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PAPER - 9

OPERATIONS MANAGEMENT & STRATEGIC MANAGEMENT



DIRECTORATE OF STUDIES

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Operations Management & Strategic Management

Bit Questions

OPERATIONS MANAGEMENT

(I) Choose the most appropriate one from given four alternatives.

1. **Out of the following trends in production/operations management, which one is sometimes called as agile manufacturing?**
   (A) Re-engineering
   (B) Supply-Chain Management
   (C) Lean Production
   (D) Flexibility

2. **Out of the following factors that are affecting Capacity Planning, which one is Less Controllable one?**
   (A) Machine break-downs
   (B) Amount of labour employed
   (C) Facilities installed
   (D) Shifts of work per day

3. **Which of the following stages of Product Life Cycle does attribute beginning of substantial increase in Sales and Profits?**
   (A) Introduction
   (B) Growth
   (C) Maturity
   (D) Decline

4. **Which one is NOT an index of Productivity?**
   (A) Man-hour output
   (B) Productivity ratio
   (C) TQM
   (D) Use of Financial Ratios

5. **The time by which an activity can be rescheduled without affecting the other activities - preceding or succeeding is called as**
   (A) Slack
   (B) Independent Float
   (C) Free Float
   (D) Total Float

6. **Reliability and per unit cost of which of the following spares are less?**
   (A) Regular spares
   (B) Insurance spares
   (C) Capital spares
   (D) Rotable spares

7. **The lead-time is the time:**
   (A) To place holders for materials
   (B) Time of receiving materials
   (C) Time between receipt of material and using materials,
   (D) Time between placing the order and receiving the materials

8. **The method used in scheduling a project is:**
   (A) A schedule of break-down of orders
   (B) Outline master programme
   (C) PERT & CPM
   (D) Schedule for large and integrated work

9. MRP stands for:
(A) Material requirement planning
(B) Material reordering planning
(C) Material requisition procedure
(D) Material recording procedure

10. One of the important charts used in programme control is:
(A) Material chart
(B) Gantt chart
(C) Route chart
(D) Inspection chart

11. Variety reduction is generally known as:
(A) Less varieties
(B) Simplification
(C) Reduced varieties
(D) None of the above

12. Conversion of inputs into outputs is known as:
(A) Application of technology
(B) operations management
(C) Manufacturing products
(D) product

13. Number of product varieties that can be manufactured in Mass production is:
(A) One only
(B) Two only
(C) Few varieties in large volumes
(D) Large varieties in small volumes

14. Routing and Scheduling becomes relatively complicated in
(A) Job production
(B) Batch production
(C) Flow production
(D) Mass production

15. JIT stands for
(A) Just in time purchase
(B) Just in time production
(C) Just in time use of materials
(D) Just in time order the material

16. The first stage in production planning is:
(A) Process planning
(B) Factory planning
(C) Operation planning
(D) Layout planning

17. Scheduling deals with:
(A) Number of jobs to be done on a machine
(B) Number of machine tools used to do a job
(C) Different materials used in the product
(D) Fixing up starting and finishing times of each operation in doing a job

18. Example of production by disintegration is:
(A) Automobile

(B) Locomotive
(C) Crude oil
(D) Mineral water.

19. Fixing Flow lines in production is known as :
(A) Scheduling
(B) Loading
(C) Planning
(D) Routing

20. The material handling cost per unit of product in continuous production is:
(A) Highest compared to other systems
(B) Lower than other systems
(C) Negligible
(D) Cannot say.

21. (Total station time/Cycle time x Number of work stations) x 100 is known as:
(A) Line Efficiency
(B) Line smoothness
(C) Balance delay of line
(D) Station efficiency

22. Tempering is a process of:
(A) Joining
(B) Heat Treatment
(C) Surface Treatment
(D) Forming

23. For production planning:
(A) Short term forecasting is useful
(B) Medium term forecasting is useful
(C) Long term forecasting is useful
(D) Forecasting is not useful.

24. Scheduling shows:
(A) Total cost of production
(B) Total material cost
(C) Which resource should do which job and when
(D) The flow line of materials

25. Linear Programming is a technique used for determining:
(A) Production Programme
(B) Plant Layout
(C) Product Mix
(D) Manufacturing Sequence.

26. The effective capacity is NOT influenced by which of the following factors:
(A) Forecasts of demand
(B) Plant and labour efficiency
(C) Subcontracting
(D) None of the above

27. Key aspects in process strategy does NOT include which of the following:
(A) Make or buy decisions
(B) Capital intensity
(C) Process flexibility
(D) Packaging

28. The example of worker involvement, as a recent trend in production/operations management is
(A) SCM
(B) Just-in-Time
(C) Quality Circle
(D) MRP

29. Production planning in the intermediate range of time is termed as
(A) Production planning.
(B) Long range production planning.
(C) Scheduling.
(D) Aggregate planning.

30. Preventive maintenance is useful in reducing
(A) Inspection Cost
(B) Cost of premature replacement
(C) Shutdown Cost
(D) Set-up Cost of machine

31. Which one of the following standards is associated with the "Quality Assurance in Production and Installation"?
(A) ISO 9001
(B) ISO 9002
(C) ISO 9003
(D) ISO 9004

32. Number of product varieties that can be manufactured in Job production is:
(A) Limited to one or two
(B) Large varieties of products
(C) One only
(D) None of the above.

33. In general number of product varieties that can be manufactured in Flow production is:
(A) One only
(B) Ten to twenty varieties
(C) Large varieties
(D) Five only.

34. Generally the size of the order for production in Job production is:
(A) Small
(B) Large
(C) Medium
(D) Very large.

35. Generally in continuous production the production is carried out to:
(A) Customer's order,
(B) Government orders only
(C) For stock and supply
(D) Few rich customers.

36. Inventory cost per product in intermittent production is:
(A) Higher,
(B) Lowest,
(C) Medium,
(C) Abnormal.

37. The starting point of Production cycle is:
(A) Product design
(B) Production Planning,
(C) Routing
(D) Market research.

38. Preferred numbers are used to:
(A) To determine the number of varieties that are to be manufactured
(B) To the test the design of the product
(C) To ascertain the quality level of the product
(D) To evaluate the production cost.

39. The act of assessing the future and make provisions for it is known as
(A) Planning
(B) Forecasting
(C) Assessment
(D) Scheduling.

40. For a marketing manager, the sales forecast is:
(A) Estimate of the amount of unit sales or a specified future period
(B) Arranging the sales men to different segments of the market
(C) To distribute the goods through transport to satisfy the market demand
(D) To plan the sales methods.

41. The time horizon selected for forecasting depends on:
(A) The salability of the product
(B) The selling capacity of Salesman
(C) Purpose for which forecast is made
(D) Time required for production cycle

42. In general, medium range forecasting period will be approximately:
(A) 5 to 10 Years
(B) 2 to 3 days
(C) 3 to 6 months
(D) 10 to 20 years

43. The range of Long range forecasting period may be approximately:
(A) 1 to 2 weeks
(B) 2 to 3 months
(C) 1 year
(D) above 5 years

44. To plan for future man power requirement:
(A) Short term forecasting is used
(B) Long range forecasting is used
(C) Medium range forecasting is used
(D) There is no need to use forecasting, as future is uncertain.

45. Long range forecasting is useful in:
(A) Plan for Research and Development
(B) To Schedule jobs in Job production
(C) In purchasing the material to meet the present production demand
(D) To assess manpower required in the coming month.

46. Medium range forecasting is useful in:
(A) To assess the loading capacity of the machine

(B) To purchase a materials for next month
(C) To plan for-capacity adjustments
(D) To decide whether to receive production orders or not.

47. To decide work load for men and machines:
(A) Medium range forecasting is used
(B) Short term forecasting is used
(C) Long range forecasting is used
(D) A combination of long range and medium range forecasting is used.

48. Important factor in forecasting production is:
(A) Environmental changes
(B) Available capacity of machines
(C) Disposable income of the consumer
(D) Changes in the preference of the consumer.

49. Application of technology or process to the raw material to add use value is known as:
(A) Product
(B) Production
(C) Application of technology
(D) Combination of technology and process.

50. In Production by disintegration the material undergoes:
(A) Change in economic value only
(B) Change in physical and chemical characteristics
(C) Change in technology only
(D) None of the above.

51. In Production by service, the product undergoes the changes in:
(A) Shape and size of the surface
(B) Shape of the surface only
(C) Size of the surface only
(D) Chemical and Mechanical properties.

52. Use of any process or procedure designed to transform a set of input elements into a set of output elements is known as:
(A) Transformation process
(B) Transformation of input to output
(C) Production
(D) Technology change

53. Conversion of inputs into outputs is known as:
(A) Application of technology
(B) Operations management
(C) Manufacturing products
(D) Product

54. The desired objective of Production and Operations Management is:
(A) Use cheap machinery to produce
(B) To train unskilled workers to manufacture goods perfectly
(C) Optimal utilisation of available resources
(D) To earn good profits.

55. The scope of Production Planning and Control is:
(A) Limited to Production of products only

(B) Limited to production of services only
(C) Limited to production of services and products only
(D) Unlimited, can be applied to any type of activity.

56. Manufacturing system often produces:
(A) Standardised products
(B) Standardised products in large volumes
(C) Substandardproducts in large volumes
(D) Products and services in limited volume.

57. The difference between product system and project system is:
(A) Project system the equipment and machinery are fixed where as in product system they are movable
(B) In Product system the machinery and equipment are fixed and in project system they are not fixed
(C) Project system produces only standardized products and product system produces only unstandardised products
(D) Products cannot be stocked whereas projects can be stocked.

58. Most important benefit to the consumer from efficient production system is:
(A) He can save money
(B) He will have product of his choice easily available
(C) He gets increased use value in the product
(D) He can get the product on credit.

59. Two important functions that are to be done by Production department are:
(A) Forecasting
(B) Costing
(C) Scheduling and loading
(D) Inspecting.

60. The act of releasing the production documents to the production department is known as:
(A) Planning
(B) Routing
(C) Dispatching
(D) Releasing

61. The activity of specifying when to start the job and when to end the job is known as:
(A) Planning
(B) Scheduling
(C) Timing
(D) Follow-up.

62. In an organisation the production planning and control department comes under:
(A) Planning department
(B) Manufacturing department
(C) Personal department
(D) R & D department.

63. In Job production system, we need:
(A) More unskilled labours
(B) Skilled labours
(C) Semi-skilled labours
(D) Old people

64. In Continuous manufacturing system, we need:
(A) General purpose machines and Skilled labours
(B) Special machine tools and highly skilled labours
(C) Semi automatic machines and unskilled labours
(D) General purpose machines and unskilled labours.

65. Most suitable layout for Job production is:
(A) Line layout
(B) Matrix layout
(C) Process layout
(D) Product layout.

66. Most suitable layout for Continuous production is:
(A) Line layout
(B) Process Layout
(C) Group technology
(D) Matrix layout.

67. One of the product examples for Line layout is:
(A) Repair workshop
(B) Welding shop
(C) Engineering College
(D) Cement.

68. The act of going round the production shop to note down the progress of work and feedback the information is known as:
(A) Follow up
(B) Dispatching
(C) Routing
(D) Trip card

69. Line of Best fit is another name given to:
(A) Method of Least Squares
(B) Moving average method
(C) Semi average method
(D) Trend line method

70. One of the important basic objectives of Inventory management is:
(A) To calculate EOQ for all materials in the organisation
(B) To go in person to the market and purchase the materials
(C) To employ the available capital efficiently so as to yield maximum results
(D) Once materials are issued to the departments, personally check how they are used.

71. The best way of improving the productivity of capital is:
(A) Purchase automatic machines
(B) Effective Labour control
(C) To use good financial management
(D) Productivity of capital is to be increased through effective materials management.

72. MRP stands for:
(A) Material Requirement Planning
(B) Material Reordering Planning
(C) Material Requisition Procedure
(D) Material Recording Procedure

73. The cycle time, selected in balancing a line must be:
(A) Must be greater than the smallest time element given in the problem
(B) Must be less than the highest time element given in the problem
(C) Must be slightly greater than the highest time element given in the problem
(D) Left to the choice of the problem solver.

74. Production planning deals with:
(A) What production facilities is required and how these facilities should be laid out in space available
(B) What to produce and when to produce and where to sell
(C) What should be the demand for the product in future?
(D) What is the life of the product?

75. In Process Planning we plan:
(A) Different machines required
(B) Different operations required
(C) We plan the flow of material in each department
(D) We design the product.

76. In Operation Planning:
(A) The planner plans each operation to be done at work centers and the sequence of operations
(B) Decide the tools to be used to perform the operations
(C) Decide the machine to be used to perform the operation,
(D) Decide the materials to be used to produce the product.

77. Before thinking of routing, the production planner has to:
(A) Decide the optimal allocation of available resources
(B) To decide what type of labour to be used
(C) To decide how much of material is required
(D) To count how many orders he has on his hand.

78. The quantities for which the planner has to prepare production plan are known as:
(A) Optimal quantity of products
(B) Material planning
(C) Quantity planning
(D) Planning quantity standards.

79. The document, which is used to show planning quantity standards and production plan, is known as:
(A) Planning specifications
(B) Route sheet
(C) Bill of materials
(D) Operation sheet

80. In solving a problem on LOB, the number of workstations required is given by:
(A) Cycle time/Total time
(B) Cycle time/Element time
(C) Total time/Element time
(D) Total time/ Cycle time.

81. Final stage of production planning, where production activities are coordinated and projected on a time scale is known as:
(A) Scheduling
(B) Loading
(C) Expediting
(D) Routing

82. The study of relationship between the load on hand and capacity of the work centers is known as:
(A) Scheduling
(B) Loading
(C) Routing
(D) Controlling

83. One of the aims of loading is:
(A) To finish the job as early as possible
(B) To minimise the material utilization
(C) To improve the quality of product
(D) To keep operator idle time, material waiting time and ancillary machine time at minimum.

84. One of the principles of Scheduling is:
(A) Principle of optimal product design
(B) Principle of selection of best material
(C) Principle of optimal operation sequence
(D) Principle of optimal cost.

85. One of the requirements of Aggregate Planning is:
(A) Both output and sales should be expressed in a logical overall unit of measuring
(B) Appropriate time period
(C) List of all resources available
(D) List of operations required.

86. In aggregate planning, one of the methods in modification of demand is:
(A) Differential Pricing
(B) Lay off of employees
(C) Over time working
(D) Sub contracting.

87. In aggregate planning one of the methods used to modification of supply is:
(A) Advertising and sales promotion
(B) Development of complimentary products
(C) Backlogging
(D) Hiring and lay off of employees depending on the situation.

88. The first stage of Production control is:
(A) Dispatching
(B) Scheduling
(C) Routing
(D) Triggering of production operations and observing the progress and record the deviation.

89. One of the important production documents is:
(A) Design sheet of the product
(B) List of materials
(C) Route card
(D) Control chart

90. The way in which we can assess the efficiency of the production plant is by:
(A) Efficient dispatching
(B) By manufacturing a good product
(C) By comparing the actual performance with targets specified in the specified programme
(D) By efficient production planning.

91. Production control concerned with:
(A) Passive assessment of plant performance
(B) Strict control on labours
(C) Good materials management
(D) Good product design

92. When work centers are used in optimal sequence to do the jobs, we can:
(A) Minimise the set up time
(B) Minimse operation time
(C) Minimise the breakdown of machines
(D) Minimise the utility of facility.

93. One of the activities of expediting is:
(A) To file the orders in sequence
(B) To decide the sequence of operation
(C) To record the actual production against the scheduled production
(D) To examine the tools used in production

94. 'Z' chart is a chart used in:
(A) Programme control
(B) Job control
(C) Cost control
(D) Quality control

95. Z-chart can be used to show:
(A) Process used in production
(B) Quality level of the product
(C) Both the plan and the performance, and deviation from the plan
(D) To show cost structure of the product.

96. Computers are used in Production control in this area:
(A) Follow-up activity
(B) To control labour
(C) To disseminate information
(D) Loading, Scheduling and Assignment works.

97. The following establishes time sequence of operations:
(A) Routing
(B) Sequencing
(C) Scheduling
(D) Dispatching

98. Arrangement of machines depending on sequence of operations happens in:
(A) Process Layout
(B) Product Layout
(C) Hybrid Layout
(D) Group Technology Layout.

99. Issuing necessary orders, and taking necessary steps to ensure that the time targets set in the schedules are effectively achieved is known as:
(A) Routing
(B) Dispatching
(C) Scheduling
(D) Inspection.

100. The card which is prepared by the dispatching department to book the labour involved in each operation is:
(A) Labour card
(B) Wage card
(C) Credit card
(D) Job card.

101. Cost reduction can be achieved through:
(A) Work sampling
(B) Value analysis
(C) Quality assurance
(D) Supply chain management.

102. Addition of value to raw materials through application of technology is:
(A) Product
(B) Production
(D) Advancement
(D) Transformation.

103. The most powerful and popular method for solving linear programming problem is
(A) Simplex method
(B) Graphical method
(C) Transportation method
(D) Assignment method

104. The recent trend in the Production/Operations management which suggests the use of minimal amount of resources to produce a high volume of high quality goods with some variety is referred to as:
(A) SCM
(B) TQM
(C) Lean Production
(D) Just-In-Time

105. Effective capacity can NOT be determined by which of the following factors?
(A) Product design and product-mix
(B) Quantity and quality capabilities
(C) Facilities
(D) None of the above

106. In which of the following stages the management should try to change its approach by changing its strategy from "buy my product" to "try my product"?
(A) Introduction
(B) Growth
(C) Maturity
(D) Decline

107. Conducting occasional check-ups of the products manufactured or assembled to ensure high quality of the production is known as:
(A) Planning
(B) Scheduling
(C) Inspection
(D) Routing

108. Which one of the following standards is associated with the "Quality Assurance in Final Inspection Test"?
(A) ISO 9001

(B) ISO 9002
(C) ISO 9003
(D) ISO 9004

109. With reference to project management, identify which of the following statement is NOT correct?
(A) Gantt chart is a principal tool used in scheduling and also in some methods of loading.
(B) Routing is the first step in the production planning.
(C) The cost of any activity is proportional to its time of completion.
(D) The free float can be calculated by subtracting EFT from EST.

110. Identify which one of the following statement is NOT correct?
(A) Preventing maintenance includes lubrication, cleaning, periodic overhaul, etc.
(B) The two types of cost-cost of premature replacement and cost of breakdown-need to be balanced.
(C) Wear and obsolescence are the two main causes of replacement of machinery in every aspect of life.
(D) A machine is technically obsolete when another machine can do the same job more efficiently with reduced time and also at a lower cost.

111. To determine where the plant should be located for maximum operating economy and effectiveness, refers to which one of the following?
(A) Plant layout
(B) Facility location
(C) Capacity planning
(D) Capacity requirement

112. Which of the following models deals with the physical movement of goods from different supply origins to a number of different demand destinations?
(A) Simulation
(B) Transportation
(C) Lean operations
(D) Line balancing

113. One of the objectives of maintenance is:
(A) to prevent obsolescence.
(B) to ensure spare parts management.
(C) to satisfy customers.
(D) to extend the useful life of Plant & Machinery without sacrificing the level of performance

114. Which one of the following recent trends in Production/Operations management involves drastic measures or break through improvements to improve the performance of a firm?
(A) Corporate Downsizing
(B) Re-Engineering
(C) Technology
(D) TQM

115. Which of the following process types is used when a very highly standardized product is desired in high volumes?
(A) Repetitive Process
(B) Batch Process
(C) Project Process
(D) Continuous Process

116. Which of the following aims at finding the best and most efficient way of using the available resources—men, materials, money and machinery?
(A) Method Study
(B) Work Study
(C) Time Study
(D) Motion Study

117. Which one of the following statements is NOT correct?
(A) LFT is calculated from the LFT of the head event.
(B) Slack can be calculated by adding EFT and LFT of any job.
(C) EFT is the sum of the EST and the time of duration for any event.
(D) The Total Project time is the shortest possible time required in completing the project.

118. Which one of the following is NOT the advantage of Preventive Maintenance?
(A) Better product quality
(B) Greater safety to workers
(C) Increased breakdowns and downtime
(D) Fewer large-scale repairs

119. Which one of the following establishes time sequence of operations?
(A) Routing
(B) Sequencing
(C) Scheduling
(D) Dispatching

120. With reference to Aggregate Planning, identify which of the following statements is NOT correct?
(A) It is an Intermediate-term planning.
(B) It is made operational through a master schedule, which gives the manufacturing schedule.
(C) Facility planning and scheduling are closely related with the aggregate planning.
(D) It deals with the strategic decisions, such as purchase of facilities, introduction of new products, processes, etc.

121. In route sheet or operation layout, one has to show
(A) A list of materials to be used.
(B) A list of machine tools to be used.
(C) Every work center and the operation to be done at that work center.
(D) The cost of product.

122. Conversion of inputs into outputs is known as
(A) Application of technology
(B) Manufacturing products
(C) Product
(D) Operation management

123. Which of the following is NOT the Plant Layout Principle?
(A) Principle of sequence
(B) Principle of usage
(C) Principle of maximum travel
(D) Principle of minimum investment

124. Which one of the following standards is associated with the "Quality Management and Quality System Elements-Guidelines"?
(A) ISO 9001

(B) ISO 9002
(C) ISO 9003
(D) ISO 9004

125. In a network diagram, the activity that must be completed prior to the start of an activity is called as
(A) Successor activity
(B) Predecessor activity
(C) Concurrent activity
(D) Dummy activity

126. Identify which one of the following is NOT the objective of the maintenance:
(A) To keep all production facilities and allied facilities in an optimum working condition.
(B) To ensure specified accuracy to products and time schedule of delivery to customers.
(C) To keep the down time of the machine at the maximum.
(D) To keep the production cycle within the stipulated range.

127. With reference to the characteristics of a good product design, which one of the following is referred to "the ease of manufacture with minimum cost"?
(A) Reliability
(B) Productibility
(C) Specification
(D) Simplification

Answer Key:

(1) (d) Flexibility
(2) (a) Machine break-downs
(3) (b) Growth
(4) (c) TQM
(5) (b) Independent Float
(6) (a) Regular spares
(7) (d) Time between placing the order and receiving the materials
(8) (c) PERT & CPM
(9) (a) Material requirement planning
(10)(b) Gantt chart
(11)(b) Simplification
(12)(c) Manufacturing products
(13)(c) Few varieties in large volumes
(14)(b) Batch production
(15)(b) Just in time production
(16)(b) Factory planning
(17)(d) Fixing up starting and finishing times of each operation in doing a job
(18)(c) Crude oil
(19)(d) Routing
(20)(b) Lower than other systems
(21)(a) Line Efficiency
(22)(b) Heat Treatment
(23)(a) Short term forecasting is useful
(24)(c) Which resource should do which job and when
(25)(c) Product Mix
(26)(d) None of the above
(27)(d) Packaging
(28)(c) Quality Circle

(29)(d) Aggregate planning
(30)(c) Shutdown Cost
(31)(b) ISO 9002
(32)(b) Large varieties of products
(33)(a) One only
(34)(a) Small
(35)(c) For stock and supply
(36)(a) Higher
(37)(d) Market research
(38)(a) To determine the number of varieties that are to be manufactured
(39)(b) Forecasting
(40)(a) Estimate of the amount of unit sales or a specified future period
(41)(c) Purpose for which forecast is made
(42)(c) 3 to 6 months
(43)(d) above 5 years
(44)(b) Long range forecasting is used
(45)(a) Plan for Research and Development
(46)(c) To plan for-capacity adjustments
(47)(b) Short term forecasting is used
(48)(b) Available capacity of machines
(49)(b) Production
(50)(b) Change in physical and chemical characteristics
(51)(d) Chemical and Mechanical properties
(52)(c) Production
(53)(b) Operations management
(54)(c) Optimal utilisation of available resources
(55)(d) Unlimited, can be applied to any type of activity
(56)(a) Standardised products
(57)(b) In Product system the machinery and equipment are fixed and in project system they are not fixed
(58)(c) He gets increased use value in the product
(59)(c) Scheduling and loading
(60)(c) Dispatching
(61)(b) Scheduling
(62)(b) Manufacturing department
(63)(b) Skilled labours
(64)(b) Special machine tools and highly skilled labours
(65)(c) Process layout
(66)(a) Line layout
(67)(d) Cement
(68)(a) Follow up
(69)(a) Method of Least Squares
(70)(c) To employ the available capital efficiently so as to yield maximum results
(71)(d) Productivity of capital is to be increased through effective materials management
(72)(a) Material Requirement Planning
(73)(c) Must be slightly greater than the highest time element given in the problem
(74)(a) What production facilities is required and how these facilities should be laid out in space available
(75)(c) We plan the flow of material in each department
(76)(a) The planner plans each operation to be done at work centers and the sequence of operations
(77)(a) Decide the optimal allocation of available resources
(78)(d) Planning quantity standards
(79)(a) Planning specifications
(80)(d) Total time/ Cycle time
(81)(a) Scheduling

(82) (b) Loading
(83) (d) To keep operator idle time, material waiting time and ancillary machine time at minimum
(84) (c) Principle of optimal operation sequence
(85) (a) Both output and sales should be expressed in a logical overall unit of measuring
(86) (a) Differential Pricing
(87) (d) Hiring and lay off of employees depending on the situation
(88) (d) Triggering of production operations and observing the progress and record the deviation
(89) (c) Route card
(90) (c) By comparing the actual performance with targets specified in the specified programme
(91) (a) Passive assessment of plant performance
(92) (a) Minimise the set up time
(93) (c) To record the actual production against the scheduled production
(94) (a) Programme control
(95) (c) Both the plan and the performance, and deviation from the plan
(96) (d) Loading, Scheduling and Assignment works
(97) (c) Scheduling
(98) (b) Product Layout
(99) (b) Dispatching
(100) (d) Job card
(101) (b) Value analysis
(102) (b) Production
(103) (a) Simplex method
(104) (c) Lean Production
(105) (d) None of the above
(106) (b) Growth
(107) (c) Inspection
(108) (c) ISO 9003
(109) (d) The free float can be calculated by subtracting EFT from EST
(110) (a) Preventing maintenance includes lubrication, cleaning, periodic overhaul, etc
(111) (b) Facility location
(112) (b) Transportation
(113) (d) to extend the useful life of Plant & Machinery without sacrificing the level of performance
(114) (b) Re-Engineering
(115) (d) Continuous Process
(116) (b) Work Study
(117) (b) Slack can be calculated by adding EFT and LFT of any job
(118) (c) Increased breakdowns and downtime
(119) (c) Scheduling
(120) (d) It deals with the strategic decisions, such as purchase of facilities, introduction of new products, processes, etc
(121) (c) Every work center and the operation to be done at that work center
(122) (d) Operation management
(123) (c) Principle of maximum travel
(124) (d) ISO 9004
(125) (b) Predecessor activity
(126) (c) To keep the down time of the machine at the maximum
(127) (b) Productibility

(II) Match the following in Column I with the appropriate in Column II

1. Match the following:

	Column I		Column II
1.	Aviation Fuel	A	Value Analysis
2.	Brainstorming	B	Machine Shop
3.	Forgings	C	Turbo – Alternator
4.	Tools	D	Refinery
5.	Hydro-Electricity	E	Job Evaluation
6.	Ranking Method	F	Smithy

2. Match the following:

	Column I		Column II
1.	KANBAN	A	Transportation Application
2.	VAM	B	Metal Cutting
3.	Broaching	C	Scheduling
4.	Tools	D	Job Evaluation
5.	Ranking Method	E	Machine Shop

3. Match the following:

	Column I		Column II
1.	Linear Programming	A	Quality Control
2.	Average Outgoing Quality	B	Cost Control
3.	Value Analysis	C	Crashing
4.	Programme Evaluation and Review Technique	D	Product Mix Determination
5.	Network Analysis	E	Project Planning

4. Match the following:

	Column I		Column II
1.	Fixture	A	Conversion of inputs into outputs
2.	Process Layout	B	Network analysis
3.	Capital Intensity	C	General Purpose Machines
4.	Operations Management	D	Mix of equipment and labour which will be used by the firm
5.	Crashing	E	Appliance for holding the work
6.	Less prone to Obsolescence	F	Grouping together of similar machines in one department

5. Match the following:

	Column I		Column II
1.	Furniture	A	Assembly Line
2.	Hydro Electricity	B	Refinery
3.	Television Set	C	Carpentry
4.	Cement	D	Turbo-Alternator
5.	Aviation Fuel	E	Rotary Kiln
6.	Tools	F	Machine Shop

6. Match the following:

	Column I		Column II
1.	Ranking Method	A	Method Study
2.	Motion Economy	B	Plant Layout
3.	Work Sampling	C	Job Evaluation
4.	Normal Curve	D	Inventory Control
5.	Use of Templates	E	Statistical Quality Control
6.	Crashing	F	Network Analysis
7.	Replacement	G	Value Analysis
8.	Brain Storming	H	Work Measurement
9.	Stock Level	I	Maintenance

7. Match the following:

	Column I		Column II
1.	Electricity	A	Blast Furnace
2.	Petrol	B	Generator
3.	Iron	C	Refinery
4.	Cloth	D	Assembly Line
5.	Car	E	Smithy
6.	Cotton Yarn	F	Spinning Loom
7.	Forgings	G	Power Loom

8. Match the following:

	Column I		Column II
1.	LP	A	Capacity Planning
2.	PERT	B	Quality control
3.	MTM	C	Project funding
4.	VA	D	Project viability checking
5.	SRAC	E	Inventory management
6.	MRP	F	Product design
7.	CBA	G	Cost Control
8.	CAD	H	Product mix determination
9.	IFCI	I	Project Planning
10.	AOQ	J	Work measurement

9. Match the following:

	Column I		Column II
1.	Inventory Control	A	Turbo-Alternator
2.	Network Analysis	B	Crashing
3.	Aviation Fuel	C	Value Analysis
4.	Hydro-Electricity	D	Stock Level
5.	Improvement in productivity	E	Refinery

10. Match the following:

	Column I		Column II
1.	The ability to adopt quickly to changes in volume of demand, in the product mix demanded and in product design or in delivery schedules.	A	Method study
2.	To address the planning and controlling of a manufacturing process and all of its related support	B	Maintenance Stores

	functions.		
3.	Degree to which the system can be adjusted to changes in processing requirements.	C	Flexibility
4.	Eliminating unnecessary motions or by changing the sequence of operation or the process itself.	D	Network Analysis
5.	Certain specific techniques which can be used for planning, management and control of project.	E	MRP – II
6.	Availability of vital spare parts needs to be ascertained to meet an emergency like breakdown	F	Process Flexibility

11. Match the following:

	Column I		**Column II**
1.	Any place in a production process where materials tend to pile up or produced at rates of speed less rapid than the previous or subsequent operations.	A	Assignment
2.	It is used when a low volume of high variety goods are needed	B	Globalisation
3.	A special Linear Programming Problem	C	Bottleneck
4.	Steep increase in the level of competition among manufacturing firms throughout the world.	D	Maintenance Request
5.	Systematic Quantitative Structural approach to the problem of managing a project through to successful competition.	E	Job – Shop Process
6.	This must be made in writing to a central point in the organization.	F	Net work Analysis

12. Match the following:

	Column I		**Column II**
1.	Cost Benefit Analysis	A	Crashing
2.	Network Analysis	B	Product Design
3.	Television Set	C	Plant Layout
4.	Use of Templates	D	Method Study
5.	Computer Aided Design	E	Project Viability Checking
6.	Motion Economy	F	Assembly Line

13. Match the following:

	Column I		**Column II**
1.	Use of minimal amounts of resources to produce a high volume of high quality goods with some variety.	A	KAIZEN
2.	Arranging and grouping of machines which are meant to produce goods.	B	Network
3.	The extent to which a firm will produce goods or provide services in – house or go for outsourcing	C	Monte Carlo Method
4.	A given problem is solved by simulating the original data with random number generators	D	Lean Production
5.	The Principle of continuous improvement	E	Make or Buy Decisions
6.	A graphical representation of all the activities and events arranged in a logical and sequential order.	F	Layout

Answer Key:

Ans: 1

(i) D
(ii) A
(iii) F
(iv) B
(v) C
(vi) E

Ans: 2

(i) C
(ii) A
(iii) B
(iv) E
(v) D

Ans: 3

(i) D
(ii) A
(iii) B
(iv) E
(v) C

Ans: 4

(i) E
(ii) F
(iii) D
(iv) A
(v) B
(vi) C

Ans: 5

(i) C
(ii) D
(iii) A
(iv) E
(v) B
(vi) F

Ans: 6

(i) C
(ii) A
(iii) H
(iv) E
(v) B
(vi) F
(vii) I
(viii) G
(ix) D

Ans: 7

(i) B
(ii) C
(iii) A
(iv) G
(v) D
(vi) F
(vii) E

Ans: 8

(i) H
(ii) I
(iii) J
(iv) G
(v) A
(vi) E
(vii) D
(viii) F
(ix) C
(x) B

Ans: 9

(i) D
(ii) B
(iii) E
(iv) A
(v) C

Ans: 10

(i) C
(ii) E
(iii) F
(iv) A
(v) D
(vi) B

Ans: 11

(i) C
(ii) E
(iii) A
(iv) B
(v) F
(vi) D

Ans: 12

(i) E
(ii) A
(iii) F
(iv) C

(v) B
(vi) D

Ans: 13

(i) D
(ii) F
(iii) E
(iv) C
(v) A
(vi) B

(III) State whether the following are 'True' or 'False':

1. **Merit Rating is used to determine the cost of a product.**
2. **Project costs increase as the duration of the project increases.**
3. **In carrying out Job Evaluation studies, point system is the best method.**
4. **Production planning and control is essentially concerned with the control of Finished goods.**
5. **A Productivity Index is a device of expressing the ratio between outputs and the inputs of the resources numerically.**
6. **If the total float value is zero, it means the resources are just sufficient to complete the activity without delay.**
7. **Method study should precede work measurement.**
8. **Increased productivity leads to cost reduction.**
9. **A good materials handling system always consists of conveyors.**
10. **It is desirable to conduct work measurement after method study.**
11. **Material handling is an integral part of sales process.**
12. **The time horizon selected for forecasting depends on time required for production cycle.**
13. **Rucker plan is a group incentive plan.**
14. **Assignment problem is solved by Johnson and Bellman method.**
15. **Preventive maintenance is useful in reducing inspection cost.**
16. **Customer service is a key objective of operations management.**
17. **In general short term forecasting will be more useful in production planning.**
18. **Job Evaluation is a systematic approach to ascertain the labour worth of a job.**
19. **Load control is typically found wherever a particular bottleneck machine does not exist in the process of manufacturing.**
20. **The term "aesthetics" which appeals to the human sense does not add value to the product.**
21. **Production planning is an essential function in a factory.**
22. **Training boosts employee morale.**
23. **When demand does not exist in the market, we should start Production Incentives.**
24. **A work stoppage generally reduces the cost of production.**
25. **No handling is the best handling.**
26. **Job Evaluation is used to measure absolute job worth.**
27. **Incentive scheme is introduced by Management with a view to reduce direct labour cost.**
28. **The increase in productivity can be attributed to the application of Industrial Engineering/Techniques,particularly the work study.**
29. **Operation process chart incorporates all five symbols.**
30. **Multiple Activity chart deals with layout problems.**
31. **Standard performance is the natural rate of working of an average operator when he works tinder proper supervision but without any financial motivation.**
32. **Allowances for non-availability of materials power failure and breakdown of machines are provided for in the standard time for an operation/job.**
33. **It is justified to consider the effect of working condition both in Work Measurement and Job-Evaluation.**
34. **Increase in productivity leads to retrenchment of work force.**
35. **In view of rapid technological advancement we would not concentrate on labour productivity.**
36. **Piece wage system is a substitute for proper supervision.**
37. **Personnel Manager has nothing to do with productivity. It is the job of Technical Personnel.**
38. **Ranking is one of the Job Evaluation Techniques.**
39. **Results available from work sampling study is not 100% accurate.**
40. **Since breakdown of Plant and machineries is a random phenomenon, it is impossible to do any work measurement in Maintenance Area.**

41. **Job Evaluation does not help in performance Rating. There is no difference between Method study and Value Engineering.**
42. **Two-handed process chart is the most suitable Recording Technique in Electronics Assembly Industry.**
43. **Do standard Times allow for relaxation of the Operators?**
44. **Is a lift same as an elevator?**
45. **Is the use of metric system of weights and measures compulsory in India?**
46. **Can the shaping machine be considered a versatile machine tool?**
47. **Does the Factories Act in India allow the employment of women in all industries?**
48. **Is Break-even analysis a management tool?**
49. **With increase in lot size the setup cost per unit decreases, whereas the inventory carrying cost increases.**
50. **A special purpose Machine Tool performs only a limited number of specialised operations with great speed and precision.**
51. **Strikes and lock-out are controllable factors affecting Capacity Planning.**
52. **Incentives are substitute for lower wages.**
53. **Linear Programming does not consider uncertainties.**
54. **Depending on the need, the maintenance activity may be centralized or decentralized.**
55. **In general, long-range forecasting is more useful in production planning.**
56. **There is a limit beyond which labour productivity cannot be improved.**
57. **Breakdown maintenance doesn't require use of standby machines.**
58. **Activity Sampling is not a technique of Job Evaluation.**
59. **A good plant layout is one of the factors in effective utilization of labour.**
60. **The primary concern of production planning and control is the delivery of products to customers or to inventory stocks according to some predetermined schedule.**
61. **Capacity refers to the minimum load an operating unit can handle.**
62. **Job-shop process is used when a very highly standardized product is desired in high volumes.**
63. **The productivity is a measure of how much input is required to achieve a given output.**
64. **One of the limitations of Gantt Chart is that it does not clearly indicate the details regarding progress of activities.**
65. **Preventive maintenance ensures greater safety to workers.**
66. **Short-term forecasting is useful to serve the purpose of estimating the inventory requirement.**
67. **The life cycle of a product has many points of similarity with the human life cycle.**
68. **The Linear Programming problem has two basic parts: the objective function and the constraint set.**
69. **The most widely used index of productivity is to work out the output per machine-hour.**
70. **PERT is designed for repetitive projects, whereas CPM is suitable for non-repetitive projects.**
71. **Wear and obsolescence are two main causes for replacement of machinery in every aspect of life.**
72. **A work stoppage generally reduces the cost of production.**
73. **Depending on the need, the maintenance activity may be centralized or decentralized.**
74. **Most suitable layout for continuous production is Matrix Layout.**
75. **Addition of value to raw materials through application of technology is production.**
76. **Breakdown maintenance doesn't require use of standby machines.**
77. **The full form of the word MRP in the term "MRP II" is Material Requirements Planning.**
78. **Queue Discipline refers to the order in which customers are processed.**

79. ISO Standards are reviewed every four years and revised if needed.

80. The CPM has the advantage of decreasing completion times by probably spending more money.

81. The rotable spares are spare parts which are required regularly and in substantial number.

Answer Key:

1. False
2. True
3. True
4. False
5. True
6. True
7. True
8. True
9. False
10. True
11. False
12. False
13. True
14. True
15. False
16. True
17. True
18. True
19. False
20. False
21. True
22. True
23. False
24. False
25. True
26. False
27. False
28. True
29. True
30. False
31. False
32. False
33. True
34. False
35. False
36. False
37. False
38. True
39. True
40. False
41. False
42. False
43. True
44. True
45. True
46. False
47. False
48. True

49. True
50. True
51. False
52. False
53. True
54. True
55. False
56. True
57. False
58. True
59. True
60. True
61. False
62. False
63. True
64. True
65. True
66. True
67. True
68. True
69. False
70. False
71. True
72. False
73. True
74. False
75. True
76. False
77. False
78. True
79. False
80. True
81. False

STRATEGIC MANAGEMENT

(I) Choose the most appropriate one from given four alternatives.

1. **Benchmarking is**
   (A) the analytical tool to identify high cost activities based on the 'Pareto Analysis'.
   (B) the search for industries best practices that lead to superior performance.
   (C) the simulation of cost reduction schemes that helps to build commitment and improvement of actions.
   (D) the process of marketing and redesigning the way a typical company works.
   (E) the framework that earmarks a linkage with suppliers and customers.

2. **Successful differentiation strategy allows the company to**
   (A) gain buyer loyalty to its brands.
   (B) charge too high a price premium.
   (C) depend only on intrinsic product attributes.
   (D) have product quality that exceeds buyers' needs.
   (E) segment a market into distinct group of buyers.

3. **The essential ingredients of Business Process Re-engineering (BPR) are**
   (A) continuous improvements of products, processes and technologies.
   (B) planning for the technologies, processes and strategic partnerships etc.
   (C) fundamental re-thinking and radical redesign of business process to achieve dramatic results.
   (D) generation, comparison and evolution of many ideas to find one worthy of development.
   (E) identification and selection of lay-outs most suited for products and processes.

4. **Organisation culture is**
   (A) appreciation for the arts in the organisation.
   (B) ability of the organization to act in a responsible manner to its employees.
   (C) combination of (A) and (B) above
   (D) deeper level of basic assumptions and beliefs that are shared by the members of the firm.
   (E) None of the above

5. **Innovation strategy is**
   (A) defensive strategy
   (B) offensive strategy
   (C) responding to anticipating customers and market demands
   (D) guerrilla strategy
   (E) harvesting strategy

6. **A corporate strategy can be defined as:**
   (A) A list of actions about operational planning and statement of organization structure and control system:
   (B) A statement of how to compete, directions of growth and method o assessing environment;
   (C) Abatement of organization's activities and allocation of resources;
   (D) A course of action or choice of alternatives, specifying the resources required to achieve certain stated objectives;
   (E) A statement or where and how the company will prefer to operate.

7. **A strategic business unit (SUB) is defined as a division of an organization:**
   (A) That help in the marketing operations.
   (B) That enable managers to have better control over the resources.

(C) The help in the choice of technology.
(D) that help in the allocation of scarce resources.
(E) That help in identifying talents and potentials of people.

8. **Indian Airlines decreasing the airfare on the Delhi – Mumbai sector following the introduction of the no frills airlines would be an example of**
   (A) Cost leadership
   (B) Price leadership
   (C) Product differentiate
   (D) Focus
   (E) Market retention

9. **Question mark in BCG Matrix is an investment, which**
   (A) Yields low current income but has bright growth prospects.
   (B) Yields high current income and has bright growth prospects.
   (C) Yields high current income and has bleak growth prospects.
   (D) Yields low current income and has bleak growth prospects.

10. **For an entrepreneur**
    (A) Vision is before the mission
    (B) Mission is before the vision
    (C) Both are developed simultaneously
    (D) Vision or mission are un-important issue
    (E) Profitability is most crucial

11. **Typically profits are highest in which stage of the industry life-cycle?**
    (A) Introduction
    (B) Growth
    (C) Maturity
    (D) Decline

12. **The BCG growth matrix is based on two dimensions:**
    (A) market size and competitive intensity
    (B) relative market share and market/industry growth rate
    (C) profit margins and market size
    (D) market size and market share

13. **The strategy of the Reliance Group in India would be a good example of**
    (A) Conglomerate diversification
    (B) Market development
    (C) Price Transfers
    (D) Concentric Diversification

14. **For an actor in Bollywood, his outstanding performance would be a/an**
    (A) Asset
    (B) Strategic asset
    (C) Core competency
    (D) Capability

15. **In product life cycle, 'cash cows' indicates**
    (A) High share
    (B) Low growth and negative cash flow
    (C) High share, low growth and large positive cash flow
    (D) Low share, high growth and large positive cash flow

16. If an organisation acquires its supplier, it is an example of:
(A) Horizontal integration
(B) Forwards vertical integration
(C) Backwards vertical integration
(D) Downstream vertical integration

17. Delphi Technique:
(A) is an attempt to describe a sequence of events that demonstrates how a particular goal might be reached
(B) is a method of obtaining a systematic refined consensus from a group of experts
(C) is assessing the desirability of future goals and thereafter selecting those areas of development that are necessary to achieve the desired goals
(D) is concentrating on the impact which various forecasted technological developments might have on particular industries

18. Board of directors has certain basic tasks as follows:
(A) To monitor plans and programs of production.
(B) To design the course of strategic options and appointment of top management.
(C) To control utilization of resources.
(D) To monitor courses of actions for marketing management.

19. Mckinsey's 7-s framework consists of:
(A) Structure, Strategy, Software, Skills, Styles, Staff and Supervision
(B) Structure, Strategy, Systems, Skills, Styles, Syndication and Shared values
(C) Structure, Strategy, Systems, Skills, Steering power, Styles and Shared values
(D) Structure, Strategy, Staff, Skills, Systems, Shared values, Style
(e) None of the above

20. What are enduring statements of purpose that distinguish one business from other similar Firms?
(A) Policies
(B) Mission statements
(C) Objectives
(D) Rules
(E) Nature of ownership

21. Outsourcing is the
(A) spinning off of a value-creating activity to create a new firm.
(B) selling of a value-creating activity to other firms.
(C) purchase of a value-creating activity from an external supplier.
(D) use of computers to obtain value-creating data from the Internet.

22. For an actress in Bollywood, her pretty face would be a/an
(A) Asset
(B) Strategic asset
(C) Core competency
(D) Capability
(E) All of the above

23. Strategic analysis is concerned with stating the position of the organisation in terms of:
(A) Mission, choice of market segments, product selection, financial targets, external appraisal;
(B) Mission, goals, corporate appraisal, position audit and gap analysis;
(C) Mission goals, identification of key competitors, SWOT and environmental appraisal;
(D) Mission, targeted ROI, manpower planning, position audit;
(E) Mission, SWOT, competitive strategies, stakeholders position and institutional goal.

24. Strategic choice makes a statement about the corporate strategy as well as business strategy:
(A) They are one and the same
(B) One is an external planning and another resource planning statement
(C) Corporate strategy is a general statement and business strategy defines how a SBU shall operate
(D) Both states certain course of action - one for the total unit and another for a particular business
(E) One refers to the whole business and another helps in the formulation of marketing decisions

25. Degree of involvement of Board of Directors may vary from passive to active level. It may participate in one or more of the following activities (state which ones are more appropriate as a judicious mix) :
(A) It constantly oversees the company's mission, objectives and policies
(B) It approves issues like R&D, foreign collaborations, linkages with financial institutions
(C) Capital budgeting, new product launch and competitive strategy building
(D) It tries to ensure that the company remains aligned with changing social, political and economic.
(E) Oversees only the financial performance of the company.

26. Offensive strategy is a strategy:
(A) For small companies that consider offensive attacks in the market.
(B) For those companies that search for new inventory opportunities to create competitive advantage.
(C) For the market leader who should attack the competitor by introducing new products that make existing ones obsolete.
(D) For those companies who are strong in the market but not leaders and might capture a market share from the leader.
(E) None of the above.

27. SAIL's famous advertising campaign of "there is a bit of steel in everyone's life was meant to:
(A) gain buyers awareness about its versatile product range
(B) create an image of superior performance
(C) inform new buyers about its special products
(D) enhance product quality perception
(E) achieve its mission

28. Marketing Research studies are undertaken :
(A) to measure brand loyalty of a class of consumers
(B) to predict market potential of a product on a future date
(C) to understand product-price relationships
(D) to make out a case for revision of an existing strategy
(E) all of the above

29. Intensity of competition is ____ in low return industries.
(A) low
(B) non-existent
(C) high
(D) not important
(E) dependant on industry nature

30. Ansoff proposed that for filling the corporate planning gap, one follows four strategies namely-
(A) market penetration, product differentiation, market identification and diversification
(B) market penetration, product development, marketing research and diversification
(C) market penetration, product development, market development and diversification
(D) market identification, product development, positioning and diversification
(E) differentiation, product innovation, market opportunity and diversification

31. Directional Policy Matrix is the same as
(A) the BCG model
(B) the 9-cell GE matrix
(C) the Life cycle portfolio analysis
(D) the PIMS matrix
(E) the 3 X 3 competitive positioning matrix

32. Which of the following market structures would be commonly identified with FMCG products?
(A) Monopoly
(B) Monopolistic competition
(C) Oligopoly
(D) Perfect competition
(E) N one of the above

33. A Product line is a group of products that
(A) are closely related
(B) are marketed through the same channel
(C) Perform a similar function for being sold to the same customers
(D) All of the above

34. New entrants to an industry are more likely when.
(A) It is difficult to gain access to distribution channels
(B) Economies of scale in the industry are high
(C) Product differentiation in the industry is low
(4) Capital requirement in the industry are high

35. The managerial task of implementing strategy primarily falls upon the shoulders of:
(A) The Chief Executive Officer (CEO)
(B) First line supervisors, who have day-to-day responsibility for seeing that key activities are done properly
(C) All managers, each attending to what needs to be done in their respective areas of authority and responsibility
(D) All of the above

36. The strategy which concentrates around a production market is:
(A) Vertical Integration
(B) Niche
(C) Horizontal Expansion
(D) Diversification

37. 'Corporation vision' is the same as
(A) Corporate dream
(B) Corporate mission
(C) Corporate goal
(D) Corporate strategy

38. 'Niche' is similar to the
(A) Growth strategy
(B) Milking strategy
(C) Flanking strategy
(D) Survival strategy

39. A supplier group is powerful if
(A) It is not concentrated
(B) Offers unique products
(C) Its customers can backward integrate
(D) There are no switching costs

40. A company's actual strategy is
(A) mostly hidden to outside view and is known only to top-level managers
(B) typically planned well in advance and usually deviates little from the planned set of actions and business approaches because of the risks of making on-the-spot changes
(C) partly proactive and partly reactive to changing circumstances
(D) mostly a function of the strategies being used by rival companies(particularly those companies that are industry leaders)

41. The reason for failure of Strategic Management may be described to
(A) Over-estimation of resource competence
(B) Failure to obtain senior management commitment
(C) Failure to obtain employee commitment
(D) All of the above

42. Blue Ocean Strategy is concerned with
(A) moving into new market with new products
(B) creating a new market places where there is no competition
(C) developments of products and markets in order to ensure survival
(D) making the product unique in terms of attributes

43. The strategy of the TATA group in India could be viewed as a good example of
(A) Conglomerate diversification
(B) Market development
(C) Cost Leadership
(D) Concentric diversification.

44. Risk Management Strategies are
(A) Avoid Risk, Reduce Risk, Retain Risk, Combine Risk
(B) Transfer Risk, Share Risk and Hedge Risk
(C) Both (A) and (B)
(D) None of the above.

45. The best test of a successful strategy implementation is
(A) Whether the structure is well matched to strategy
(B) Whether the strategies and procedures are observed in a strategy supportive fashion
(C) Whether actual organizational performance matches or exceeds the targets spelt out in the strategic plan
(D) Whether it is made after the strategy is formulated, so that it is supportive to the strategy

46. Which one of the following does NOT seem to be an advantage of the strategic management?
(A) Discharges board responsibility
(B) Provides a framework for decision-making
(C) Forces an objective assessment
(D) It can be expensive

47. Which of the following analyses 'products and businesses by market share and market growth'?
(A) SWOT Analysis
(B) BCG Matrix
(C) PEST Analysis
(D) Portfolio Analysis

48. Which one of the following is NOT part of the McKinsey's 7-S framework?
(A) Skills
(B) Staff
(C) Systems
(D) Supervision

49. Which one of the following statement is NOT correct?
(A) Vision is the statement of the future.
(B) The corporate mission is the purpose or reason for its existence.
(C) Targets are formed from vision and mission statement of organizations.
(D) Goals are objectives that are scheduled for attainment during planned period.

50. Which of the following can NOT be the called as a strength of an organization?
(A) Good Industrial relations
(B) Incentives from State Government
(C) Financially very sound
(D) Raw materials source at a distance

51. Strategic Business Unit (SBU) structure does NOT experience one of the following as an advantage:
(A) Higher career development opportunities
(B) Better control of categories of products manufacturing, marketing and distributions
(C) High cost approach
(D) Help in expanding in different related and unrelated businesses

52. The existence of price-wars in the airline industry in India indicates that
(A) customers are relatively weak because of the high switching costs created by frequent flyer programmes.
(B) the industry is moving towards differentiation of services.
(C) the competitive rivalry in the industry is severe.
(D) the economic segment of the external environment has shifted, but the airline strategies have not changed.

53. Business Process Re-engineering is
(A) eliminating loss-making process.
(B) redesigning operational processes.
(C) redesigning the product and services.
(D) recruiting the process engineers.

54. Which one or more of the following are appropriate as a judicious mix for a Product line, which is a group of products?
(A) That are closely related.

(B) That are marketed through the same channel.
(C) That perform a similar function for being sold to the same customers.
(D) All of the above

55. The Product Market matrix comprising of Strategies of Market Penetration, Market Development, Product Development, and Diversification was first formulated by
(A) Ansoff
(B) Drucker
(C) Porter
(D) Prahlad

56. Price fixation for the first time takes place when
(A) a company develops or acquires a new product.
(B) introducing existing product into a new geographic area or a new distribution channel.
(C) a service, the company bids for a new contract work.
(D) All of the above

57. Intensity of competition is in low return industries.
(A) low
(B) non-existent
(C) high
(D) not important

58. Which of the following statements can be closely related with the Mission?
(A) It includes definition of products & services the organization provides.
(B) It specifies management policies towards customers and societies.
(C) It provides a roadmap to company's future.
(D) It indicates the kind that company management is trying to create for future.

59. Portfolio Analysis is a term used
(A) to identify what strategy is needed to maintain a strong position or improve a weak one.
(B) to find out a best alternative out of various alternatives available.
(C) to analyse products and business by market share and market growth.
(D) to make managers more adaptable to unforeseen changes.

60. Which one of the following is NOT a role of Marketing?
(A) It helps in sustaining and improving the existing levels of employment.
(B) It helps in the economic growth of a country.
(C) It helps in the discovery of entrepreneurial talent.
(D) It diminishes potential aggregate demand and thus reduces the size of the market

61. Which one of the following in NOT the benefit of a Vision?
(A) It helps in the creation of common identity and a shared sense of purpose.
(B) It fosters risk taking and experimentation.
(C) It fosters short-term thinking.
(D) It represents integrity.

62. The competitive position of a company's SBU or product line can NOT be classified as one of the following:
(A) Dominant
(B) Strong
(C) Favourable
(D) Volatile

Answer Key:

(1) (b) the search for industries best practices that lead to superior performance
(2) (a) gain buyer loyalty to its brands
(3) (c) fundamental re-thinking and radical redesign of business process to achieve dramatic results
(4) (d) deeper level of basic assumptions and beliefs that are shared by the members of the firm
(5) (c) responding to anticipating customers and market demands
(6) (d) A course of action or choice of alternatives, specifying the resources required to achieve certain stated objectives
(7) (b) That enable managers to have better control over the resources
(8) (b) Price leadership
(9) (a) Yields low current income but has bright growth prospects
(10)(a) Vision is before the mission
(11)(b) Growth
(12)(b) relative market share and market/industry growth rate
(13)(a) Conglomerate diversification
(14)(c) Core competency
(15)(c) High share, low growth and large positive cash flow
(16)(c) Backwards vertical integration
(17)(b) is a method of obtaining a systematic refined consensus from a group of experts
(18)(b) To design the course of strategic options and appointment of top management
(19)(d) Structure, Strategy, Staff, Skills, Systems, Shared values, Style
(20)(b) Mission statements
(21)(c) purchase of a value-creating activity from an external supplier
(22)(b) Strategic asset
(23)(b) Mission, goals, corporate appraisal, position audit and gap analysis
(24)(a) They are one and the same
(25)(b)It approves issues like R&D, foreign collaborations, linkages with financial institutions
(26)(d) For those companies who are strong in the market but not leaders and might capture a market share from the leader
(27)(e) achieve its mission
(28)(e) all of the above
(29)(c) high
(30)(d) market identification, product development, positioning and diversification
(31)(b) the 9-cell GE matrix
(32)(b) Monopolistic competition
(33)(d) All of the above
(34)(c) Product differentiation in the industry is low
(35)(c) All managers, each attending to what needs to be done in their respective areas of authority and responsibility
(36)(b) Niche
(37)(a) Corporate dream
(38)(c) Flanking strategy
(39)(b) Offers unique products
(40)(c) partly proactive and partly reactive to changing circumstances
(41)(d) All of the above
(42)(b) creating a new market places where there is no competition
(43)(a) Conglomerate diversification
(44)(c) Both (A) and (B)
(45)(c) Whether actual organizational performance matches or exceeds the targets spelt out in the strategic plan
(46)(d) It can be expensive
(47)(b) BCG Matrix
(48)(d) Supervision

(49)(c) Targets are formed from vision and mission statement of organizations
(50)(d) Raw materials source at a distance
(51)(c) High cost approach
(52)(c) the competitive rivalry in the industry is severe
(53)(b) redesigning operational processes
(54)(d) All of the above
(55)(a) Ansoff
(56)(d) All of the above
(57)(c) high
(58)(a) It includes definition of products & services the organization provides
(59)(a) to identify what strategy is needed to maintain a strong position or improve a weak one
(60)(d) It diminishes potential aggregate demand and thus reduces the size of the market
(61)(c) It fosters short-term thinking
(62)(d) Volatile

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Statutory Body under an Act of Parliament

www.icmai.in

Headquarters

CMA Bhawan, 12 Sudder Street, Kolkata - 700016

+91-33-2252 1031/34/35/1602/1492

Delhi Office

CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi - 110003

+91-11-24666100

studies@icmai.in

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