

QUESTION BANK

BBA

SEMESTER V

FOR PRIVATE CIRCULATION

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QUESTION BANK

INCOME TAX LAW & PRACTICES

BBA - 301

UNIT - I

I MULTIPLE CHOICE QUESTIONS:

1. Income tax is collected on all types of income except_____.
A. Agricultural Income
B. Industrial Income
C. Capital Gain
D. Household Property
ANSWER: A
2. The Income Tax Act came into force from .
A. 1st March 1971
B. 1st April 1971
C. 1st March 1961
D. 1st April 1961
ANSWER: D
3. The Income Tax Act came into force all over India except .
A. Andaman & Nicobar
B. Maldives
C. Jammu & Kashmir
D. None of the above
ANSWER: D
4. As per Income Tax Act, 1961, income tax is charged on the income of an individual at a rate which are prescribed by the Finance Act of relevant assessment year.
A. Current year
B. One year before previous year
C. Previous year
D. None of the above
E. ANSWER: C
5. The tax payer liability is determined with reference to his or her .
A. Financial Status
B. Residential Status
C. All of the above
D. None of the above
ANSWER: B
6. As per the definition of Income, the income includes the following .
A. Profits and gains
B. Dividend declared
C. Voluntary contribution received by a trust created
D. All of the above
ANSWER: D

7. The period of 12 months commencing on the first day of April every year and ending on 31st March is called as .
- A. Previous Year
 - B. Assessment year
 - C. Accounting Year
 - D. Financial Year
- ANSWER: B

8. Previous year means the financial year immediately preceding the .
- A. Accounting Year
 - B. Assessment Year
 - C. All of the above
 - D. None of the above
- ANSWER: B

9. Agricultural income is completely exempted for assessment year .
- A. 1974-75
 - B. 1985-86
 - C. 1975-76
 - D. 1978-79
- ANSWER: A

10. The income from foreign companies by providing the services in project connected with security of India is _____ from tax liability.
- A. 50% exempted
 - B. 20% exempted
 - C. 100% exempted
 - D. 55% exempted
- ANSWER: C

11. An individual is said to be resident in India if .
- A. It is in India in the previous year for a period of 182 days or more
 - B. It is in India for period of 60 days or more during the previous and 365 days or more during the four years immediately preceding previous year
 - C. All of the above
 - D. None of the above
- ANSWER: C

12. The HUF is said to be resident in India if .
- A. The control and management of its affairs is wholly or partly situated in India
 - B. The control and management of its affairs is partially situated out of India
 - C. The control and management of its affairs is wholly or partly in out of India
 - D. None of the above
- ANSWER: A

13. The awards and rewards are exempted from Income Tax if .
- A. Payment is in cash
 - B. Payment is in kind
 - C. Payment is in cash or in kind
 - D. None of the above
- ANSWER: C
14. Income received in India whether occurred in India or outside India, the tax incidence in case of resident is .
- A. Taxable as per slabs
 - B. Exempted from tax
 - C. Partly exempted
 - D. None of the above
- ANSWER: A
15. Income received in India whether occurred in India or outside India, the tax incidence in case of resident but not ordinarily resident is .
- A. Taxable as per slabs
 - B. Exempted from tax
 - C. Partly exempted
- ANSWER: A
16. Income received in India whether occurred in India or outside India, the tax incidence in case of non-resident is .
- A. Taxable as per slabs
 - B. Exempted from slab
 - C. Partly exempted
 - D. None of the above
- ANSWER: A
17. Income deemed to be received in India whether occurred in India or outside India, the tax incidence in case of resident is .
- A. Taxable as per slabs
 - B. Exempted from slab
 - C. Partly exempted
 - D. None of the above
- ANSWER: A
18. The income received and accrued outside India from a business controlled or profession set up in India, the tax incidence in case of resident is .
- A. Taxable
 - B. Non-taxable
 - C. Partly taxable
 - D. None of the above
- ANSWER: A

19. The income received and accrued outside India from a business controlled or profession set up in India, the tax incidence in case of non-resident is .
- A. Taxable
 - B. Non-taxable
 - C. Partly taxable
 - D. None of the above
- ANSWER: B
20. The tax incidence for company or firm in which income received in India and company is resident is .
- A. Taxable
 - B. Non-taxable
 - C. Partly taxable
 - D. None of the above
- ANSWER: A
21. The tax incidence for company or firm in which income received in India and company for non-resident is .
- A. Taxable
 - B. Non-taxable
 - C. Partly taxable
 - D. None of the above
- ANSWER: A
22. The tax incidence for company or firm in which income received outside India from a source controlled from India for resident is .
- A. Taxable
 - B. Non-taxable
 - C. Partly taxable
 - D. None of the above
- ANSWER: A
23. The tax incidence for company or firm in which income received outside India from a source controlled from India for non-resident is .
- A. Non-taxable
 - B. Taxable
 - C. Partly taxable
 - D. None of the above
- ANSWER: A
24. _____ is exempted from income tax.
- A. Interest from Indian company
 - B. Dividend from foreign company
 - C. Cooperative dividend
 - D. Dividend from Indian company
- ANSWER: D

25. The capital gain is chargeable under _____ of Income Tax Act.
- A. Section 45
 - B. Section 55
 - C. Section 56
 - D. Section 40

ANSWER: C

II SHORT ANSWER TYPE QUESTIONS:

1. Who is an Assessee?
2. What is previous year and assessment year?
3. Who is Person?
4. What is Agricultural Income?
5. Write a short note on Income Tax Act 1961.
6. What is Tax?
7. Why are taxes levied?
8. Under what circumstances an assessee will be considered "non-resident" for income-tax purposes and on what income he will be liable to be assessed?
9. In what way does the liability of tax of a "not ordinarily resident" person differ from that of a "resident" person under the Income-tax Act?
10. How will you decide the question of residence of an individual and a Hindu undivided family? Explain fully.
11. Can one claim deduction for personal and household expenditure while calculating taxable income or profit?
12. Can A Non-resident Claim Rebate Under Section 87a?
13. How can I know whether a company is resident or non-resident?
14. How is resident/ non-resident status relevant for levy of income tax?
15. I am an Indian scientist, who had gone abroad on a government project. Should my return of income include income earned/received abroad?
16. What is foreign income?
17. What is national income?
18. What is partly agricultural income?
19. Explain gross income.
20. What type of deductions are allowed from gross total income?
21. Give the tax slabs as per the current finance bill for individual and HUF.
22. What are the workings of CBDT?
23. Give the treatment of coffee and tea in agricultural income.
24. How can we decide an individual is NRI?
25. Narrate the basic features of Income tax Act 1961.

III LONG ANSWER TYPE QUESTIONS:

1. Mr. X has a business income of Rs 3, 00,000 and agricultural income of Rs 4, 00,000. These figures relate to the Assessment year 2019-20. How will his tax liability be

- computed?
2. If any industrial organization grows crops and sells half of the produce as raw material in the market and remaining (further processed) as finished goods, what will be the tax treatment?
 3. Mr. Arnav had sold an agricultural land in a rural area, which is outside jurisdiction of the Municipal Authority. Whether the sales proceeds are exempt or taxable?
 4. What is partly agricultural income? Give examples of it with taxable rules.
 5. How will you decide the question of residence of an individual and a Hindu undivided family? Explain fully
 6. Give ten instances of income completely exempt from tax giving a brief account of the conditions, if any, to be fulfilled, in respect of each to be eligible for the exemption
 7. Enumerate with reference to section 10 of the Income-tax Act, 1961, & Explain types of income which is totally exempt from tax?
 8. Enumerate with reference to section 10 of the Income-tax Act, 1961, & Explain types of income which is totally exempt from tax?
 9. What Is Marginal Relief and How It Is Computed?
 10. How to Compute the Total Tax Liability?
 11. Under How Many Heads the Income of a Taxpayer Is Classified?
 12. What Is Surcharge and How It Is Computed?
 13. As an agriculturist, am I required to maintain any proof of earning and expenditure incurred?
 14. I win a lottery or prize money in a competition. Am I required to pay taxes on it?
 15. Give the exemptions under section 10.
 16. What is tax incidence? How it can be determined?
 17. How the tax Liability of different categories of assessee be determined?
 18. The dividend is declared and paid outside India. Discuss the tax liability on the transaction according to Indian income-tax on these dividends?
 19. "The Income-tax Act gives absolute exemptions in respect of certain income, while some income is included in the total income for determining the rate only". Discuss.
 20. Mr. A comes to India for the first time on January 11, 2018 for a period of 40 days. Determine his residential status for the assessment year 2019-20.
 21. Mrs. A, an Indian citizen, leaves India, for the first time, on September 10, 2010, for the purpose of employment outside India. Determine her residential status for the assessment year 2019-20.
 22. X left India for the first time on November 21, 2017. During the financial year 2017-18, he came to India once on May 20 for a period of 46 days. Determine his residential status for the assessment year 2019-20.
 23. Z, an American tourist, comes to India for the first time on June 17, 2017. He leaves India on September 29, 2017. Determine his residential status for the assessment year 2019-20. Does it make any difference if he comes to India on a business trip or if he is an Indian citizen?
 24. Mr. A had sold an agricultural land in a rural area, which is outside jurisdiction of the Municipal Authority. Whether the sales proceeds are exempt or taxable?
 25. What are the different categories of assessee according to their residential status?

UNIT - II

I MULTIPLE CHOICE QUESTIONS:

1. Which section of the Income Tax Act exempted incomes have been mentioned?
- A. Section 80C
 - B. Section 80DD
 - C. Section 10
 - D. Section 2

ANSWER: A

2. _____ of Income Tax Act is related to residential status.
- A. Section 2
 - B. Section
 - C. Section 5
 - D. Section 4

ANSWER: A

3. Resident of India includes _____.
- A. Ordinarily resident
 - B. Not ordinarily resident
 - C. NRI
 - D. Both (a) and (b)

ANSWER: D

4. The Company may have the residential status as _____.
- A. Resident or Non-resident
 - B. Not ordinarily resident
 - C. Non-resident
 - D. Resident

ANSWER: A

5. The meaning of exempted income is _____.
- A. Not included in total income
 - B. Agricultural income
 - C. Not taxable under income tax
 - D. All of the above

ANSWER: A

6. The number of income source for a person are _____.
- A. One head
 - B. Two heads
 - C. Various heads
 - D. Any of the above

ANSWER: D

7. The sum of various heads is called as .
A. Taxable income
B. Total income
C. Gross total income
D. Adjusted income
ANSWER: C
8. The agricultural income includes .
A. Income from sale of crop
B. Income from preparation of crop
C. Income from nursery
D. All of the above
ANSWER: D
9. _____ comes under agricultural income.
A. Tea garden
B. Commodity farming
C. All of the above
D. None of the above
ANSWER: A
10. The Income Tax Act, 1961 broadly covers .
A. Basic charging income
B. Rebates and reliefs
C. Incomes exempted from income tax
D. All of the above
ANSWER: D
11. The capital gain is chargeable under of Income Tax Act.
E. Section 45
F. Section 55
G. Section 56
H. Section 40
ANSWER: C
12. The definition of the person includes .
A. An individual
B. A company
C. A Hindu undivided family
D. All of the above
ANSWER: D
13. Any rent or revenue derived from land which is situated in India and is used for agricultural purpose is .
A. Partially taxable
B. Fully taxable

- C. (c) Exempted from tax
- D. (d)None of the above

ANSWER: C

14. Residential Status of an assesses can be .
- A. Different for different previous year in the same assessment year
 - B. Different for different assessment year
 - C. None of the above
 - D. All of the above

ANSWER: B

15. The income of previous year is chargeable to tax in the .
- A. Immediately succeeding assessment year
 - B. Same previous year
 - C. Immediately preceding academic year
 - D. None of the above

ANSWER: A

16. The interest on loan paid by the Government of India to a non-resident outside India is _____ in India.
- A. Not taxable
 - B. Partially taxable
 - C. (c) Taxable
 - D. (d)Can't say

ANSWER: A

17. An individual is resident and ordinarily resident of India if .
- A. Person had been resident in India at least 2 out of 10 previous years immediately preceding the relevant previous year
 - B. Person been in India for a period of 730 days or more during 7 years immediately preceding the relevant previous year
 - C. All of the above
 - D. None of the above

ANSWER: C

18. The Resident HUF is ordinarily resident in India, if_____
- A. He has been resident in India at least 2 years out of 10 previous years immediately
 - B. He has been resident in India at least 3 years out of 10 previous years immediately
 - C. He has been resident in India at least 2 years out of 5 previous years immediately
 - D. None of the above

ANSWER: A

19. Basic condition will be for a person who leaves India for employment _____
- A. At least 182 days in India
 - B. At least 60 days in previous year and 365 days in preceding 4 years
 - C. At least 730 days in preceding 7 years

D. All of the above

ANSWER: A

20. Which of the following is not included in the term Income under the Income Tax Act, 1961?

A. Reimbursement of travelling expenses

B. Profits and gains of business or profession

C. Dividend

D. Profit in lieu of salary

ANSWER: D

21. R, a chartered accountant is employed with R Ltd., as an internal auditor and requests the employer to call the remuneration as internal audit fee. R shall be chargeable to tax for such fee under the head.

A. Income from salaries

B. Profit and gains from Business and Profession

C. Income from other sources.

ANSWER: A

22. A is entitled to children education allowance @ Rs. 80 p.m. per child for 3 children amounting Rs. 240 p.m. It will be exempt to the extent of :

A. Rs.200 p.m.

B. Rs.160 p.m.

C. Rs. 240 p.m.

ANSWER: A

23. A has two house properties. Both are self-occupied. The annual value of

A. Both house shall be nil

B. One house shall be nil

C. No house shall be nil

ANSWER: B

24. Gain arising from the disposal of _____ is taxable under the head capital gains.

A. Depreciable asset

B. Eligible depreciable asset

C. Securities

D. All of the above

ANSWER: C

25. _____ are capital assets.

A. Stock in trade

B. Sculpture

C. Immovable property

D. Both b and c

ANSWER: D

III SHORT ANSWER TYPE QUESTIONS:

1. Assesseees have been divided into three categories on the basis of their residential status. Explain how these categories?
2. Write short notes on the Income received in India?
3. What do you mean by Income deemed to accrue or arise in India?
4. Explain Control and management of a business and their taxability?
5. Write a short note on Resident but a not ordinarily resident individual.
6. Can A Partnership Firm Or HUF Claim Rebate Under Section 87A?
7. How to Round Off the Tax Liability?
8. Can one claim deduction for personal and household expenditure while calculating taxable income or profit?
9. How do you compute Income from house property?
10. Are all receipts considered as income?
11. What are revenue and capital receipts?
12. Is income tax levied on gifts received by a person?
13. I own shares of various Indian companies and receive dividends. Is it taxable?
14. I am a religious preacher and earn money from preaching. Do I have to pay tax and file return?
15. What is circle rate?
16. What is fair rate?
17. What are fringe benefits?
18. What are perquisites?
19. Give fully taxable allowances.
20. What are the partly taxable allowances?
21. What are family pensions?
22. Give the deductions under section 16.
23. Give the deductions in house property.
24. Explain long term gains.
25. What is short term gains?

III LONG ANSWER TYPE QUESTIONS:

1. The dividend is declared and paid outside India. Discuss the tax liability on the transaction according to Indian income-tax on these dividends?
2. "The Income-tax Act gives absolute exemptions in respect of certain income, while some income is included in the total income for determining the rate only". Discuss.
3. Under what circumstances an assessee will be considered "non-resident" for income-tax purposes and on what income he will be liable to be assessed?
4. The incidence of income-tax depends upon the residential status of an assessee". Discuss fully.
5. The dividend is declared and paid outside India. Discuss the tax liability on the transaction according to Indian income-tax on these dividends?
6. Discuss the criteria to decide the assessee's Residential Status in Case of Company and HUF?
7. In what way does the liability of tax of a "not ordinarily resident" person differ from that

of a "resident" person under the Income-tax Act?

8. X and Y are brothers and they earn the following incomes during the previous year. X settled in America in the year 1985 and Y settled in Mumbai. X visits India for 20 days every year, Y also visits America every year for a month, Compute their total income for the assessment year 2019-20 from the following information -

	X	Y
Interest on American development bonds, 50 per cent of interest received in India	Rs. 46,000	Rs. 18,000
Dividend for a Japanese company received in America	10,000	15,000
Profit on sale of shares of on Indian company received in India	45,000	75,000
Profit from a business in Mumbai, but managed directly from America	10,000	-
Income from a business in Mumbai	32,000	28,000
Fees for technical services rendered in America and received in America. The services were, however, utilized in India	1,50,000	-
Interest on savings bank deposit in State Bank of India, Mumbai	4,500	12,000
Rent received in respect of house property at Mumbai	96,000	55,000
Life insurance premium paid	-	25,000

9. A government decides to raise personal income tax rates. Using diagrams, explain one possible demand-side consequence and one possible supply side consequence of this decision.
10. Can I claim deduction for my personal and household expenditure in calculating my income or profit?
11. Most of my income is given away in charity and I am left with just enough to meet my personal requirement. What will be considered as my income?
12. My daughter stays in USA. She owns a house in India and has let it out. She has asked tenants to pay rent to me so that I can lead a decent life. She has not received any rent. Is she still liable to tax? What if she transfers the house to me?
13. Children living abroad send me Rs.20000/- per month for my maintenance. Would this be considered as my income?
14. Narrate the rules for leave encashment.
15. Explain the steps for calculating gratuity.

16. Explain the rules for House rent allowance.
17. Explain the rules for taxable rent-free house.
18. How one can determine the exemption under provident fund.
19. Narrate the rules for recognized provident fund.
20. Explain the rules for VRS.
21. How one can calculate the taxable income from house property.
22. Explain the rules for calculation of income from salaries.
23. What are the items to be included in capital gains?
24. What is income from business and profession?
25. What are the incomes allowed in business and professions?

UNIT III

I MULTIPLE CHOICE QUESTIONS:

1. An assessee has borrowed money for purchase of a house & Interest is payable outside India. Such interest shall:
 - A. Be allowed as deduction
 - B. Not to be allowed on deduction
 - C. Be allowed as deduction if the tax is deducted at source
 ANSWER: C

2. Salary, bonus, commission or remuneration due to or received by a working partner from the firm is taxable under the head.
 - A. Income from salaries
 - B. Other sources
 - C. PGBP
 ANSWER: C

3. Perquisite received by the assessee during the course of carrying on his business or profession is taxable under the head.
 - A. Salary
 - B. Other sources
 - C. PGBP
 ANSWER: C

4. Interest on capital or loan received by a partner from a firm is:
 - A. Exempt U/S 10(2A)
 - B. Taxable U/H business and profession
 - C. Taxable U/H income from other sources
 ANSWER: B

5. Under the head Business or Profession, the method of accounting which an assessee can follow shall be:
 - A. Mercantile system only

- B. Cash system only
- C. Merantile or cash system only
- D. Hybrid system

ANSWER: C

6. Expenditure incurred on family planning amongst the employees is allowed to
- A. Any assessee
 - B. A company assessee
 - C. An assessee which is a company or cooperative society

ANSWER: B

7. Gain arising from the disposal of _____ is taxable under the head capital gains.
- E. Depreciable asset
 - F. Eligible depreciable asset
 - G. Securities
 - H. All of the above

ANSWER: C

8. _____ are capital assets.

- E. Stock in trade
- F. Sculpture
- G. Immovable property
- H. Both b and c

ANSWER: D

9. A person who derives his income by dealing in shares of private, unlisted and public limited companies are covered under the head.
- A. Income from business
 - B. Income from other sources
 - C. Capital gains or
 - D. All of the above

ANSWER: C

10. Bonus shares are issued by a company to its _____ without receiving any amount from them.
- A. Employees
 - B. Customer
 - C. Shareholders
 - D. All of the above

ANSWER: C

11. Income from shares of a public company set up in any special Industrial zone is exempt up to----- years from the date of commencement of commercial production.
- A. Three
 - B. Four
 - C. Five

- D. None of the above
ANSWER: D

12. Gain from sale of shares of Private Limited companies is taxable under section_____.
- A. 37
 - B. 37A
 - C. Not taxable
 - D. None of (a) to (c)
- ANSWER: A

13. Bonus shares are the shares issued by a company_____.
- A. Free of cost
 - B. Issued at concessional rate
 - C. On credit
 - D. None of the above
- ANSWER: A

14. A company in which at least 50% of the shares are held by a foreign government is _____.
- A. Private company
 - B. Public company
 - C. Foreign company
 - D. All of the above
- ANSWER: B

15. Any incidental expenditure on disposal of capital assets shall form part of _____.
- A. Cost of assets
 - B. Disposal consideration
 - C. Selling cost
 - D. None of a to c
- ANSWER: A

16. Capital loss u/s 37 is allowed as deduction for those assets the gain of which is_____.
- A. Chargeable to tax
 - B. Exempt from tax
 - C. Both of these
 - D. None of (a) to (c)
- ANSWER: A

17. At the time of devolution _____ would be the cost of the asset.
- A. FMV
 - B. Historical cost
 - C. higher of a and b
- ANSWER: A

18. Capital gain tax shall not be chargeable on disposal of securities which are held for a period of _____.
- A. one year
 - B. two years
 - C. three years
 - D. six months
 - E. forty-eight months

ANSWER: A

19. 'Derivatives' is a general term for financial assets that are "derived" from other_____.
- A. fixed assets
 - B. current assets
 - C. financial assets
 - D. income

ANSWER: C

20. Gain on disposal of immovable property is chargeable to at _____%, where holding period is up to one year.
- A. 10
 - B. 2
 - C. 6
 - D. 12

ANSWER: A

21. A loss on the sale of jewellery is _____ under the head capital gain.
- A. recognized
 - B. not recognized
 - C. taxable
 - D. none of above

ANSWER: B

22. In Income Tax Act, 1961, deduction under sections 80C to 80U cannot exceed_____.
- A. Gross total income
 - B. Total income
 - C. Income from business or profession
 - D. Income from house property

ANSWER: A

23. Deduction in respect of contribution to political party will__.
- A. Be allowed in respect of sum paid by way of cash
 - B. Not be allowed if payment made in cash
 - C. This type of deduction is not allowed whether payment is in cash or not
 - D. Be allowed if payment made in cash, subject to certain conditions

ANSWER: B

24. Maximum amount of deduction in case of a person with severe disability under section 80U will be_____.
- A. 50,000
 - B. 75,000
 - C. 80,000
 - D. 1,00,000

ANSWER: A

25. A loss on the sale of jewellery is _____ under the head capital gain.
- A. recognized
 - B. not recognized
 - C. taxable
 - D. none of above

ANS: B

III SHORT ANSWER TYPE QUESTIONS:

- 1 How do you compute Income from house property?
- 2 Define Capital Assets?
- 3 How will you calculate House Rent Allowance (HRA)?
- 4 What is not considered as transfer of Capital Asset?
- 5 What are the deductions available under section 24 of Income Tax act?
- 6 Explain the differences between long term capital gain and short-term capital gain.
- 7 Write any five items under section 80 C of Income Tax Act, 1961.
- 8 Explain the terms "Direct and Indirect taxes"
- 9 What is surcharge?
- 10 What are the types of Provident funds?
- 11 What is Total income?
- 12 What is Return of income?
- 13 How many heads are there under total income? Name them.
- 14 At what rate firms are required to pay tax on their income?
- 15 What is the Securities Transaction Tax?
- 16 What is the Securities Transaction Tax?
- 17 Define Amortization & Impairment?
- 18 What do you understand by transfer income?
- 19 What is standard rent?
- 20 Explain gross annual value.
- 21 What is net annual value?
- 22 Explain the different rules for annual value calculation.
- 23 Give the deductions for house property.
- 24 What are the different deductions as per IT Act for capital gains?
- 25 What is casual income?

III LONG ANSWER TYPE QUESTIONS:

- 1 Write a note on computation of income in case of a house property which is in business

- or profession of the assessee?
- 2 What is capital gain? Explain long term capital gains and how is it different from short term capital gains?
- 3 What are the deductions under Salary Head? Name the items.?
- 4 Write a note on computation of annual value, in case of
(i) A house which is partly let out and partly vacant or
(ii) A house vacant throughout the year
- 5 Ownership is the criterion for assessment of income from property u/s 22. However, there are instances in which the income from property is assessable in the hands of an assessee, who is not the legal owner thereof. Enumerate these cases?
- 6 How is advance salary taxed in the hands of an employee? Is the tax treatment same for loan or advance against salary?
- 7 Mr. X, a citizen of India, received salary from the Government of India for the service rendered outside India. Is the salary income chargeable to tax?
- 8 Define Capital Assets? What is not considered as transfer of Capital Asset?
- 9 What is the difference between profit and gain, give examples also?
- 10 What items fall under the category of 'securities'?
- 11 What do you mean by fair rent, standard Rent?
- 12 What is Entertainment Tax? Is there any Exemption related to Entertainment Tax?
- 13 What are the types of Provident funds? What are the tax implications of different types of Provident Fund?
- 14 What are allowable and dis-allowable expenditure?
- 15 Mr. Mugal joined Star Ltd. on 1/4/2011. Details regarding his salary are as follows:

<u>Particulars</u>	<u>Amount</u>
Basic	5,000 p.m.
Dearness Allowance	2,000 p.m. (50% considered for retirement benefit)
Education Allowance	1,000 p.m. (he has 1 son and 3 daughters)
Hostel Allowance	2,000 p.m. (none of the children is sent to hostel)
Medical Allowance	1,000 p.m. (total medical expenditure incurred Rs. 3000)
Transport Allowance	1,000 p.m. (amount being used for office to residence & vice versa)
Servant Allowance	1,000 p.m.
City compensatory Allowance	2,000 p.m.
Entertainment Allowance	1,000 p.m.
Assistants Allowance (i.e. Helper Allowance)	3,000 p.m. (paid to assistant Rs. 2000 p.m.)
Profession Development Allowance (i.e. Academic Allowance)	2,000 p.m. (actual expenses for the purpose Rs. 8000 p.m.)
Bonus	24,000 p.a.
Commission	9,000 p.a.

Fees	5,000 p.a.
------	------------

Compute his gross taxable salary for the assessment year 2019-20.

- 16 Miss Sonal, being a citizen of India and Government employee has following salary details:

Dearness Allowance	3,000 p.m. (forming pan of salary)
Dearness Pay	1, 000 p.m. (forming part of salary)
Fees	50,000 p.a.
House Rent Allowance	5,000 p.m. (Rent paid for Kolkata house Rs. 4,000 p.m.)
Children Education allowance	3,000 p.m. (She is having one adopted child)
Children allowance	1 ,000 p.m.
Hostel allowance	2,000 p.m.
Dress Allowance	5,000 p.m. (Actual expenditure Rs. 10,000 p.m.)
Uniform Allowance	2,000 p.m. (Actual expenditure Rs. 1 ,000 p.m.)
Tiffin Allowance	1, 000 p.m.

Education Allowance for her own education 1,500 p.m. (Actual expenditure Rs. 1 ,500 p.m.)

Compute her gross salary for the assessment year 2019-20.

R is employed on part time basis with two companies i.e. X Company Ltd. and Y Company Ltd.

The particulars of his income for the previous year 2018-19 are as under:

<u>Particulars</u>	<u>Company X</u>	<u>Company Y</u>
Basic Salary	32,000	13,000
Education allowance for one child		1 ,800
Reimbursement of electricity bills	2,000	
Medical allowance		2,400
Employer's contribution to Recognised Provident Fund	1 ,800	1,500

Value of rent-free accommodation taken by the employer on rent 3000

- 17 R is neither a Director nor a substantial Shareholder of Either X ltd. or Y ltd. Is he Specified employee?
- (a) Mr. Laloo Singh, received education allowance of Rs. 80 p.m. for his 1st child, Rs. 90 p.m. for his 2nd child and Rs. 120 p.m. for his 3rd child. He also received hostel allowance of Rs. 1,000 p.m. None of his children are studying. Find taxable Children Education Allowance and Hostel allowance.
- (b) Preet is employed as a driver in a transport company. During the previous year 2018-19, he has been paid Rs. 24,000 being allowance to meet his personal expenses in course of

running trucks from one place to another. He is not in receipt of daily allowance. The expenditure incurred is however, Rs. 30,000. Find out the amount chargeable to tax.

20. Is rental income from sub-letting chargeable to tax under the head “Income from house property”?
21. What is the tax treatment of composite rent when the composite rent pertains to letting out of building along with charges for provision of services?
22. Whether rental income could be charged to tax in the hands of a person who is not a registered owner of the property?
23. How to compute income from a property which is let out throughout the year?
24. How to compute actual rent while computing gross annual value of a property which is let-out throughout the year?
25. How to compute gross annual value of a property which is let-out throughout the year? explain standard rent and fair rent with suitable examples.

UNIT IV

I MULTIPLE CHOICE QUESTIONS:

1. Maximum limit for the deduction of Life insurance premia from the gross total income is _____.
 - A. Rs. 2,00,000
 - B. Rs 1,50,000
 - C. R s 1,00,000
 - D. Rs 1,25,000ANSWER: B

2. The deduction of life insurance premia, contribution to provident fund, etc. will is done under of Income Tax Act, 1961.
 - A. Section 80C
 - B. Section 80U
 - C. Section 80D
 - D. Section 80EANSWER: A

3. Gross Total Income is arrived after _____.
 - A. Only adding Income under five heads of Income
 - B. Adding Income under five heads of Income excluding losses
 - C. Adding Income under five heads of Income, after applying clubbing provisions and making adjustment of set off and carry forward of losses
 - D. Adding Income under five heads of Income, after applying clubbing provisions and making adjustment of set off and carry forward of losses and after allowing deduction under sections 80C to 80UANSWER: C

4. In Income Tax Act, 1961, deduction under sections 80C to 80U cannot exceed .
- A. Gross total income
 - B. Total income
 - C. Income from business or profession
 - D. Income from house property
- ANSWER: A
5. The maximum aggregate amount of deduction under sections 80C, 80CCC and 80CCD cannot exceed .
- A. Rs 1,10,000
 - B. Rs 2,00,000
 - C. Rs 1,50,000
 - D. Nil
- ANSWER: C
6. Deduction in respect of contribution to political party will .
- A. Be allowed in respect of sum paid by way of cash
 - B. Not be allowed if payment made in cash
 - C. This type of deduction is not allowed whether payment is in cash or not
 - D. Be allowed if payment made in cash, subject to certain conditions
- ANSWER: B
7. Maximum amount of deduction in case of a person with severe disability under section 80U will be_____.
- A. 50,000
 - B. 75,000
 - C. 80,000
 - D. 1,00,000
- ANSWER: A
8. Government's contribution to the new pension scheme referred to in Section 80CCD is
- A. An exempt income
 - B. Income chargeable to tax as salaries in full
 - C. 50% thereof is income chargeable to tax as Salaries
 - D. Income chargeable to tax as income from other sources in full
- ANSWER: B
9. In case of a hospital built in specified area after 31.3.2008 fulfilling the required conditions laid down in Section 80IB-(11C), the profits and gains derived from running the hospital are
- A. Deductible in full
 - B. Deduction up to 50%
 - C. Taxable in full
 - D. Deductible up to 75%
- ANSWER: D

10. Deduction in respect of contribution to pension scheme of central government comes under _____ of Income Tax Act, 1961.
- A. Section 80CCD
 - B. Section 80U
 - C. Section 80EE
 - D. Section 80G
- ANSWER: A
11. In case of assesseees other than companies, the following is advance tax rate to be payable on or before of 15th September:
- A. 45%
 - B. 30%
 - C. 15%
 - D. 10%
- ANSWER: B
12. For the purposes of computing minimum alternate tax under Section 115B(a) of the Income Tax Act, 1961, the book profit need not to be increased by inter alia, the amount of deferred tax debited to the profit and loss account.
- A. True
 - B. False
 - C. Can't say
- ANSWER: B
13. Deduction under Section 80C can be claimed for fixed deposit made in any scheduled bank, if the minimum period of deposit is .
- A. 10 Years
 - B. 5 Years
 - C. 12 Years
 - D. 8 Years
- ANSWER: C
14. Which of the following is covered under section 80D of the Income Tax Act, 1961?
- A. Medical treatment of handicapped dependent
 - B. Medical insurance premium
 - C. Reimbursement of medical expenses
 - D. Repayment of loan taken for higher education
- ANSWER: B
15. The deduction available under section 80QQB in respect of royalty income of authors shall not exceed _____ in previous year.
- A. 1,50,000
 - B. 2,50,000
 - C. 3,00,000
 - D. 1,00,000
- ANSWER: B

16. For the purpose of deduction under section 80DD, which of the following statements is/are true?
- A. Assessee is either an individual or a HUF
 - B. Assessee is resident of India
 - C. Assessee has a dependent disabled relative
 - D. All of the above
- ANSWER: C
17. The maximum deduction one can claim under section 80D is _____.
- A. 30,000
 - B. 50,000
 - C. 40,000
 - D. 60,000
- ANSWER: D
18. Amount of deduction in case of a person with severe disability under section 80U will be _____.
- A. 75,000
 - B. 85,000
 - C. 1,50,000
 - D. 1,25,000
- ANSWER: D
19. Aggregate amount of deduction under 80C, 80CCC and 80CCD cannot exceed_____.
- A. 1,10,000
 - B. 1,20,000
 - C. 1,30,000
 - D. 1,50,000
- ANSWER: D
20. In the case of every senior citizen resident in India, tax rebate under section 87A is _____.
- A. 5,000
 - B. 2,000
 - C. 1,000
 - D. Nil
- ANSWER: D
21. The provisions regarding TDS on Salaries are contained in _____.
- A. Section 190
 - B. Section 191
 - C. Section 192
 - D. Section 193
- ANSWER: C

22. If the payee does not furnish PAN and TDS under section 194, dividends shall be made @ _____ .
- A. (a) 20%
 B. (b) 15%
 C. (c) 10%
 D. (d) Nil
 ANSWER: A
23. Deduction of tax at source for insurance commission is @ _____ .
- A. 10%
 B. 15%
 C. 20%
 D. 12%
 ANSWER: A
24. Amount of deduction section 80U will be _____ .
- A. (a) 75,000
 B. (b) 85,000
 C. (c) 1,50,000
 D. (d) 1,25,000
 ANS: D
25. Aggregate amount of deduction under 80C, 80CCC cannot exceed _____ ..
- A. 1,10,000
 B. 1,20,000
 C. 1,30,000
 D. 1,50,000
 ANS: D

III SHORT ANSWER TYPE QUESTIONS:

- 1 Discuss the provision of Income Tax Act, 1961 regarding set off of various losses?
- 2 What are the provision regarding set-off of the Long-term capital losses?
- 3 What are the provision regarding set-off of the Speculation losses?
- 4 Explain the provision of Income Tax Act regarding set-off and carry forward of Loss from house property?
- 5 Explain the provision of Income Tax Act regarding set-off and carry forward of the Business losses?
- 6 What are the rules regarding set-off and carry-forward of Short-Term capital losses?
- 7 What is TDS Certificate?
- 8 What is TDS?
- 9 When TDS should be deducted?
- 10 How much tax should be deducted from salary?
- 11 What is the minimum salary one should have for TDS to be deducted by the employer?
- 12 What are rates of TDS?
- 13 How to calculate TDS?
- 14 What are the due dates for TDS?

- 15 Which are the different forms prescribed for TDS Return?
- 16 How to apply for TDS refund?
- 17 What are TDS rules?
- 18 What is Advance Tax?
- 19 How to Calculate & Pay Advance Tax?
- 20 Who should pay Advance Tax?
21. What are the deductions allowed under section 80G?
22. What is the maximum limit allowed for section 80 c?
23. What Is TAN and How to apply for TAN?
24. What is TDS Certificate?
25. How much tax should be deducted from salary?

III LONG ANSWER TYPE QUESTIONS:

1. Explain the provision of Income Tax, 1961 regarding set off and carry forward and set off a capital loss.
2. Explain the provision of Income Tax for the set off and carry forward of “speculative business losses”?
3. What are penalty provisions for non-deduction of TDS?
4. Which are the different forms prescribed for TDS Return?
5. What is Advance Tax? How to Calculate & Pay Advance Tax?
6. Who should pay Advance Tax? Due Dates for payment of Advance Tax?
7. Discuss the provisions regarding set-off and carry forward and set-off of business losses.
8. What are the rules regarding set-off and carry-forward of capital losses?
9. What is TDS? What is TDS Certificate? When TDS should be deducted?
10. Explain the provisions of TDS for salary and interest on securities.
11. Can a return submitted by the assessee be revised? If so, what are the circumstances under which it can be revised?
12. Explain the provision of Income Tax Act regarding set-off and carry forward of the following losses: Business losses, Short-term and long-term capital losses
13. Explain the provision of Income Tax Act regarding set-off and carry forward of the: Loss from house property?
14. Explain the provision of Income Tax Act regarding set-off and carry forward of the: Loss from Gambling losses (Speculation Losses). ?
15. Can the payee request the payer not to deduct tax at source and to pay the amount without deduction of tax at source?
16. Explain the provisions of TDS for salary and interest on securities.
17. Can a return submitted by the assessee be revised? If so, what are the circumstances under which it can be revised.
18. Compute gross total income of Mr. X in following cases for the AY 2019-20: -

Income from house property (A)	30,000
Income from house property (B)	(10,000)
Speculation income	80,000
Business income	(30,000)
•Income from activity of owning and maintaining race-horses business (A)	(50,000)

Income from activity of owning and maintaining race-horses business (B)	20,000
Income from agricultural business	(25,000)
Short term capital gain (transaction A)	30,000
Short term capital gain (transaction B)	(10,000)
Long term capital gain (transaction A)	(30,000)
Long term capital gain (transaction B)	10,000
Income from lottery	40,000
Income from horse races.	10,000
Income on card games	(5,000)
Interest on securities	20,000

19. Which are the different forms prescribed for TDS Return?
20. What are penalty provisions for non-deduction of TDS?
21. How do I know how much TDS has been deducted and whether it has been credited to me?
22. How to apply for TDS refund?
23. What is applicability of TDS on transactions of immovable property?
24. what is the procedure of filling form 15 CA?
25. What is the procedure of filling form 15 CB?

QUESTION BANK

PRODUCTION & OPERATIONS MANAGEMENT

BBA-303

**QUESTION BANK
PRODUCTION & OPERATIONS MANAGEMENT BBA 305
BBA - V**

UNIT – I

INTRODUCTION TO OPERATIONS MANAGEMENT

I MULTIPLE CHOICE QUESTIONS:

1. The components of set up time to produce or build an item are-
- A. Process preparation time
 - B. Process tear down time
 - C. Learning time
 - D. All above

ANSWER: C

2. Which of these would an operations manager not be responsible for?
- A. Safety and maintenance
 - B. Sales and marketing
 - C. Selecting suppliers
 - D. Recruiting employees

ANSWER: B

3. Which of these Managers would be least likely to be considered in an operations management role within an organization?
- A. Production Manager
 - B. Reservations Manager
 - C. Financial Risk Manager
 - D. Quality Manager

ANSWER: C

4. Which of the following statement correctly explains the role of operations management?
- A. Sustain the company's operation
 - B. Protect the company's operation
 - C. Project the company's operation
 - D. All of the above

ANSWER: D

5. An operations strategy is created directly from the _____ strategy
- A. Corporate strategy
 - B. Marketing strategy
 - C. Business strategy
 - D. Human resource strategy

ANSWER: C

6. Which of these would an operations manager not be responsible for?
- A. Safety and maintenance
 - B. Sales and marketing
 - C. Selecting suppliers
 - D. Recruiting employees

ANSWER: B

7. What is advantage of holding inventory?
- A. Improved quality
 - B. Reduced Obsolescence
 - C. Reduced material handling
 - D. Greater availability

ANSWER: D

8. The role of a ----- manager is to sustain, protect, and project the company's operations side.
- A. Project Manager
 - B. Operations Manager
 - C. Finance Manager
 - D. Marketing Manager

ANSWER: B

9. The extent to which a product or service may be customized is called _____?
- A. variability
 - B. validity
 - C. variety
 - D. variation

ANSWER: A

10. Most operations produce a mixture of both products and services. Which of the following businesses is closest to producing "pure" services?
- A. A Restaurant
 - B. Counsellor/therapist
 - C. Steel company
 - D. IT company

ANSWER: B

11. Operations can be diagnosed by volume, variety, variation and _____?
- A. validity
 - B. variability
 - C. value
 - D. variance

ANSWER: B

12. What are the input resources to any transformation process?
- A. Information, materials and customers.
 - B. Staff, facilities, materials, information and customers.
 - C. Processes, people and parts.
 - D. People and machines.

ANSWER: B

13. Operations can be classified according to their volume and variety of production as well as the degree of variation and visibility. Which of the following operations would be classified as high volume, low variety?
- A. A fast food restaurant
 - B. A family doctor
 - C. A carpenter
 - D. A front office bank

ANSWER: A

14. Which of the following activities is NOT a direct responsibility of operations management?
- A. Determining the exact mix of products and services that customers will want.
 - B. Designing the operation's products, services and processes.
 - C. Developing an operations strategy for the operation.
 - D. Planning and controlling the operation.

ANSWER: A

15. Which of the following functions is not a core function of an organization?
- A. The marketing (including sales) function
 - B. The accounting and finance function
 - C. The product/service development function
 - D. The operations function

ANSWER: B

16. Which of the following is the least likely decision to be made by Operations Managers?
- A. Deciding which market areas to manufacture products for
 - B. How to use quality techniques to reduce waste
 - C. Selecting the location and layout of a facility
 - D. How much capacity is required to balance demand

ANSWER: A

17. Operations can be classified according to their volume and variety of production as well as the degree of variation and visibility. Which of the following operations would be classified as high volume, low variety?
- A. A carpenter
 - B. A front office bank
 - C. A fast food restaurant

D. A family doctor
ANSWER: C

18. Which of the following activities is not a direct responsibility of operations management?
- A. Planning and controlling the operation
 - B. Developing an operations strategy for the operation
 - C. Designing the operation's products, services and processes
 - D. Determining the exact mix of products and services that customers will want.
- ANSWER: D

19. Operations can be classified according to the degree of variation in demand and visibility of the operation as well as their volume and variety of production. Which of the following operations would be classified as high variation and high visibility?
- A. A front office bank
 - B. A family doctor
 - C. A carpenter
 - D. A fast food restaurant
- ANSWER: B

20. Which of the following would not normally be considered a general characteristic of a service?
- A. Production and consumption are simultaneous
 - B. Low contact services can often be made more efficient than high contact services
 - C. Many services involve both tangible and intangible outputs
 - D. Production and sales cannot easily be separated functionally
- ANSWER: E

21. Which of the following statement correctly explains the role of operations management?
- A. Sustain the company's operation
 - B. Protect the company's operation
 - C. Project the company's operation
 - D. All of the above
- ANSWER: D

22. Organizational strategy is different from operations strategy because it is;
- A. Prepared by middle managers
 - B. Narrower in scope
 - C. Longer in time horizon
 - D. All of the above
- ANSWER: C

23. Which one of the following strategies specifies how the firm will employ its production capabilities to support its corporate strategy?
- A. Tactical
 - B. Operations
 - C. Manufacturing

D. Production

ANSWER: D

24. Which of the following functions of an organization consists of all activities directly related to production of a good or service?

- A. Operations
- B. Marketing
- C. Accounting
- D. Finance

ANSWER: A

25. The role of a -----manager is to sustain, protect, and project the company's operations side.

- A. Project Manager
- B. Operations Manager
- C. Finance Manager
- D. Marketing Manager

ANSWER: B

26. Inputs include -----, energy and information.

- A. Human Resources
- B. Capital and Material
- C. Land
- D. All Above

ANSWER: D

27. Transformations are the operations that -----inputs into outputs

- A. Convert
- B. Divert
- C. Revert
- D. All the Above

ANSWER: A

28. Deciding the right method to design the product establishes good -----and efficient way for operations.

- A. Productivity
- B. Image
- C. Reflection
- D. Demand

ANSWER: A

29. Product Design combines -----with product and business knowledge to generate ideas and concepts and convert them into physical and usable objects or services

- A. Productivity
- B. Ergonomics
- C. Reflection

D. Operationality

ANSWER: B

30. Companies choose various ways to design their products, which include-

A. Standardization

B. Mass Customization

C. Robust Design

D. All Above

ANSWER: D

31. In Operations Management DFA stands for:

A. Design for Assurance

B. Design for Accuracy

C. Design for Authenticity

D. Design for Assembly

ANSWER: D

32. All of the following are the primary reasons for design process except:

A. Economic

B. Social and demographic

C. Political, liability, or legal

D. Personal

ANSWER: D

33. The industrial revolution came into;

A. 1770

B. 1920

C. 1911

D. 1815

ANSWER: A

34. Operations Management is a _____ process.

A. Translation

B. Transformation

C. Transaction

D. Transition

ANSWER: B

35. Services differ from manufactured products in four ways. Intangibility, Inseparability, Perishability and _____?

A. Homogeneity

B. Heterogeneity

C. Intractability

D. Invisibility

ANSWER: B

II SHORT ANSWER TYPE QUESTIONS:

1. What is Production?
2. What is Operations Management?
3. Explain the scope of Operations Management.
4. Explain the nature of OM in brief.
5. Why is there a need to study Operations Management?
6. Explain the importance of Operations Management in brief.
7. Short note on transformation.
8. What are the various types of transformation?
9. Identify the three major functional areas of organizations and describe how they interrelate. Explain in brief.
10. Explain the five P's types of Transformation.
11. Name two organizations that have no production functions. Defend your answer.
12. To what extent are operations research techniques used in today's business organizations?
13. Discuss and compare organization strategy and operations strategy and explain why it is important to link the two.
14. Explain changes in the physical characteristics of materials or customers as a step-in transformation process.
15. Explain changes in the location of materials, information or customers as a step-in transformation step.
16. Describe the key aspects of operations management decision making.
17. Suggest suitable method of production for below categories:
 - a) Automobile
 - b) Computers.
18. Identify current trends in business that impact operations management.
19. Explain what is meant by the term lean operations system.
20. Differentiate between production and operations management in brief.
21. Explain transformation process in brief.
22. Explain transformation process in a bank.
23. Explain various functions of operations.
24. Discuss systems view of operations management and discuss factors of production.
25. Explain different types of production systems with suitable examples.
26. Identify the main objectives of product and service design.
27. Discuss the importance of standardization.
28. List some key reasons for design or redesign.
29. Describe some of the main sources of design ideas.
30. Name several key issues in manufacturing design.

III LONG ANSWER TYPE QUESTIONS:

1. Identify the three major functional areas of organizations and describe how they interrelate. Explain in detail quoting few examples.
2. Describe the operations function and the nature of the operations manager's job.

3. Define the term productivity and explain why it is important to organizations and to countries.
4. List some of the reasons for poor productivity and some ways of improving it.
5. Discuss the characteristics of lean system.
6. Discuss the type of production system.
7. Define Operations Management. Discuss various activities involved in Production and operations management.
8. What is the relationship of operations management with other functional areas?
9. What do you understand by production management? What are the major activities which constitute its scope?
10. Define the term production function. Discuss its importance in modern business.
11. Define production management and explain its scope. Also mention the responsibilities or duties of production manager
12. What is the function of production manager? Is this function different from the function of Marketing Manager? Explain in detail.
13. Differentiate between production and operations management in explain.
14. Explain transformation process in detail.
15. Explain transformation process in a bank and an automobile assembly plant in detail.
16. Operations Management is becoming a very important subject in business education in the last few decades. Explain the statement.
17. Explain the importance of Production and Operation Management and why it is an integral part of business education. State with example.
18. Operations Management discipline is enriched during each era of its evolution by the innovations and contributions of different individuals from diverse fields. Elucidate.
19. "Revenue management is one of the trends of operations management." Explain the statement.
20. Explain the role of Operations Manager in detail.
21. Describe the key aspects of operations management decision making.
22. Differentiate between design and operation of production systems.
23. Explain why operations management is important in all types of organization and illustrate your answer using the input transformation output process?
24. What are the important trends which have affected the role of an operations manager in an organization?
25. What factors account for resurgence of interest in Operations Management today? Elaborate.
26. What do you understand by the terms, "specialization" "standardization" and "simplification" in relation to production management?
27. What is meant by design? Explain in brief the factor determining the design of a product?
28. Explain the concepts of Modular design and Robust design with suitable examples.
29. Discuss the importance of legal, ethical, and environmental issues in product and service design.
30. What is Quality Function Deployment? Explain the basic steps involved in building the house of quality.

UNIT – II

FACILITY LOCATION & LAYOUT

PURCHASING AND MATERIAL MANAGEMENT

I MULTIPLE CHOICE QUESTIONS:

1. The major business functions consisting of research and development, product design, manufacturing, marketing, distribution, and customer service refer to:
 - A. The transformation process
 - B. Value chain
 - C. Life cycle
 - D. Quality controlANSWER: B

2. Which one of the following is the correct order of layout types from low volume/high variety to high volume/low variety?
 - A. Fixed position, process, cell, product
 - B. Fixed position, cell, process, product
 - C. Fixed position, process, product, cell
 - D. Process, fixed position, cell, productANSWER: D

3. Which one of the following is a disadvantage of a process layout?
 - A. A variety of processing requirements
 - B. Use of individual incentive system
 - C. Minimizing material handling costs
 - D. Equipment utilization rate is highANSWER: C

4. Which one of the following types of manufacturing layout is considered a hybrid?
 - A. Process layout
 - B. Product layout
 - C. Fixed-position layout
 - D. All of the given optionsANSWER: D

5. Which one of the following operating levels is best with respect to capacity?
 - A. The maximum point of the cost curve
 - B. The level of capacity for which average unit cost is minimized
 - C. The level of capacity for which average unit cost is maximized
 - D. The level of capacity for which total cost is minimizedANSWER: B

6. Which one the following is focused to reduce the incidence of failures in the plant or equipment to avoid the associated costs?
- A. Preventive maintenance
 - B. Predictive maintenance
 - C. Reactive maintenance
 - D. Total productive maintenance
- ANSWER: A
7. _____ represents the process of determining short-range capacity requirements.
- A. Capacity requirements planning
 - B. Aggregate planning
 - C. Capacity planning
 - D. Schedule planning
- ANSWER: A
8. Process layout is used for:
- A. Repetitive processing
 - B. Intermittent processing
 - C. Both (a) and (b)
 - D. Neither (a) nor (b)
- ANSWER: C
9. The most significant advantage of U-shaped layout is:
- A. Cost minimization
 - B. Easy handling of process
 - C. Increased flexibility in work
 - D. All of the given options
- ANSWER: C
10. Product layout is preferably used for:
- A. Repetitive processing
 - B. Intermittent processing
 - C. Both (a) and (b)
 - D. Neither (a) nor (b)
- ANSWER: A
11. The type of operation being carried out by an organization depends upon:
- A. Degree of standardization
 - B. Volume of output
 - C. Demand
 - D. Both(a) and (b)
- ANSWER: D

12. Repetitive processing results in output that is:
- A. Highly standardized
 - B. Highly customized
 - C. Partially customized
 - D. None of the given options
- ANSWER: A
13. Job shop and batch processing are differentiated on the basis of:
- A. Job requirements
 - B. Degree of standardization
 - C. Volume of output
 - D. Both (b) and (c)
- ANSWER: D
14. Automation is preferred because it:
- A. Offers lesser dependence on workers
 - B. Results in reduction in variable cost
 - C. Offers easy handling of repetitive work
 - D. All of the given options
- ANSWER: D
15. Advantages of Process Layout Include
- A. Equipment used is less costly
 - B. Low unit cost.
 - C. Labor specialization.
 - D. Low material handling cost
- ANSWER: A
16. Which kind of production system is undertaken by JIT (Just In Time) production?
- A. Intermittent processing
 - B. Job shop processing
 - C. Repetitive processing
 - D. Batch processing
- ANSWER: C
17. In which of the following approaches location decision is based on personal opinions and quantitative information?
- A. Factor rating
 - B. Market area plant strategy
 - C. Currency fluctuations
 - D. Product plant strategy
- ANSWER: A
18. Which of the following statement defines process re-design?
- A. It is collecting information, identifying each step and finding inputs and outputs of process

- B. It is collecting information about cost reduction and improving the defects
- C. It relates to asking questions about process flow and identifying missing or duplicating activities
- D. It relates with taking a fresh approach to solve an issue on hand

ANSWER: D

19. Which of the following statement defines process analysis?

- A. It is collecting information, identifying each step and finding inputs and outputs of process
- B. It is collecting information about cost reduction and improving the defects.
- C. It relates to asking questions about process flow and identifying missing or duplicating activities
- D. It relates with taking a fresh approach to solve an issue on hand

ANSWER: C

20. Which of the following refers to the inherent variability in a process?

- A. Control limits
- B. Process capability
- C. Chance causes of variation
- D. Assignable causes of variation

ANSWER: C

21. Which of the following represents a specified range of values in which individual units of output must fall in order to be acceptable?

- A. Tolerance
- B. Run test
- C. Process capability
- D. Process variability

ANSWER: A

22. Which one of the following is an example of site related factors that affect location decision?

- A. Transportation
- B. Quality of life
- C. Location of new markets
- D. Location of raw materials

ANSWER: A

23. Process selection is primarily considered during:

- A. Planning
- B. Organizing
- C. Leading
- D. Controlling

ANSWER: A

24. The type of operation being carried out by an organization depends upon:
- A. Degree of standardization
 - B. Volume of output
 - C. Demand
 - D. Both(a) and (b)

ANSWER: D

25. Which one of the following refers to the length of time needed to complete a job?
- A. Work sampling methods
 - B. Work measurement
 - C. Job design
 - D. Methods analysis

ANSWER: B

26. Fixed position layout is the layout in which the product or project remains-----, and workers, materials and equipments are moved as needed.
- A. Stationery
 - B. Flexible
 - C. Movable
 - D. All of the above

ANSWER: A

27. Regional factors for location planning include all of the following except:
- A. Raw materials
 - B. Markets
 - C. Labor considerations
 - D. Attitudes

ANSWER: D

28. Transportation method is a _____ approach.
- A. Quantitative
 - B. Qualitative
 - C. Scientific
 - D. All of the given options

ANSWER: A

29. Material handling in an automobile industry is done by
- A. Trolley
 - B. Belt Conveyer
 - C. Overhead crane
 - D. All of the above

ANSWER: D

30. _____ is a standardized layout arranged according to a fixed sequence of assembly tasks
- A. Assembly line
 - B. Quantitative technique
 - C. Focus group
 - D. Fixed Position

ANSWER: A

31. A ----- slows down the entire process when the workload is increased..
- A. Bottleneck
 - B. Focus group
 - C. Judgmental forecast
 - D. Fast Track

ANSWER: A

32. Life Cycle includes
- A. incubation
 - B. growth
 - C. maturity
 - D. All above

ANSWER: D

33. _____ is the examination of the function of parts and materials in an effort to reduce cost and/or improve product performance
- A. Value analysis
 - B. Associative model
 - C. Focus group
 - D. Judgmental forecast

ANSWER: A

34. Which of following statement is true about effective capacity?
- A. It is the actual output achieved
 - B. It is always less than actual output
 - C. It is the maximum output that a firm can produce
 - D. It is always less than designed capacity

ANSWER: A

35. Which one of the following is concerned in short term capacity needs?
- A. Cycle
 - B. Trends
 - C. Seasonality
 - D. Average

ANSWER: C

II SHORT ANSWER TYPE QUESTIONS:

1. Define Facility Location.
2. What is the importance of Facility Location?
3. Explain the issues in choosing Plant Location.
4. Define Plant Location.
5. What is the importance of Plant Location?
6. What are the various methods of choosing Plant Location?
7. Define Factor Rating.
8. Explain the importance of Factor Rating in brief.
9. Define Centre of Gravity.
10. Explain the Centre of Gravity formula.
11. Difference between Centre of Gravity and Centre of Mass.
12. Explain various methods of Centre of Gravity.
13. What is Analytic Delphi Method?
14. Explain the importance of Analytic Delphi Method in brief.
15. Explain Analytic Delphi Method as a model.
16. Does Analytic Delphi Method help in facilitating Facility Location.
17. Explain how Analytic Delphi Method helps in facilitating Plant Location.
18. Explain the factors affecting the plant location.
19. Triveni Corp. is planning to start a new factory for manufacturing utensils It is considering three locations:

	Fixed Cost (Rs. Millions)	Variable Cost (Rs./Unit)
a. Noida	25	35
b. Pune	17	30
c. Chennai	23	10

- Factory will have production capacity of 10,000 utensils per annum 7 in the initial years; it will operate at 75% efficiency. Find the best location.
20. How do you determine the idle time percentage from a given assembly line balance?
 21. Short note on Splitting task.
 22. What are the various issues in choosing Facility Location.
 23. What are the various issues in choosing Plant Location.
 24. Short note on Four Basic Layout Formats.
 25. Short note on service facility layout.
 26. What do we mean when we say that Material requirements planning (MRP) is based on dependent demand?
 27. Explain the need for time fences (locking time-when no change can take place) in the master production schedule.
 28. Why is the MRP process referred to as an “explosion?”
 29. Many practitioners currently update MRP weekly or biweekly. Would it be more valuable if it were updated daily? Discuss.
 30. Planning orders on a lot-for-lot is commonly done because it is simple and intuitive. It also helps to minimize holding costs as you are only ordering what is needed when it is needed. So far it sounds like a good idea. Are there any disadvantages to this approach?

III LONG ANSWER TYPE QUESTIONS:

1. How do you determine the idle time percentage from a given assembly line balance?
2. Explain the factors affecting the plant location in detail.
3. Discuss the factors which we consider while taking the location decision in detail.
4. Identify the important factors that a location planner may consider with respect to each of the following:
 - a. A super specialty intensive care unit
 - b. A multi cuisine restaurant
5. Identify the important factors that a location planner may consider with respect to an Agro based handicraft manufacturing unit.
6. Explain various factors relevant for deciding the location of Pharmaceutical Plant.
7. Discuss various Plant location methods with merits and demerits of each.
8. Explain the purpose and concept of line of balance.
9. List the various types of costs in inventory systems.
10. What are some useful suggestions for managing queries that go beyond the quantitative waiting line models?
11. Identify appropriate layout in manufacturing unit for garments of Raymond's and an eye hospital. Explain in detail the merits and demerits of the selected layout.
12. Discuss in detail which layout you will choose for a manufacturer of large turbine for power sector application. Also, briefly explain the merits and demerits of the same.
13. Compare the four basic layout formats on common parameters
14. Explain advantages of Process Layout.
15. Explain Poka-Yokes in detail.
16. Explain splitting tasks in detail.
17. Explain the various centre of gravity methods in detail.
18. What are the various issues in choosing Facility Location. Explain in detail.
19. What are the various issues in choosing Plant Location. Explain in detail.
20. Explain the importance of Analytic Delphi Method in detail.
21. Difference between Centre of Gravity and Centre of Mass. Explain in detail.
22. Explain the importance of Factor Rating in detail.
23. Note on Four Basic Layout Formats.
24. Note on service facility layout.
25. Explain Assembly Line Balance in detail.
26. Discuss the importance of the master production schedule in an MRP system.
27. What are the sources of demand in an MRP system? Are these dependent or independent, and how are they used as inputs to the system?
28. Discuss the meaning of MRP terms such as planned order release and scheduled order receipts.
29. State the types of data that would be carried in the bill of materials file and the inventory record file.
30. Many practitioners currently update MRP weekly or biweekly. Would it be more valuable if it were updated daily? Discuss.

UNIT – III

INVENTORY MANAGEMENT & JUST IN TIME

QUALITY MANAGEMENT SYSTEMS AND TQM

I MULTIPLE CHOICE QUESTIONS:

1. The major business functions consisting of research and development, product design, manufacturing, marketing, distribution, and customer service refer to:
- A. The transformation processes
 - B. Value chain
 - C. Life cycle
 - D. Quality control

ANSWER: B

2. Which one of the following designs resists modifications?
- A. Frozen design
 - B. Product design
 - C. Service design
 - D. Robust design

ANSWER: A

3. Which one of the following operating levels is best with respect to capacity?
- A. The maximum point of the cost curve
 - B. The level of capacity for which average unit cost is minimized
 - C. The level of capacity for which average unit cost is maximized
 - D. The level of capacity for which total cost is minimized

ANSWER: B

4. Aggregate planning usually covers time span of how many months?
- A. 2 – 12 months
 - B. 2– 15 months
 - C. 2 – 16 months
 - D. 2 – 17 months

ANSWER: A

5. Which of the following time fences in a Master Production Schedule (MPS) allows many variations in products with multiple changes?
- A. Fixed time fence
 - B. Moderately firm time fence
 - C. Frozen time fence
 - D. Flexible time fence

ANSWER: D

6. Which of the following is known as a visual representation of the requirements in a bill of materials having all the components listed in levels?
- A. Master production schedule
 - B. Material requirements planning
 - C. Product structure tree
 - D. Inventory status record

ANSWER: C

7. Which of the following refers to the quantity expected to be received by the beginning of the period in which it is shown?
- A. Gross requirements
 - B. Net requirements
 - C. Planned-order receipts
 - D. Planned-order releases

ANSWER: C

8. Identify the set of factors that affect the choice of a strategy for aggregate planning.
- A. Cost and corporate policy
 - B. Cost and location analysis
 - C. Cost and capacity constraints
 - D. Cost and training of employees

ANSWER: C

9. MPS stands for which of the following?
- A. Material Production Schedule
 - B. Master Planning Schedule
 - C. Material Planning Schedule
 - D. Master Production Schedule

ANSWER: D

10. Master schedule interfaces with all of the following Except:
- A. Capacity planning
 - B. Resource planning
 - C. Production planning
 - D. Distribution planning

ANSWER: D

11. This of the following statements defines the purpose of MRP (Material Requirements Planning) system?
- A. It is appropriate for all end items in the product line
 - B. It can be used for independent demand items
 - C. It reduces inventory requirements, lead times, and delivery times
 - D. It determines an appropriate master production schedule

ANSWER: C

12. Which of the following is widely accepted as an effective planning method of all resources of a manufacturing firm?
- A. Enterprise Resource Planning
 - B. Material Requirements Planning
 - C. Material Requirements Planning II[Manufacturing Resource Planning (MRP II)]
 - D. Master Production Schedule
- ANSWER: C
13. Efficiency, in capacity terms, is the ratio of:
- A. Actual output of effective capacity
 - B. Actual output to design capacity
 - C. Effective capacity to actual output
 - D. Design capacity to effective capacity
- ANSWER: B
14. A difficulty with break even analysis is that :
- A. It can only work with a group of variable products
 - B. It is best to use for products that have random variations
 - C. Plant capacity needs to be flexible
 - D. Fixed and variable costs must be separated
- ANSWER: A
15. Which of the following statements is TRUE about Just-in-Time?
- A. It is essential for a project organization
 - B. It pushes inventory through the operations process
 - C. It is only useful in a high product variety environment
 - D. It seeks to reduce inventory in an effort to reduce waste
- ANSWER: D
16. Big JIT includes all of the following EXCEPT:
- A. Vendor relations
 - B. Scheduling materials
 - C. Human relations
 - D. Technology management
- ANSWER: C
17. Which of the following reasons accounts for the importance of supply chain Management?
- A. Increasing competitive pressures
 - B. Decreasing globalization
 - C. Decreasing levels of outsourcing
 - D. Increasing transportation costs
- ANSWER: D
18. Which of the following is NOT a benefit of supply chain management?
- A. Less variety
 - B. Greater agility

- C. Lower inventory
- D. Higher productivity

ANSWER: D

19. What would be the total cost of inventory, if a firm holds 200 units of a product 'A', where the carrying cost is Rs. 2 per unit?
- A. Rs. 202
 - B. Rs. 100
 - C. Rs. 198
 - D. Rs. 400

ANSWER: D

20. Which of the following mathematical expressions can be employed to compute inventory cost?
- A. Carrying cost per unit + average inventory cost
 - B. Carrying cost per unit \times average inventory cost
 - C. Carrying cost per unit \div average inventory cost
 - D. Carrying cost per unit – average inventory cost

ANSWER: A

21. Which of the following is the cost of carrying an item in inventory for a specific period of time?
- A. Ordering cost
 - B. Holding cost
 - C. Shortage cost
 - D. Stock out cost

ANSWER: B

22. Which one of the following mathematical expressions can be employed to compute annual carrying cost?
- A. $(Q-2) H$
 - B. $(Q+2) H$
 - C. $(Q\div 2) H$
 - D. $(Q\times 2)/H$

ANSWER: C

23. In which of the following systems an item's inventory is stored at two different locations?
- A. Optional replenishment system
 - B. Base stock system
 - C. Two bin system
 - D. Universal bar code system method

ANSWER: C

24. Which one of the following is a condition for a successful supply chain?
- A. A large number of suppliers
 - B. Many short-term contracts
 - C. Trust among trading partners
 - D. Continuous competitive bidding
- ANSWER: C
25. JIT stands for which of the following?
- A. Just In Time
 - B. Just In Test
 - C. Job In Time
 - D. Job Inventory Time
- ANSWER: A
26. The philosophical leaders of the quality movement, Philip Crosby, W. Edwards Deming, and Joseph M. Juran, had the same general message about what it took to achieve outstanding quality. Which of the following was not part of that message?
- A. Quality is free
 - B. Leadership from senior management
 - C. Customer focus
 - D. Total involvement of the workforce
- ANSWER: A
27. The philosophical leaders of the quality movement, Philip Crosby, W. Edwards Deming, and Joseph M. Juran, had the same general message about what it took to achieve outstanding quality. Which of the following was part of that message?
- A. Fourteen steps for quality management
 - B. Quality is free
 - C. Customer focus
 - D. Zero defects
- ANSWER: C
28. An analytical tool used in Six-Sigma quality improvement program is which of following?
- A. Continuous improvement
 - B. Quick response
 - C. Partnership diagrams
 - D. Check sheets
- ANSWER: D
29. A flowchart as part of a Six-Sigma quality improvement process might be found in which DMAIC category?
- A. Define
 - B. Measure
 - C. Analyze
 - D. Improve
- ANSWER: A

30. A fishbone diagram as part of a Six-Sigma quality improvement process might be found in which DMAIC category?

- A. Define
- B. Measure
- C. Analyze
- D. Improve

ANSWER: C

31. An opportunity flow diagram as part of a Six-Sigma quality improvement process might be found in which DMAIC category?

- A. Define
- B. Measure
- C. Analyze
- D. Improve

ANSWER: D

32. A Pareto chart as part of a Six-Sigma quality improvement process might be found in which DMAIC category?

- A. Define
- B. Measure
- C. Analyze
- D. Improve

ANSWER: C

33. Which of the following is an analytical tool used in Six-Sigma quality improvement programs?

- A. Leadership
- B. Pareto charts
- C. Management by fact
- D. Continuous improvement

ANSWER: B

34. Which of the following are related to lean production?

- A. Philosophy of waste elimination
- B. Lean consumption
- C. Never running out of inventory
- D. The Wahei-Subaru method

ANSWER: A

35. In the textbook, Toyota's Fujio Cho identified which of the following types of waste to be eliminated?

- A. Excess quality
- B. Overproduction
- C. Underproduction
- D. Environmental

ANSWER: B

II SHORT ANSWER TYPE QUESTIONS:

1. What is Inventory.
2. How is Inventory different from Stock.
3. What is Inventory Management?
4. Short note on importance of Inventory Management.
5. What is forecasting?
6. Importance of forecasting.
7. Explain quantitative techniques of forecasting.
8. Explain qualitative techniques of forecasting.
9. Which method of forecasting is the most widely used?
10. Explain the various Inventory Management Models in brief.
11. Describe Sensitivity analysis.
12. Describe Price-break Model.
13. Describe Single-period inventory model.
14. Describe Fixed order quantity model.
15. Explain Fixed time period model
16. Explain Executive Opinion.
17. Explain Time-Series Models.
18. Explain Associative Models.
19. Explain Market Survey.
20. Define the term quality.
21. Explain why quality is important and the consequences of poor quality.
22. Identify the determinants of quality.
23. Describe the costs associated with quality.
24. Describe the quality awards.
25. Discuss the philosophies of quality gurus.
26. List each of the goals of JIT and explain its importance.
27. List and briefly describe the building blocks of JIT.
28. List the benefits of the JIT system.
29. Outline the considerations important in converting a traditional mode of operations to a JIT system.
30. List some of the obstacles that might be encountered when converting to a JIT system.

III LONG ANSWER TYPE QUESTIONS:

1. Explain the various Inventory Management Models in detail.
2. Explain how having more work- in- process inventory can improve the efficiency of a process. How can this be bad?
3. Give a comparison of following inventory models (i) EOQ Model (ii) Production Order Quantity Model and (iii) Quantity Discount Model.
4. Define these terms: warehousing, raw materials inventory, stock requisition, in process inventory, stock record and stock keeping unit.
5. Define the term inventory and list the major reasons for holding inventories.
6. List the main requirements for effective inventory management.

7. Discuss periodic and perpetual review systems.
8. Discuss the objectives of inventory management.
9. Describe the A-B-C approach and explain how it is useful.
10. Describe the basic EOQ model and its assumptions and solve typical problems.
11. Explain Waiting Line Models in detail.
12. Explain the various Inventory Models in detail.
13. Explain the following:
 - a) Sales Force Composite
 - b) Delphi Method
14. Explain the following:
 - a) Time-Series Models
 - b) Associative Models
15. Explain Inventory management as an important seed for operations management.
16. Explain Optimal Waiting Line.
17. What are the various Performance Measures.
18. Annual demand for an item is 5400 units. Ordering cost is Rs.600 per order. Inventory carrying cost is 30% of purchase price per unit per year. The price breaks are as shown:

Quantity	Price Rs.
$0 < Q_1 < 2400$	12
$2400 < Q < 3000$	10
$3000 < Q$	8

Find the optimal order size.

19. Materials requirement planning is an independent of demand inventory management system. Explain this statement.
20. What is advantage of holding inventory? Explain in detail.
21. Explain how having more work- in- process inventory can improve the efficiency of a process. How can this be bad?
22. “Vendor managed inventory vendors monitor goods and replenish retail inventories when supplies are low.” Refute or defend this statement.
23. Explain any one waiting line management techniques with examples.
24. Derive formula for Economic Order Quantity (EOQ) and state the assumptions of the model.
25. What is ‘Line Structure’ in waiting lines? Explain single channel-single phase, multi-channel-single phase and multi-channel-multiple phase line structures?
26. “You don’t inspect quality into a product; you have to build it in.” “Before you build quality in, you must think it in.” Discuss the implications of this statement.
27. Develop a cause and effect (fishbone) diagram to address everything that impacts your grade in this course. How much is under your control?
28. Is certification under the ISO standards necessary for competing in the modern market? What should companies consider when deciding whether or not to become certified?
29. Do you see any relationship between ISO standards mentioned in this chapter and the competitive strategy concepts mentioned earlier in the text?
30. “If line employees are required to work on quality improvement activities, their productivity will suffer.” Discuss.

UNIT – IV

PLANT MAINTENANCE AND EMERGING TRENDS::

I MULTIPLE CHOICE QUESTIONS:

1. Which of the following refers to the average of accepted lots and rejected lots?
 - A. Acceptable Quality Level (AQL)
 - B. Lot Tolerance Percent Defective (LTPD)
 - C. average Outgoing Quality (AOQ)
 - D. Average Outgoing Quality Limit (AOQL)ANSWER: C

2. Which of the following refers to the upper limit on the percentage of defects that a Customer is willing to accept?
 - A. Acceptable Quality Level (AQL)
 - B. Lot Tolerance Percent Defective (LTPD)
 - C. Average Outgoing Quality (AOQ)
 - D. Average Outgoing Quality Limit (AOQL)ANSWER: A

3. Which of the following is a definition of quality?
 - A. Fitness for Purpose
 - B. Zero Defects
 - C. Right First Time
 - D. All of these (and more!)ANSWER: A

4. Manufacturability is the ease of fabrication and/or assembly which is important for:
 - A. Cost and Productivity
 - B. Productivity and Quality
 - C. Cost and Quality
 - D. Cost, productivity and QualityANSWER: D

5. Which of the following is NOT true about TQM?
 - A. Focused on worker's activity rather than management
 - B. Meeting the needs and expectations of customers
 - C. Inclusion of every person in the organization
 - D. Covering all the functional areas of the organizationANSWER: D

6. The so-called 'Quality Gurus' of total quality management (TQM) do NOT include one of the following:
 - A. W Edwards Deming

- B. Joseph M Juran
- C. Kaoru Ishikawa
- D. Bill Cosby

ANSWER: D

7. TQM is being criticized on the basis of factors which show:
- A. Weak implementation of TQM practices or strong management perspective
 - B. Strong implementation of TQM practices or weak management perspective
 - C. Weak implementation of TQM practices or weak management perspective
 - D. Strong implementation of TQM practices or strong management perspective

ANSWER: C

8. Which of these is not one of the ten guiding principles of continuous improvement proposed by Robert Lowson (2002)?
- A. Operations orientation
 - B. Total employee involvement
 - C. Effective leadership
 - D. Adaptability to change

ANSWER: A

9. Before improvements can be made to a process there need to be clear procedures and agreed working practices established. These are normally in a written form, called _____?
- A. Continuous Improvement Procedures
 - B. Process Control Procedures
 - C. Standard Operating Procedures
 - D. Quality Improvement Procedures

ANSWER: C

10. The improvement tool whereby a list of the most common faults in the process is analyzed and then arranged in order of highest occurrence first is called _____?
- A. Brainstorming
 - B. Pareto analysis
 - C. Balanced Scorecard
 - D. Quality circle

ANSWER: B

11. The improvement technique where a number of ideas are put forward before deciding on a final idea is called _____?
- A. Brainstorming
 - B. Pareto analysis
 - C. Balanced Scorecard
 - D. Quality circle

ANSWER: A

12. Which of the following is not a reason which may prevent the successful adoption of a continuous improvement programme?

- A. Lack of trust by employees in management motive
- B. No clear purpose for the programme
- C. Incentives scheme linked to the programme
- D. Resistance to change

ANSWER: C

13. Comparing a firm's performance measurement against major competitors is known as _____?

- A. Brainstorming
- B. Benchmarking
- C. Balanced Scorecard
- D. Quality circle

ANSWER: B

14. A technique devised by Kaplan and Norton (1992) to measure performance across four different operating areas is known as _____?

- A. Brainstorming
- B. Benchmarking
- C. Balanced Scorecard
- D. Quality circle

ANSWER: C

15. A technique for getting ideas for innovation and improvement from other sources outside of an organization, is called _____?

- A. Balanced Scorecard
- B. Brainstorming
- C. Benchmarking
- D. Open Innovation

ANSWER: D

16. The concept of Agile organization refers to:

- A. Flexibility
- B. Quality
- C. Quick Response
- D. Profitability

ANSWER: C

17. Kaizen means _____?

- A. Radical innovation
- B. Step change innovation
- C. Open innovation
- D. Continuous improvement

ANSWER: D

18. The technical aspect of Six Sigma includes all of the following Except:
- A. Improving process performance
 - B. Use of statistical methods
 - C. Top management commitment
 - D. Reduction in variations
- ANSWER: C
19. A double sampling plan specifies all of the following Except
- A. Size of the initial sample
 - B. Size of second sample
 - C. Lot size
 - D. Double acceptance number
- ANSWER: D
20. _____ is a philosophy of continually seeking ways to improve operations
- A. Poke – yoke
 - B. Kaizen
 - C. Robustness
 - D. Quality deployment
- ANSWER: B
21. Using Statistical Process Charts (SPC) on a process in control, what is the number of parts that will fall outside ± 3 standard deviations of the mean?
- A. 63 per million
 - B. 3 per thousand
 - C. 45 per thousand
 - D. 0
- ANSWER: B
22. The various definitions of quality do NOT include:
- A. The manufacturing-based approach
 - B. The value-based approach
 - C. The transcendent approach
 - D. The minimum specification approach
- ANSWER: D
23. Quality control charts does not need to be investigated when:
- A. Two consecutive points are near the control limits
 - B. Suspiciously 'average' behaviour occurs
 - C. An apparent trend occurs in one direction
 - D. Four consecutive points appear one side of the centre line
- ANSWER: D
24. If a sample of parts is measured and the average of the sample measurements is in the middle of the tolerance limit, but some parts measure too low and other parts measure too high:

- A. The process is in control, and no further action need be taken
 - B. The process is neither capable, nor in control
 - C. The process is in control but not capable of producing within the established limits
 - D. The process is in control, with only natural causes of variation
- ANSWER: C

25. The many types of benchmarking do not include:

- A. Internal benchmarking
- B. Competitive benchmarking
- C. Purchaser-pays benchmarking
- D. Performance benchmarking

ANSWER: C

26. Which one the following is focused to reduce the incidence of failures in the plant or equipment to avoid the associated costs?

- A. Preventive maintenance
- B. Predictive maintenance
- C. Reactive maintenance
- D. Total productive maintenance

ANSWER: A

27. In Hau Lee's uncertainty framework to classify supply chains, a supply chain for functional products with a stable supply process is called which of the following?

- A. Efficient
- B. Forward looking
- C. Agile
- D. Risk hedging

ANSWER: A

28. In Hau Lee's uncertainty framework to classify supply chains, a supply chain for innovative products with an evolving supply process is called which of the following?

- A. Efficient
- B. Forward looking
- C. Agile
- D. Risk hedging

ANSWER: C

29. In Hau Lee's uncertainty framework to classify supply chains, a supply chain for innovative products with a stable supply process is called which of the following?

- A. Efficient
- B. Forward looking
- C. Agile
- D. Responsive

ANSWER: D

30. The effect of the lack of synchronization among supply chain members is referred to as which of the following?
- A. Forward buying
 - B. Continuous replenishment
 - C. Bullwhip effect
 - D. Metcalf's law
 - E. Being out of step

ANSWER: C

31. In outsourcing as part of SCM, which of the following internal activities and decision responsibilities cannot be transferred to outside contractors?
- A. Activities involving people
 - B. Activities involving facilities
 - C. Activities involving equipment
 - D. Activities involving shareholders

ANSWER: D

32. Which of the following is an organizationally driven reason for outsourcing in SCM:
- A. Improve effectiveness by focusing on what the firm does best.
 - B. Turn fixed costs into variable costs.
 - C. Reduce costs through lowered cost structure and increased flexibility.
 - D. Improve risk management.

ANSWER: A

33. Which of the following is not an organizationally driven reason for outsourcing in SCM?
- A. Improve effectiveness by focusing on what the firm does best.
 - B. Improve flexibility to meet changing demand for products and services.
 - C. Increase product and service value by improving response to customer needs.
 - D. Improve credibility and image by associating with superior providers.

ANSWER: D

34. Which of the following is an improvement-driven reason for outsourcing in SCM ?
- A. Shorten cycle time.
 - B. Improve effectiveness by focusing on what the firm does best.
 - C. Increase product and service value by improving response to customer needs.
 - D. Turn fixed costs into variable costs.
 - E. Reduce costs through a lower cost structure.

ANSWER: A

35. Which is the most challenging kind of supply chain to manage according to Hau Lee?
- A. Agile supply chain.
 - B. Efficient supply chain
 - C. Risk-hedging supply chain
 - D. Erratic supply chain

ANSWER: A

II SHORT ANSWER TYPE QUESTIONS:

1. Define the term quality.
2. Explain why quality is important and the consequences of poor quality.
3. Identify the determinants of quality.
4. Describe the costs associated with quality.
5. Describe the quality awards.
6. Discuss the philosophies of quality gurus.
7. Describe TQM.
8. Give an overview of problem solving.
9. Give an overview of process improvement.
10. Describe and use various quality tools.
11. List and briefly explain the elements of the control process.
12. Explain how control charts are used to monitor a process, and the concepts that underlie their use.
13. Use and interpret control charts.
14. Use run tests to check for no randomness in process output.
15. Assess process capability.
16. Explain the relationship between total quality management(TQM) and quality control.
17. Explain why X and R charts are used together
18. Define these terms; n, c, AQL, AOQ, AOQL and LTPD
19. Define ISO 9000 standard. Why it is required in industry?
20. Discuss the concept of ISO 14000. Is it related to Global Environment Management standards?
21. State the objectives of maintenance.
22. What do you mean by optimal overhaul?
23. What is spare parts management?.
24. What is opportunity maintenance?
25. Why is it necessary to replace a machine?
26. Describe the differences between functional and innovative products in Supply Chain Management.
27. As a supplier, which factors would you consider about a buyer (your potential customer) to be important in setting up a long-term relationship as per concepts of Supply Chain Mangement.
28. Why does the “proper” operations and supply chain strategy keep changing for companies that are world-class competitors?
29. Why might managers resist buying a more expensive piece of equipment that is known to have a lower Total Cost of Operation (TCO) than a less expensive item?
30. Why is lean in Supply Cahin Mangement is so hard to implement in practice?

III LONG ANSWER TYPE QUESTIONS:

1. Discuss the quality awards?
2. Briefly explain each of these terms

- a) AOQ
 - b) AOQL
 - c) LTPD
3. Discuss cost of quality.
 4. Explain P-Charts, X-charts and R-charts in detail.
 5. Explain Zero Defects in detail.
 6. Explain Poka-Yokes in detail.
 7. Write a long note on Statistical Quality Control.
 8. Difference between AQL and LTPD.
 9. Explain how a company can achieve lower production costs and increase productivity by improving the quality of its products and services.
 10. Define Total Quality Management and briefly discuss its elements.
 11. What is the purpose of control charts? Explain how this purpose is achieved.
 12. Explain the relationship between total quality management(TQM) and quality control.
 13. What are different dimensions of design Quality
 14. What do you mean by Bull ship effect
 15. What do you mean by Drop Shipping
 16. What do you mean by Keiretsu
 17. What do you mean by Operating Characteristics Curve
 18. What do you mean by Clustering.
 19. Discuss various types of costs of quality
 20. How can we continuously improve quality? Explain in detail.
 21. Explain the functions of maintenance.
 22. Discuss different types of maintenance strategies.
 23. What is maintainability prediction? Explain the design for maintainability
 24. “Preventive maintenance is often viewed as a long-term approach to reliability” –Discuss.
 25. Present the case for planned maintenance and outline the basic element of a planned maintenance scheme..
 26. What are characteristics of efficient, responsive, risk-hedging and agile supply chains? Can a supply chain be both efficient and responsive? Risk-hedging and agile? Why, or why not?
 27. Describe how outsourcing works. Why would a firm want to outsource? The context is Supply Chain Management.
 28. What factors account for the resurgence of interest in SCM today?
 29. Stopping waste is a vital part of maintenance improvement. Identify some sources of waste in your home or dorm and discuss how they may be eliminated.
 30. What are the roles of suppliers and customers in a lean supply chain management system.

QUESTION BANK

SERVICES MARKETING

BBA -305

QUESTION BANK
SERVICES MARKETING – BBA -305
BBA V

UNIT – I

I MULTIPLE CHOICE QUESTIONS:

- 1 Which of the following sets of terms best describes a service?
A. Objects, devices, and performances
B. Effort, objects, and deeds
C. Things, devices, and performances
D. Objects, devices, and things
E. Deeds, effort, and performances
ANSWER: E
- 2 Businesses such as fast food restaurants would fall where along the Scale of Market Entities?
A. On the extreme end of the intangible-dominant side
B. On the extreme end of the tangible-dominant side
C. In the middle of the continuum
D. Left of the middle towards the tangible-dominant side
E. Right of the middle towards the intangible-dominant side
ANSWER: C
- 3 Which of the following fields would be least likely to be described as intangible-dominant?
A. Manufacturing
B. Education
C. Insurance
D. Banking
E. Engineering
ANSWER: A
- 4 Which of the following statements is not true?
A. Service knowledge is obtained differently than goods knowledge.
B. Firms that define their businesses too narrowly have developed marketing myopia.
C. Goods are tangible-dominant.
D. Service knowledge is obtained through the experience of receiving the actual service.
E. All of the above are true.
ANSWER: E
- 5 The demand for services marketing knowledge has increased for all of the following reasons except:
A. The tremendous growth in service-sector employment
B. Increasing service-sector contributions to the world economy

- C. The deregulation of many service industries
- D. The needed shift from industrial models of management to market-focused management approaches
- E. The decline in service sector jobs

ANSWER: E

- 6 Which linkage within The Service Triangle reflects the ease with which a customer uses a bank's ATM?
- A. The systems--the customer
 - B. The service strategy--the customer
 - C. The systems--the people
 - D. The customer--the people
 - E. The service strategy--the systems

ANSWER: E

- 7 The market-focused management model, supported by the service triangle, is based on the belief that:
- A. Front-line personnel tend to be more knowledgeable
 - B. Employees want to do good work
 - C. Customer satisfaction is related to employee turnover
 - D. A new accounting measures should be used
 - E. None of the above

ANSWER: A

- 8 Services are characterized by all of the following characteristics except for:
- A. Intangibility
 - B. Homogeneity
 - C. Perishability
 - D. Inseparability
 - E. Heterogeneity

ANSWER: E

- 9 Which of the following statements is false?
- A. Services cannot be touched or seen in the same manner as goods.
 - B. Consumer judgments about services tend to be more subjective than objective.
 - C. Services are first produced, then sold, then consumed.
 - D. Services tend to vary from one transaction to the next.
 - E. Services cannot be inventoried.

ANSWER: D

- 10 Of the four unique service characteristics that distinguish goods from services, the one that is the primary source of the other three characteristics is:
- A. Intangibility
 - B. Inseparability
 - C. Homogeneity

- D. Perishability
- E. Heterogeneity

ANSWER: B

- 11 Which of the following is a marketing problem caused by intangibility?
- A. Services have no costs of goods sold.
 - B. The consumer is involved in the production process.
 - C. Other consumers are involved in the production process.
 - D. Service standardization and quality control are difficult to achieve.
 - E. Centralized mass production of services is difficult.

ANSWER: B

- 12 Possible solutions that minimize the problems caused by intangibility include all of the following except:
- A. The use of tangible clues.
 - B. The effective management of consumers.
 - C. The creation of a strong organizational image.
 - D. The use of personal sources of information.
 - E. Prudential's "Piece of the Rock" promotional strategy.

ANSWER: C

- 13 Marketing problems caused by inseparability include all of the following except for:
- A. The service provides physical connection to the service.
 - B. The involvement of the customer in the production process.
 - C. Service standardization and quality control are difficult to achieve.
 - D. The involvement of other customers in the production process.
 - E. All of the above are marketing problems caused by inseparability.

ANSWER: A

- 14 Which of the following scenarios is likely to lead to the highest levels of customer dissatisfaction?
- A. Higher demand than maximum available supply
 - B. Higher demand than optimal supply levels
 - C. Lower demand than optimal supply levels
 - D. Demand and supply at optimal levels
 - E. All of the above scenarios result in customer dissatisfaction

ANSWER: E

- 15 Which of the following strategies increases the supply of service available to consumers?
- A. The use of creative pricing strategies
 - B. The use of reservation systems
 - C. Capacity sharing
 - D. Developing complementary services
 - E. Developing non-peak demand

ANSWER: A

- 16 Which of the following strategies increases the supply of service available to consumers?
- A. Increasing consumer participation
 - B. The use of creative pricing strategies
 - C. The use of reservation systems
 - D. Developing complementary services
 - E. Developing nonpeak demand

ANSWER: D

- 17 The perishability-related strategy that may sometimes be associated with consumer feelings that the service firm may be attempting to distance itself from consumers is:
- A. The use of reservation systems
 - B. Training public contact personnel
 - C. The use of third-parties to conduct service transactions
 - D. Increasing the amount of consumer participation
 - E. Both a and d

ANSWER: B

- 18 Which one of the following strategies is used to alter consumer demand?
- A. Increasing consumer participation
 - B. Utilizing third parties
 - C. Utilizing creative pricing strategies
 - D. Sharing capacity
 - E. Preparing in advance for expansion

ANSWER: C

- 19 Which of the following would not be considered a tangible clue?
- A. The quality of instruction in an educational setting
 - B. The appearance of employees
 - C. The appearance of the firm's physical facilities
 - D. The smile on an employee's face
 - E. The quality of paper stock use to produce a firm's brochures

ANSWER: E

- 20 The service sector that is the fastest growing sector in terms of employment is:
- A. Wholesale and retail trade
 - B. Transportation and warehousing
 - C. Financial activities
 - D. Professional and business services
 - E. Education and health services

ANSWER: C

- 21 Which of the following features separate services from products?
- i. Perishability
 - ii. Intangibility
 - iii. Reliability
 - iv. Inseparability

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

ANSWER: B

22 Which of the following attributes of services make it difficult for a service provider to evaluate them when compared to goods?

- A. High search and experience quality
- B. High experience and credence quality
- C. High credence and search quality
- D. Both b and c

ANSWER: B

23 Classification of products into goods, services, and ideas is determined by the:

- A. Degree of labour intensiveness.
- B. Type of markets.
- C. Dominant component.
- D. Skill of the service provider.
- E. Degree of consumer contact.

ANSWER: C

24 Services can be meaningfully analysed by using a five-category classification scheme including type of market, degree of labour-intensiveness, degree of customer contact, skill of service provider, and

- A. Degree of competition within the service industry.
- B. Goal of the service provider.
- C. Market share of the service provider.
- D. Employee structure of the service provider.
- E. Production environments.

ANSWER: A

25 The appearance of the production facilities and the interpersonal skills of actual service providers are critical in _____ services.

- A. Low-contact
- B. Equipment-based
- C. Industrial
- D. High-contact
- E. Nonprofessional

ANSWER: E

(1)(E), (2)(C), (3)(A), (4)(E), (5)(E), (6)(E), (7)(A), (8)(E), (9)(D), (10)(B), (11)(B), (12)(C), (13)(A), (14)(E), (15)(A), (16)(D), (17)(B), (18)(C), (19)(E), (20)(C), (21)(B), (22)(B), (23)(C), (24)(A), (25)(E)

II SHORT ANSWER TYPE QUESTIONS:

- 1 What is a service?
- 2 Explain the concept of Derived Service with the help of examples.
- 3 How has technology changed the nature of services?
- 4 Enumerate the key marketing issues before a service organization.
- 5 Define service as a product and cite two relevant examples of the service product.
- 6 What is the difference between a high contact service and a low contact service?
- 7 Why has the demand for services marketing knowledge increased in recent years?
- 8 Discuss the six key linkages of the Service Triangle.
- 9 Define the characteristics of intangibility, inseparability, heterogeneity, and perishability.
- 10 Describe the tangibility spectrum.
- 11 Explain the growing significance of service marketing.
- 12 Characteristics of goods are different from those of services. Discuss the difference and explain by citing relevant examples.
- 13 Describe the service marketing process.
- 14 What are the various challenges that the service marketers have to face today?
- 15 Define the Services Marketing Mix. How is it different from the Traditional Marketing mix?
- 16 What are the implications of services characteristics for an interstate bus service?
- 17 Explain in brief the difference between goods and services?
- 18 Write short note on service marketing process.
- 19 What are the different customer roles in service delivery?
- 20 Briefly give the positioning strategy of any airline company?
- 21 Give the brief of the positioning strategy of any Restaurant?
- 22 Explain the service triangle?
- 23 Give the difference between goods and services?
- 24 Discuss the reasons for growth of services?
- 25 Discuss Lovelocks classification scheme of services?

III LONG ANSWER TYPE QUESTIONS:

- 1 Define Services. Discuss the various categories of services and support your answer by citing relevant examples of these from the Indian Service Industry.
- 2 Differentiate between goods and services and explain how these differences make marketing of services different and more challenging than that of goods.
- 3 Compare and contrast the traditional marketing mix and the service marketing mix.
- 4 Discuss the various characteristics of services. What are the various implications of these?
- 5 “Marketing of services is different from that of goods.” Comment and discuss the process of Services Marketing.
- 6 Describe the characteristics of the Indian Services Sector and explain how it has impacted the Indian Economy.
- 7 Explain the concept of Service Triangle with respect to the Indian Hotel and Banking Industry.
- 8 How does the environment impact services and their marketing?

- 9 Explain the concept of services marketing. How has it evolved during the years? What is its significance in today's market?
- 10 What are the basic characteristics of services vs. goods? What are the implications of these characteristics for the Indian Aviation Industry?
- 11 How can quality service be used in a manufacturing context for competitive advantage? Think in the context of automobiles or electronics for answering the question.
- 12 The 100 year old Nedungadi Bank has engaged the management consultancy firm Price water house Coopers (PwC) to evolve a bank wise strategy and to consolidate its business planning program in order to bring about strategic changes in its style, form and content while retaining its basic philosophy of value added banking. What marketing objectives should PwC consider while formulating a marketing strategy that is aligned with the corporate objectives?
- 13 The recent Union Budget saw an increase in postal rates for the ordinary envelope being increased by 20 percent to Rs. 5 for 20 gm. With bulk courier rates starting from around Rs. 5, local companies have started switching to courier services. In this kind of situation, there could be increased opportunities for individuals to start courier firms. Based on customer involvement, under which category do courier and postal services come? What type of services can a courier company offer based on the type of end user?
- 14 Half of India's GDP growth in the 90's came from the growth in the services sector. Amongst the big names to have entered services in India are Reliance and HUL. The industrial conglomerate, Reliance ventured into the services sector through its telecom and retailing operations, while HLL, a leading FMCG company, launched its Lakme Beauty Salons. What are the major factors that are driving the growth of the services sector in India?
- 15 Marketing analysts point out that the 4P's of marketing mix that are used for marketing of products may not be enough for service providers to consider in developing effective marketing strategies. They say three additional elements people, physical evidence and process along with the 4Ps can help address the needs of services marketing completely. Explain in detail about these three elements that are unique to services marketing?
- 16 Kaizen Watches is a leading watch maker in the country, to increase sales and visibility in its planning to open its own chain of watch showrooms under the brand Time & Style. To chalk out the marketing strategy Mr. R. P. Sinha, CEO of the company convened a meeting with the top marketing managers. During the meeting the managers devised a marketing strategy based on the four Ps of marketing i.e., product, price, promotion and place. However, Mr. K. V. Ram (Vice President, Marketing) questioned their strategy saying, "Services marketing is different from product marketing. The traditional marketing mix elements are inadequate for the services marketing environment." What inadequacies do the traditional marketing mix elements possess when it comes to services marketing?
- 17 SBI that lost to new age private banks during the 1990s, has renewed its effort to regain its lost pride in the past two years. It has introduced various measures, such as expanding its ATM network, opening personal banking divisions, venturing into credit cards and insurance services, providing value added services like online banking, and reducing the workforce through VRS. What do you think are the motives behind such moves?
- 18 "Usually services are high on experience qualities and credence qualities while products are high on search qualities. This makes judging the quality of services difficult, for the customers." Explain this statement in detail.

- 19 The Marriott Group is planning to open a new hotel in Banagalore. It has already established itself in the market as a premium class hotel chain. How should Marriott plan the marketing mix for the new location?
- 20 “Fresh Beans”, a producer of coffee beans, plans to enter retailing by starting its retail coffee outlets- “Fresh B’s” in commercial areas of metros like Bangalore and Delhi, simultaneously. What are the major specifications it should consider in its marketing mix elements?
- 21 Speaking about the continuing poor financial performance of an airline for the past seven quarters, a marketing research analyst said “The failure can be attributed to the airline’s lack of focus on one of the key characteristic of a service industry - “perishability”, which led to a lower occupancy rate i.e., the airline realized less sales volumes per flight.” What are the key characteristics which make services marketing different from product marketing? Which among them will affect the airline industry most?
- 22 Recent newspaper reports have stated that the UB Group is delaying its plans to enter the airlines industry through the launch of the Kingfisher Airlines. This has been attributed to the delay by the company’s top management to develop a services marketing strategy for this venture. Mr S. K Sinha, marketing head of this venture (who was recently appointed from a top rival airline company), is said to be concerned about developing an effective service marketing triangle for Kingfisher Airlines. What aspects should the UB Group consider in the services marketing triangle? Briefly describe the different components of the triangle.
- 23 Certain companies in the service sector need to provide supplementary services, in the absence of which, customers will find it difficult to make use of the core service. Cisco Travels, a tourist operator, intends to increase its customer base by introducing additional services. Discuss some supplementary services that Cisco Travels could introduce to enhance the value of its core services?
- 24 Briefly explain the services triangle giving suitable examples. Why are service employees critical to the success of any service organization?
- 25 What the basic characteristics are of services vis-a vis goods? What are the implications of these characteristics for an interstate bus service?
- 26 The integrated marketing communication process starts by determining the strengths and weaknesses of the marketer.
- 27 The IMC approach uses the “inside-out” approach in identifying communication vehicles.
- 28 The use of integrated marketing communications is restricted to the mass media.
- 29 The terms touch point and contact are used interchangeably to mean any message medium capable reaching target customers and presenting the brand in a favorable light.
- 30 Coordination of messages and media is absolutely critical to achieving a strong and unified Brand image and moving consumers to action.

UNIT – II

I MULTIPLE CHOICE QUESTIONS:

- 1 Who has developed the GASs Model?
 - A. Zeithmal and Bitner
 - B. Zeithmal and Berry
 - C. Zeithmal, Parsuraman and Bitner
 - D. Zeithmal, Parsuraman and BerryANSWER: C

- 2 Who extended the GAPs Model and by how many GAPs.
 - A. ArashShahin; 2
 - B. Dwayne D Gremler; 2
 - C. ArashShahin; 3
 - D. Dwayne D Gremler; 3ANSWER: C

- 3 Name the attributes that can be discerned only after purchase or during consumption
 - A. Search Qualities
 - B. Experience Qualities
 - C. Credence Qualities
 - D. None of the aboveANSWER: A

- 4 Specify the attributes that a customer might find difficult to evaluate even after production or consumption.
 - A. Search Qualities
 - B. Experience Qualities
 - C. Credence Qualities
 - D. None of the aboveANSWER: C

- 5 The highest level of Customer Expectation is
 - A. Ideal Expectation
 - B. Normative Expectation
 - C. Acceptable Expectation
 - D. None of the aboveANSWER: C

- 6 Which of the following factors does not influence adequate service?
 - A. Lasting service intensifiers
 - B. Temporary service intensifiers
 - C. Self-perceived service role
 - D. None of the aboveANSWER: A

- 7 Which of the following does not contribute to Predicted Service?
A. Word of mouth
B. Past experience
C. Personal needs
D. Implicit service promises
ANSWER: A
- 8 Which dimension of service quality refers to the employees' knowledge and courtesy and their ability to inspire trust and confidence.
A. Reliability
B. Assurance
C. Responsiveness
D. None of the above
ANSWER: B
- 9 Who formulated the SERVQUAL Scale?
A. Zeithmal and Bitner
B. Zeithmal and Berry
C. Zeithmal, Parsuraman and Bitner
D. Zeithmal, Parsuraman and Berry
ANSWER: C
- 10 Name the customers who have an above average propensity to complain.
A. Irates
B. Voicers
C. Activists
D. None of the above
ANSWER: B
- 11 The gap between a customer's desired service expectation and the adequate service expectation is
A. Zone of tolerance
B. Predicted service expectation
C. Derived service expectation
D. Implicit service promise
ANSWER: C
- 12 The ability of the service provider and his employees to use their knowledge and courteous behavior to instill trust and confidence in customers regarding the service is referred to as:
A. Assurance
B. Responsiveness
C. Empathy
D. Reliability
ANSWER: C

- 13 When a firm's service quality specification does not match with customer expectations the gap between the two is known as
- A. Standard gap
 - B. Service performance gap
 - C. Communication gap
 - D. Market information gap
- ANSWER: A
- 14 A consumer has taken a club membership for his entire family. What kind of needs does he hope to fulfill by availing the club's services?
- A. Self actualization needs
 - B. Security needs
 - C. Social needs
 - D. Physiological needs
- ANSWER: C
- 15 Which of the following is not a factor that will influence customer satisfaction or dissatisfaction during the service encounter?
- A. Spontaneity
 - B. Image
 - C. Empathy
 - D. Recovery
- ANSWER: C
- 16 A consumer took a decision to undergo painting classes. Which need is he intending to satisfy by doing so?
- A. Ego
 - B. Psychological
 - C. Self-actualization
 - D. None of the above
- ANSWER: B
- 17 Personal services like tooth whitening and plastic surgery satisfy which needs of of person.
- A. Ego
 - B. Psychological
 - C. Self-actualization
 - D. Safety
- ANSWER: D
- 18 Which of the following is not a evidence of service as experienced by the customer?
- A. People
 - B. Process
 - C. Procedure
 - D. Physical Evidence
- ANSWER: B

- 19 A service guarantee must not be
- A. Conditional
 - B. Meaningful
 - C. Easy to invoke
 - D. Easy to communicate

ANSWER: C

- 20 Out of the following circumstances, a service guarantee should be used when: -
- A. Service quality is truly uncontrollable
 - B. Customers perceive high risk in the service
 - C. Guarantee does not fit the company's image
 - D. Existing service quality in the company is poor

ANSWER: B

- 21 Which amongst the following is a dimension of credence qualities?
- A. Competence
 - B. Communications
 - C. Tangibility
 - D. Responsiveness

ANSWER: A

- 22 Which of the following is true as per Pareto's rule?
- A. 15% of customers generate 75% of the revenues of an organization.
 - B. 20% of customers generate 80% of the revenues of an organization.
 - C. 30% of customers generate 85% of the revenues of an organization.
 - D. 15% of customers generate 90% of the revenues of an organization.

ANSWER: A

- 23 Identify the risk that arises from a bad product/service choice, that harms one's self image.
- A. Psychological risk
 - B. Physical risk
 - C. Social risk
 - D. Time risk

ANSWER: B

- 24 The ability of the service provider to accurately perform the promised service is referred to as:
- A. Assurance
 - B. Responsiveness
 - C. Reliability
 - D. Tangibles

ANSWER: A

- 25 Which of the following is not an external factor that influences consumer behavior?
- A. Social class

- B. Culture
- C. Service personnel behavior
- D. Reference groups

ANSWER: C

II SHORT ANSWER TYPE QUESTIONS:

- 1 How is Customer Gap different from Producer Gap provided in the GAPS model service quality?
- 2 What risk(s) does a consumer perceive in purchase of a particular service?
- 3 Write a short note on Service Roles and Scripts.
- 4 What are the various national and personal variables that cause differences in decision making of different consumers?
- 5 How are Customer Expectations different from Customer Perceptions?
- 6 Explain the concept of Zone of Tolerance.
- 7 'Zones of Tolerance vary for service dimensions'. Comment.
- 8 Do Customer Satisfaction and Service Quality convey the same meaning? Why or why not?
- 9 What do you understand by Service E-quality?
- 10 Why is a service encounter important?
- 11 What do you understand by Technology based Service encounters? Site examples from the Indian Industry.
- 12 In what ways do emotions and moods influence consumer behavior?
- 13 Explain the gaps model of service quality. Illustrate your answer with suitable examples
- 14 Discuss the customers' role as a productive resource for the firm?
- 15 Write short note on service recovery.
- 16 Briefly explain the Gaps model of service quality mix. Illustrate your answer with suitable examples.
- 17 Critically assess the usefulness of the SERVQUAL technique for measuring quality in an industry of your choice?
- 18 Write a brief on the relationship between consumer behavior and service marketing?
- 19 How is the Gap model evaluated ? State the different angles of evaluation?
- 20 In what ways services fluctuates the moods and emotions of consumer?
- 21 Which one of the gap is harder to close? Why?
- 22 Give different dimensions of service quality in case of health services?
- 23 How a service provider should define customer satisfaction for his firm?
- 24 Describe remote encounter, phone encounter and face to face encounter?
- 25 What can be the reasons for lower customer satisfaction? What impact can it have on the business of service organizations? Discuss

III LONG ANSWER TYPE QUESTIONS:

- 1 Explain the GAPS model of service quality in detail with the help of an example an Indian Service Firm.
- 2 What strategies can a service firm adopt to minimize service gaps? Explain with help of examples from the hospitality sector.

- 3 How does a consumer make decisions about the purchase of a service? Elaborate the complete process and enlist the various factors that influence the consumer's decision making process.
- 4 How is post-experience evaluation by customers important in services marketing?
- 5 What are the various possible levels of customer satisfaction? What shapes customers' expectations?
- 6 What issues do the service marketers face about customer expectations?
- 7 A variety of factors affect influence customer expectations. How can service marketers influence these factors?
- 8 Define Customer Satisfaction. What are the determinants of Customer Satisfaction?
- 9 Define Service Quality? What are its various dimensions? Give examples of Indian Service Firms that excel in providing Service Quality across its various dimensions.
- 10 Define a Service guarantee. What are the benefits of providing service guarantees?
- 11 What are the various types of service guarantees that a firm can provide to its customers? Under what circumstances is providing a service guarantee infeasible?
- 12 Air Deccan has captured a significant market share in the airline market within a short period after its launch. Sensing the market potential, many companies are entering into this segment (low-cost airlines). What strategies can the company adopt in order to manage customer service expectations in such a competitive environment?
- 13 A new BPO company is deciding upon the service quality standards it wants to enforce. The top management had earlier fixed quality standards based on industry benchmarks. But this initiative did not yield the desired result. Now the management has appointed Mr. K. P. Singh a leading service industry expert, to look into the matter. Singh has suggested that the service quality standards need to be based on customer service expectations rather than on industry benchmarks. What do you think can customer expectations be in this case?
- 14 What perceived risks might a customer face when purchasing tourism products?
- 15 BK Fast Foods is the oldest restaurant chain operating in Southern India. However, in recent past its sales have been dipping and the customer traffic to its outlets dwindling. It hired Markfist, a market research agency to analyze reasons for its poor performance. The study conducted by Markfist revealed that customer perceived it as "tired brand" which and lost its relevance in the present day environment. What are the various ways in which BK Fast Foods can change the perceptions of the consumers?
- 16 A marketing analyst commented, "Usually services are high on experience qualities and credence qualities while products are high on search qualities. This makes judging the quality of services difficult, for the customers." Explain this statement in detail.
- 17 Medicity Hospitals, a multi-specialty hospital chain, has branches in all the four metro cities. As part of the exercise to improve the customer service at the hospital, it wants to analyze the adequate service expectations and the factors that affect the adequate service expectations of the customers. What are the possible factors that affect the adequate service expectations in the context of healthcare service?
- 18 SQL services, a renowned call center in Delhi, conducted a customer satisfaction survey for its clients in India and abroad. The results of the survey were interesting. Clients abroad rated the services rendered by the company on a lower scale compared to domestic clients. How can an awareness of the criteria that affect customers' service experience help SQL satisfy foreign clients with their service?

- 19 According to analysts, one of the key reasons for the poor showing of Public sector airline major, Indian Airlines, is the growing 'customer dissatisfaction' with its services. What strategies should Indian Airlines implement to enhance customer satisfaction?
- 20 OSS couriers, an established player in the corporate overnight courier delivery service, witnessed continuous growth rate since its inception. It has many firsts to its name – having its own fleet, use of IT and providing varied services. However, in the past three years, OSS's customer base and sales volumes moved south. A survey conducted by the company's management revealed that customers were dissatisfied with the poor customer service and frequent service failures. What service recovery steps can OSS take to regain its customers?
- 21 Shop n Style, a popular South Indian departmental store chain, has roped in Retail Prowess, a leading retail consulting firm, to fine tune its service delivery process. Retail Prowess has developed a service quality program that specified processes and service quality standards to be adopted at each of its departmental stores. How can Shop Style maintain service quality in all its stores spread across South India?
- 22 What kind of actions customers can take in response to service failure? Why is it important for a service firm to have a strong service recovery strategy? Illustrate your answer with suitable examples.
- 23 Explain the differences between 'search, experience and credence' qualities. Discuss their implications for services marketers. Give suitable examples
- 24 What is the difference between desired service and adequate service? What should a service marketer need to understand both types of service expectations?
- 25 What kind of actions customers can take in response to service failure? Why is it important for a service firm to have a strong service recovery strategy? Illustrate your answer with suitable examples.

UNIT – III

I MULTIPLE CHOICE QUESTIONS:

- 1 KFC which has its only outlet at Bangalore in the country is all set to open its retail outlets in Delhi and Hyderabad. Which stage of the PLC is it in?
 - A. Introduction
 - B. Growth
 - C. Maturity
 - D. Decline
 ANSWER: A

- 2 Segmenting the market according to the customer use of the service is an example of which bases of segmentation
 - A. Demographic
 - B. Geographic
 - C. Behavioral
 - D. Psychographic
 ANSWER: C

- 3 The intangible aspect of a service spring forth for which of the following service product levels?
- A. Actual product level
 - B. Core product level
 - C. Augmented product level
 - D. Potential product level
- ANSWER: B
- 4 Which of the following is not a type of positioning strategy used in service marketing?
- A. Attribute positioning
 - B. Celebrity positioning
 - C. Competitor positioning
 - D. Category positioning
- ANSWER: B
- 5 Which of the following is not a market penetration strategy?
- A. Maintaining or increasing the market share of existing services
 - B. Entering new markets with the existing services
 - C. Driving away competitors by restructuring a market
 - D. Inducing existing customers to use the services frequently
- ANSWER: B
- 6 Which of the following is not an approach to pricing in services?
- A. Risk based approach
 - B. Cost based approach
 - C. Competition based approach
 - D. Demand based approach
- ANSWER: D
- 7 Which of the following is not an issue in the pricing of services?
- A. Availability of raw materials
 - B. Competitor pricing
 - C. Positioning
 - D. Demand levels
- ANSWER: D
- 8 Identify the factor that does not play a major role in setting the pricing objectives of a service organization.
- A. How would a company like to position its services?
 - B. Are the prices chosen compatible with the corporate objectives?
 - C. How do the shareholders react to the price changes made by the company?
 - D. What is the duration of the life cycle of the services?
- ANSWER: A
- 9 Which of the following is not a type of broadcast media used for advertising?
- A. TV

- B. Radio
- C. Newspapers
- D. Internet

ANSWER: B

- 10 The pricing strategy in which prices are set lower to actual price to trigger short term sales is classified as
- A. promotional pricing
 - B. short term pricing
 - C. quick pricing
 - D. cyclical pricing

ANSWER: A

- 11 Which of the following is not a necessary strategy in the effective promotion of services?
- A. Effective planning
 - B. Perfect timing
 - C. Adherence to legal regulations
 - D. Employee motivation

ANSWER: A

- 12 Which amongst the following is not true regarding the promotional strategies of services?
- A. Intermediaries have a key role in the promotion of services
 - B. Service personnel play a larger role in promoting services
 - C. Physical evidence tangibilizes the services
 - D. Services cannot be inventoried

ANSWER: C

- 13 Which of the following is not a consideration in deciding the marketing channel for services?
- A. Channels should ensure easy accessibility
 - B. Channels should cover all target markets
 - C. Channels should ensure expansion at any cost to the service provider
 - D. Channels should ensure value addition to the customers

ANSWER: C

- 14 Location decision is not important for which of the following:
- A. Insurance company
 - B. Bank
 - C. Retail outlet
 - D. Health club

ANSWER: C

- 15 Which of the following is not a benefit of direct distribution of services?
- A. Control over operations
 - B. Healthy customer relationships
 - C. Flexibility

D. Reduced risk

ANSWER: A

16 In planning a service process, a service provider takes all the following important decisions except

A. Conversion process

B. Legal restrictions

C. Flow of process

D. Layout design

ANSWER: B

17 Which of the following is not an element of blueprinting in a service process?

A. Onstage employee actions

B. Line of visibility

C. Customer role

D. Support processes

ANSWER: B

18 Which of the following is not an influencing factor in process efficiency?

A. Technology

B. External environment

C. Planning

D. Location and décor

ANSWER: C

19 Which of the following is not a major element of physical evidence?

A. Conduct of support staff

B. Price of service

C. Physical environment

D. Conduct of service personnel

ANSWER: A

20 The importance of physical environment as an element of physical evidence springs forth through all of the following except

A. Layout

B. Communications

C. Atmosphere

D. Aesthetics

ANSWER: C

21 Which of the following may not be an objective of focusing on physical evidence by a service firm?

A. Differentiation from competitors

B. Increased productivity

C. Creating a good impression

D. Creating awareness about its services

ANSWER: A

22 Which of the following is not a type of demand-based pricing strategy?

- A. Market skimming
- B. Penetration pricing
- C. Destroyer pricing
- D. Discounts and sales

ANSWER: C

23 Which of the following is not an essential step in building a service blueprint?

- A. Identifying process
- B. Identifying customer segment
- C. Mapping customer's view
- D. Mapping complexities

ANSWER: C

24 Which of the following factors does not influence service delivery?

- A. The service provider
- B. The level of customer interaction
- C. The complexity of the service
- D. The legal aspects connected to it

ANSWER: C

25 Which of the following groups is called boundary spanners?

- A. Top management
- B. Front line employees
- C. Market research analysts
- D. All the above

ANSWER: D

II SHORT ANSWER TYPE QUESTIONS:

1 What is the significance of development of new services in a service organization?

2 What do you understand by Quality Function Deployment?

3 Write a short note on high performance service innovations.

4 Draw out the components of physical evidence.

5 What are the different types of services capes?

6 Enlist the guidelines for creating an effective physical evidence strategy

7 Write a short note on emotional labor

8 How can a firm conduct an internal customer audit?

9 Write a brief note on integrated services marketing communications.

10 How is pricing of services different than that of goods?

11 Explain the elements of services marketing mix. Illustrate your answer with suitable examples

12 Explain the services production continuum giving a suitable example.

- 13 Why are service employees critical to the success of any service organization?
- 14 Discuss customer's role as productive resource and contributor of the firm.
- 15 What is the risk of attempting to describe services in words alone?
- 16 Why is it challenging to design and develop services?
- 17 Explain the house of service quality?
- 18 Explain how the price of a service is related to its quality?
- 19 Why is it challenging to develop and design a service?
- 20 What are the risks of defining the services in the world alone?
- 21 Think of a new service you want to develop being an entrepreneur and discuss?
- 22 Why is everyone not affected in exactly the same way by the servicescape?
- 23 Discuss the basic concepts behind satisfaction based, relationship, and efficiency pricing.
- 24 Define price bundling and provide three reasons why it makes sense for service firms to engage in price bundling practices.
- 25 Why is developing an effective process strategy particularly important for service firms?

III LONG ANSWER TYPE QUESTIONS:

- 1 What are the various types of new services that an organization may develop? What risks does the organization face while describing a new service to be developed?
- 2 Elaborate the new service development process.
- 3 Elaborate the components of a service blueprint. Describe the service blueprint for a hotel service.
- 4 Explain how service blueprints are created. Explain with help of examples.
- 5 How does Physical Evidence affect customers' expectations? Explain in the context of the Hospitality and Tourism Industry.
- 6 Describe the strategic role of servicescape and develop a framework for understanding servicescape effects on customer behavior.
- 7 Why are service employees important? How do they effect service quality?
- 8 Elaborate the various human resource strategies for delivering service quality through employees of an organization.
- 9 Explain the importance of customers in service delivery with reference to their level of involvement in the services. What different roles do customers perform in service delivery?
- 10 Devise the strategies for enhancing customer participation in service delivery with reference to the fast-food, healthcare and beauty & salon services.
- 11 In what different ways can services be delivered to customers? Specify with examples of different countries.
- 12 What are the common issues involved in hiring intermediaries for service delivery? How can these be handled effectively?
- 13 What are the various approaches for managing service promises? Explain.
- 14 What are the various approaches to pricing services?
- 15 Describe the four customer definitions of value. What different pricing strategies are available for these value definitions?
- 16 What factors does a service marketer take into consideration while planning a service process? How can a service marketer alter his service positioning by altering his present service process structure?
- 17 What are the various factors influencing service process efficiency?

- 18 In India, the average attrition rate in the BPO sector is approximately 30-35 percent. Maintaining low attrition levels in this industry has become a major challenge to employers as the demand exceeds the supply of qualified professionals. Many BPO majors are now concentrating on designing various internal marketing programs to motivate their employees. How will an emphasis on motivation, an essential component of internal marketing programs, reduce attrition rates and influence the quality of services delivered by the company?
- 19 It is highly essential for any company to develop a two-way communication with their customers. Organizations should not be under the mistaken impression that advertisements in different media, direct marketing letters, exhibition stalls, and brochures are a means of interacting with customers. The interaction process starts only after the customer responds to this communication. In what way can an understanding of this aspect enable cellular operators to improve communications and relationships with customers?
- 20 Wipro gives significant importance to employee empowerment as part of its internal marketing program. It has developed an intranet channel called 'Channel W', which features on the desktop of every employee. The channel features various business related programs as well as personal entertainment programs with the objective of binding employees together. Besides, the channel helps generate and sustain interest among employees by enabling the company to share its success and views through this two-way communication channel. What do you understand by employee empowerment and how does it add to better customer service?
- 21 Avishkar Advertising is a small ad agency that had established itself by providing advertising services to companies in the healthcare industry. However, things changed with the entry of advertising agencies like Euro-RSCG, MAA-Bozell, FCB-Ulka and TBWA that began working with Pharmaceutical companies like Knoll, Torrent, and Novartis on the strength of their international alliances. Bigger agencies like O&M, Lowe and McCann also set up separate divisions for healthcare communications. What kind of pricing objective and pricing strategy should Avishkar adopt to tide over this situation?
- 22 The world's largest independent IT training company, the US-based New Horizons, has entered India at a time when the domestic computer education market is struggling in the wake of the global technology meltdown. What factors should New Horizons consider when making channel decisions? Other than franchising, which delivery channel can the company opt for if it wants to reach a large number of customers at their convenience and yet keep down costs?
- 23 In the IT services sector, a constant upgrade in the skills of mid-level managers is essential to retain the competitive edge and keep the customer happy. In what way will a continuous employee training program help an IT services organization like Ramco Systems to provide value-added services to its clients as well as to motivate and retain employees?
- 24 Marketing analysts point out that the 4P's of marketing mix (product, price, place, promotion) that are used for marketing of products may not be enough for service providers to consider in developing effective marketing strategies. They say three additional elements people, physical evidence and process along with the 4 P's, can help address the needs of services marketing completely. Explain in detail about these three elements that are unique to services marketing?
- 25 "People, one of the services marketing mix elements not just refers to front-line employees, but also the customers." Explain this statement by taking any service as an example.

UNIT – IV

I MULTIPLE CHOICE QUESTIONS:

1 Service Guarantees are not appropriate when

- A. It is easy to invoke
- B. Buyer resistance is high
- C. It involves restitution
- D. Price of the service is low
- E. It is not easy to invoke

ANSWER: B

2 Low cost airlines have changed the face of airline travel in India. In this scenario, which of the followings strategies cannot be considered as a good marketing strategy for an airline like Air Sahara?

- A. Remove non-value added cost
- B. Provide better service quality
- C. Stop special offers and discount schemes
- D. Develop trade alliances with travel agents

ANSWER: C

3 Yield Management assumes importance in the context of

- A. Waiting line strategies
- B. Supply and demand management
- C. Retention strategies
- D. Repositioning
- E. New acquisition strategies

ANSWER: B

4 In the event of a mistake in service delivery, the organization's priority should

- A. Justify its actions
- B. Protect its employees
- C. Revise the procedures
- D. Service recovery
- E. Apologize to its customers

ANSWER: D

5 Benchmarking is a process of comparison between the performance characteristics of separate, often competing organization, intended to enable each participant to improve its own performance in the marketplace. The process of benchmarking involves five steps. Which one of the following is the fourth step in the process of benchmarking?

- A. The organization has to identify the critical business processes or areas that need to be benchmarked for improvement
- B. The organization has to determine the methods to be used for data collection from the company used for benchmarking
- C. The management should introduce the necessary changes in the organization to remove the performance gap and improve the service quality
- D. The organization has to choose companies, that have excelled in those areas processes for benchmarking
- E. The management should analyze the differences between the processes in the two companies to identify its area for improvement

ANSWER: E

- 6 Which level of investment in customer relationship building typified by the company like dell.com working continuously with their customers to discover ways to perform better?
- A. Reactive Marketing
 - B. Accountable Marketing
 - C. Proactive Marketing
 - D. Partnership Marketing
 - E. Alliance Marketing

ANSWER: D

- 7 The tourism industry is dependent on various factors like the location of the country, its culture and tradition, the social and political status etc. This dependency has resulted in some unique characteristics or features of the industry. Which of the following are the characteristics of tourism industry?
- I. Stable location.
 - II. Intangibility.
 - III. Huge financial investments.
 - IV. Stable demand.
 - A. Both (I) and (III) above
 - B. Both (II) and (IV) above
 - C. (I), (II) and (III) above
 - D. (I), (III) and (IV) above
 - E. All (I), (II), (III) and (IV) above

ANSWER: A

- 8 A service organization can deliver quality service to its customers if it follows a systematic method in identifying the customers 'needs. Christopher Lovelock suggested that the various supplementary services offered across various industries can be grouped into eight categories. Which of the following is not one of these categories?
- A. Order-giving
 - B. Hospitality
 - C. Consultation
 - D. Safekeeping

E. Billing
ANSWER: A

- 9 Airlines can try to influence demand for their products and control the perishability characteristic of service by:
- A. Creating a slogan that focuses on service reliability
 - B. Doing away with the poor image of airplane food
 - C. Offering roomier seats
 - D. Cultivating non-peak demand
 - E. Standardizing the service process and providing more training to flight personnel
- ANSWER: D

- 10 A customer comes to a restaurant and demands a table facing the street which is already occupied for the evening. The Floor Manager's ability to deal with the customer is an example of the restaurant's ability in:
- A. Recovery
 - B. Adaptability
 - C. Level of trust
 - D. Coping
 - E. Strategy
- ANSWER: D

- 11 The relationship between a company and its customers needs to be mutually rewarding and fulfilling. Which of the following is not the four R's of rewarding relationships?
- A. Realization
 - B. Reimbursement
 - C. Relevance and respect
 - D. Response
 - E. Relationship
- ANSWER: B

- 12 To produce a better match between the number of people who want to eat at a restaurant on weekends and the availability of food and personnel to provide service to those people, a restaurant can:
- A. Use a price equilibrium strategy
 - B. Eliminate the reservation system
 - C. Eliminate complementary services
 - D. Hire part-time employees
 - E. Do all of the above
- ANSWER: D

- 13 Service organizations often tend to ignore the feeling of customers when they are kept waiting. —The psychology of waiting lines“ is an article written by David Maister with various principles to provide more insights into ‘waiting‘ for both customers as well as service providers. Which of the following is not true about the principles of waiting?

- A. Pre-process waits seem longer than in-process waits
- B. Anxiety makes the waiting period seem longer
- C. Unexplained waits are shorter than explained waits
- D. Physical discomfort makes waiting feel longer
- E. Unfair waits are longer than equitable waits

ANSWER: C

- 14 Eating out in a restaurant with white linen napkins, candlelight, and a wine list is an example of which of the following categories?
- A. A pure tangible good
 - B. A tangible good with accompanying services
 - C. A hybrid
 - D. A major service with accompanying minor goods and services
 - E. A pure service

ANSWER: C

- 15 All of the following statements about customer waiting time are true except:
- A. Unoccupied waiting time appears to be longer than occupied waiting time.
 - B. Waiting before the service seems longer than waiting during the service encounter.
 - C. Customer anxiety makes waiting seem longer.
 - D. Waits that are explained seem shorter than waits that are not explained.
 - E. The more expensive and the more important a service is to the customer, the less they are willing to wait for service.

ANSWER: E

- 16 If the marketing department for a tutoring service hires a class of graduate students to conduct and tabulate research on consumer rankings of its educational offerings, the tutoring service is increasing its productivity through:
- A. Adopting a manufacturing approach
 - B. Requiring service providers to work more quickly
 - C. Increasing the quality of service provided by surrendering some quantity
 - D. Doing away with obsolete methodology
 - E. Finding a more effective way to perform a necessary task

ANSWER: E

- 17 Which of the following statements can be associated with the phenomenon of Marketing Myopia?
- A. The firm produces large quantities of products to decrease the cost per unit, ignoring market requirements
 - B. The firm believes that there are no major competitors
 - C. The firm increases the product price, in the belief that general public is growing richer by the day
 - D. All of the above

ANSWER: D

- 18 Companies are now offering services like selling and delivering products over the internet. What is this kind of business service known as?
- A. Outsourcing
 - B. E-commerce
 - C. Reengineering
 - D. BPO
- ANSWER: B
- 19 What is benchmarking?
- A. A PA system
 - B. A measure of productivity
 - C. A standard against which performance is measured
 - D. A process where a firm sets a target for itself
- ANSWER: D
- 20 The mutual fund market can be segmented based on the investment objective of the investors. Since customer needs are different, the market can be segmented into the various funds based on the differences. Which of the following funds provides capital appreciation over the medium to long term?
- A. Income funds
 - B. Growth funds
 - C. Tax saving schemes
 - D. Money market funds
 - E. Balanced funds.
- ANSWER: B
- 21 The world's largest industry in the private sector and highest projected generator of jobs is:
- A. Business services
 - B. The hospitality industry
 - C. Health services
 - D. Professional services
 - E. Retail
- ANSWER: C
- 22 The service sector that is the fastest growing sector in terms of employment is:
- A. Wholesale and retail trade
 - B. Transportation and warehousing
 - C. Financial activities
 - D. Professional and business services
 - E. Education and health services
- ANSWER: E
- 23 The leisure and hospitality industry comprises a variety of services. Which of the following is not one of them?
- A. Food service
 - B. Lodging

- C. Travel and tourism
- D. Meeting and convention planning
- E. All the above are part of the hospitality industry

ANSWER: E

- 24 The professional and business sector includes all of the following except:
- A. Computer services
 - B. Legal advice
 - C. Hospitals
 - D. Accounting
 - E. Architectural

ANSWER: C

- 25 Which one of the following can be considered a high-contact service?
- A. Postal service
 - B. Health care
 - C. Banking
 - D. Dry cleaning

ANSWER: C

II SHORT ANSWER TYPE QUESTIONS:

- 1 Highlight the major characteristics of the Hotel Industry.
- 2 What have been the recent trends in the hotel industry?
- 3 Highlight the major characteristics of the Banking Industry.
- 4 Highlight the major characteristics of the Insurance Industry.
- 5 Highlight the major characteristics of the Tourism Industry.
- 6 Highlight the major characteristics of the Healthcare Industry.
- 7 Define a bank. What factors influence the location decision for a bank?
- 8 How is market segmentation different for banking and insurance industries?
- 9 Define Insurance. What are various types of insurance?
- 10 What have been the recent trends in insurance marketing?
- 11 Write a note on technology in Services
- 12 What do you understand by delivering services through the web?
- 13 Explain the customer's role in SERVICES?
- 14 What are Hospitality Services?
- 15 Explain in brief the role of technology in services.
- 16 Explain the process of delivering services through the web.
- 17 Explain the role of customers in services.
- 18 How can service marketing being done in health care?
- 19 Explain the role of services marketing in health sector?
- 20 Give the note on service failure in hospitality sector?
- 21 Services marketing can be a major contributor in tourism industry? How?
- 22 How the effectiveness of the services can be evaluated in case of Hospitality Services?
- 23 How the effectiveness of the services can be evaluated in case of Banking Industry?
- 24 How the effectiveness of the services can be evaluated in case of Health care Services?

25 How the effectiveness of the services can be evaluated in case of Tourism services?

III LONG ANSWER TYPE QUESTIONS:

- 1 How does environment impact the Indian hospitality industry?
- 2 On what basis is market segmentation done for the hotel industry?
- 3 Elaborate the hotel industry marketing mix.
- 4 What approaches to market segmentation are followed while segmenting markets of the tourism industry?
- 5 Write a detailed note on the tourism industry of India. What recent trends has the industry witnessed? How has recession impacted the tourism industry?
- 6 Elaborate the Banking sector marketing mix. What recent trends have affected the product and promotion mix of the banking industry?
- 7 Develop the services marketing mix for an insurance company with a relevant Indian firm example.
- 8 Discuss the recent trends in the Indian Healthcare Industry and also develop its service marketing mix.
- 9 Write a detailed note on the Indian Banking sector. How demographic factors, personalized loans and credit quality programs drive the market? What are the various opportunities and challenges of this industry?
- 10 ABN-Amro Bank has surprised the banking industry by announcing the lowest interest rate of 6.5% for its housing loans, which is 1% less than what other banks are offering. What kind of pricing strategy has ABN-Amro Bank adopted in this case? Describe the pricing strategy.
- 11 Insurance companies sell their services mainly through agents and brokers, instead of selling them through their own personnel. What are the major reasons for their adopting such a distribution strategy?
- 12 Many banks are now targeting high net-worth individuals (HNI's) for expanding their business. In view of the competitive banking environment, what should a bank do to establish long-term relationships with customers in the target segment?
- 13 Analysts are of the view that after telecom and banking, it is the insurance sector that is focusing on relationship marketing since insurance companies are putting in extensive efforts to retain existing customers and attract new customers. Comment on the efficacy of relationship marketing for insurance companies in India. What benefits can these companies accrue?
- 14 ICICI Ltd has launched e-portals as part of its relationship marketing strategy, targeted to fulfill the local needs of people in major cities. For instance, Cafemumbai.com is a portal that ICICI has set up to cater to the local needs of the people of Mumbai. The portal has a search facility and also provides information on weather, train and bus routes, travel schedules, and other essential services ranging from the legal to the environmental. What steps would ICICI have followed in order to come up with this relationship marketing strategy?
- 15 The Indian subcontinent has great potential for tourism. The government has recently decided to attract foreign tourists by highlighting the natural and cultural beauty of India. To promote tourism, it is leasing out some railway routes to private tour operators. The idea is to promote more projects like "Palace on Wheels". An interested private company has

- won a contract to operate a rail route for a period of 10 years. Evaluate the service product that the company would like to pursue in the project.
- 16 The Marriott Group is planning to open a new hotel in Bangalore. It has already established itself in the market as a premium class hotel chain. How should Marriott plan the marketing mix for the new location?
 - 17 Corporate Healthcare is seen as one of the fastest growing segments in the Indian economy with foreigners accounting for about 12 per cent of all patients in top hospitals like Lilavati, Jaslok, Breach Candy, Apollo, and Wockhardt. This is because medical care costs only one-fifth as much as it costs in the West. In what way can the physical environment help corporate hospitals in India to woo foreign patients, considering the fact that hospital ambience is a prerequisite to attract them?
 - 18 By 2020, India is expected to be the leading tourist destination in South Asia with more than eight million tourist arrivals. Foreign hotel chains like Marriott, Intercontinental, Four Seasons, and Shangri-La have already started refurbishing their hotels and services in the light of these forecasts. How can existing Indian luxury hotels such as Indian Hotels, ITC, and Hotel Leela Ventures use supplementary services to differentiate themselves and face competition from foreign chains?
 - 19 What is customer satisfaction and why is it so important? Discuss the factors that influence the customer satisfaction.
 - 20 Critically analyze the marketing efforts made by (a) A company in healthcare sector, (b) A company in banking sector. How well have they succeeded in differentiating its services from that of their competitors? Explain analytically?
 - 21 Using a service company of your choice, analyze how price discriminations are practiced between different groups of customers?
 - 22 Give marketing implications in all the sectors: Hospitality, Health care, Airlines and Banking and insurance?
 - 23 Develop a blueprint for Hotel Industry? Also explain the point of contact with specific examples?
 - 24 Develop services triangle for an airlines company describing all three sides in detail. How service industry can help in the overall development of the economy. Explain considering different service sectors and their importance for development?

QUESTION BANK

ENTREPRENEURSHIP DEVELOPMENT

BBA 307

QUESTION BANK
ENTREPRENEURSHIP DEVELOPMENT-BBA 307
BBA-V

UNIT – I

I MULTIPLE CHOICE QUESTIONS:

1. Which of these statements best describes the context for entrepreneurship?
- A. Entrepreneurship takes place in small businesses.
 - B. Entrepreneurship takes place in large businesses.
 - C. Entrepreneurship takes place in a wide variety of contexts.
 - D. Entrepreneurship does not take place in social enterprises.

ANSWER: C

2. Which statement is not true of entrepreneurs?
- A. They change the way businesses convert inputs into outputs
 - B. They generally stick to the processes already in use.
 - C. They take risks
 - D. They apply innovative ideas

ANSWER: B

3. Why is the notion of 'vision' important in entrepreneurship?
- A. Without it there is no driving force or sense of direction.
 - B. People need a sense of fantasy in order to create ambitious ventures.
 - C. Investors prefer to invest in visionaries.
 - D. Having a vision helps to create a paradigm shift.

ANSWER: A

4. Innovative entrepreneur ensures:
- A. Static equilibrium
 - B. Dynamic equilibrium
 - C. Static disequilibrium
 - D. Dynamic disequilibrium

ANSWER: B

5. The book “Innovation and Entrepreneurship” is written by:
- A. J.B. Say
 - B. J.A. Schumpeter
 - C. Peter F. Drucker
 - D. Cantillon

ANSWER: B

6. Which one of the following theory has the attribute of moderate risk taking as a function of skill, not chance?
- A. Need for independence

- B. Need for achievement
- C. Need for affiliation
- D. Need for authority

ANSWER: B

7. An entrepreneur considering if what they are doing makes sense is an example of:
- A. A strategic question
 - B. A connection task
 - C. A reflection task
 - D. A comprehension question

ANSWER: C

8. Entrepreneurial Opportunities are defined as:
- A. situations in which new goods, services, raw materials and organizing methods can be sold at greater than their production cost.
 - B. new market entry through entrepreneur action.
 - C. the entrepreneur's mental processes in deciding whether or not to act on a potential opportunity.
 - D. a feasibility assessment.

ANSWER: D

9. All but which of the following is considered to be a myth associated with entrepreneurship?
- A. Successful entrepreneurs are born not made
 - B. First ventures are always successful
 - C. All entrepreneurs must willingly invest significant sums of money
 - D. Successful entrepreneurs must have a break-through invention

ANSWER: B

10. Entrepreneurial culture and growth orientation consists of all of the following except:
- A. Encouraging employees to generate ideas
 - B. Focusing on opportunities.
 - C. The desire to grow at a slow and controlled pace.
 - D. Being creative.

ANSWER: C

11. All these are characteristics of an entrepreneurial environment except:
- A. There is short term horizon.
 - B. New ideas are encouraged.
 - C. The organization operates on frontiers of technology.
 - D. It uses a multidiscipline teamwork approach.

ANSWER: A

12. Which of the following is true about corporate entrepreneurship (Inrapreneurship)?
- A. Equity in a new venture should not be used as a reward due to its uncertain value
 - B. Company must be willing to invest money without a guarantee of a return in the short term

- C. Teams should be segmented by department
- D. Top management should not be involved in the process.

ANSWER: B

13. Intrapreneurship often takes the form of
- A. A semi-autonomous group (e.g. an internal venture team), operating within the overarching structure of the parent organization.
 - B. A spinout venture from a university to commercial a new invention.
 - C. A subsidiary of a large corporation developing a new product.
 - D. A semi-autonomous group operating outside the overarching structure of the parent organization.

ANSWER: A

14. Intrapreneurship is best described as:
- A. The hiring of former Entrepreneurs.
 - B. Entrepreneurial action within an organization.
 - C. The process of buying acquiring entrepreneurial firms.
 - D. The process of hiring consultants to teach a firm how to be more creative.

ANSWER: B.

15. In regards to the differences between the entrepreneurial and administrative focuses which of the following is correct?
- A. Entrepreneurs focus on slow steady growth and managers' focus on rapid growth
 - B. Entrepreneurs rent or sporadically use resources; managers like to own resources
 - C. Entrepreneurs are driven by controlled resources; managers by opportunity
 - D. Entrepreneurs tend to use a hierarchical management structure; managers use a more fluid, flat approach

ANSWER: B

16. Entrepreneurial culture and growth orientation consists of all of the following except:
- A. Encouraging employees to generate ideas.
 - B. Focusing on opportunities.
 - C. The desire to grow at a slow and controlled pace.
 - D. Being creative.

ANSWER: C

17. All these are characteristics of an entrepreneurial environment except:
- A. there is short term horizons.
 - B. new ideas are encouraged.
 - C. the organization operates on frontiers of technology.
 - D. it uses a multidiscipline teamwork approach.

ANSWER: A

18. Which of the following is true about corporate entrepreneurship (Inrapreneurship)?
- A. Equity in a new venture should not be used as a reward due to its uncertain value

- B. A company must be willing to invest money without a guarantee of a return in the short term
- C. Teams should be segmented by department
- D. Top management should not be involved in the process.

ANSWER: C

19. Which of the following is alternatively called corporate venturing?
- A. Entrepreneurship
 - B. Intrapreneurship
 - C. Act of stating a new venture
 - D. Offering new products by an existing company

ANSWER: B

20. Individuals influencing an entrepreneur's career choice and style are known as which of the following?
- A. Moral-support network
 - B. Role model
 - C. Professional support network
 - D. Support system

ANSWER: B

21. The activity which occurs when the new venture is started is called:
- A. Motivation
 - B. Business skills
 - C. Departure point
 - D. Goal orientation

ANSWER: B

22. Of the following, which is best identified when a business with an established name and product is sold to additional owners along with the rights to distribute product?
- A. Intrapreneurship
 - B. Trade-off
 - C. Entrepreneurship
 - D. Franchise

ANSWER: D

23. Management tactics purported to maximize innovation for an entrepreneurship include all but which of the following items?
- A. Cutting of losses
 - B. Culture
 - C. Benchmarking
 - D. Customer orientation

ANSWER: C

24. In franchising, the entrepreneur assumes fewer risks because the franchise provides all but which one of the following?
- A. Established market for the product
 - B. Management assistance in operating the business
 - C. Economies of scale for purchasing
 - D. Over-sale of rights

ANSWER: D

25. Establishing a shared vision amongst team members refers to:
- A. Members of the team starting out with an essentially similar set of ideas about what they want to create.
 - B. Members of the team sharing moral principles and standards of behaviour.
 - C. Members of the team sharing the factors driving them to take part in the venture.
 - D. Members of the team sharing profits in an equitable manner.

ANSWER: D

26. An entrepreneur is a person who is a:

- A. Risk taker
- B. Initiator
- C. Actor
- D. All of the given options

ANSWER: D

27. Which one of the following is NOT an intrapreneurial leadership characteristic?

- A. Understands environment
- B. Encourage the team work
- C. Not flexible
- D. Persistent

ANSWER: B

28. All but which of the following is considered to be a myth associated with entrepreneurship?

- A. Successful entrepreneurs are born not made
- B. First ventures are always successful
- C. All entrepreneurs must willingly invest significant sums of money
- D. Successful entrepreneurs must have a break-through invention
- E. An entrepreneur faces extraordinary business risks

ANSWER: D

29. A/An _____ is best described by stating it is any business that is independently owned and operated and is not dominate in its market.

- A. strategic alliance

- B. corporation
- C. entrepreneurship
- D. proprietorship
- E. small business

ANSWER: C

30. Which of the following risks is borne by the entrepreneur?
- A. Financial risks.
 - B. Personal risks.
 - C. Psychological risks.
 - D. All of these

ANSWER: D

II SHORT ANSWER TYPE QUESTIONS:

1. Define entrepreneurship and explain its main characteristics.
2. Define an Entrepreneur? Are all business owners' entrepreneurs?
3. What are barriers to Entrepreneurship?
4. Define Intrapreneur.
5. Differentiate an entrepreneur from an intrapreneur.
6. Distinguish between entrepreneur and a manager.
7. Discuss the qualities or traits of success full entrepreneurs.
8. Discuss the type of entrepreneurs with suitable examples.
9. Give a brief account of the origin and growth of entrepreneurs in India.
10. Discuss the environmental factors which influence entrepreneurship.
11. Discuss unique characteristics of Entrepreneur.
12. What should be competencies of Entrepreneur?
13. Differentiate Entrepreneur, Entrepreneurship and Enterprise.
14. Give a brief profile of women entrepreneurs and discuss the main problems faced by them.
15. Explain the factors that determine the growth of entrepreneurship.
16. Analyze the factors that contribute to the success of small business.
17. What do you understand by entrepreneurial motivation? Discuss in detail.
18. Explain the factors which motivate the development of entrepreneurs.
19. Explain Schumpeter's theory of Entrepreneurship.
20. How understanding "McClelland's theory of Motivation" helps us in helping entrepreneurship.
21. What is Peter F. Drucker's Theory of Entrepreneurship?
22. Explain Economic Theory of Entrepreneurship by Mark Casson.
23. What do you understand about "Economic- Risk bearing theory of Knight"
24. Explain Hagen's Theory of Entrepreneurship.
25. What concept is explained in X-Efficiency Theory by Leibenstein?
26. Explain the various problems faced by new ventures.
27. Discuss the slow growth of new entrepreneurship in India.
28. What is feasibility study and how is it conducted?
29. While deciding on the viability of your proposed project? What factors will you take into consideration?

30. What do you mean by Fabian Entrepreneurs?

III LONG ANSWER TYPE QUESTIONS:

1. Define business and its main characteristics. How Entrepreneurial attitude helps in growth of a business?
2. Discuss internal & external factors of entrepreneurial motivation. What is an achievement motivation force that causes entrepreneurial growth in a country?
3. Explain “Non-economic factors are equally important as economic factors in deciding entrepreneurial growth”. Give examples.
4. Explain the Economic factors affecting entrepreneurial growth. Also explain the various Environmental factors affecting Entrepreneurial Growth. Give suitable examples.
5. Can a person’s chances of success as an entrepreneur be predicted with a high degree of accuracy? Explain.
6. Explain the motivation process for entrepreneurship development. Identify various characteristics of an entrepreneurial environment.
7. “Entrepreneurs are born not made”. Comment on the statement. In light of this is their justification of various initiatives taken by various bodies and individuals to promote Entrepreneurship. In either of cases do these initiatives help? Explain.
8. “Entrepreneurial performance is a function of socio-cultural background of entrepreneur, his motivation, ability and environment” discuss.
9. What economic and non-economic factors have led to entrepreneurial growth in India and the world? Explain through Examples.
10. Explain how intrapreneurship develops in organizations with different cultural backgrounds.
11. What are characteristics of an Entrepreneur? How Entrepreneur can keep himself motivated all the time?
12. Looking the present scenario that India is 3rd largest hub of Start-ups activities, how do you see that this the optimum time for Entrepreneurship in India. Evaluate the favorable and unfavorable factors for Entrepreneurship in India in context of your answer.
13. What are the various theories of Entrepreneurship, explain. Among the theories pick one of the theory which you think is the best and explain why you think so.
14. Has socio cultural political environment has changed in favor of Entrepreneurship, pick up 5 of the factors and explain answer.
15. In India certain communities have more Entrepreneurs, analyze why they give more Entrepreneurs?
16. Account for the major problems faced by women entrepreneurs in India. How these problems can be solved.
17. “Entrepreneurial performance is a function of socio-cultural background of entrepreneur, his motivation, ability and environment” discuss.
18. In view of the Entrepreneurial Competencies required of an entrepreneur, discuss the various types of entrepreneurs with examples and reference to live case studies.
19. An entrepreneur has to carry out a combination of functions. In this light, discuss various functions to be performed by an entrepreneur.
20. What are the various myths of entrepreneurship? What is the truth behind each myth, explain?

21. How entrepreneur is different from manager? Give a classification scheme of types of entrepreneur available.
22. Differentiate Entrepreneur, Entrepreneurship and Enterprise. What are the economic and non-economic factors that have lead to Entrepreneurial growth in India? Discuss these factors in brief.
23. Discuss the conflicting viewpoints on corporate entrepreneurship.
24. “Small scale industries have become quite big over a period of time in India.” Comment on the statement.
25. “For the process of industrialization in India, small and large industries have to be viewed as mutually supportive and complementary”. Discuss.
26. Discuss the various type of entrepreneurs with characteristics of each of these with suitable examples.
27. Give a detailed account of the origin and growth of entrepreneurship in India. Also, explain the factors that determine the growth of entrepreneurship
28. Discuss the various environmental factors which influence entrepreneurship.
29. Differentiate between Entrepreneur and manage highlighting the key features of each of these.
30. Explain the role and importance of Entrepreneurship in economic development with examples.

UNIT – 2

I MULTIPLE CHOICE QUESTIONS:

1. The goals motivating entrepreneurial activity can include which of the following options:
 - A. To improve the social welfare of people, e.g. in terms of their health.
 - B. To improve the wealth of the entrepreneurs.
 - C. To maintain influence amongst powerful local figures.
 - D. All of the above.
 ANSWER: A

2. What are the two key issues that arise when you create an effective entrepreneurial team from scratch?
 - A. Team mentality and team synergy
 - B. Team numbers and team quality
 - C. Team composition and team roles
 - D. Team experience and team education
 ANSWER: C

3. Establishing a shared vision amongst team members refers to:
 - A. Members of the team starting out with an essentially similar set of ideas about what they want to create.
 - B. Members of the team sharing moral principles and standards of behaviour.
 - C. Members of the team sharing the factors driving them to take part in the venture.
 - D. Members of the team sharing profits in an equitable manner.
 ANSWER: D

4. Which of the following is presented as evidence of social factors influencing whether someone becomes an owner-manager?
- A. Although people believe self-employment runs in families, there is little evidence to support this view.
 - B. There seems to be little relationship between self-employment and age.
 - C. Self-employment is more common among some ethnic groups.
 - D. Self-employment is more common among single people than among the married.

ANSWER: B

5. Which of the following is not one of the environmental factors that may influence the potential of a small business?
- A. Close contacts with customers related to problem solving activities
 - B. Clusters of technically advanced small firms
 - C. An industry with economies of scale
 - D. Banks recognizing the needs of small firms

ANSWER: C

6. What factors have contributed to the blurring of boundaries between different industries?
- A. Technological innovation; political change;
 - B. Technological innovation; legal and socio-economic changes
 - C. Changes amongst customers, competitors and suppliers
 - D. Technological innovation

ANSWER: D

7. The ideas for new businesses that are obtained by entrepreneurs are derived from many sources. These various sources include all but _____.³⁹
- A. replication of an existing business
 - B. trade journals
 - C. trade shows
 - D. children

ANSWER: D

8. In Stage One of the McMullen-Shepherd Model: H
- A. the entrepreneur decides whether or not there is an opportunity.
 - B. the entrepreneur consults experts in the market area of interest.
 - C. the entrepreneur decides whether the opportunity that exists is a match with their own knowledge and motivation.
 - D. the entrepreneur engages in bricolage.

ANSWER: C

9. In Stage Two of the McMullen-Shepherd Model : H
- A. the entrepreneur deals with the business failure through counseling.
 - B. the entrepreneur decides whether or not there is an opportunity.
 - C. the entrepreneur goes through the causal process of thinking structurally.
 - D. the entrepreneur consults colleagues from previous jobs.

ANSWER: B

10. A/An _____ is best described by stating it is any business that is independently owned and operated and is not dominate in its market.⁴⁷
- A. small business
 - B. corporation
 - C. entrepreneurship
 - D. proprietorship

ANSWER: A

11. Which of the following is a disadvantage of the 'drafting a traditional business plan' approach?
- A. They do not reflect the way in which people shape their entrepreneurial visions.
 - B. It can be difficult to explain your vision to other people.
 - C. This approach lacks rigour.
 - D. The process involved can help an entrepreneur to improve their own understanding of the business concept.

ANSWER: A

12. Which of the following are 'drivers' underlying the opportunity business model?
- A. Societal, commercial, legal, technological, people
 - B. Societal, commercial, legal, technological
 - C. Societal, ethical, commercial, legal, technological
 - D. Societal, commercial, legal, technological, environmental.

ANSWER: B

13. What are the main sources of entrepreneurial opportunity?
- A. Personal - entrepreneurs experience or perceive something that others do not.
 - B. Secondary research - from industry analyses.
 - C. Primary research - from speaking to potential customers to determine their needs.
 - D. Observation - of other peoples' experiences with products and services.

ANSWER: A

14. Social innovation refers to:
- A. The introduction of new social practices, activities or ways of organizing.
 - B. The introduction of novelties; the alteration of what is established by the introduction of new elements or forms.
 - C. New designs, processes, marketing approaches, or a new way of conducting training.
 - D. The means by which entrepreneurs exploit change as an opportunity for a different business or service.

ANSWER: A

15. Business opportunity relates with
- A. Business possibilities
 - B. Commercially feasible projects
 - C. Risky projects

D. Favourable market demand

ANSWER: B

16. Early growth stage fails to consider following symptoms. Unit 214

A. Very slow

B. Perceived comfort zone

C. Very rapid

D. All of Above

ANSWER: D

17. Very rapid situation indicates

A. Increase in production

B. Rapid increase in production

C. Increase in Research and Development

D. Increase in sales

ANSWER: D

18. Enterprise positioning is meant for

A. Short-term arrangement

B. Continuous process

C. Long-term process

D. None of the above

ANSWER: C

19. Input analysis relates with

A. Funding requirement

B. Material requirement

C. Labour requirement

D. Resource requirement

ANSWER: D

20. General objective of selecting a location is not the following

A. Maximize the cost of production

B. Maximize the distribution cost

C. Minimize the cost of capital

D. All of the above

ANSWER: C

21. Which of the following is NOT one of the definitions of 'business models':

A. The system of components, linkages and associated dynamics, which that make commercial advantage of the Internet.

B. A business model describes the rationale of how an organization creates, delivers and captures value.

C. Business models identify where the resources necessary to establish a venture will come from.

D. Business models describe, as a system, how the pieces fit together.

ANSWER: C

22. Which of the following statements is true?
- A. The entrepreneurial process starts with creativity and the task of generating new ideas.
 - B. The creativity process starts with innovation and the task of generating new ideas.
 - C. The idea generation process starts with creativity and the task of innovation.
 - D. The innovation process starts with creativity and the task of generating new ideas.

ANSWER: D

23. Incubation stage deals with
- A. Sample development
 - B. Idea development
 - C. Prototype Development
 - D. None of the above

ANSWER: C

24. Feasibility study is defined as
- A. Formal investigation of profitable opportunity
 - B. Informal investigation of profitable opportunities
 - C. Intensive investigation of profitable opportunities
 - D. None of the above

ANSWER: C

25. Business opportunity relates with
- A. Business possibilities
 - B. Commercially feasible projects
 - C. Risky projects
 - D. Favourable market demand

ANSWER: B

26. Which of the following is alternatively called corporate venturing?
- A. Entrepreneurship
 - B. Intrapreneurship
 - C. Act of stating a new venture
 - D. Offering new products by an existing company

ANSWER: B

27. A bonus or financial aid which is given by a Government to an industry to help it compete with other units in home market or in a foreign market is known as _____ .
- A. Subsidy.
 - B. Concession
 - C. Bounties.
 - D. None of these

ANSWER 27: A

28. Venture capital is concerned with:
- A. New project having potential for higher profit
 - B. New project of high technology
 - C. New project having high risk
 - D. All the above
- ANSWER: A
29. 29. Family business always interested to handover the change of his business to:
- A. Indian Administration Officers
 - B. Professional Managers
 - C. Next generation
 - D. None of the above
- ANSWER: C
30. 30. A corporate manager who starts a new initiative for their company which entails setting up a new distinct business unit and board of directors can be regarded as?
- A. Ecopreneur
 - B. Technopreneur
 - C. Intrapreneur
 - D. Social Entrepreneur
- ANSWER 30: A

II SHORT ANSWER TYPE QUESTIONS:

1. Discuss the sources of ideas for new products.
2. What is product selection? Illustrate how a product is selected.
3. How creativity and innovation can lead to ideas about new product development and entrepreneurial opportunities?
4. How will you do evaluation of opportunity?
5. What is break even analysis? Illustrate and explain the process of breakeven analysis for a new product.
6. Explain the process of preparing a feasibility report.
7. Describe the need and significance of preparing a project report.
8. What are good sources of business ideas?
9. What are Venture Funds?
10. What is franchising?
11. What are the main contents of a project report?
12. How would you evaluate a franchise option?
13. Franchisee is a smarter entrepreneur. Do you agree? Explain.
14. Enlist different phases of feasibility analysis.
15. List legal considerations in the establishment of small-scale enterprise.
16. Enumerate legal and tax considerations in setting up a small business firm.
17. List advantages and disadvantages of different forms of business organization.
18. Enlist different phases of feasibility analysis.
19. List Sources of funding for an enterprise.

20. Define a private limited company and Public Ltd. Co.
21. Explain difference between Limited Liability Co. and private limited company
21. Discuss the basic startup problems in launching of small-scale enterprise.
22. What are the steps in starting a small business and Small-Scale Industry?
23. What are pre-feasibility study report?
24. What is included in feasibility study?
25. List factors of External Environmental Analysis.
26. What do you understand by the Entrepreneurial competency.
27. Explain the various forms of financial support system available to an entrepreneurial venture.
28. What do you mean by venture capital?
29. What do you understand by the term opportunity analysis in Entrepreneurship?
30. What factors are involved in the economic analysis of an entrepreneurial firm. List them.

III LONG ANSWER TYPE QUESTIONS:

1. What do you mean by project preparation? Explain various aspects of project preparation.
2. What is a market survey? Discuss the various methods used for market survey of a new product.
3. What are the differences are between a business plan and an opportunity assessment plan. Explain legal considerations in the establishment of small-scale enterprise.
4. Explain how planning strategies differ in large and small firms. Briefly discuss legal and tax considerations in setting up a small business firm.
5. What are the various ownership forms of organization in India as per India's legal framework? Explain the advantages and disadvantages of different forms of business organization
6. Define a private and public limited company. What are different types of Public Limited Companies? Discuss the special privileges and exemptions enjoyed by Private Co in comparison to Public Limited Co.
7. You want to set up a small-scale industry. Which industry would you like to select and where it should be located? Explain with the help of suitable example.
8. What are the project ideas/business opportunities? What are sources of information for them? What criteria are used to scan these opportunities to select few of them?
9. List some initiatives by State and Central Governments and other agencies, Pvt. Businesses for easy access of debt finance?
10. What are sources of funds for a start up in India? Discuss these sources mentioning their relative merits and demerits?
11. What are procedures involved in establishment of a new unit in India. What registrations are required? Explain the steps involved with documentation requirements.
12. A product that may be suitable to produce for one entrepreneur may not be suitable for all. Justify your answer with examples.
13. What are the various steps in writing a business plan?
14. List various types of information that they may be needed for writing a business plan. Explain through example.
15. Explain the purpose and content of the executive summary of the business plan.
16. A). What kind of information about the competitors needs to be put in a business plan?

- B) Will it not be much more impressive to talk about the entire market than to restrict your focus on few target segments for a start-up?
17. Explain how you will evaluate a business idea.
 18. Explain the purpose and content of the executive summary of the business plan.
 19. What kind of information about the competitors needs to be put in a business plan? Will it not be much more impressive to talk about the entire market than to restrict your focus on few target segments for a start-up?
 20. Explain how you will evaluate a business idea.
 21. What are the various aspects involved in the processing of ideas for selecting best idea?
 22. Explain the concept 'Project' with the help of definition. Explain the characteristics and classification of projects.
 23. Write a note on various Incentive schemes available to MSME in India by Ministry of MSME.
 24. What are MSME? What is their definition as a part of MSME Act 2006? What is the rationale of SME's in India? Explain the procedure of establishing SME including its registration and completing NOC formalities from pollution board.
 25. Give definition of MSME both manufacturing and service enterprise as per MSME Act 2006. What are the formalities to be completed to start an MSME in India.
 26. What do you understand by financial support system in the context of Entrepreneurial ventures? Discuss in detail.
 27. How important is the role of Government in promoting Entrepreneurship. Support your answer with example.
 28. What are the causes of formation of MSME policy in India? How are government organizations supporting them?
 29. What do you understand by the MSME policy and also explain which type of agencies are formulating these policies.
 30. Explain the process of obtaining venture funding for a start-up in detail.

UNIT – III

I MULTIPLE CHOICE QUESTIONS:

1. What is the definition of the term, 'social enterprise'?
 - A. A commercial organization that seeks to combine a profit seeking motive with the provision of social benefits.
 - B. A trading organization that is motivated by profit and a societal orientation.
 - C. A social enterprise undertakes social marketing and can take a variety of legal forms, including co-operative, a limited company and a community interest company.
 - D. A trading organization which serves a social purpose, and which can take a variety of legal forms, including co-operative, a limited company and a community interest company.

ANSWER: D
2. Fabian Entrepreneurs are characterized by:
 - A. Hardworking

- B. Religious and traditional
- C. Shy and Lazy
- D. Ready to take risk

ANSWER: C

3. Drone entrepreneur are those who generally
- A. Earn super profit
 - B. Earn normal profit
 - C. Earn profit or even losses
 - D. Incur losses

ANSWER: C

4. Systematic innovation means
- A. Monitoring different sources of innovative opportunity
 - B. Developing different types of entrepreneurial behavior
 - C. Identifying different new business opportunity
 - D. Creating bases for systematic creativity

ANSWER: A

5. Supply of entrepreneur depends on the
- A. Rate of the profit available
 - B. Prevailing social climate
 - C. Rate of profit and social climate
 - D. None of the above

ANSWER: B

6. EDP meant for developing
- A. Professional skill
 - B. Entrepreneurial motive
 - C. Personal qualities
 - D. Entrepreneurial monitoring

ANSWER: B

7. EDP is required to help
- A. Existing entrepreneur
 - B. First generation entrepreneur
 - C. Future Entrepreneur
 - D. None of the above

ANSWER: B

8. Following is not involved in EDP
- A. Identification of entrepreneurs for training
 - B. Selection of entrepreneurs for training
 - C. Developing entrepreneurial capabilities
 - D. Arranging infrastructural facilities for starting Enterprise

ANSWER: D

9. EDII was developed by the
- A. Government of India
 - B. State Government
 - C. All India Financial Institutions
 - D. Public sector banks

ANSWER: A

10. NIESBUD was established in
- A. 1980
 - B. 1983
 - C. 1986
 - D. 1989

ANSWER: B

11. All but which of the following is considered to be a myth associated with entrepreneurship?
- A. Successful entrepreneurs can be born as well as made
 - B. All entrepreneurs must willingly invest significant sums of money
 - C. Successful entrepreneurs must have a break-through invention
 - D. An entrepreneur faces extraordinary business risks

ANSWER: A

12. Which of the following is not considered a common characteristic of an entrepreneur?
- A. High need for achievement
 - B. Self-confidence
 - C. External locus of control
 - D. Willingness to take risks

ANSWER: C

13. Bobby believes that what takes place within his new company is mostly the result of fate or factors that are outside of his control. It could be stated that Bobby possesses a/an _____.
- A. innovative spirit
 - B. intrapreneurship
 - C. internal locus of control
 - D. external locus of control

ANSWER: D

14. The entrepreneur who is committed to the entrepreneurial effort because it makes good business sense is classed as a/an _____.
- A. inventor
 - B. opportunist
 - C. hacker
 - D. craftsman

ANSWER: B

15. Simran is Entrepreneur, she handles numerous dealings with other companies for the exchange of goods and services. Her primary goal is to ensure that all parties involved receive favorable and acceptable terms. Simran is good at the entrepreneurial skill of _____.
- A. negotiating
 - B. leadership
 - C. analysis
 - D. Alliance building
- ANSWER: D
16. The steps involved in starting a entrepreneurial endeavor include all but which one of the following? 38
- A. Business plan formulation
 - B. Obtaining financing
 - C. Hiring a partner
 - D. Adapting to growth
- ANSWER: D
17. Which one of the following is NOT an intrapreneurial leadership characteristic?
- A. Understands environment
 - B. Encourage the team work
 - C. Not flexible
 - D. Persistent
- ANSWER: C
18. In which of the following domain; individuals take decision to help others for achieving their dreams?
- A. Traditional managers
 - B. Entrepreneurs
 - C. Intrapreneurs
 - D. Administrative managers
- ANSWER: C
19. An entrepreneur is a person who is a:
- A. Risk taker
 - B. Initiator
 - C. Actor
 - D. All of the given options
- ANSWER: D
20. Which one of the following is NOT an intrapreneurial leadership characteristic?
- A. Understands environment
 - B. Encourage the team work
 - C. Not flexible
 - D. Persistent
- ANSWER: C

21. Which among the following aspects affects an entrepreneur's perception of feasibility?
- A. Locus of control
 - B. Learning style
 - C. Perceived desirability
 - D. Self-efficacy
- ANSWER: C
22. _____ includes initiative and risk taking, as well as competitive aggressiveness and boldness.
- A. New business venturing
 - B. Self-renewal
 - C. Innovativeness
 - D. Proactive Behavior
- ANSWER: A
23. In the creativity and innovation matrix, what is a 'medium level of creativity' and a 'medium level of innovation' referred to as?
- A. Winner
 - B. Loser
 - C. Mediocre
 - D. Average
- ANSWER: D
24. _____ between people in the personal contact network play an important communications role, enabling the entrepreneur to identify opportunities that are not evident to others.
- A. Good relations
 - B. Weak ties
 - C. Strong ties
 - D. Unique connections
- ANSWER: C
25. Social innovation refers to:
- A. the introduction of new social practices, activities or ways of organizing.
 - B. the introduction of novelties; the alteration of what is established by the introduction of new elements or forms.
 - C. new designs, processes, marketing approaches, or a new way of conducting training.
 - D. the means by which entrepreneurs exploit change as an opportunity for a different business or service.
- ANSWER: A
26. EDP (Entrepreneurship Development Programmes) is required to help:
- A. Existing entrepreneurs
 - B. First generation entrepreneurs
 - C. Future generations entrepreneurs
 - D. None of the above
- ANSWER: B

27. Which of these statements best describes the context for entrepreneurship:
- A. Entrepreneurship takes place in small businesses
 - B. Entrepreneurship does not take place in social enterprises
 - C. Entrepreneurship takes place in a wide variety of contexts
 - D. Entrepreneurship takes place in large businesses

ANSWER: C

28. Which of the following is an internal factor that influences entrepreneurs?
- A. Technological Capacity
 - B. Social environment
 - C. Political environment
 - D. Economic condition

ANSWER: A

29. If an entrepreneur has an internal locus of control, this means that he/she:
- A. has a high need for achievement
 - B. believes that success or failure depends on his/her own actions.
 - C. feels comfortable in an unstructured situation
 - D. believes fate is a powerful force

ANSWER: B

30. The entrepreneur who is committed to the entrepreneurial effort because it makes good business sense is classed as a/an_____
- A. inventor
 - B. opportunist
 - C. hacker
 - D. craftsman

ANSWER: B

II SHORT ANSWER TYPE QUESTIONS:

1. How you link Entrepreneurship and Innovation.
2. What is difference between Entrepreneurship and Innovation?
3. What is difference between Innovation and Creativity?
4. How Innovation drives Entrepreneurship? Explain.
5. Explain how implementing “McClelland’s theory of Motivation” leads to Entrepreneurship
6. Explain Psycho-Theory- Hagen’s Theory helps in understanding Entrepreneurship?
7. Why study of Psycho- theories helps us in Entrepreneurship?
8. What is Corporate Social Responsibility?
9. Does taking care of Social Responsibility help Entrepreneurship?
10. Write a note on Directorate of Industries and DICs for promoting Entrepreneurship
11. Write a note on role and functions of NISBUD for promoting Entrepreneurship
12. What is Employee Development Program (EDP)?
13. What is role of EDP in promoting Entrepreneurship?
14. Discuss the need and significance of EDPs.

15. List the various Institutions carrying out EDPs.
16. What is role of Small Industries Development Organizations (SIDOs) in carrying out EDPs?
17. What is role of Accelerators and Incubators in EDPs?
18. What are activities carried in Stimulatory Phase or Initial Phase of EDPs
19. What are activities carried in Support Phase or Second Phase of EDPs
20. What are activities carried in Sustenance Phase or Final Phase of EDPs
21. How National Institute of Small Industry Extension Training (NISIET) and other Entrepreneurial Development Institutes helping in various EDPs.? Write brief
22. What is role of Govt. in EDPs, write briefly.
23. Write the type of Institutes carrying out EDPs?
24. How EDPs are organized?
25. Why EDPs now has become part of Entrepreneurship Eco-System?
26. Write a short-note on weakness of EDP.
27. Explain the relevance of EDP Cell in brief.
28. What is business incubator?
29. What do you understand by technical analysis?
30. What do you understand by tax holiday for entrepreneurial ventures.

III LONG ANSWER TYPE QUESTIONS:

1. Explain the main institutions engaged in the training and development of entrepreneurs in India and Nature of trainings imparted by them.
2. What do you understand by entrepreneurial motivation? Explain the factors which motivate the development of entrepreneurs.
3. “EDP is a process of entrepreneurial grooming. “Comment at the statement. Explain through various types of EDP Programs.
4. What is achievement motivation? Is it essential ingredient for entrepreneurship? Explain various Psychological theories of motivation which explain the reasons of Entrepreneurial behavior.
5. Who is an innovator? What are the principles and Process of innovation?
6. a. “Innovation is one of the most important functions of an entrepreneur”. Comment on the statement and cite examples for it.
b. “Developing countries need imitative rather than innovative entrepreneurs. Do you agree? Give reasons for your answer.
7. Comment on the statement that creativity is a pre-requisite to innovation and explain the creative process.
8. What Account for the major problems faced by women entrepreneurs in India. State the various schemes introduced by the government for the development of women entrepreneurs.
9. “Entrepreneurial behaviour is the result of an interaction of several internal and external factors”. Explain the statement. What is the behavioral pattern of entrepreneurs?
10. “The initiative and intentions of an individual are diverted by his ambitions”. In the light of this statement, describe the ambitions which inspire people to take up enterprise. Also explain the theories behind the work.

11. Do you agree with the view that entrepreneurs are born and not made? Evaluate the relevance of entrepreneurial development programme in this context?
12. Enumerate the characteristics of creative people and discuss what makes an entrepreneur creative.
13. A product to be produced or service to be given may be suitable for one entrepreneur may not be suitable for all. Justify your answer with examples.
14. What is the role of EDP in entrepreneurship development? What are the activities/stages of EDP program? What areas are included in EDPs in India
15. What are the various sources of getting new ideas? How do you select the new ideas? Explain.
16. What are the project ideas/business opportunities? What are sources of information for them? What criteria are used to scan these opportunities to select few of them?
17. Explain the sources of information in detail and how they help in idea generation for starting up a small-scale enterprise.
18. How creativity and innovation can lead to ideas about new product development and entrepreneurial opportunities?
19. Explain the various problems faced by new ventures.
20. Discuss the slow growth of new entrepreneurship in India despite the potential of India.
21. Explain various environment pollution related clearances while setting a small scale business unit.
22. Why today organizations give emphasis on the development of human resource into competitive advantage?
23. “Diversification may be more risky as compared to expansion”. Discuss. What are the practical problems faced in expansion and diversification.
24. List some of the best practices in New Product development in the context of entrepreneurial firms?
25. What all steps Govt. has taken to help Start-ups in new and innovative areas?
26. Explain the needs and objectives of EDP for a developing country like India.
27. Explain in detail with a diagram the entrepreneurial development cycle.
28. Explain the role of government in organizing EDP’s critical evaluation.
29. What are the various forms of ownership. Explain each of these in detail.
30. Explain the relevance of Entrepreneurial Development Programmes.

UNIT – 4

I MULTIPLE CHOICE QUESTIONS:

1. _____ involves having a foreign purchaser in the local market or using an export management firm.
 - A. Direct Exporting
 - B. Indirect Exporting
 - C. Management Contracts
 - D. Turn-Key Projects

ANSWER: A

2. The _____ measures the payments that flow between any individual country and all other countries.
- A. International Business
 - B. Economies of Scales
 - C. Balance of Payment
 - D. None of the given options

ANSWER: C

3. Which of the following statements is FALSE regarding the role of the customs agency of a government?
- A. It deals with smuggling operations.
 - B. It is increasingly involved in helping protect against foreign terrorist attacks.
 - C. It deals with the administration of certain navigation laws and treaties.
 - D. It approves and declines migrant work visas.

ANSWER: A

4. A foreign merchant who purchases the products from the manufacturer and sells them at a profit is called a:
- A. customs agent.
 - B. distributor.
 - C. sales representative.
 - D. commission agent.

ANSWER: B

5. In _____, the exporter sells goods directly to or through an independent domestic intermediary in the exporter's home country that exports the products to foreign markets.
- A. direct selling
 - B. indirect selling
 - C. multilevel marketing
 - D. global resource planning

ANSWER: A

6. All of the following are major types of indirect intermediaries EXCEPT:
- A. the export management company
 - B. the export trading company
 - C. export agents
 - D. distributors

ANSWER: D

7. A document that is a receipt for goods delivered to the common carrier for transportation, a contract for the services rendered by the carriers, and a document of title is known as a(n):
- A. export license.
 - B. commercial invoice.
 - C. consular invoice.

D. bill of lading.

ANSWER: D

8. A bill for goods issued by the seller that contains the description of the goods, the address of the buyer and seller, and delivery and payment terms is known as a:

- A. bill of lading.
- B. commercial invoice.
- C. shipper's export declaration.
- D. certificate of origin.

ANSWER: B

9. Countries often use _____ to determine the specific tariff schedule for imports; it is a document that indicates where products originate.

- A. commercial invoice
- B. shipper's export declaration
- C. bill of lading
- D. certificate of origin

ANSWER: D

10. A document that controls exports and is used to compile trade statistics is known as a:

- A. bill of lading.
- B. commercial invoice.
- C. certificate of origin.
- D. shipper's export declaration.

ANSWER: D

11. From the exporter's point of view, all of the following are major issues that relate to the financial aspects of exporting EXCEPT:

- A. the methods of payment
- B. the financing of receivables
- C. insurance
- D. intermodal transportation

ANSWER: B

12. Which of the following basic methods of payments is the least secure in terms of security to the exporter?

- A. letter of credit
- B. draft or bill of exchange
- C. open account
- D. Cash before shipment

ANSWER: C

13. Which of the following major issues DOES NOT relate to the financial aspects of exporting?

- A. the price of the product
- B. the method of payment

- C. location of production
- D. terms of payment

ANSWER: C

14. A letter of credit:
- A. is issued by a credit agency to a bank.
 - B. cannot be amended.
 - C. is more secure than cash in advance.
 - D. obligates the importer's bank to honour a draft presented to it.

ANSWER: D

15. A confirmed letter of credit:
- A. obligates the importer's bank to honour a draft presented to it.
 - B. obligates the exporter's bank to honour a draft presented to it.
 - C. cannot be amended.
 - D. only has the confirmed guarantee of the importer's bank.

ANSWER: D

16. A revocable letter of credit:
- A. obligates the exporter's bank to honor a draft presented to it.
 - B. can only be amended if all the parties involved agree.
 - C. can be amended by any of the parties involved at any point.
 - D. obligates the importer's bank to honor a draft presented to it.

ANSWER: C

17. An irrevocable letter of credit:
- A. can only be amended if all parties involved agree.
 - B. is issued by an irrevocable credit agency.
 - C. can be amended by any of the parties involved at any point.
 - D. obligates the exporter's bank to pay interest to the importer.

ANSWER: A

18. The distinction between an "entrepreneur" and "small business owner" , if made, revolves around:
- A. really nothing; they are truly one and the same
 - B. the Small Business Administration definitions
 - C. whether the business is an Internet based one or not
 - D. the risk taking or re-invention of a business vs. someone who "simply" starts a business or buys an existing one.

ANSWER: D

19. One reason for the growth in small businesses relates to the trend for larger business to downsize by contracting with smaller firms to do many of the functions once done internally. This is referred to as:

- A. concentrating
- B. outsourcing

- C. specializing
- D. entrepreneuring

ANSWER: B

20. The technical characteristics of the small business would include all of the following except:

- A. independently managed
- B. owned by an individual or a small group of investors
- C. based locally, even though the market might be widespread
- D. significant influence in its industry

ANSWER: D

21. Which of the following might be termed a disadvantage faced by the small business?

- A. greater flexibility
- B. greater ability to serve specialized markets
- C. extreme personal commitment of the owner
- D. more personal service

ANSWER: C

22. The financial assistance to small business provided by the State Finance Corporation the form of:

- A. direct loans
- B. guidance in locating lenders
- C. loan guarantees
- D. assistance in filling out paperwork

ANSWER: A

23. Why are small businesses important to a country's economy?

- A. They give an outlet for entrepreneurs.
- B. They can provide specialist support to larger companies.
- C. They can be innovators of new products.
- D. All the above.

ANSWER: D

24. Which of the following factors is the most important in forcing Indian companies to focus on new product development and increased productivity?

- A. Entrepreneurship
- B. Hyper competition
- C. Governmental laws
- D. Organizational culture

ANSWER: B

25. The first step in the small business development process is:

- A. Planning
- B. Organizing
- C. Controlling

D. Retaining
ANSWER: A

26. An entrepreneurial team is:
- A. a group of people who work within a corporation to launch new products.
 - B. a group of people who join together to develop and market a new product.
 - C. a group from the Small Business Administration which consults with small business owners.
 - D. a group of managers who get together to find solutions to problems.
- ANSWER: B

27. Indrayani Jungle wants to start a small business importing some products from her native Kenya. Before she starts, some good advice to Indrayani would be:
- A. talk to others who have been or are in the import business.
 - B. get a loan right away.
 - C. find a business to buy as soon as possible.
 - D. incorporate immediately
- ANSWER: A

28. An entrepreneur doing business within the national border is called:
- A. International entrepreneurship
 - B. Intrapreneurship
 - C. Domestic entrepreneurship
 - D. Imports
- ANSWER: C

29. Which one of the following best represents the environment of an entrepreneurial oriented organization?
- A. Corporate culture
 - B. Entrepreneurial culture
 - C. Intrapreneurial culture
 - D. Traditional culture
- ANSWER: B

30. Which one of the following is the main problem for the entrepreneur in the beginning stages of creating a new venture?
- A. Lack of experience
 - B. Limited resources
 - C. Lack of education
 - D. None of the given options
- ANSWER: A

II SHORT ANSWER TYPE QUESTIONS:

1. SSI plays dynamic role in economic development of India. Comment.
2. Discuss the importance of women Entrepreneurs in Society?

3. Why Entrepreneurship necessary in Economic Development.
4. Relate Entrepreneurship and Economy of a country.
5. What is Economic Development of a country?
6. What is role of Entrepreneurship in Economy?
7. Why Central and State Governments give incentives to Entrepreneurs?
8. What is an achievement motivation force that causes entrepreneurial growth in a country?
9. How entrepreneurs lead to the economic development of a country?
10. How Entrepreneurship helps in bringing social stability?
11. Do promotion of Entrepreneurship in backward regions solve problem of Regional Balance? How?
12. Do you think Entrepreneurship has role in export promotion? Justify.
13. Do you think Entrepreneurship has role in import promotion? Justify
14. How Entrepreneurship can complement Economic Growth?
15. How Entrepreneurship can complement Economic Growth?
16. How Entrepreneurship can supplement Economic Growth?
17. What is role of State Governments in Entrepreneurship Development?
18. What is role of Central Government in Entrepreneurship Development?
19. How level of Entrepreneurial activity is barometer of Economic Growth of a country?
20. How ease in business in a country helps in growth of economy? Explain through examples.
21. What is contribution of Startups in growth of Indian Economy?
22. How innovations and Economy are linked.
23. Why Innovation by Private Enterprises is critical to leap frog in growth of economy?
24. What role Technology Startups are playing in forex earnings?
25. Do you think various Hackathons (Innovative Technology Competitions) organized by State and Central Govts. and other associations in future will lead to major Growth for India? Justify.
26. Explain the role of entrepreneur in economic development.
27. How export marketing helps in the upliftment of startups in India.
28. How does an entrepreneur act as an innovator?
29. What do you understand by the term Forex Earnings?
30. Write a short note on entrepreneur as an innovator and risk-taker.

III LONG ANSWER TYPE QUESTIONS:

1. “Entrepreneur is the catalyst in the process of economic development”. In the light of this statement, explain the role of entrepreneurship in the economic development.
2. “Self-employment is the best method of solving the problem of growing unemployment in India”. Do you agree? Suggest a suitable strategy for the identification and development of entrepreneurs.
3. How entrepreneurship helps in the Economic development of a country? What factors have led to Entrepreneurial growth in our country? Give examples of few successful entrepreneurs you have come across and list their important characteristics you have noted?
4. How does an Entrepreneur contribute to the economy and the society? Why is Entrepreneurship important to Society?

5. Discuss the role of an Entrepreneur in bringing about Economic Growth of a country. How economic growth takes place with the growth of Entrepreneurship in any country? Explain with examples.
6. Discuss the role of entrepreneur in Export and Import Substitution in Indian context.
7. What steps are involved in doing export from our country? What steps are involved in doing export our country? Discuss in brief.
8. Discuss the measures taken by the government to achieve balanced regional development in the country through promoting Industrialization. Do you find them satisfactory?
9. In the light of "Make in India" call of the Prime Minister of India discuss the role an entrepreneur.
10. Describe various incentives that are provided to the entrepreneurs engaged in exports.
11. "Entrepreneur is the catalyst in the process of economic development". In the light of this statement, explain the role of entrepreneurship in the economic development.
12. On the basis of your observation, do you believe that entrepreneur in your society are living upto their social responsibilities.
13. Do you think that reservation policy is beneficial to the growth of small-scale sector?
14. Give an account of the role of Government in developing rural entrepreneurship in India.
15. How can the educated unemployed youth be motivated to set up new units in backward areas of the country?
16. What assistance EDI is providing to entrepreneurs in India? What are the activities and functions of EDI?
17. Give a critical appraisal of industrial estates in promoting Small business in India.
18. How export marketing helps in the upliftment of various industries in India.
19. Explain the institutions set up in India for promoting Export marketing?
20. Discuss various procedure formalities and documentation for export marketing in small businesses?
21. What is role of Export Processing Zone (EPZ) in promoting exports?
22. What is role of EXIM Bank in promoting exports?
23. What are various export promotion councils doing to promote exports?
24. What is MSME's role in economic development of the country?
25. Give a critical appraisal of industrial estates in promoting Small business and Exports in India.
26. Explain how entrepreneurial ventures help in balanced regional development of industries.
27. How do entrepreneurial ventures help in export promotion? Explain in detail.
28. Explain the role of entrepreneurial ventures in bringing out social stability in the economy.
29. How do entrepreneurial ventures lead to generation of employment opportunities in the country?
30. Explain the role of an entrepreneur in the economic growth of a nation as an innovator?

QUESTION BANK

GOODS AND SERVICE TAX

BBA - 309

QUESTION BANK
GOODS AND SERVICE TAX - BBA 309
BBA -V

UNIT I

I MULTIPLE CHOICE QUESTIONS:

1. The concept of Goods and Services Tax (GST) is originated in.....
 - A. Canada
 - B. USA
 - C. Britain
 - D. GermanyANSWER: A

2. Which of the following is statement is not correct about GST?
 - A. GST is like a last-point retail tax. GST is going to be collected at point of Sale.
 - B. GST will abolish all the direct tax levied in India .
 - C. It will be implemented from 1 July, 2017 throughout the country.
 - D. It will unified the tax structure in IndiaANSWER: B

3. Which of the following tax will be abolished by the GST?
 - A. Service Tax
 - B. Corporation tax
 - C. Income Tax
 - D. Wealth TaANSWER: A

4. Which of the following tax rate is not applicable under the GST?
 - A. 5
 - B. 12
 - C. 18
 - D. 25ANSWER: D

5. GST will be levied on.....
 - A. Manufacturers
 - B. Retailers
 - C. Consumers
 - D. All of the aboveANSWER:D

6. What kind of Tax is GST?
 - A. Direct Tax

- B. Indirect Tax
- C. Depends on the type of goods and services
- D. None of the above

ANSWER: B

7. Who is the head of the GST council?

- A. Shashi Kant Das
- B. Amit Mitra
- C. Arun Jaitley
- D. Hasmukh Adhia

ANSWER:C

8. Which constitutional amendment is done to pass the GST bill?

- A. 101st
- B. 120th
- C. 122nd
- D. 115th

ANSWER: A

9. Which of the following good will not be covered under the GST bill?

- A. Cooking gas
- B. Liquor
- C. Petrol
- D. All of the above

ANSWER:D

10. Which of the following is the main motive of government behind the introduction of GST.

- A. To bring tax uniformity in the country
- B. To increase government revenue
- C. To replace all the indirect tax
- D. All of the above

ANSWER: B

11. GST stands for

- A. Goods and Service Tax
- B. Goods and Supply Tax
- C. Government Service Tax
- D. General Sales Tax

ANSWER: A

12. In India GST became effective from _____

- A. 1st April,2017
- B. 1st January,2017
- C. 1st July,2017
- D. 1st March,2017

ANSWER:C

13. India has got _____ mode of GST.

A. Singular

B. Dual

ANSWER: B

14. GST is a _____ based tax on consumption of goods and services.

A. Destination

B. Duration

C. Destiny

D. Development

ANSWER: A

15. What does “I” stand for in IGST?

A. Integrated

B. International

C. Intra

D. Internal

ANSWER: A

16. How many types of taxes are there in India GST?

A. 2

B. 3

C. 4

D. 5

ANSWER: B

17. First announcement for introduction of GST arose in

A. 2004

B. 2005

C. 2006

D. 2007

ANSWER: C

18. What are the taxes levied on intra-state supply of goods?

A. CGST

B. SGST

C. CGST and SGST

D. IGST

ANSWER: C

19. What type of tax will be levied on import of goods?

A. CGST

B. SGST

C. CGST and SGST

D. IGST
ANSWER: D

20. HSN code stand for
- A. Harmonised System of Nomenclature
 - B. Home State Number
 - C. Host State Number
 - D. Hall State Number

ANSWER: A

21. India has chosen dual mode of GST same as _____.
- A. USA
 - B. UK
 - C. CANADA
 - D. CHINA

ANSWER: C

22. India GST model has _____ rate structure.
- A. 3
 - B. 2
 - C. 5
 - D. 4

ANSWER: 4

23. SAC stand for _____.
- A. Service Accounting Code
 - B. Software Accounting Code
 - C. System Accounting Code
 - D. Service Application Code

ANSWER: C

24. Can a person apply for pan without registration?
- A. YES
 - B. NO

ANSWER: B

25. IGST is payable when the supply is ---
- A. Interstate
 - B. Intra-state
 - C. Intra- UT
 - D. All of the above

ANSWER: A

II SHORT ANSWER TYPE QUESTIONS:

1. What do you mean by indirect tax?

2. What are the various types of indirect taxes?
3. What are the taxes which have been subsumed under GST?
4. What was the need to bring GST in India?
5. What was the constitutional amendment for introducing GST?
6. What are the acts passed by the parliament to implement GST?
7. What are the rules passed by the parliament to implement GST?
8. What are the benefits of GST?
9. Give historical perspective of GST.
10. What was the need to bring constitutional amendment for introducing GST?
11. What are the salient features of GST?
12. State the importance of GST.
13. Who are the members of GST council?
14. What do you mean by taxable event?
15. Who is considered as a taxable person under GST?
16. What do you mean by related person under GST?
17. What will be the status of Tobacco products under the GST regime?
18. Who is liable to pay tax under GST regime?
19. What is the guiding principle of GST council?
20. What will be the status of alcohol under the GST regime?
21. State the meaning of goods as per GST act.
22. State the meaning of services as per GST act.
23. Explain Article 246 of Constitution of India.
24. Explain article 246A inserted by constitution under GST.
25. What do you mean by IGST?

II. LONG ANSWER TYPE QUESTIONS:

1. What are the commodities proposed to be kept outside the purview of GST?
2. Who are the persons to be considered as distinct persons under the concept of GST?
3. Who are the persons to be considered as related persons under the concept of GST?
4. Distinguish between GST and other taxes.
5. Who should be included under the GST council?
6. What are the various drawbacks of GST?
7. Enlist the various advantages of GST.
8. State briefly the basic requirements of principle of natural justice in the context of adjudication in indirect taxes.
9. State the powers of Central Government in the area of taxation, as per the Constitution of India.
10. Bopara & Co., which has heavy indirect taxes outlay, wishes to know the situations in which it can file a revision application with the Central Government. Please outline the various situations.
11. What is the difference between short levy and short payment?
12. Explain the concept of CGST.
13. Explain the concept of IGST.
14. Explain the concept of SGST.
15. State the major benefits that accrued because of the introduction of GST.

16. What are final GST rate slabs for various products?
17. What are the major differences between the UPA's GST and the NDA's GST?
18. What are the taxes that GST replaces?
19. What will be the short-term impact of GST?
20. What are the taxes that GST replaces?
21. What will be the short-term impact of GST?
22. What is a constitutional amendment?
23. What is the Empowered Committee under GST?
24. Why is Dual GST required?
25. Which authority will levy and administer GST?

UNIT II

I MULTIPLE CHOICE QUESTIONS:

1. Zero Rated Supplies include:
 - A. Exports
 - B. Imports
 - C. SEZs
 - D. Both A and CANSWER: D

2. GSTN stands for:
 - A. Goods and Services Transport Nation
 - B. Goods and Service Tax Network
 - C. Goods and Society Tax Network
 - D. Goods and Service Tax NetANSWER: B

3. What is taxable event under GST?
 - A. Supply of goods
 - B. Supply of services
 - C. Supply of goods and services
 - D. None of the aboveANSWER: C

4. Is reverse charge mechanism applicable to both goods and services?
 - A. YES
 - B. NOANSWER: A

5. Is composition scheme available to people making inter-state supplies?
 - A. YES
 - B. NOANSWER: B

6. Goods and Service tax is applicable to:
- A. Whole of India
 - B. Whole of India except Jammu and Kashmir
 - C. Whole of India, except Jammu and Kashmir and Union Territories of Dadra, Nagar Haveli, Daman & Diu
 - D. Partially in India
- ANSWER: A
7. Can the taxable person under composition scheme avail the input tax credit?
- A. YES
 - B. NO
- ANSWER: B
8. Can the composition tax be collected from customers?
- A. YES
 - B. NO
- ANSWER: B
9. Where the supplier involves a movement of goods, the place of supply shall be determined by -----.
- A. Movement of goods
 - B. Location of goods at the time of final delivery
 - C. Supplier's location
 - D. Recipients' location
- ANSWER: B
10. Which of the following tax is not subsumed in GST?
- A. VAT
 - B. Stamp Duty
 - C. Entry Tax
 - D. Entertainment Tax
- ANSWER: B
11. What are the taxes levied on inter-state supply of goods?
- A. CGST
 - B. SGST
 - C. CGST and SGST
 - D. IGST
- ANSWER: D
12. What is the maximum rate prescribed under CGST?
- A. 5
 - B. 10
 - C. 30
 - D. 20
- ANSWER: D

13. What is the maximum rate prescribed under UTGST?
A. 5
B. 10
C. 30
D. 20

ANSWER: D

14. What is the maximum rate prescribed under SGST?
A. 5
B. 10
C. 30
D. 20

ANSWER: D

15. How will the goods and services be classified under GST regime?
A. SAC/HSN CODE
B. HSN
C. SAC
D. None of the above

ANSWER: A

16. Is there any ceiling limit prescribed for rate under IGST?
A. 12
B. 18
C. 28
D. 40

ANSWER: D

17. IGST deals with
A. Composition scheme
B. Time of supply
C. Service tax on imported services
D. All of the above

ANSWER: C

18. The turnover limit of Rs. 50 Lakh for composition scheme is not applicable to the state of
A. Himachal Pradesh
B. Assam
C. Uttarakhand
D. None of the above

ANSWER: C

19. IGST tax levy means
A. Within state
B. Between two states

- C. Only A
 - D. None of the above
- ANSWER: B

20. IGST levy can be levied
- A. Centre
 - B. State
 - C. Union Territory
 - D. Both a and b
- ANSWER: A

21. A person is having multiple business requires registration
- A. Single
 - B. Each business separately
 - C. Either A or B
 - D. None of the above
- ANSWER: B

22. GSTN stands for:
- A. Goods and Services Transport Nation
 - B. Goods and Service Tax Network
 - C. Goods and Society Tax Network
 - D. Goods and Service Tax Net
- ANSWER: B

23. What is taxable event under GST?
- A. Supply of goods
 - B. Supply of services
 - C. Supply of goods and services
 - D. None of the above
- ANSWER: C

24. Zero rated supply includes supplies made-
- A. By SEZ unit in India
 - B. To SEZ unit in India
 - C. Both (a & (b) above
 - D. None of the above
- ANSWER: B

25. With the introduction of GST, imports will be—
- A. more expensive
 - B. cheaper
 - C. neutral with no change
 - D. None of the above
- ANSWER: A

II SHORT ANSWER TYPE QUESTIONS:

1. What do you mean by Credit Note?
2. What do you mean by a Debit Note?
3. What do you understand by a tax invoice?
4. Explain records to be maintained under the GST regime.
5. Why were states unhappy with the implementation of GST?
6. Is GST an accepted System of taxation across the world?
7. Has the GST impacted other Taxes like Income Tax or Corporate Tax?
8. Have all goods and services been covered Under the GST?
9. Have the rates of goods risen in case of implementation of GST making It costlier?
10. Where is the GST going to be collected?
11. Who bears the final tax in the process?
12. What Is the main change that has been witnessed with the introduction of the GST?
13. How will imports be taxed under GST?
14. How will Exports be treated under GST?
15. What are the stages covered in the GST?
16. How GST can be levied In India with an effective administration?
17. Even After implementation of GST, should people need to pay Income Tax?
18. What are the best outcome customers can expect, in case of GST?
19. Describe in detail why GST is being opposed by States?
20. How will the rules for administration of CGST and SGST be framed?
21. How are the legislative steps being taken for CGST and SGST?
22. Why does introduction of GST require a constitutional amendment?
23. Will cross utilization of credits between Goods and Services be allowed under GST Regime?
24. How Will Imports Be Taxed Under GST?
25. What major constitutional amendments have been introduced under the indirect taxation system over the years?

III LONG ANSWER TYPE QUESTIONS:

1. What is the time period prescribed for issue of tax invoice for supply of taxable goods in a normal case?
2. What is the time period prescribed for issue of tax invoice for continuous supply of taxable goods?
3. Can multiple invoices be clubbed to be generate one e-way bill?
4. Discuss briefly the provisions conferring general exemption to small service providers in the context of levy of goods and service tax.
5. Whether a goods and service tax provider can make payment of service tax act and file returns before the grant of registration by the proper officer?
6. What should be done in case of change of place in case of goods and service tax act?
7. How is provisional assessment finalized under goods and service tax act?
8. Under what situations, provisional assessment is resorted to under goods and service tax act?
9. Discuss the provisions of job work.

10. Discuss the various rates of job work.
11. What steps are to be taken by proper officer in case explanations provided are not satisfactory?
12. When should a tax invoice be issued under GST?
13. Explain the various types of tax invoice.
14. Explain different types of assessment under GST.
15. Discuss the procedure of job work in detail.
16. When should a debit note be issued under GST?
17. When should a credit note be issued under GST?
18. What is the threshold limit for registration in case of job worker? What are the obligations to be followed by job worker under GST regime?
19. What details are mentioned in tax invoice.
20. What accounts have been specified under GST?
21. What are the different types of recorded under GST regime?
22. Explain the various provisions of consolidated tax invoice.
23. Explain the various provisions of revised tax invoice.
24. Explain the various provisions of bill of supply.
25. Explain the various provisions of receipt voucher.

UNIT III

I MULTIPLE CHOICE QUESTIONS:

1. Compensation to states under GST (Compensation to States) Act, 2017 is paid by
 - A. Central Government from consolidated fund of India
 - B. Central Government from GST compensation fund of India
 - C. Central Government directly from the collection of compensation cess
 - D. GST Council under Constitution of India.
 ANSWER: B

2. While computing compensation to states, tax revenue of this tax/ these taxes is excluded
 - A. petroleum crude, diesel, petrol, ATF and natural gas
 - B. Alcohol for human consumption
 - C. entertainment tax collected by local authorities
 - D. All of the above
 ANSWER: D

3. Input tax credit on compensation cess paid under GST (Compensation to States) Act, 2017.
 - A. is not available
 - B. is available
 - C. is available but not fully
 - D. is available after one year
 ANSWER: B

4. Input tax credit under GST (Compensation to States) Act, 2017 includes GST Compensation Cess charged on any supply of
- A. Goods and/or services,
 - B. Goods imported
 - C. GST Compensation Cess payable on reverse charge basis;
 - D. All of the above

ANSWER: D

5. Maximum rate of CGST prescribed by law for intrastate supply made is----
- A. 18%
 - B. 20%
 - C. 40%
 - D. 28%+cess

ANSWER: B

6. Input tax credit on Compensation cess paid under GST (Compensation to States) Act, 2017 is available for payment of
- A. IGST only
 - B. IGST and CGST only
 - C. compensation under GST (Compensation to States) Act
 - D. None of the above

ANSWER: C

7. IGST is payable when the supply is ---
- A. Interstate
 - B. Intra-state
 - C. Intra- UT
 - D. All of the above

ANSWER: A

8. Zero rated supply includes supplies made-
- A. By SEZ unit in India
 - B. To SEZ unit in India
 - C. Both (a & (b above
 - D. None of the above

ANSWER: B

9. With the introduction of GST, imports will be—
- A. more expensive
 - B. cheaper
 - C. neutral with no change
 - D. None of the above

ANSWER: A

10. The first committee to design GST model was headed by
A. Vijay Kelkar
B. Asim Das Gupta
C. Dr. Chidambaram
D. None of the above
ANSWER: B
11. First discussion paper (FDP) which formed the basis for GST in 2009 was released by
A. Union Finance Ministry
B. Dr. Manmohan Singh
C. GST Council
D. Empowered Committee
ANSWER: D
12. Roll out of GST requires constitutional amendment because-
A. existing laws were cascading
B. the powers of levy were exclusive
C. there are separate laws for goods and services
D. All of the above
ANSWER: D
13. Works contract under GST is goods used in work relating to-
A. Immovable property
B. Both movable and immovable property
C. Immovable property treated as supply of service
D. Immovable property treated as supply of goods
ANSWER: C
14. IGST deals with
A. Composition scheme
B. Time of supply
C. Service tax on imported services
D. All of the above
ANSWER: C
15. The turnover limit of Rs. 50 Lakh for composition scheme is not applicable to the state of
A. Himachal Pradesh
B. Assam
C. Uttarakhand
D. None of the above
ANSWER: C
16. A supplier is liable to get registered under GST if his aggregate turnover in a financial year crosses Rs. 20 lakh in a state or UT other than special category states if he is-
A. an interstate supplier
B. an intra-state supplier

- C. Electronic commerce operator
- D. Person liable to pay GST under reverse charge

ANSWER: B

17. Registration under GST is not compulsory to-

- A. Casual taxable person
- B. Input service distributor
- C. Non-resident taxable person
- D. None of the above

ANSWER: D

18. One of the following states does not fall under special category given under Art. 279A of the Constitution

- A. Himachal Pradesh
- B. Uttarakhand
- C. Chhattisgarh
- D. Jammu & Kashmir

ANSWER: C

19. Exemption from registration is available to

- A. Central & State Govt. Departments
- B. Agriculturists
- C. a) & b) above
- D. None of the above

ANSWER: B

20. Address for delivery

- A. Recipient address mentioned in the tax invoice
- B. Recipient address mentioned in the delivery challan
- C. Recipient address not necessary
- D. Recipient address mentioned in the Gate pass

ANSWER: A

21. When President assent was obtained for central GST?

- A. 18th April 2017
- B. 22nd April 2017
- C. 5th April 2017
- D. 12th April 2017

ANSWER: D

22. What is applicability of GST?

- A. Applicable all over India except Sikkim
- B. Applicable all over India except Jammu and Kashmir
- C. Applicable all over India
- D. Applicable all over India except Nagaland

ANSWER: C

23. Money means
- A. Indian legal tender
 - B. Foreign currency
 - C. Cheque/promissory note
 - D. All the above

ANSWER: D

24. Non-taxable territory means
- A. Outside taxable territory
 - B. Inside taxable territory
 - C. Inter-state taxable territory
 - D. None of the above

ANSWER: A

25. Person includes
- A. Individual
 - B. HUF
 - C. LLP
 - D. All the above

ANSWER: D

II SHORT ANSWER TYPE QUESTIONS:

1. How to file GST Return Online?
2. What do you mean by Tax Collected at Source (TCS)?
3. What details of outward supplies are required to be filed under GSTR-1?
4. Who is required to file details of outward details?
5. What is the procedure for filing GST details?
6. Who can file quarterly GST returns?
7. How many GST returns are there?
8. Who are liable to file return (GSTR-2)?
9. How to prepare GST return?
10. Is monthly return required to be filed by the person opting to pay tax under the composition scheme?
11. What are the basic information that need to be furnished in GSTR 4?
12. How to fill the GSTR-4 form?
13. Who are liable to file return (GSTR-3)?
14. How should a person who opts in or opts out of composition scheme file returns?
15. A person opting to pay tax under the composition scheme receives inputs/input services from an unregistered person. Will the composition dealer have to pay GST under reverse charge? If yes, in what manner?
16. What is the form in which an intimation for payment of tax under composition scheme needs to be made by the taxable person?

17. A person registered under existing law (Central Excise/Service Tax/VAT) and who has been granted registration on a provisional basis wants to opt for composition scheme. How and when can he do that?
18. What are the compliances which a provisionally registered person opting to pay tax under the composition levy need to make?
19. Who are liable to file return (GSTR-7)?
20. Explain section-39 Of furnishing returns.
21. What is the need for filing a return when deposit of TDS has already been made?
22. Mr. S has deducted GST amounting to Rs 50,000/- in the month of Mar'19. He filed return on 16.4.2019. Is he liable to pay a late fee?
23. How can a deductor file FORM GSTR-7?
24. Is there any Offline Tool for filing Form GSTR-7?
25. Can the date of filing of FORM GSTR-7 be extended?

III LONG ANSWER TYPE QUESTIONS:

1. How GST returns will be filed?
2. How are the disputes going to be resolved under the GST regime?
3. Describe in detail the various types of GST returns.
4. What are the contributions of IT Technology in The Enforcement of GST Regime?
5. Explain annual returns under GST.
6. Explain First return under GST.
7. Explain final return on cancellation of registration.
8. Explain the details of inward supplies of persons having unique identity number.
9. Explain the provisions of rectification of omission or incorrect particulars in the returns furnished under Section 39(9).
10. Explain the form and manner of furnishing details of outward supplies.
11. Explain the provisions of levy of late fee for not filing returns on time.
12. Explain the facilitative measures available for filing returns by taxpayers.
13. What are the special features of GST-R 2?
14. What are the type of outward supply details are to be filed in the return?
15. Do composition dealers under the composition scheme need to file GSTR-1? Explain.
16. What are the pre-conditions for filing FORM GSTR-7?
17. What are the modes of signing FORM GSTR-7?
18. What happens after FORM GSTR-7 is filed?
19. Can we file the complete FORM GSTR-7 using Offline Utility?
20. What are the features of FORM GSTR-7 Offline Utility?
21. What are the basic system requirements/ configurations required to use FORM GSTR-7 Offline Tool?
22. I am a tax deductor. I've made payment for four different products to one of my suppliers. Shall I report each payment in four different rows of the 154 offline utility? Explain.
23. I have mistakenly entered rows with the same GSTIN. Should I use the "Delete" option from the dropdown of "Action" column to delete these rows? Clarify in detail.
24. I've uploaded GSTR-7 JSON File and it was processed without error. Do I need to download the generated file? Explain.
25. How can a supplier download the TDS certificate in FORM GSTR 7A?

UNIT IV

I MULTIPLE CHOICE QUESTIONS:

1. Goods and Service Tax council referred in which section
 - A. 279A of the constitution
 - B. 276 of the constitution
 - C. 277 of the constitution
 - D. 279 of the constitutionANSWER: A

2. Weight age of vote for centre at GST council
 - A. 1/4th of total votes cast
 - B. 1/3rd of total votes cast
 - C. 1/2 of total votes cast
 - D. Only BANSWER: B

3. Weightage of States (combined) at GST council
 - A. 2/3rd of total votes cast
 - B. 1/3rd of total votes cast
 - C. 1/4th of total votes cast
 - D. None of the aboveANSWER: A

4. Who is chairperson of GST council
 - A. Finance secretary
 - B. State Finance Minister
 - C. Union Finance Minister
 - D. None of the aboveANSWER: C

5. Taxable turnover of below Rs.1.5 crore assessee under control of
 - A. Centre
 - B. State
 - C. Both a and b
 - D. Only cANSWER: C

6. Powers to declare certain activities/transactions as neither supply of goods nor of services
 - A. Schedule I
 - B. Schedule III
 - C. Schedule II
 - D. Schedule IVANSWER: B

7. When GST council constituted
A. 15.09.2016
B. 13.09.2016
C. 12.09.2016
D. 20.09.2016
ANSWER: C
8. Address for delivery is
A. Recipient address mentioned in the invoice
B. Recipient address mentioned in the delivery challan
C. Recipient address not necessary
D. Recipient address mentioned in the Gate pass
ANSWER: A
9. Agriculturist includes
A. Individual or HUF
B. Individual and HUF
C. Partnership
D. All the above
ANSWER: A
10. Associated enterprise is mentioned under
A. Income tax act 1961
B. Companies Act 2013
C. Central GST Act 2017
D. State GST Act 2017
ANSWER: A
11. Appointed day is
A. Date on which the provisions of this Act shall come into force
B. Date on which President assent
C. Date of which both houses passed the act
D. Date on which sent to Finance Ministry
ANSWER: A
12. Deemed exports mentioned in which section
A. Section 137
B. Section 147
C. Section 142
D. Section 145
ANSWER: B
13. Quarter means
A. March
B. September

- C. December
- D. All the above

ANSWER: D

14. Taxable levy in case of manufacture under composite scheme

- A. Two percent
- B. Three per cent
- C. One per cent
- D. Half per cent

ANSWER: C

15. Whether person opted for composite scheme collect tax under GST

- A. No
- B. Yes
- C. Only A
- D. None of the above

ANSWER: C

16. Participation of ITC value chain in composite scheme

- A. With participation
- B. Without participation
- C. Either a or b
- D. None of the above

ANSWER: B

17. Taxes paid on

- A. Transaction value
- B. Manufacturing cost
- C. Both A and B
- D. None of the above

ANSWER: A

18. ITC available

- A. In the course or Furtherance of business
- B. Other than business exp
- C. Only A
- D. None of the above

ANSWER: A

19. Input tax credit availability

- A. On receipt of goods
- B. On payment of taxes paid by supplier to Govt.
- C. Taken to manufacturing site or availed services
- D. None of the above

ANSWER: B

20. Input tax on capital goods
A. In one instalment
B. Partly five equal instalments
C. Only A
D. Equally 10% every year
ANSWER: C
21. Appellate Tribunal is mentioned in which section?
A. Section 109
B. Section 105
C. Section 103
D. Section 119
ANSWER: A
22. Authorised representative is referred in which section?
A. Section 110
B. Section 116
C. Section 119
D. Section 106
ANSWER: B
23. Common portal is referred in which section?
A. Section 136
B. Section 146
C. Section 143
D. Section 149
ANSWER: B
24. Debit note, and credit note is mentioned in which section?
A. Section 36
B. Section 39
C. Section 34
D. None of the above
ANSWER: C
25. Electronic cash ledger and Electronic credit ledger is mentioned in which section?
A. Section 39
B. Section 42
C. Section 49
D. Section 47
ANSWER: C

II SHORT ANSWER TYPE QUESTIONS:

1. Who can audit returns of GST?
2. What is audit?

3. Describe various types of audit under GST.
4. Write a short note on audit by tax authorities.
5. Write a short note on advance ruling.
6. Orders/Decisions under GST can be revised. Enumerate.
7. When can a special audit be initiated?
8. Discuss provisions of arrest.
9. Write a note on role of GSTP.
10. Write a short note on eligibility required to become a GSTP.
11. What are the offences under GST?
12. When can a person claim refund?
13. What is the time limit for refund?
14. Explain the doctrine of unjust enrichment.
15. How would GST be administered In India?
16. What are the major features of the proposed payment procedures under GST?
17. What do you mean by GSTN?
18. What is the role of GSTN in the implementation of GST law in India?
19. What are the major milestones pertinent to GST bill introduction in India?
20. What is tax rate charged on various bankable transactions under GST?
21. What is tax rate chargeable on various commodities like salt and food grain under GST?
22. How will the rules for administration of CGST and SGST be framed?
23. How are the legislative steps being taken for CGST and SGST?
24. What type of GST was proposed to be implemented by the government?
25. How a transaction of goods and services would be taxed simultaneously under Central GST (CGST) and State GST (SGST)?

III LONG ANSWER TYPE QUESTIONS:

1. Describe in detail the different types of audit under GST.
2. Explain the provisions relating to Section 54 under CGST.
3. Explain when the persons are deemed to be guilty of offence.
4. Explain the various types of offences under GST.
5. Explain the process of initiating a special audit.
6. Explain the provisions of offences under GST.
7. Explain the provisions relating to penalties under GST.
8. Explain how people can claim refund under GST.
9. Explain whether or not refunds be withheld under GST.
10. Orders/Decisions under GST can be revised. Enumerate.
11. List down any 15 penalties under GST.
12. Explain AAR under GST.
13. Explain the role of audit conducted by tax authorities.
14. Who is the person responsible to make assessment of taxes payable under the Act?
15. Under what circumstances can provisional assessment be done?
16. Can the proper officer ask for additional documents/clarification upon receipt of request for provisional assessment? If so how? Whether he has to issue any order for allowing provisional assessment?

17. In case the taxable person does not agree with the discrepancies communicated nor does he pay tax/interest etc arising out of such discrepancy, what course of action the proper officer take?
18. State the activities which are not be treated as supply of goods and services under the GST regime.
19. Explain the doctrine of unjust enrichment.
20. Explain in detail the time frame available for refund under GST.
21. Explain the eligibility conditions to become Goods and Service Tax Practitioner.
22. Explain the responsibilities held by a GSTP.
23. Explain the provisions related to withholding refunds.
24. Explain the provisions relating to Section 122 under GST.
25. Explain the provisions relating to Section 132 under GST.