



## Paper 1: Organization & Management Fundamentals \_Syllabus 2008

### Practice Paper – 2

#### ORGANISATION AND MANAGEMENT FUNDAMENTALS

| SECTION I - ORGANISATION 30%                |     | 15 questions |
|---|-----|--------------|
| Nature and functional areas of organization | 10% | 5            |
| Schools of organizational theory            | 10% | 5            |
| Organizational management                   | 10% | 5            |
| SECTION II – MANAGEMENT 70%                 |     | 35 questions |
| Human resource management                   | 20% | 10           |
| Management of relationships                 | 20% | 10           |
| Management of change                        | 15% | 7            |
| Pattern of management                       | 15% | 8            |



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### **SECTION I - ORGANISATION**

**1. Indicate which of the following is NOT among the six main types of organization structure –**

- a. Line organization
- b. Functional structure
- c. Committees
- d. Department

**2. Organisation structure is primarily concerned with \_\_\_\_\_ and \_\_\_\_\_ of tasks and authority.**

- a. Allocation and Delegation
- b. Allocation and apportionment
- c. Reporting and delegating
- d. Setting standards and delegation

**3. Line organization is also known as \_\_\_\_\_ organization.**

- a. Scalar
- b. Chain
- c. Matrix
- d. Project

**4. An advantage of the matrix structure is said to be –**

- a. Because product lines can be identified as cost centres, it facilitates financial control
- b. Top management has more time to devote to long term strategic issues
- c. It is easily understood by the people involved
- d. Improved lateral communications

**5. Organizational structure is made up of key elements. Which of the following is not one of these elements?**

- a. Centralisation



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- b.Coordination
- c.Decentralisation
- d.Span of control

**6.The foundations of 'behavioral theory of organization' were laid down by \_\_\_\_\_ conducted by \_\_\_\_\_**

- a.Structural experiments,Gullick
- b. Bethlehem steel corporations, Mooney
- c.Hawthorne experiments, Mayo
- d.The longwell coal mining study,Weber

**7.The systems approach \_\_\_\_\_?**

- a.Emphasises the technical requirements of the organization and its needs
- b.Emphasises the psychological and social aspects
- c.Encourages the managers to view the organization both as a whole and as a part of larger environment
- d.All of the above

**8.The Contingency theory focuses on**

- a.Situational variables
- b.Interrelationships
- c.Groups and human behavior
- d.Economic needs of workers

**9. \_\_\_\_\_ is attributed with developing the scientific management perspective.**

- a.Elton Mayo
- b.Robert Owens
- c.Frank Gilbirth
- d.Frederick Taylor



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**10. Which of the following is true with people with a Type A personality?**

- a. They are generally content with their place in the world.
- b. They generally feel little need to discuss their achievements
- c. They are easy going and relaxed and that's why take no tension of work.
- d. They have an intense desire to achieve and are extremely competitive

**11. The difference between a company's mission statement and the concept of strategic vision is that**

- a. The mission statement lays out the desire to make a profit, whereas the strategic vision addresses what strategy the company will employ in trying to make a profit.
- b. A mission statement deals with "where we are headed " whereas a strategic vision provides the critical answer to "how will we get there?"
- c. A mission deals with what a company is trying to do and a vision concerns what a company ought to do.
- d. A mission statement typically identifies what the company's products or services are (what we do) and the customers and markets it serves (why we are here), whereas the focus of a strategic vision is on "where we are going and why."

**12. One of the advantages of conflict is that it forces you to examine problems and work towards a potential \_\_\_\_\_.**

- a. Solution
- b. Outcome
- c. Experience
- d. Relationship

**13. Conflict that refers to a disagreement among connected individuals is**

- a. Interpersonal
- b. Intrapersonal
- c. Friendly conflict
- d. Negative conflict



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**14. The first stage of conflict resolution is to**

- a. Chose a solution
- b. Define the problem
- c. Think through possible solutions
- d. Analyse the problem

**15. Which of the following is conflict resolution skill?**

- a. Accomodating
- b. Passive listening
- c. Active listening
- d. Avoiding

### **SECTION II - MANAGEMENT**

**16. What is the meaning of the acronym HRM?**

- a) Humane Resource Management.
- b) Humanistic Resource Management.
- c) Human Resource Management.
- d) Human Relations Management.

**17. Which of the following is not a function normally performed by the HR department?**

- a) Recruitment and selection.
- b) Accounting.
- c) Training and development.
- d) Pay and reward.

**18. Recruitment and selection must be effective to ensure it:**

- a)** Offsets high labour turnover
- b)** Delivers the highest calibre of individuals at optimum most



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- c) To have a surplus in case of sickness and absence
- d) Encourages new blood into the organization

**19. Which of the following is not a selection technique?**

- a. Performance appraisal
- b. Ability test
- c. Psychometric testing
- d. Interviews

**20. The primary aim of recruitment and selection process is to**

- a. Meet the high labour turnover
- b. Hire the best individuals at optimum cost
- c. Ensure the availability of surplus in case of sickness and absence
- d. None of the above

**21. The management process functions consist of**

- a. Planning, organising, staffing and directing
- b. Planning, organising, leading and directing
- c. Planning, organising, leading and staffing
- d. Planning, organizing, leading and controlling

**22. The process of monitoring performance monitoring it with goals and correcting any significant deviations is known as**

- a. Planning
- b. Organising
- c. Leading
- d. Controlling



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### **23. Job evaluation is conducted to develop**

- a. Compensation package
- b. Training modules
- c. Organisational grapevine
- d. Rules and policies

### **24. Which of the following defines the process of recruitment?**

- a. Forecasting the demand of human resources
- b. Forecasting the supply of human resources
- c. Discovering potential job candidates for a particular position
- d. Making a hire or no hire decision

### **25. Which of the following is not a type of remuneration system under Time Rate System?**

- a. High wage plan
- b. Measured day work
- c. Taylor System
- d. Differential time rate

### **26. Budget refers to**

- a. Planned target of performance
- b. Steps of handling future activities
- c. Systematic action and allocation of resources
- d. Statement of expected results expressed in numerical terms

### **27. Contingency theory of leadership are based on the belief that**

- a. There is no single style of leadership appropriate to all situations
- b. There is a single style of leadership appropriate to all situations
- c. There is a single style of leadership appropriate to all managers



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d. None of the above

**28. Which of the following indicates the importance of planning?**

a. Makes way for orderly activities

b. Provides a basis for control in an organization

c. Reduces risk of uncertainty

d. All of the above

**29. Which of the following is not a technique of planning?**

a. Budgeting

b. Balanced score card

c. PERT CPM

d. Management by Objectives

**30. \_\_\_\_\_ provides a focus and direction for formulating strategy to achieve organizational objectives.**

a. Management by objectives

b. Strategy by objectives

c. Management by strategy

d. Strategic planning model

**31. Which of the following functions or activities requires recruiting and placing qualified personnel needed for the organization so that it may achieve its objectives and goals?**

a. Planning

b. Staffing

c. Organizing

d. Controlling





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**32. \_\_\_\_\_ plans have clearly defined objectives**

- a. Directional
- b. Flexible
- c. Specific
- d. Standing

**33. When a subordinate or a lower level manager passes information or offers suggestions to the higher level management, they are using which level of communication?**

- a. Upward communication
- b. Downward communication
- c. Lateral communication
- d. Diagonal communication

**34. What does ERG stands for**

- a. Effective, readiness and growth
- b. Expectancy, real and exist
- c. Existence , relatedness and growth
- d. Excellent relationship and growth

**35. Theory X suggests that employees**

- a. Dislike work
- b. Dislike managers
- c. Like work
- d. None of the above

**36. Which of the following is not Kurt Lewin's famous 3 stage perspective model of change?**

- a. Unfreezing current attitudes
- b. Refreezing attitudes at new level



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- c.Moving to a new level
- d.Melting resistance

**37.Which of the following is not a way of overcoming resistance to change?**

- a.Incentives
- b.Bullying and harassing people
- c.Education and communication
- d.Coercion

**38.Which of the following is the reason for resistance to change?**

- a.Obsolescence of skills
- b.Fear of economic loss
- c.Fear of unknown
- d.All of the above

**39. Changes which take place gradually without any resistance are**

- a.Evolutionary
- b.Revolutionary
- c.Planned
- d.Unplanned

**40.\_\_\_\_\_ refers to changes implemented by an organization due to pressure by external forces.**

- a.Unplanned change
- b.Reactive change
- c.Proactive change
- d.Revolutionary change



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**41. Forcefield analysis suggests that before a manager embarks on a change strategy he should properly identify and evaluate \_\_\_\_\_ and \_\_\_\_\_ .**

- a. Positive forces, negative changes
- b. Driving forces, restraining forces
- c. External forces, internal forces
- d. Strong forces, weak forces

**42. As per Cartwright which of the following characteristics of a group is a means for overcoming resistance to change**

- a. Incentives
- b. Coercion
- c. Education
- d. Strong sense of belonging

**43. Which of the following is not an organ of company management?**

- a. Officer
- b. Board of Directors
- c. Managing Director
- d. Secretary

**44. Disqualifications from becoming a Director of a company is**

- a. Insolvency
- b. Fraudulent, declared by court
- c. Unsound mind
- d. All of the above



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**45. The Central Government may appoint some directors for a period of \_\_\_\_\_ in case of mismanagement of company affairs**

- a. 3 and half yrs
- b. Not more than 3 yrs
- c. 5 yrs
- d. Not more than 2 yrs

**46. A director has to hold a minimum qualifying amount of shares of Rs. \_\_\_\_\_ within \_\_\_\_\_ months after his appointment as director.**

- a. 5000, 2
- b. 50,000, 2
- c. 5000, 5
- d. 5000, 3

**47. The maximum limit of holding Directorship in public companies is**

- a. 11 companies
- b. 12 companies
- c. 14 companies
- d. 15 companies

**48. A person cannot be appointed as a Managing Director for more than \_\_\_\_\_ at a time.**

- a. 5 yrs
- b. 6 yrs
- c. 7 yrs
- d. 4 yrs

**49. Which of the following is a characteristic of a Public sector organization?**

- a. Private ownership
- b. Primary profit making motive



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- c.Strict financial control by Government
- d.None of the above

**50. Which of the following industries does not come within the purview of 1991 Industrial Policy for reservation for public sector?**

- a.Handicrafts
- b.Atomic energy
- c.Arms Ammunitions
- d.Coal and lignite

### **ANSWERS**

| Question no. | Answer option | Question no. | Answer option |
|--------------|---------------|--------------|---------------|
| 1            | D             | 26           | D             |
| 2            | A             | 27           | A             |
| 3            | A             | 28           | D             |
| 4            | D             | 29           | B             |
| 5            | B             | 30           | A             |
| 6            | C             | 31           | B             |
| 7            | C             | 32           | C             |
| 8            | A             | 33           | A             |
| 9            | D             | 34           | C             |
| 10           | D             | 35           | A             |
| 11           | D             | 36           | D             |
| 12           | A             | 37           | B             |
| 13           | A             | 38           | D             |
| 14           | B             | 39           | A             |
| 15           | C             | 40           | B             |
| 16           | C             | 41           | B             |
| 17           | B             | 42           | D             |
| 18           | A             | 43           | A             |
| 19           | A             | 44           | D             |
| 20           | A             | 45           | B             |
| 21           | D             | 46           | A             |
| 22           | D             | 47           | D             |
| 23           | B             | 48           | A             |
| 24           | C             | 49           | C             |
| 25           | c             | 50           | A             |