



XAT

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*Decision Making
Practice Test*

Gautam Puri



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XAT

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2008-2012

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XAT DECISION MAKING Question 2008 - 2012

Questions 1 to 4: Read the following situations and choose the best possible alternative.

1. Seema was a finance manager in an MNC and felt that gender discrimination at the workplace hampered her career growth. Frustrated, she quit the job and started a company. While starting her company, Seema decided that she would have equal proportion of males and females. Over the next six years, Seema emerged as a very successful entrepreneur and expanded her business to eight locations in the country. However, Seema recently started facing an ethical dilemma because she realized that female employees were not willing to travel across cities and work late hours, as the work required them to do. Male employees did not hesitate undertaking such work. Seema started to feel the pressure of reducing the proportion of female employees. On the other hand, she is aware that equal representation was one of the strongest reasons for her to have founded the company. What should she do as a conscientious female entrepreneur?

- A. See if unwilling female employees could be given assignments which do not require travel and involve less overtime.
- B. Reduce the number of female employees, as it is a business requirement. She should not let anything affect her business.
- C. Let the status quo continue.
- D. Henceforth hire only male employees.
- E. She should close the business.

(2008)

2. You, a recruitment manager, are interviewing Mayank, a hard-working young man, who has problems in speaking fluent English. He has studied in vernacular medium schools and colleges. Amongst the following options, what would you choose to do, if your company has vacancies?

- A. I would hire him at all costs.
- B. I would hire him for the job he is good at, and provide training in other areas.
- C. I would hire him for production or finance job but not for marketing job, which requires good communication skills.
- D. I would ask him to improve his communication skills and come back again.

- E. I would not hire him as he might be a burden on organisation because of his poor communication skills.

(2008)

3. The city of Nagar has a population of 10 million, 2 millions amongst whom are rich, 3 million poor and 5 million belong to the middle class. Saundarya Cosmetics manufactured and sold beauty product to the rich class at a premium price. Its products were very popular with customers. Many people from the middle and poor segments of the population aspired to buy these products but could not afford because of the high prices. Of late, sales growth has been stagnating in the rich segment. Which of the following is the best option for Saundarya Cosmetics to maximize long-term profits?

- A. Sell the same products at lower prices to middle and poor classes.
- B. Sell similar products, of different quality standards with different brand names, to middle classes and poor classes.
- C. Sell its products under different brand names to middle and poor classes.
- D. Continue to target rich only and hope that today's middle class would be tomorrow's rich class.
- E. Target middle class as it is the largest segment and forget about the rich.

4. A database software manufacturing company found out that a product it has launched recently had a few bugs. The product has already been bought by more than a million customers. The company realized that bugs could cost its customers significantly. However, if it informs the customers about the bug, it feared losing credibility. What would be the most ethical option for the company?

- A. Apologize and fix up the bug for all customers even if it has to incur losses.
- B. Do not tell customers about bugs and remove only when customers face problems, even if it means losses for the customers.
- C. Keep silent and do nothing.
- D. Keep silent but introduce and improved product that is bug-free at the earliest.
- E. Take the product off the mark and apologize to customers.

(2008)

Read the following caselet and choose the best alternative (Question 5 to 10):

Mr. Rajiv Singhal, Chairman of the Board of Directors of Loha India Ltd., (a steel manufacturing company) had just been visited by several other directors of the company. The directors were upset with recent actions of the company president, Mr. Ganesh Thakur. They demanded that the board consider firing the president.

Mr. Thakur, recently appointed as president, had undertaken to solve some of the management-employees problems by dealing directly with the individuals, as often as possible. The company did not have a history of strikes or any other form of collective action and was considered to have good work culture. However, Mr. Thakur felt that by dealing directly with individuals, he could portray the management's concern for the employees. An important initiative of Mr. Thakur was to negotiate wages of the supervisors with each supervisor. In these negotiation meetings, he would not involve anyone else, including the Personnel Department which reported to him, so as to take an unbiased decision. After negotiation, a wage contract would be drawn up for each supervisor. This, he felt, would recognize and reward the better performers. Mr. Thakur successfully implemented the process for most of the supervisors, except those working in night shift with that of supervisors of the day shift.

For several days Ram Lal, a night shift supervisor, had been trying to seek and appointment with Mr. Thakur about his wages. He was disgruntled, not only over his failure to see the president, but also over the lack of discussions about his wage contract prior to its being effected. As a family man with six dependents, he felt his weekly wage should be higher than that granted to him.

Last Thursday afternoon Ram Lal stopped by the president's office and tried to see him. Mr. Thakur's secretary refused his request on the grounds that Mr. Thakur was busy. Infuriated, Ram Lal stormed into the president's office and confronted the startled Mr. Thakur, with stood up and told Ram Lal to get out of his office and express his grievance through official channel. Ram Lal took a swing at the president, who in turn punched Ram Lal on the jaw and knocked him unconscious.

5. The most important causal factor for this entire episode could be:
- A. Trying to follow a divide-and-rule policy in his dealings with the supervisors.
 - B. Inconsistent dealings of Mr. Thakur with supervisors.
 - C. Paternalistic approach towards mature individuals in the organisation.
 - D. Legalistic approach to employee problems.

E. Inadequate standards for measurement of supervisors' on-job performance.

(2008)

6. The situation with Mr. Lal could have been avoided if Mr. Thakur had
- 1. Delegated the task of negotiation of wage contracts for night shift employees to Personnel department.
 - 2. Created a process for supervisors working the night shift so that they could have and opportunity to interact with him.
 - 3. Created an open door policy that would have allowed employees to see him without any appointment.
 - 4. Postponed the decision of wage revision for supervisors in the night shift for two months, since supervisors were rotated on different shifts after every two months.

The option that best arranges the above managerial interventions in decreasing order of organisational impact is:

- A. 4, 2, 3, 1
- B. 4, 3, 2, 1
- C. 4, 3, 1, 2
- D. 4, 1, 2, 3
- E. 2, 3, 1, 4

(2008)

7. The most likely premise behind Mr. Thakur's initiative regarding individualised meetings with the supervisors seems to be
- A. Employee related policies should allow scope for bargaining by employees.
 - B. Involvement of company's president in wage problems of employees will lead to a better goodwill towards the management among the workers.
 - C. Individual agreements with supervisors would allow the management to prevent any possible collective action by the supervisors.
 - D. Management will be able to force supervisors to accept lesser wages individually in this way.
 - E. He would be able to know who the trouble makers in the plant are by interacting with the supervisors.

(2008)

8. Out of the following, which one seems to be the most likely cause of Ram Lal's grievance?
- A. His disappointment with the management's philosophy of having one to one interaction as the supervisors were in a way being forced to accept the wage contracts.
 - B. His being in the night shift had worked to his disadvantage as he could not interact with the management regarding his problem.
 - C. He was not allowed to meet chairman of the board of directors of the company.

- D. Employment in the night shift forced him to stay away from his family during the day time and therefore he could not interact with his family members much.
- E. All of these.

(2008)

9. Apart from the supervisors working the night shift, executives of which department will have most justified reasons to be disgruntled with Mr. Thakur's initiative?
1. Production department - for not being consulted regarding the behaviour of the supervisors on the shop floor.
 2. Finance department - for not taken into confidence regarding the financial consequences of the wage contracts.
 3. Marketing department - for not being consulted on the likely impact of the wage contracts on the image of the company.
 4. Quality control - for not being able to give inputs to Mr. Thakur on how to improve quality of steel making process.
 5. Personnel department - for it was their work to oversee wage policies for employees and they had been ignored by Mr. Thakur.
- A. 1 + 2 + 3 B. 1 + 4 + 5
C. 1 + 2 + 5 D. 1 + 3 + 4
E. 3 + 4 + 5

(2008)

10. Which of the following managerial attributes does Mr. Thakur seem to lack the most?
- A. Emotional instability under pressure.
 - B. Proactive problem solving.
 - C. Ethical behaviour.
 - D. Emotional stability under pressure.
 - E. Independent decision making.

(2008)

Read the following caselet and choose the best alternative (Questions 11 to 14):

Shekhar, an MBA from Singapore returned to his hometown-Jamshedpur. Jamshedpur had a population of 10 lacs with one of the highest per capita income among Indian cities. Shekhar loved music. While listening to his favourite song on "satellite radio", he wondered if he could mix his passion with business. Incidentally, a few weeks later, while browsing the Internet, he came across an advertisement from Music World, which called for *expression of interest* from potential franchisees. Jamshedpur did not have a single good music outlet, where its residents could buy quality, variety and the latest from the world of music.

Music World wanted the potential franchisees to own minimum 1200 square feet space and invest Rs. 30 lacs. Profits were to be shared in the ratio of 3:7 between Music World and the franchisee. While Shekhar was excited about working with a renowned brand, he was worried if Rs. 30 lacs was too high an amount to shell out. He did not have the entire amount with him and was thinking of borrowing from the bank. He made enquiries with other Music World franchisees located in towns like Patna and Ranchi, as he expected similar football in Jamshedpur. A franchisee in Patna had sales revenue varying from 1-2 lacs rupees per month with profit margin in the range of 25-30%. Satisfied, Shekhar decided to proceed.

Soon, he was on a look out for the space. Jamshedpur had three main areas – Bistupur, Sakchi and Sonari. All areas were inter-connected by good roads. Bistupur was a business area where most of the high-end retail formats were located. Most upper middle class and higher-class customers shopped there. It was also the education hub of the city. On the other hand, Sakchi was a growing lower middle class business area and Sonari had mostly residential population.

Shekhar was in favour of choosing Bistupur as it was the place where he shopped. However, he soon stumbled across problems. Not only it was difficult to obtain space in Bistupur but property rentals touch 30-40 rupees per square feet per month. Rentals at Sakchi and Sonari were in the range of 15-20 rupees per square feet per month. Also, Shekhar's friend, who stayed in Sakchi, told him that a few branded outlets were opening in Sakchi and it seemed to be the fastest growing market in Jamshedpur, with highest ratio of teenagers. But, Shekhar was not in favour of Sakchi due to its low image. He expected to target the growing crowd in Bistupur.

High real estate prices in Bistupur and his low assessment of the Sakchi market created confusion in Shekhar's mind. To give the decision some serious and fresh thought, he decided to hit the Jamshedpur-Ranchi highway in his newly acquired car.

11. Suppose sales in Patna and Bistupur are likely to be same, how many years would it take for Shekhar to recoup the investment (consider Zero inflation)?
- A. Less than five years.
 - B. Less than Seven years.
 - C. Less than eight years.
 - D. Less than nine years.
 - E. Maybe never.

(2009)

12. What could be the most likely reason for Shekhar's bias in favour of Bistupur?
- Presence of a college going crowd, as he felt they were the customers for the latest music.
 - Crowded (hoi polloi) image of Sakchi.
 - It was difficult for Shekhar to associate non-Bistupur areas with good quality products.
 - Higher rentals in Bistupur.
 - Patronage of Bistupur shops by executives and their families.

(2009)

13. How best should Shekhar resolve his confusion?
- By investing in the franchise.
 - Do not invest in the franchise and look for different brand name(s).
 - Go back to Singapore and start looking for a job.
 - Do a further in-depth study to find the drivers and potential of the business.
 - Approach another music company for setting up a franchise.

(2009)

14. Which one of the following is the most important decision criterion in such a business situation?
- Financial capability of entrepreneur.
 - Changes in music industry.
 - Future market growth.
 - Profitability of business in first couple of years.
 - Real Estate prices.

(2009)

Read following caselet and choose the best alternative (Question 15 to 18)

Om Chowdhury was one of the supervisors in the Fire and Safety (F&S) department of Maqsood Textile Mills. He was a distant cousin to Mr. Bhiwani, General Manager (Personnel & Administration). Personnel & Administration department was given the responsibility of all personnel related decisions. It was often rumoured that Om had obtained the job due to his cousin's influence. However, Om was meticulous in the performance of his duties and didn't give anyone a reason for complaint. It was known that Om was not much given to talking and kept to himself and to his duties.

All F&S supervisors reported to Mr. Rabindra, the shop-floor manager. The mill operated on a three-shift basis and Rabindra allocated the supervisors to different shifts. They were required to be present at all times during the shift operation and carry out scheduled checks of machinery and fire fighting equipments. For some reasons, Om was allotted the night shift more often than other supervisors. Om accepted these allocations without any objection, while it was known that other supervisors would

often plead and bargain with Rabindra to be allocated the day shifts. During the night shift keeping awake and remaining mentally alert were some of the major challenges faced by the supervisors.

Of late, Rabindra observed signs of indifference from Om. On two occasions he found Om absent from his cabin. Rabindra heard from others that Om was often found in different parts of the shop floor talking to employees. Rabindra called him to his office and reminded Om of his responsibilities. Om did not counter Rabindra. He promised that he would not be lax in his duties again. Rabindra also broached the subject with Mr. Bhiwani. Mr. Bhiwani called Om to his office and talked on a very personal basis. He reminded Om that their family relations made it uncomfortable to all concerned. Om nodded and agreed to do better. Soon his performance became that of a model supervisor. It was often found he went beyond his official duties to sort out the problems of employees.

About three months later, Rabindra happened to visit the plant during the night. As he looked into F&S office, he found Om playing solitaire on the office computer. Mr. Rabindra immediately fired Om.

The next morning Mr. Bhiwani called Mr. Rabindra and asked how he can fire an employee. He suggested that Mr. Rabindra reconsider Om's dismissal. "This decision has already been made. There will be no turning back" replied Rabindra.

15. Out of the options below, which one best summarizes the learning from solitaire incident?
- Managers often do not take any responsibility towards training juniors.
 - People tend to become relaxed during night shift and require surprise checks to keep them on their toes.
 - Certain roles would have different ways of carrying out their duties.
 - Having relatives in the same organisation can be a source of potential problems.
 - Managers tend to allocated silent people to difficult positions.

(2009)

16. The options below give combinations of possible root causes of the problem and the justifications thereof. Given the details in the case, which one can be inferred to be the best option?
- Hiring of Om. **Reason:** That ensured Om was perpetually casual towards his duties.
 - Om favouring to work during the night shift. **Reason:** Absence of Rabindra ensured that Om could relax.
 - Rabindra bias against Om. **Reason:** Rabindra had been assigning too many night shifts to Om while for other supervisors he was lenient.

- D. Rabindra jumping to conclusions. **Reason:** He should have investigated whether Om had carried out his duties.
- E. Rabindra's firing of Om. **Reason:** It led to clash between Rabindra and Mr. Bhiwani.

(2009)

17. The details of the entire episode have become common knowledge among all the employees of the company. Out of the options below, which one presents the best way for the top management to resolve the issue so as to benefit the organization as a whole?
- A. Revoke Rabindra's order. It can be communicated to others that firing was too severe a punishment for such a small incident of indiscipline.
 - B. Ask Om for clarification. It can be communicated that since Om had clarified regarding his duties, the order has been taken back.
 - C. Declare Rabindra's order as void. Reiterate officially the disciplinary processes that need to be followed by managers along with their scope of authority.
 - D. Ask feedback from other employees on the shop-floor regarding Om's performance. This can be used to revoke Rabindra's order.
 - E. Take the feedback of other F&S supervisors as to the work involved during night shift. This would better explain Om's behaviour.

(2009)

18. Of the options below, which could have been a better response from Mr. Rabindra when he saw Om playing?
- A. He should have clarified about his authority to fire employees.
 - B. He should have informed Mr. Bhiwani about the incident and asked him to take necessary action.
 - C. He should have asked the employees of the shift regarding Om's performance of his duties.
 - D. He should have checked if Om had done his duties or not.
 - E. He should have checked the production levels in the shift to see if it was as required.

(2009)

Read the following case and choose the best alternative (Question No. 19 to 22):

Guruji's guidance

Bhola, an avid nature lover, wanted to be an entrepreneur. He dreamt of establishing a chain of huts in Chatpur region to cater to tourists, who came attracted by the beauty and splendour of the Himalayas.

However, he was appalled by current degradation of the Himalayan environment. He remembered the early times when everything was so green, clean and peaceful. Now, greenery was replaced by buildings. Peace was shattered by honking of vehicles and flocking of tourists, and cleanliness was replaced by heaps of plastics.

Bhola had a strong sense of right and wrong. On speaking to few locals about the issue, he realized that the locals were aware of these issues. However, they pointed out the benefits of development: *Pucca* houses for locals, higher disposable income and with that, ability to send their children to better schools and colleges, better road connectivity, and access to latest technology in agriculture. Most locals wanted the development to continue.

Saddened by the lack of support from the locals, Bhola took up the issue with the government. He met the chief minister of the state to find out if government could regulate the developmental activities to prevent environmental degradation. However, the chief minister told Bhola that such an action would slow down the economic progress. That also meant loss of substantial tax revenues for the government.

Bhola needed to resolve the dilemma. Bhola always wanted to be an entrepreneur, who could contribute to the society and earn money as well. However, his business would also be responsible for destroying the environment. If he did not set up his business, he would not be able to earn money and contribute to the society.

After mulling over the issues, he went to his mentor "Guruji". Guruji realized that it was really a difficult puzzle: if one saves the environment, there seems to be no development and if the people and the government sought development, the environment and hence future of this planet and human beings was at stake. After careful thought, he felt that dilemma could be resolved. He fixed up a meeting with Bhola to answer Bhola's queries.

19. Should Bhola still think of doing business?
- A. Yes, where there is a will, there is a way.
 - B. No, saving the Earth for our children is more important than earning money.
 - C. Yes, Bhola should do business while ensuring no environmental damage is done.
 - D. Yes, but only if the government puts strict environmental regulations in place.
 - E. Bhola should stop thinking about such a dilemma.

(2010)

20. Bhola wanted to advise the government about the new tourism policy. Bhola had developed a few alternatives as given below. Choose the best alternative.
- Stop environmental degradation by stopping the developmental activities.
 - Forget about the environment; think about the people as they are the vote banks for politicians to come back to power.
 - Suggest that the government should try to promote eco-tourism, which would be controlled and regulated by the government, as the government could think about welfare of majority of stakeholders.
 - Suggest that the government should promote eco-tourism with public-private partnership with the involvement of NGOs, So that there are checks and balances for inefficiencies and promotion for synergetic efforts between the government and private entrepreneurs.
 - Involvement of impartial entities like NGOs who would provide a fair assessment of the policies.

(2010)

21. Bhola wished he was heading the government. He had listed down five concrete measures he would take if he were to head the government. Choose the best alternative.
- Charge environmental cess from all businesses operating out of Himalayas.
 - Charge cess from anyone who pollutes the environment, it be citizens or industries and reward those who have contributed to afforestation the most.
 - All profit making organizations have to take responsibility of afforestation proportionate to their profitability.
 - Think about maximizing the revenues and forget about the environment.
 - Institute a *Green Valley Reward*, which would be given to businesses highly active in afforestation efforts.

(2010)

22. Visualising he was heading the state government, Bhola thought of a likely problematic situation. Five years have passed. In these five years, Bhola has initiated a lot of pro-environment steps, including making people aware of the fact that it was this pristine environment which brought in tourists in the first place. Now he faced state elections. The opposition accused him of stopping development and causing unemployment under the guise of environment protection. If Bhola were to consider this accusation as a short-term battle, which option would Guruji suggest to Bhola to score a quick win?

- Accuse the opposition of having vested interests as the opposition leaders were denied licences for opening new hotels.
- Point out the improvement in environment since the implementation of pro-environment policies.
- Compare the unemployment levels since the implementation of the pro-environment policies and if they are less, accuse the opposition of making baseless charges.
- Point out that this government had initiated a regular cleaning-up drive and the opposition did not consider the data regarding the people who were employed in that drive.
- Call the charges as baseless accusations being used to malign the good work he had done.

(2010)

Question No. 23 to 25: Read the following passage and answer the questions that follow.

In calendar year 2008, there was turbulence in the air as Jet Airway's Chairman pondered what course of action the airline should take. Air India was also struggling with the same dilemma. Two of India's largest airlines, Air India and Jet Airways, had sounded caution on their fiscal health due to mounting operational costs. A daily operational loss of \$2 million (Rs.8.6 crore) had in fact forced Jet Airways to put its employees on alert. Jet's senior General Manager had termed the situation as grave, Jet's current losses were \$2 million a day (including Jet-Lite). The current rate of Jet Airways' domestic losses was \$0.5 million (Rs2.15 crore) and that of JetLite was another \$0.5 million. International business was losing over \$1 million (Rs 4.30 crore) a day.

The situation was equally grave for other national carriers. Driven by mounting losses of almost Rs 10 crore a day, Air India, in its merged avatar, was considering severe cost-cutting measures like slashing employee allowances, reducing in-flight catering expenses on short-haul flights and restructuring functional arms. The airline also considered other options like cutting maintenance costs by stationing officers at hubs, instead of allowing them to travel at regular intervals.

Jet Airways, Air India and other domestic airlines had reasons to get worried, as 24 airlines across the world had gone bankrupt in the year on account of rising fuel costs. In India, operating costs had gone up 30-40%. Fuel prices had doubled in the past one year to Rs 70.000 per kilolitre, forcing airlines to increase fares. Consequently, passenger load had fallen to an average 55-60% per flight from previous year's peak of 70-75%. Other airlines faced a similar situation; some were even looking for buyers. Domestic carriers had lost about Rs 4,000 crore in 2007-

08 with Air India leading the pack. "As against 27% wage bill globally, our wage bill is 22% of total input costs. Even then we are at a loss," an Air India official said. Civil aviation ministry, however, had a different take. "Air India engineers go to Dubai every fortnight to work for 15 days and stay in five star hotels. If they are stationed there, the airline would save Rs 8 crore a year. This is just the tip of the iceberg. There are several things we can do to reduce operational inefficiency". According to analysts, Jet Airways could be looking at a combined annual loss of around Rs 3,000 crore, if there were no improvements in operational efficiencies and ATF prices. Against this backdrop, the airline had asked its employees to raise the service bar and arrest falling passenger load.

23. Which of the followings are the reasons for Jet Airways not doing well?
1. Rising ATF prices
 2. Reduced passenger load
 3. Declining service quality
 4. Staff traveling to Dubai
- A. 1 and 2 B. 2 and 3
C. 1, 2 and 3 D. 1, 2 and 4
E. 1, 2, 3 and 4

(2010)

24. The total loss for the airline industry was likely to be Rs. 10,000 crore. Jet Airlines lost Rs. 3,000 crore, Air India lost Rs. "X" crore and "rest of the airlines" lost Rs. "Y" crore. What was the loss for the "rest of the airlines", in 2008?
- A. Cannot be determined
B. Rs. 3,350 crore C. Rs. 3,690 crore
D. Rs. 3,340 crore E. None of the above

(2010)

25. Suppose fuel constitutes 30% of the revenues, do you think airlines would be in a better situation by reducing prices?
- A. Yes
B. Data insufficient to reach decision
C. No
D. It would not matter
E. None of the above

(2010)

Read the following case and choose the best alternative (Question No. 26 to 28):

Ranjan Tuglak, the youngest cabinet minister of the newly elected coalition, glanced through the notes prepared by his secretary regarding the recent controversies on *racket*, the popular game of the country. While International Racket Association (IRC) has agreed to implement Drug Testing Code (DTC) promoted by World Athletic and Games Federation, Racket Club which controls the entire *racket* related activities (unlike any other

sports and games of the country) had some reservations regarding the initiative. Majority of the citizens waited for the international competitions eagerly and were fanatical about their country's participation in them. As a result of the popularity of the game, 70% of the total revenue associated with the game originates from the country. Hence Racket Club's high bargaining power with IRC can change any decision that is not aligned with its interests. The three most popular and senior players, including the captain, are against the application of DTC citing security reasons. A decision against the interests of these players may result in law and order problems throughout the country. Other players support the decision of their senior colleagues and if the Racket Club refuses to agree, players may support Counter Racket Club, a new national level initiative. Counter Racket Club may threaten the monopoly of Racket Club, if it succeeds to attract some popular *racket* players.

Ranjan's father had been forced to resign from politics due to alleged corruption charges. Ranjan had completed his entire education abroad before returning to join politics. He is a great soccer player and has major reservations against *racket*. According to him, *racket* has a negative influence on the country's youth and diverts their attention from productive work. He also considers drug testing as an essential feature for any sports and games across the world. As the new cabinet minister for Youth and Sports he needs to take some important decisions on this controversial issue.

26. If the objective of Ranjan is to (i) create a good image of himself as a politician and (ii) create a long lasting positive impact, the best decision he should take is:
- A. Force Racket Club to accept all modifications related to drug testing.
 - B. Provide adequate security protection to the satisfaction of players nominated by Racket Club before enforcing drug testing.
 - C. Align with Counter Racket Club.
 - D. Popularise soccer in country through endorsements by the popular players of *racket*.
 - E. Ban *racket*.

(2010)

27. Identify the best rationale that may force Ranjan as a politician to take decision in favour of IRC.
- A. President of Racket Club and Ranjan belong to different political coalitions and he can use Counter Racket Club against the opponent.
 - B. Next World cup is scheduled to be held in a country which has adopted DTC as the guiding principle.
 - C. Ranjan is interested in reducing the popularity of *racket* in country.

- D. As the cabinet minister, Ranjan has the power to take such a decision.
- E. Top three international teams (and respective national clubs) are keen to implement DTC.

(2010)

28. According to DTC, each athlete/sportsperson needs to submit a schedule for three months (in advance) that specifies an hour each day when they can be randomly tested for drugs. DTC also assured the confidentiality of the submitted schedule by (i) limiting the access of player-supplied information to two senior officers, (ii) these officers will have the internet based access only to the schedule of those sports persons who are randomly selected for testing (and not of everyone) and (iii) introducing similar security features for DTC database as in case of financial institutions. The top three popular players realize that no reason other than security can help them to get a favourable decision from Ranjan. Hence during discussions they should focus on all options *except*:
- A. Any clue related to their private schedules may also result in huge public gathering and it will make the job of security agencies very difficult.
 - B. Popular *racket* players are included in the hit list of terrorist organisations.
 - C. Recent report by World Bank rate their country among the top five nations with maximum amount of internet based data stealing.
 - D. It is difficult to provide adequate security coverage in large stadiums where *racket* is played.
 - E. DTC is not willing to share the details of two senior officers involved in drug testing with the security agencies of the country for background study.

(2010)

29. Indian government may hold top executives responsible if state-run power companies fail to meet performance targets and punish them with fines and transfers. The strict performance parameters are aimed at ensuring that at least the reduced target for 62,000 MW of generation capacity addition is achieved before the end of the 11th Plan, said a power ministry official. Performance of chairmen and managing directors of the power Public Sector Units (PSUs) in project implementation will be assessed as per the terms and conditions stipulated in the company's memorandum of understanding (MoU) with the power ministry, he said, requesting anonymity. Performance parameters of executives had come under strict scrutiny due to a lack of progress in capacity addition program. While the target for the 11th five year plan has already been scaled down by the government from 78,500 MW,

in the first three years of the plan yielded only 22,302 MW of fresh capacity.

If you were the chairman of one of these power PSU's, which of the following statements (all of which are assumed to be true) could best be used in order to strengthen your case against the government holding top executives responsible?

- i. The labour unions, owing allegiance to ruling party at the Centre, are not allowing work to progress with their demands for wage hikes that are untenable
- ii. The actions of the mid-level management are not in line with the objectives laid down by the top management
- iii. The delays have been due to difficulties in obtaining funds at reasonable interest rates on account of the recessionary conditions
- iv. We are not to blame. The government is not doing enough to ensure availability of sufficient fuel to power the existing plants, let alone the new plants.
- v. The government had ignored the infrastructure availability like roads etc., and environmental clearances required for such projects and therefore set an unrealistic target to begin with, and the revised target is also unrealistic as well.

- A. i and ii
- B. i and iii
- C. i, iii and iv
- D. ii, iv and v
- E. i, ii, iii, iv and v

(3 Marks)

(2011)

Answer Questions 30 and 31 on the basis of the paragraph below

The CEO of ABC Telecom Ltd. (ABC) is in a quandary since he received the telephone call in the morning from his counterpart at LMN Telecom Ltd. (LMN). Both companies were engaged in a bitter experience a couple of years ago when they had attempted to merge with the intention of creating a behemoth telecom company, possibly the largest in the world. The merger had fallen through due to opportunistic behaviour on the part of Mr. Das, then CEO of LMN. During the time the merger talks were taking place, Mr. Das had also approached a few other suitors for LMN in an attempt to force ABC to pay a higher price. Further, there were reports of attempts by management of LM to scuttle the deal. Back then, ABC had also faced stiff opposition to the deal from one of its large shareholders.

Since then, a lot has changed for both companies. The bleak economic conditions due to recession had led to a drastic fall in the market value of both companies, with ABC comparatively losing much more in terms of market value. Raising money has become more difficult for both companies, especially for LMN. On the brighter

side for ABC, the opposing shareholder had recently sold off his stake to another investor who earlier had supported the original merger deal with LMN a couple of years ago.

30. Which of the following would be the most appropriate line(s) of thought for the CEO of ABC to adopt in response to the offer by LMN?

- i. Once bitten twice shy. There is simply no way I can think of resuming talks with LMN after their unethical behaviour the previous time around. I would rather spend my time on merger discussions with other companies.
- ii. The deal may make less business sense this time around. However, if it goes through, I will become the CEO of the world's largest telecom company. So let us try our luck once more.
- iii. I will resume talks only if they provide guarantees as to the reimbursement of our expenses incurred, in the event of the deal not materializing.
- iv. Let me not be biased against dealing with LMN. If we can secure the deal at a reasonably low price, benefiting our shareholders, let us go ahead with it.
- v. I am not sure if we can raise the money now. In any event, they are the ones facing greater financial problems. So let's not hurry now. We might have an opportunity to buy them out at a cheaper price later.

- | | |
|---------------|--------------|
| A. i and iii | B. ii and iv |
| C. ii and iii | D. i and iv |
| E. iv and v | |

(3 Marks)

(2011)

31. The merger of ABC and LMN has been confirmed after detailed negotiation with LMN holding the majority share of the resultant entity. LMN has financed the merger by taking debt at higher-than-market interest rates from its bankers, in the hope that it would be able to streamline operations and reduce costs in the resultant entity which will allow it to repay the loan. If you were an investor looking to invest in telecom companies, which of the following could be the strongest reasons for staying away from investing in resultant entity?

- A. The new entrants in the telecom market were coming with better offers for the customers.
- B. The market would be as competitive as ever for the resultant entity, thus providing no guarantee for success.
- C. The combined management did present have any grand strategies to the investors.
- D. ABC's management was giving in to Mr. Das who was a known opportunist.

E. LMN was using high cost debt to purchase another company in the same industry facing similar problems, with no visible advantage for the combined entity over competitors .. ,

(3 Marks)

(2011)

Read the following case and choose the best alternative (Questions 32 to 35):

Chetan Textile Mills (CTM) had initiated various employee welfare schemes for its employees since the day the mill began its operations. Due to its various welfare initiatives and socially responsible business practices, the organization had developed an impeccable reputation. Majority of the regular workers in Chetan Mills had membership of *Chetan Mills Mazdoor Sangh* (CMMS), a non political trade union. CMMS had the welfare of its members as its guiding principle. Both CTM and CMMS addressed various worker related issues on a proactive basis. As a result no industrial dispute had been reported from the organization in the recent past.

These days majority of the employers deploy large number of contract labourers in their production processes. In an open economy survival of an organization depends on its competitiveness. In order to become competitive, an organization must be able to reduce cost and have flexibility in employment of resources. Engaging workers through contractors (contract labourer) reduces the overall labour cost by almost 50%. Indian labour legislations make reduction of regular workers almost impossible, but organizations can overcome this limitation by employing contract labourers. Contract labourers neither get the same benefits as regular employees nor do they have any job security. According to various recent surveys, government owned public sector units and other departments are the biggest employers of contract labourers in the country. Contractors, as middle-men, often exploit the contract labourers, and these government organizations have failed to stop the exploitation.

Over time CTM started engaging a large number of contract labourers. At present, more than 35% of CTM's workers (total 5,000 in number) are contract labourers. CMMS leadership was wary about the slow erosion of its support base as regular workers slowly got replaced by contract workers and feared the day when regular workers would become a minority in the mill. So far, CMMS has refused to take contract labourers as members.

Recently, based on rumours, CTM management started to investigate the alleged exploitation of contract labourers by certain contractors. Some contractors felt that such investigations may expose them and reduce their profit margin. They instigated contract labourers to demand for better wages. Some of the contract labourers

sought the support of various political parties in order to increase their negotiation power. Contract labourers engaged in material handling and cleaning work started provoking CTM management by adopting violent tactics.

Today's news-paper reports that police and CTM security guards fired two or three rounds in air to quell the mob. The trouble started while a security guard allegedly slapped one of the contract labourers following a heated argument. Angry labourers set fire to several vehicles parked inside the premises, and to two police jeeps.

32. In the wake of recent happenings, what decision is expected from CTM management? From the combinations given below, choose the best sequence of action.

- I. Stop the current investigations against the contractors to ensure industrial peace; after all allegations were based on rumours.
- II. Continue investigations to expose exploitation and take strong actions against trouble makers.
- III. Get in direct touch with all contract labourers through all possible means, communicate the need for current investigation to stop their exploitation, and convince them regarding CTM's situation due to competition. Also expose those contractors who are creating problems.
- IV. Promise strong action against the security guards who are guilty.
- V. Increase the wages of contract labourers.

- | | |
|-----------|------------|
| A. I, V | B. I, II |
| C. II, V | D. III, IV |
| E. III, V | |

(4 Marks)

(2011)

33. In the current context, which among the following represent the most suitable reaction from CMMS leadership?

- A. Distance CMMS from the episode and explain that CMMS is not involved in the fiasco through a press conference.
- B. Offer membership to contract labourers, which would put the contract workers at par with the regular workers in CMMS.
- C. Do not offer membership to contract labourers, but represent their interests during negotiation in order to prevent the formation of another union in CTM.
- D. Start another union exclusively for contract labourers of CTM.
- E. Adopt a neutral stand in public, and pass on information related to problem creators to the CTM management.

(5 Marks)

(2011)

34. Out of the options given below, which one would be the best policy decision by government at the national level?
(2 Marks)

- A. Asking CTM management to pay same wages to both regular and contract workers.
- B. Income tax raids in offices of contractors under investigation.
- C. Setting up a new labour welfare office within CTM premises.
- D. Setting up a new committee to make recommendations for changes in labour legislations with an objective to reduce exploitation of contract labourers.
- E. Use entire government machinery to support CTM, which has an impeccable track record.

(2011)

35. The criminals in the surrounding area often took their cue from the situation in the mill, creating law and order problems outside the mill which would make it difficult for workers to come to the mill safely. Given the circumstances, identify the stakeholder that should be the immediate priority of CTM management.
(1 Mark)

- A. Contract labourers who were allegedly beaten by the security guards of the company.
- B. District administration that is concerned about the spread of violence.
- C. CMMS that prefers an immediate settlement of the issue.
- D. Customers who are concerned about prices and regular supplies.
- E. Contract labourers who are demanding job security and same wages as regular employees.

(2011)

Answer question nos. 36 to 39 based on the following information:

In the country of *Gagan*, air travellers can buy their tickets either directly from the airlines or from three websites that are licensed to offer ticketing services online. In *Gagan* most of the commercial transactions are done electronically, and all citizens have an account with its national bank CeeCee. As a result the three websites have become popular and each transaction through these websites carries a surcharge of Gs. 250 (Gs. refers to Guppes, currency of Gagan). Given below are four post new-year (January 2, 2011 to February 28, 2011) offers from three competing websites:

Cozy_travel Offer: Make a confirmed booking for any service (flight ticket, hotel or rail tickets) through Cozy_travel.com from December 5, 2010 to February 8,

2011 and become eligible for two free air tickets (offer is limited to the base fare). Free tickets have to be booked through online requests from January 1, 2011 to February 28, 2011. The request for free tickets should be submitted at least twenty-one days in advance. Free tickets are non amendable (except the passenger name) and cannot be cancelled. Free tickets cannot be exchanged for cash or kind with anybody. Cozy_travel will try its best to secure the free ticket as per the request. However, ticket confirmation is subject to airline schedule and seat availability in airlines selected and finalized by Cozy_travel from specific available airlines.

Cool_yatra Offer: Book any air ticket of any airline on Cool_yatra.com on or after December 21, 2010 and get your next ticket free. Under this offer, only the base fare of free ticket will be refunded by Cool_Yatra.com. Customers will have to bear rest of the charges (other fees and surcharges). The value of base fare will be refunded to passenger on/after March 1 or fifteen days after completion of travel on free ticket (whichever is later). The free ticket can be booked only on GagaAir flights. The free ticket must be booked within fifteen days of booking the original ticket and the travel date of free ticket must be fifteen days after the booking date of free ticket. There must be a seven day gap between the travel date of main/original ticket and the free ticket. The travel date of free ticket should be on or before February 28, 2011. The free tickets cannot be transferred. On cancellation of the original ticket(s), you no longer remain eligible for the free ticket(s).

Easy_travel Cash Back Offer: Easy travel offers 25% cash back on all air ticket bookings between December 5, 2010 and February 28, 2011 using CeeCee net banking services or its debit/credit card. The cash back amount will be credited back to customers account within twenty-one days from making the transaction. Maximum cash back during this period is Gs. 400 per person per ticket and total amount that can be claimed by a customer is Gs. 2,400.

Ek Ke Sath Ek Offer from Easy_travel: Book an AirSpice ticket with Easy_travel using any credit/debit card, and get another ticket absolutely free. The free tickets will be issued on AirSpice on its entire network. The offer is valid for sale from January 11, 2011 to January 31, 2011. The free ticket must be booked at least fifteen days prior to the date of travel and need to be completed within the offer period. The promotion code for the free ticket will get activated only seven days after booking the main ticket. Easy_travel will charge a handling fee of Gs. 1000/- per person for any amendments made on main ticket. Cancellations of tickets purchased under this offer are not permitted. The free tickets obtained under this offer can not be exchanged for cash and cannot be re-routed.

36. Which offer has got the maximum chance for becoming the most popular among the air travellers of Gagan during post new-year period? Among the following options, choose the best offer-explanation combination. **(3 Marks)**

- A. Cozy_travel, because the customers will get twice the number of flights and the offer is applicable for all services provided by Cozy_travel.
- B. Cozy_travel, because it allows any customer to transfer the free tickets to anyone if they are not interested in using it.
- C. Ek ke sath ek offer from Easy_travel, because it offers absolutely free tickets to all customers.
- D. Cash Back offers from Easy_travel, because all other offers are restricted either in terms of airlines to choose or the period of offer.
- E. Cozy_travel, because it allows customers to use free tickets even after post new-year period.

(2011)

37. Suppose the offer from Cool_yatra became the most popular, and the other two agencies have sought help from business consultants to make their offers more attractive. Identify the best recommendation among the following. **(3 Marks)**

- A. Recommendation for the Ek Ke Sath Ek Offer of Easy_travel: Negotiate with GagaAir to come up with an offer that provides one free ticket for every main ticket booked in AirSpice.
- B. Recommendation for the Cash Back Offer of Easy_travel: Ensure that cash back amount will be credited back to customer's account within fifteen days.
- C. Recommendation for the offer from Cozy_travel: Reduce the number of free tickets to one and applicable only for air ticket booking (not for other services), but allow customers to book their free tickets from Cozy_travel.com in GagaAir or comparable airlines without any date restrictions.
- D. Recommendation for the Ek Ke Sath Ek Offer of Easy_travel: Negotiate with GagaAir to come up with an offer that provides one free ticket for every main ticket booked in GagaAir and run both offers simultaneously.
- E. Recommendation for the offer from Cozy_travel: Do not allow customers to transfer tickets to others, but disclose that Cozy_travel will consider both GagaAir and AirSpice flights that connect all cities in Gagan for issuing free tickets.

(2011)

Answer question nos. 41 and 42 on the basis of the following letter.

To the Chairman:

Dear Mr. Sailesh,

At the December 3, 2011 meeting, it was decided that no two officers would hold positions on the same committee. It has recently come to my attention that both Chaitanya Rao and Ajit Singh will be serving in some capacity on the Cultural Committee, and both have been nominated for officer status. As you know, this is in direct disregard for the rules as voted by the Members Council last December 3, 2011. I would hope that sufficient action be taken by the Disciplinary Committee (on which committee both of the above are members) so that this problem will be remedied.

Sincerely,
Arvind Singh

41. Which of the following is an essential flaw that the writer of the letter overlooked? **1 Mark**
- A. Rao and Ajit are already serving together on the Disciplinary Committee.
 - B. The Chairman has no power in the matter.
 - C. The Members Council cannot pass rules limiting members.
 - D. Rao and Ajit are yet to be confirmed as officers.
 - E. Cultural Committee is only active during the annual festival.

(2012)

42. If both the nominations are confirmed, which of the following, exhaustively and reasonably, describes actions that may occur in the near future? **1 Mark**
- A. Arvind resigns his membership.
 - B. Either Rao or Ajit resigns his membership.
 - C. Ajit resigns his committee post on the Cultural Committee.
 - D. Rao resigns his position on the Cultural Committee.
 - E. Either Rao or Ajit resigns his position from the Cultural Committee, and the other resigns his position on the Disciplinary Committee.

(2012)

Answer question nos. 43 to 45 on the basis of the information given in the following case.

Due to increased competition, Ginger Automobiles, the Indian subsidiary of Pepper Automobile Company (PAC) reported lower sales and profits. PAC expects its new model *Limo*, developed especially for value conscious customers of India and China, would revive its fortunes. In order to prevent customers from buying competing products, PAC announced the launch of *Limo* six months before schedule. Due to unrest in its Indian supplier's plant, deliveries of essential components for its main plant was hampered, and hence it decided to launch *Limo* in China only as per the original plan. Within a short span of time, *Limo* captured 30% market share in China, which was 200% higher than expected. Indian customers who had looked forward to purchasing *Limo* were becoming increasingly unhappy to the non-availability of *Limo* in the India. Ginger's dealers were worried about loss of business from the customers who might switch to other cars.

43. **Statement I:** In the Chinese market, *Baft*, and *Hebe*, are competing models in *Limo*'s target market. Due to increase in sales of *Limo* by 200%, *Baft* and *Hebe* saw their market share decline by 10%.

Statement II: *Baft* and *Hebe* were not desired by the customers due to their new features.

Which of the following conclusions can be most justifiably made? **1 Mark**

- A. I alone
- B. II alone
- C. Either I or II
- D. Neither I nor II
- E. I and II together

(2012)

44. Unhappy customers will not only leave the company, but also spread negative publicity about the company. The best way, among the options below, to deal with customers is: **1 Mark**

- A. suggest to customers to wait.
- B. suggest to customers to consider purchasing any of the other PAC's models available in showrooms, with a substantial discount along with gifts.
- C. suggest to PAC to treat Indian and Chinese markets equally.
- D. promise the top management of PAC higher sales/profit from Indian market compared to Chinese market.
- E. suggest to the top management of PAC to manufacture essential components in either India or China.

(2012)

45. Mr. Murugan from Chennai experienced the comfort of Limo during his visit to China. He was willing to deposit an approximate price of Limo to buy the first available unit from Mr. Ahmed, a dealer in Chennai, known for fair dealing. Ginger Automobile is yet to announce the actual price, and the process for allocation of the vehicles. In order to maximise his cash flow, Mr. Ahmed should
- collect the amount from Mr. Murugan. Later when the delivery is delayed, blame it on PAC's problems.
 - collect 50% as advance and the remaining 50% after the confirmation of launch date by Ginger Automobiles.
 - collect the amount Mr. Murugan is willing to deposit after clarifying that delivery is subject to the company policy.
 - not collect the amount, but suggest to Mr. Murugan to write to Ginger Automobiles.
 - collect the amount and transfer it to the account of Ginger Automobiles, instead of keeping it in his personal account. **1 Mark**

(2012)

Answer question nos. 46 to 49 on the basis of the information given in the following case.

Tina, a blast furnace expert, who works as a technology trouble-shooter stays in Jamshedpur. She has got an important assignment in Delhi, which requires six hours to complete. The work is so critical that she has to start working the moment she reaches the client's premises.

She is considering various options for her onward and return journey between Jamshedpur to Delhi.

A quick search revealed that ticket from Jamshedpur to Delhi is available in two trains. Trains 12801 and 12443 depart from Jamshedpur station at 06:45 hrs and 15:55 hrs and reach Delhi next day at 04:50 hrs and 10:35 hrs respectively. Trains 12444 and 12802 start from Delhi at 17:20 hrs and 22:20 hrs and reach Jamshedpur next day at 10:35 hrs and 20:05 hrs respectively.

Another option is to reach Ranchi by a three hour road trip and take a flight to Delhi from Ranchi. The distance between Ranchi and Delhi is covered in 105 minutes both-ways by any of the scheduled flights. Air India operates two flights, AI 9810 and AI 810, which depart Ranchi at 8:00 hrs and 15:25 hrs respectively. Flight number IT-3348 operated by Kingfisher Airlines departs Ranchi at 19:20 hrs, Return flights operated by Air India, AI 9809 and AI 809, depart Delhi at 5:50 hrs and 11 :00 hrs respectively. Flight number IT-3347 operated by Kingfisher Airlines departs Delhi at 17: 10 hrs.

From Tina's home Jamshedpur railway station is five minutes drive, and her destination at Delhi is 90 minutes and 30 minutes drive from airport and railway station respectively. One has to reach the airport at least one hour before the scheduled departure to complete the boarding procedure. At every railway station she loses five minutes in navigating through the crowd.

46. If Tina wants to minimise the total time out of Jamshedpur, the best option for her, from the options given below, is: **1.5 Mark**
- AI 9810 and return by IT 3347.
 - AI 9810 and return by train number 12802.
 - IT 3348 and return by AI 9809.
 - Train number 12443 and return by train number 12444.
 - AI 9810 and return by train number 12444.

(2012)

47. Tina gets a message that her work has to be completed between 9:00 hrs. and 17:00 hrs. If she wants to minimise the total time out of Jamshedpur, the best option, from the options given below, for her among the following is to go by

1.5 Mark

- Train 12443 and return by Train 12444
- Train 12801 and return by Train 12802
- AI 9810 and return by AI 9809
- AI 810 and return by AI 9809
- IT 3348 and return by IT 3347

(2012)

48. Tina has to appear for an exam on 8th of January in Jamshedpur and she can start from her residence in Jamshedpur only after 16:00 hrs of the same day. Choose the option, from the options given below, that will help her to minimise the total time out of Jamshedpur.

1.5 Mark

- Go by Train 12443 and return by Train 12444
- Go by Train 12443 and return by AI 9809
- Go by IT 3348 and return by Train 12801
- Go by AI 810 and return by Train 12801
- Go by AI 9810 and return by AI 9809

(2012)

49. If Tina decides to minimise the in-between waiting period, the option that she should choose from the options given below, will be: **1.5 Mark**

- Go by Train 12801 and return by IT 3347
- Go by Train 12443 and return by Train 12802
- Go by AI 9810 and return by Train 12802
- Go by AI 810 and return by AI 9809
- Go by IT 3348 and return by AI 809

(2012)

Answer question nos. 50 to 55 on the basis of the information given in the following case.

Teknik Group of industries had businesses in different sectors ranging from manufacturing, construction, fish farming and hotels. These different businesses operated as semi-independent units managed by the unit level managers. Teknik's management had an internal consultancy group called as Business Advisory Group (known internally as BAG). The 15 experts in BAG were hired personally by Mr. Teknikwala, the owner of Teknik, who wanted this core group of experts to help his organization grow fast without facing the typical growth hurdles. Most of them were specialists in fields like law, information technology, human resource management, and operations management. Almost all of them had experience spanning decades in the industry. Whenever any of the units faced any significant problems, the unit level managers would put up a request for help to BAG. The problems ranged from installation of internal MIS systems, to financial advice related to leasing of equipment, to handling of employee grievances.

Over a period of 20 years, Teknik's revenues grew from ₹ 100 crore to ₹ 10,000 crore with guidance of BAG and due to Mr. Teknikwala's vision. Given its reputation in the industry, many people wanted to start their careers in BAG. Often young MBAs, fresh out of business schools would apply. However their applications used to be rejected by Mr. Teknikwala, who had a preference for people with extensive industry experience.

Things changed after the unfortunate demise of Mr. Teknikwala. His daughter Miss. Teknikwali took up the family business. She was an MBA from one of the premier business schools, and was working in a different company when Mr. Teknikwala passed away. She preferred that BAG develop new ideas and therefore inducted freshly graduated MBAs from premier business schools. She personally supervised the recruitment and selection process. Now the entire group constituted of 50 specialists, out of which 35 were the old time members. She also changed the reporting relationships in the BAG group, with some of the older members being made to report to the new members. In IT team, Mr. Shiv, a newly recruited MBA, was made in-charge.

For the older members it was a shock. However, as most of them were on the verge of retirement, and it would be challenging to search for new jobs while competing with younger professionals, they decided to play along.

After one month, all business units were caught up in the ERP fever. This was an idea pushed by Ms. Teknikwali who felt the need to replace the old legacy systems with latest ERP system integrating all the units of Teknik. This was heavily influenced by her experience in the previous where an ERP system was already up and running. Therefore she was not aware of the difference

between installing an ERP system and working on an already installed one.

The ERP implementation in Teknik Group required extensive coordination with senior level managers of all units and it represented an extra work for those who were involved. This coordination was required to understand the different work processes and the users' requirements. This coordination activity was being extensively managed by the old timers as they were familiar with internal processes and people in the different units. An external consultant was also hired for customisation and implementation.

After two months, BAG teams had to fortnightly present their progress to Ms. Teknikwali's team. In the last meeting Ms. Teknikwali was dissatisfied. She explained her thinking that since ERP impacted every aspect of the business, the roll out had to be done faster. She wanted Mr. Shiv to get the implementation completed ahead of schedule. In the meeting she asked Mr. Shiv to get the people in IT team to be more productive. Not willing to disagree, Mr. Shiv committed to a roll-out schedule of complete ERP system in 6 months instead of earlier decided 14 months.

Next day, Mr. Shiv presented the revised project milestone to BAG members. He told them that in order to meet the deadline, the members were expected to work on week-ends till the completion of the project. Along with that, they were also expected to maintain their earlier standards of delivery time and quality for the normal troubleshooting and internal advisory work. Mr. Shiv also pointed out that anyone whose performance did not meet the expectations would be subjected to formal disciplinary action.

The meeting ended without any member commenting on Shiv's ideas, although Mr. Shiv heard a lot of mumbling in the corridor. Over the week, Shiv noticed that the members seemed to avoid him and he had to make extra effort to get ideas from them. After a fortnight Shiv reviewed the attendance register and found that Mr. Lal, an old time member, had not come during the week-ends and certain decisions were held up due to lack of inputs from Mr. Lal. Mr. Shiv issued a written reprimand to Mr. Lal. He was speechless on receiving the reprimand but kept silent.

It has been three days since that incident. Some of the senior members had put in request for transfer to other business units. It was rumoured that four senior legal experts had agreed to an offer from a law firm. Other senior members would sporadically come in late to work, citing health reasons. Almost all senior members now wanted a weekly work-routine to be prepared and given to them in advance so that they could deliver as per the schedule. This insistence on written communication was a problem as urgent problems or ad-hoc requests could not be foreseen and included. Also, normal services to other business units were being unattended to, and there were complaints coming from the unit heads.

50. Which of the following could have been a better response of Mr. Shiv to Ms. Teknikwali's request to re-schedule the ERP implementation? **1 Mark**
- Look at industry best practices regarding fast-tracking of ERP projects and then commit to a new deadline.
 - Consult the external consultant who was involved with ERP customisation and implementation.
 - Create a smaller team of all the new recruits of BAG and present the idea to them alone.
 - Eliminate the reliance on external consultants as they would be slow.
 - Present the idea to BAG members and ask them to look at the feasibility of the entire plan.

(2012)

51. Which of the following can be identified as the immediate cause for the problems in BAG?
- Ms. Teknikwali's decision to appoint Mr. Shiv as project lead for ERP implementation.
 - The incompetence of the consultant who was implementing the ERP project.
 - Lack of information about what was happening in the ERP project.
 - Infighting between new recruits and the older members of BAG group.
 - Unilateral decision making by Shiv. **1 Mark**

(2012)

52. How should Mr. Shiv cope with the situation now? Choose the best option, considering Mr. Shiv's career would be at stake if the ERP project fails, and assuming that for carrying out the options, he has the necessary authority to do so.

1.5 Mark

- Resign from BAG. The project cannot be done as per the re-scheduled time-table. Get a job in another company based on BAG's brand-name.
- Inform Ms. Teknikwali about the situation and get help from her to deal with the old time members. Some old members need to be fired so that others are also disciplined.
- Align the new members of the BAG group to his side by promising them rewards at end of the project. Obtain approval from Ms. Teknikwali for the same.
- Develop work-routines aligned to the ERP project requirements. Hire extra resources for dealing with other ad-hoc requirements and for the ERP project requirements.
- Create a joint team of old members and new members within BAG to take care of ad-hoc requirements. They would be socialized in out-bound programmes like mountaineering etc., which will be conducted during week-ends.

(2012)

53. Of all the problems being faced in BAG, which of the following is neither discussed nor hinted at?

1 Mark

- Ms. Teknikwali's lack of faith on older members to implement new ideas.
- The inability of the younger members to work along with the older members of BAG.
- Mr. Shiv's intention to impress Ms. Teknikwali by agreeing to a tougher deadline.
- Ms. Teknikwali's lack of understanding of the complexity of an ERP implementation.
- Mr. Shiv's lack of understanding of the sensitivities of the older members of BAG.

(2012)

54. After her father's demise, the best way Ms. Teknikwali could have gone about dealing with BAG group would have been to:

1 Mark

- Discuss with the members as to what their views were about the company and solicit ideas on how to make it grow further.
- Retire the entire team and hire a fresh team according to her criteria and her requirements.
- Hire an external consultant who would have interacted with the BAG members on her behalf.
- Ask the unit managers about the performance of the BAG group's performance and productivity. After that have discussion with BAG members about unit managers' performance.
- Break down BAG into different sub-groups. It would be easy to tackle one sub-group at a time and do what she wanted to achieve.

1 Mark

(2012)

55. It can be inferred from the above case that implementation of an ERP package in an organization requires creation of a team that has:

- a mixture of experienced employees and newly graduated employees
- only young people with education in top schools and colleges
- sufficient number of people who are networked with powerful stakeholders in the organization
- right amount of problem solvers along with those who are abreast of the latest ERP technology
- people who have been involved with operations for a long duration of time along with people who are aware of the latest in ERP technology

(2012)

Answer question nos. 56 to 58 on the basis of the information given in the following case.

Dev Anand, CEO of a construction company, recently escaped a potentially fatal accident. Dev had failed to notice a red light while driving his car and attending to his phone calls. His well-wishers advised him to get a suitable replacement for the previous driver Ram Singh, who had resigned three months back.

Ram Singh was not just a driver, but also a trusted lieutenant for Dev Anand for the last five years. Ram used to interact with other drivers and gathered critical information that helped Dev in successfully bidding for different contracts. His inputs also helped Dev to identify some dishonest employees, and to retain crucial employees who were considering attractive offers from his competitors. Some of the senior employees did not like the informal influence of Ram and made it difficult for him to continue in the firm. Dev provided him an alternative job with one of his relatives.

During the last three months Dev has considered different candidates for the post. The backgrounds of the candidates are given in the table below.

Name	Age	Educational Qualification	Experience	Expected Salary (₹)	Remarks
Sunder	32	Post graduate	Seven years of driving experience	18,000 per month	Ex-employers are highly satisfied. Their only concern is about his tendency to switch jobs after every six months. Enjoys the newness in every job but tends to lose interest after six months. Not willing to commit for any more than six months
Mani	23	Studied up to Standard IX	One year	8,000 per month	Claims to have more than one year of experience, but can't provide any certificate to substantiate it. He has received a hike of ₹ 2,000 last month on account of his good performance as a driver.
Chintan	44	Graduate	20 years	20,000 per month	Working as a driver for the last one year after losing his previous job of a stenographer. He has been forced to take up the job of a driver.
Bal Singh	40	Literate	More than 20 years	15,000 per month	Cousin of Ram Singh. Substituted Ram as Dev's driver whenever Ram was on leave. Currently working as a driver with Dev's in-laws. Strongly recommended by Ram. His knowledge and contacts in the firm is as good as Ram's.
Chethan	38	Standard XII	10 years	12,000 per month	Working as a temporary driver with Dev's major competitor for the last three years. The competitor has offered Chethan's service to Dev on a temporary basis. Chethan has also expressed his willingness to work on a long term basis, provided he is given an annual increment of ₹ 500, which is reasonable as per the market condition.

Dev is primarily looking for a stable and trustworthy driver, who can be a suitable replacement for Ram. His family members do not want Dev to appoint a young driver, as most of them are inexperienced. Dev's driver is an employee of the firm and hence the appointment has to be routed through the HR manager of the firm. The HR manager prefers to maintain parity among all employees of the firm. He also needs to ensure that the selection of a new driver does not lead to discontent among the senior employees of the firm.

56. From his perspective, and taking into account the family's concerns, Mr. Dev would like to have
 A. Chethan B. Chintan
 C. Bal Singh D. Mani
 E. Sunder

1 Mark

(2012)

57. In order to resolve the conflicting preferences, one of Dev's friends suggested Dev, his family members and the HR manager to identify their most and the least preferred candidates without considering the concerns of other stakeholders.

- I. Dev's most and least preferred candidates: Bal Singh and Chetan respectively
 II. Family members' most and least preferred candidates: Bal Singh and Chintan respectively
 III. HR manager's most and least preferred candidates: Chethan and Bal Singh respectively

Which of the above three statements is/are in conformity with the information provided in the passage?

1.5 Mark

- A. Option I
 B. Option II
 C. Options I and II
 D. Options II and III
 E. Options I, II and III

(2012)

58. Who among the following five candidates is most likely to be rejected by the GM (HR)? **1 Mark**

- A. Chethan B. Chintan
 C. Bal Singh D. Mani
 E. Sunder

(2012)

Answer question nos. 59 - 60 on the basis of the information given in the following case.

Vivekananda Memorial Elocution Competition (VMEC) in Viswaviijay Public School (VPS) has a history of forty years. Apart from the founder's day and annual day celebrations, it is the most important event of the school.

In recent times, due to the increased popularity of reality shows on television channels, and for various other reasons, the elocution competition lost its appeal. Interest of both students and parents has been eroding over a period of time. To ensure sufficient audience, Mr. Ivan, Head of English Department, introduced choral recitation for junior section as a part of elocution competition. Three classes, each consisting of forty students, get short-listed for the final performance of choral singing on the day of VMEC. Most of the parents and family members of these students attend the function to encourage them. This initiative increased the number of people attending the elocution competition.

Some teachers are unhappy with the emphasis given on the elocution competition, since they are expected to be present at the school on the day of competition, which normally happens on a weekend to accommodate the working parents. The teachers were not granted leave on the day of VMEC and they used to be unhappy regarding this aspect.

59. Ms Shabina, the principal of VPS, is aware that some of her teachers are unhappy. She wants to be seen as fair and just. Which option is the best one that she should exercise? **1 Mark**

- A. introduce separate music and dance competitions in same format as the elocution competition.
 B. appropriately compensate those teachers who volunteer to come for the extra day.
 C. appoint a committee of teachers, parents and management representatives to come up with possible suggestions within a deadline.
 D. appoint a committee of teachers to come up with possible suggestions, and ensure that majority of committee members are staunch supporters of the current practices.
 E. exercise the authority of the principal because she wants to retain all traditions.

(2012)

60. A group of unhappy teachers have come up with a list of action plans for the consideration of their colleagues. The action plans are listed below.

- I. Exposing Mr. Ivan's intentions behind the inclusion of choral recitation.
 II. Conduct an open house discussion to gauge the unhappiness and to identify possible solutions.
 III. Introduce music and dance competitions in same format as elocution competition
 IV. Demand compensation for their work on the day of VMEC.

Mr. Zacharia, one of the senior teachers and a well wisher of VPS, is asked to go through the action plans and make recommendations that benefits VPS the most. He would recommend:

- A. Options I and II
 B. Options II and IV
 C. Options I and III
 D. Options I and IV
 E. Options I, II, and IV

1 Mark

(2012)

Answer the questions from 61 to 63 based on the case given below.

Ethical - a person is called unethical, when he deviates from principles. The principles and their use is often guided by two definitions:

Morals: society's code for individual survival

Ethics: An individual's code for society survival

Naresh was a small time civil contractor in a small city. His major clients were the residents who wanted ad-hoc work like painting, building repairs, building extensions to be done. His just prices had made him a preferred contractor for most of the clients who preferred him over other civil contractors. Always he followed the principle that client had to be kept happy - only by doing so it would be a win-win situation for both. However due to the unpredictability of such orders from residents, Naresh used to be idle for substantial part of the year. As a consequence, he could not expand his business.

His two children were growing up and his existing business could not support their expenses. The medical expense of his elderly parents was another drain on his resources. The constant rise of prices in medical care and medicines was another issue. For Naresh, family's concern was predominant. Naresh was, therefore, under pressure to expand his business. He was the sole earning member of his family, and he had to ensure their well being. He thought that by expanding his business, not only he would be able care for his family in a better way, as well as offer employment to more number of masons and labourers. That would benefit their families as well. Naresh drew the boundary of his society to include himself, his family members, his employees and their family members.

For expansion, the only option in the city was to enlist as a contractor for government work. Before deciding, he sought advice from another contractor, Srikumar, who had been working on government projects for a long period of time. Srikumar followed the principle of always helping others, because he believed that he would be helped back in return some day. Srikumar had just one advice "The work is given to those who will win the bidding process and at the same time will give the maximum bribe. Prices quoted for work have to include bribes, else the bills will not get cleared and the supervisors will find multiple faults with the execution of work. This ensures survival and prosperity for contractors".

When asked about other contractors, Srikumar said "The government contractors are like a micro-society in themselves, almost like a brotherhood. Within that, they are highly competitive; however towards any external threat

they are united to ensure no harm happens to any of their members".

61. Naresh decided to work as a government contractor. Following Srikumar's advice, he inflated the prices so that he could pay the bribes out the bills received. **1.5 Mark**
- A. Naresh is now totally unethical.
 - B. Naresh can not be called totally ethical.
 - C. Naresh can be called ethical when it suits him.
 - D. Naresh is ethical to some extent.
 - E. Naresh is being totally ethical.

(2012)

62. A new supervisor had joined a government department where both Naresh and Srikumar were bidding for work. During the bidding process for a particular project, in an open meeting with all contractors and officers from the department, he produced a document which had the rates at which Naresh had worked for private clients for similar building related work. He accused Naresh and Srikumar of over-pricing for government work and threatened to disqualify them from the bidding process, if the rates are not brought down. Faced with that situation, Naresh gave a written reply that "I use materials of inferior quality for private work, and that is the reason for price difference": Srikumar supported Naresh in the meeting by saying that he had seen Naresh's work and he agreed. In this situation, it can be concluded that:
- A. both Naresh and Srikumar are unethical.
 - B. Naresh is unethical while Srikumar is not.
 - C. both Naresh and Srikumar are ethical.
 - D. Naresh is ethical to a large extent, but no conclusion can be made about Srikumar.
 - E. Srikumar is unethical, but no conclusion can be made about Naresh.
- 1.5 Mark**

(2012)

63. Lankawala, another contractor, when faced with the new supervisor's demand to reduce prices for government work, asked him to guarantee that no bribes would be taken, and only then prices would be reduced. This was said in front of everyone. At this the supervisor forced Lankawala out of the meeting and threatened to black-list him. Lankawala did not say anything and walked away. Blacklisting of a contractor by one government department implied that Lankawala would not be able to participate in any government departments' works.

In late evening, the city was abuzz with the news that the supervisor's dead body was seen on the railway tracks. In the investigations that followed,

no one who attended the meeting recounted the happenings in the meeting to the police. Getting involved in murder cases could lead to unpredictable outcomes such as becoming the potential suspect, or an accessory to the crime. Furthermore, cases could drag on for years, and one would have to appear in court as witnesses in response to court's summons. This, for a contractor, was a serious threat to his business due to the disruptions created. However, Naresh wanted to speak out but was pressurised by Srikumar and other contractors not to, and as a result he did not. Due to this, the case was closed unresolved with no one found guilty. In this situation, it can be concluded that: **2 Mark**

- A. Srikumar is immoral, but ethical, while Naresh is not unethical.
- B. Naresh is ethical and moral, while other contractors are immoral and unethical.
- C. Naresh, Srikumar and other contractors are both immoral and unethical.
- D. Other contractors are moral, and they prevented Naresh from being immoral.
- E. Other contractors are unethical, but no conclusion can be made about Naresh.

(2012)

Answer question nos. 64 - 65 on the basis of the information given in the following case.

Saral Co. is operating in seven north-eastern states of the country. The organization has a history of participative decision making, wherein people deliberate openly about pros and cons of every important decision, and a broad consensus is taken before taking the final decision. In Saral Co. every employee gets a salary proportional to the sales achieved. A new General Manager (GM) joined during the beginning of this month and challenged the organization's sole focus on sales to determine salaries. He urged the top management to include two more additional parameters in determining the salaries of the employees, viz. collection of information about competitors and the quality of relationship with the retailers.

1 Mark

64. Manohar, the highest earning employee for the last three years, vehemently opposes the GM's proposal. Which of the following could be most likely reason for him to oppose the proposal?
- A. He considers the proposal as a serious threat to his favourable position in Saral Co.
 - B. He is not interested in collecting the information regarding competitors.
 - C. No clarity regarding the relative importance of the three parameters.
 - D. He is not interested in maintaining quality relationship with retailers.

- E. He may need to work harder to earn the highest salary.

(2012)

65. The top management of Saral Co. refused to implement the proposal of new GM from the beginning of next month. Which of the following could be the most justified reason for the management's refusal? **1 Mark**

- A. To ensure that no manager will get credit for a major change soon after joining.
- B. To avoid attracting criticism for their failure to implement a similar scheme.
- C. His past experience is limited to seven north-eastern states only.
- D. The GM is new to the organization and he would require some time to implement the new plan.
- E. The top management would need time to deliberate and get consensus.

(2012)

XAT DECISION MAKING Question 2008 - 2012

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A	B	B	A	B	E	B	B	C	D	E	E	D	C	C
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
D	A	D	C	D	B	D	A	D	B	B	B	D	C	E
31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
E	D	C	D	E	B	C	D	C	D	D	E	D	B	C
46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
B	E	E	D	E	E	D	B	A	E	C	A	C	B	B
61	62	63	64	65										
E	B	D	E	E										

1. A Since Seema is a conscientious female entrepreneur, she should realize that one of the basic premises behind her forming her company was to provide equal opportunity to female employees. Hence she cannot step back from that aim. At the same time she has to run her business profitably. Hence she should look at placing female employees in jobs where they can perform productively without the company's interests being compromised. For jobs requiring overtime and travel she could then look at perhaps hiring more male employees.

2. B As a recruitment manager one should focus Mayank's strengths and not necessarily his weaknesses. If Mayank has strengths in an area where there is a vacancy then he should be hired for that position. His lack of communication skills is a drawback which can be rectified through proper training on the job so long as it is not directly affecting his productivity too much. Hence the recruitment manager should give more priority to his qualities and not be governed by his drawbacks which may not be strictly relevant for the position he can join in.

3. B Since Saundarya Cosmetics has to maximize long-term profits, it has to look at moving beyond the 'rich' segment it has serviced so long. It has to look at catering to the middle class and poor segments which aspire to its products. Also sales in the rich segment are stagnating. Therefore the company should target products of different quality (and hence by implication price) to these other segments. Option (A) is ruled out because by selling-high quality products at low prices the company will lose money in the long run. (C) also implies selling the same products previously targeted at the rich (under different brand names) to the poor and middle classes. This would also potentially lead to losses through higher cost of productions and the need to maintain lower prices. Continuing to target only the rich would not maximize long-term profits as sales in this segment is clearly stagnating. Targeting only the middle-class would also be putting all eggs in one basket and hence not desirable. Thus option (B) is the correct answer as the company would be customizing is offering for targeting the different segments.

4. A The company has sold its software to more than a million of customers. The bug poses a significant threat to these customers. Hence if the problem is left unattended the company will face even greater loss of credibility and bad word-of-mouth if it keeps quiet and the customers discover the bug. Hence in order to keep its reputation with its customers and show its commitment to them the company should own up and fix the bug for all software copies sold even if it involves expenses for it. (B), (C) and (D) talk about keeping silent about the problem and hence can be ruled out. (E) is also not correct. Taking off a product that has sold more than a million copies is also an extreme step which will show up the company in a poor light.

5. B The important cause behind this entire incident was definitely the fact that while Mr Thakur took the bold initiative of negotiating wage contracts directly with supervisors he was inconsistent. He took the trouble to negotiate with day supervisors personally but failed to follow the same process for night supervisors which led to Ram Lal feeling aggrieved, resulting in the incident.

6. E Since the immediate cause of the problem was the inability of night supervisors to deal directly with Mr Thakur, if Thakur had created a process for night supervisors to meet him then the unpleasant incident with Ram Lal and its effect on the organization could have been avoided. Hence 2 comes first in terms of impact on organization. 3 would be next in terms of positive impact if Thakur had generally followed a policy of allowing employees to see him without an appointment. The problem with Ram Lal was aggravated by his repeated inability to see Thakur. Delegating the task of negotiating wage contracts with night shift employees to the Personnel Deptt. would have been next most effective though it would have been overall inconsistent with Thakur's policy. Postponing the decision of wage revision of night shift supervisors would have been least effective. Since contracts had been already made out for day supervisors this would have only added fuel to the problem. Hence the sequence 2-3-1-4 is the right one.

7. B Option (A) is incorrect because his objective was definitely not to create a channel wherein employees could bargain on their wages. Option (C) is not correct as there is no mention in the passage that the supervisors were planning collective action against the management. Similarly neither option (D) nor option (E) are borne out by the statements mentioned in the passage.
8. B The reason(s) for Ram let's "grievance" have been mentioned as both his inability to meet the President & the unfairness of his wage contract. Thus, option (B) is the correct answer. Option (C) states the immediate cause of his outburst in the President's office.
9. C Obviously the Personnel Department would be disgruntled with Mr.Thakur's initiative because he had deliberately aggravated the problem by keeping it out of the picture. Since Thakur was unilaterally negotiating contracts without keeping the company in the picture about the financial implications of his contracts the Finance Deptt would also be disturbed about it. Lastly since the problem involved factory supervisors the production department would also be annoyed. If consulted it would have been able to advise Thakur about day and night shift workers and how they were likely to react to his manner of dealing with them.
10. D The fact that Mr Thakur hit Ram Lal back when he tried to assault him shows that he clearly became emotionally unstable under pressure and did not deal with the problem in a manner befitting a mature, senior executive.
11. E The answer is 'may be never' because it is not possible to find out the year in which Shekhar is going to break even simply from the data provided. While the sales in Patna and Bistupur may be the same, the costs (for example rentals) may be very different in Patna compared to Bistupur and hence we cannot predict that Shekhar will enjoy the same profit margin as the franchisee in Patna. Thus in the absence of complete information we cannot predict any certain figure for break-even and therefore "may be never" is the best choice.
12. E 'Patronage' here means the support that a person gives to a shop/store etc. by spending money there. Refer to the lines "Most upper middle class customers stopped there". Thus option (E) is the most appropriate choice.
13. D Shekhar has made his initial assessment based on his impression of the 'low image' of Sakchi and his expectation that the college going crowd of Bistupur would be his target market. Since this has landed him in confusion, he should do a more in-depth study to find the drivers and potential of the business before coming to a conclusion.
14. C Shekhar's decision on whether to take up the Music World franchise would depend to a large extent upon how well he expects the business to grow in future. This would impart his decision, for instance, to set up the store in Sakchi rather than Bistupur if the market really is expected to grow there in future. Factors like real estate prices and profitability of business in first two years would be short-term factors while factors such as changes in the music industry would be largely beyond the scope of decision-making.
15. C The learning from the solitaire incident is that people in certain roles would have different ways of carrying out their duties. The way Rabindra reacted to the solitaire incident and took a unilateral decision without informing his supervisor clearly illustrates this.
16. D In this option both the problem and its justification are correctly linked. Rabindra jumping to conclusions without investigating whether Om had carried out his duties is the root problem with the right justification for it.
17. A In order to resolve the issue it is necessary to revoke Rabindra's order because it was definitely a harsh punishment for a small act of negligence not properly investigated. This would resolve the issue and communicating the right reason for it would benefit the organization as a whole.
18. D The problem that Rabindra's decision created lay with the fact that he acted on impulse without investigating the matter properly. Hence D is the right choice.
19. C Bola's desire to contribute to the society cannot be realized if he does not set-up business and earn money. At the same time, he has reservation against the possible damage caused by his enterprise to the environment. Option (C) provides the best way out as it resolves this conflict in the best possible manner.
20. D Option (A) can be eliminated as it won't pragmatic to stop developmental activities as the local people also enjoy the benefits of development. Option (B) can also be rejected as it goes against Bhola's idea of not damaging the environment. Option (C) can be eliminated. Eco-tourism, if controlled by the government keeping in mind the interest of stakeholders, may actually go against the larger interests of protecting the environment. Between options (D) and (E), option (D) is a better alternative as the kind of eco-tourism suggested here would involve synergetic efforts among NGOs, the government and the private players.
21. B Option (B) would be the most effective measure as it would encourage protection of the environment and discourage pollution of the environment at the same time.
22. D The best course of action that Guruji can suggest to Bhola to score a quick win would be best reflected by option (D). Statement D hints at pointing out the good work done by Bhola's government without pointing fingers at anyone. Option (C) is frivolous as it suggests accusing the opposition. Moreover, this measure might prove to be ineffective if the unemployment levels turn out to be more.
23. A The reasons for the Jet Airways not doing well is directly stated in these lines third paragraph fourth line which reads "consequently passenger load had fallen..... 70-75%." and eleventh line third paragraph. Which reads "According to the analyst.....and ATF prices.
24. D The daily loss of Air India as given in the passage is almost 10 crore. Jet Airline lost 3000 crore. So, the loss incurred by the Air India is $10 \times 366 = 3660$. So the loss for the Rest of the airlines is $10,000 - (3660 + 3000) = 3340$. Hence, option (D) is the correct answer.

25. B Even if the fuel constitutes 30% of the revenue, we are not sure how it will translate into load factor to reduce the operating costs. Hence, the data is insufficient to reach a decision.
26. B The question demands that Mr. Ranjan has to portray good image of himself as well as create a long lasting positive impact. For this, option (B) is the best choice. Providing adequate security protection will assuage the apprehensions of the players. Moreover, this will earn him the popularity of the followers of the game.
27. B The best rationale behind Ranjan's decision in favour of IRC would be option (B). If the World Cup is held in a country which has adopted the DTC guidelines and Racket Club doesn't comply with the DTC guidelines, then the team will not be allowed to participate in the World Cup.
28. D Option (D) is the only issue which has no relation with the apprehensions raised by the top three popular players. After all security arrangements at the stadium where Racket is played has nothing to do with the security threat perceived by the players if they disclose their whereabouts/schedule for three months in advance.
29. C The case in question presents the view of the government that holds responsible the top executives of the PSUs for the failure in the implementation of plans. Statements (i), (iii) and (v) present arguments that tell us why it is the government that is responsible and not these executives.
30. E Since both the management and the economic situation of LMN has undergone a change, it will be pragmatic to look at this deal from a fresh perspective and let bygones be bygones. Hence, statement (iv) is a wise line of thought for the CEO of ABC. He can also consider the present market value and economic situation of LMN and decide to try and bid for this company at a later time at a cheaper price. Hence, statement (v) is also correct. This eliminates all the options except E.
31. E Since both the companies are facing similar problems and are in the same sector, there is no visible advantage monetarily as well as from the perspective of portfolio diversification for the resultant entity. The only advantage could be consolidation of assets. Hence E is the strongest option.
32. D The management needs to placate workers, expose contractors and take unbiased decisions against troublemakers. This will ensure that these workers will continue to work without causing further trouble. Statements 3 and 4 are possible course of actions.
33. C Since CMMS is an association for permanent labourers, they do not want to give membership to contract labourers. But if they continue to alienate themselves from contract labourers then their representative power will diminish. In these circumstances option C will be the best course of action.
34. D At the root of the problem lies the fact that there is no significant legislation that is effective in the current market situation where contract labourers are being employed in greater numbers. Also, it seems that contract labourers do not have any legislation safeguarding their rights. Thus, taking steps to enact relevant labour legislation is the best course for the government to take. Therefore, option (D) is the best choice under the circumstances.
35. E The immediate attention is required towards the labourers who are already disgruntled. They are also more vulnerable to influence by criminals of the area. Out of A and E, E is a better choice as it takes into account the entire labour class.
36. B The major restriction in case of free tickets offered by other websites (except Cozy_travel) is that the tickets are non-transferable. Hence the free tickets may go waste if one does not wish to travel in the assigned period. However, in the Cozy_travel offer, 'the free tickets are not amenable (except the passengers name)'. Thus the tickets can be gifted to others which increases the chance of utilising the free tickets manifold.
37. C With the recommended change, the Cozy_travel offer definitely becomes far superior than the Cool_yatra offer. Though Cozy_travel were offering two free tickets initially, the customers probably didn't find the offer very attractive due to the restriction in booking dates. Since all other offers have date restrictions removing such restrictions in case of Cozy_travel would have the greatest impact.
38. D Easy_travel offer dates don't match with Jagan's travel plans. Cozy_travel offer doesn't suit him as it requires him to book the free ticket at least 21 days in advance whereas he will get a maximum of 15 days for booking a ticket to Akashpur. Jagan should get the flight ticket from Cool_yatra as it will give him time to make use of the free ticket.
39. C Easy_travel's Ek ke sath ek offer (Option A) is not feasible because of the date restrictions. Options C and D are effectively the same and both are better than Options B and E in terms of saving money. Option C is the best as along with bringing down the cost of journey (by using one free ticket), it will give Janaki one extra free ticket that can be gifted to somebody.
40. D Statement a is not relevant and can be eliminated. The preface should start by statement c which says that adverse economic conditions have resulted in all-time highest profits for wind turbine makers worldwide. This negates the argument of the CEO that company's poor performance is a result of adverse economic conditions. It should be followed by statements b and e which state that though the company's sales volume has increased in the year under consideration, it has happened because of charging lower, unprofitable prices.
41. D The rules of the Members council say that no two officers shall serve on the same committee. Ajit Singh and Chaitanya Rao have been *nominated* for officer status, they have *not been confirmed as officers* yet. Thus, the writer has overlooked this flaw mentioned in option D. Option A is incorrect as both of them can be members of the Disciplinary Committee not necessarily as officers. Options B, C and E do not affect the reasoning of the letter in any sense.
42. E All other options except E are biased for/against one of the two officers. Only E suggests a reasonable and exhaustive solution. Both the officers should resign from either of the committee so that they there is only one officer in both the committees, so that the rule is not violated.
43. D The information given says that Limo captured 30% market share which was 200% of the expected share. It does not mean that the sales of Limo increased by 200%. Moreover, we don't know whose share Limo ate into to capture its share, it could well have come off other competitors. Hence we can't say that *Baft* and *Hebe* saw their market share decline by 10% due to Limo. The information doesn't in sense talk about the desirability of *Baft* and *Hebe* and about its features. So, both the conclusions can't be made. Hence the correct option is D.

44. B The best way to deal with unhappy customers is to suggest them to buy other models and offering to them discounts and gifts. This would not only make the customers happy but would also mean more business for the company. Option A is incorrect since suggesting the customers to wait will only aggravate the problem. Option C, D and E don't deal with issue of making the customers happy.
45. C Option A is unfair since Mr. Murugan is not informed about the delivery date and expected delay. Option B is incorrect for the same reason that Mr. Murugan is not informed about Ginger Automobiles and its announcements. Option D is correct as it maximizes Mr. Ahmed's cash flow as well informs Mr. Murugan of the delivery problem. The rest of the two options are incorrect since they do not maximize Mr. Ahmed's cash flow and inform Mr. Murugan about the delivery respectively.

For questions 46 to 49:

- (i) If Tina plans to go by train then she has to leave her home 10 minutes before the train departure time and after arriving at Delhi she will take $30 + 5 = 35$ minutes to reach the work place.
- (ii) If Tina plans to go by flight then she has to leave her home 4 hours before the flight departure time and after arriving at Delhi she will take 90 minutes to reach the work place.
- (iii) If Tina plans to return by train then she has to leave her work place $30 + 5 = 35$ minutes before the train departure time and after arriving at Jamshedpur she will take $5 + 5 = 10$ minutes to reach home.
- (iv) If Tina plans to return by flight then she has to leave her work place $90 + 60 = 150$ minutes before the flight departure time and after arriving at Ranchi she will take 3 hours to reach home.

Additional information:

Onward Journey:

	Departure	Leave home (latest by)	Reach work place (earliest by)	Work finished (earliest by)
Flight				
AI-9810	8:00 hrs	4:00 hrs	11:15 hrs (1)	17:15 hrs (1)
AI 810	15:25 hrs	11:25 hrs	18:40 hrs (1)	00:40 hrs (2)
IT 3348	19:20 hrs	15:20 hrs	22:35 hrs (1)	4:35 hrs (2)
Train				
12801	6:45 hrs	6:35 hrs	5:25 hrs (2)	11:25 hrs (2)
12443	15:55 hrs	15:45 hrs	11:10 hrs (2)	17:10 hrs (2)

Note : Number inside () represents the day w.r.t the one on which she leaves for Delhi.

Return Journey:

	Departure	Leave work place (latest by)	Reach home (earliest by)
Flight			
AI-9809	5:50 hrs	3:20 hrs	10:35 hrs (1)
AI 809	11:00 hrs	8:30 hrs	15:45 hrs (1)
IT 3347	17:10 hrs	14:40 hrs	21:55 hrs (1)
Train			
12802	22:20 hrs	21:45 hrs	20:15 hrs (2)
12444	17:20 hrs	16:45 hrs	10:45 hrs (2)

Note: Number inside the () represent the day w.r.t. the one on which she leaves for Jamshedpur.

46. B **Option A:** AI 9810 and return by IT 3347.
She will leave at 4:00 hrs on day 1 and return at 21:55 hrs on day 2.
Total time for which she is out of Jamshedpur = 41 hrs and 55 minutes.
Option B: AI 9810 and return by train 12802.
She will leave at 4:00 hrs on day 1 and return at 20:15 hrs on day 2.
Total time for which she is out of Jamshedpur = 40 hrs and 15 minutes.
Option C: IT 3348 and return by AI 9809.
She will leave at 15:20 hrs on day 1 and return at 10:35 hrs on day 3.
Total time for which she is out of Jamshedpur = 43 hrs and 15 minutes.
Option D: Train 12443 and return by train 12444.
She will leave at 15:45 hrs on day 1 and return at 10:45 hrs on day 4.
Total time for which she is out of Jamshedpur = 67 hrs.
Option E: AI 9810 and return by train 12444.
She will leave at 4:00 hrs on day 1 and return at 10:45 hrs on day 3.
Total time for which she is out of Jamshedpur = 54 hrs and 45 minutes.
Hence, best option is option B.

47. E **Option A:** Train 12443 and return by train 12444.
She will leave at 15:45 hrs on day 1, complete the work between 9:00 hrs and 17:00 hrs on day 3 and return at 10:45 hrs on day 4.
Total time for which she is out of Jamshedpur = 67 hrs.
Option B: Train 12801 and return by train 12802.
She will leave at 6:35 hrs on day 1, complete the work between 9:00 hrs and 17:00 hrs on day 2 and return at 20:15 hrs on day 3.
Total time for which she is out of Jamshedpur = 61 hrs and 40 minutes.
Option C: AI 9810 and return by AI 9809.
She will leave at 4:00 hrs on day 1, complete the work between 9:00 hrs and 17:00 hrs on day 2 and return at 10:35 hrs on day 3.
Total time for which she is out of Jamshedpur = 54 hrs and 35 minutes.
Option D: AI 810 and return by AI 9809.
She will leave at 11:25 hrs on day 1, complete the work between 9:00 hrs and 17:00 hrs on day 2 and return at 10:35 hrs on day 3.
Total time for which she is out of Jamshedpur = 47 hrs and 10 minutes.
Option E: IT 3348 and return by IT 3347.
She will leave at 15:20 hrs on day 1, complete the work between 9:00 hrs and 14:40 hrs on day 2 and return at 21:55 hrs on day 2.
Total time for which she is out of Jamshedpur = 30 hrs and 35 minutes.
Hence, option (E) is the correct answer.

48. E **Option A:** Train 12443 and return by train 12444.
She will leave at 15:45 hrs on 9th of January and return at 10:45 hrs on 12th of January.
Total time for which she is out of Jamshedpur = 67 hrs.
- Option B:** Train 12443 and return by AI 9809.
She will leave at 15:45 hrs on 9th of January and return at 10:35 hrs on 11th of January.
Total time for which she is out of Jamshedpur = 42 hrs and 50 minutes.
- Option C:** She cannot return by train 12801 because it does not run from Delhi to Jamshedpur.
Hence, this option is eliminated.
- Option D:** She cannot return by train 12801 because it does not run from Delhi to Jamshedpur.
Hence, this option is eliminated.
- Option E:** AI 9810 and return by AI 9809.
She will leave at 4:00 hrs on 9th of January and return at 10:35 hrs on 10th of January.
Total time for which she is out of Jamshedpur = 30 hrs and 35 minutes.
Hence, option E is the correct answer.
49. D **Option A:** Train 12801 and return by IT 3347.
She will have to wait from 11:25 hrs to 14:40 hrs on the same day. Hence, total waiting period is 3 hrs and 15 minutes.
- Option B:** Train 12443 and return by train 12802.
She will have to wait from 17:10 hrs to 21:45 hrs on the same day. Hence, total waiting period is 4 hrs and 35 minutes.
- Option C:** AI 9810 and return by train 12802.
She will have to wait from 17:15 hrs to 21:45 hrs on the same day. Hence, total waiting period is 4 hrs and 30 minutes.
- Option D:** AI 810 and return by AI 9809.
She will have to wait from 00:40 hrs to 3:20 hrs on the same day. Hence, total waiting period is 2 hrs and 40 minutes.
- Option E:** IT 3348 and return by AI 809.
She will have to wait from 04:35 hrs to 08:30 hrs the on same day. Hence, total waiting period is 3 hrs and 55 minutes.
Hence, option D is the correct answer.
50. E Including all the BAG members in the decision making process would make them more responsible and involved in the project. Thus, option E is a good way of dealing with the problem of rescheduling the ERP implementation. Option A only looks at a probable deadline date but doesn't deal with the core problem of how it will be met. Option B would not solve the problem since the problem is not about lack of professional advice but how other members can be made receptive to change in the plans. Option C is biased as it overlooks the older members. Option D is incorrect and not in line with the passage, it is nowhere mentioned that external consultants are slow.
51. E Unilateral decision making by Mr. Shiv is the cause for the problems faced by BAG. He did not take the other members into confidence while committing to the deadline. Hence, option E is correct. Option A is not the immediate cause of the problem. Option B is incorrect because we can't comment on the competence of the consultant, moreover he wasn't directly responsible for the problem. Options C and D are out of scope since it is not mentioned that there was any lack of information or infighting between members in the ERP project.
52. D Option A and B do not solve the problem in any way. Resigning or firing old members does not address the problem in any way. Option C is unfair since it sidelines the old members and their concern, neither does it guarantee that the same problem won't be faced with the new members. Option E is too relaxed to work out in such a crisis like situation. It would not be intelligent to arrange for out-bound programs when deadlines need to be met. Option D is correct, it addresses the problem of extra work load by hiring extra resources along with developing specialized work-routines.
53. B Ms. Teknikwali's lack of faith on older members to implement new ideas is hinted through her action of inducting freshly graduated MBAs from premier B-schools for the very purpose of developing new ideas. Mr. Shiv committing to a 6 month deadline in place of 14 months hints at his intention of impressing Ms. Teknikwali. Thus, Option A and C are both hinted at in the passage. It has also been mentioned in the passage that though Ms. Teknikwali was aware of the latest in ERP technology, she was not equally abreast with the implementation of the same. Mr. Shiv's lack of understanding regarding the sensitivities of the older members is evident from his unanimous decisions of working on weekends and reprimanding older members. This negates options D and E too. The passage does not mention or hint at any problems of getting along between the younger and the older members of BAG. Thus, option B is correct.
54. A Option A is the best way that Ms. Teknikwali could have adopted to deal with the BAG group. The members were experienced and knew about the strengths and weaknesses of the BAG group. Options B and E are negative approaches that talk about scraping the entire team and breaking it down to sub-groups respectively. This does not make use of the years of experience of the group members. Option C talks about hiring an external consultant for interacting with the BAG which meant she won't get any first-hand experience. Option D is an indirect approach for getting to know one's own company.
55. E The BAG group had a mixture of experienced as well as newly graduated employees; still it could not implement the ERP package. Thus, option A does not follow from the passage. Option B is incorrect as there is nothing in the given case that suggests that young people from top B-schools wouldn't have faced problems or have implemented ERP successfully. Similarly, we have no information regarding efficiency of employees who are networked with stakeholders. Thus, option C is ruled out. Option D is incorrect as a team of problemsolvers and those who know the latest technology does not guarantee success in ERP. Option E is correct; people involved in operations for a long time along with those who know the latest technology would work in implementation of ERP package. This is so because along with the knowledge of technology, it is imperative to have relevant experience to overcome road blocks in the implementation of such a package.
56. C Mr. Dev would like to have Bal Singh as his driver as he is experienced, trustworthy and a stable choice. Bal Singh meets the criteria of Mr. Dev's family too who do not want a young driver. Mani is young and so doesn't meet the criteria. Sunder is experienced but not stable. Chethan is willing to work long term but his services have been offered on a temporary basis. Chintan is inexperienced and unstable.

57. A Dev's most preferred employee would be Bal Singh as he is both stable and trustworthy. His least preferred choice would be Chinthan who is being offered on a temporary basis (which makes him unstable) by a competing firm. Also, it can be a ploy on the part of the competitor to know the inside information of Mr. Dev's company. This makes him untrustworthy too and thus, Mr. Dev's least preferred choice. Family members do not want a young driver so their least preferred choice would be Mani and not Chintan. Thus, statement II is not in conformance with the given information. Statement III is also not in conformance with the information. We do not have sufficient information regarding his most preferred choice and so it can be anyone out of the other four except Bal Singh who has a very similar profile to Ram Singh which created discontent among senior employees. Hence the correct answer is statement I which is option A.
58. C Ram Singh was a cause of concern for the HR manager because he provided insider information to Mr. Dev which used to irk the senior members. Bal Singh has a profile very similar to Ram Singh and thus, the HR manager would never like to take him on board.
59. B Compensating the teachers who volunteer to work on weekends is a good solution to deal with unhappy teachers. It is fair on the part of teachers to get additional incentives for coming on a weekend. Option A doesn't deal with the problem. Option C, appointing a committee of teachers, management and parents, is too impractical. Option D is biased as a committee of staunch supporters of the current practices would not consider the grievances of the teachers. Option E is incorrect because it does not show the principal as fair and just.
60. B Statements II and IV are good recommendations that deal with the problem of unhappy teachers. They not only help them understand the issues at hand but also soothe their (teachers') discomfort. Statement I does not help calm the teachers in any way. Statement III is unrelated to the problem. Hence, option B with Statements II and IV is the correct choice.
61. E Ethics as defined in the beginning of the case states that it is an individual's code for society survival. Naresh defines his society including himself, his family members, his employees and their family members. His action of paying the bribe is aimed at the survival and well-being of 'his society' and so he is being totally ethical. Thus, option E is the correct choice.
62. B Ethics is an individual's code for society survival. Naresh's society boundaries do not include his customers. Hence for him using inferior quality material was ethical as this kept prices down and customers happy (mentioned in the passage). Srikumar believed that the contractors need to stick together against any external treat. Hence Both Naresh and Srikumar are ethical in this case.
63. D Option D is correct. Morals are defined as society's code for individual survival. It is mentioned in the case that getting involved in court cases is a serious threat to an individual's business and leads to various unpredictable outcomes. By not speaking up, contractors ensured their own survival. They stopped Naresh from speaking up too and helped in his survival as well. Thus, option D is correct.
64. E Manohar would oppose the proposal because now he would be judged on three parameters instead of one and he may not be that good on the new criteria. He would have to definitely work harder to maintain his 'highest earning employee' status. Thus, option E is correct. Options B and D are ambiguous and can't be stated concretely. Option A is incorrect for the word 'favorable position'. Being highest paid does not mean he has a favorable or unfavorable position. Option C is ambiguous too because we don't know if the relative importance of the three parameters would not be specified later.
65. E The main reason for delaying the implementation of the proposal for a month is that the management would need time to think it out and get consensus from concerned employees. This makes option E correct. Options A and B give trivial reasons that the management would choose to overlook. Option C is irrelevant as it questions the competence of the GM which is certainly incorrect. Option D states that GM would require time to implement the plan, which is incorrect. It is the management in its entirety that implements the plan. Thus, the delay has nothing to do with the GM. This rules out option D.



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