## ****Chapter 1: Nature and Significance of Management****

**Q1.** Comparing actual performance with planned standards shows:  
a) Planning  
b) Controlling  
c) Organising  
d) Directing  
**Answer:** b) Controlling

**Q2.** Achieving goals with minimum cost is called:  
a) Effectiveness  
b) Efficiency  
c) Coordination  
d) Goal orientation  
**Answer:** b) Efficiency

**Q3.** Top-level management mainly performs:  
a) Day-to-day supervision  
b) Framing policies  
c) Motivating workers  
d) Handling grievances  
**Answer:** b) Framing policies

**Q4.** Marketing coordinating with production reflects:  
a) Pervasive nature  
b) Coordination  
c) Goal orientation  
d) Dynamic function  
**Answer:** b) Coordination

**Q5.** Applying principles in organising a school fest shows management is:  
a) Goal-oriented  
b) Pervasive  
c) Multidimensional  
d) Science  
**Answer:** b) Pervasive

**Q6.** Using statistical data + intuition shows management as:  
a) Art only  
b) Science only  
c) Both art and science  
d) Profession  
**Answer:** c) Both art and science

**Q7.** Reducing wastage of resources highlights:  
a) Effectiveness  
b) Efficiency  
c) Coordination  
d) Profession  
**Answer:** b) Efficiency

**Q8.** A hospital appoints professional managers. This shows:  
a) Science  
b) Profession  
c) Art  
d) Goal orientation  
**Answer:** b) Profession

**Q9.** Policies change with environment shows management is:  
a) Universal  
b) Dynamic  
c) Tangible  
d) Multidimensional  
**Answer:** b) Dynamic

**Q10.** Manager sets monthly targets and motivates workers. Functions used:  
a) Planning and directing  
b) Directing and controlling  
c) Staffing and organising  
d) Planning and controlling  
**Answer:** a) Planning and directing

**Q11.** Middle level management mainly ensures:  
a) Formulation of policies  
b) Execution of plans  
c) Supervision of workers  
d) None of these  
**Answer:** b) Execution of plans

**Q12.** Management is considered intangible because:  
a) It is pervasive  
b) It cannot be seen but felt  
c) It is goal oriented  
d) It is science  
**Answer:** b) It cannot be seen but felt

**Q13.** Balancing organisational and personal goals shows:  
a) Effectiveness  
b) Coordination  
c) Multidimensional nature  
d) Goal orientation  
**Answer:** c) Multidimensional nature

**Q14.** A manager reconciles departmental goals with overall objectives. This shows:  
a) Unity of direction  
b) Coordination  
c) Efficiency  
d) Discipline  
**Answer:** b) Coordination

**Q15.** Ensuring effective utilisation of resources shows management as:  
a) Social objective  
b) Goal oriented  
c) Efficient  
d) Tangible  
**Answer:** c) Efficient

## ****Chapter 2: Principles of Management****

**Q1.** Assigning specific work to each employee shows:  
a) Unity of command  
b) Division of work  
c) Discipline   
d) Order  
**Answer:** b) Division of work

**Q2.** Receiving orders from two bosses violates:  
a) Unity of direction  
b) Unity of command  
c) Authority-responsibility  
d) Centralisation  
**Answer:** b) Unity of command

**Q3.** Right man at right job is:  
a) Discipline  
b) Order  
c) Equity  
d) Stability of tenure  
**Answer:** b) Order

**Q4.** Employees motivated to work overtime shows:  
a) Discipline  
b) Equity  
c) Initiative  
d) Subordination of interest  
**Answer:** a) Discipline

**Q5.** Considering employee suggestions reflects:  
a) Stability of tenure  
b) Equity  
c) Initiative  
d) Unity of direction  
**Answer:** c) Initiative

**Q6.** Fair treatment to workers reflects:  
a) Equity  
b) Order  
c) Initiative  
d) Centralisation  
**Answer:** a) Equity

**Q7.** Manager delegates and holds responsible shows:  
a) Authority with responsibility  
b) Centralisation  
c) Initiative  
d) Order  
**Answer:** a) Authority with responsibility

**Q8.** Decision-making concentrated at top is:  
a) Centralisation  
b) Equity  
c) Unity of command  
d) Order  
**Answer:** a) Centralisation

**Q9.** Offering pension benefits reflects:  
a) Discipline  
b) Stability of tenure  
c) Initiative  
d) Cooperation  
**Answer:** b) Stability of tenure

**Q10.** Single plan for advertising reflects:  
a) Unity of direction  
b) Unity of command  
c) Equity  
d) Initiative  
**Answer:** a) Unity of direction

**Q11.** Workers pursuing personal goals violates:  
a) Subordination of individual interest  
b) Unity of direction  
c) Discipline  
d) Equity  
**Answer:** a) Subordination of individual interest

**Q12.** Joint decision-making committees reflect Taylor’s principle of:  
a) Science, not rule of thumb  
b) Harmony, not discord  
c) Cooperation, not individualism  
d) Development of workers  
**Answer:** c) Cooperation, not individualism

**Q13.** Using scientific study instead of tradition reflects:  
a) Science, not rule of thumb  
b) Cooperation, not individualism  
c) Harmony, not discord  
d) Stability  
**Answer:** a) Science, not rule of thumb

**Q14.** Training employees to increase efficiency shows:  
a) Development of each worker  
b) Harmony, not discord  
c) Cooperation, not individualism  
d) Discipline  
**Answer:** a) Development of each worker

**Q15.** Rewarding team spirit reflects:  
a) Harmony, not discord  
b) Initiative  
c) Subordination  
d) Equity  
**Answer:** a) Harmony, not discord

## ****Chapter 3: Business Environment****

**Q1.** Liberalisation, privatisation, and globalisation are part of:  
a) Industrial Policy 1956  
b) Economic Policy 1991  
c) Industrial Policy 1977  
d) Green Revolution  
**Answer:** b) Economic Policy 1991

**Q2.** Demonetisation is an example of:  
a) Legal environment  
b) Political environment  
c) Economic environment  
d) Social environment  
**Answer:** c) Economic environment

**Q3.** Rising demand for organic food reflects:  
a) Economic environment  
b) Social environment  
c) Political environment  
d) Technological environment  
**Answer:** b) Social environment

**Q4.** Change in tax policy affects business. Which environment?  
a) Political  
b) Economic  
c) Legal  
d) Technological  
**Answer:** c) Legal

**Q5.** A mobile company innovates 5G technology. Which environment?  
a) Political  
b) Economic  
c) Technological  
d) Legal  
**Answer:** c) Technological

**Q6.** Which is not a feature of business environment?  
a) Uncertainty  
b) Complexity  
c) Dynamic  
d) Stability  
**Answer:** d) Stability

**Q7.** Business environment is a \_\_\_\_\_\_ concept.  
a) Static  
b) Continuous  
c) Fixed  
d) Limited  
**Answer:** b) Continuous

**Q8.** Studying competitors’ strategies reflects environment’s:  
a) Interrelatedness  
b) Specific and general forces  
c) Dynamic nature  
d) Complexity  
**Answer:** d) Complexity

**Q9.** Swachh Bharat Abhiyan impacted industries. Which environment?  
a) Legal  
b) Social  
c) Political  
d) Economic  
**Answer:** b) Social

**Q10.** Change in import duties affects:  
a) Economic environment  
b) Social environment  
c) Legal environment  
d) Political environment  
**Answer:** a) Economic environment

**Q11.** What is the significance of environment study for managers?  
a) To reduce complexity  
b) To cope with change  
c) To identify opportunities  
d) All of the above  
**Answer:** d) All of the above

**Q12.** Demographic environment includes:  
a) Education levels  
b) Population size  
c) Age distribution  
d) All of these  
**Answer:** d) All of these

**Q13.** Launch of digital payment apps after demonetisation shows:  
a) Threat only  
b) Opportunity only  
c) Both threat and opportunity  
d) None  
**Answer:** c) Both threat and opportunity

**Q14.** Which feature of environment highlights its ever-changing nature?  
a) Dynamic  
b) Complex  
c) Relative  
d) Continuous  
**Answer:** a) Dynamic

**Q15.** Business environment includes:  
a) Only external forces  
b) Only internal forces  
c) Both external and internal  
d) Only political forces  
**Answer:** a) Only external forces

**Chapter 4 : Planning**

**Q1.** Choosing the best alternative among many is called:  
a) Decision-making  
b) Organising  
c) Controlling  
d) Staffing  
**Answer:** a) Decision-making

**Q2.** Planning reduces the risk of:  
a) Certainty  
b) Uncertainty  
c) Coordination  
d) Supervision  
**Answer:** b) Uncertainty

**Q3.** Which is not a feature of planning?  
a) Goal-oriented  
b) Continuous  
c) Flexible  
d) Static  
**Answer:** d) Static

**Q4.** Planning is a \_\_\_\_\_\_ function.  
a) Middle-level  
b) Top-level  
c) All levels  
d) None  
**Answer:** b) Top-level

**Q5.** Which of the following is a limitation of planning?  
a) Focus on objectives  
b) Leads to rigidity  
c) Provides direction  
d) Encourages innovation  
**Answer:** b) Leads to rigidity

**Q6.** Plans need to be modified due to environmental changes. This reflects:  
a) Rigidity  
b) Flexibility  
c) Continuity  
d) Limitation  
**Answer:** b) Flexibility

**Q7.** Plans prepared at lower levels are called:  
a) Strategic plans  
b) Standing plans  
c) Operational plans  
d) Contingency plans  
**Answer:** c) Operational plans

**Q8.** Rules, procedures, and policies are examples of:  
a) Single-use plans  
b) Standing plans  
c) Operational plans  
d) None  
**Answer:** b) Standing plans

**Q9.** Contingency plans are prepared for:  
a) Routine situations  
b) Uncertain situations  
c) Day-to-day operations  
d) Rules and policies  
**Answer:** b) Uncertain situations

**Q10.** Which of these is a psychological barrier to effective planning?  
a) Costly process  
b) Resistance to change  
c) Lack of accuracy  
d) Complexity  
**Answer:** b) Resistance to change

**Q11.** A manager spends too much time in planning and delays action. This limitation is called:  
a) Rigidity  
b) Time-consuming  
c) Costly  
d) Mental ability  
**Answer:** b) Time-consuming

**Q12.** Planning function is meaningful when linked with:  
a) Directing  
b) Goals  
c) Staffing  
d) Controlling  
**Answer:** b) Goals

**Q13.** Which plan specifies what is to be done, how, and when?  
a) Rule  
b) Policy  
c) Procedure  
d) Method  
**Answer:** c) Procedure

**Q14.** Budget is an example of:  
a) Single-use plan  
b) Standing plan  
c) Contingency plan  
d) Method  
**Answer:** a) Single-use plan

**Q15.** Which feature of planning reduces overlapping of efforts?  
a) Continuous  
b) Goal-oriented  
c) Planning provides direction  
d) Reduces risk  
**Answer:** c) Planning provides direction

**Chapter 5: Organising**

**Q1.** The process of defining authority and responsibility is:  
a) Delegation  
b) Planning  
c) Staffing  
d) Coordination  
**Answer:** a) Delegation

**Q2.** Grouping similar jobs into departments is called:  
a) Departmentalisation  
b) Specialisation  
c) Centralisation  
d) Functionalisation  
**Answer:** a) Departmentalisation

**Q3.** Which is not an importance of organising?  
a) Clarity of authority  
b) Optimal resource use  
c) Rigidity in working  
d) Specialisation  
**Answer:** c) Rigidity in working

**Q4.** Formal organisation is deliberately created by:  
a) Workers  
b) Management  
c) Customers  
d) None  
**Answer:** b) Management

**Q5.** Network of social relations is called:  
a) Formal organisation  
b) Informal organisation  
c) Departmentalisation  
d) Delegation  
**Answer:** b) Informal organisation

**Q6.** Which organisation provides stability?  
a) Informal  
b) Formal  
c) Both  
d) None  
**Answer:** b) Formal

**Q7.** Which organisation helps in quick decision-making?  
a) Informal  
b) Formal  
c) Both  
d) None  
**Answer:** a) Informal

**Q8.** Delegation involves transfer of:  
a) Responsibility only  
b) Authority only  
c) Authority and responsibility both  
d) Authority and accountability both  
**Answer:** c) Authority and responsibility both

**Q9.** Accountability arises from:  
a) Delegation  
b) Authority  
c) Responsibility  
d) Supervision  
**Answer:** a) Delegation

**Q10.** Decentralisation means:  
a) Concentration of authority  
b) Dispersion of authority  
c) Removal of authority  
d) Delegation of responsibility  
**Answer:** b) Dispersion of authority

**Q11.** Which is not a benefit of decentralisation?  
a) Develops initiative among employees  
b) Reduces workload of top managers  
c) Facilitates decision-making at lower levels  
d) Creates rigidity in operations  
**Answer:** d) Creates rigidity in operations

**Q12.** Which is broader – delegation or decentralisation?  
a) Delegation  
b) Decentralisation  
c) Both are same  
d) None  
**Answer:** b) Decentralisation

**Q13.** The starting point of organising process is:  
a) Grouping of jobs  
b) Identification of activities  
c) Assigning duties  
d) Establishing relationships  
**Answer:** b) Identification of activities

**Q14.** Line authority flows from:  
a) Bottom to top  
b) Top to bottom  
c) Middle to top  
d) None  
**Answer:** b) Top to bottom

**Q15.** Which principle of organisation suggests that no individual should have more than one boss?  
a) Authority-responsibility  
b) Span of control  
c) Unity of command  
d) Balance  
**Answer:** c) Unity of command

**Chapter 6: Staffing**

**Q1.** Staffing is concerned with:  
a) Organising work  
b) Managing finance  
c) Managing people  
d) Planning budgets  
**Answer:** c) Managing people

**Q2.** Which function comes after organising?  
a) Directing  
b) Staffing  
c) Planning  
d) Controlling  
**Answer:** b) Staffing

**Q3.** The first step in staffing is:  
a) Training  
b) Recruitment  
c) Human resource planning  
d) Selection  
**Answer:** c) Human resource planning

**Q4.** Process of searching potential candidates is:  
a) Selection  
b) Recruitment  
c) Placement  
d) Induction  
**Answer:** b) Recruitment

**Q5.** Choosing the best out of available candidates is:  
a) Recruitment  
b) Selection  
c) Staffing  
d) Induction  
**Answer:** b) Selection

**Q6.** A new employee is introduced to the organisation through:  
a) Training  
b) Orientation  
c) Induction  
d) Placement  
**Answer:** c) Induction

**Q7.** Which test measures a candidate’s potential to learn new skills?  
a) Trade test  
b) Aptitude test  
c) Interest test  
d) Personality test  
**Answer:** b) Aptitude test

**Q8.** Which source of recruitment is cheaper?  
a) Internal  
b) External  
c) Both equal  
d) None  
**Answer:** a) Internal

**Q9.** Which is not an external source of recruitment?  
a) Advertisement  
b) Campus recruitment  
c) Promotion  
d) Employment exchange  
**Answer:** c) Promotion

**Q10.** Training given at actual workplace is called:  
a) On-the-job training  
b) Off-the-job training  
c) Vestibule training  
d) Simulation  
**Answer:** a) On-the-job training

**Q11.** Apprenticeship is a method of:  
a) Off-the-job training  
b) On-the-job training  
c) Selection  
d) Recruitment  
**Answer:** b) On-the-job training

**Q12.** Case studies are a method of:  
a) On-the-job training  
b) Off-the-job training  
c) Recruitment  
d) Selection  
**Answer:** b) Off-the-job training

**Q13.** Which is not an importance of staffing?  
a) Optimum utilisation of human resources  
b) Job satisfaction  
c) Innovation  
d) Over-staffing  
**Answer:** d) Over-staffing

**Q14.** Job enrichment and job rotation are part of:  
a) Training  
b) Development  
c) Recruitment  
d) Selection  
**Answer:** b) Development

**Q15.** Which is not a step in the staffing process?  
a) Recruitment  
b) Training  
c) Motivation  
d) Selection  
**Answer:** c) Motivation

**Chapter 7: Directing**

**Q1.** Directing is concerned with:  
a) Planning activities  
b) Guiding and motivating employees  
c) Organising structure  
d) Monitoring performance  
**Answer:** b) Guiding and motivating employees

**Q2.** The best motivation is:  
a) Salary increase  
b) Recognition  
c) Both monetary and non-monetary  
d) Strict supervision  
**Answer:** c) Both monetary and non-monetary

**Q3.** Directing takes place at:  
a) Top level only  
b) Middle level only  
c) Lower level only  
d) All levels of management  
**Answer:** d) All levels of management

**Q4.** Motivation is a \_\_\_\_\_\_ concept.  
a) Financial  
b) Psychological  
c) Technical  
d) Legal  
**Answer:** b) Psychological

**Q5.** A leader who gives complete freedom to subordinates follows:  
a) Autocratic style  
b) Democratic style  
c) Laissez-faire style  
d) Bureaucratic style  
**Answer:** c) Laissez-faire style

**Q6.** Communication starts with:  
a) Message  
b) Sender  
c) Receiver  
d) Feedback  
**Answer:** b) Sender

**Q7.** Grapevine is a type of:  
a) Formal communication  
b) Informal communication  
c) Horizontal communication  
d) Vertical communication  
**Answer:** b) Informal communication

**Q8.** Motivation through salary and incentives is:  
a) Financial motivation  
b) Non-financial motivation  
c) Leadership  
d) Communication  
**Answer:** a) Financial motivation

**Q9.** "Two-way communication" is characteristic of:  
a) Autocratic leader  
b) Democratic leader  
c) Laissez-faire leader  
d) None  
**Answer:** b) Democratic leader

**Q10.** Communication without using words is called:  
a) Verbal communication  
b) Non-verbal communication  
c) Formal communication  
d) Informal communication  
**Answer:** b) Non-verbal communication

**Q11.** Obstacle in communication due to poor network is:  
a) Organisational barrier  
b) Physical barrier  
c) Semantic barrier  
d) Psychological barrier  
**Answer:** b) Physical barrier

**Q12.** Fear and mistrust among employees causes:  
a) Semantic barriers  
b) Organisational barriers  
c) Psychological barriers  
d) Physical barriers  
**Answer:** c) Psychological barriers

**Q13.** Effective leaders focus on:  
a) Strict rules only  
b) Employee satisfaction only  
c) Both task accomplishment and people  
d) Profit only  
**Answer:** c) Both task accomplishment and people

**Q14.** Directing initiates action by:  
a) Providing money  
b) Motivating and guiding  
c) Preparing policies  
d) Planning schedules  
**Answer:** b) Motivating and guiding

**Q15.** Communication between peers is:  
a) Vertical  
b) Horizontal  
c) Diagonal  
d) Grapevine  
**Answer:** b) Horizontal

**Chapter 8: Controlling**

**Q1.** The first step in the controlling process is:  
a) Measurement of performance  
b) Setting standards  
c) Corrective action  
d) Comparison  
**Answer:** b) Setting standards

**Q2.** Comparison of actual and standard performance comes at which stage?  
a) First  
b) Second  
c) Third  
d) Last  
**Answer:** c) Third

**Q3.** Corrective action is taken when:  
a) Standards are achieved  
b) Deviations exist  
c) Plans are made  
d) Goals are set  
**Answer:** b) Deviations exist

**Q4.** Control by exception means:  
a) Checking all activities  
b) Checking only major deviations  
c) Ignoring deviations  
d) None  
**Answer:** b) Checking only major deviations

**Q5.** Budgetary control is a technique of:  
a) Planning  
b) Controlling  
c) Staffing  
d) Directing  
**Answer:** b) Controlling

**Q6.** The controlling process is closely linked with:  
a) Planning  
b) Staffing  
c) Organising  
d) Directing  
**Answer:** a) Planning

**Q7.** Which is not a step of controlling?  
a) Setting standards  
b) Comparison  
c) Organising resources  
d) Taking corrective action  
**Answer:** c) Organising resources

**Q8.** Feedback in controlling helps in:  
a) New planning  
b) Coordination  
c) Staffing  
d) Leadership  
**Answer:** a) New planning

**Q9.** Non-financial standard can be:  
a) Production cost  
b) Employee satisfaction  
c) Sales target  
d) Profits  
**Answer:** b) Employee satisfaction

**Q10.** "Controlling is forward-looking" means:  
a) Correcting past deviations  
b) Preventing future deviations  
c) Comparing past results  
d) None  
**Answer:** b) Preventing future deviations

**Q11.** Measuring quality is an example of:  
a) Quantitative standard  
b) Qualitative standard  
c) Financial standard  
d) None  
**Answer:** b) Qualitative standard

**Q12.** Which is not a technique of managerial control?  
a) Budgetary control  
b) Break-even analysis  
c) Training programmes  
d) Internal audit  
**Answer:** c) Training programmes

**Q13.** Management by Exception implies managers should:  
a) Focus only on routine work  
b) Focus only on important deviations  
c) Focus on all deviations  
d) Avoid deviation analysis  
**Answer:** b) Focus only on important deviations

**Q14.** The controlling function ensures:  
a) Profits only  
b) Achievement of organisational goals  
c) Motivation  
d) Innovation  
**Answer:** b) Achievement of organisational goals

**Q15.** Which principle says "controlling should match the nature of activity"?  
a) Principle of exception  
b) Principle of critical point control  
c) Principle of flexibility  
d) Principle of objectivity  
**Answer:** b) Principle of critical point control

**Chapter 9: Financial Management**

**Q1.** The main objective of financial management is:  
a) Profit maximisation  
b) Wealth maximisation  
c) Sales maximisation  
d) Cost minimisation  
**Answer:** b) Wealth maximisation

**Q2.** Which decision deals with capital structure?  
a) Investment decision  
b) Financing decision  
c) Dividend decision  
d) None  
**Answer:** b) Financing decision

**Q3.** Dividend decision relates to:  
a) Allocation of profits  
b) Raising funds  
c) Investing funds  
d) Managing risks  
**Answer:** a) Allocation of profits

**Q4.** Which factor affects financing decision?  
a) Cash flow position  
b) Cost of debt  
c) Control consideration  
d) All of these  
**Answer:** d) All of these

**Q5.** Retained earnings are a source of:  
a) Long-term finance  
b) Short-term finance  
c) External finance  
d) None  
**Answer:** a) Long-term finance

**Q6.** Fixed capital investment depends on:  
a) Nature of business  
b) Scale of operations  
c) Technology used  
d) All of these  
**Answer:** d) All of these

**Q7.** The proportion of debt and equity is called:  
a) Capital structure  
b) Asset structure  
c) Leverage  
d) Dividend mix  
**Answer:** a) Capital structure

**Q8.** Current assets – current liabilities =  
a) Net working capital  
b) Operating profit  
c) Cash balance  
d) Fixed capital  
**Answer:** a) Net working capital

**Q9.** Which source of finance has lowest cost?  
a) Debt  
b) Equity  
c) Retained earnings  
d) Preference shares  
**Answer:** a) Debt

**Q10.** Too much debt increases:  
a) Risk  
b) Profit  
c) Liquidity  
d) Dividend  
**Answer:** a) Risk

**Q11.** High dividend payout means less:  
a) Retained earnings  
b) Equity capital  
c) Debt  
d) Preference shares  
**Answer:** a) Retained earnings

**Q12.** A factor affecting dividend decision is:  
a) Earnings  
b) Taxation policy  
c) Cash flow  
d) All of these  
**Answer:** d) All of these

**Q13.** An investment decision is also called:  
a) Capital budgeting  
b) Capital structuring  
c) Capital controlling  
d) Dividend budgeting  
**Answer:** a) Capital budgeting

**Q14.** Shareholders’ wealth is maximised by:  
a) Reducing dividend  
b) Maximising firm’s value  
c) Increasing debt  
d) Issuing shares  
**Answer:** b) Maximising firm’s value

**Q15.** Which is not a financial decision?  
a) Investment decision  
b) Production decision  
c) Financing decision  
d) Dividend decision  
**Answer:** b) Production decision

**Chapter 10: Financial Markets**

**Q1.** The market for short-term funds is:  
a) Capital market  
b) Money market  
c) Foreign exchange market  
d) Stock market  
**Answer:** b) Money market

**Q2.** Which is not a money market instrument?  
a) Commercial paper  
b) Treasury bill  
c) Certificate of deposit  
d) Equity shares  
**Answer:** d) Equity shares

**Q3.** Capital market deals in:  
a) Short-term securities  
b) Long-term securities  
c) Both  
d) None  
**Answer:** b) Long-term securities

**Q4.** SEBI was established in:  
a) 1988  
b) 1992  
c) 1990  
d) 1994  
**Answer:** a) 1988

**Q5.** SEBI was given statutory powers in:  
a) 1988  
b) 1991  
c) 1992  
d) 1994  
**Answer:** c) 1992

**Q6.** Functions of SEBI do not include:  
a) Protective  
b) Regulatory  
c) Developmental  
d) Manufacturing  
**Answer:** d) Manufacturing

**Q7.** The first step in public issue is:  
a) Listing  
b) Prospectus  
c) Approval by SEBI  
d) Underwriting  
**Answer:** c) Approval by SEBI

**Q8.** Trading in stock exchange takes place through:  
a) Brokers  
b) SEBI  
c) Company directors  
d) RBI  
**Answer:** a) Brokers

**Q9.** NSE was established in:  
a) 1990  
b) 1992  
c) 1994  
d) 1996  
**Answer:** c) 1994

**Q10.** Which is not a component of capital market?  
a) Primary market  
b) Secondary market  
c) Money market  
d) None  
**Answer:** c) Money market

**Q11.** Treasury bills are issued by:  
a) RBI  
b) SEBI  
c) Government of India  
d) Commercial banks  
**Answer:** c) Government of India

**Q12.** Secondary market is also called:  
a) New issue market  
b) Old issue market  
c) Money market  
d) Capital market  
**Answer:** b) Old issue market

**Q13.** Which function of financial market ensures liquidity?  
a) Mobilisation of savings  
b) Price discovery  
c) Liquidity  
d) Reduction in transaction cost  
**Answer:** c) Liquidity

**Q14.** Commercial paper is issued by:  
a) RBI  
b) Government  
c) Corporate firms  
d) SEBI  
**Answer:** c) Corporate firms

**Q15.** Which instrument is unsecured?  
a) Treasury bill  
b) Commercial paper  
c) Call money  
d) Certificate of deposit  
**Answer:** b) Commercial paper

**Chapter 11: Marketing Management**

**Q1.** Which of the following is not a function of marketing?  
a) Promotion  
b) Financing  
c) Distribution  
d) Controlling  
**Answer:** d) Controlling

**Q2.** Marketing focuses on:  
a) Product  
b) Customer needs  
c) Profit only  
d) Production only  
**Answer:** b) Customer needs

**Q3.** Which concept of marketing is most modern?  
a) Selling concept  
b) Production concept  
c) Marketing concept  
d) Product concept  
**Answer:** c) Marketing concept

**Q4.** The process of dividing the market into groups is:  
a) Market planning  
b) Market segmentation  
c) Market analysis  
d) Marketing research  
**Answer:** b) Market segmentation

**Q5.** Product mix means:  
a) Different brands  
b) Number of product lines and items  
c) Quality of product  
d) None  
**Answer:** b) Number of product lines and items

**Q6.** The most flexible element of marketing mix is:  
a) Product  
b) Price  
c) Place  
d) Promotion  
**Answer:** b) Price

**Q7.** Advertising is a part of:  
a) Pricing mix  
b) Promotion mix  
c) Product mix  
d) Place mix  
**Answer:** b) Promotion mix

**Q8.** Sales promotion technique offering free items is called:  
a) Rebate  
b) Discount  
c) Premium  
d) Lucky draw  
**Answer:** c) Premium

**Q9.** Which is not an element of physical distribution?  
a) Transportation  
b) Warehousing  
c) Advertising  
d) Order processing  
**Answer:** c) Advertising

**Q10.** Public relations include:  
a) Publicity  
b) Events  
c) Press relations  
d) All of these  
**Answer:** d) All of these

**Q11.** Branding helps in:  
a) Price rigidity  
b) Differentiation of product  
c) Elimination of product  
d) Reduction in quality  
**Answer:** b) Differentiation of product

**Q12.** Packaging performs which function?  
a) Protection  
b) Identification  
c) Convenience  
d) All of these  
**Answer:** d) All of these

**Q13.** Labelling provides:  
a) Information about product  
b) Promotion  
c) Legal compliance  
d) All of these  
**Answer:** d) All of these

**Q14.** Door-to-door selling is an example of:  
a) Advertising  
b) Personal selling  
c) Sales promotion  
d) Public relations  
**Answer:** b) Personal selling

**Q15.** Skimming price strategy is suitable when:  
a) Competition is low  
b) Demand is elastic  
c) Market is highly competitive  
d) Product is common  
**Answer:** a) Competition is low

**Chapter 12: Consumer Protection**

**Q1.** Consumer Protection Act was enacted in:  
a) 1984  
b) 1986  
c) 1991  
d) 1992  
**Answer:** b) 1986

**Q2.** COPRA was amended in:  
a) 1991  
b) 1993  
c) 2019  
d) 2020  
**Answer:** c) 2019

**Q3.** The Consumer Protection Act 2019 provides rights to:  
a) Producers  
b) Consumers  
c) Distributors  
d) Marketers  
**Answer:** b) Consumers

**Q4.** Which is not a consumer right?  
a) Right to safety  
b) Right to information  
c) Right to exploit  
d) Right to be heard  
**Answer:** c) Right to exploit

**Q5.** The right ensuring consumer access to variety at fair price is:  
a) Right to safety  
b) Right to be informed  
c) Right to choose  
d) Right to seek redressal  
**Answer:** c) Right to choose

**Q6.** Right to be protected from hazardous goods is:  
a) Right to safety  
b) Right to be informed  
c) Right to represent  
d) Right to choose  
**Answer:** a) Right to safety

**Q7.** Consumer Protection Act provides for how many consumer rights?  
a) Four  
b) Five  
c) Six  
d) Eight  
**Answer:** c) Six

**Q8.** At the district level, consumer disputes are redressed by:  
a) District Commission  
b) State Commission  
c) National Commission  
d) Supreme Court  
**Answer:** a) District Commission

**Q9.** The maximum value of goods under District Commission is:  
a) ₹20 lakh  
b) ₹1 crore  
c) ₹50 lakh  
d) ₹2 crore  
**Answer:** b) ₹1 crore

**Q10.** Which is not a remedy available to consumer?  
a) Replacement of product  
b) Refund of price  
c) To exploit producer  
d) Compensation  
**Answer:** c) To exploit producer

**Q11.** Advertising misleading claims violates:  
a) Right to choose  
b) Right to be informed  
c) Right to be heard  
d) Right to safety  
**Answer:** b) Right to be informed

**Q12.** Consumer organisations are examples of:  
a) Social responsibility  
b) Legal protection  
c) Voluntary organisations  
d) Government agency  
**Answer:** c) Voluntary organisations

**Q13.** "Jago Grahak Jago" is a campaign by:  
a) SEBI  
b) Ministry of Consumer Affairs  
c) RBI  
d) Companies Act  
**Answer:** b) Ministry of Consumer Affairs

**Q14.** Consumer Protection Act applies to:  
a) Public sector only  
b) Private sector only  
c) All sectors (public, private, cooperative)  
d) None  
**Answer:** c) All sectors (public, private, cooperative)

**Q15.** Filing a complaint in consumer court requires:  
a) Heavy fees  
b) Nominal fees  
c) No fees  
d) Penalty  
**Answer:** b) Nominal fees