

Kerala Bank Assistant Manager - Finance & Management - Model Exam 5



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1. **Permanent Working Capital is also known as -----**

A Seasonal Working Capital

B Special Working Capital

C Semi Variable Working Capital

D Fixed working capital

Solution

Permanent Working Capital

- It is also known as Fixed Working Capital.
- It is the capital; the business concern must maintain certain amount of capital at minimum level at all times.
- The level of Permanent Capital depends upon the nature of the business.
- Permanent or Fixed Working Capital will not change irrespective of time or volume of sales.

2. ----- Venture Capital is the first Venture Capital Financing in India

A SBI

B HDFC

C ICICI

D Punjab National Bank

Solution

Venture Capital in India

- ICICI Venture Capital is the first Venture Capital Financing in India.
- It was started in 1988 by the joint venture of ICICI and UTI.
- The UTI launched Venture Capital Unit Scheme (VECAUS-I) to raise finance in 1990.
- Technology Development and Information Company (TDICI) is another major Venture Capital financing institution in India.
- Risk Capital and Technology Finance Corporation Ltd. (RCIFC) provides Venture Capital finance to technology based industries.

3. ----- refers to the act of conducting a financial transaction that has substantial risk of losing value but also holds the expectation of a significant gain.

A Arbitrage

B Speculation

C Gambling

D Swap

Solution

- “Speculation” in Foreign Exchange is an act of buying and selling the foreign currency under the conditions of uncertainty with a view to earning huge gains.
- “Speculation” in Foreign Exchange Market
- “Speculation” in Foreign Exchange is an act of buying and selling the foreign currency under the conditions of uncertainty with a view to earning huge gains.
- Often, the speculators buy the currency when it is weak and sells when it is strong.
- Also, if the spot rate of the currency is expected to increase in the future, then the speculator buys forward and sell “on the spot” the currency bought by him.

- On the contrary, if the speculator anticipates a fall in the exchange rate, then he “sells forward” at the current rate and buy the spot when the currency is needed for the delivery.
- The speculation is said to have both the stabilizing and destabilizing impact on the exchange rate.

4. Match the following:

| List 1 | List 2 |
|--------------------------|---|
| Perfect market | New firm enjoys absolute power over the market |
| Monopolistic Competition | Absence of competition and single seller |
| Oligopoly | Market which is dominated by small number of sellers |
| Monopoly | Many sellers producing differentiated products which are closely identical to one another |

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

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

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

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

Solution

| List 1 | List 2 |
|----------------|--|
| Perfect market | New firm enjoys absolute power over the market |

| List 1 | List 2 |
|--------------------------|---|
| Monopolistic Competition | Many sellers producing differentiated products which are closely identical to one another |
| Oligopoly | Market which is dominated by small number of sellers |
| Monopoly | Absence of competition and single seller |

In a perfect competition market structure, there are a large number of buyers and sellers. All the sellers of the market are small sellers in competition with each other. There is no one big seller with any significant influence on the market. So all the firms in such a market are price takers. In a monopoly type of market structure, there is only one seller, so a single firm will control the entire market. It can set any price it wishes since it has all the market power. In monopolistic competition, there are still a large number of buyers as well as sellers. But they all do not sell homogeneous products. The products are similar but all sellers sell slightly differentiated products. Oligopoly is defined as a market organisation in which there are few sellers of the homogenous or differentiated products. The number of sellers depends on the size of the market.

5. ----- is offering goods and services for money .

A Selling

B Merchandising

C Marketing

D None of the above

Solution

SELLING

- Selling is offering goods and services for money.
- In selling the seller exchanges goods for cash from the buyer.
- So buying is the other side of selling
- In other words , selling is not possible without buying .
- Selling is not the synonym of marketing even though some people interchangeably use the two terms .
- Selling is a narrow concept which is used to refer the exchange function of marketing .

6. ----- refers to the collection of products to be offered to the customers.

A Product

B Product line

C Product mix

D None of the above

Solution

PRODUCT DECISION AREAS

The major decision making areas based on product are as follows ;

1. Product line- It refers to the collection of products to be offered to the customers .
2. Style , shape , design , colour , quality and other physical features of a product
3. Packaging and labeling of a product
4. Branding and trade mark given to a product .
5. Product servicing and channel of distribution.
6. Product pricing .

7. ----- is a process of helping and stimulating the customers to purchase a product or service through oral presentation.

A Advertising

B Personal selling

C Sales promotion

D Publicity

Solution

- Personal selling is a face-to-face selling technique by which a salesperson uses his or her interpersonal skills to persuade a customer in buying a particular product.
- The salesperson tries to highlight various features of the product to convince the customer that it will only add value.
- However, getting a customer to buy a product is not the motive behind personal selling every time.
- Often companies try to follow this approach with customers to make them aware of a new product.

8. Which of the following statements are true regarding market segmentation?

1) segmentation is the process of dividing a heterogeneous market in two different homogeneous segments to facilitate the marketing of products in the target market.

2) Positioning stage is the first stage in market segmentation process

3) Market segmentation is popularly known as STP (Segmenting, Targeting & Positioning)

4) Market segmentation is very beneficial and practical in the case of a market where the buyers are small in number.

A 1 , 2 & 3 Only

B 2 , 3 & 4 Only

C 2 & 4 Only

D 3 & 4 Only

Solution

Statement 2 is false because, Positioning stage is the final stage in market segmentation process Statement 4 is false because Market segmentation is not beneficial and practical in the case of a market where the buyers are small in number.

Market Segmentation

- Market segmentation is a marketing term that refers to aggregating prospective buyers into groups or segments with common needs and who respond similarly to a marketing action.
- Market segmentation enables companies to target different categories of consumers who perceive the full value of certain products and services differently from one another.
- Market segmentation seeks to identify targeted groups of consumers to tailor products and branding in a way that is attractive to the group.
- Markets can be segmented in several ways such as geographically, demographically, or behaviorally.
- Market segmentation helps companies minimize risk by figuring out which products are the most likely to earn a share of a target market.

9. Which model of consumer behaviour is also known as learning model?

A Economical model

B Sociological model

C Psychoanalytical model

D Psychological model

Solution

Psychological Model

- This model is also known as the learning model
- According to this model the learning of people leads to changes in their behaviour .
- It assumes that consumer behaviour is based on drives (internal urges) , stimuli (things which arouses the need) and responses (reaction to a stimulus) .
- For example , a hungry person becomes happy when he sees food
Here the need is alleviation of hunger and the stimulus is food .
- The behaviour of happiness occurs as a result of the learning that eating food can alleviate hunger.
- Firms following psychological model , studies the internal drives , stimuli and responses of the consumers to understand their buying

behaviour .

10. ----- are generic in nature and are a way for a firm to pursue its competitive advantage across the market scope of choice.

A Life-time Value of Customers

B Cost and Revenues

C Generic Strategy Returns

D Marketing Profitability

Solution

- Generic strategies are generic in nature and are a way for a firm to pursue its competitive advantage across the market scope of choice.
- The advantage can be in the form of low cost or product differentiation.
- Considering these advantages and scope three generic strategies can be made: Cost leadership, Differentiation strategy, and Focus strategy.

11. The process of strategizing ways to continuously support and maintain a product is called -----.

A Product positioning Management

B Product Development Stage Management

C Product life cycle management

D Product life cycle stages

Solution

Product Life Cycle:

- The term product life cycle refers to the length of time a product is introduced to consumers into the market until it's removed from the shelves.
- The life cycle of a product is broken into four stages—introduction, growth, maturity, and decline.
- This concept is used by management and by marketing professionals as a factor in deciding when it is appropriate to increase advertising, reduce prices, expand to new markets, or redesign packaging.
- The process of strategizing ways to continuously support and maintain a product is called product life cycle management.

12. A sales representative at an electronics retailer suggests that a customer buying a digital camera also buys a memory card.

Which type of selling is mentioned here?

A Direct selling

B Customer value selling

C Cross-selling

D Link-selling

Solution

- Cross-selling is the practice of marketing and selling additional products, usually done by a salesperson who has a customer relationship; often practiced in the financial services industry.
- It is a strategy used to increase customer loyalty and deepening customer relationships which in turn can improve customer lifetime value and retention.
- For example, a sales representative at an electronics retailer suggests that a customer buying a digital camera also buys a memory card.

13. ----- highlights a particular feature or a brand attribute that enhances the product or service which can become a point-of-parity.

A Umbrella Branding

B Ingredient Branding

C Salience Branding

D Co-Branding

Solution

Ingredient Branding

- Ingredient branding is a marketing strategy where the constituent of business is branded as a separate entity.
- It helps in adding value to the parent company which makes their product rank higher than the products of its competitors.
- It is a particular type of brand collaboration that is different from co-branding.
- It highlights a particular feature or a brand attribute that enhances the product or service which can become a point-of-parity.
- For example, Intel's Intel Inside, Intel Inside is actually credited with the conception of ingredient branding back in the '90s, and was the

first success story of having an ingredient helping to promote their business.

14. ----- refers to a process that a business has in place to measure and improve how the company interacts with and influences customers.

A Customer Relationship Management

B Total Quality Managment

C Integrated Marketing Communication

D Efficient Consumer Selling

Solution

- Customer relationship management (CRM) is the combination of practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle.
- The goal is to improve customer service relationships and assist in customer retention and drive sales growth.
- CRM systems compile customer data across different channels, or points of contact, between the customer and the company, which could include the company's website, telephone, live chat, direct mail, marketing materials and social networks.
- CRM systems can also give customer-facing staff members detailed information on customers' personal information, purchase history, buying preferences and concerns.

15. ----- is the stimulation of any portion of desire operating upon one's will and promoting or driving it action.

A Motivation

B Training

C Leadership

D Supervision

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.
- For example, promotion is a motivating factor as employees work to achieve preset targets for getting a promotion. Motivation can be monetary, e.g., rewards given in the form of a car or a hike in the salary or it can be non-monetary in the form of public appreciation.
- Motivation is the inner drive that directs a person's behavior toward goals.
- Motivation can be defined as a process which energizes, directs and sustains human behavior.
- In HRM the term refers to person's desire to do the best possible job or to exert the maximum effort to perform assigned tasks.

- An important feature of motivation is that it is behavior directed towards goal.

16. Identified motivation is also called as ---- .

A Incentive motivation

B Fear motivation

C Self determined motivation

D None of the above

Solution

Identified Motivation

- Sometimes called “self-determined motivation”.
- This is the most complex of the motivation forms because it builds up over time and isn’t something that can be created or instilled in a person with the snap of a finger.
- Identified motivation presents itself as feeling the need to perform or accomplish a task but not acting on the need until the desire to do so actualizes.
- While it’s often impractical to wait for someone to become motivated, this form of motivation is potent because the act of actualizing motivation creates lasting accomplishment and performance enhancement.

17. Which of the following statements are true regarding job enlargement?

- 1. Job enlargement is a motivational technique.**
- 2. Job enlargement focuses on enlarging job by increasing task and responsibilities.**
- 3. Due to job enlargement productivity may rise in the short run.**

A 1 Only

B 2 Only

C 3 Only

D 1 , 2 & 3

Solution

Statement 3 is false because Due to job enlargement productivity may fall in the short run.

- The definition of job enlargement is adding additional activities within the same level to an existing role.
- This means that a person will do more, different activities in their current job.
- For example, an employee who will now also manage her own planning where this was formerly done by her manager.

- Job enlargement is a key technique in job redesign, along with job enrichment, job rotation, and job simplification.
- Job enlargement is often confused with job enrichment. However, there is a distinct difference.
- Job enlargement aims at broadening one's job in order to make the job more motivating.
- Job enrichment is the process of adding motivators to existing jobs.
- This means that job enlargement is a way to do job enrichment but not all job enrichment activities are also considered job enlargement.

18. MBO is basically a ---- oriented process

A Future

B Present

C Both A & B

D Neither A nor B

Solution

- Management by objectives (MBO) is a strategic management model that aims to improve the performance of an organization by clearly defining objectives that are agreed to by both management and employees.
- According to the theory, having a say in goal setting and action plans encourages participation and commitment among employees, as well as aligning objectives across the organization.
- Management by objectives (MBO) is a strategic management model that aims to improve organizational performance by clearly defining objectives that are agreed to by both management and employees.
- According to the theory, having a say in goal setting and action plans encourages participation and commitment among employees, as well as aligning objectives across the organization.

- Critics of MBO argue that it leads to employees trying to achieve the set goals by any means necessary, often at the cost of the company.

19. Match the following :

| List 1 | List 2 |
|-----------------------------------|---------------------------------------|
| 1 . Production centred leadership | a . Leader has a powerful personality |
| 2 . Employee centred leadership | b . Delegative leadership |
| 3 . Laissez faire leadership | c . Relation oriented leadership |
| 4 . Charismatic leadership | d . Task-oriented leadership |

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

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

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

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

Solution

| List 1 | List 2 |
|-------------------------------|------------------------------|
| Production centred leadership | Task-oriented leadership |
| Employee centred leadership | Relation oriented leadership |

| List 1 | List 2 |
|--------------------------|-----------------------------------|
| Laissez faire leadership | Delegative leadership |
| Charismatic leadership | Leader has a powerful personality |

20. Just in time production is also called -----

A Continuous improvement approach

B Hand to mouth approach

C Shared responsibility approach

D Increased total quality approach

Solution

Just in Time Production

- Just in Time (JIT) production is also called hand to mouth approach to production .
- JIT focusses attention on eliminating waste by purchasing or manufacturing just enough of the right items just in time .
- JIT attacks the problem of bloated inventories that hamper productivity and profitability .
- JIT approach when applied to human resources implies multifunctional workers .
- These workers are a key factor in designing of streamlined process .
- The processes are designed in such a way that each worker can handle two or more machines and move from one centre to another .

- Development of such workers not only decreases the number of workers and increases productivity but also increase team work and morale among the workers .
- The potential benefits of JIT include quality improvement , higher productivity , lower cost , less work in process , less inventory of raw materials , finished goods , saved space , increased team work , higher worker's morale and motivation .

21. Gate recruitment is suitable for ---- workers.

A Unskilled

B Skilled

C Managerial

D None of the above

Solution

Gate Recruitment

- Unskilled workers may be recruited at the factory gate .
- In some industries like jute a large number of workers work as badli or substitute workers .
- These may be employed whenever a permanent employee is absent .
- More efficient among these badli workers may be recruited to fill permanent vacancies
- A notice on the notice board of the company specifying the details of the Job Vacancies can be put .
- Such recruitment is called direct recruitment .
- It is a very economical method and used mainly for unskilled and casual job

22. ----- is the use of technology to assist the recruitment process

A Talent pool databases

B E - recruitment

C Employee referrals

D Boomerang employees

Solution

- E - recruitment is the use of technology to assist the recruitment process .
- They advertise job vacancies through worldwide web .
- The job seekers send their applications or curriculum vitae i.e. CV through e - mail using the Internet .
- Alternatively job seekers place their CV's in worldwide web , which can be drawn prospective employees depending upon their requirements .

23. Under which method of evaluation of application form, application forms are analysed in such a way that all possible inferences are brought about candidates from the information supplied?

A Weighted method

B Weighted average method

C Clinical method

D Scientific method

Solution

Evaluation of Application Application forms may be evaluated in the following ways :

1. Clinical Methods*

- Under this method application forms are analysed in such a way that all possible inferences are drawn about candidates from the information supplied .
- The personnel traits are projected in such a way that the suitability of candidates is evaluated against the job requirements .
- The clinical method makes the use of psychology in framing the application form and then evaluating it .

2. Weighted Method

- In this method different points / traits are assigned weights .
- The points are given after reading the answers of applicants in the forms .
- In developing a weighted application form it is necessary to identify those items of the personnel .

24. Match the following list 1 with list 2 :

| List 1 | List 2 |
|--|--|
| (i) HR planning ensures | (a) other business policies |
| (ii) HR planning should be integrated with | (b) monitoring and control phase |
| (iii) HR planning ensures a continuous | (c) effective utilisation of human resources . |
| (iv) Appraisal is a | (d) Supply of trained people . |
| (v) Each level of HR planning has its own | (e) objectives and techniques |

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

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

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

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

Solution

| List 1 | List 2 |
|--|--|
| (i) HR planning ensures | effective utilisation of human resources . |
| (ii) HR planning should be integrated with | other business policies |
| (iii) HR planning ensures a continuous | Supply of trained people . |
| (iv) Appraisal is a | monitoring and control phase |
| (v) Each level of HR planning has its own | objectives and techniques |

25. The process of Human Resource Planning should begin at -----.

A Plant Level

B Departmental Level

C Divisional Level

D Top Level

Solution

1. Plant Level

- Manpower planning at the plant level can be conducted by an operating manpower plan for the next year , including the number of employees required and the resources which could be utilised to meet these requirements .
- It would also determine the number of promotable employees for the annual manpower plan .
- Finally the committee will evaluate these plans in the light of expected changes of all kinds within the next five years with the help of manpower planning experts .

26. --- is the central location for the managers may come together to participate in job related exercises evaluated by trained observers.

A Valuation centre

B Assessment centre

C Evaluation centre

D None of the above

Solution

- An assessment centre is a central location where the managers may come together to participate in job related exercises evaluated by trained observers .
- The principle idea is to evaluate managers over a period of time , by observing and later evaluating their behaviour across a series of select exercises or work samples .
- Managers are asked to participate basket exercises , work groups (without leaders) , computer stimulations , role playing and other similar activities which require the same attributes for successful performance as on the actual job .
- After recording their observations , the observations are discussed

27. Which of the following is a performance appraisal criteria for lower level managers?

A Labour cost per unit

B Material cost per unit

C Quantity and quality of output

D All of the above

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 .

28. ----- is a systematic development of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job.

A Knowledge

B Education

C Training

D Motivation

Solution

MEANING DEFINITIONS OF TRAINING

- Training may be viewed as a systematic and planned process which has its organisational purpose to impart and provide learning experiences , that will bring about improvement in an goals and objectives of an organisation .
- Training is an organised procedure for increasing the knowledge and skill of people for a specific purpose .
- The trainees acquire new skill , technical knowledge , problem - solving ability . etc.
- It also gives an awareness the rules and procedures to guide their behaviour .

- Training improves the performance of employees on present jobs and prepares them for taking up new assignments in future .

Definitions

According to Edwin B. Flippo , " Training is the act of increasing the knowledge and skill of an employee for doing a particular job"

According to Michael J. Jucius , " The term training is used here to indicate only process by which the aptitudes , skills and abilities of employees to perform specific jobs are increased . "

According to Richard P. Calhoun , " The function of training is the process of aiding employees to gain effectiveness in their present and future work . "

According to Dales S. Beach , " Training is an organised procedure by which people learn knowledge and / or skills for a definite purpose . "

According to Michael Armstrong , " Training is the systematic development of the knowledge , skills and attitudes required by an individual to perform adequately a given task or job . " According to Mathis and Jackson , "

29. The ---- should implement and apply various developmental plans.

A Top management

B Personnel department

C Line supervisor

D Employees

Solution

DESIGNING A TRAINING PROGRAMME

- Once training objectives and policy are decided , an appropriate training programme can be designed and conducted .

(a) The Top Management . should frame and authorise the basic training policy , review and approve the training plans and programmes and approve training budgets .

(b) The Personnel Department . should plan , establish and evaluate instructional programmes .

(c) The Line Supervisor . should implement and apply various developmental plans .

(d) The Employees . should provide feedback , revision and suggestions for improvements in the programme .

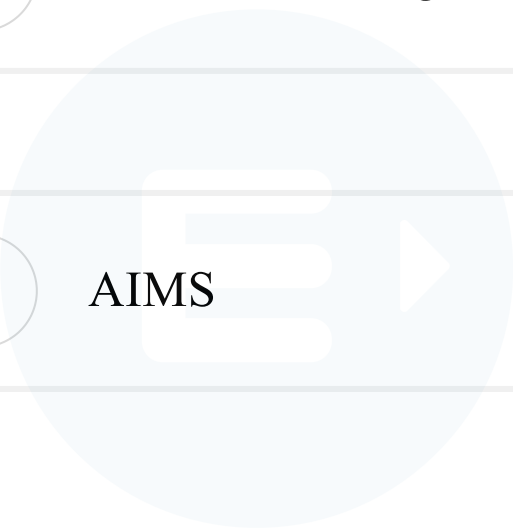
30. Which institution provides apprenticeship training in India?

A VAMNICOM

B ITI

C Pinnacle training India

D AIMS



ENTRI

Solution

Apprenticeship Training

- The ' Apprenticeship ' system is perhaps the oldest and most commonly used method for training in industrial crafts , trades and technical areas .
- In this method , theoretical knowledge and practical learning are provided to trainees in training institutes .
- In India , the government different functional areas . He attains a better sense of his own career objectives and interests .
- Rotation allows the trainees to build rapport with a large number of individuals within the organisation and facilitates future co - operation among departments .
- The cross trained personnel will be more flexible in future in case of transfers , promotions or replacements .



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