

Sikkim Public Service Commission

Written (Main) Examination for the post of Sub-Jailer

Time Allowed: 3 hours

PAPER - II
BUSINESS ADMINISTRATION

Maximum Marks: 250

INSTRUCTIONS TO CANDIDATES

Read the instructions carefully before answering the questions: -

1. This Test Booklet consists of 12 (twelve) pages and has 63 (sixty-three) printed questions.
2. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS BOOKLET DOES NOT HAVE ANY UNPRINTED, TORN OR MISSING PAGES OR ITEMS. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET.
3. Use only Black Ball Point Pen to fill the OMR Sheet.
4. Please note that it is the candidate's responsibility to fill in the Roll Number carefully without any omission or discrepancy at the appropriate places in the OMR ANSWER SHEET as well as on SEPARATE ANSWER BOOKLET for Conventional Type Questions. Any omission/discrepancy will render the Answer Sheet liable for rejection.
5. Do not write anything else on the OMR Answer Sheet except the required information. Before you proceed to mark in the OMR Answer Sheet, please ensure that you have filled in the required particulars as per given instructions.
6. This Test Booklet is divided into 3 (three) parts - Part-I, Part-II and Part-III.
7. All three parts are Compulsory.
8. Part-I consists of Multiple-Choice Questions. The answers for these questions have to be marked in the OMR Answer Sheet provided to you.
9. Parts II and III consist of Conventional Type Questions. The answers for these questions have to be written in the Separate Answer Booklet provided to you.
10. After you have completed filling in all your responses on the OMR Answer Sheet and the Answer Booklet(s) and the examination has concluded, you should hand over the OMR Answer Sheet and the Answer Booklet(s) to the Invigilator only. You are permitted to take the Test Booklet with you.
11. **Marking Scheme**
THERE WILL BE **NEGATIVE MARKING** FOR WRONG ANSWERS MARKED BY A CANDIDATE IN THE OBJECTIVE TYPE QUESTIONS
 - (i) There are four alternatives for the answer to every question. For each question for which a wrong answer has been given by the candidate, one-third of the marks assigned to the question will be deducted as penalty.
 - (ii) If a candidate gives more than one answer, it will be treated as a wrong answer even if one of the given answers happens to be correct and there will be same penalty as above to the question.
 - (iii) If a question is left blank, i.e., no answer is given by the candidate, there will be no penalty for that question.

DO NOT OPEN THIS TEST BOOKLET UNTIL YOU ARE ASKED TO DO SO

PART - I
(Multiple Choice Questions)

Choose the correct answer for Questions 1 to 50 from the given options. Each question carries 3 marks.

[50 x 3 = 150]

1. The primary reason for coordination is that:
 - (a) It integrates the efforts of individuals, departments and specialists.
 - (b) Departments and individuals in the organization are interdependent, i.e., they depend on each other for information and resources to perform their respective activities.
 - (c) There is a need to harmonize individual goals and organizational goals.
 - (d) It is a continuous process
2. The following is not an objective of management:
 - (a) Earning Profits
 - (b) Growth of the Organization
 - (c) Providing Employment
 - (d) Policy Making
3. In many companies, employees are offered car allowance, housing, medical aid and education to the children etc, over and above the salary. The incentive offered to the employees by such companies is called:
 - (a) Bonus
 - (b) Pay and Allowances
 - (c) Profit Sharing
 - (d) Perquisites
4. Which one of the following incentives will satisfy the psychological, social and emotional needs of employees?
 - (a) Perquisites
 - (b) Stock Option
 - (c) Job Enrichment
 - (d) Profit Sharing
5. Instruments with a maturity period of less than one year are traded in the _____.
 - (a) Capital Market
 - (b) Money Market
 - (c) Bombay Stock Exchange (BSE)
 - (d) National Stock Exchange (NSE)
6. Liberalization means _____.
 - (a) Integration among economies
 - (b) Reduced government controls and restrictions
 - (c) Policy of planned disinvestments
 - (d) Giving a reduced role to the public sector in the nation building process.
7. The first step in the controlling process is:
 - (a) Setting Performance Standards
 - (b) Measurement of Actual Performance
 - (c) Comparing Actual Performance with Standards
 - (d) Analysing Deviations
8. Which of the following is not the function of SEBI?
 - (a) Registration of brokers and sub-brokers.
 - (b) Undertaking measures to develop financial markets.
 - (c) Prohibition of insider trading.
 - (d) Holding the securities in electronic form.
9. Which of the following is not a direct financial payment as a part of compensation given to employees?
 - (a) Wages and Salaries
 - (b) Incentives
 - (c) Commission
 - (d) Employer Paid Vacations

10. Which one of the following is concerned with the end result?
- (a) Effectiveness
 - (b) Efficiency
 - (c) Management
 - (d) Coordination
11. Which of the following is not a Regulatory function of SEBI?
- (a) Regulation of takeover bids by companies
 - (b) Levying fee or other charges for carrying out the purposes of the SEBI Act, 1992
 - (c) Registration of collective investment schemes and Mutual Funds
 - (d) Controlling insider trading and imposing penalties for such practices
12. Status comes under which of the following types of barriers to communication?
- (a) Semantic Barrier
 - (b) Organizational Barrier
 - (c) Personal Barrier
 - (d) Psychological Barrier
13. In a company, all the employees are given individual autonomy, reward orientation, consideration, risk taking etc. The non-financial incentive discussed above is -
- (a) Status
 - (b) Organizational Climate
 - (c) Job Enrichment
 - (d) Employee Empowerment
14. Higher working capital usually results in:
- (a) Higher current ratio, higher risk and higher profits
 - (b) Lower current ratio, higher risk and profits
 - (c) Higher equity, lower risk and lower profits
 - (d) Lower equity, lower risk and higher profits
15. Which of the following is a financial incentive?
- (a) Promotion
 - (b) Stock option
 - (c) Job Security
 - (d) Employee Participation
16. A worker directly contacts the CEO of the company with a complaint regarding working conditions in the factory. Which of the following principle is being violated here?
- (a) Unity of Command
 - (b) Unity of Direction
 - (c) Scalar Chain
 - (d) Discipline
17. Which of the following is not an external source of Recruitment?
- (a) Transfer
 - (b) Advertisement
 - (c) Employment Exchange
 - (d) Placement Agencies
18. The document prepared in the process of online trading of securities that is legally enforceable and helps to settle disputes/claims between the investor and the broker is -
- (a) Broker-client agreement
 - (b) Trade confirmation slip
 - (c) Contract note
 - (d) Demat account
19. Which of the following does not explain the impact of government policy changes on business and industry?
- (a) More demanding customers
 - (b) Increasing competition
 - (c) Change in agricultural prices
 - (d) Market orientation

20. Which one of the following is known as "The Essence of Management"?

- (a) Planning
- (b) Controlling
- (c) Coordination
- (d) Motivation

21. Grapevine is:

- (a) Formal Communication
- (b) Barrier to Communication
- (c) Lateral Communication
- (d) Informal Communication

22. Match the example in List-I with the function in List-II:

List-I	List-II
A. Planning	1. Matching outcomes with targets
B. Organizing	2. Objectives
C. Directing	3. Resources for implementation
D. Controlling	4. Supervision and Motivation

Codes:

- | | | | | |
|-----|---|---|---|---|
| | A | B | C | D |
| (a) | 1 | 2 | 3 | 4 |
| (b) | 2 | 1 | 3 | 4 |
| (c) | 3 | 2 | 1 | 4 |
| (d) | 2 | 3 | 4 | 1 |

23. Which of the following is a factor affecting Capital Budgeting Decision?

- (a) Cash flows of the project
- (b) The rate of return of the project
- (c) Amount of investment, interest rate etc.
- (d) All of the above

24. Name the type of plan which refers to future decisions defining the organization's direction and scope in the long run.

- (a) Objectives
- (b) Strategies
- (c) Procedures
- (d) Rules

25. Under this method, securities are not issued directly to the public but are offered for sale through intermediaries like issuing houses or stock brokers.

- (a) e-IPOs
- (b) Private Placement
- (c) Right Issue
- (d) Offer for Sale

26. Which one of the following is not an element of directing?

- (a) Motivation
- (b) Communication
- (c) Delegation
- (d) Supervision

27. "Management is the systematized body of knowledge that explains certain general truths." Identify the nature of the management highlighted in the statement.

- (a) Management as a science
- (b) Management as an art
- (c) Management as a profession
- (d) Management is both art and science

28. Which of the following statement is true?

- (a) In a decentralized organization, there is no need for supervision over the activities of a subordinate.
- (b) A large size organization can be totally decentralized.
- (c) Decentralization is extending delegation to the lowest level.
- (d) The purpose of decentralization is to lessen the burden of the manager.

29. The basic function of a stock exchange is –
(a) Providing liquidity and marketability to existing securities
(b) Pricing of securities
(c) Spreading of Securities
(d) Capital formation and economic growth
30. Span of management refers to:
(a) Number of managers
(b) Length of term for which a manager is appointed
(c) Number of subordinates under a superior
(d) Number of members in top management
31. _____ is a process of learning new skills and application of knowledge.
(a) Training
(b) Development
(c) Orientation
(d) Education
32. "In order to be successful an organization must change its goals according to the needs of the environment." Which characteristic of management is highlighted in the statement?
(a) Management is multi-dimensional
(b) Management is a group activity
(c) Management is a dynamic function
(d) Management is a goal-oriented process
33. _____ will include the entire gamut of activities as well as the organization's policy and how it will contribute to the overall business plan.
(a) Policy
(b) Programme
(c) Budget
(d) Objectives
34. Which of the following explains the meaning of 'Depository'?
(a) Depository buys shares and securities from a company and sells to the general public at a higher price.
(b) Depository is like a bank which keeps securities in electronic form on behalf of investor.
(c) Depository holds the funds received in the form of deposits.
(d) Depository buys and sells the shares and securities on the instructions of clients.
35. Which one of the following is a formal, in-depth conversation conducted to evaluate the applicant's suitability for the job?
(a) Preliminary Screening
(b) Selection Tests
(c) Employment Interview
(d) Medical Examination
36. Which of the following refers to the drive to become what one is capable of becoming?
(a) Affiliation Needs
(b) Security Needs
(c) Esteem Needs
(d) Self-Actualisation Needs
37. In the absence of _____ there is overlapping and chaos instead of harmony and integration of activities.
(a) Management
(b) Cooperation
(c) Coordination
(d) Controlling
38. The process of guiding the efforts of employees and other resources to accomplish the desired objectives is called:
(a) Supervision
(b) Motivation
(c) Leadership
(d) Communication

39. After the employees have undergone a period of training and they have been on the job for some time, there is a need to evaluate their performance through -

- (a) Placement and Orientation
- (b) Training and Development
- (c) Performance Appraisal
- (d) Promotion and Career Planning

40. There is no fixed geographical location of:

- (a) Money Market
- (b) Capital Market
- (c) Primary Market
- (d) Both (a) and (c)

41. The extent of _____ decides the power that each job position enjoys in the organization.

- (a) Authority
- (b) Responsibility
- (c) Delegation
- (d) Decentralization

42. Which of the following statement is false?

- (a) Planning is the function of determining in advance what is to be done and who is to do it.
- (b) Planning cannot prevent problems.
- (c) Efficiency means doing the task correctly and with minimum cost.
- (d) Coordination is the function of the top management.

43. Match the dimension/element of business environment in List-I with respective component in List-II:

List-I	List-II
A. Economic Environment	1. Life expectancy
B. Social Environment	2. The nature of relationship of our country with foreign countries
C. Political Environment	3. Planned outlay in private and public sector
D. Legal Environment	4. The Companies Act, 2013

Codes:

	A	B	C	D
(a)	3	4	1	2
(b)	4	1	3	2
(c)	3	1	2	4
(d)	2	3	1	4

44. Name the principle of management which resembles military organization.

- (a) Unity of direction
- (b) Discipline
- (c) Division of work
- (d) Unity of command

45. The essential function of a _____ is to facilitate the transfer of investible funds from savers to entrepreneurs seeking to establish new enterprises or to expand existing ones through the issues of securities for the first time.

- (a) Capital Market
- (b) Money Market
- (c) Primary Market
- (d) Secondary Market

46. Identify the technique of scientific management which helps in eliminating unnecessary diversity of products and thus result in saving cost.
- (a) Standardization of work
 - (b) Simplification of work
 - (c) Motion Study
 - (d) Method Study
47. Current assets are those assets which get converted into cash:
- (a) Within six months
 - (b) Within one year
 - (c) Between one and three years
 - (d) Between three and five years
48. A manager should have the right to punish a subordinate for wilfully not obeying a legitimate order but only after sufficient opportunity has been given to a subordinate for presenting his/her case. Identify the principle of management highlighted above.
- (a) Authority and Responsibility
 - (b) Discipline
 - (c) Equity
 - (d) Stability of Personnel
49. The form of organization known for giving rise to rumours is called -
- (a) Centralized Organization
 - (b) Decentralized Organization
 - (c) Informal Organization
 - (d) Formal Organization
50. Planning is concerned with the future which is uncertain. Therefore, the manager is required to make certain assumptions. These assumptions are called:
- (a) Ends
 - (b) Alternatives
 - (c) Premises
 - (d) Ideas

PART - II**(Conventional Type Questions)**

Answer any 2 (two) from Questions 51 to 55. Each question carries 25 marks.

[2 x 25 = 50]

51. Explain in detail the Maslow's theory of Motivation.
52. Explain the various sources available for raising capital by an Indian businessman.
53. Define a Private Company. Distinguish between Private and Public Company.
54. Discuss the rights and duties of partners.
55. What do you mean by Communication? Explain the barriers of communication and give suitable suggestions to remove them.

PART - III**(Conventional Type Questions)**

Answer any 5 (five) from Questions 56 to 63. Each question carries 10 marks.

[5 x 10 = 50]

56. Discuss the main principles of Management.
57. What are the causes which lead to 'Combination' in industry and trade?
58. "The position of a Company Secretary is like that of a hub in a bicycle wheel." Discuss.
59. Distinguish between Partnership and Joint Stock Company.
60. Discuss the various styles of Leadership.
61. What are the salient features of modern business organizations?
62. Describe the various tools and techniques of control.
63. Discuss the powers and duties of directors of a company.

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