



FEDERAL PUBLIC SERVICE COMMISSION  
COMPETITIVE EXAMINATION FOR  
RECRUITMENT TO POSTS IN BPS-17 UNDER  
THE FEDERAL GOVERNMENT, 2008

Roll No.

BUSINESS ADMINISTRATION

TIME ALLOWED:	(PART-I)	30 MINUTES	MAXIMUM MARKS:20
	(PART-II)	2 Hours & 30 Minutes	MAXIMUM MARKS:80

NOTE:	(i) First attempt PART-I (MCQ) on separate Answer Sheet which shall be taken back after 30 minutes.
	(ii) Overwriting/cutting of the options/answers will not be given credit.

PART – I (MCQ)  
(COMPULSORY)

Q.1. Select the best option /answer and fill in the appropriate box on the Answer Sheet. (20)

- (i) The last stage of Maslow Need Hierarchy is Esteem.  
(a) True (b) False
- (ii) An effective Manager is one who achieves the goal with the least amount of resources.  
(a) True (b) False
- (iii) Audit is a type of controlling system.  
(a) True (b) False
- (iv) Removal of undesirable elements serves as Negative Reinforcement tool to motivate the people.  
(a) True (b) False
- (v) Marketing of services heavily rely on advertising.  
(a) True (b) False
- (vi) Advertising is paid, personal communication through media.  
(a) True (b) False
- (vii) Skimming pricing is used when the customers are quality conscious.  
(a) True (b) False
- (viii) Advertising is usually at the top of Promotion Mix of every product.  
(a) True (b) False
- (ix) Profit as against Share Price Maximization is always a desirable goal of organization.  
(a) True (b) False
- (x) For a short term creditor, liquidity ratios are more important than efficiency ratios.  
(a) True (b) False
- (xi) Low levels of net working capital decrease risks.  
(a) True (b) False
- (xii) The present value of an annuity is inversely related to future value of annuity.  
(a) True (b) False
- (xiii) The three levels of a product are:  
(a) Core, Packaging and Promotion (b) Actual, Core and Pricing  
(c) Augmentation, Core and Actual (d) None of these
- (xiv) MBO means:  
(a) Management based on Organization  
(b) Management based on Objectives  
(c) Management by Objectives  
(d) None of these
- (xv) The two broad price policies are:  
(a) Demand and sales based pricing  
(b) Penetration and low pricing  
(c) Skimming and Demand based pricing  
(d) None of these
- (xvi) Quick Ratio is calculated by dividing:  
(a) Current Assets by Current Liabilities  
(b) Current Assets by Inventories  
(c) Current Liabilities by Current Assets  
(d) None of these

## BUSINESS ADMINISTRATION

- (xvii) Decreasing inventories is a source of:
- (a) Assets (b) Funds  
(c) Credit (d) None of these
- (xviii) Entrepreneur is:
- (a) Manager looking for profit  
(b) Manager looking for employees satisfaction  
(c) Manager looking for every opportunity  
(d) None of these
- (xix) The depth of a 'Product Mix' indicates:
- (a) All products offered by a company with its versions  
(b) All products offered by a company with its brands  
(c) All products and service brands  
(d) None of these
- (xx) A person directly involved in operation and accomplishment of main objectives of the firm is called:
- (a) First-Line manager (b) Line-Manager  
(c) Staff-Manager (d) None of these

### PART – II

<b>NOTE:</b>	<p>(i) <b>PART-II</b> is to be attempted on the separate <b>Answer Book</b>.</p> <p>(ii) Attempt <b>ONLY FOUR</b> questions from <b>PART-II</b> selecting at least <b>ONE</b> question from each <b>SECTION</b>. All questions carry <b>EQUAL</b> marks.</p> <p>(iii) Extra attempt of any question or any part of the attempted question will not be considered.</p>
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#### SECTION – I: (Management)

- Q.2. Explain the role of "Strategic Planning" in the present business world. How is it different from simple planning process? Give examples. (20)
- Q.3. Define "Managerial Leadership". Compare the Ohio and Michigan State University's approaches of Leadership Styles. (20)

#### SECTION – II: (Principles of Marketing)

- Q.4. Define 'Global Marketing'. How is it different from International Marketing? Describe the elements on which an organization should focus to globalize its product more effectively. (20)
- Q.5. "Sales Promotion" is taking the place of "Advertising". Comment. Discuss some commonly used Sales Promotion techniques for customers and channel members. (20)

#### SECTION –III: (Financial Management)

- Q.6. The 'Big Star Ltd' purchase a machinery from Hi-Tech Corporation. It is agreed that the payment will be made in Four installments. The Big-Star Company paid Rs.10,000 at the time of purchase and will pay Rs.15,000 after one year. The company will pay Rs.18,000 two years later and Rs.21,000 three years later, from the time of purchase. What would be the present value of receipt from the sale if the Hi-Tech Corporation uses a discount rate of 5 percent. (20)
- Q.7. How do "Liquidity and Leverage Ratios" help the management in taking financial decisions? Assume some data to explain the role of these ratios in financial decision making. (20)

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