1. The following communication experiment was done on a group of 600 people to understand decision making factors. These 600 participants were divided into two groups of 300 each – Group 1 and 2. They were further asked to take the role of patients facing life and death situation. Finally, they had to choose between the two treatment plans as presented to them. The below table has the choices as presented to the two groups.

<table>
<thead>
<tr>
<th>Groups</th>
<th>Treatment A</th>
<th>Treatment B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1</td>
<td>&quot;Saves 200 lives&quot;</td>
<td>&quot;A 33% chance of saving all 600 people, 66% possibility of saving no one.&quot;</td>
</tr>
<tr>
<td>Group 2</td>
<td>&quot;400 people will die&quot;</td>
<td>&quot;A 33% chance that no people will die, 66% probability that all 600 will die.&quot;</td>
</tr>
</tbody>
</table>

Treatment A was chosen by 72% of participants of Group 1 while treatment A was chosen only by 22% of people in Group 2.

Do you see any interesting phenomena here? Explain

2. Here are some statements made by the acknowledged management guru- Peter Drucker.

Are they mere sentences or do you find there is a connection between them?

What management philosophy or thought, do you think, links them?

*Management is doing things right; leadership is doing the right things. Efficiency is doing things right; effectiveness is doing the right things. Making good decisions is a crucial skill at every level. There is nothing so useless as doing efficiently that which should not be done at all. The productivity of work is not the responsibility of the worker but of the manager. Management by objective works - if you know the objectives; ninety percent of the time you don't.*
3. As a central feature of their digital strategy, companies made huge bets on what is called branded content. The thinking went like this: Social media will allow your company to leapfrog traditional media and forge relationship with customers directly. If you told great stories and connected with them in real time, your brand would become a hub for a community of customers. Businesses have invested billions pursuing this vision. Yet only few brands have generated meaningful customer interest online. In fact social media seems to have made brands less significant. One explanation for the above phenomena is that social media has transformed how culture works. Digital crowd has become powerful cultural innovators – something termed as crowd culture. They are now so effective at producing creative environment that it is impossible for companies to compete in that turf.

How would you qualify the explanation in case you find the above explanation valid? Else you can attempt an alternate explanation.

4. Read the following paragraph and provide a brief analysis of your understanding of the same:

Leaders can be successful in the short run if they emphasize only goal accomplishment. What tends to fall by the wayside is the condition of the human organization. Leaders don’t always take morale and job satisfaction into consideration—only results count. They forget what the point is. They don’t have a higher purpose. In business, with that kind of leadership, it is a short leap to thinking that the only reason to be in business is to make money. An either/or is added to people and results. Leaders falsely believe that they can’t focus on both at the same time.

SECTION B

Circle the correct and answer all: 15X1= 15

1. The risk that can be eliminated/reduced through diversification is  
   a. Market risk  
   b. Business risk  
   c. Operations risk

2. Three mangoes and three apples are in box. If two fruits are chosen at random, the probability that one is a mango and other is an apple is  
   a. 2/3  
   b. 3/5  
   c. 1/3

3. Implementation of GST incentivises,  
   a. Centralization of production  
   b. Decentralization of production  
   c. Carrying more inventory
4. ‘Price Discrimination’ refers to
   a. Charging different markets/customers different prices for products with different features
   b. Charging different markets/customers same price for products with different features
   c. Charging different markets/customers different price for products with same features

5. In order to control credit outflow, RBI should
   a. Decrease CRR and reduce bank rate
   b. Increase CRR and increase bank rate
   c. Decrease CRR and increase bank rate

6. Porter’s Five Forces framework is most useful to evaluate
   a. The Investment Worthiness of a Company
   b. The Attractiveness of an Industry
   c. The Competencies of a Manager

7. Vertical integration is related to
   a. Product design
   b. Insourcing of production
   c. Keeping inventory in vertical silos

8. Bottleneck resource in a production process determines
   a. Leadtime of production
   b. Inventory planning process
   c. Capacity of production

9. Revenue Recognition Principle in accounting refers to
   a. Revenue and expense should be kept separate
   b. Companies must record revenue when they are received
   c. Companies must record revenue when they are earned

10. Among the following, which one is not a source of economies of scale
    a. Defect rate in production
    b. Raw material purchase price
    c. Transportation cost

11. A market form wherein a market or industry is dominated by a small number of large sellers is
    a. Monopolistic competition
    b. Oligopoly
    c. Vertipoly
12. The result of a study will be more accurate if the sample drawn is
   a. Taken randomly
   b. Large in number
   c. Representative of population

13. Products whose demand increases when price increase are known as
   a. White good
   b. Giffen good
   c. Luxury good

14. The Break Even Point is
   a. The time at which the initial investment is fully recovered
   b. The sale volume at which the revenue equals the expenses
   c. The sales volume at which the fixed costs equal the variable costs

15. A company’s ability to meet its short-term financial obligations is measured by which of the following categories?
   a. liquidity ratios
   b. profitability ratios
   c. activity ratios
   d. leverage ratios

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