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XAT DECISION

MAKING MCQs

*Practice Questions
With Explanations!*

PART 3

You are a Human Resource (HR) Manager in the HR Department of Vikash Educational Charitable Trust. You organize and support recruitment and training, provide secretarial support for disciplinary investigations and keep personnel records of staff. You report to Ms. Deelipa, one of the two Senior HR Managers who reports to the HR Director.

For the post of Consultant Professor in the Trust, two internal candidates, Mr. Rana and Mr. Charan were interviewed. Mr. Charan was selected as he was considered to be academically gifted with impressive leadership skills, even though he had less experience than the other. Three days later, Mr. Rana came to your office complaining that the selection was unfair as he had more experience than Mr. Charan.

1. Which of the following is the best way to handle the issue raised by Rana?

- (1) Tell Mr. Rana, that you empathize with him, but the process was fair, and details of the assessment could be shared with him.
- (2) Tell Mr. Rana that the Institute finds the right person for the job, not the one who has been around the longest.
- (3) Warn Mr. Rana that his complaint will be construed as misdemeanour and held against him in the next promotion cycle.
- (4) Tell Mr. Rana that if he is interested, he could write to the HR Director and you would act as per the directives received.
- (5) Offer tea to Mr. Rana and say that you can understand why he is upset. Let him have a bit of a moan and help him get it out of his system.

2. Ms. Deelipa has asked you to conduct a Non Teaching Staff Induction Training. You are to call for a tender from various agencies with specifications that include the contents, duration, experience, budget and other relevant information. You then need to shortlist five agencies from the list of 20 and make a presentation within two days.

Review the following responses:

1. Rate all 20 agencies on a scale of 1 to 5 on information available and select the top 5.
2. Select the five lowest bids based on the price quoted.
3. Seek selection criteria from Deelipa and the HR Director and shortlist the bidders accordingly.
4. Follow the advise of a person who has completed a similar task.

Select the best of the following responses in the descending order of effectiveness?

- (1) 1 , 2 , 3
- (2) 3 , 1 , 2
- (3) 1 , 3 , 4
- (4) 3 , 2 , 4
- (5) 4 , 1 , 3

3. The Vikash Trust has recently been plagued by a high turnover of teaching assistants with many looking for higher salary and better facilities. You have been asked to design and run a campaign to attract and appoint 10 teaching assistants. One of your measures of success will be the retention of the new recruits. You have 4 weeks for the interview.

Review the following:

1. Shortlist apt candidates who reflect values of the Trust from among respondees to your wide advertisement campaign.
2. Design an ad that attracts candidates with values that matches the Trust's, release it at an appropriate time and re-validate the candidates' credentials at the time of shortlisting.
3. Repeat the process that was followed by the Trust last time.
4. Seek expert advice on drafting an attractive advertisement.

Select the best of the following responses in the descending order of effectiveness?

- (1) 4 , 1 , 2
- (2) 2 , 1 , 3
- (3) 4 , 3 , 1
- (4) 1 , 2 , 3
- (5) 2 , 3 , 4

4. The new induction training program has been a roaring success. All new induction courses for the next 12 months have been tightly scheduled. This morning, you receive a call from Mr. Surya, the Head of the Trust requesting you to train eight newly recruited teaching assistants before they start their job next month.

You explain that all the slots are fully booked for the next 3 months, but he insists that the new teaching assistants be trained immediately, to hopefully reduce turnover among them. You speak to Deelipa, who wants you to deal with the issue on your own.

Review the following responses that you wish to communicate to Mr. Surya:

1. Inform him that once the schedules are drawn up, it is not possible to effect any change as the reputation of the Trust would be at stake.
2. Suggest that a new agency may be permitted to run induction sessions for these teaching assistants, as a special case.
3. Tell him that if some inductees dropout in the first month, at least some teaching assistants can be accommodated.
4. Tell him that since no space is available in the induction training sessions for three months, you, as the HR manager would conduct induction sessions for them after office hours.

Select the best of the following responses in the descending order of effectiveness.

- (1) 3 , 2 , 4 , 1
- (2) 2 , 1 , 3 , 4
- (3) 2 , 4 , 3 , 1
- (4) 3 , 2 , 1 , 4
- (5) 2 , 3 , 1 , 4

Divya grew up in a business family in Hyderabad. As a Systems engineer she travelled extensively on business deals and later settled in her in-law's place in Warangal. Once during her visit to Thailand she got to taste some roll over ice cream. Interestingly, a few weeks later, she came across an advertisement from a reputed Bangalore based Rollover Handcrafted Ice Cream Company calling for expression of interest from potential franchisees.

Warangal did not have any quality ice cream parlour. The company wanted the potential franchisees to invest Rs. 20 lacs and 700 square feet space. Profits were to be shared in 3:7 ratio between the company and the franchisee. Divya was excited, but was wondering if Rs. 20 lacs was too much to invest. Further, she did not have the entire amount and was thinking of taking a loan. She enquired with the Rollover franchisees and found that a franchisee in Hyderabad had sales revenue varying between 5 and 6 lacs rupees per month with a profit margin between 25-30%. Divya decided to go ahead.

Warangal had three main areas – Kazipet, Jangaon and Warangal. All areas were linked by good roads. Kazipet was a business area where most high end retail formats were located. It was also the education hub of the city. Jangaon, on the other hand, was a growing lower middle class business area and Warangal was mostly residential.

Divya favoured Kazipet. However, she soon encountered problems. Not only was it difficult to obtain space in Kazipet but property rentals touched 30-40 rupees per square feet per month as against Jangaon and Warangal where it was 15-20 rupees per square feet per month. Divya's friend, who lived in Jangaon, told her that a few branded outlets were opening in Jangaon and it appeared to be the fastest growing market in Warangal with the highest percentage of teenagers.

But, Divya was not in favour of Jangaon. She hoped to target college going crowd of Kazipet. High real estate prices in Kazipet and lower profitability estimate in Jangaon market confused Divya.

5. Which of the following options, if true, would most likely interest Divya to start a franchise?

- (1) Her friend who runs a restaurant recently in Kazipet is doing good business.
- (2) Doctors of the area do not consider Ice cream to be a major cause of obesity.
- (3) A bank is ready to give her a quick loan.
- (4) She can charge high prices for her ice creams without losing customers.
- (5) In recent times, a couple of franchisees shut down within months of starting.

6. Which of the following is least likely to demotivate Divya?

- (1) Investing a huge amount may not bring expected returns.
- (2) Unlike Hyderabad, people in Kazipet don't seem to like Rollover ice cream.
- (3) The property rentals would soon go up in Kazipet.
- (4) Rollover franchise in Hyderabad is making huge profits.
- (5) The bank would insist on loan repayment on a monthly basis.

7. What could be the most likely reason for Divya opting for Kazipet?

- (1) High density of population in both Warangal and Jangaon.
- (2) Spiralling real-estate prices in Kazipet.
- (3) No branded outlets is likely to come up in Jangaon in the near future.
- (4) She felt, college going crowd is excited about the latest in ice creams.
- (5) High percentage of teenagers in Kazipet attracted to Rollover ice cream.

8. Which is the most important decision criterion for Divya to consider in such a business situation?

- (1) Consistent increase in the number of customers in the future.
- (2) Availability of space in premium locality.
- (3) Attracting customers through big discounts in the initial phase of business.
- (4) Range and variety of ice-cream flavours.
- (5) Availability of loan at low interest rate.

Satyender heads a branch of a Micro-Finance company. The company provides small-size loans catering to rural households. As the head of the branch, he supervises three collection officers - Palani, Sayed, and Godwin.

Palani was recently transferred by the company from another branch. Sayed feared Palani's transfer may pull down the performance of the branch, as he felt Palani was transferred due to his poor performance in the previous branch.

9. Which of the following information will most likely assuage Sayed's fear?

(1) In the past 12 years as the head of branch, Satyender has exceeded targets every time.

(2) Palani has been a top performer in the organization; his performance has deteriorated only in the last three years.

(3) The branch's performance has been good for the past 10 years; Sayed has joined the organization 3 years back.

(4) When Sayed joined as a fresher in this branch, others in the branch had feared that he might bring down the performance of the branch.

(5) While calculating the branch's performance, the branch head has the choice to exclude new joinee's performance

10. Three months later, Palani submitted local travel bills to Satyender for reimbursement. Satyender realized that the bill amount was 30% higher than expected.

Which of the following options, if true, will enable Satyender take a decision that shall set a precedent, which is least likely to be misused in the future?

- (1) Palani being new to the area uses autorickshaws which are more expensive than personal motorcycles used by other collection officers.
- (2) Unlike his colleagues, Palani's house has very poor public transport connectivity.
- (3) Unlike his colleagues, Palani's sales territory has a powerful competitor.
- (4) Unlike his colleagues, Palani's customers can meet him only during weekends.
- (5) Unlike his colleagues, Palani has to visit customers repeatedly as they require additional persuasion.

11. Satyender is allocating territories to his subordinates for the coming financial year. So far, Palani's performance has been poor and this allocation will decide his future in the organization.

Which of the following information will be the least useful to Satyender in taking a fair allocation decision?

- (1) Sayed's territory has shown consistently good performance in the past three years.
- (2) Sayed's territory faces stiff competition from a well-known brand.
- (3) A new territory that faces competition from two relatively unknown brands.
- (4) Godwin's territory has shown consistent results in the past three years.
- (5) Godwin's territory performance has been flat for the past two years.

Lal & Sons, a family business, comprises three different companies in three different industries. Sudarshan Lal was heading this entire business from the inception. Two years ago, he hired three managers, one for each company and Chhaganlal Jha as Chief Executive Officer (CEO) to look after the entire business. These three managers are reporting to the CEO. However, Sudarshan Lal and his family still own the entire business, though they are not involved in day to day operations.

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12. Two years after the handing over, Sudarshan was concerned that none of the companies, except one, is profitable.

Which of the following information, if true, will most likely reduce Sudarshan's concerns?

(1) A leading financial institution recently advised its investors to purchase the shares of the two loss making companies with a long term outlook.

(2) The Corporation's performance was stagnant for three years, before Sudarshan handed it over to professionals.

(3) The best performing division belongs to an industry, which is growing in double digits.

(4) People holding senior positions have been replaced two years ago by fresh and young talent.

(5) The rate at which employees are leaving the best performing division is higher than the industry average.

13. Some of the senior employees who left Lal & Sons in recent past have complained to Sudarshan that the long cherished values of the organization such as respect for elders, job security etc. are being compromised.

Which of the following options, if true, will indicate to Sudarshan that the employees are misleading him?

- (1) The replaced employees have been average performers for many years.
- (2) When senior employees were assigned to lead challenging but critical positions in the organization, they resigned.
- (3) The senior employees were replaced by people below them and not from outside the organization.
- (4) The replaced senior employees had only 4 more years of service and were not compensated for the pre-mature termination.
- (5) The number of senior employees voluntarily leaving this organization is lower than the industry average.

14. Chhaganlal Jha, the CEO, was certain that someone in his leadership team was leaking information to Sudarshan Lal, well before Chhaganlal communicated.

Given the following options, how best should Chhaganlal Jha respond to this situation?

- (1) Chhaganlal should request Sudarshan to kindly wait for him to communicate as informal sources may lead to misinformation.
- (2) Chhaganlal should complain about this to Sudarshan and threaten to resign.
- (3) Chhaganlal should request his team to continue passing information, since it brings down the communication barrier.
- (4) Chhaganlal should understand that this is bound to happen and should not bother.
- (5) Chhaganlal should threaten his team that one of them will be fired by the weekend if this practice of passing information doesn't stop immediately.

Thanks a lot for watching!

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