UGC NET Management Memory Based Question -7 JAN 2026 SHIFT -1

Q1. Which of the following statements about VRIO is incorrect?
A. VRIO stands for Value, Rarity, Imitability and Organization.
B. If a resource is valuable, rare and hard to imitate but the firm is not organized to exploit it, sustained advantage will not occur.
C. VRIO framework directly assesses industry attractiveness and market growth rate.
D. Valuable but common resources typically yield competitive parity rather than advantage.
Choose the correct answer from the options given below:

A. A
B. B
C. C
D. D

Answer:
C
Sol:
Introductio[redacted]tability and
Organizatio[redacted]
Information[redacted]
• VRIO tests[redacted]rs to copy),
Organizatio[redacted]
• If any tes[redacted]o sustained
advantage e[redacted]
• The incor[redacted] — industry
attractivene[redacted]
Additional K[redacted]
• Use VRIO [redacted]her.
• Valuable b[redacted]antage; add
inimitability[redacted]
• VRIO help[redacted]

Q2. Which of the following types of FDI includes creation of new assets and production facilities in the country?

A. Brownfield investment
B. Merger and Acquisition
C. Strategic alliances
D. Greenfield investment

Answer:
D
Sol:

The type of FDI that includes the creation of new assets and production facilities in the country is Greenfield investment. This involves establishing an entirely new operation in the host country from the ground up, such as building new plants, offices, or manufacturing facilities. This allows the investor to have full control over the business setup and operations. Greenfield investments boost economic growth by creating jobs and driving capital and technology infusion.

Information Booster:-

Reasons for choosing greenfield investments

- Customization and Control: Companies can build facilities exactly to their specifications and maintain full control over operations, ensuring brand image consistency and quality control.
- Market Entry Strategy: Greenfield investment can be the preferred method for entering markets where there are no existing businesses to acquire.
- Bypassing [illegible] companies bypass tarif[illegible]
- Access to [illegible]ncentives to attract gree[illegible]man capital

Additional K[illegible]

- Brownfiel[illegible]ing o[illegible] start new production [illegible]erages e[illegible]aster way to enter a mar[illegible]ment[illegible]
- Merger an[illegible]lves [illegible]comp[illegible] an existing business in [illegible]pres[illegible]&A i[illegible]re or access to resources[illegible]ase.
- Strategic A[illegible]or mo[illegible]nies c[illegible]ual business goals witho[illegible]rage shared expertise, te[illegible]or[illegible]ces[illegible]

Q3. Match th[illegible]nagement Thinkers [illegible]vith the[illegible] Key Co[illegible]ribution[illegible]

LIST-I (Thi[illegible]	[illegible]
A. Henry Fa[illegible]	[illegible]
B. Frederic[illegible]	[illegible]
C. Max Weber	III. Administrative Theory & 14 Principles
D. Elton Mayo	IV. Hawthorne Experiments on Motivation

Choose the correct answer from the options given below:

A. A - III, B - I, C - II, D - IV
B. A - II, B - III, C - I, D - IV
C. A - IV, B - II, C - III, D - I
D. A - I, B - IV, C - II, D - III

Answer:

A

Sol:

Introduction: Management thinkers shaped modern theories of management with distinctive contributions.

Information Booster:

- Fayol → Administrative Theory, 14 principles of management
- Taylor → Scientific Management, Time & Motion Studies
- Weber → Bureaucratic structure and formal rules
- Mayo → Hawthorne Studies highlighting motivation and human relations

Additional Knowledge:

- Wrong pairings confuse contributions, e.g., Taylor did not develop administrative principles

Thinker	Main Contribution	Theory Type
Henry Fay[redacted]	[redacted]	[redacted]
Frederick T[redacted]	[redacted]	[redacted]
Max Weber[redacted]	[redacted]	[redacted]
Elton Mayo[redacted]	[redacted]	[redacted]ry

Q4. Indicate [redacted] on the [redacted]M), with the following in[redacted]

- Beta coeffi[redacted]
- Risk-free r[redacted]
- Expected [redacted]

A. 9.8[redacted]

B. 18%[redacted]

C. 18.8[redacted]

D. 16%[redacted]

Answer:

C

Sol:

The Capital [redacted]given by the formula:

$$\text{Cost of Equity} = \text{Risk-free Rate} + \beta \times (\text{Market Return} - \text{Risk-free Rate})$$

Substituting the values provided:

$$\text{Cost of Equity} = 9\% + 1.40 \times (16\% - 9\%)$$

$$\text{Cost of Equity} = 9\% + 1.40 \times 7\%$$

$$\text{Cost of Equity} = 9\% + 9.8\%$$

$$\text{Cost of Equity} = 18.8\%$$

Information Booster: The CAPM formula incorporates the beta coefficient, which measures the stock's volatility relative to the market, the risk-free rate, and the market risk premium (which is the difference between the expected market return and the risk-free rate). This model helps investors assess the return required on equity, factoring in the risk associated with the investment.

Additional Knowledge:

• Beta coefficient (1.40): A beta greater than 1 indicates that the stock is more volatile than the market, which means it is expected to yield higher returns (or losses) than the overall market.

• Risk-free rate (9%): This is typically the return on government bonds or treasury bills, representing the minimum return an investor expects for taking no risk.

• Market return (16%): This is the expected return of the overall market, used in determining the risk premium.

Q5. As per C[redacted]

A. Retu[redacted]

B. Retu[redacted]

C. Retu[redacted]

D. Retu[redacted]

Answer:

A

Sol:

Introductio[redacted]

According t[redacted] security is
calculated a[redacted]t Securities)
plus the ma[redacted]

Required Re[redacted]

Where:

R_f = Risk-fre[redacted]

β = Measure[redacted]

R_m - R_f = Ma[redacted]

This model [redacted]rded, while
unsystemati[redacted]

Information[redacted]

- CAPM[redacted] based on its risk relative to the market.
- The risk-free rate is usually represented by the yield on government securities like Treasury Bonds because they are considered virtually risk-free.
- The market risk premium represents the additional return investors require to compensate for market risk.
- Beta measures a security's sensitivity to market movements; a beta >1 means more volatile than market, <1 means less volatile.
- CAPM helps in portfolio management, capital budgeting, and performance evaluation.
- It assumes markets are efficient and investors are rational.
- CAPM ignores unsystematic risk because it can be eliminated by diversification.

Additional Knowledge:
(b) Return on individual securities + Beta Premium:Incorrect because CAPM does not add a “beta premium” to an individual security's return directly. Beta multiplies the market risk premium, not an isolated “beta premium.” Also, “return on individual securities” is not a base rate in CAPM.
(c) Return on Government Securities + Unsystematic Risk Premium:
Incorrect because unsystematic risk is not priced in CAPM since it is diversifiable. Only systematic risk is rewarded.
(d) Return on Corporate Securities + Systematic Risk Premium:
Incorrect because CAPM uses the risk-free rate (government securities) as the base, not return on corporate securities, which carry additional risks.

Q6. The MM [redacted] wing critical assumption[redacted]
A. investors [redacted]
B. The firm [redacted]
C. All financ[redacted]
D. There are[redacted]
E. Perfect ca[redacted]
Choose the [redacted]
   A. A, B [redacted]
   B. C, D [redacted]
   C. A, B, [redacted]
   D. B, C, [redacted]

Answer:
C
Sol:
Investors ar[redacted] implies that investors ha[redacted] of a stock. It is not a criti[redacted] cy that does not change:[redacted] ndent of its dividend po[redacted] assumption assumes the absence of taxes on dividends, capital gains, or any other financial transactions. It is a critical assumption of the MM hypothesis. E. Perfect capital markets in which all investors are rational: This assumption assumes the presence of perfect capital markets without any transaction costs, information asymmetry, or market imperfections. It is a critical assumption of the MM hypothesis.

Q7. Arrange the steps of Controlling Process in correct order:
A. Measurement of Performance
B. Comparison with Standards
C. Establishment of Standards

D. Taking Corrective Action

A. C, A, B, D
B. C, B, A, D
C. A, B, C, D
D. C, D, B, A

Answer:

A

Sol:

Introduction: Controlling ensures actual performance aligns with planned objectives.

Information Booster:

1. Establishing standards of performance.
2. Measurin[redacted]
3. Comparin[redacted]
4. Taking co[redacted]

Additional K[redacted]

Controlling [redacted]

Method	[redacted]	[redacted]
Manageme[redacted] System (M[redacted]	[redacted]	[redacted] orts
Network A[redacted] (PERT/CP[redacted]	[redacted]	[redacted] jects
Responsibi[redacted]	[redacted]	[redacted] it center
Manageme[redacted]	[redacted]	[redacted] rship and [redacted]
Return on [redacted] (ROI)	[redacted]	[redacted] / Capital [redacted]

Q8. “Corpor[redacted]areholders’) desires” is c[redacted]

A. Henr[redacted]
B. Milton Friedman
C. Peter Drucker
D. Lord Cadbury

Answer:

B

Sol:

Milton Friedman, a Nobel Prize-winning economist, is closely associated with the shareholder theory of corporate governance, which asserts that a company’s primary responsibility is to maximize shareholder wealth. According to Friedman, corporate governance should ensure that managers and executives conduct business in line with the desires of the owners (shareholders), which fundamentally means increasing profits, as long as it stays within the rules of law and ethical customs.

In his influential 1970 article in *The New York Times*, titled "The Social Responsibility of Business is to Increase Its Profits", Friedman argued that:

"There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game…"

This view underpins much of the traditional corporate governance framework, where managers are agents of shareholders (the principals), and mechanisms must be in place to align managerial behavior with shareholder interests.

Information Booster:

- Advocate of Classical Economic Theory and Monetarism.
- Belie [redacted] ss.
- His t [redacted] ernance.
- Influ [redacted] and profit orien [redacted]
- Supp [redacted].
- His i [redacted] can systems.

Additional K [redacted]

(a) Henry [redacted] rinciples of managemen [redacted] oordinating, Controlling) [redacted] ve.

(c) Peter Dr [redacted] dership, and corporate re [redacted] Friedman's shareholder [redacted]

(d) Lord Ca [redacted] roduced the Cadbury Re [redacted] d structure, auditing, a [redacted] stakeholder accountabili [redacted]

Q9. Which o [redacted]

A. Large nu [redacted]

B. Product differentiation

C. Entry barriers are high

D. Firms are not completely price makers

E. No advertising is required

Choose the correct answer from the options given below:

A. A, B, D only
B. A, B, C only
C. B, C, D only
D. A, B, E only

Answer:

A
Sol:
Based on the characteristics of monopolistic competition, the correct statements are:
A. Large number of sellers: There are many firms in the market, each with a small market share.
B. Product differentiation: Firms sell similar but not identical products, distinguishing them through branding, quality, or features.
D. Firms are not completely price makers: While firms have some control over their prices due to product differentiation, this control is limited by the availability of close substitutes.
The statement C. Entry barriers are high is incorrect because monopolistic competition is characterized by low barriers to entry and exit. The statement E. No advertising is required is incorrect because advertising is a critical tool for firms to differentiate their products and attract customers.
Therefore, t [redacted]

Q10. Match [redacted]

Column A (Type of Leverage)	Column B (Effect/Description)
A. Operating Leverage	I. Increases volatility in EPS due to fixed interest costs.
B. Financial Leverage	II. Measures % change in EBIT due to % change in sales.
C. Combined Leverage	III. Reflects total risk (Operating + Financial).
D. Degree of Financial Leverage (DFL)	IV. % change in EPS divided by % change in EBIT.

Choose the [redacted]
Match the f [redacted]
A. A–I, [redacted]
B. A–IV, [redacted]
C. A–III [redacted]
D. A–II, [redacted]
Answer:
D
Sol:
The correct matching is:
- Operating Leverage (A → II):

Operating leverage results from the use of fixed operating costs. It shows the impact of a change in sales volume on EBIT (Earnings Before Interest and Taxes). High operating leverage means a small change in sales will cause a significant change in EBIT.
- Financial Leverage (B → I):

Financial leverage comes from using debt in the capital structure. It causes fluctuations in EPS due to fixed interest charges, even if EBIT remains stable. Thus, higher debt increases the risk and return for shareholders.
- Combined Leverage (C → III):

Combined leverage measures the impact of both operating and financial leverage together. It reflects total risk by showing how a change in sales affects EPS, encompassing both cost structures.

- Degree of Financial Leverage (DFL) (D → IV):

DFL is a numerical measure calculated by:

$$\text{DFL} = \frac{\%\ \text{change in EPS}}{\%\ \text{change in EBIT}}$$

It tells us how sensitive EPS is to changes in EBIT.

Q11. In sequencing, Johnson's Rule is applied to:

A. One-[redacted]
B. Two-[redacted]
C. Mult[redacted]
D. Job s[redacted]

Answer:

B

Sol:

Introductio[redacted]

Johnson's R[redacted] the total job completion [redacted] me order. It provides an [redacted] ses machine utilization. [redacted] through the same seque[redacted]

Information[redacted]

- Rule: Arra[redacted]
  - If the [redacted]
  - If the [redacted]
- Repeat [redacted]

Additional K[redacted]

Objective:

To minimize [redacted] achines, by finding an optimal job sequence.

Assumptions of Johnson's Rule:

1. Each job must go through the same two machines in the same order.
2. Processing times for all jobs on both machines are known and constant.
3. No job preemption — once started on a machine, a job must finish before another begins.
4. Setup times are either negligible or included in processing time.
5. Machines are available continuously without breakdowns.

Steps to Apply Johnson's Rule:

1. List processing times for all jobs on both machines.

2. Find the smallest processing time among all jobs and both machines.
3. If the smallest time is on Machine 1, place that job in the earliest available position in the sequence.
4. If the smallest time is on Machine 2, place that job in the latest available position.
5. Eliminate the assigned job from the list and repeat until all jobs are sequenced.
6. Construct a Gantt Chart to visualize the flow of jobs and identify idle times.

Illustrative Example:

Job	Machine 1 Time	Machine 2 Time
A	4	8
B	2	[redacted]
C	7	[redacted]

Step 1: Smal[redacted]
Step 2: Next[redacted]
Step 3: Rem[redacted]
Final sequen[redacted]

Gantt Chart [redacted]
• Visual Rep[redacted] identify idle periods and[redacted]
• Performan[redacted]-making for future opera[redacted]

Extensions a[redacted]
• Johnson's [redacted]ly if certain conditions a[redacted]
• It does not[redacted]
• Modern sy[redacted]ulti-machine environmen[redacted]

Modern Rel[redacted]
• Incorporat[redacted]
• Enhanced using AI and simulation tools to handle variable times and multi-stage operations.
• Supports lean objectives by reducing waiting time, bottlenecks, and WIP inventory.

Q12. According to the eclectic theory of foreign direct investment, foreign direct investment will occur under which of the following conditions when they are uniquely combined?
A. Ownership
B. Location
C. Market power
D. Internationalization

E. Vertical integration

Choose the most appropriate answer:

A. B, C, D and E Only
B. A, C, D and E Only
C. D and E Only
D. A, B and D Only

Answer:

D

Sol:

The Eclectic Theory of FDI, also known as the OLI Paradigm by John Dunning, states that Foreign Direct Investment (FDI) will take place when three specific advantages are combined:

[redacted]

Q13. Assertion A: The WTO framework promotes predictability and transparency in trade and investment by binding tariff rates and publishing trade regulations.

Reason R: WTO members are required to submit their bilateral investment treaties (BITs) for approval under the General Agreement on Trade in Services (GATS).

A. Both A and R are true and R is the correct explanation of A
B. Both A and R are true but R is not the correct explanation of A
C. A is true, but R is false
D. A is false, but R is true

Answer:

C
Sol:
Correct Answer: (c) A is true, but R is false
Introduction: Assertion A is true as WTO binds tariffs and mandates trade regulation publication for predictability; Reason R is false since WTO/GATS does not require BIT approval, focusing on services trade.
Information Booster:
• A true: WTO's bound tariffs prevent arbitrary hikes; transparency via notifications ensures market access stability.
• R false: GATS covers services liberalization; BITs are bilateral, outside WTO approval—TRIMS addresses i[redacted]
• Explains t[redacted]
Additional K[redacted]
• (a)/(b) re[redacted]
• (d) falsifie[redacted]

Q14. Which [redacted] ree trade [redacted]
A) Mercanti[redacted]
B) Absolute [redacted]
C) Compara[redacted]
D) Hecksche[redacted]
Choose the [redacted]
A. A an[redacted]
B. A an[redacted]
C. C an[redacted]
D. B an[redacted]
Answer:
D
Sol:
The two the[redacted] Advantage Theory and [redacted]
- Absolute Advantage Theory, proposed by Adam Smith, states that countries should specialize in producing goods they can produce more efficiently than others. This promotes international trade based on productivity differences, encouraging countries to export goods they are best at producing.
- Comparative Advantage Theory, developed by David Ricardo, builds on Smith’s ideas. It states that even if a country has an absolute advantage in producing all goods, it should specialize in goods where it has a relative efficiency advantage. This theory highlights opportunity cost and demonstrates that mutual benefits arise from trade when countries specialize.

Both these theories provide the theoretical foundation for modern free trade policies, emphasizing specialization based on efficiencies and mutually beneficial exchange, leading to overall welfare gains.

Information Booster:

- Absolute Advantage (Adam Smith): Encourages specialization in goods where a nation is the most efficient producer.
- Comparative Advantage (David Ricardo): Focuses on opportunity costs and suggests trade even when one nation is more efficient in all areas.
- Both theories argue against protectionism and promote open markets.
- Comparative Advantage has stronger modern relevance, especially for countries with varying levels of development.
- These models assume free movement of goods but not factors of production (like labor or capital).

Additional Knowledge:

A) Mercanti [redacted]

This is an o [redacted] pecially gold and silver) t [redacted] ed with free trade or spe [redacted]

D) Hecksche [redacted]

While it sup [redacted] or, land, and capital), not [redacted] tries export goods that u [redacted] in the same direct sense [redacted]

Q15. Which [redacted]

A. Quota sa [redacted]

B. Purposive [redacted]

C. Multistag [redacted]

D. Cluster sa [redacted]

E. Systemati [redacted]

Choose the [redacted]

A. A, B, [redacted]
B. B, C, [redacted]
C. C, D, [redacted]
D. B, D, A only

Answer:

C

Sol:

Introduction:

Probability sampling refers to a sampling technique in which every unit in the population has a known, non-zero chance of being selected. This method ensures randomness, reduces bias, and increases the generalizability of results. The correct probability sampling methods in this question are:

1. Multistage Sampling – A complex form of cluster sampling where multiple stages of random sampling are used to progressively narrow down the sample.

2. Cluster Sampling – The population is divided into clusters, and a random selection of clusters is studied.
3. Systematic Sampling – Every nth unit from a list is selected, ensuring randomness while maintaining order.

These methods ensure that every element in the population has a known probability of selection, making them true probability sampling techniques.

Information Booster:

- Probability sampling methods are essential for conducting statistically valid research, ensuring that samples represent the larger population accurately.
- Random selection is the key characteristic that differentiates probability sampling from non-probability sampling.
- Mult [redacted] uses.
- Clust [redacted] a.
- Syste [redacted]

Additional I [redacted]

A. Quota Sa [redacted]

- Quot [redacted] ased on pre-defin [redacted]
- Ther [redacted] ation.

B. Purposive [redacted]

- Purp [redacted] thod where resea [redacted]
- It is [redacted] studies.

Q16. Arrang [redacted]

A. Forecasti [redacted]

B. Analyzing [redacted]

C. Developi [redacted]

D. Impleme [redacted]

A. B, A, [redacted]
B. A, B, [redacted]
C. C, B, A, D
D. A, C, B, D

Answer:

A

Sol:

Introduction: Human Resource Planning ensures the right number and type of employees are available when needed. Information Booster:

1. HRP starts with analyzing current manpower (B).
2. Then forecasts future needs (A).
3. Develops employment programs to bridge gaps (C).

4. Finally, implements and monitors plans (D). Additional Knowledge:
• HRP aligns workforce planning with strategic goals.
• It reduces uncertainty, improves utilization, and supports succession planning.
• Common forecasting techniques: Delphi, regression, trend analysis.

Human Resource Planning (HRP)

Human Resource Planning (HRP) is a systematic process of ensuring that the right number of people with the right skills are available at the right time to achieve organisational goals. It aligns workforce capabilities with strategic objectives through forecasting, gap analysis, and action plans. HRP minimizes talent shortages, controls labour costs, and supports succession planning. It integrates both quantitative (headcount, ratios) and qualitative (skills, competencies) approaches, ensuring effective utilization of human capit[redacted]

1. Definition[redacted]

“HRP is the [redacted]n, and out of the organisa[redacted]

— *Flippo /* [redacted]

Core Purpos[redacted]

2. Steps in H[redacted]

Step	[redacted]	[redacted]
1. Anal[redacted] Manpower[redacted] Inventory)	[redacted]	[redacted]kill matrix,
2. Forec[redacted] Manpower[redacted]	[redacted]	[redacted]nates (by [redacted]kill, or job
3. Forecas[redacted] Supply	[redacted]	[redacted]s, skill gap
4. Develop[redacted] (Action Pla[redacted]	[redacted]	[redacted]an, training [redacted]n plan.
5. Impl[redacted] Monitoring	[redacted] labour market.	[redacted]rformance [redacted] updated forecasts.

Sequence: B → A → C → D (Analyze → Forecast → Develop → Implement)

3. Levels of HRP
- Corporate Level: Align HR strategy with business strategy.
- Business Unit Level: Plan manpower as per operational objectives.
- Departmental Level: Focus on specific roles, skills, and schedules.

4. Objectives of HRP
- Ensure optimum utilization of existing workforce.
- Anticipate and meet future HR needs.
- Minimize redundancy and overstaffing.

- Facilitate succession planning and leadership continuity.
- Support mergers, acquisitions, or downsizing transitions smoothly.

5. Importance of HRP

- Strategic alignment: HRP links HR decisions with long-term business plans.
- Proactive management: Reduces uncertainty and reactive hiring.
- Cost control: Balances manpower supply and demand.
- Talent pipeline: Prepares successors for key roles.
- Adaptability: Helps organisations manage technological and market changes.

6. Forecasting Techniques

Approach	**Technique**	**Description / Example**
Qualitative	*Delphi Technique*	Expert consensus on manpower requirements.
[redacted]		
Quantitativ[redacted]		[redacted] needs.
[redacted]		[redacted] and
[redacted]		[redacted] ms.

7. HRP and S[redacted]

- HRP [redacted]
- Enab[redacted]
- Uses [redacted] rs.

8. Factors Af[redacted]

- Inter[redacted] policies.
- Exter[redacted] emographic chan[redacted]

9. Barriers t[redacted]

- Resis[redacted]
- Inacc[redacted]
- Rapi[redacted]
- Lack[redacted]
- Time[redacted]

10. Modern Trends in HRP

- AI & HR Analytics: Predict attrition, skill gaps, and workforce needs.
- Flexible workforce models: Gig, remote, and hybrid arrangements.
- Scenario Planning: HRP under multiple future possibilities.
- Strategic Workforce Planning (SWP): Aligns talent with long-term business priorities.
- Dynamic reskilling: Focus on skill agility in digital transformation.

11. Mnemonic for HRP Steps

"A FAD E" → *Analyze – Forecast – Action – Develop – Evaluate*

Key Takeaways

- HRP = Right people, right place, right time, right cost.

- Balances short-term operational needs with long-term strategic vision.
- Continuous monitoring ensures responsiveness to change.
- Integrates closely with recruitment, training, and performance management systems.

Q17. Arrange the stages of Data Mining process in correct order.
A. Data Cleaning
B. Pattern Evaluation
C. Data Selection
D. Data Transformation
Choose the correct answer from the options given below:

A. A, C, [redacted]
B. C, A, [redacted]
C. A, D, [redacted]
D. D, A, [redacted]

Answer:
A
Sol:
Introductio [redacted] structured steps.
Information [redacted], then data selection id [redacted] ormats, and finally patte [redacted]
Additional [redacted] presentation using visual [redacted]

Q18. Identif [redacted]

A. It ref [redacted]
B. It de [redacted]
C. It inf [redacted]
D. It ca [redacted]

Answer:
B
Sol:
Introduction:
Brand Equity refers to the value and strength of a brand that determines its influence on consumer choice and the company's profitability.
It represents the added value that a brand name gives to a product beyond its functional benefits.
A strong brand can command premium pricing, create customer loyalty, and ensure long-term competitive advantage.

Brand equity is considered an intangible asset, forming a crucial component of a company's marketing and strategic value.

Information Booster:

Components of Brand Equity (As per David A. Aaker's Model):

Aaker identified five core dimensions that together build brand equity:

1. Brand Awareness:
    - Refers to how easily consumers recognize or recall a brand.
    - High awareness increases consumer trust and consideration during purchase decisions.
    - Example: Consumers easily recalling "Coca-Cola" among soft drinks.
2. Brand Associations:
    - The mental connections consumers make between a brand and its qualities, emotions, or [illegible]
    - [illegible]
    - [illegible]
3. Perce[illegible]
    - [illegible] compared to [illegible]
    - [illegible] d willin[illegible]
    - [illegible] erce[illegible]ed a[illegible] ovation and [illegible]
4. Bran[illegible]
    - [illegible] ers consistently ch[illegible] npetitors.
    - [illegible] and adv[illegible] reduc[illegible] uring stable [illegible]
    - [illegible] mpetitors.
5. Othe[illegible] tary [illegible] d Asset[illegible]
    - [illegible] d with legal [illegible] competitiv[illegible] protec[illegible]on.
    - [illegible]

Additional K[illegible]

1. Importan[illegible]

- Custo[illegible] d purchase likelihood.
- Price Premium: Brands with strong equity can charge higher prices (e.g., *Rolex*, *Mercedes-Benz*).
- Brand Extension: Easier to launch new products under an established brand (e.g., *Dove Shampoo* after *Dove Soap*).
- Trade Leverage: Distributors and retailers prefer high-equity brands due to higher sales potential.
- Resilience During Crises: Strong brands recover faster from market downturns or negative publicity.

Building Brand Equity:

Brand equity develops over time through strategic marketing and consistent customer experience:

- Consistent Brand Messaging: Communicating a unified identity across all platforms.
- Superior Customer Experience: Ensuring satisfaction and emotional connection.
- Effective Brand Positioning: Clear differentiation in consumers' minds.
- Integrated Marketing Communication (IMC): Advertising, PR, digital marketing, and sponsorships reinforcing brand image.
- Corporate Social Responsibility (CSR): Positive social involvement enhances brand trust and reputation.

Keller's Customer-Based Brand Equity (CBBE) Model (Pyramid):

Another major framework by Kevin Lane Keller focuses on how customers perceive and relate to a brand.

It has four stages (bottom to top):

1. Bran[redacted]
2. Bran[redacted]
3. Bran[redacted]
4. Bran[redacted]

At the top [redacted] omer–brand relationship[redacted]

Factors Affe[redacted]

- Mark[redacted]
- Custo[redacted]
- Comp[redacted]
- Cultu[redacted] ptance.

Measuring E[redacted]

Organizatio[redacted]

- Cons[redacted]
- Finan[redacted] ce premium, and r[redacted]

Q19. Arrang[redacted] uence.

A. Identifyin[redacted]

B. Developin[redacted]

C. Market targeting

D. Selecting market segments

E. Market positioning

Choose the correct answer from the options given below:

A. A, B, D, C, E
B. A, D, B, C, E
C. D, A, B, C, E
D. A, C, B, D, E

Answer:

B

Sol:

Introduction: Market segmentation involves dividing a broad consumer or business market, typically consisting of existing and potential customers, into sub-groups of consumers based on some type of shared characteristics.

Information Booster:

- A: Identifying segmentation variables is the first step in understanding how to categorize the market.
- D: Selecting market segments is the second step after identifying which variables to use for segmentation.
- B: Developing profiles of resulting segments involves creating detailed descriptions of the market segments.
- C: Market [redacted]t the most appropriate [redacted]
- E: Market [redacted]d segments.

Additional K[redacted]

- Option (a)[redacted]
- Option (c)[redacted]
- Option (d)[redacted]

Q20. Which [redacted]

A. Complex [redacted]

B. Dissonan[redacted]

C. Habitual [redacted]

D. Impulsive[redacted]

Choose the [redacted]

A. A, B, [redacted]

B. A, B, [redacted]

C. A, B, [redacted]

D. B, C, [redacted]

Answer:

A

Sol:

Introduction:

Consumer buying behavior describes how individuals make decisions to purchase products.

Information Booster:

- Complex → high involvement, significant differences between brands
- Dissonance-Reducing → high involvement, few differences between brands
- Habitual → low involvement, frequent purchase

Additional Knowledge:

- Impulsive → unplanned purchases; sometimes discussed in marketing psychology

Type	Consumer Involvement	Brand Difference	Key Characteristics	Examples
1. Complex Buying Behaviour	High	Significant	- Consumers are highly involved in purchase decisions. - Occurs when the product is expensive, risky, or infrequently bought. - Consumers seek information and compare alternatives.	Buying a car, house, or laptop
2. Dissonance-Reducing Buying Behaviour	[redacted]	[redacted]	- Consumers are highly involved but see little brand difference. - [redacted]	Buying a washing [redacted]ine, [redacted]nt, or air [redacted]tioner
3. Hab[redacted] Buying Behaviour	[redacted]	[redacted]	[redacted]	[redacted]g [redacted]paste, salt, [redacted]or soap
4. Var[redacted] Seeking Bu[redacted] Behaviour	[redacted]	[redacted]cant	[redacted]	[redacted]g snacks, [redacted]its, or soft [redacted]s

Q21. Seque[redacted]. Agreement D. Implemen[redacted]

A. A, B, [redacted]
B. B, A, [redacted]
C. C, D, [redacted]
D. A, C, [redacted]

Answer:
A
Sol:
Introduction: Collective bargaining is negotiation between employers and employee representatives.
Information Booster:
- Preparation – Gather data and set objectives.
- Negotiation – Discuss terms between parties.
- Agreement – Sign contract upon mutual consent.
- Implementation – Execute agreed terms.

Additional Knowledge:

- (b) B, A, C, D → Incorrect; preparation precedes negotiation.
- (c) C, D, A, B → Incorrect; agreement cannot come first.
- (d) A, C, D, B → Incorrect; negotiation cannot come last.

Q22. Match the following types of rural entrepreneurs with their examples:

LIST–I (Type)	LIST–II (Example)
A. Agricultural entrepreneurs	(i) Dairy farming units
B. Artisan entrepreneurs	(ii) Handloom cooperatives
C. Trading entrepreneurs	(iii) Local retail shops
D. Service [redacted]	[redacted]

A. A–i, [redacted]
B. A–ii, [redacted]
C. A–iii, [redacted]

D. A–iv, [redacted]

Answer:
A
Sol:
Introductio[redacted]
Rural entrep[redacted]
Information[redacted]
- A (A[redacted]
- B (A[redacted]
- C (T[redacted]
- D (S[redacted]

Additional K[redacted]
Diversificati[redacted]
Rural entrep[redacted]ban areas by engaging in[redacted]hey operate mainly acro[redacted]ely to rural growth.
The agricultural sector (A) includes farming and allied activities such as dairy, poultry, horticulture, and fisheries. These ventures ensure food security and create income opportunities within the community. The artisan sector (B) focuses on traditional crafts and cottage industries like handloom weaving, pottery, carpentry, and handicrafts, preserving cultural heritage while generating self-employment. The trading sector (C) involves buying and selling goods—for example, running grocery stores, agricultural input shops, or village markets—facilitating rural commerce and distribution. The service sector (D) covers transportation, repair, tailoring, beauty services, and small-scale hospitality, meeting daily community needs and improving living standards.
The diversification of rural entrepreneurship not only enhances income and self-reliance but also reduces migration to urban areas by creating local employment. It encourages sustainable development

through the optimal use of local resources, innovation, and skill development. Hence, promoting these forms of entrepreneurship is essential for balanced regional growth and inclusive economic progress.

Q23. "Consumer buying behaviour in situations characterized by high consumer involvement in a purchase and significant perceived differences among brands" is termed as:

A. Complex buying behaviour
B. Dissonance-reducing buying behaviour
C. Habitual buying behaviour
D. Variety-seeking buying behaviour

Answer:
A
Sol:
[redacted]

3. Consumer Process: Includes extensive problem recognition, information search, evaluation of alternatives, and post-purchase evaluation.

Additional Knowledge:

1. Option B (Dissonance-reducing buying behaviour): Incorrect because it applies to situations with few brand differences, unlike the given scenario.
2. Option C (Habitual buying behaviour): Incorrect because habitual buying involves low involvement and minimal decision-making effort.
3. Option D (Variety-seeking buying behaviour): Incorrect because variety-seeking occurs in low-involvement purchases with frequent brand-switching.

Complex buying behaviour is crucial for industries dealing with expensive, high-stakes, or differentiated products.

Q24. Identify the incorrect statement about Industrial Relations (IR):

A. . IR aims to maintain peaceful employer-employee relations
B. . IR ignores labor laws and regulations
C. . IR enhances productivity and workplace harmony
D. . IR includes trade union management

Answer:
B
Sol:
Introductio [redacted] ployees, and trade union [redacted]
Information [redacted]
• Good IR e [redacted]
• Promotes [redacted]
Additional K [redacted]
• Statement [redacted]

Q25. Which [redacted] et prices?

A. Cons [redacted]
B. Gove [redacted]
C. Net e [redacted]
D. Tran [redacted]

Answer:
D
Sol:
Consumptio [redacted] in the GDP formula: GD [redacted] ls.
Governmen [redacted] noted as G), covering expenditures on infrastructure, defense, education, etc.
Net exports (exports minus imports)– Represented as (X - M), this accounts for trade balance (exports add to GDP, while imports subtract).
Transfer payments by the government–Correct Answer. These include welfare payments, pensions, and unemployment benefits. Since no goods/services are produced in exchange, they are excluded from GDP.
Information Booster:
GDP measures final production within a country. Transfer payments redistribute income without contributing to current production, hence their exclusion.

Q26. Answer the correct material usage variance from the information given below :
Standard material cost for manufacturing 1000 units of an output is 400 kgs of material at Rs. 2.50 per kg. When 2000 units are produced, it is found that actual consumption was of 825 kgs material at a price of Rs. 2.70 per kg:

A. Rs. 67.50 Favourable
B. Rs. 67.50 Adverse
C. Rs. 62.50 Favourable
D. Rs. 62.50 Adverse
E. Rs. 70.50 Adverse

Answer:
D
Sol:
To determin [redacted] aterial cost
variance by [redacted]
Given: Stand [redacted]
800 kgs for [redacted]
Actual Mate [redacted]
Standard Pr [redacted]
MUV = (Star [redacted]
price per un [redacted]
MUV = (800 [redacted]
MUV = -25 x [redacted]
MUV = Rs. 6 [redacted]

Q27. The Tr [redacted]

A. Mini [redacted]
B. Maxi [redacted]
C. Sche [redacted]
D. Fore [redacted]

Answer:
A
Sol:
Introduction: The transportation model is a specialized form of Linear Programming.
Information Booster:
• It aims to minimize cost of distributing goods from sources to destinations.
Additional Knowledge:
• Not meant for forecasting.
• Not a profit maximization tool directly.
• Not for machine scheduling.

Q28. Which of the following are Mass Communication characteristics?
A. Large Heterogeneous Audience
B. Delayed Feedback
C. Mediated Channel
D. Face-to-Face Interaction
Choose the correct answer from the options given below:

A. A, B and C Only
B. B, C and D Only
C. A and D Only
D. A, B and D Only

Answer:
A
Sol:
Introductio [redacted], with slow
feedback, u [redacted]
Information [redacted] ng.
Additional K [redacted] ersonal; (d)
includes Int [redacted]

Q29. Arrang [redacted] nce.
A. Idea Scre [redacted]
B. Commer [redacted]
C. Product D [redacted]
D. Idea Gene [redacted]
Choose the [redacted]

A. D, A, [redacted]
B. C, A, [redacted]
C. D, C, [redacted]
D. A, D, [redacted]

Answer:
A
Sol:
Introduction: NPD process ensures systematic development and market launch of new products.
Information Booster:
• Step 1: Idea Generation – Collecting innovative ideas from customers, employees, competitors.
• Step 2: Idea Screening – Filtering feasible & profitable ideas.
• Step 3: Product Development & Testing – Prototyping, technical development, market testing.
• Step 4: Commercialization – Launching the product in the market.
Additional Knowledge:
• Option (b) starts with product development which is impossible before idea generation.
• Option (c) swaps screening and development which is illogical.

• Option (d) starts with screening but we need ideas first.

Q30. Arrange the following components of the Marketing Mix (4Ps) in the correct logical sequence when launching a new product:
A. Place
B. Product
C. Price
D. Promotion
Choose the correct answer from the options given below:

A. B → A → C → D
B. B → [redacted]
C. A → [redacted]
D. C → [redacted]

Answer:
B
Sol:
The Marketi [redacted] represents the core set [redacted] n the target market. Wh [redacted] al to ensure successful m [redacted]

1. Prod [redacted] duct offering that [redacted] evelopment, prici [redacted]
2. Price [redacted] price should refle [redacted] y objectives. Prici [redacted] stomers.
3. Place [redacted] to make the prod [redacted] ng retailers, whol [redacted]
4. Prom [redacted] awareness, gene [redacted] rtising, sales promotions, public relations, and personal selling.

This sequence ensures a structured approach to product launch, starting from what the customer gets, to how much it costs, how it reaches the customer, and how the customer is informed about it.
Information Booster:

- The Product is the foundation of the marketing mix, without which other decisions lack context.
- Pricing influences customer perception and profitability.
- Place (Distribution) ensures accessibility and convenience for customers.
- Promotion supports the marketing efforts by communicating benefits and encouraging sales.

Q31. Match the LIST-I with LIST-II

LIST – I (Marketing Orientation)	LIST – II (Focus/Approach)
A. Production Concept	I. Focus on aggressive selling & promotion
B. Product Concept	II. Focus on product quality, innovation & features
C. Selling Concept	III. Focus on high production efficiency & wide distribution
D. Marketing Concept	IV. Focus on understanding & satisfying customer needs

Choose the correct answer from the options given below:

A. A - III, B - II, C - I, D - IV
B. A - II, B - I, C - III, D - IV
C. A - III, B - IV, C - II, D - I
D. A - I, [redacted]

Answer:
A
Sol:
Introductio[redacted] production
to marketin[redacted]
• A–III: Pro[redacted]osts.
• B–II: Prod[redacted]
• C–I: Sellin[redacted]
• D–IV: Mar[redacted]satisfaction.
Additional K[redacted]
• Societal M[redacted]
• Holistic M[redacted] marketing.

Q32. Arrang[redacted]
A. Volume
B. Velocity
C. Variety
D. Veracity

A. A, B, [redacted]
B. B, A, [redacted]
C. A, C, D, B
D. A, D, B, C

Answer:
A
Sol:
Introduction: The "4 Vs" of Big Data describe its core characteristics.
Information Booster:
• Volume: Scale of data.
• Velocity: Speed of generation.
• Variety: Different formats.

• Veracity: Data reliability.

Additional Knowledge: Other sequences lack the standard conceptual hierarchy used in Big Data literature.

Q33. Gordon's Model assumes that:

A. Firm finances investment only through retained earnings
B. Cost of capital is irrelevant
C. Dividend has no effect on share price
D. Dividend is independent of growth

Answer:

A

Sol:

Introductio[redacted]

Gordon's M[redacted] s a dividend relevance th[redacted] of its shares. The model [redacted]

Information[redacted]

Key assump[redacted]

1. The [redacted] ebt or new equit[redacted]
2. The [redacted]
3. The f[redacted]
4. The i[redacted]
5. Grow[redacted]
6. Cost [redacted]

Thus, optio[redacted] gh retained earnings on[redacted]

Additional I[redacted]

- The f[redacted]

  P = (E × [redacted]

  where,

  E = Earnings per share,

  b = Retention ratio,

  g = Growth rate (b × r),

  Ke = Cost of equity.

- The model shows that dividend decisions are relevant because investors prefer certain dividends now rather than uncertain future capital gains.
- Unlike Modigliani and Miller (MM), who believed dividend is irrelevant, Gordon strongly argued that dividends do affect share price.