

# **Kerala Bank Assistant Manager - Finance & Management - Model Exam 3**



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1. Match the following list 1 with list 2 :

LIST 1	LIST 2
1 . Service lease	a . Mutual funds or Institutional investors
2 . Venture Capital	b . one who underwrites corporate securities and advises clients on issue like corporate mergers
3 . Factoring	c . Invoice Agent
4 . Merchant banking	d . Operating in nature

**A** 1 - b , 2 - d , 3 - a , 4 - c

**B** 1 - b , 2 - a , 3 - d , 4 - c

**C** 1 - d , 2 - a , 3 - c , 4 - b

**D** 1 - a , 2 - b , 3 - d , 4 - c

**Solution**

LIST 1	LIST 2
1 . Service lease	Operating lease
2 . Venture Capital	Mutual funds or Institutional investors
3 . Factoring	Invoice Agent
4 . Merchant banking	one who underwrites corporate securities and advises clients on issue like corporate mergers

2. ----- is an act of assigning values to credit instruments by estimating or assessing the solvency, and expressing them through predetermined symbols.

A Merchant Banking

B Credit Rating

C Venture Capital

D Lease financing

### Solution

- Credit rating is one of the fee based financial services which are provided by specialized agencies like CRISIL, ICRA and CARE.
- It is a mechanism by which the reliability and viability of a credit instrument is brought out. It is usually the effort of investors in financial instrument to minimize or eliminate default risk.
- Credit rating service is useful to the investors.
- According to Securities Exchange Board of India, credit rating is a compulsory mechanism for listing of the companies in the stock market and also it is essential to the corporate sectors who want to raise capital with the help of issue of fixed deposits, commercial papers and other short-term instruments.

3. **Stable Dividend Policy consists of which of the following three important forms?**

**A** Constant dividend per share

**B** Constant payout ratio

**C** Stable rupee dividend plus extra dividend

**D** All of the above

### **Solution**

#### **TYPES OF DIVIDEND POLICY**

Dividend policy depends upon the nature of the firm, type of shareholder and profitable position. On the basis of the dividend declaration by the firm, the dividend policy may be classified under the following types:

- Regular dividend policy
- Stable dividend policy
- Irregular dividend policy
- No dividend policy.

#### ***Regular Dividend Policy***

- Dividend payable at the usual rate is called as regular dividend policy.

- This type of policy is suitable to the small investors, retired persons and others.

### ***Stable Dividend Policy***

- Stable dividend policy means payment of certain minimum amount of dividend regularly.
- This dividend policy consists of the following three important forms:

Constant dividend per share

Constant payout ratio

Stable rupee dividend plus extra dividend.

### ***Irregular Dividend Policy***

- When the companies are facing constraints of earnings and unsuccessful business operation, they may follow irregular dividend policy.
- It is one of the temporary arrangements to meet the financial problems. These types are having adequate profit. For others no dividend is distributed.

### ***No Dividend Policy***

- Sometimes the company may follow no dividend policy because of its unfavourable working capital position or the amount required for future growth of the concerns.

4. **Human resource management emphasis -----.**

**A**    **Development of people**

**B**    **Punishment of people**

**C**    **Adoption of people**

**D**    **None of these**

### **Solution**

- Human resource management (HRM) is the practice of recruiting, hiring, deploying and managing an organization's employees.
- HRM is often referred to simply as human resources (HR).
- A company or organization's HR department is usually responsible for creating, putting into effect and overseeing policies governing workers and the relationship of the organization with its employees.
- The term human resources was first used in the early 1900s, and then more widely in the 1960s, to describe the people who work for the organization, in aggregate.
- HRM is employee management with an emphasis on those employees as assets of the business.
- In this context, employees are sometimes referred to as human capital.

- As with other business assets, the goal is to make effective use of employees, reducing risk and maximizing return on investment (ROI).

5. Match the following list 1 with List 2:

List 1	List 2
1 . Local market	a . In this market goods are bought or sold for a specific price or a specific date in future
2 . Retail market	b . It is a market situation of only two sellers of producers controlling a market
3 . Duopoly	c . Market where goods are sold to customers in small quantities
4 . Future	d . Market in a particular locality which offers good and services to people in that area

**A** 1 - b , 2 - c , 3 - d , 4 - a

**B** 1 - b , 2 - d , 3 - a , 4 - c

**C** 1 - d , 2 - c , 3 - b , 4 - a

**D** 1 - a , 2 - c , 3 - d , 4 - b

**Solution**

List 1	List 2
Local market	Market in a particular locality which offers good and services to people in that area
Retail market	Market where goods are sold to customers in small quantities
Duopoly	It is a market situation of only two sellers or producers controlling a market
Future	In this market goods are bought or sold for a specific price or a specific date in future

6. .... is a process of making the market.

**A** Selling

**B** Merchandising

**C** Marketing

**D** None of the above

### **Solution**

### **MARKETING**

- Marketing It is an organisational function aims at effectively meeting the needs and wants of the customers .
- It performs all functions related with the physical movement of goods from the manufacturer to the consumer.
- The functions include functions of exchange , physical supply and facilitating functions .
- The ultimate objective of marketing is \_ customer satisfaction .  
Planning , designing , pricing , advertising , storing and distribution are the important elements of marketing .
- It is a process of making the market .

7. A ----- is something a firm offers to give satisfaction to consumers .

**A**    **Product**

**B**    Product line

**C**    Product mix

**D**    None of the above

### **Solution**

#### **PRODUCT**

- A product is something a firm offers to give satisfaction to consumers .
- It is the final output of a production process offered to consumers for satisfying their needs .
- Product is the most powerful weapon in marketing .
- It is considered as the soul of the marketing mix .
- The major decisions based on product in marketing include product development branding packaging labelling and other features of the product.

8. **Gifts, scratch cards, discount offers etc are part of -----.**

**A** Advertising

**B** Publicity

**C** Sales promotion

**D** Personal selling

### **Solution**

#### **Sales promotion definition**

- A sales promotion is a marketing strategy in which a business uses a temporary campaign or offer to increase interest or demand in its product or service.
- There are many reasons why a business may choose to use a sales promotion (or ‘promo’), but the primary reason is to boost sales.
- Sales boosts may be needed to reach a quota as a deadline approaches, or to raise awareness of a new product.

9. Which of the following statements is/are not an objective of marketing management?

1. To plan organise direct and control all the marketing activities of a firm
2. To exploit customers by giving fake advertisements the profit of company
3. To formulate an ideal marketing mix for the firm
4. To give maximum satisfaction to the customers

A 1 Only

B 1 & 2 Only

C 2 Only

D 1 , 2 & 3 Only

### Solution

### OBJECTIVES

Marketing management attempts to achieve the following major objectives ;

- To plan , organise , direct and control all the marketing activities of a firm
- To give maximum satisfaction to the customers

- To carry out the marketing activities effectively and efficiently so as to ensure optimum utilisation of firm's resources and increase profits
- To expand the customer bases of the firm
- To formulate an ideal marketing mix for the firm .
- To create and maintain a good image for the firm and its Products

10. A ----- is a group of customers with shared demographics who have been identified as the most likely buyers of a company's product or service.

**A** Target Marketing

**B** Target Market

**C** Market targeting

**D** None of the above

## Solution

### Target Market

- A target market is a group of people with some shared characteristics that a company has identified as potential customers for its products.
- Identifying the target market informs the decision-making process as a company designs, packages, and markets its product.
- A target market may be broadly categorized by age range, location, income, and lifestyle.
- Many other demographics may be considered.
- Their stage of life, their hobbies, interests, and careers, all may be considered.

- A target market is a group of customers with shared demographics who have been identified as the most likely buyers of a company's product or service.
- Identifying the target market is important for any company in the development and implementation of a successful marketing plan.
- The target market also can inform a product's specifications, packaging, and distribution.

11. Age, Education Lifestyle.... etc are ----- actors influencing consumer behaviour.

A Personal factors

B Psychological factors

C Social factors

D Cultural factors

## Solution

### Social factors

- Social factors play an essential role in influencing the buying decisions of consumers.
- Human beings are social animals. We need people around to talk to and discuss various issues to reach to better solutions and ideas.
- We all live in a society and it is really important for individuals to adhere to the laws and regulations of society.

***Social Factors influencing consumer buying decision can be classified as under:***

- Reference Groups
- Immediate Family Members

- Relatives
- Role in the Society
- Status in the society

12. Projecting the expected profits from customers is a measure of:

**A** Life-time Value of Customers

**B** Cost and Revenues

**C** Generic Strategy Returns

**D** Marketing Profitability

### Solution

- Lifetime Value of Customers is the net present value of future profits expected over the customer's lifetime purchases i.e. the firm is going to earn from each customer over his lifetime taken at an appropriate discount rate.
- In other words, projecting the expected profits from customers is a measure of lifetime value of customers.
- Formula: Customer Lifetime Value = Lifetime Value x Profit Margin.

13. ----- stage of a product is said to be attained when the product has reached its pinnacle in sales and the volume sales growth tend to stagnate.

**A** Introduction

**B** Growth

**C** Maturity

**D** Decline

### **Solution**

#### **Maturity Stage:**

- During the maturity stage of the product life cycle, the sharp growth in sales begins to slow, and profits at the beginning of this stage decline.
- The most notable characteristic of this stage is the peaking of the product's sales and profit curves.
- At the beginning of the maturity stage, sales continue to grow but at a much slower rate.
- Towards the end of this stage, sales and profits will start to fall fairly rapidly.

- This stage is characterized by severe competition as many brands enter the market.
- To combat competition, marketing costs increase substantially results in a reduction in profits. Sales Promotion Strategy: Increase to encourage brand switching.

14. ---- refers to the selling of products in a non-retail setting.

**A** Direct selling

**B** Customer value selling

**C** Cross-selling

**D** Link-selling

### **Solution**

- Direct selling refers to the selling of products in a non-retail setting.
- It eliminates middlemen who are involved in the distribution, such as wholesalers and regional distribution centers.
- According to the FTC, "Direct selling is a blanket term that encompasses a variety of business forms premised on person-to-person selling in locations other than a retail establishment, such as social media platforms or the home of the salesperson or prospective customer."

15. ----- represents money management and the process of acquiring needed funds by investing, borrowing, lending, budgeting, saving and forecasting

A Marketing

B Operations

C Finance

D Human Resource

### Solution

**Marketing** functions generate revenues for an organization by selling products and encouraging or stimulating purchases. The marketing function helps in generating revenue for the organization as it encourages the customers to buy the products which increases sales and hence increase the revenue and overall profitability.

**Operations** in management are mainly concerned with planning, organizing, and supervising in the contexts of production, manufacturing, or the provision of services. As such, it is delivery-focused, ensuring that an organization successfully turns inputs into outputs in an efficient manner.

**Finance** represents money management and the process of acquiring needed funds by investing, borrowing, lending, budgeting, saving and forecasting

**Human resources** is the part of an organization that is in charge of finding, screening, recruiting, and training job applicants, and administering employee-benefit programs.

16. Co-branding is also known as -----.

**A** Brand awareness

**B** Branding

**C** Brand Equity

**D** Brand Partnership

### Solution

#### Co-branding

- Co-branding is a strategy that uses several brand names on a service or good as a part of a strategic alliance.
- Co-branding is also known as brand partnership.
- It combines brand awareness, market strength, and positive association of two or more brands to force consumers to pay a higher premium price.
- For example, Citi AAdvantage cards give you American Airlines miles when a customer spends his money.

**17. The various ways through which a company strategically communicate about its products to the market place is called:**

**A** Customer Relationship Management

**B** Total Quality Managment

**C** Integrated Marketing Communication

**D** Efficient Consumer Selling

### **Solution**

#### **Integrated Marketing Communication**

- Integrated Marketing Communication refers to integrating all the methods of brand promotion to promote a product or service among target customers.
- The various ways through which a company strategically communicates about its products to the marketplace is called Integrated Marketing Communication.
- It enables all aspects of the marketing mix to work together in harmony to promote a particular product or service.

18. According to ----- "Motivation is a set of forces that start and keep a person at work in an organisation".

A Vance

B Robert dublin

C Stanley Vance

D Berelson and Steiner

### Solution

- Motivation is a driving force which affects the choice of alternatives in the behaviour of a person. It improves, stimulates and induces employees leading to goal-oriented behaviour.
- According to Robert dublin "Motivation is a set of forces that start and keep a person at work in an organisation.
- According to Stanley Vance, “Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to march in a goal-directed pattern, towards restoring a state of equilibrium by satisfying the need.”

19. Positive motivation is also known as ----

**A** Intrinsic Motivation

**B** Achievement Motivation

**C** Incentive motivation

**D** Fear motivation

### **Solution**

#### **Positive Motivation or incentive motivation**

- It is based on reward .
- The workers are offered incentives for achieving the desired goals .
- The incentives may be in the shape of more pay , promotion , recognition of work , etc.
- The employees are offered the incentives and try to improve their performance willingly .

**20. Which of the following statements are true regarding job satisfaction?**

- 1. Personal factors affecting Job satisfaction includes age and seniority, Tenure, personality etc.**
- 2. Promotion chances are social factors affecting job satisfaction**
- 3. Company policies are organisational factors affecting job satisfaction**
- 4. Working conditions are organisational factors affecting job satisfaction**

**A** 1 & 3

**B** 2 & 4

**C** 3 & 2

**D** 1 , 2 & 3

### **Solution**

Statement 2 is false because Promotion chances are organisational factors affecting job satisfaction.

Statement 4 is false because Working conditions are Work environmental factors affecting job satisfaction

### **Sources of job satisfaction**

### ***Organisation factors***

- Salaries and wages
- Promotion chances
- Company policies

### ***Work environmental factors***

- Supervision
- Work Group
- Working conditions itself

### ***Work itself***

- Job scope
- Variety
- Autonomy and freedom
- Role ambiguity and role conflict
- Interesting work

### ***Personal factors***

- Age and seniority
- Tenure
- Personality

21. Motivational techniques help to link ----- to practice.

**A** Theories

**B** Ideas

**C** Goals

**D** History

### Solution

- Motivation techniques help the managers in applying the concepts of motivation . These help to link theories to practice .
- After studying various theories of motivation , the next important point is how a manager should make use of these theories .
- There are a number of motivation techniques and programmes that have gained acceptance in practice .

A few of these techniques are :

( i ) Management by objectives

( ii ) Job satisfaction

( iii ) Job enlargement

( iv ) Job rotation

( v ) Job enrichment

22. Match the following:

List 1	List 2
1 . Autocratic	a . Participative style leader
2 . Laissez faire	b . Authoritarian leader
3 . Democratic	c . Free rein style leader
4 . Paternalistic style leader	d . leadership like a father looks after his family

**A**    1 - a , 2 - c , 3 - b , 4 - d

**B**    1 - b , 2 - a , 3 - c , 4 - d

**C**    1 - b , 2 - c , 3 - a , 4 - d

**D**    1 - a , 2 - b , 3 - c , 4 - d

Solution

List 1	List 2
Autocratic	Authoritarian leader
Laissez faire	Free rein style leader

List 1	List 2
Democratic	Participative style leader
Paternalistic style leader	leadership like a father looks after his family

23. ----- is the process of assessing the performance and progress of an employee on a given job.

A Job evaluation

B Performance appraisal

C Job analysis

D None of the above

### Solution

- Performance Performance appraisal is the process assessing the performance and progress of an employee or of a group of employees on a given job and his potential for future development .
- It consists of a formal procedure used in the organisations to evaluate personalities , contributions and potentials of employees .
- The objective of performance appraisal is to determine the present state of efficiency of an employee in order to establish the actual need for training .
- The process of performance appraisal consists of setting standards for performance , communicating the standards to the employees , measuring comparing the actual performance with the standards set .

24. ----- specifies the objectives of recruitment and provides a Framework for the implementation of the recruitment program.

A Election policy

B Selection policy

C Recruitment policy

D Organisational policy

### **Solution**

#### **RECRUITMENT POLICY**

- Recruitment policy specifies the objectives of recruitment and provides a framework for the implementation of the recruitment programme .
- According to Yoder and Others , recruitment policy may involve commitment to broad principles such as filling vacancies with the best qualified individuals .
- It may embrace several issues such as extent of promotion from within , attitudes of enterprise in recruiting its old employees , handicaps , minority groups , women employees , part time employees , friends and relatives of present employees etc.

- It may also involve the organisational system to be developed for implementing recruitment and procedures to be employed

25. ----- includes identifying the right people in Rival companies offering them better terms and luring them away

**A** Stealing

**B** Retention

**C** Poaching

**D** None of the above

## Solution

### Poaching/Raiding

- Rival firms can be a source of recruitment .
- Popularly called , poaching or raiding , this method involves , identifying the right people in rival companies , offering them better terms and luring them away .
- There are legal and ethical issues involved in raiding rival firms for potential candidates.
- Unfortunately , today's young managers are known for rootlessness and job hopping .
- Loyalty to the organisation is a thing of the past .
- This is a challenge for the HR managers .

26. ----- interview is a sorting process in which the prospective candidates are given the necessary information about the nature of the job and the organisation.

**A** Preliminary interview

**B** Courtesy interview

**C** Final interview

**D** None of the above

### **Solution**

#### **Preliminary Interview**

- Preliminary interview is a sorting process in which the prospective candidates are given the necessary information about the nature of the job and the organisation .
- Necessary information is obtained from the candidates about their education , skills , experience , expected salary etc.
- If the candidate is found suitable , he is selected for further screening .
- This ' courtesy interview ' as it is often called , helps the department screen out obvious misfits .

- Preliminary interview saves time and efforts of both the company and the candidate .
- It avoids unnecessary waiting for the rejected candidates and waste of money on further processing of an unsuitable candidate .
- Preliminary interview is brief and generally carried out by a junior executive across the counter or at the reception office .

27. Match the following list 1 with list 2 :

List 1	List 2
( i ) The success of an organization depend	( a ) formal , indepth conversation .
( ii ) Interview is a	( b ) human resource department .
( iii ) A sound selection policy ensure the	( c ) quality of personnel selected for the jobs .
( iv ) Selection procedure is handled by the	( d ) first step in the process of selection .
( v ) The receipt and scrutiny of application is	( e ) selection of suitable candidates

A ( i ) - ( c ) , ( ii ) - ( b ) , ( iii ) - ( e ) , ( iv ) - ( a ) , ( v ) - ( d )

B ( i ) - ( c ) , ( ii ) - ( a ) , ( iii ) - ( e ) , ( iv ) - ( b ) , ( v ) - ( d )

C ( i ) - ( d ) , ( ii ) - ( a ) , ( iii ) - ( e ) , ( iv ) - ( b ) , ( v ) - ( c )

D ( i ) - ( c ) , ( ii ) - ( b ) , ( iii ) - ( e ) , ( iv ) - ( a ) , ( v ) - ( b )

Solution

List 1	List 2
The success of an organization depend	quality of personnel selected for the jobs .
Interview is a	formal , indepth conversation .
A sound selection policy ensure the	selection of suitable candidates
Selection procedure is handled by the	human resource department .
The receipt and scrutiny of application is	first step in the process of selection

28. Succession planning mainly focuses on ----- management

**A** Top level management

**B** Bottom level management

**C** Middle level management

**D** Both B & C

### **Solution**

#### **SUCCESSION PLANNING**

- A succession plan is a component of good HR planning and management .
- Succession planning acknowledges that the staff will not be with an organization indefinitely and it provides a plan and process for addressing the changes that will occur when they leave .
- Most of the times , succession planning focuses on the senior management , however , all the key positions should be included in the plan .
- Key positions can be defined as those positions that are crucial in the organisation.

29. ----- include the development of individuals for training to fill up the prospective vacancies.

**A** Organisational development

**B** Human development

**C** Manpower development

**D** None of the above

### **Solution**

#### **Manpower Development**

- Manpower development includes the development of challenges with their full capabilities .
- It develops the man according to the requirements of the job and thus , coordinates the man and the job .
- It should be carefully matched and be amended as soon as it becomes inevitable in the light of changes in the size of the organisations , expansion of market , demand and supply of labour , technical development etc.
- It reduces the chances of wrong planning .

30. Which of the following method is the performance appraisal criteria for Top manager?

- ☐ A Quantity and quality of output
- ☐ B Rational use of equipment and facilities
- ☐ C Department or team performance
- ☒ D Degree of growth and expansion

### **Solution**

#### **Performance criteria for managers**

##### ***Top Level managers***

- Return on capital employed
- Degree of growth and expansion
- Labour productivity indices
- Contribution to community development
- Clarity about organisational goals and policies

##### ***Middle Level Manager***

- Departmental / team performance
- Cost per unit
- Rational use of equipment and facilities

- Clarity about organisational goals and policies
- Coordination among supervisions

### ***Lower Level Managers***

- Quantity and Quality of output
- Labour cost per unit
- Material cost per unit
- Employee turnover and absenteeism
- Number of accidents in a given period .



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