FEDERAL PUBLIC SERVICE COMMISSION

COMPETITIVE EXAMINATION FOR RECRUITMENT TO POSTS IN BPS-17, UNDER THE FEDERAL GOVERNMENT, 2004

BUSINESS ADMINISTRATION

TIME ALLOWED: THREE HOURS MAXIMUM MARKS: 100

NOTE: Attempt **FIVE** questions in all, including **Question No. 7** which is **COMPULSORY**. Select at least ONE question from each of the **PARTS I, II and III**. All questions carry **EQUAL** marks.

PART-I: (MANAGEMENT)

1. How does effective managing take advantage of motivation? Explain any THREE Special Motivational Techniques used by managers.

2. Briefly explain the BASIC CONTROL PROCESS. Also explain the requirements for effective controls. (5 + 15)

PART-II: (PRINCIPLES OF MARKETING)

3. Explain the several types of channels available to the manufacturer. What influence does each of the following factors have on the choice of marketing channels? (5 + 15)

   (a) the product (b) the market
   (c) the manufacturer's organization

4. Explain the following management activities relating to staffing and operating a sales force:

   (a) Recruitment and Selection (b) Training a sales force
   (c) Supervising a sales force

PART-III: (FINANCIAL MANAGEMENT)

5. The Royal Corporation manufacturers only one product: Yewa. The single raw material used in Yewa is the larg. For each Yewa manufactured, 12 largs are required. Assume that the company manufactures 150,000 Yewas per year, that demand for largs is perfectly steady throughout the year, that it costs Rs.=200 each time largs are ordered, and the carrying costs are Rs. 8 per larg per year.

   (a) Determine the economic order quantity(EOQ) of largs. (7)
   (b) What are total inventory costs for Royal(total carrying costs plus total ordering costs)? (7)
   (c) How many times per year would inventory be ordered? (6)

6. (a) Why might it be possible for a company to make large operating profits, yet still be unable to meet debt payments when due? What financial RATIOS might be employed to detect such a situation? (10)

   (b) Briefly explain the key variables considered by the portfolio manager of a company for purchasing marketable securities. (10)

COMPULSORY QUESTION

7. (A) Write only "True" or "False" in the Answer Book. Do not reproduce the question.

   (1) In a large corporation, the firm's owners are usually its top managers.

   (2) The basic information needed to construct a flow of funds statement is found on the income statement.

(3) The operating break-even point is the point at which operating profits equal revenues minus operating costs.

(4) A sinking fund is a poorly performing mutual fund whose net asset value is declining.

(5) Penetration Pricing is used when a marketer introduces a new-product at a relatively high price.

(6) The most common channel for consumer products is manufacturer-retailer-consumer.

(7) In the classification of consumer products, convenience products are usually more expensive than shopping products.

(8) During the maturity stage of the PLC, sales increase at faster rate than during any other stage.

(9) A wide span of management results in few organizational levels, and a narrow span results in many levels.

(10) The LINE relationship involves making decisions and acting on them.

(11) Data is defined as "formal system of gathering, integrating, comparing, analyzing, and dispersing information internal and external to the enterprise in a timely, effective and efficient manner".

(12) A manager who believes that people inherently dislike work probably accepts McGregor's Theory X.

(B) Write only the correct answer in the Answer Book. Don't reproduce the question.

(13) If a manufacturer gives a 30 percent discount to retailers and a 10 percent discount to wholesalers, which type of discount is being given?
(a) Quantity (b) Cash
(c) Functional (d) Seasonal

(14) Publicity differs from advertising in as much as:
(a) It is directed at large numbers of consumers
(b) Its message is of a non-personal nature
(c) It is carried by the mass media
(d) It is a non-paid Form of reaching the public

(15) In which stage of the PLC are promotion expenses per product item usually highest?
(a) Introduction (b) Growth
(c) Maturity (d) Decline

(16) Which of the following is <u>not</u> a disadvantage of using a Committee?
(a) High cost in time and money (b) Splitting of responsibility
(c) Group deliberation and judgment (d) Compromise decisions

(17) Identify the Organization established by our Federal government to regulate security markets:
(a) SBP (b) SEC
(c) NAB (d) NFC

(18) If the credit terms are 2/10, net 30 and the amount of invoice is Rs. 4000, how much is the discount if the invoice is paid in 20 days?
(a) Zero (b) Rs. 30 (c) Rs.60 (d) Rs.120

(19) Which of the following is <u>not</u> part of the promotion-mix?
(a) Public relations (b) Product planning
(c) Personal selling (d) Advertising

(20) Selling activities include:
(a) Sales presentations (b) Demonstrations (c) Handling objections
(d) Closing the sale (e) All the above

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