

Management-Practice Sheet 2

1. Monitoring employees through a preplanned series of position is called:

- a. Promotion
- b. Succession planning
- c. Job reporting
- d. Job rotation

Answer: b

2. A situation where management is unable to provide employment due to nonavailability of work is called:

- a. Lock out
- b. Lay off
- c. Termination
- d. Closure

Answer: b

3. The basic goal of financial management is:

- a. Maximizing the profit
- b. Maximizing shareholders' wealth in the long run
- c. Maximizing the rate of dividend
- d. Minimizing the business risk.

Answer: a

4. The principal value of a bond is called:

- a. Coupon rate
- b. Par value
- c. Maturity value
- d. Market value

Answer: b

5. Trade credit is a:

- a. Negotiated source of finance
- b. Hybrid source of finance
- c. Spontaneous source of finance
- d. Source of credit from the owners of the business

Answer: a

6. IRR is the rate of interest:

- a. Equal to the cost of capital of the proposal
- b. Prevailing rate interest in the market
- c. Paid on the bonds by the firm
- d. That makes the NPV of capital proposal almost zero

Answer: d

7. Mutually exclusive investment proposals are these:

- a. Wherein the acceptance of one proposal leads to rejection of all other proposals

- b. That requires special sources of financing
- c. That has unique features
- d. The reduce the total risk complexion of the firm

Answer: a

8. The technique used for classifying inventory according to the value of usage is called:

- a. XYZ Analysis
- b. DCF Analysis
- c. ABC Analysis
- d. DEF Analysis

Answer: a

9. When a consumer derives more satisfaction from a product/service than his expectation, it is known as:

- a. Consumer satisfaction
- b. Consumer delight
- c. Consumer dazzling
- d. Consumer dissatisfaction

Answer: b

10. Classical conditioning is associated with:

- a. Repetition
- b. Generalization
- c. Discrimination
- d. All

Answer: a