  - 1993

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### **Subject: Management Information System**

1. Strategic information is
  - a. Required for planning and adopting new technologies involves long term planning
  - b. Generally obtained from the records of the day-to-day activities in an organisation
  - c. Information obtained from external sources has deep impact on the tactical information
  - d. Making control decisions in an organisation and is used for middle term planning
  
2. Wrong information given to management would result in wrong decisions.
  - a. Timeliness
  - b. Relevance
  - c. Adequacy
  - d. Accuracy
  
3. Relevance of an information is
  - a. Lack of information leads to the crisis of information and overload of information create chaos in the Information System.
  - b. Representation of accurate information aids the management to take right decisions on right time leading to the success of an organisation
  - c. Data if complete is always a relevant
  - d. Data is in relations to the subject and time concerned
  
4. This attribute ensures that the information presented to the management does not require further analysis of the information on the part of management.
  - a. Completeness
  - b. Relevance
  - c. Explicitness
  - d. Adequacy
  
5. The management to keep a check on the operations and people involved in operations to avoid any wastage of resources and helps in utilizing the resources efficiently and effectively. What controls will be involved
  - a. Management Control
  - b. Strategic Control
  - c. Strategic Planning
  - d. Operational Control
  
6. These help in policy formulation to clear the goals of organisation..
  - a. Management Control
  - b. Operational Control
  - c. Strategic Planning
  - d. Strategic Control

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7. These are performed by the people at middle management
  - a. Operational Control
  - b. Management Control
  - c. Strategic Planning
  - d. Strategic Control
  
8. Full utilization of resource without wastages can be achieved by
  - a. Transactional Processing System
  - b. Management Control
  - c. Strategic Planning
  - d. Operational Control
  
9. Companies aim to carry out these activities quickly, systematically and efficiently
  - a. Management Control
  - b. Transactional Processing System
  - c. Strategic Planning
  - d. Operational Control
  
10. This has replaced manual procedures with computer-based procedures to perform well structured routine tasks
  - a. Management Control
  - b. Strategic Planning
  - c. Operational Control
  - d. Transactional Processing System
  
11. A uniform strategy can be easily be established and maintained in
  - a. Traditional way of doing business
  - b. By payment through internet
  - c. Buying in a wholesale market
  - d. Buying through e-commerce
  
12. Lack of touch or feel of products is a disadvantage pertaining to
  - a. Non-technical aspect of E-commerce
  - b. Technical aspect of E-commerce
  - c. Strategic aspect of E-commerce
  - d. Commercial aspect of E-commerce
  
13. Which of the following is not a feature of ERP
  - a. Seamless integration
  - b. Isolated Management Information
  - c. Resource Management

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- d. Integrate Data Model
14. The “**know-what**” type of knowledge is
- a. Tacit Knowledge
  - b. Hybrid Knowledge
  - c. Explicit Knowledge
  - d. Embedded Knowledge
15. Eliminates excess and waste, frees up valuable real estate for other important purposes, and minimizes related storage costs
- a. Order Management
  - b. Inventory Management
  - c. Forecasting and Planning
  - d. Return Management
16. Eliminate manufacturing over-runs, and prevent the need to store excess finished goods, or slash prices to move products off of warehouse shelves
- a. Order Management
  - b. Inventory Management
  - c. Forecasting and Planning
  - d. Return Management
17. Reduce total number of transactions required to provide product assortment when using SCM
- a. Inventory Economy
  - b. Order Management
  - c. Financial Management
  - d. Channel Management
18. These set of people who use the information system or the information generated by the system are referred to as
- a. End Users
  - b. IS Specialists
  - c. System Analysts
  - d. Developers
19. Software package that combines data and processes of an organization. It uses multiple components of computer software and hardware to achieve the integration.
- a. Enterprise Resource Planning
  - b. Customer Relationship Management
  - c. Supply Chain Management
  - d. Knowledge Management
20. Enable organizations to manage their customers through the introduction of reliable systems, processes and procedures.

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Course: MMM/MHRDM /MFM – (Second Year) (Semester – I) (Choice Based) ATKT/Backlog

- a. Enterprise Resource Planning
  - b. Customer Relationship Management
  - c. Supply Chain Management
  - d. Knowledge Management
21. This attribute ensures that the information presented to the management does not require further analysis of the information on the part of management.
- a. Completeness
  - b. Exception-based
  - c. Relevance
  - d. Explicitness
22. Wrong information given to management would result in wrong decisions.
- a. Relevance
  - b. Accuracy
  - c. Adequacy
  - d. Timeliness
23. Planning for adopting new technologies involves long term planning is based on
- a. Operational Information
  - b. Tactical Information
  - c. Strategic Information
  - d. Monetary Information
24. Orders for the products can be generated anytime, anywhere without any human intervention. Under which feature of E-commerce would you categories this
- a. Advertising
  - b. Marketing
  - c. Support
  - d. Improved Sales
25. Focused on quick responses to change and continuous development.
- a. Agile Development
  - b. Spiral Model
  - c. Waterfall Model
  - d. Iterative Model



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### **Subject: Financial Management**

1. Which of the following would NOT improve the current ratio?
  - (a) Issue long-term debt to buy inventory.
  - (b) Sell common stock to reduce current liabilities.
  - (c) Sell fixed assets to reduce accounts payable.
  - (d) Borrow short term to finance additional fixed assets.
  
2. Dividend Payout Ratio is:
  - (a)  $PAT \div Capital$
  - (b)  $Pref. Dividend \div PAT$
  - (c)  $Pref. Dividend \div Equity Dividend$ .
  - (d)  $DPS \div EPS$
  
3. \_\_\_\_\_ refers to the amount invested in various components of current assets.
  - (a) Gross working capital
  - (b) Temporary working capital
  - (c) Net working capital
  - (d) Permanent working capital
  
4. Determine Working capital turnover ratio if, Current assets is Rs 1,50,000, current liabilities is Rs 1,00,000 and Cost of goods sold is Rs 3,00,000.
  - (a) 5 times
  - (b) 6 times
  - (c) 3 times
  - (d) 1.5 times
  
5. ABC Ltd is implementing a project with initial capital outlay of ₹80000. Its cashflows for the four years are ₹60000, ₹20000, ₹10000 and ₹50000. What is the discounted payback period if the rate of return is 12%? (PV factors at 12%: Year 1: 0.893, Year 2: 0.797, Year 3: 0.712, Year 4: 0.636, Year 5: 0.567)
  - (a) 3 years 1 month
  - (b) 2 years 1 month
  - (c) 4 years 1 month
  - (d) 3 years 6 months
  
6. Which of the following is not a capital budgeting decision?
  - (a) Inventory Level
  - (b) Expansion Programme
  - (c) Merger
  - (d) Replacement of an Asset
  
7. All of the following influence capital budgeting cash inflows EXCEPT:
  - (a) tax rate changes.
  - (b) salvage value.
  - (c) accelerated depreciation.
  - (d) method of project financing used.

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8. In Capital Budgeting, Sunk cost is excluded because it is
  - (a) of small amount
  - (b) not relevant
  - (c) Cost is already occurred
  - (d) not incremental
  
9. Compute the PV for a bond that promises to pay interest of Rs 150 a year for 30 years and Rs 1000 at maturity. This first interest payment is paid one year from now. Use a rate of discount at 8%. (PVAF @ 8%, 30 years = 11.2578 and PVIF @ 8%,30 years =0.0994)
  - (a) Rs 1788.07
  - (b) Rs 99.38
  - (c) Rs 1688.67
  - (d) Rs 1877.04
  
10. Present value of a debenture of Z ltd (face value Rs. 100) is Rs 93.41. A debenture carries interest rate of 14% and is redeemable after 6 years. At what price should the debentures be redeemed after 6 years if investor expects a return of 16% on their investments? (PVAF @ 14%, 6 years = 3.6847 and PVIF @ 14%, 6 years =0.4104)
  - (a) Rs 101.9108
  - (b) Rs 1.91
  - (c) Rs 100
  - (d) Rs 98.08
  
11. Which of the following marketable securities is the obligation of a commercial bank?
  - (a) Negotiable certificate of deposit
  - (b) Repurchase agreement
  - (c) T-bills
  - (d) Commercial paper
  
12. Deep Discount Bonds are issued at
  - (a) Face Value
  - (b) Discount to Face Value.
  - (c) Maturity Value
  - (d) Premium to Face Value
  
13. Cost of Capital for Government securities is also known as
  - (a) Risk-free Rate of Interest
  - (b) Maximum Rate of Return
  - (c) Rate of Interest on Fixed Deposits
  - (d) Healthy Return of Interest.

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14. In order to find out cost of equity capital under CAPM, which of the following is not required
- (a) Beta Factor
  - (b) Market Rate of Return
  - (c) Market Price of Equity Share
  - (d) Risk-free Rate of Interest.
15. A critical assumption of the net operating income (NOI) approach to valuation is:  
Dividend Policy
- (a) that  $k_o$  remains constant regardless of changes in leverage.
  - (b) that dividends increase at a constant rate.
  - (c) that debt and equity levels remain unchanged.
  - (d) that interest expense and taxes are included in the calculation.
16. The term "capital structure" refers to:
- (a) long-term debt, preferred stock, and common stock equity.
  - (b) current assets and current liabilities.
  - (c) total assets minus liabilities.
  - (d) shareholders' equity.
17. \_\_\_\_\_ enhance the market value of shares and therefore equity capital is not free of cost.
- (a) Dividends
  - (b) Face value
  - (c) Redemption value
  - (d) Book value
18. If the earnings per share is Rs.4, dividend pay out ratio is 40%, cost of equity capital is 20% and growth rate in the rate of return on investment is 15%, then the value of the stock according to the Gordon's value dividend capitalization model is
- (a) Rs.16
  - (b) Rs.24
  - (c) Rs.32
  - (d) Rs.40
19. There is deterioration in the management of working capital of XYZ Ltd. What does it refer to?
- (a) That debtors collection period has increased
  - (b) That the Profitability has gone up
  - (c) That Sales has decreased.
  - (d) That the Capital Employed has reduced

### Sample Questions for Practice

Course: MMM/MHRDM /MFM – (Second Year) (Semester – I) (Choice Based) ATKT/Backlog

20. Net working capital refers to
- (a) current assets minus current liabilities.
  - (b) current assets.
  - (c) current assets minus inventories.
  - (d) total assets minus fixed assets.
21. How will the total amount of a company's working capital change when the company pays \$8,000 of its accounts payable?
- (a) The Total Decreases By \$8,000
  - (b) The Total Increases By \$8,000
  - (c) The Total Remains The Same
  - (d) The Total Decreases By \$16,000
22. Receivables Management deals with
- (a) Receipts of raw materials
  - (b) Creditors Payment
  - (c) Debtors collection
  - (d) Inventory Supervision
23. The payment terms 2/10, n/30 tell us that:
- (a) a 10% discount will be awarded if the payment is made within 2 days of invoice date; otherwise, the full amount is payable within 30 days of invoice date.
  - (b) a 2% discount will be awarded if the payment is made within 10 months of invoice date; otherwise, the full amount is payable within 30 months of invoice date.
  - (c) a 0.5% discount will be awarded if the payment is made within 10 days of invoice date; otherwise, the full amount is payable within 30 days of invoice date.
  - (d) a 2% discount will be awarded if the payment is made within 10 days of invoice date; otherwise, the full amount is payable within 30 days of invoice date.
24. If EOQ = 40 units, order costs are \$2 per order, and carrying costs are \$.20 per unit, what is the usage in units?
- (a) 10 units.
  - (b) 16 units.
  - (c) 40 units.
  - (d) 80 units.
25. Payment to creditors is a manifestation of cash held for
- (a) Transactionary Motive
  - (b) Precautionary Motive
  - (c) Speculative Motive
  - (d) Conservative Motive

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