



**PHASE 02**



**YEAR  
2022**

[anujjindal.in](http://anujjindal.in)



## Finance & Management

### 2 Markers

**I. (1-4) Read the following paragraph below and answer the questions.**

India is the first country in the world to make corporate social responsibility (CSR) mandatory, following an amendment to the Companies Act, 2013 in April 2014. Businesses can invest their profits in areas such as education, poverty, gender equality, and hunger as part of any CSR compliance.

Amid the COVID-19 (coronavirus) outbreak, the Ministry of Corporate Affairs has notified that companies' expenditures to fight the pandemic will be considered valid under CSR activities. Funds may be spent on various activities related to COVID-19 such as the promotion of healthcare including preventive healthcare and sanitation, and disaster management.

#### Q.1)

**According to section 135 of the Companies Act 2013, what should be the minimum net profit of an organization to constitute a CSR committee?**

- |                  |                  |
|------------------|------------------|
| (a) Rs. 2 crores | (d) Rs. 5 crores |
| (b) Rs. 3 crores | (e) Rs. 6 crores |
| (c) Rs. 4 crores |                  |

#### Q.2)

**What should be the net worth as per the CSR provisions?**

- |                    |                    |
|--------------------|--------------------|
| (a) Rs. 225 Crores | (d) Rs. 350 crores |
| (b) Rs. 325 crores | (e) Rs. 500 crores |
| (c) Rs. 400 crores |                    |

#### Q.3)

**What is the minimum number of the requirement of directors on the CSR committee?**

- |       |       |
|-------|-------|
| (a) 1 | (d) 4 |
| (b) 2 | (e) 5 |
| (c) 3 |       |

#### Q.4)

**How many independent directors should be there on the CSR committee?**

- |       |       |
|-------|-------|
| (a) 1 | (d) 4 |
| (b) 2 | (e) 5 |
| (c) 3 |       |

**I.( 5-8) Read the paragraph below and answer the following questions.**

Fran began her job as supervisor of the training department of a metro bank and trust company almost 4 years ago. She was generally pleased with the 4 trainers and one secretary in her unit. Fran took pride in her ability to create a high morale and high-performance unit. This was particularly pleasing to Fran because they were constantly busy and barely able to keep up with the volume of training expected from them.

One day, Fran's secretary, Judy, knocked on Fran's door and asked to see her. Fran liked Judy and considered Judy to be one of her stars. In an effort to develop Judy's talents and abilities, Fran had gone out of her way to give Judy special assignments. By now, Judy worked more as an administrative side than as a secretary.

It was clear that Judy was upset about something as she seated herself in the chair next to Fran's desk. Slowly, Judy placed a job posting application form in front of Fran. She would not look Fran in the eyes.

Fran was surprised, to say the least. As far as Fran knew, Judy liked both her job and working in the training department. In turn, everyone in the department liked and respected Judy. Fran looked over the form and said casually, "so you want to post for the executive secretary job in the branch management division." "Could I ask you for some additional information, Judy? I am kind of surprised."

Judy looked up and said, "I noticed in last week's job posting that the executive secretary position is graded as a 14. Now that's 2 grades higher than my job."

"You know my friend Mary Johnson works over there. She told me that half the time the secretary sits around doing nothing." Judy continued, gathering some anger in her look and resentment in her voice. "Look, Fran, you know how hard I work, how hard we all work, around here. I mean, I'm always busy. I don't see why I should work in a job graded at a 12 and work twice as hard and yet not be paid the same as that secretary. The job requirements for the job are just a little higher than mine, and the merit raises you gave me last month hardly helped at all."

Fran listened; then she replied: "It sounds to me, Judy, that you are feeling angry because you think you should be paid more for the work you do and that you want to switch jobs rather than put up things as they are. Am I right?"

Judy nodded her head in agreement.

Fran knew, though, that the metro job evaluation system was up to date and that the executive secretary position to which Judy referred did require additional background experience, skills and responsibilities beyond what was needed in Judy's current job. Because her secretary was such a good employee and a nice person, Fran was quite concerned. She felt strongly that moving to the executive secretary job would not be what Judy really wanted, and she hated to lose Judy, especially if her decision was based on faulty reasoning and the move would not be good for her.

Q.5)

Money is acting as the motivator for Judy in the above case and therefore she is dissatisfied with the job under the supervision of Fran. Which of the following needs are not accomplished in the case of Judy as per the Herzberg Model?

- (a) Esteem Needs
- (b) Physiological and Security Needs
- (c) Social and Security Needs
- (d) Self-Actualization Needs
- (e) Psychological Needs

Q.6)

Judy is dissatisfied with the outcome that she is getting when compared to the efforts that she is putting into her job. Which of the following theories of motivation best depicts Judy's state of mind in the above case?

- (a) Equity Theory
- (b) Theory X and Theory Y
- (c) Porter and Lawler
- (d) Self-Actualization Needs
- (e) Herzberg Two Factor Theory

Q.7)

Which of the following theories of motivation are directly affected in the above case?

I) Equity theory

II) Maslow's need hierarchy theory

III) Herzberg's Model of Motivation

IV) Alderfer's ERG model

- (a) I, II and IV
- (b) I and III
- (c) II and III
- (d) II, III and IV
- (e) I, II, III and IV

Q.8)

Which of the following motivational decisions should Fran take in order to retain Judy in her present department, working as secretary to Fran?

- (a) Since Judy is only considered with money, Fran can satisfy her physiological need to retain her in the present department.
- (b) Since Judy is comparing her work, status, and perks with another department within the organisation, Fran must ensure equity among the compared jobs to retain Judy in the present job.
- (c) Since Judy is only considered for the position (grade 12 vs grade 14), Fran should talk to the top management and get Judy's present job graded 14
- (d) Since Judy is acting in an amateur manner and not understanding the small differences between her job and the new job, Fran should make her understand that Judy is not capable or qualified enough to be able to work as an

executive secretary.

- (e) Not enough information provided

Q.9)

Organisational behaviour is concerned with the understanding, prediction and control of human behaviour in organisations. It is primarily concerned with that aspect of human behaviour which is relevant to organisational performance. It studies human behaviour at which levels?

- (a) Individual Level
- (b) Group Level
- (c) Organisational Level
- (d) Both a) and b)
- (e) a), b) and c)

Q.10)

At which level of organisation behaviour does motivation, attitude, etc. affect the organisation behaviour?

- (a) Individual Level
- (b) Group Level
- (c) Organisational Level
- (d) Both a) and b)
- (e) a), b) and c)

**I. (11-14) Read the following paragraph below and answer the following questions.**

Being able to communicate effectively is one of the most important life skills to learn. Communication itself is defined as transferring information to produce greater understanding. It can be done vocally (through verbal exchanges), through written media (books, websites, and magazines), visually (using graphs, charts, and maps), or non-verbally (body language, gestures, pitch of voice, and tone). All these means of communication skills are essential. Having strong communication skills aids in all aspects of life – from professional life to personal life and everything that falls in between. From a business standpoint, all transactions result from communication. Good communication skills are essential to allow others and yourself to understand information more accurately and quickly in contrast, poor communication skills lead to frequent misunderstandings and frustration. In a 2016 LinkedIn survey conducted in the United States, communication topped the list of the most sought-after soft skills among employers followed by Organisation and Teamwork.

Q.11)

When communication is effective, it leaves all parties involved satisfied and feeling accomplished. By delivering messages clearly, there is no room for understanding or alteration of messages, which decreases the potential for conflict. Effective communication is measured by which of the following?

- (a) Receiver
- (b) Feedback
- (c) Sender
- (d) Channel

(e) Message

**Q.12)**

**Process of communication involves certain steps, which one among the following is the first step in the process of communication?**

- (a) Receiver
- (b) Feedback
- (c) Decoding the message
- (d) Encoding the message
- (e) Message

**Q.13)**

**What does it refer to here?**

*“It is the study of the body’s physical movements for the purpose of communication”.*

- (a) Kinesics
- (b) Proxemics
- (c) Chronemics
- (d) Haptics
- (e) Oculistics

**Q.14)**

**In which of the following types of communication networks can a person communicate only with adjoining people?**

- (a) Wheel
- (b) Star
- (c) Inverted V
- (d) Inverted Y
- (e) Circular

**I.(15-16) Read the following passage and answer the questions**

Outsourcing is defined as the NBFC’s use of a third party (either an affiliated entity within a corporate group or an entity that is external to the corporate group) to perform activities on a continuing basis that would normally be undertaken by the NBFC itself, now or in the future.

NBFCs have been outsourcing various activities and are hence exposed to various risks Further, the outsourced activities are to be brought within regulatory purview to protect the interest of the customers of NBFCs and to ensure that the NBFC concerned, and RBI have access to all relevant books, records and information available with a service provider.

Some key risks in outsourcing are strategic risk, reputation risk, compliance risk, operational risk, legal risk, exit strategy Risk, counterparty risk, country risk, contractual risk, access risk, concentration and systemic Risk, etc. It is therefore imperative for the NBFC to outsource its activities to ensure sound and responsive risk management practices for effective oversight, due diligence and management of risks arising from such outsourced activities.

**Q.15)**

**Which of the following financial activity cannot be outsourced by an NBFC according to law?**

- (a) Loan Origination
- (b) Supervision of loans
- (c) Document processing
- (d) Internal Audit and Compliance
- (e) All can be outsourced

**Q.16)**

**Which of the following financial activity can be outsourced by an NBFC?**

- (a) Core Management Functions
- (b) Sanctioning of Loans
- (c) Data Processing
- (d) Management of investment portfolio
- (e) None of the Above

**I.(17-20) Read the following case study and answer the following 4 questions.**

Over the years, the role of the AIFIs (EXIM Bank, NABARD, NHB & SIDBI) in the Indian financial system has undergone significant change reflecting the changes in their business models. As the Indian economy grows further, AIFIs are increasingly being seen as key institutions to promote the flow of direct or indirect credit to the economic sectors they cater to. It has been decided, therefore, to extend the Basel III Capital framework to the AIFIs as detailed in the following paragraphs.

**Q.17)**

**What is the minimum Capital Adequacy Ratio (CAR) including capital buffer, proposed for All India Financial Institutions (AIFIs) by RBI?**

- (a) 10.5%
- (b) 11.5%
- (c) 12%
- (d) 12.5%
- (e) 15.0%

**Q.18)**

**Which among the following will not be considered tier 2 capital of AIFI according to the Basel III capital framework?**

- I) Revaluation Reserves**
- II) General Loan-loss Reserves**
- III) Capital Reserve**
- IV) Statutory Reserves**

- (a) I & II
- (b) II & III
- (c) III & IV
- (d) I & IV
- (e) All the Above

**Q.19)**

**PNCPS are allowed to be included in Tier 1 Capital under Basel Norms. What does ‘C’ in PNCPS stand for?**

- (a) Cumulative (d) Currency  
(b) Capital (e) Called up  
(c) Convertible

**Q.20)**

As per recent guidelines by RBI for issuance of Share Capital by Rural Co-operative Banks, what is the limit of the outstanding amount of PNCPS and Perpetual Debt Instruments along with outstanding innovative Perpetual Debt Instruments (IPDI) of total Tier 1 capital at any point of time?

- (a) 5% (d) 35%  
(b) 10% (e) 40%  
(c) 20%

## 1 Markers

**Q.21)**

“Communication is the process of passing information and understanding from one person to another”

Everyone organization follows different communication channels/types. In which of the following types of communication flows from the top level to the lower level of the organisation whose purpose is to communicate policies, procedures, etc.?

- (a) Downward Communication  
(b) Upward Communication  
(c) Horizontal Communication  
(d) Crosswise Communication  
(e) Informal Communication

**Q.22)**

Overcoming resistance to change is a problem of greater importance in introducing planned change in the organisation. Kurt Lewin has introduced a model of planned change. In which of the following stages of Kurt Lewin's model do we see reinforcement strategies practices by the management?

- (a) Refreezing (d) Unfreezing  
(b) Moving to the new level (e) Breaking the ice  
(c) Freeze to unfreeze

**Q.23)**

Under the Big Five Traits Model there are five basic dimensions of personality. Read the following statement and mark the option of a particular personality which is being discussed.

“Rohit works in an IT Co. Because of the complexity of his task, his work requires him to be more organized and disciplined. He has been a sincere student since his school time and his aim was clearly to become an engineer only for the same, he has done his graduation from IIT Delhi so that

he can be placed in a good company. “

Based on the above paragraph, which one of the personalities does Rohit have?

- (a) Conscientiousness (d) Extroversion  
(b) Emotional Stability (e) Openness to experience  
(c) Agreeableness

**Q.24)**

Which of the ethical terminology is being discussed in the following paragraph?

“It refers to the minimization of one's role in harm or the displacement of the blame onto others. For example, a government-employed torturer or killer might refer to himself as simply following the order of his higher-ups.”

- (a) Displacement of responsibility  
(b) Diffusion of responsibility  
(c) Ethical Dilemma  
(d) Illusion by respect  
(e) Euphemistic Labeling

**Q.25)**

What is the investment and annual turnover criteria for an enterprise as a ‘small enterprise’?

- (a) Rs.5 crore and Rs.20 crore respectively  
(b) Rs.5 crore and Rs.50 crore respectively  
(c) Rs.10 crore and Rs.25 crore respectively  
(d) Rs.10 crore and Rs.50 crore respectively  
(e) Rs.20 crore and Rs.50 crore respectively

**Q.26)**

Foreign Portfolio Investors (FPIs) is a common way to invest in overseas economies. It includes securities and financial assets held by investors in another country. What is the limit for FPI investment in corporate bonds for FY 2022-23 in India?

- (a) 2% (d) 18%  
(b) 6% (e) 20%  
(c) 15%

**Q.27)**

Which of the following is a 20-character global reference number conceived by G 20 that uniquely identifies every entity or structure that is a party to a financial transaction, in any jurisdiction?

- (a) IEC (d) TAN  
(b) LEI (e) PAN  
(c) UPI

**Q.28)**

Fill in the blank with correct option. RBI created the Payments Infrastructure Development Fund (PIDF) which

intends to subsidise the development of payment acceptance infrastructure in the country. The PIDF targets to add \_\_\_\_\_ touch points for digital payment acceptance every year.

- (a) 5 lakh (d) 50 lakh  
 (b) 20 lakh (e) 1 Crore  
 (c) 30 lakh

**Q.29)**

Read the following statement and fill it with correct option.

Commercial bank credit to NBFCs for on-lending to the priority sector is allowed up to \_\_\_\_\_ of the bank's total PSL, as per RBI regulations?

- (a) 1% (d) 7.5%  
 (b) 2.5% (e) 15%  
 (c) 5%

**Q.30)**

What does it refer to here?

- I) It involves communication between people who are neither in the same department nor on the same level of organizational structure.*  
*II) It is the least used channel of communication.*  
*III) It generally takes place when members cannot communicate effectively through other channels.*

- (a) Downward Communication  
 (b) Upward Communication  
 (c) Horizontal/Lateral Communication  
 (d) Crosswise/Diagonal Communication  
 (e) Informal Communication

anujjindal.in



**FM - Descriptive****15 Markers****Q.1)**

**What is communication? What are the common barriers to interpersonal communication in an organization? How can these barriers be reduced by a manager?**

**Q.2)**

**Why is change resisted in an organization? What can the management do to overcome it?**

**Q.3)**

**What do you understand by blockchain technology. In the current era, where blockchain is at its peak, will it disrupt banking?**

**10 Markers****Q.1)**

**What is targeted long-term repo operations (TLTRO)?**

**Q.2)**

**Describe India's response to the Global Financial Crisis 2008.**

**Q.3)**

**What is the importance of ethical behaviour in society and throw some light on the manager's role in encouraging ethical behaviour in an organization.**

anujjindal.in