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# MARATHON SESSION
# DECISION MAKING

Q.1) EBA is a model of a decision making technique developed by Amos Tversky in the 1970s. When faced with multiple options this method first identifies a single attribute or feature that is most important to the decision maker. When an option doesn't meet the criteria or 'cutoff' for an attribute then it is eliminated from being a possibility. Different attributes and features are applied until a single 'best' option is left. What do you mean by EBA?

[a] Estimation By Aspects

[b] Elimination By Aspects

[c] Elimination By Attributes

[d] Estimation By Attributes

[e] Elimination By Allocation

Answer – (b)

Explanation:
For example, you are going to buy a new car. Using the elimination by aspects model you would first identify the attribute which is most important to you: safety. The different car options are weighed against this issue and a few of the options are discarded as a possibility because their safety ratings are lower than you desire. The second most important attribute in a vehicle to you is gas mileage. You take each option and judge is based on the gas mileage and a few options are eliminated because they don't get very good gas mileage. The next attribute is price, then style, etc. Eventually you will be left with one option and this is the one that is best.

Q.2) Decision making can also be classified into three categories based on the level at which they occur. Strategic decisions set the course of organization. Tactical decisions are decisions about how things will get done. Finally, operational decisions are decisions that employees make each day to run the organization. Which of the below would be categorized under operational decision?

[a] Should we merge with another company

[b] How should we market the new product line

[c] Should we downsize our organisation

[d] Who should be let go when we downsize

[e] What should I say to customers about our new product

Answer – (e)

Explanation:

Operational decisions are what make your business strategy real and ensure that your organization runs effectively, right down to the front-lines interacting with your associates. To ensure that operational decisions are effective, you need to manage operational decision making. Operational decisions helps the organization to understand some fundamental cost-volume relationship relate to the operation in the company.

Q.3) Consider the below list:

- No ideas are ever criticized
- The more radical the ideas are the better
- The quantity of idea production is stressed
- The improvement of ideas by others is encouraged

The above list is connected with which of the below decision making techniques?

[a] Delphi Technique

[b] Nominal Group Technique

[c] Brainstorming

[d] Decision Tree

[e] Break-even analysis

Answer – (c)

Explanation:
Brainstorming is a method of generating ideas and sharing knowledge to solve a particular commercial or technical problem, in which participants are encouraged to think without interruption. Brainstorming is a group activity where each participant shares their ideas as soon as they come to mind. At the conclusion of the session, ideas are categorised and ranked for follow-on action.

Q.4) ______ is a model used in the study of consumer decision processes to evaluate alternatives; the idea that if two products are equal on the most important attribute, the consumer moves to the next most important, and, if still equal, to the next most important, etc. Thus, the purchase decision is made when one of the brands possesses more of an attribute, looked at in order of importance, than its rival.

[a] Lexicographic model
[b] Expectancy-value model
[c] Conjunctive model
[d] Disjunctive model
[e] Determinance model

Answer – (a)

Q.5) Some of the most difficult but yet common decisions we make involves both quantitative and qualitative data. We seem to be more comfortable dealing with quantitative data when making decisions. We pull statistics and mathematics out of our toolbox to deal with quantitative data.
SMART technique applies a system of ranking and weights to make decisions when the decision criteria have disparate characteristics. What does 'M' stand for in SMART?

[a] Measurable

[b] Mapping

[c] Multiple

[d] Multi

[e] Major

Answer – (d)

Explanation:
Simple Multi-Attribute Rating technique (SMART) is a method for conducting Multi-Criteria Decision Analysis (MCDA), in which assessment and selection of the best project alternative, amongst several different alternatives, is based on a list of relevant criteria.

Q.6) Groupthink can cause a certain blindness to new and important information and a failure to assess the available options completely. Sometimes groupthink causes risks to be underestimated or minimized, underscoring the importance of having contingency plans if the decision turns out poorly.
The psychologist Gary Klein proposed a remedy to the groupthink problem called the ______. Before the decision is finalized, the group is reassembled and told to imagine the decision turned out poorly. The members are instructed to write a short narrative about what went wrong and how the decision could turn out so poorly. In this way the group is forced to confront its own fears about the decision and deal with any obstacles it can reasonable foresee before the decision is finalized and its implementation.

[a] premordial

[b] premortem

[c] postmordial

[d] postmortem

[e] Either a or b

Answer – (b)

Explanation:
A pre-mortem, or premortem, is a managerial strategy in which a project team imagines that a project or organization has failed, and then works backward to determine what potentially could lead to the failure of the project or organization.

Q.7) Which decision making model should be used if the below mentioned conditions are present:

- The minimum criteria are clear.
- You do not have or you are not willing to invest much time to make the decision.
- You are not trying to maximize your outcome.

[a] Bounded rationality model
[b] Creative decision making model
[c] Intuitive decision making model
[d] Rational decision making model
[e] Any of the above

Answer – (a)

Explanation:
Bounded rationality is a human decision-making process in which we attempt to satisfice, rather than optimize. In other words, we seek a decision that will be good enough, rather than the best possible decision.

Q.8) In addition to the rational decision making, bounded rationality, and intuitive decision-making models, creative decision making is a vital part of being an effective decision maker. Creativity is the generation of new, imaginative ideas. With the flattening of organizations and intense competition among companies, individuals and organizations are driven to be creative in decisions ranging from cutting costs to generating new ways of doing business. Please note that, while creativity is the first step in the innovation process, creativity and innovation are not the same thing. Innovation begins with creative ideas, but it also involves realistic planning and follow-through.
Which of the following is the third step of creative decision making model?

[a] Illumination
[b] Immersion
[c] Problem Identification
[d] Incubation
[e] Verification

Answer – (d)

Explanation:
**Problem Identification** - The decision-maker becomes aware of a situation or problem that needs to be addressed.
**Immersion** - During this phase, the decision-maker gathers information and seeks to fully understand the situation. The phase often relies heavily upon the experience and knowledge of the decision-maker.
**Incubation** - This phase requires concerted evaluation and thinking about the situation.
**Illumination** - This is the stage in which the decision-maker identifies the most appropriate solution to the problem or situation.
**Verification Stage** - This is when the decision-maker verifies the feasibility and implements the decision.

Q.9) Consider the consumer making a purchase decision in a particular product category for the very first time. In this situation, it would be possible for the consumer to make the purchase decision using which of the following decision processes?

[a] Non-programmed decision making
[b] Programmed decision making
[c] Routine decision making
[d] Policy decision making
[e] Ethical decision making

Answer – (a)

Explanation:
A non-programmed decision making process lacks structure and routine. This is the primary difference between programmed decision and non-programmed decision. A non-programmed decision definition is a decision that does not follow a set procedure, and the criteria for such decisions is not well-defined.

Q.10) It is a high task and relationship behavior approach to leadership that helps motivated but inexperienced followers develop skills. A leader who employs this leadership style provides structure or guidance, in combination with reinforcement and recognition, to accelerate task-specific growth and performance-related depth. The leader still maintains decision rights regarding what the follower needs to be doing, how they should be doing it and when it needs to be completed, but that structure is provided in combination with ample opportunity for discussion of why the task is important and where it fits into the overall scheme of operation.
Identify the leadership style from the above description.

[a] Participating leadership style
[b] Telling leadership style
[c] Selling leadership style
[d] Delegating leadership style
[e] Directing leadership style

Answer – (c)

Explanation:
Hersey and Blanchard suggested that there are four primary leadership styles:
**Telling (S1)**: In this leadership style, the leader tells people what to do and how to do it.
**Selling (S2)**: This style involves more back-and-forth between leaders and followers. Leaders "sell" their ideas and message to get group members to buy into the process.
**Participating (S3)**: In this approach, the leader offers less direction and allows members of the group to take a more active role in coming up with ideas and making decisions.
**Delegating (S4)**: This style is characterized by a less involved, hands-off approach to leadership. Group members tend to make most of the decisions and take most of the responsibility for what happens.

Q.11) Robert Frost wrote, "Two roads diverged in a wood, and I—I took the one less traveled by, and that has made all the difference." But unfortunately, not every decision is as simple as "Let's just take this path and see where it goes," especially when you're making a decision related to your business. Whether you manage a small team or are at the head of a large corporation, your success and the success of your company depend on you making the right decisions—and learning from the wrong decisions.
In the context of decision making, which of the following best describes a heuristic?

[a] An attitude that prefers to look at a question as a whole.
[b] A rule that a person relies upon to assess or categorise choices.
[c] A fixed set of internal rules that a person uses when making a decision.
[d] One of many personal learned rules that a person applies in the process of decision making.
[e] None of the above

Answer – (d)

Explanation:
Heuristics are personal and learnt, suggesting that they change in time.

Q.12) Consider the below information:
The company made an announcement:
SUCCESFUL SALE OF PLANT: 70 PER CENT OF 20,000 JOBS TO BE SAVED!
The local newspaper headline reads:
6000 JOBS TO GO AT PROCESSING PLANT
What is illustrated here?

[a] Overconfidence
[b] Availability heuristic
[c] Framing error
[d] Multiple criteria
[e] Judgemental bias

Answer – (c)

Explanation:
Framing bias occurs when people make a decision based on the way the information is presented, as opposed to just on the facts themselves. The same facts presented in two different ways can lead to people making different judgments or decisions.

Q.13) A bias is a systematic error in decision-making and thinking. It occurs when people process and interpret information in the world around them. It affects the decisions and judgments that they make. The jackpot on a gaming machine has not 'dropped' for several weeks. Believing that the pay out is imminent, a gambler feeds coins steadily to the machine. What does this behaviour illustrate?

[a] A display of overconfidence
[b] Escalation of commitment
[c] Decision making under uncertainty
[d] Changing subjective probabilities
[e] Anchoring bias

Answer – (b)

Explanation:
Commitment bias, also known as the escalation of commitment, describes our tendency to remain committed to our past behaviors, particularly those exhibited publicly, even if they do not have desirable outcomes.

Q.14) Groupthink is a psychological phenomenon that leads members of a group to make poor decisions and ignore valid alternatives in the face of internal pressures from the group. Groupthink is a common problem in groups where the members share backgrounds and there is no system or rules for making decisions.
Which of the following is not one of the symptoms of groupthink as identified by Janis?

[a] Pressure to conform
[b] Stereotypes views
[c] Illusions of unanimity
[d] Self-censorship
[e] An awareness of vulnerability

Answer – (e)

Explanation:
Illusion of invulnerability is one of the eight symptoms given by Janis.

Q.15) This decision making model assumes that decisions should be completely rational and optimal; thus, the theory employs an optimizing strategy that seeks the best possible alternative to maximize the achievement of goals.
1. A problem is identified and framed.
2. Goals and objectives are established.
3. All the possible alternatives are generated.
4. The consequences of each alternative are evaluated in terms of goals.
5. The best alternative is selected—that is, the one that maximizes goal achievement.
6. Finally, the decision is implemented and evaluated.
The above description corresponds to which of the following decision making models?

[a] The Classical Model
[b] The Administrative Model
[c] Incremental Model
[d] Mixed-scanning Model
[e] Contingency Model

Answer – (a)

Explanation:
The classical model is an ideal (a normative model), rather than a description of how administrators really make decisions. Most scholars consider the classical model an unrealistic ideal.

Q.16) Consider the below statements:
Statement 1: Decision making under uncertainty involves assigning probabilities to uncertain outcomes.
Statement 2: Programmed decisions can be handled with decision rules. However, decision rules cannot be developed for non-programmed decisions.
Statement 3: In case of decision making under risk, choices are clear and the chances of different outcomes can be measured.

[a] 1 and 2 are correct
[b] 2 and 3 are correct
[c] 1 and 3 are correct
[d] All are correct
[e] Only 2 is correct

Answer – (b)

Explanation:
Decision making under risk involves assigning probabilities to uncertain outcomes. Probabilities can’t be assigned in case of uncertainty.

Q.17) A choice of action made with intention to accomplish organisational or managerial objectives or goals can be referred to as a decision. Making decisions is a constant and essential part of managing any organisation or business operations. Decisions are made to maintain organisational operations and all company activity.
To assure the achievement of organisational or company goals, decisions are made at every level of management. Additionally, each firm adopts and executes the decisions as one of its core functional values to ensure maximum growth and viability in terms of the services and/or products it offers.
Which of the following is not one of the reasons for complexity of decisions?

[a] Decisions have immediate, short-term impact
[b] Managers often share decisions
[c] Experts offer contradictory advice
[d] There are many criteria for making choices
[e] Individuals have different risk propensities

Answer – (a)

Explanation:
Many decisions have unexpected, long-term effects.

Q.18) Which decision making model should be used if the below mentioned conditions are present:

- Goals are unclear.
- There is time pressure and analysis paralysis would be costly.
- You have experience with the problem.

[a] Bounded rationality model
[b] Creative decision making model
[c] Intuitive decision making model
[d] Rational decision making model
[e] Any of the above

Answer – (c)

Explanation:
Intuitive decision-making can be described as the process by which information acquired through associated learning and stored in long-term memory is accessed unconsciously to form the basis of a judgment or decision.

Q.19) _______ is a basic tool for root cause analysis that can help you take action once the root cause has been identified. The technique is based on the assumption that any situation is the result of forces for and against the current state being in equilibrium. Countering the opposing forces and/or increasing the favorable forces will help induce a change by reinforcing positives and eliminating or reducing negatives.

[a] Force power analysis
[b] Force friction analysis
[c] Force field analysis
[d] Counter force analysis
[e] Active force analysis

Answer – (c)

Explanation:
Force field analysis does the following:

- Presents the positives and negatives of a situation so they are easily comparable.
- Considers all aspects of making the desired change.
- Encourages agreement about the relative priority of factors on each side of the balance sheet.
- Encourages honest reflection on the underlying roots of a problem and its solution.

Q.20) FTA is a graphical tool to explore the causes of system level failures. It uses boolean logic to combine a series of lower level events and it is basically a top-down approach to identify the component level failures (basic event) that cause the system level failure (top event) to occur. It was originally developed in Bell laboratories by H Waston and A Mearns for the air force in the year 1962. This concept later adopted by Boeing and today it is widely used in aerospace, automobile, chemical, nuclear and software industries especially reliability and safety related events.
What do you mean by FTA?

[a] Force Tree Analysis
[b] Fault Tree Analysis
[c] Field Tree Analysis
[d] Fault Table Analysis
[e] Field Table Analysis

Answer – (b)

Explanation:
Fault tree analysis can be used to perform for all types of system level risk assessment process. The purpose of FTA is to effectively identify cause(s) of system failure and mitigate the risks before it occurs. This is an invaluable tool for complex systems that visually displays the logical way of identifying the problem. Moreover system efficiency can be attained by this analysis.

Q.21) ________ recognizes unique events are extremely difficult to forecast but can and do occur. These types of events, usually extremely disruptive to the organization have been labelled black swans by Nassim Nicholas Taleb, author of the Black Swan: The Impact of the Highly Improbable.

[a] Sensitivity analysis
[b] Scenario planning
[c] Simulation analysis
[d] Decision tree analysis
[e] Break-even analysis

Answer – (b)

Explanation:
Through the scenario planning process, the organization tries to convert uncertainty into risk.

Q.22) Prospect theory is a theory of behavioral economics and behavioral finance that was developed by Daniel Kahneman and Amos Tversky in 1979. The theory was cited in the decision to award Kahneman the 2002 Nobel Memorial Prize in Economics.
As per this theory, decision makers tend to be

[a] risk taker
[b] risk seeker
[c] risk neutral
[d] risk averse
[e] risk lover

Answer – (d)

Explanation:
The prospect theory holds that individuals are more influenced by the possibility of a loss than the prospect of an equivalent gain.

Q.23) Anyone who has worked in a large organization has experienced groupthink. This disfunction causes little consideration being given to ideas contradicting the group consensus.
All of the following types of groups can lead to groupthink except

[a] People who have been working together for a period of time
[b] Very cohesive groups and those insulated from outside influences
[c] A lack of process in searching for options and their evaluation
[d] Domination by one or a few members, generally with some type of authority
[e] A lot of diversity in the group, whether it be gender, race, or any other affiliation

Answer – (e)

Explanation:
Lack of diversity can lead to groupthink.

Q.24) Richard Thaler, winner of the Nobel Prize in economics in 2017 for his work in behavioural economics, coined the term _______ to describe how people categorize the uses of their money and resources. It deals with the budgeting and categorization of expenditures.

[a] Mental Accounting
[b] Cognitive Accounting
[c] Emotional Accounting
[d] Psychological Accounting
[e] Behavioural Accounting

Answer – (a)

Explanation:
*Mental accounting* explains how we tend to assign subjective value to our money, usually in ways that violate basic economic principles.

Q.25) Sometimes adding a third option to a set of two options changes the stated preferences for the first two options. A consumer may prefer Product X over Product Y. Product Z is introduced, with attributes inferior to Product Y. This will give some consumers a reason to change their minds and choose Product Y. In effect, introducing a new option can give us a new reason to choose the alternative not selected before. The above description refers to

[a] Framing effect
[b] Compromise effect
[c] Decoy effect
[d] Overchoice effect
[e] Fallacy of composition

Answer – (c)

Explanation:

The *decoy effect* describes how, when we are choosing between two alternatives, the addition of a third, less attractive option (the decoy) can influence our perception of the original two choices. Decoys are "asymmetrically dominated": they are completely inferior to one option (the target) but only partially inferior to the other (the competitor). For this reason, the decoy effect is sometimes called the "asymmetric dominance effect."

Q.26) The analysis of a complex decision situation by constructing a mathematical model of the situation and then performing a large number of iterations in order to determine the probability distribution of outcomes is called

[a] expected utility analysis
[b] simulation
[c] decision tree
[d] sensitivity analysis
[e] break-even analysis

Answer – (b)

Explanation:
A simulation imitates the operation of real world processes or systems with the use of models. The model represents the key behaviours and characteristics of the selected process or system while the simulation represents how the model evolves under different conditions over time.
Simulations are usually computer-based, using a software-generated model to provide support for the decisions of managers and engineers as well as for training purposes. Simulation techniques aid understanding and experimentation, as the models are both visual and interactive.

Q.27) Despite the far-reaching nature of the decisions in the previous example, not all decisions have major consequences or even require a lot of thought. For example, before you come to class, you make simple and habitual decisions such as what to wear, what to eat, and which route to take as you go to and from home and school. You probably do not spend much time on these mundane decisions. These types of straightforward decisions are termed programmed decisions; these are decisions that occur frequently enough that we develop an automated response to them. The automated response we use to make these decisions is called the decision rule.
Which of the following is not a feature of Programmed decisions?

[a] Readymade solutions available
[b] Established procedures and practices guides action
[c] Deal with routine and repetitive problems
[d] Made by top management people
[e] The conditions are highly certain

Answer – (d)

Q.28) A fishbone diagram is a visualization tool for categorizing the potential causes of a problem. This tool is used in order to identify a problem's root causes. Typically used for root cause analysis, a fishbone diagram combines the practice of brainstorming with a type of mind map template. A fishbone diagram is useful in product development and troubleshooting processes, typically used to focus a conversation around a problem.
Fishbone diagram is also called

[a] Yoshimoto Diagram
[b] Murakami Diagram
[c] Yokohama Diagram
[d] Kitakata Diagram
[e] Ishikawa Diagram

Answer – (e)

Explanation:
Dr. Kaoru Ishikawa, a Japanese quality control expert, is credited with inventing the fishbone diagram to help employees avoid solutions that merely address the symptoms of a much larger problem. Fishbone diagrams are considered one of seven basic quality tools and are used in the "analyze" phase of Six Sigma's DMAIC (define, measure, analyze, improve, control) approach to problem-solving.
Fishbone diagrams are also called a cause and effect diagram, or Ishikawa diagram.

Q.29) After natural disasters, it has been observed that related insurance rates spike in affected communities. It can be reasoned that the experience of disaster causes community members to re-evaluate their perceived risk of danger and to protect themselves accordingly. However, it has likewise been observed that in the years following these disasters, insurance rates steadily decline back to baseline levels, despite disaster risk in the community remaining the same throughout the entire time period. In these cases, it is not only the risk of disaster itself, but the ease with which the experience of disaster is brought to mind that influences a community member's decision to purchase the relevant protective insurance.
This is an example of

[a] anchoring bias
[b] availability bias
[c] representativeness bias
[d] adjustment bias
[e] hindsight bias

Answer – (b)

Explanation:

The *availability heuristic* describes our tendency to use information that comes to mind quickly and easily when making decisions about the future.

Q.30) The _________ heuristic involves estimating the likelihood of an event by comparing it to an existing prototype that already exists in our minds. This prototype is what we think is the most relevant or typical example of a particular event or object. The problem with this is that people often overestimate the similarity between the two things they are comparing.

[a] representativeness
[b] recognition
[c] compensatory
[d] lexicographic
[e] anchoring

Answer – (a)

Explanation:
The *representativeness heuristic* is a mental shortcut that we use when estimating probabilities. When we're trying to assess how likely a certain event is, we often make our decision by assessing how similar it is to an existing mental prototype.

Q.31) Consider the below situation:

- Solutions to the problem are not clear
- New solutions need to be generated
- You have time to immerse yourself in the issues

In the above situation, which of the below decision making model would be suitable?

[a] Rational
[b] Creative
[c] Intuitive
[d] Bounded Rationality
[e] None of the above

Answer – (b)

Explanation:
Creative decision-making is the ability to consider all perspectives and solve a problem in a new way. It can establish new or better alternatives, offer a new method or even help discover a new product or service for a business to offer.

Q.32) When it comes to decision making, are two heads better than one? The answer to this question depends on several factors. Group decision making has the advantages of drawing from the experiences and perspectives of a larger number of individuals. Hence, they have the potential to be more creative and lead to a more effective decision. In fact, groups may sometimes achieve results beyond what they could have done as individuals. Groups also make the task more enjoyable for members in question. Finally, when the decision is made by a group rather than a single individual, implementation of the decision will be easier because group members will be invested in the decision.
Which of the following is not a disadvantage of group decision making?

[a] social loafing
[b] groupthink
[c] diversity in group
[d] process losses
[e] coordination problems

Answer – (c)

Explanation:
If the group is diverse, better decisions may be made because different group members may have different ideas based on their background and experiences. Research shows that for top management teams, groups that debate issues and that are diverse make decisions that are more comprehensive and better for the bottom line in terms of profitability and sales.

Q.33) Groupthink is a group pressure phenomenon that increases the risk of the group making flawed decisions by leading to reduced mental efficiency, reality testing, and moral judgment.
What do you mean by self-censorship which is one of the eight symptoms of groupthink as identified by Janis?

[a] members downplay negative information or warnings that might cause them to reconsider their assumptions
[b] one or more members protect the group from information that runs counter to the group's assumptions and course of action
[c] group's inherent morality that may incline members to ignore ethical or moral consequences of their actions
[d] lack of dissent
[e] members of the group minimize their own doubts and counterarguments

Answer – (e)

Explanation:
1. Illusion of invulnerability shared by most or all of the group members that creates excessive optimism and encourages them to take extreme risks.
2. Collective rationalizations where members downplay negative information or warnings that might cause them to reconsider their assumptions.

3. An unquestioned belief in the group's inherent morality that may incline members to ignore ethical or moral consequences of their actions.
4. Stereotyped views of out-groups are seen when groups discount rivals' abilities to make effective responses.
5. Direct pressure on any member who expresses strong arguments against any of the group's stereotypes, illusions, or commitments.
6. Self-censorship when members of the group minimize their own doubts and counterarguments.
7. Illusions of unanimity based on self-censorship and direct pressure on the group; the lack of dissent is viewed as unanimity.
8. The emergence of self-appointed mind guards where one or more members protect the group from information that runs counter to the group's assumptions and course of action.

Q.34) _______ typically uses statistical and computer modelling to investigate the performance of a business process either for a new situation or to improve an existing set of processes. By modelling different process scenarios and outcomes, companies can minimise the traditional risks associated with change management initiatives without having to make changes in a 'live' business environment where performance could adversely be affected.

[a] Simulation
[b] Scenario planning
[c] Sensitivity analysis
[d] Linear programming
[e] Decision tree

Answer – (a)

Explanation:
Simulation is used to model efficiently a wide variety of systems that are important to managers. A simulation is basically an imitation, a model that imitates a real-world process or system. In business and management, decision makers are often concerned with the operating characteristics of a system.

Q.35) Some decisions are so simple that you're barely aware you're making them, while others are time consuming, high risk, and can leave you feeling anxious. Decisions can make or break a project or an entire business. And they often involve complex and unpredictable interpersonal issues, too.
Which of the following is a mathematical modelling technique used to determine a level of operational activity in order to achieve an objective, subject to restrictions called constraints?

[a] Brainstorming
[b] Delphi technique
[c] Faulty tree analysis
[d] Linear programming
[e] Decision tree

Answer – (d)

Explanation:
The constraints can be limited resources, such as time, labour, energy, materials, or money, or they can be restrictive guidelines, such as a recipe for making cereal, engineering specifications, or a blend for gasoline.

Q.36) New management planning tools are defined as the method(s) for achieving expected outcomes that previously have not been used. In 1976, the Union of Japanese Scientists and Engineers (JUSE) saw the need for tools to promote innovation, communicate information, and successfully plan major projects. A team researched and developed these seven new quality control tools, often called the seven management and planning tools, or simply the seven management tools.
Which of the following tool organizes a large number of ideas into their natural relationships?

[a] Matrix diagram
[b] Affinity diagram
[c] Arrow diagram
[d] Interrelationship diagram
[e] Tree diagram

Answer – (b)

Explanation:
An affinity diagram is the organized output from a brainstorming session. It is one of the seven management tools for planning. The diagram was created in the 1960s by Kawakita Jiro and is also known as the KJ method.
The purpose of an affinity diagram is to generate, organize, and consolidate information concerning a product, process, complex issue, or problem. Constructing an affinity diagram is a creative process that expresses ideas without quantifying them.

Q.37) Game theory is the theory of independent and interdependent decision making. It is concerned with decision making in organisations where the outcome depends on the decisions of two or more autonomous players, one of which may be nature itself, and where no single decision maker has full control over the outcomes.
Which of the below strategies of game theory is the strategy of a risk taker?

[a] Minimax
[b] Maximin
[c] Maximax
[d] Minimin
[e] Mixed

Answer – (c)

Explanation:
A maximax strategy is a strategy in game theory where a player, facing uncertainty, makes a decision that yields the 'best of the best' outcome. All decisions will have costs and benefits, and a maximax strategy is one that seeks out where the greatest benefit can be found.

Q.38) ______ heuristics are based on positive and negative feelings that are associated with a certain stimulus. It typically involves quick, reactionary feelings that are based on prior beliefs. When people face little time to reflect and evaluate a situation carefully, they may base their decision on their immediate emotional reactions.

[a] Representativeness
[b] Availability
[c] Anchoring
[d] Affect
[e] Adjustment

Answer – (d)

Explanation:
It has been shown that advertisements can influence consumers' emotions and therefore affect their purchasing decisions. One of the most common examples is advertisements for products such as fast food. When fast-food companies run ads, they hope to elicit a positive emotional response that encourages you to view their products positively.

Q.39) Imagine that you want to purchase a smartphone. There are certain parameters that you want your phone to meet: you want it to have Ultra HD, be at least 6 inch in size, and be a Smart phone. Even with that criteria in mind, there are hundreds of different available phones you could purchase, which also means there is a vast amount of information you could obtain to make the best decision – but that would be incredibly time consuming. Instead, you are likely to pick a phone that satisfies your criteria, whether or not it is the absolute best possible option. This kind of consumer decision is called

[a] satisficing
[b] gratifying
[c] sufficing
[d] appeasing
[e] atoning

Answer – (a)

Explanation:
According to Herbert Simon, people tend to make decisions by satisficing (a combination of sufficing and satisfying) rather than optimizing.

Q.40) Rohan is planning a team-building weekend trip. He really wants the trip to take place at Baga Beach in Goa. However, he is having a hard time finding a venue that can accommodate his team at a reasonable price. He doubles down on finding a location in Baga Beach, and ends up not finding a place before the week of the trip. He finally gives up, and has to have the team-building weekend in his office building. What bias or error is he enacting?

[a] overconfidence bias
[b] confirmation bias
[c] availability bias
[d] commitment error
[e] anchoring bias

Answer – (d)

Explanation:
Rohan is too committed to the idea of Baga beach. He likely could have planned a good trip at a different location, but since he didn't give up the idea in time, he ended up having a lack-luster event.

Q.41) Based on how simple it is to recall something, decisions are made using the availability heuristic. You may be able to recall several pertinent examples rapidly when you are trying to decide. You will probably assess these outcomes as being more often or common since they are easier for you to recall.
For instance, if you are considering flying and then suddenly consider a number of recent airline mishaps, you could feel that flying is too risky and opt to travel by vehicle. The availability heuristic makes you believe that airline crashes are more frequent than they actually are since it was so easy to recall those examples of aviation tragedies.
The bias from ______fallacy is a typical fallacy in reasoning where we think that the likelihood of two events occurring simultaneously is higher than the likelihood of one of those events occurring by itself.

[a] composition
[b] conjunction
[c] division
[d] Post hoc ergo propter hoc
[e] straw man

Answer – (b)

Explanation:
The **conjunction fallacy** is faulty reasoning inferring that a conjunction is more probable, or likely, than just one of its conjuncts. (In this context, a conjunct just represents one of the ideas in the sentence, and a conjunction is a sentence with multiple conjuncts connected together.)

Q.42) Consider the below description:
"A circle with an inner and outer section separates the students. Students converse in the inner circle while those in the outside circle observe and take notes.
This fun, student-centered approach improves group discussion abilities while helping students understand complex texts and ideas. Students practise responding to various points of view in the inner circle.
Students in the outer circle make observations about what makes for productive small-group discussions."
Identify the decision making technique?

[a] Consensus mapping
[b] Fault tree analysis
[c] Fishbowl technique
[d] Failure Modes & Effects Analysis
[e] Step Ladder technique

Answer – (c)

Explanation:
The fish bowl tool enables the facilitation of large group dialogue by focusing on a small group discussion in an inner circle while the rest of the group listens and observes from the outer circle.
It can be used as an alternative for traditional debates or panel discussions and offers a highly dynamic setting to discuss controversial issues and share expertise. When the people in the middle are public officials or other decision-makers, this technique can help bring transparency to the decision-making process and increase trust and understanding about complex issues.

Q.43) If someone receives Rs 20,000 end-of-year bonus for exceptional performance, they might believe that the money can be spent on expensive expenses like meals, opulent vacations, and other things that they could never justify with ordinary income.
This is an example of
[a] System 2 thinking
[b] Loss aversion
[c] System 1 thinking
[d] Endowment effect
[e] Mental Accounting

Answer – (e)

Explanation:
The concept of Mental Accounting argues that because people categorise funds differently, they are more likely to make illogical decisions about their spending and investing.

Q.44) Vroom-Yetton-Jago decision model was developed in 1973 by Victor Vroom and Phillip Yetton, and later in 1988 with the help of Arthur Jago. The aim of this theory is to identify the best management style that can be applied in different situations, and subsequently the optimal decision-making approach to implement in these situations.
According to this theory, decisions we make are affected by three main factors. Identify those three factors from the below given list.

1. Synergy
2. Quality
3. Team commitment
4. Coordination
5. Time

[a] 2, 3 and 5
[b] 1, 2 and 3
[c] 2, 3 and 4
[d] 1, 3 and 5
[e] 2, 4 and 5

Answer – (a)

Explanation:
Quality: This factor is considered with the quality of the decision and how important it is to make the best choice.
Team commitment: Adding team members to the decision - making process increases the quality of output as well as the time required to reach a decision.
Time: While deciding, an accurate timeline should first be created to determine whether there is time to include others or research potential solutions in detail beforehand

Q.45) Leadership is the process of influencing the behavior of others towards the accomplishment of goals in a given situation. It is the ability of a manager to induce subordinates to work with confidence and zeal. Rensis Likert and his associates of the University of Michigan, U.S.A conducted an extensive survey of management styles and patterns. According to Likert, which of the following is the best leadership style towards which organizations should work?

[a] Exploitative Authoritative
[b] Benevolent Authoritative
[c] Consultative
[d] Participative
[e] Autocratic

Answer – (d)

Explanation:
There are four management systems or leadership styles, according to Likert:

System 1 – Exploitative Authoritative
System 2 – Benevolent Authoritative
System 3 – Consultative
System 4 – Participative

Q.46) Heuristics were first discussed in the 1950s by Nobel Prize-winning economist and cognitive scientist Herbert Simon. Although humans try to make rational decisions, he argued that human judgement is limited by cognitive factors.
According to the _________ decision rule, a decision alternative is better than another alternative if and only if it is better than the other alternative in the most important attribute on which the two alternatives differ.

[a] elimination by aspects
[b] lexicographic
[c] compensatory
[d] non-compensatory
[e] semi-lexicographic

Answer – (b)

Q.47) FMEA was first used by the US military in 1940s. It can be described as a step-by-step approach for finding out all possible failures in a design, a manufacturing or assembly process, or a product or service. It is a process analysis tool. Failures are ranked by the severity of their effects, frequency with which they occur, and ease with which they can be discovered. The FMEA's goal is to take steps to eliminate or reduce failures, starting with the ones that are most urgent.
In FMEA, what does 'E' stand for?
[a] Essential
[b] Effects
[c] Estimate
[d] Elimination
[e] Escalation

Answer – (b)

Explanation:

Failure modes: They are the ways or modes in which something can fail. Failures refer to any errors or defects and can be actual or potential.

Effects analysis: It refers to studying/analysing the consequences of the failures mentioned above.

Q.48) Imagine yourself shopping online for a pair of shoes. You find one for a reasonable price that really appeal to you. You scroll down to the reviews section, hoping it is well rated by other buyers.
The reviews section features mixed reviews, but you disregard the negative ones in favour of your bias. This is called

[a] regret avoidance
[b] compromise bias
[c] confirmation bias
[d] conservatism bias
[e] overchoice bias

Answer – (c)

Explanation:
A cognitive bias known as a "confirmation bias" prefers information that supports your pre-existing views or biases.

Q.49) An individual often makes decisions quickly, however a group is often dominated by different individuals, which makes decision-making more time-consuming. Additionally, recruiting group members takes a lot of time. People cannot avoid their obligations. They are responsible for their actions and output. Individual decision-making could be favoured, for instance, if a decision must be taken swiftly due to an emergency. If a person has all the information necessary to make a decision and if implementation issues are not anticipated, individual decision-making may be suitable.
However, group decision-making may be more efficient if one person does not have the knowledge and abilities necessary to make the decision, if doing so will be challenging without the participation of those who will be impacted by it, and if there is no time urgency.
The tendency for individuals to expend less effort when working collectively than when working individually is called

[a] social gifting
[b] social goofing
[c] social woofing
[d] social golfing
[e] social loafing

Answer – (e)

Explanation:
Social loafing describes the tendency of individuals to put forth less effort when they are part of a group. Because all members of the group are pooling their effort to achieve a common goal, each member of the group contributes less than they would if they were individually responsible.

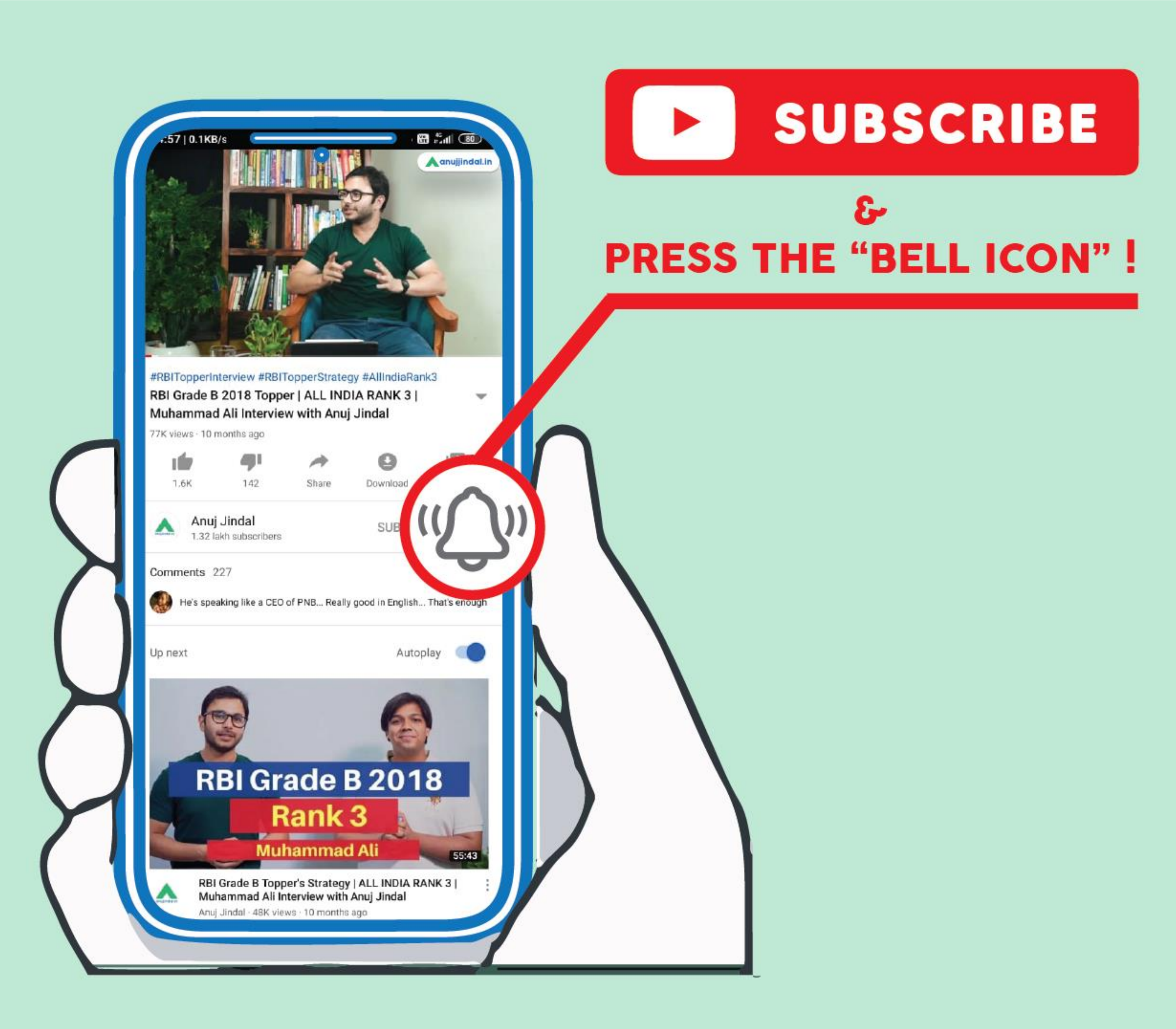
Q.50) In addition to the rational decision making, bounded rationality, and intuitive decision-making models, creative decision making is a vital part of being an effective decision maker. Creativity is the generation of new, imaginative ideas. With the flattening of organizations and intense competition among companies, individuals and organizations are driven to be creative in decisions ranging from cutting costs to generating new ways of doing business. Please note that, while creativity is the first step in the innovation process, creativity and innovation are not the same thing. Innovation begins with creative ideas, but it also involves realistic planning and follow-through.

Which of the following is the second step of creative decision making model?

[a] Immersion
[b] Incubation
[c] Illumination
[d] Problem recognition
[e] Verification

Answer – (a)

Explanation:
The **Immersion phase** is about gathering information and insights about the problem and building an initial concept to deal with it.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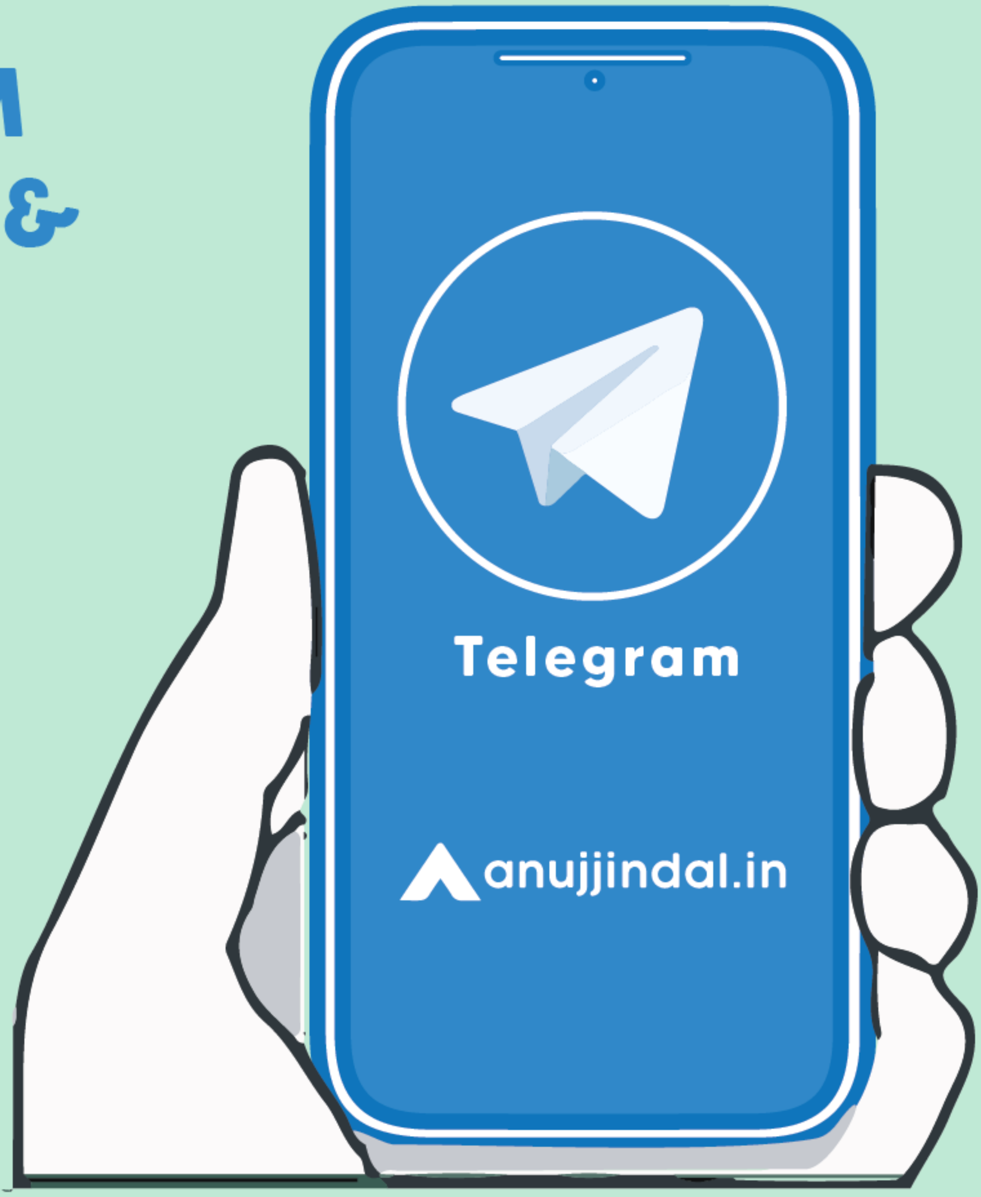
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**RBI**


**Cleared RBI Grade B**
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**Cleared RBI Grade B**
Sanjay Meena


**Cleared RBI Grade B**
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**Cleared RBI Grade B**
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**Cleared RBI Grade B**
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**Cleared NABARD**
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**Cleared NABARD**
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**Cleared NABARD**
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**Cleared NABARD**
Atul Yadav


**Cleared SEBI**
Abhishek Kumar


**Cleared SEBI**
Vishwanidh Singh


**Cleared SEBI**
Gopika Jayan


**Cleared SEBI**
Vasant Kesari


**Cleared SEBI**
Swetha Bodagala


**NET with 98 Percentile**
Anushka Keshri


**JRF with 96.92 Percentile**
Vaishali Jadon


**NET with 89.27 Percentile**
Srishti Gupta


**JRF with 72 Percentage**
Abhishek Mohanty


**NET with 68 Percentage**
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