BUSINESS ADMINISTRATION

FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION FOR
RECRUITMENT TO POSTS IN BPS-17 UNDER
THE FEDERAL GOVERNMENT, 2009

BUSINESS ADMINISTRATION

S.No.	
R.No.	

TIME ALLOWED:	(PART-I) 30 MINUTES	MAXIMUM MARKS:20
	(PART-II) 2 HOURS & 30 MINUTES	MAXIMUM MARKS:80

NOTE: (i) **First** attempt **PART-I (MCQ)** on separate **Answer Sheet** which shall be taken back after **30 minutes.**
(ii) **Overwriting/cutting of the options/answers will not be given credit.**

PART – I (MCQ)
(COMPULSORY)

Q.1. Select the best option/answer and fill in the appropriate box on the Answer Sheet. (20)

(i) The key inputs into Discounted Cash Flow analysis are projected future cash flows.
(a) True (b) False

(ii) Market demand for a product is the total volume that would be sold by a defined customer group:
(a) True (b) False

(iii) Operational plans apply to the entire organization and establish the organization's overall goals.
(a) True (b) False

(iv) Preferred stock has a fixed dividend paid every period forever so preferred stock is essentially a perpetuity.
(a) True (b) False

(v) The cost of debt is the return that the firm's debtors demand on new borrowing.
(a) True (b) False

(vi) With the Internal Rate of Return, we try to find a single rate of return that summarizes the merits of a project.
(a) True (b) False

(vii) IBM is example of a manufacturer brand.
(a) True (b) False

(viii) Modifying job responsibilities is an example of structural change:
(a) True (b) False

(ix) _____ is a statement reporting the effects of a firm's operating, investing and financing activities on cash flows over an accounting period.
(a) Income statement (b) Annual report (c) Cash flow statement
(d) Balance sheet (e) None of these

(x) _____ studied five chief executives at work and identified ten managerial roles.
(a) Max Weber (b) Henry Fayol (c) Henry Mintzberg
(d) Fredrick Taylor (e) Michael Porter

(xi) A product life cycle _____.
(a) Shows how a product sales or profits may rise or fall over its life
(b) Tells you how long a product will sell for and make a profit
(c) Is divided into three stages (d) Show how profitable a product will be
(e) None of these

(xii) All of the following are fixed assets except:
(a) Building (b) Stocks (c) Production plant
(d) Vehicles (e) None of these

(xiii) What is the influencing environmental factor when interest rates increase and firms find it difficult to borrow funds?
(a) political factor (b) social factor (c) economic factor
(d) technological factor (e) competitive factor

(xiv) Which of the following is not a market-entry strategy?
(a) Licensing (b) Indirect exporting (c) Joint venture
(d) International marketing (e) None of these

(xv) _____ is information about physical working conditions, work schedule and the organizational and social context of the job.
(a) Job specification (b) Job context (c) Work activities
(d) HR policy manual (e) None of these

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(xvi) The liquidity of a firm is a measure of _____.
- (a) Its ability to pay bills
- (b) Its ability to respond to changes in demand
- (c) How flexible it is in its production planning
- (d) How quickly and easily a firm could relocate to another site
- (e) None of these

(xvii) Market share means _____.
- (a) How well a firm is doing
- (b) How much power a firm has in the market
- (c) How many firms are there in the market
- (d) How big a market is
- (e) None of these

(xviii) _____ refers to a management philosophy that requires employers to continuously set and relentlessly meet ever high quality, cost, delivery and availability goals.
- (a) Performance management
- (b) Performance appraisal
- (c) Continuous improvement
- (d) Management by objective
- (e) None of these

(xix) Beta _____.
- (a) is a measure of firm specific risk
- (b) is a measure of market risk
- (c) is a measure of total risk
- (d) All of these
- (e) None of these

(xx) What is the price of a stock that is expected to pay a 1.00 dividend next year if the cost of capital is 14% and the growth rate is zero?
- (a) 7.14
- (b) 6.75
- (c) 11.9
- (d) 6.13
- (e) None of these

PART – II

NOTE:	**(i)** **PART-II** is to be attempted on the separate **Answer Book.** **(ii)** Attempt **ONLY FOUR** questions from **PART-II**. All questions carry **EQUAL** marks, selecting at least **ONE** question from each Section. **(iii)** Extra attempt of any question or any part of the attempted question will not be considered.

SECTION-I: MANAGEMENT

Q.2. What do you understand by 'efficiency' and 'effectiveness' in management? In today's environment, which one of the two is more important to organizations? Explaing your choice. **(10+10)**

Q.3. What is work specialization? How can the concept of specialization be applied to institutions such as universities and government agencies? **(10+10)**

SECTION-II: PRINCIPLES OF MARKETING

Q.4. Identify some major factors that drive the new economy and explain what changes these factors have brought to marketing? **(20)**

Q.5. What is the role of advertising in marketing? Select an example to illustrate what you believe to be good advertising and why? **(20)**

SECTION-III: FINANCIAL MANAGEMENT

Q.6. What is ratio analysis? List four ratios and explain what they are used for? Discuss various benefits and drawbacks of ratio analysis? **(5+5+10)**

Q.7. Assume that it is now January 1, 2009. On January 1, 2010 you will deposit Rs. 1000 into a savings account that pays 8 percent.
- (a) If the bank compounds interest annually, how much will you have in your account on January 1, 2013? **(5)**
- (b) What would your January 1, 2013, balance be if the bank used quarterly compounding rather than annual compounding? **(5)**
- (c) Suppose you deposited Rs. 1000 in four payments of Rs. 250 each on January 1, 2010, 2011, 2012 and 2013. How much would you have in your account on January 1, 2013, based on 8 percent annual compounding? **(5)**
- (d) Suppose you deposited four equal payments in your account on January 1 of 2010, 2011, 2012 and 2013. Assuming an 8 percent interest rate, how large would each of your payment have to be for you to obtain the same ending balance as you calculated in part (a)? **(5)**

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