

Model Entrance Questions
Master of Business Administration

1. Management is
 - a) Profession
 - b) Art
 - c) Science
 - d) Science and art both
2. A management theory fails because
 - a) it lacks universal applicability
 - b) Management is an art
 - c) theory is not necessary
 - d) people are illiterate
3. The concept of scientific management was given by
 - a) F.W. Taylor
 - b) Henry Fayol
 - c) Elton Mayo
 - d) Peter Drucker
4. One of the major contribution of Herbert Simon is in the area of
 - a) Decision - making
 - b) Interpersonal behaviour
 - c) Managerial hierarchy
 - d) Contingency approach
5. What is the nature of management process?
 - a) Time-bound
 - b) Continuous
 - c) Disjointed
 - d) Procedural
6. A price reduction to buyers who pay bills promptly is known as
 - a) Cash discount
 - b) Quantity discount
 - c) Seasonal discount
 - d) Allowance
7. Business organizations should feel concerned with social responsibility because they
 - a) are the part of society
 - b) can make huge profit
 - c) can be more efficient
 - d) can compete in better way
8. Pervasiveness of planning indicates that planning
 - a) extends throughout the organization
 - b) is a top management function
 - c) is the first element of management process
 - d) is future-oriented activity
9. Tactical planning is also known as
 - a) strategic planning
 - b) Operational planning
 - c) corporate planning
 - d) proactive planning
10. The concept of management by objectives was introduced by
 - a) Peter Drucker
 - b) George odiorne
 - c) Rensis Likert
 - d) Elton Mayo
11. Which one of the following is a single-use plan?
 - a) Budget
 - b) procedure
 - c) rule
 - d) policy
12. The focus of marketing concept is
 - a) Meeting needs
 - b) Making profit
 - c) Customer satisfaction
 - d) All of these
13. Marketing myopia is associated with concept
 - a) Marketing
 - b) Selling
 - c) Product
 - d) Production
14. A group of customers who share a similar set of needs and wants is known as
 - a) Market segment
 - b) Mass market
 - c) Niche market
 - d) All the above
15. A measure of the product's expected operating life under natural or stressful condition is called
 - a) Style
 - b) Durability
 - c) Repairability
 - d) Form
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 - c) Seasonal discount
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17. A manufacturer selling directly to the final customer is
- a) 3 level channel
 - b) 2 level channel
 - c) 1 level channel
 - d) zero level channel
18. The use of electronic means and platforms to conduct a Company's business is called
- a) E-purchasing
 - b) E-Marketing
 - c) E-business
 - d) E-commerce
19. All the activities involved in selling goods directly to final consumer for personal or non business use is known as
- a) Distribution
 - b) Retailing
 - c) Wholesaling
 - d) All of these
20. What type of advertising aims to create brand awareness and knowledge of new product
- a) Informative advertising
 - b) Persuasive advertising
 - c) Remainder advertising
 - d) Reinforcement advertising
21. When a firm uses an established brand to introduce a new product is called
- a) Sub brand
 - b) family brand
 - c) brand extension
 - d) patent brand
22. Collection of objects related by regular interaction and interdependence
- a) System
 - b) Organisation
 - c) Human being
 - d) Management
23. A complete task is handled by a single worker or group of workers is called
- a) Continuous flow shop
 - b) Job shop
 - c) Batch method
 - d) The project
24. A management encompasses all the facilities, functions and activities in producing and developing of a product / service from suppliers to customer
- a) Material Management
 - b) Supply Chain Management
 - c) Production Management
 - d) Logistics Management
25. Which of the following is an equipment oriented system
- a) Under ground system
 - b) Unit handle system
 - c) Job-shop handling system
 - d) Elevating system
26. Material oriented system consisting of
- a) Overhead system
 - b) Manual system
 - c) Transferring system
 - d) Liquid handling system
27. System efficiency is equal to
- a) Actual output / system capability
 - b) System capability / actual output
 - c) System capability / inventory level
 - d) Inventory level / actual output
28. What is ASRS?
- a) Automated Systems and Retrieval System
 - b) Automatic Storage and Retrieval Storage
 - c) Automated Storage and Retrieval Systems
 - d) Automated System and Ratio of Storage
29. What is CRP ?
- a) Corporate resource planning
 - b) Capital requirement planning
 - c) Capacity requirement planning
 - d) Corporate requirement planning
30. A quality product depends on
- a) Raw material
 - b) Labour
 - c) Technology
 - d) All the above
31. technique used for production schedule and control
- a) LOB
 - b) SPC
 - c) PERT
 - d) CPM

32. Intelligence tests are conducted to measure of candidates
- Aptitude
 - Mental ability
 - Emotional balance
 - Maturity
33. In structural interview, interviewer ask
- Prepared questions
 - Unplanned questions
 - Set of prepared as well as unplanned questions
 - None of these
34. Performance Appraisal System helps to evaluate employee's
- Personality
 - Educational qualification
 - Strength & Weaknesses
 - None of these
35. The Laissez – faire Leadership is
- Participative
 - Autocratic
 - Free-rein
 - Supportive
36. Who is the author of Hygiene theory of motivation
- Maslow
 - Herzberg
 - V.H. Vroom
 - none of the above
37. “An individual who bears the risk of operating a business in the face of uncertainty about future conditions” – is known as
- Business Man
 - Entrepreneur
 - Innovator
 - Inventor
38. The remuneration paid for the services of labour is known as
- Incentives
 - Wage
 - Compensation
 - Reward
39. Employees receive a share, fixed in advance of the profits is known as
- Bonus
 - Compensation
 - Profit sharing
 - Reward
40. The “fringe benefit” is otherwise known as
- Wage supplements
 - Monetary incentive
 - Non-monetary incentive
 - None of these
41. Grapevine is known as
- Formal Communication
 - Informal Communication
 - Oral Communication
 - None of these
42. When an endorsed bill is dishonored the drawer gives credit to
- Endorsee A/c
 - Endorser A/c
 - Bills Receivable A/c
 - None
43. Where the total of credit side is less than the total of debit side of profit and loss a/c it is
- Gross loss
 - Net loss
 - Gross profit
 - Net profit
44. The manufacturing account is prepared
- To ascertain the profit or loss on the goods sold
 - To ascertain the gross profit
 - To ascertain the cost of the goods manufactured
 - None of the above
45. Noting is necessary when a bill is
- Discounted
 - Renewed
 - Retired
 - Dishonoured
46. Sale of asset is recorded in
- Sales book
 - Journal proper
 - Purchase book
 - a & b
47. Accounts of persons with whom the Business deals are known as
- Real Account
 - Nominal Account
 - Personal Account
 - Profit & Loss A/c
48. Trial Balance is a
- Nominal A/c
 - Statement

- c. Personal A/c
d. Read A/c
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a. Discounted
b. Renewed
c. Retired
d. Dishonoured
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a. Endorsee A/c
b. Endorser A/c
c. Bills Receivable A/c
d. None
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a. Gross loss
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a. To ascertain the profit or loss on the goods sold
b. To ascertain the gross profit
c. To ascertain the cost of the goods manufactured
d. None of the above
53. An account current is a copy of the account appearing in the books of
a. Sender
b. Receiver
c. Drawer
d. Banker
54. The heading of account current, the sender writes the name of the receiver at the
a. End
b. beginning
c. middle
d. Beginning and end
55. Cheque issued but not debited by the bank if it is start from cash book
a. Add
b. Less
c. Less withdrawal
d. Less Deposit
56. Cash book shows credit balance and passbook shows debit balance
a. Favourable and unfavourable
b. unfavourable and favourable
c. favourable and favourable
d. unfavourable and unfavourable
57. Persons entered in to a joint venture is called
a) Partners
b) Ventures
c) Co-ventures
d) A and B
58. We have to take the _____ value while calculating depreciation
a) Increase
b) Scrap
c) Capital
d) Decrease
59. Under which method, the amount of depreciation is same for all years.
a) Annuity
b) Revaluation
c) Depletion
d) Reducing installment method
60. Depreciation is charged against -----
--Assets
a) Floating
b) Current
c) Fixed
d) none
61. The primary function of bank is
a) Borrowing only
b) Lending Only
c) Borrowing and lending
d) none of the above
62. A customer having a credit balance of Rs. 15000 in his bank a/c is a
a) Preferential creditors of the bank
b) Secured creditors of the bank
c) General creditors of the bank
d) Beneficiary entitled to share profit.
63. While accepting the articles for safe custody, the bankers position is that of
a) Trustee
b) Agent
c) Bailee
d) Pledgee
64. Current account provides to depositor
a) Moderate interest
b) Low interest
c) no interest
d) None of the above
65. There is no restriction in the number of withdrawals of deposits of money from a bank in

- a) Saving Account
b) Current account
c) Fixed deposit
d) Recurring deposit
66. The present maximum rate of interest which public limited companies can offer to public is
a) 13%
b) 14%
c) 12%
d) 16%
67. A minor is a person who doesn't attain the age of
a) 14
b) 8
c) 16
d) 1/8
68. The payment of a crossed cheque can be obtained
a) across the counter
b) by credit into the account
c) payee only
d) none
69. Claytons case deals with
a) Payment of damages
b) Consideration in a contract
c) appropriation of payment
d) payment of interest
70. Banking regulation act was passed in
a) 1929
b) 1956
c) 1930
d) none
71. Which of the following is not chargeable to tax under the Head income from other sources ?
a) divided from a co-operative society
b) Prize on cross word puzzles
c) Profit on sale of good will of a business
d) Interest from Bank
72. For the Assessment year 2008-09 the maximum permissible deduction u/s 80L is
a) 9000
b) 12000
c) 15000
d) None of the above
73. Loss from House property can be carried forward
a) 4 years
b) 8 years
- c) 6 years
d) Any number of years
74. Which of the following donation is eligible for 100% deduction?
a) National children fund
b) National sports fund
c) Rajeev Gandhi Foundation
d) Nehru memorial fund
75. Consignment Remuneration which is termed as
a) Wages
b) Salary
c) Commission
d) Profit
76. Profit or loss are shared among the covertures in their
a) Equal Ratio
b) Agreed Ratio
c) Capital Ratio
d) none of the above
77. Consequential loss policy indemnifies
a) Bad debts
b) Capital
c) Stock
d) none
78. While valuing abnormal loss only----- expenses must be taken
a) Consignee expenses
b) Consignor and Consignee's expenses
c) Consignor expenses
d) Consignor and consignee Non-recurring expenses
79. A bank funds its assets from a pool of composite liabilities. Apart from credit and operational risks, it faces
a) Basis risk
b) Mismatch risk
c) Market risk
d) Liquidity risk
80. Net Interest income is
a) Interest earned on advances
b) Interest earned on investments
c) Total interest earned on advances and investment
d) Difference between interest earned and interest paid
81. Interest rate risk is a type of
a) Credit risk
b) Market risk
c) Operational risk

- d) All the above
82. A rise in Government securities prices will make yield curve –
- Slope upward
 - Shift downward
 - Remain stable
 - Shift upward
83. 9% Government of India security is quoted at Rs.120. The current yield on the security will be –
- 12%
 - 9%
 - 7.5%
 - 13.3%
84. Financial Risk is defined as
- Uncertainties resulting in adverse variation of profitability or outright losses
 - Uncertainties that result in outright losses
 - Uncertainties in cash flow
 - Variations in net cash flows
85. Strategic Risk is a type of
- Interest Rate Risk
 - Operation Risk
 - Liquidity Risk
 - None of the above
86. Objective of liquidity management is to:
- Ensure profitability
 - Ensure liquidity
 - Either of two
 - Both
87. A mutual fund charges 1% entry load and no exit load. Its NAV is Rs.16; its sale and repurchase price will ----
- Rs.16 and Rs.15.80
 - Rs.16.16 and Rs.15.84
 - Rs.15.84 and Rs.16
 - Rs.16.16 and Rs.16
88. Banks need liquidity to: Meet deposit withdrawal
- Fund loan demands
 - Both of them
 - None of them
 - All of these
89. A fall in interest rate of long dated government securities with the short term interest rates remaining unchanged will make the yield curve.
- Steeper
 - Slop downward
 - Shift downward
 - Flatter
90. Adequacy of bank's liquidity position depends upon:
- Sources of funds
 - Anticipated future funding needs
 - Present and future earnings capacity
 - All of the above
91. Current yield on a government security is 5%. If the market price of the bond is Rs.160, the coupon rate on the bond will ----
- 6%
 - 5%
 - 8%
 - 10%
92. Find the true statement
- Marketing is a waste of the employees' time
 - Marketing is not required in India due to its vast population
 - Marketing involves additional work
 - Marketing involves team work
93. A Target market is
- entire country
 - entire city
 - entire globe
 - that which consists of customers who need the identified product
94. Sales forecasting involves
- Sales Planning
 - Sales Pricing
 - Distribution Channels
 - All of these
95. Which of the following product is being sold under the brand name ZODIAC
- Shirts
 - Ties
 - Both A and B
 - Liberty
96. SWIFT - cars are being manufactured by
- DCM
 - Maruti
 - Premier Automobiles
 - Hyundai

97. With you all the way is the slogan of
- a) Vodafone
 - b) SBI
 - c) ICICI
 - d) Raymonds
98. Which company used the slogan "The complete Man"
- a) DCM
 - b) GRASIM
 - c) RAYMONDS
 - d) VIMAL
99. Which brand uses the slogan "Made for each other" for its cigarettes?
- a) Cavenders
 - b) Four Square
 - c) Red & White
 - d) Wills
100. Cross Selling means
- a) Identifying customer needs
 - b) matching the products to customer needs
 - c) convincing the customers of product benefits
 - d) responding to questions and objections of customers

