



**Evolution of management thought**

1. Who is a person who advanced early scientific management principles?
  - a) Weber
  - b) Taylor**
  - c) Vest
  - d) Fayol
  
2. A reporting relationship in which an employee receives orders from, and reports to, only one supervisor is known as:
  - a) Line of authority.
  - b) Centralization.
  - c) Unity of direction.
  - d) Unity of command.**
  
3. Which worked on administrative management theory:
  - I. Fayol
  - II. Parker
  - III. Weber
  - a) I and III**
  - b) II and III
  - c) none of these worked on administrative management theory
  - d) I, II, and III
  
4. \_\_\_\_\_ is the study of how to create an organizational structure that leads to high efficiency and effectiveness.
  - a) Scientific management
  - b) Job specialization
  - c) Administrative management
  - d) Allocation management**
  
5. \_\_\_\_\_ is the singleness of purpose that makes possible the creation of one plan of action to guide managers in resource allocations.
  - a) Unity of direction**
  - b) Unity of command
  - c) Unity of authority
  - d) Unity of resources
  
6. Which is an organizational - environmental theory?
  - I. The open-systems view



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- II. Contingency theory  
III. The Theory of Bureaucracy  
IV. Theory Z
- a) I and II  
b) I, III, and IV  
c) II, III, and IV  
d) I, II, and III
7. Theory \_\_ is based on positive assumptions about workers.  
a) Z  
b) X  
c) Y  
d) C
8. The \_\_\_\_\_ theory states a manager's choice of organizational structures and control systems depends on characteristics of the external environment.  
a) Mechanistic  
b) Management science  
c) Organic  
d) Contingency
9. Which is *not* one of Fayol's principles:  
a) Authority and responsibility  
b) Line of authority  
c) Globalization  
d) Unity of command
10. Which is *not* a management science theory:  
a) Operations Management  
b) TQM  
c) MIS  
d) None of these
11. Theory \_\_ states that the average employee is lazy and will try to do as little as possible.  
a) X  
b) Y  
c) Z  
d) None



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12. In recent history, workers have felt that they should be empowered in the workplace. This is an example of
- a) **social influences**
  - b) political influences
  - c) technological influences
  - d) global influences
13. Scientific management, administrative management, and bureaucratic management belong to the management viewpoint known as the
- a) **classical perspective**
  - b) behavioral perspective
  - c) quantitative perspective
  - d) systems perspective
14. The theorist that advocated standard methodology for doing a task and suggested that workers were motivated by pay according to output (piecework) is
- a) Elton Mayo
  - b) Max Weber
  - c) **Frederick Taylor**
  - d) Henri Fayol
15. As a Theory Y manager, you believe that your employees
- a) dislike work and will avoid it if possible.
  - b) need a hierarchy of authority and lots of rules and regulations.
  - c) should be trained to standard methodology in all their tasks.
  - d) **are self-motivated and self-directed toward achieving organizational goals.**
16. What does the case, 'Scientific management in action' illustrate?
- a) Scientific management theory is an outdated management theory.
  - b) Managers should apply classical management theory to their everyday work if they want to be more effective.
  - c) **A traditional approach to management can be successfully applied to the problems of a modern organisation.**
  - d) Quality usually suffers as productivity increases.
17. According to Frederick Taylor, who was to blame for the inefficiency in organisations?
- a) The unions.
  - b) **The managers.**
  - c) The organisation as a whole.
  - d) The workers



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18. Which of these was not an integral part of scientific management?
- a) Differential pay rates.
  - b) Worker control of production.
  - c) Systematic selection of workers.
  - d) Work specialisation
19. Which of the following is not a valid criticism of scientific management theory?
- a) Increases in pay for workers were not proportional to increases in productivity.
  - b) Worker discretion over the execution of the task was reduced.
  - c) Jobs became too complex for workers to handle.
  - d) Fear of redundancy was increased.
20. Which of the following is not a fundamental characteristics of Bureaucratic Management?
- a) Specialisation of labour
  - b) Well defined hierarchy
  - c) Striving to be a 'first-class worker'
  - d) Formal rules and regulations
21. Which of these statements concerning Weber's concept of Bureaucracy is not correct?
- a) It is based on rules and procedures rather than personal preference and judgement.
  - b) It is still a relevant concept in today's organisation.
  - c) It has acquired a negative reputation for inefficiency and rigidity.
  - d) It rejects rational approaches to managing organizations
22. Which of the following was an early key management idea, pre-dating the work of Frederick Taylor and Max Weber?
- a) Differential pay rates.
  - b) Rule-by-the-office.
  - c) Work specialisation.
  - d) Classical management theory.
23. Which of the following was the key aim of *scientific management*?
- a) To increase worker control of production.
  - b) To increase productivity.
  - c) To decrease absenteeism.
  - d) To develop time-and-motion studies.
24. Which of the following is NOT a key concept associated with *scientific management*?
- a) One best way.
  - b) Formalisation.
  - c) Time-and-motion studies.



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- d) Systematic selection.
25. Contingency theory suggests which of the following as a limitation of classical management theory?
- a) Management approaches need to take into account the informal social life of workers at work.
  - b) Management approaches need to take into account complexity and instability in the environment.
  - c) Everything is contingent upon the workers in an organisation.
  - d) Management practices need to recognise stability in the environment.
26. Which of the following is NOT true of *scientific management*?
- a) It gave rise to the modern operations research.
  - b) It raises questions as to how rewards from increased productivity should be distributed.
  - c) It is outdated as a theory as it cannot be applied to today's modern organisations.
  - d) Managers are chosen for their intellectual ability and rationality.
27. Which of the following does NOT describe a problem with *scientific management*?
- a) Productivity increases may not be reflected in workers' pay.
  - b) It is better suited to complex jobs.
  - c) Improvement is not necessarily maintainable.
  - d) It is better suited to simple jobs.
28. *Scientific management* gave rise to which of the following modern disciplines?
- a) Theory Y.
  - b) Behavioural science.
  - c) Socio-technical systems.
  - d) Operations research.
29. Which of the following men's writings are associated with *bureaucracy*?
- a) Max Weber.
  - b) Henri Fayol.
  - c) Frederick Taylor.
  - d) Douglas McGregor.
30. According to Fayol's 14 principles of management, 'esprit de corps' refers to which of the following?
- a) Being treated fairly and kindly.
  - b) Spirit of the corporation.
  - c) Team work and harmony.
  - d) Spirit of work.



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31. Which of the following images best captures how classical management views the organisation?
- a) As an organism.
  - b) As a human being.
  - c) As a machine.
  - d) As a wheel in an engine.
32. Which of the following is the 'odd one out'?
- a) Management science.
  - b) Management accounting.
  - c) Operations management.
  - d) Systems management.
33. In general, Theory Y and Theory X belong to which of the following perspectives?
- a) Socio-political.
  - b) Bureaucratic.
  - c) Cultural.
  - d) None of these.
34. Which of the following is NOT part of the mix of behavioural sciences informing organisation behaviours?
- a) Social psychology.
  - b) Organisational theory.
  - c) Systems theory.
  - d) Psychology.
35. The *behavioural science* approaches add which of the following emphases to management?
- a) The study of people who satisfy social needs at work and how informal as well as formal organisation affects behaviour.
  - b) Management as a science and developing techniques to control behaviour.
  - c) The scientific study of human behaviour and developing behavioural techniques.
  - d) None of these.
36. Systems theory takes into account which of the following?
- a) The whole system of anything.
  - b) Every system involving humans.
  - c) Socio-technical systems.
  - d) Open systems.



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### Management Process

1. Planning is based on: (a) decision-making, (b) forecasting, (c) staffing  
Hint: Planning is setting objectives and deciding how to accomplish them.  
Correct Answer: (b) Forecasting is the basis for planning.  
Wrong Answers: (a) Decision-making is related to planning.  
(c) Staffing is the activity of personnel department.
2. Planning do not consider: (a) choice, (b) communication, (c) machines.  
Hint: Planning involves setting missions and objectives.  
Correct Answer: (c) Machinery is an asset and its deployment will be as per plans.  
Wrong Answers: (a) Planning involves choice.  
(b) Communication is a basis for planning.
3. Strategic plans are: (a) single use plans, (b) long range plans, (c) for lower management levels.  
Hint: Strategic plans are long range plans.  
Correct Answer: (b) Long-term period is considered by strategic plans  
Wrong Answers: (a) They are not strategic plans  
(c) It is a level of management.
4. Short-term plans guides: (a) lower level management, (b) bridges gap between past and present (c) forecasting.  
Hint: Short-term plans guide the lower level of management.  
Correct Answer: (a) Lower level of management uses short-term plans.  
Wrong Answers: (b) Bridging gap between past and present is a basis of planning.  
(c) Forecasting is a basis of planning.
5. Participating in the planning process makes: (a) effective planning, (b) cost reduction, (c) increase output.  
Hint: Effective planning is also based on participation in planning process.  
Correct Answer: (a) Effective planning requires participation in planning process.  
Wrong Answers: (b) Cost reduction is not the work of planning.  
(c) Increase of output depends on the production department.
6. Negative attitude and Commitment are not the basis for: (a) effective planning, (b) environment, (c) resistance.  
Hint: Negative attitude and commitment stands as an obstacle to effective planning.  
Correct Answer: (a) Negative attitude is a barrier for effective planning.  
Wrong Answers: (b) Environment is an obstacle of negative attitude and commitment.  
(c) Resistance is limitation of planning.
7. Planning is: (a) looking ahead, (b) guiding people, (c) delegation of authority.  
Hint: Planning is looking ahead for the future.  
Correct Answer: (a) Planning is setting goals for the future.  
Wrong Answers: (b) Guiding people is a directing function.  
(c) Delegation of authority is a process of transferring power from superior to subordinate.



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8. Single use plans are: (a) applicable in non-recurring situation, (b) deals with recurring situations, (c) budgets.

Hint: Single use plans are designed to deal with a unique, non-recurring situation.

Correct Answer: (a) Single use plans are applicable in non-recurring situations.

Wrong Answers: (b) Standing plans deal with recurring situations.

(c) Budget is a statement of expected results expressed in numerical terms.

9. Programs are a complex of: (a) budgets, (b) goals & policies, (c) rules.

Hint: Programs are complex of goals, policies, rules, procedures, tasks.

Correct Answer: (b) Goals and policies are part of programs.

Wrong Answers: (a) Budgets are not a part of programs.

(c) Rules spell out specific actions which is also a part of program.

10. The limitations of planning are: (a) proper environment, (b) planning premises, (c) wrong information.

Hint: Wrong information and time involved are the limitations of planning.

Correct Answer: (c) Wrong information is the barrier to planning.

Wrong Answers: (a) Proper environment is a pre-requisite for planning.

(b) Planning premises are pre-requisites for planning.

11. Selection devices must: (a) be explained, (b) match the job in question, (c) to be cost-effective

Hint: Selection Devices must match the job in question.

Correct Answer: (b) The basic criterion for an effective selection device is to match the job in question.

Wrong Answers: (a) Selection devices are not explained.

(c) Cost-effectiveness is the secondary criterion

12. The popular on-the-job training methods include: (a) job rotation, (b) classroom lectures, (c) films.

Hint: On-the-job training methods allow the workers to work in a realistic work environment and gather experiences.

Correct Answer: (a) Job rotation helps the workers to gather experience of work in various positions.

Wrong Answers: (b) Classroom lectures is the method of off-the-job

(c) Films are the methods of off the job training.

13. Need refers to: (a) control information and performance review, (b) key result areas and statement of objectives, (c) agree what you expect from me.

Hint: Need states agree what you refer from me and give me an opportunity to perform.

Correct Answer: (c) It is feature of need.

Wrong Answers: (a) Control information and performance review is the feature of need.

(b) Key result areas and statement of objectives is the feature of need.



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14. Staffing refers to: (a) measuring performance, (b) managing the positions, (c) management in action.

Hint: Staffing refers to appointing the right person for the right job.

Correct Answer: (b) Managing the positions means appointing right person for the right job.

Wrong Answers: (a) Measuring performance is a controlling function  
(c) Management in action is a directing function.

15. Non-financial incentives have many things to do with: (a) Directing, (b) Motivation, (c) Planning.

Hint: The workers always prefer good behaviour and a proper work environment a part from financial incentives.

Correct Answer: (b) Motivation is an important variable which influences human performance at work.

Wrong Answers: (a) Directing is management in action  
(c) Planning is a thinking function.

16. Staffing needs: (a) man power planning, (b) authority, (c) communication.

Hint: Staffing needs estimates of present and future needs of managerial man power and therefore it needs some pre-thinking.

Correct Answer: (a) Staffing is man power planning – putting right person in the right job. The person must be fit for the job.

Wrong Answers: (b) Authority is the power entrusted to a position in an organization structure.  
(c) Communication is the transfer / exchange of information, facts, opinion, emotion from one person to another.

17. HRD refers to: (a) remuneration, (b) development, (c) controlling.

Hint: Macro HRD means development of a human being during his/her work career.

Correct Answer: (b) Development of an individual is the fundamental of human resource development (HRD).

Wrong Answers: (a) Remuneration is the compensation for labour  
(c) Controlling is measuring performances and identifying deviations and its causes.

18. Recruitment covers: (a) selection, (b) job analysis, (c) time.

Hint: Recruitment covers job analysis, job design and job descriptions.

Correct Answer: (b) Job analysis is a review of the content of the job and necessary competences it requires.

Wrong Answers: (a) Selection is making a choice among the personnel.  
(c) Recruitment do not consider time factor.

19. Training is the process of: (a) motivation (b) increasing knowledge and skill (c) testing.

Hint: Training is the process of increasing the knowledge and skills of an employee for doing a particular job.

Correct Answer: (b) Increasing knowledge and skill is the basic for training.

Wrong Answers: (a) Motivation influences human behaviour.  
(c) Testing is a tool for recruitment.



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20. Vestibule training provides the worker with: (a) on the job training, (b) off the job training, (c) real life presentations off the job

Hint: The worker is provided with a real life presentation but not on the job directly.

Correct Answer: (c) Real life presentations off the job but creating a real atmosphere for work are the essence of vestibule training.

Wrong Answers: (a) Vestibule training is not on the job.

(b) Off the job may be without real life presentations also.

21. Direction refers to: (a) planning, (b) organizing, (c) driving.

Hint: Direction refers to a driving force of an organization.

Correct Answer: (c) Directing is the forceful driving of an organization.

Wrong Answers: (a) Planning is estimation of the future.

(b) Organizing all the factors of production and elements of management.

22. Marry Follett pointed that reform was possible provided the following consideration were taken into account: (i) building up new attitudes, (ii) planning and (iii) negative attitudes.

Hint: As per Marry Follet, reform is possible if we consider building up new attitudes.

Correct Answer: (a) Building up new attitudes referred by Marry Follet.

Wrong Answers: (b) Planning is an estimation of the future.

(c) Reform is not possible due to negative attitudes.

23. The characteristics of direction include: (a) guiding, (b) motivating, (c) planning.

Hint: Guiding is an important characteristic of direction.

Correct Answer: (a) Guiding is an important characteristic of direction.

Wrong Answers: (b) Motivation influences human behaviour.

(c) Planning is the primary function of management.

24. Direction is a: (a) discrete process, (b) continuous process, (c) circular process.

Hint: Directing is never completed.

Correct Answer: (b) Direction is a continuous process.

Wrong Answers: (a) Direction is not a discrete process.

(c) Direction is not a circular process.

25. The principles of direction do not include: (a) to have a thorough knowledge about the terms to bind the employees and the organization, (b) to remove the inefficient employees, (c) labour turnover.

Hint: Labour turn over refers to the number of employees leaving the job during the year.

Correct Answer: (c) Labour turnover is not the principle of direction.

Wrong Answers: (a) The principle of direction is to have a thorough knowledge about the terms to bind the employees and the organization.

(b) To remove the inefficient employees is the principle of direction.

26. The techniques of direction excludes: (a) an alternative device of communication, (b) supervisory techniques, (c) coordination.

Hint: Coordination refers to the link between the different functions of management.

Correct Answer: (c) Coordination is exclusive of direction.

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Wrong Answers: (a) The techniques of direction include an alternative device of communication.  
(b) Supervisory techniques are techniques of direction.

27. Communication is a: (a) two-way process, (b) one-way process, (c) discrete process.

Hint: Communication is a transfer of information from one person to another and getting the feedback to check the efficiency of the message communicated.

Correct Answer: (a) It is a two-way process.

Wrong Answers: (b) It is not a one-way process.  
(c) It is not a discrete process.

28. Control is a function aimed at: (a) economic development, (b) staffing, (c) organizational development.

Hint: Control is an essential function of management in every organization aimed at attainment of organizational objectives.

Correct Answer: (c) Organization development depends on effective control.

Wrong Answers: (a) Economic development is also an objective of control.  
(b) Staffing is right man for the right job.

29. Control is a: (a) static activity, (b) plan, (c) pervasive function.

Hint: Control is a pervasive function applicable in all environments.

Correct Answer: (c) Pervasive function is applicable in all environments

Wrong Answers: (a) Static activity refers to rigidity. Control is a dynamic process.  
(b) Plan is a management function.

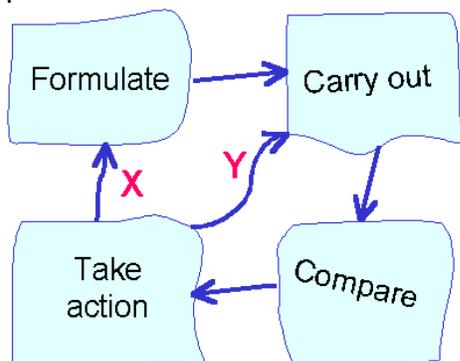
30. The objective of control is: (a) take corrective actions, (b) make plans, (c) prepare manpower planning.

Hint: Control aims in taking corrective actions.

Correct Answer: (a) Taking corrective action is an objective of control.

Wrong Answers: (b) Making plans  
(c) Man-power planning is the activity of Personnel department.

31.



In the sketch of the planning and control cycle, what do the arrows X and Y indicate?

a) (X) Review plans, (Y) review implementation of plans.



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- b) (X) Alter plans; (Y) alter implementation of plans.
- c) (X) Restart the planning process; (Y) confirm existing plans.
- d) (X) Proceed with normal planning review; (Y) intervene urgently in current action.

32. What are the three levels of planning?

- a) Operational, intermediate and strategic
- b) Headquarters, divisional and local
- c) Top, middle and bottom
- d) None of the above

33. All of the following would be steps or concerns in the process of strategic planning EXCEPT:

- a) Designing a sound business portfolio.
- b) Checking to see if an advertising spot had been run in its allotted time slot.
- c) Setting supporting objectives.
- d) Defining a clear company mission.

34. Detecting irregularities is possible through: (a) controlling, (b) staffing, (c) decision-making.

Hint: Controlling helps in detecting irregularities.

Correct Answer: (a) Controlling helps in detecting errors and irregularities.

Wrong Answers: (b) Staffing is right person for the right job.

(c) Decision-making is a management function.

35. Strategic control is implemented with: (a) micro perspective, (b) department perspective, (c) macro perspective.

Hint: Strategic control aims organisational perspective.

Correct Answer: (c) Macro perspective means considering the whole organization.

Wrong Answers: (a) Micro perspective means considering the whole operational control.

(b) Department perspective means tactical control.

36. Deviation is a term used in: (a) controlling (b) motivation (c) directing.

Hint: Deviation is the term used when the actual performance is not equal to the standard performance.

Correct Answer: (a) Controlling helps in measuring deviations.

Wrong answers: (b) Motivation influences human behaviour.

(c) Directing means commanding, which has no relation with deviation.

37. Controlling plays an important role in helping: (a) increase the costs, (b) Fixing standards, (c) Identify opportunities.

Hint: Controlling plays an important role in identifying opportunities.

Correct answer: (c) Controlling plays an important role in identifying opportunities.

Wrong answers: (a) Reduction in costs is the aim of controlling through proper use of resources.

(b) Fixing standards is not the task of controlling.



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38. Difficulty in controlling the external factors is a drawback for: (a) controlling (b) motivation (c) staffing

Hint: Controlling fails to combat the external forces.

Correct answer: (a) Controlling fails to combat the external forces.

Wrong answers: (b) Motivation influences human behaviour.

(c) Staffing is appointing right person for the right job.

39. Effective control requires: (a) flexibility (b) rigidity (c) high cost

Hint: effective control requires flexibility to adopt with the changed circumstances.

Correct answer: (a) The control system must be flexible.

Wrong answers: (b) Rigidity is not a requirement of effective control system.

(c) High cost is not desirable for an effective control system.

40. The standard performances needs to be adjusted after measuring with: (a) actual performances (b) costs (c) time involved.

Hint: The actual performances should be measured with standards and the standard performances need to be adjusted through controlling techniques and review procedures.

Correct answer: (a) Actual performances compared with the standard performance leads to adjustment of pre-determined standards.

Wrong Answers: (b) Cost has relation with fixing of standards.

(c) Standards have less relevance with time.

41. Organizing refers to: (a) planning, (b) delegation of authority, (c) training.

Hint: Organizing is the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority and establishing relationships.

Correct Answer: (b) Organizing also delegates authority.

Wrong Answers: (a) Planning is a function of management.

(c) Training is possible through organized activities.

42. Organizing aims to serve: (a) common purpose, (b) corruption, (c) authority structure.

Hint: Organizing aims to serve authority structure must take into account people's limitations and customs.

Correct Answer: (c) Serving the authority structure is one of the purpose of organizing.

Wrong Answers: (a) Organizing is characterized to involve a common purpose.

(b) Organizing checks corruption.

43. Organizing destroys: (a) individual relationships, (b) plans, (c) simplicity in the organization.

Hint: Organizing sometimes causes harmful effects mainly due to mistakes in certain practices.

Correct Answer: (c) Simplicity of the organization is destroyed through wrong organizing practices.

Wrong Answers: (a) Individual relationships are not hampered directly.

(b) Plans are to be strictly followed to achieve organizational goals.

44. The principle of objective states: (a) delegation of authority, (b) existence for a purpose, (c) formal organization.

Hint: An organization must exist for a purpose is the principle of objective.

Correct Answer: (b) Existence for a purpose is the principle of objective.



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Wrong Answers: (a) Delegation of authority is through decentralization.  
(b) Formal organization refers to well-defined authority structure.

45. For effective organizing, an organization required: (a) principle of balance, (b) span of management, (c) organization process.

Hint: For effective organizing certain pre-requisites are to be satisfied including clearly defined organizational levels and span of management.

Correct Answer: (b) Span of management must be clearly defined for making organizing an effective one.

Wrong Answers: (a) Principle of balance refers to maintaining a balance between various functional areas of an organization.

(c) Organization process is not a pre-requisite for effective organizing.

46. The structure of organization includes: (a) identification and classification of required activities, (b) informal organization, (c) establishing enterprise objectives.

Hint: The structure of organization is thought of identification and classification of required activities, grouping of activities necessary to attain certain objectives.

Correct Answer: (a) The identification and classification of required activities is a part of the organization structure.

Wrong Answers: (b) Informal organization is a network of personal and social relations not established or required by the formal organization.

(c) Establishing enterprise objectives is a step in the process of organizing.

47. The degree to which an organization relies on rules and procedures to direct the behaviour of employees is: (a) complexity, (b) formalization, (c) centralization.

Hint: It is a measure of the degree of reliability on rules and procedures to direct the employee behaviour.

Correct Answer: (b) Formalization is the measure of the degree of reliability on rules and procedures to direct employee behaviour.

Wrong Answers: (a) Complexity considers the amount of differentiation in an organization.

(c) Centralization considers where the decision making authority lies.

48. In a formal organization, "power" is associated with: (a) an individual, (b) position, (c) relationship.

Hint: Power is associated with position in formal organization.

Correct Answer: (b) In a formal organization, power is associated with position.

Wrong Answers: (a) An individual possesses charismatic power.

(c) Relationship does not depend on power or power never creates relationship.

49. Delegation is: (a) a continuous process, (b) unfolding talents, (c) granting the right to command.

Hint: Delegation is the act of granting of conferring something and the term authority means right to command.

Correct Answer: (c) Delegation is granting the right to command.

Wrong Answers: (a) It is not a self-actuating process and hence not a continuous process.



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(b) Unfolding talents is the benefit derived from delegation.

50. Unity of command means: (a) parity of authority and responsibility, (b) flow of command from subordinate to superior, (c) flow of command from superior to subordinate.

Hint: Delegation of authority should flow from only one superior.

Correct Answer: (c) Flow of command from one superior to subordinates is the unity of command.

Wrong Answers: (a) Parity of authority and responsibility is a principle of delegation.  
(b) Subordinates do not command the superiors.

51. Defective delegation: (a) hampers coordination (b) size of the organization, (c) establish proper controls.

Hint: Defective delegation hampers human attitude and coordination among the workers.

Correct Answer: (a) Coordination is hampered through defective delegation.

Wrong Answers: (b) Size of the organization is not affected by defective delegation.  
(c) Establishing proper controls can be a remedial measure against defective delegation.

52. Which one of the following does not fall under qualitative forecasting method?

- a) Life cycle analogy
- b) Moving average methods**
- c) Judgmental methods
- d) Delphi method

53. For which of the following situation(s) is the market research method of forecasting suitable?

- a) When a firm is planning moderate changes on product innovations
- b) When a firm is market testing one of its new offerings
- c) when a firm is working with stable technology, planning moderate changes on product innovations or market testing one of its new offerings.**
- d) when a firm is planning moderate changes on product innovations and market testing one of its new offerings

54. Which of the following forecasting method is suitable for launching new products?

- a) Moving average methods
- b) Exponential smoothing
- c) Causal models
- d) Judgmental methods**

55. Which of the following method(s) is(are) suitable for forecasting the demand of a product?

- a) Delphi method**
- b) Market research
- c) Delphi method and judgmental method
- d) Market research and judgmental method

56. Qualitative forecasting methods include

- a) delphi
- b) Panel of experts

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- c) (a) and (c)  
 d) (a) and (b)

57. Which of the factors listed below is not a reason for decision making in organizations being a complex process?

- a) People have to make decisions in a historical context  
 b) Several stakeholders will have an interest in the decision  
 c) Factors in the current context of the organization affect the decision  
 d) Modern information systems enable people to evaluate a range of possible outcomes

58. The overall process of decision making in, for example, staff selection includes which of these stages?

- a) Deciding which candidate to appoint  
 b) Identifying the need for a new member of staff  
 c) Agreeing the job specification  
 d) All of the above

59. A solution to a problem that is arrived at through an unstructured process of decision making is called a:

- a) Bounded rationality  
 b) Programmed decision  
 c) Non-programmed decision  
 d) Uncertainty

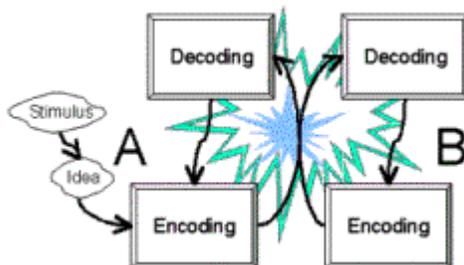
60. As a manager moves to higher positions in an organisation the ability to make \_\_\_\_\_ becomes \_\_\_\_\_ important.

- a) Programmed; less  
 b) Non-programmed; more  
 c) Non-programmed; less  
 d) Programmed; much more

61. Decision making situations can be categorized along a scale which ranges from:

- a) Certainty to risk to uncertainty to ambiguity  
 b) Certainty to uncertainty to risk  
 c) Certainty to risk to uncertainty  
 d) Uncertainty to certainty to risk

62.





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The sketch shows the process of communication from A to B. What labels apply to the arrows that cross in the centre?

- a) Stimulus; response
- b) Transmission; feedback**
- c) Feedforward; feedback
- d) Encoding; decoding

63. What comprises the decoding stage of the communication model?

- a) Perception; retention.
- b) Attention; perception; retention**
- c) Receiving; processing and storing information
- d) Short term memory; decoding; long term memory.

64. What is the first step to take during communications planning?

- a) Decide on means of communication
- b) Identify communication constraints
- c) Conduct a stakeholder analysis
- d) Develop a communications management plan

65. Feedback is a listener's

- a) verbal critique of your message.
- b) verbal or nonverbal responses to a message.**
- c) acceptance of a message.
- d) aversion to a message.

66. To decode a message is to

- a) translate ideas into code.
- b) reject a message.
- c) evaluate a message.**
- d) interpret a message.

67. In the communication process, to encode means to

- a) translate ideas into a code.**
- b) block a pathway between the sender and receiver of a message.
- c) speak to large groups of people.
- d) interpret a code.

68. A message is a signal that serves as

- a) noise reduction.
- b) stimuli for a speaker.
- c) stimuli for a mass audience.
- d) stimuli for a receiver.**



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69. Feedback can come in the form of

- a) nonverbal communication only.
- b) verbal communication only.
- c) environmental noise.
- d) verbal and nonverbal listener responses.

70. In the communication process, a receiver is

- a) message interference.
- b) the person who decodes a message.
- c) a message pathway.
- d) the person who encodes an idea.

71. Noise does the following:

- a) causes listeners to listen to messages more carefully.
- b) focuses wandering thoughts.
- c) distorts or interferes with a message.
- d) enhances a message.

72. An example of a communication channel is

- a) face-to-face conversation.
- b) noise.
- c) feedback.
- d) context.

73. Which of the three components are part of the human communication process?

- a) Message, noise, feedback
- b) Feedback, message, critiquing
- c) Noise, feedback, jargon
- d) Message, recording, feedback

74. Which of the following is an example of a nonverbal message?

- a) Eye contact
- b) Yelling
- c) Mumbling
- d) Jargon

75. The ability to communicate effectively

- a) depends on the education level of those around you.
- b) can be learned.
- c) is a natural talent that cannot be learned.
- d) depends on not using technology to send messages.

76. A message can only be deemed effective when it is

- a) communicated face-to-face.
- b) understood by others and produces the intended results.
- c) repeated back as proof of understanding.
- d) delivered with confidence.



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77. Learning to communicate with others is key to

- a) establishing rewarding relationships.
- b) never being misunderstood.
- c) eliminating all of your listeners' physiological noise.
- d) winning the approval of everyone around you.

78. Encoding is important because it

- a) guarantees that one's message will be decoded.
- b) encourages listener feedback.
- c) eliminates noise.
- d) Produces messages.

79. Identify the best definition of planning.

- a) An integrated process in which plans are formulated, carried out and controlled.
- b) The core activity of planners and planning departments.
- c) Setting an organisation's objectives and the means of reaching them.
- d) Devising ways of achieving the objectives of an organisation.



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### Leadership & Motivation

1. Maslow in his hierarchy has not considered: (a) psychological needs, (b) security needs, (c) wealthy needs.

Hint: Wealth is not considered in Maslow's need hierarchy.

Correct Answer: (c) Wealth needs are not considered in need hierarchy by Maslow.

Wrong Answers: (a) Psychological needs are considered in Maslow's need hierarchy.  
(b) Security needs are considered in Maslow's hierarchy.

2. The features of leadership do not include: (a) representation, (b) initiation, (c) planning.

Hint: Planning is not a part of leadership.

Correct Answer: (c) Planning is not the function performed by a leader.

Wrong Answers: (a) Representation is a feature of leadership.  
(b) Initiation is a feature of leadership.

3. Leadership has a lot of characteristics and a leader must not maintain this trait in his behaviour: (a) coexistence, (b) taking responsibility, (c) avoiding responsibility.

Hint: Avoiding responsibility is not a character of a good leader.

Correct Answer: (c) Avoiding responsibility is a negative character of a leader.

Wrong Answers: (a) Coexistence is a characteristic of leadership.  
(b) Taking responsibility is a character of a good leader.

4. Which of the following statements about leadership is false?

a) Leadership does not necessarily take place within a hierarchical structure of an organisation.

b) Not every leader is a manager.

**c) When people operate as leaders their role is always clearly established and defined.**

d) All the above.

5. Contingency theories of leadership are based on the belief that:

a) there is no single style of leadership appropriate to all situations.

b) there is a single style of leadership appropriate to all managers.

**c) there is a single style of leadership appropriate to all situations.**

d) none of the above.

6. Another contingency model of leadership is the path-goal theory. This suggests that subordinates will see leadership behaviour as a motivating influence if:

a) path-goal relationships are clarified.

b) their effective performance will satisfy their needs.

c) the necessary direction, guidance, training and support is provided.

**d) all the above.**

7. When determining the most appropriate form of leadership, which of the following should be considered?

a) The manager.

b) The work environment.

c) The group.

**d) All the above.**

8. The following phrase is used to describe a leader:



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- a) relies on control strategies
  - b) challenges status quo**
  - c) uses traditional influence
  - d) acts with established culture
  - e) maintains and allocates resources
9. The "means" of leadership involve
- a) getting results through others.
  - b) the ability to build cohesive, goal-oriented teams.**
  - c) the process of influencing an organized group toward accomplishing its goals.
  - d) an interpersonal relation in which others comply because they want to, not because they have to.
10. Which of the following is a leadership trait?
- a) Dominance
  - b) Energy**
  - c) Cognitive ability
  - d) All responses are leadership traits
11. 2. Which of the following statements is false about the behavioral theories of leadership?
- a) Consideration is a people-oriented dimension of leadership behavior
  - b) Production-centered leader behavior focuses on tasks and has little concern for people
  - c) Leaders high in initiating structure do not set deadlines or make individual task assignments**
  - d) Employee-centered leader behavior focuses on people and the quality of the social system
12. Maslow and Herzberg are two examples of \_\_\_\_\_ theories of motivation.
- a) process
  - b) content**
  - c) expectancy
  - d) equity
13. Maslow suggests that human needs are arranged in a series of levels, a hierarchy of importance. Which of the following statements are relevant to Maslow's hierarchy of needs theory?
- a) The hierarchy is not necessarily in a fixed order.
  - b) A satisfied need is no longer a motivator.
  - c) A need is not necessarily fully satisfied before a subsequent need arises.
  - d) All of the above.**
14. According to Herzberg, which of the following may be regarded as hygiene/maintenance factors?
- a) Sense of achievement.
  - b) Recognition.
  - c) Personal growth and advancement.
  - d) None of the above.**
15. Which of the following statements is true about the goal theory of motivation?



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- a) People with easier goals will perform better than people with difficult goals.
- b) A person's level of commitment to a goal will not regulate the level of effort expended.
- c) People with difficult goals will perform better than people with easier goals.
- d) Research has shown that there is little support for the goal theory and its effects on motivation with regard to the relationship between goal-setting and performance.

16. Douglas McGregor's view that suggests that employees will exercise self-direction and self-control when they are committed to the objectives of the work is called:

- a) Theory B
- b) Theory X
- c) Theory Y
- d) Theory A

17. Which step in Maslow's Hierarchy of Needs Theory deals with achieving one's potential?

- a) Esteem
- b) Physiological
- c) Self-actualization
- d) Social

18. Which of the following would be classified by Herzberg as a hygiene factor?

- a) Achievement
- b) Promotion
- c) Responsibility
- d) Company policy

19. Who proposed that achievement, affiliation and power are three important needs that help explain motivation in workplace situations?

- a) McClelland
- b) Herzberg
- c) Alderfer
- d) Maslow

20. Company policy, administration, supervision, interpersonal relations, working conditions, and salary are characterized as:

- a) Achievement factors
- b) Growth factors
- c) Motivating factors
- d) Hygiene factors

21. An employee's experiences in a situation or position outside his or her current organization is a referent comparison called:

- a) Self-outside
- b) Other-inside
- c) Other-outside
- d) Self-inside

22. Theory X suggests that employees:



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- a) Like their manager
- b) Dislike work**
- c) Dislike their manager
- d) Like work

23. What three words define motivation?

- a) Intensity, direction, persistence**
- b) Fairness, equity, desire
- c) Desire, persistence, fairness
- d) Ambition, direction, intensity
- e) Persistence, fairness, ambition

24. As a well-educated and highly esteemed businesswoman, Delores feels she has accomplished a great deal in her life. She decides that she would like to give back to the community, so she makes a sizable endowment to the local conservatory. She is also using her professional influence to draw the public's attention to the needs of children who have cancer. Abraham Maslow would probably say that Delores has reached the \_\_\_\_\_ stage of his need hierarchy.

- a) esteem
- b) cognitive
- c) aesthetic
- d) self-actualization**

25. Which of the following statements is false about the hierarchy of needs theory (Maslow)?

- a) Chronic frustration of needs has no ill effects**
- b) The next higher-level need can become important, while a lower level is only partially satisfied
- c) Needs are not the only basis of human behavior
- d) A satisfied need is no longer a motivator

26. Each of the following statements about the hierarchy of needs theory (Maslow) is true except

- a) A satisfied need does not motivate behavior
- b) People progress through the hierarchy in the same order without exception**
- c) Behavior can focus on satisfying more than one need at a time
- d) The environment can affect behavior

27. Which of the following is false about motivator — hygiene theory (Herzberg)?

- a) Motivators include achievement and the work itself**
- b) Empirical research strongly supports the theory
- c) Dissatisfiers and satisfiers fall on two different continua
- d) Company policies are a hygiene factor



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### GROUP DYNAMICS

1. Changes in behavior as a result of observation and manipulation of conditions in an environment are termed:
  - a) the Hawthorne effect.
  - b) group dynamics.
  - c) social influence.
  - d) sociometry.
  
2. Members within a group that share similar experiences and feelings are known to have:
  - a) process.
  - b) universality.
  - c) content.
  - d) conflict.
  
3. An important factor of the preplanning stage in group dynamics is determining what the group is to accomplish; this is known as \_\_\_\_\_.
  - a) goal setting.
  - b) cohesion.
  - c) clarity of purpose.
  - d) group orientation.
  
6. \_\_\_\_\_ groups have members who have similar presenting problems or are similar in gender, ethnicity, or social background.
  - a) Heterogeneous
  - b) Ideal
  - c) Dynamic
  - d) Homogeneous
  
7. Role \_\_\_\_\_ is a conflict between the role an individual has outside the group and the role he or she is expected to have in the group.
  - a) collision
  - b) transition
  - c) confusion
  - d) incompatibility
  
8. Which one of the following characteristics is not necessarily true about groups?
  - a) Group members are interdependent.
  - b) Groups have two or more members.
  - c) Groups have assigned goals.
  - d) Groups interact.



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9. What sort of groups is defined by the organization's structure?

- a) informal
- b) task
- c) friendship
- d) formal

10. When do informal groups appear?

- a) in response to the need for social contact
- b) in reaction to formal groups
- c) as a result of social needs
- d) most frequently in bureaucracies
- e) when formal groups cannot meet their goals

11. Which of the following statements is true?

- a) All task groups are also command groups.
- b) All command groups are also task groups.
- c) All task groups are also friendship groups.
- d) All command groups are also informal groups.
- e) All informal groups are also command groups.



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### ORGANIZATIONAL CONFLICTS

1. Each statement below is true about conflict and conflict management in organizations except
  - a. Conflict management includes both increasing and decreasing conflict
  - b. Conflict is necessary for organizational survival
  - c. Conflict management is not a basic management responsibility
  - d. Conflict includes interactions in which one party opposes another party
  
2. Which of the following statements is false about functional and dysfunctional conflict in organizations?
  - a. Conflict is dysfunctional when it is lower than a group requires for reaching its goals
  - b. Conflict management does not involve maintaining conflict at functional levels
  - c. Conflict that is functional in one group can be dysfunctional in another group
  - d. Dysfunctionally high conflict can reduce trust
  
3. All but one of the following statements accurately describe aspects of levels and types of conflict in organizations. Which statement does not?
  - a. Intraorganization conflict includes all types of conflict between organizations.
  - b. Interpersonal conflict is conflict between two or more people.
  - c. Intergroup conflict is conflict between two or more groups.
  - d. Intrapersonal conflict is conflict that occurs within a person.
  
4. Each statement below is true about conflict management except
  - a. Innovative products or services require a higher desired conflict level than more routine products or services
  - b. If conflict in a work unit is dysfunctionally low, the manager tries to increase conflict
  - c. A manager's tolerance for conflict can affect the manager's perception of desired conflict levels in a workgroup
  - d. Desired conflict levels do not vary from one group to another and for the same group over time
  
5. Which of the following is false about reducing conflict?
  - a. Compromise uses negotiation to reduce conflict. It splits the differences between the parties in conflict
  - b. Problem solving usually does not find a conflict episode's root causes
  - c. Avoidance prevents a person from facing a conflict episode
  - d. A superordinate goal is a goal desired by all parties to the conflict but not reachable by any party alone
  
6. Which of the following does not increase conflict in organizations?
  - a. Superordinate goal
  - b. Devil's advocate



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- c. Heterogeneous groups
- d. Organizational culture

7. Which of the following is false about ethical issues in conflict in organizations?

- a. Variation in optimum conflict levels among countries
- b. Subtle methods of increasing conflict
- c. Intrapersonal conflict from requests for immoral acts
- d. Conflict higher than a person's tolerance level