

Test yourself on:

XAT

PART
#5

DECISION MAKING

*Practice Questions
With Explanations!*



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A Multinational Company (MNC) sources pristine natural spring water from Bori, a village in Satpura mountains. The unprocessed natural spring water is directly bottled by the MNC. The company brands it as “Natural Spring Water” and sells at 50% premium vis-a-vis other brands that sell processed water.

The local panchayat, under the Panchayati Raj Act, 1992 controls the spring water usage. Hence, the company signed a 30-year contract with the panchayat for exclusive access to the spring water for business purposes. This contract contributes 50% to the panchayat’s revenues besides providing 250 jobs in the panchayat. The spring also meets domestic and agricultural needs of the people of Bori and the surrounding villages.

Q1. Chanchala owns a small parcel of farming land in Bori. She grows cannabis in some part of her land and earns a significant amount of money from it. Soon after the bottling plant was commissioned, Chanchala, instigated by a landlord with a vested interest, starts accusing the MNC of robbing her of water and impacting her livelihood. She threatens to take the MNC to court. Which of the following options will BEST solve the MNC’s problem?

[XAT 2020]

- A. Request the panchayat to excommunicate Chanchala for cultivating cannabis.
- B. Get the villagers employed by the MNC to persuade Chanchala not to sue.
- C. Promise to employ Chanchala’s 17-year-old son as he turns 18.
- D. Buy Chanchala’s produce at a premium of 30% to the market price.
- E. Compensate the monetary loss as perceived by Chanchala.

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Q2. The MNC has spotted traces of chemicals in their fortnightly water quality analysis. The MNC realizes that this is due to the contaminated agricultural runoff, flowing into the spring from the nearby fields where farmers use pesticides and fertilizers. This requires an immediate solution. Which of the following options will BEST resolve the situation for the MNC? [XAT 2020]

- A. Close down the bottling plant until the problem is resolved and inform the media that customer interests override profit concerns.
- B. Continue bottling the natural spring water without processing since the villagers drink it as it is.
- C. Since the customers trust the MNC to do what is good for them, remove the contaminants and continue to brand as “Natural Spring Water”.
- D. Source water from an uncontaminated natural spring 150 kms away at an addition of 50% to the total cost.
- E. Rebrand “Natural Spring Water” as “Purified Spring Water” after removing contaminants via charcoal filtering.

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Q3. The MNC is concerned about chemical contamination of the natural spring water due to the agricultural runoff with pesticides and fertilizers. The MNC is looking for a sustainable solution to this contamination. Which of the following courses of action will BEST solve the issue? [XAT 2020]

- A. Negotiate with the Panchayat to gain control of the entire spring and provide alternate sources of irrigation for farming.
- B. Change branding from “Natural Spring Water” to “Processed Drinking Water”.
- C. Coax the farmers in the natural spring’s catchment to move to organic farming.
- D. Acquire all agricultural land in the natural spring’s catchment and afforest them.
- E. Move to another state with unexploited natural springs.

When Deepti opened the package, she was aghast. She received cotton pillow covers instead of satin pillow covers, she had ordered. Deepti ordered them for her father from a popular ecommerce website that hosted products of many sellers. Confused, Deepti contacted the seller's office using the details given on the package. The seller's representative profusely regretted and promised to send the satin pillow covers at no extra cost. He added that Deepti need not return the cotton covers she received. Deepti happily accepted the deal.

A few days later, Deepti received another package from the seller. Unfortunately, this package also contained cotton pillow covers. Completely disillusioned with the seller's professionalism, Deepti decided to put to use these cotton pillow covers also. [XAT 2020]

Q4. A few days later, Deepti received an email from e-commerce website, requesting her to share feedback about seller. Deeply frustrated with overall online purchasing experience, she deliberately ignored it. Later that evening, over supper, her father opined that the balcony curtains needed to be changed. He suggested that they be bought from a local shop. "If something went wrong, we could at least yell at the seller," he added. Deepti stared at her laptop & began writing her feedback. What would Deepti DEFINITELY achieve by giving feedback?

- A. Instigate people against the seller
- B. Coerce the e-commerce website to punish the seller
- C. An act of social service
- D. Release her frustration
- E. Prove a point to her father

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Q5. In the feedback column, Deepti awarded 1-star out of the maximum 5 stars to the seller & described her negative experience. Later that evening, the sales head called and pleaded with her to retract her feedback & upgrade them to 5-star, as they had already fired the employee concerned. He appealed that they were a young organization & their sales were getting badly affected. Given the circumstances, what is the **IDEAL** response?

- A. She should stick to her feedback and the stars awarded since she reported only what had taken place.
- B. She should retract the feedback and award 5-star as the seller has already punished the concerned employee.
- C. She should retract the feedback and award 5-star since sales are getting affected.
- D. She should order again with the same seller and share her renewed experience.
- E. She should retain the feedback but award 3-star as a consolation measure.

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Q6. After a few months, the sales head enquired, "In case you are using the cotton pillow covers and like them, kindly rate them on the e-commerce website. It will help us serve our customers better." Later that evening, her father remarked, "You know, I really love these pillow covers though I am not sure why you bought so many of them". Which of the following reasons gives Deepti the **BEST** rationale to ignore the sales head's request?

- A. Acceding to the request benefits just the seller while her sore experience remains.
- B. Cotton pillow covers were delivered erroneously. Hence the seller does not deserve appreciation.
- C. Acceding to the request will imply that she was wrong in ordering satin pillow covers in the first place.
- D. If the seller truly cared about customers, they should have shipped the satin pillow covers by now.
- E. Her review will lack credibility since there is no proof that she purchased the product.

Sanchit group of Hospitals seeks to improve the success rate and patient satisfaction rate by 100% in the next year. However, the management can't afford to send doctors for professional development outside the country nor afford purchasing more equipment. As an in-house measure, the managing board thought of having doctors with high patient satisfaction to mentor those with less. Most of the doctors found it an interference by the management, judgmental and an expression of distrust. There were, however, some isolated few who found it a novel way of learning from each other. The doctors felt the management should instead increase consultancy fees and spend more on recruiting more paramedics who could spend time with patients, rather than blame doctors and decided to call it quits. For the management, this would mean loss of patients. [XAT 2019]

Q7. Consider the following actions:

1. Conduct a survey of all stakeholders and ascertain their needs and suggestions.
2. Build consensus among doctors and paramedics on a possible way forward.
3. Prepare an action plan that details the road map along with financial implications.
4. Design differential service packages based on the affordability of the patients.
5. Run a brainstorming session among the leading doctors of the area.

Which of the following sequence of actions is **most appropriate** for the hospital administration in achieving their goal?

- A. 5,4,2 | B. 1,5,3 | C. 4,2,1 | D. 4,5,2 | E. 1,2,3

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Q.8 Which of the following decisions is **most likely** to satisfy all the stakeholders?

- A. Increase the income of doctors and paramedics, and the ambiance of the hospital.
- B. Give 30% discount on medicines purchased from the hospital store.
- C. Increase the income of doctors and the number of paramedics.
- D. Raise income of doctors and reduce the waiting time of patients.
- E. Allow doctors to choose patients based on income levels, thus profiting both patients and the organization.

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Q.9 Given the current situation, which of the following is the most interactive and effective way to increase the learning among paramedics and doctors?

- A. Get doctors and paramedics with high satisfaction rates document their success stories for use of others.
- B. Encourage paramedics and doctors to pursue courses over MOOC platform, at their own cost, which shall be partially subsidized after successful completion.
- C. Create groups of paramedics and doctors, to meet everyday and discuss their insights and experience of the day.
- D. Implement professional development standards for staff linking it with an accountability framework.
- E. Ask doctors and paramedics with high satisfaction rate to give lectures to others before start of work.

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