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XAT (XLRI Entrance Exam): Solved Question
Paper 2012

DECISION MAKING

Directions (Qs. 1 & 2) : Answer these questions on the basis of the following letter:

To the Chairman:

Dear Mr. Suresh,

At the December 3, 2011 meeting, it was decided that no two officers would hold positions on the same committee. It has recently come to my attention that both Chaitanya Rao and Ajit Singh will be serving in some capacity on the Cultural Committee, and both have been nominated for officer status. As you know, this is in direct disregard for the rules as voted by the Members Council last December 3, 2011. I would hope that sufficient action be taken by the Disciplinary Committee (on which committee both of the above are members) so that this problem will be remedied.

Sincerely,

Arvind Singh

1. Which of the following is an essential flaw that the writer of the letter overlooked?

- A. Rao and Ajit are already serving together on the Disciplinary Committee.
- B. The Chairman has no power in the matter.
- C. The Members Council cannot pass rules limiting members.
- D. Rao and Ajit are yet to be confirmed as officers.
- E. Cultural Committee is only active during the annual festival.

2. If both the nominations are confirmed, which of the following, exhaustively and reasonably, describes actions that may occur in the near future?

- A. Arvind resigns his membership.
- B. Either Rao or Ajit resigns his membership.
- C. Ajit resigns his committee post on the Cultural Committee.
- D. Rao resigns his position on the Cultural Committee.
- E. Either Rao or Ajit resigns his position from the Cultural Committee, and the other resigns his position on the Disciplinary Committee.

Directions (Qs. 3 to 5) : Answer these questions on the basis of the information given in the following case.

Due to increased competition, Ginger Automobiles, the Indian subsidiary of

Pepper Automobile Company (PAC) reported lower sales and profits. PAC expects its new model *Limo*, developed especially for value conscious customers of India and China, would revive its fortunes. In order to prevent customers from buying competing products, PAC announced the launch of *Limo* six months before schedule. Due to unrest in its Indian supplier's plant, deliveries of essential components for its main plant was hampered, and hence it decided to launch *Limo* in China only as per the original plan. Within a short span of time, *Limo* captured 30% market share in China, which was 200% higher than expected. Indian customers who had looked forward to purchasing *Limo* were becoming increasingly unhappy to the non-availability of *Limo* in India. Ginger's dealers were worried about loss of business from the customers who might switch to other cars.

3. Statement I :

In the Chinese market, *Baft* and *Hebe*, are competing models in *Limo*'s target market. Due to increase in sales of *Limo* by 200%, *Baft* and *Hebe* saw their market share decline by 10%.

Statement II :

Baft and *Hebe* were not desired by the customers due to their new features.

Which of the following conclusions can be most justifiably made?

- A. I alone B. II alone
- C. Either I or II D. Neither I nor II
- E. I and II together

4. Unhappy customers will not only leave the company, but also spread negative publicity about the company. The best way, among the options below, to deal with customers is:

- A. suggest to customers to wait.
- B. suggest to customers to consider purchasing any of the other PAC's models available in showrooms, with a substantial discount along with gifts.
- C. suggest to PAC to treat Indian and Chinese markets equally.
- D. promise the top management of PAC higher sales/profit from Indian market compared to Chinese market.
- E. suggest to the top management of PAC to manufacture essential components in either India or China.

5. Mr. Murugan from Chennai experienced the comfort of *Limo* during his visit to China. He was willing to deposit an approximate price of *Limo* to buy the first available unit from Mr. Ahmed, a dealer in Chennai, known for fair dealing. Ginger Automobile is yet to announce the actual price, and the process for allocation of the vehicles.

In order to maximise his cash flow, Mr. Ahmed should

- A. collect the amount from Mr. Murugan. Later when the delivery is delayed, blame it on PAC's problems.
- B. collect 50% as advance and the remaining 50% after the confirmation of launch date by Ginger Automobiles.
- C. collect the amount Mr. Murugan is willing to deposit after clarifying that delivery is subject to the company policy.
- D. not collect the amount, but suggest to Mr. Murugan to write to Ginger Automobiles.
- E. collect the amount and transfer it to the account of Ginger Automobiles, instead of keeping it in his personal account.

Directions (Qs. 6 to 9) : Answer these questions on the basis of the information given in the following case.

Tina, a blast furnace expert, who works as a technology trouble-shooter stays in Jamshedpur. She has got an important assignment in Delhi, which requires six hours to complete. The work is so critical that she has to start working the moment she reaches the client's premises.

She is considering various options for her onward and return journey between Jamshedpur to Delhi.

A quick search revealed that ticket from Jamshedpur to Delhi is available in two trains. Trains 12801 and 12443 depart from Jamshedpur station at 06:45 hrs and 15:55 hrs and reach Delhi next day at 04:50 hrs and 10:35 hrs, respectively. Trains 12444 and 12802 start from Delhi at 17:20 hrs and 22:20 hrs and reach Jamshedpur next day at 10:35 hrs and 20:05 hrs, respectively.

Another option is to reach Ranchi by a three hour road trip and take a flight to Delhi from Ranchi. The distance between Ranchi and Delhi is covered in 105 minutes both-ways by any of the

scheduled flights. Air India operates two flights, AI 9810 and AI 810, which depart Ranchi at 8:00 hrs and 15:25 hrs, respectively. Flight number IT-3348 operated by Kingfisher Airlines departs Ranchi at 19:20 hrs. Return flights operated by Air India, AI 9809 and AI 809, depart Delhi at 5:50 hrs and 11:00 hrs, respectively. Flight number IT-3347 operated by Kingfisher Airlines departs Delhi at 17:10 hrs.

From Tina's home Jamshedpur railway station is five minutes drive, and her destination at Delhi is 90 minutes and 30 minutes drive from airport and railway station respectively. One has to reach the airport at least one hour before the scheduled departure to complete the boarding procedure. At every railway station she loses five minutes in navigating through the crowd.

6. If Tina wants to minimise the total time out of Jamshedpur, the best option for her, from the options given below is :

- A. AI 9810 and return by IT 3347.
- B. AI 9810 and return by train number 12802.
- C. IT 3348 and return by AI 9809.
- D. Train number 12443 and return by train number 12444.
- E. AI 9810 and return by train number 12444.

7. Tina gets a message that her work has to be completed between 9:00 hrs. and 17:00 hrs. If she wants to minimise the total time out of Jamshedpur, the best option, from the options given below, for her among the following is to go by

- A. Train 12443 and return by Train 12444
- B. Train 12801 and return by Train 12802
- C. AI 9810 and return by AI 9809
- D. AI 810 and return by AI 9809
- E. IT 3348 and return by IT 3347

8. Tina has to appear for an exam on 8th of January in Jamshedpur and she can start from her residence in Jamshedpur only after 16:00 hrs on the same day. Choose the option, from the options given below, that will help her to minimise the total time out of Jamshedpur:

- A. Go by Train 12443 and return by Train 12444
- B. Go by Train 12443 and return by AI 9809
- C. Go by IT 3348 and return by Train 12801
- D. Go by AI 810 and return by Train 12801
- E. Go by AI 9810 and return by AI 9809

9. If Tina decides to minimise the in-between waiting period, the option that she should choose, from the options given below, will be:

- A. Go by Train 12801 and return by IT 3347

B. Go by Train 12443 and return by Train 12802

C. Go by AI 9810 and return by Train 12802

D. Go by AI 810 and return by AI 9809

E. Go by IT 3348 and return by AI 809

Directions (Qs. 10 to 15) : Answer these questions on the basis of the information given in the following case.

Teknik Group of Industries had businesses in different sectors ranging from manufacturing, construction, fish farming and hotels. These different businesses operated as semi-independent units managed by the unit level managers. Teknik's management had an internal consultancy group called as Business Advisory Group (known internally as BAG). The 15 experts in BAG were hired personally by Mr. Teknikwala, the owner of Teknik, who wanted this core group of experts to help his organisation grow fast without facing the typical growth hurdles. Most of them were specialists in fields like law, information technology, human resource management and operations management. Almost all of them had experience spanning decades in the industry. Whenever any of the units faced any significant problems, the unit-level managers would put up a request for help to BAG. The problems ranged from installation of internal MIS systems, to financial advice related to leasing of equipment, to handling of employee grievances.

Over a period of 20 years, Teknik's revenues grew from Rs. 100 crore to Rs. 10,000 crore with guidance of BAG and due to Mr. Teknikwala's vision. Given its reputation in the industry, many people wanted to start their careers in BAG. Often young MBAs, fresh out of business schools would apply. However their applications used to be rejected by Mr. Teknikwala, who had a preference for people with extensive industry experience.

Things changed after the unfortunate demise of Mr. Teknikwala. His daughter Miss Teknikwali took up the family business. She was an MBA from one of the premier business schools, and was working in a different company when Mr. Teknikwala passed away. She preferred that BAG develop new ideas and therefore, inducted freshly graduated MBAs from premier business schools. She personally supervised the recruitment and selection process. Now the entire group constituted of 50 specialists, out of which 35 were the old-time members. She also changed the reporting relationships in the BAG group, with some of the older members being made to report to the new

members. In IT team, Mr. Shiv, a newly recruited MBA, was made in-charge.

For the older members it was a shock. However, as most of them were on the verge of retirement, and it would be challenging to search for new jobs while competing with younger professionals, they decided to play along.

After one month, all business units were caught up in the ERP fever. This was an idea pushed by Ms. Teknikwali who felt the need to replace the old legacy systems with latest ERP system integrating all the units of Teknik. This was heavily influenced by her experience in the previous where an ERP system was already up and running. Therefore she was not aware of the difference between installing an ERP system and working on an already installed one.

The ERP implementation in Teknik Group required extensive coordination with senior level managers of all units and it represented an extra work for those who were involved. This coordination was required to understand the different work processes and the users' requirements. This coordination activity was being extensively managed by the old timers as they were familiar with internal processes and people in the different units. An external consultant was also hired for customisation and implementation.

After two months, BAG teams had to fortnightly present their progress to Ms. Teknikwali's team. In the last meeting Ms. Teknikwali was dissatisfied. She explained her thinking that since ERP impacted every aspect of the business, the roll-out had to be done faster. She wanted Mr. Shiv to get the implementation completed ahead of schedule. In the meeting she asked Mr. Shiv to get the people in IT team to be more productive. Not willing to disagree, Mr. Shiv committed to a roll-out schedule of complete ERP system in 6 months instead of earlier decided 14 months.

Next day, Mr. Shiv presented the revised project milestone to BAG members. He told them that in order to meet the deadline, the members were expected to work on week-ends till the completion of the project. Along with that, they were also expected to maintain their earlier standards of delivery time and quality for the normal troubleshooting and internal advisory work. Mr. Shiv also pointed out that anyone whose performance did not meet the expectations would be subjected to formal disciplinary action.

The meeting ended without any member commenting on Shiv's ideas, although Mr. Shiv heard a lot of mumbling in the corridor. Over the week, Shiv noticed that the members seemed to avoid him and he had to make

extra effort to get ideas from them. After a fortnight Shiv reviewed the attendance register and found that Mr. Lal, an old-time member, had not come during the week-ends and certain decisions were held up due to lack of inputs from Mr. Lal. Mr. Shiv issued a written reprimand to Mr. Lal. He was speechless on receiving the reprimand but kept silent.

It has been three days since that incident. Some of the senior members had put in request for transfer to other business units. It was rumoured that four senior legal experts had agreed to an offer from a law firm. Other senior members would sporadically come in late to work, citing health reasons. Almost all senior members now wanted a weekly work-routine to be prepared and given to them in advance so that they could deliver as per the schedule. This insistence on written communication was a problem as urgent problems or ad-hoc requests could not be foreseen and included. Also, normal services to other business units were being unattended to, and there were complaints coming from the unit heads.

10. Which of the following could have been a better response of Mr. Shiv to Ms. Teknikwali's request to re-schedule the ERP implementation?

- A. Look at industry best practices regarding fast-tracking of ERP projects and then commit to a new deadline.
- B. Consult the external consultant who was involved with ERP customisation and implementation.
- C. Create a smaller team of all the new recruits of BAG and present the idea to them alone.
- D. Eliminate the reliance on external consultants as they would be slow.
- E. Present the idea to BAG members and ask them to look at the feasibility of the entire plan.

11. Which of the following can be identified as the immediate cause for the problems in BAG?

- A. Ms. Teknikwali's decision to appoint Mr. Shiv as project lead for ERP implementation.
- B. The incompetence of the consultant who was implementing the ERP project.
- C. Lack of information about what was happening in the ERP project.
- D. Infighting between new recruits and the older members of BAG group.
- E. Unilateral decision making by Shiv.

12. How should Mr. Shiv cope with the situation now? Choose the best option, considering Mr. Shiv's career would be at stake if the ERP project fails, and assuming that for carrying out the options, he has the necessary authority to do so.

A. Resign from BAG. The project cannot be done as per the re-scheduled time-table. Get a job in another company based on BAG's brand name.

B. Inform Ms. Teknikwali about the situation and get help from her to deal with the old-time members. Some old members need to be fired so that others are also disciplined.

C. Align the new members of the BAG group to his side by promising them rewards at end of the project. Obtain approval from Ms. Teknikwali for the same.

D. Develop work-routines aligned to the ERP project requirements. Hire extra resources for dealing with other ad-hoc requirements and for the ERP project requirements.

E. Create a joint team of old members and new members within BAG to take care of ad-hoc requirements. They would be socialised in out-bound programmes like mountaineering etc., which will be conducted during week-ends.

13. Of all the problems being faced in BAG, which of the following is neither discussed nor hinted at?

- A. Ms. Teknikwali's lack of faith on older members to implement new ideas.
- B. The inability of the younger members to work along with the older members of BAG.
- C. Mr. Shiv's intention to impress Ms. Teknikwali by agreeing to a tougher deadline.
- D. Ms. Teknikwali's lack of understanding of the complexity of an ERP implementation.
- E. Mr. Shiv's lack of understanding of the sensitivities of the older members of BAG.

14. After her father's demise, the best way Ms. Teknikwali could have gone about dealing with BAG group would have been to:

- A. Discuss with the members as to what their views were about the company and solicit ideas on how to make it grow further.
- B. Retire the entire team and hire a fresh team according to her criteria and her requirements.
- C. Hire an external consultant who would have interacted with the BAG members on her behalf.
- D. Ask the unit managers about the BAG group's performance and productivity. After that have discussion with BAG members about unit managers' performance.
- E. Break down BAG into different sub-groups. It would be easy to tackle one sub-group at a time and do what she wanted to achieve.

15. It can be inferred from the above case that implementation of an ERP package in an organisation requires creation of a team that has:

- A. a mixture of experienced employees and newly graduated employees.
- B. only young people with education in top schools and colleges.
- C. sufficient number of people who are networked with powerful stakeholders in the organisation.
- D. right amount of problem solvers along with those who are abreast of the latest ERP technology.
- E. people who have been involved with operations for a long duration of time along with people who are aware of the latest in ERP technology.

Directions (Qs. 16 & 17) : Answer these questions on the basis of the information given in the following case.

Vivekananda Memorial Elocution Competition (VMEC) in Viswavijay Public School (VPS) has a history of forty years. Apart from the founder's day and annual day celebrations, it is the most important event of the school.

In recent times, due to the increased popularity of reality shows on television channels, and for various other reasons, the elocution competition lost its appeal. Interest of both students and parents has been eroding over a period of time. To ensure sufficient audience, Mr. Ivan, Head-of-English Department, introduced choral recitation for junior section as a part of elocution competition. Three classes, each consisting of forty students, get short-listed for the final performance of choral singing on the day of VMEC. Most of the parents and family members of these students attend the function to encourage them. This initiative increased the number of people attending the elocution competition.

Some teachers are unhappy with the emphasis given on the elocution competition, since they are expected to be present at the school on the day of competition, which normally happens on a weekend to accommodate the working parents. The teachers were not granted leave on the day of VMEC and they used to be unhappy regarding this aspect.

16. Ms. Shabina, the principal of VPS, is aware that some of her teachers are unhappy. She wants to be seen as fair and just. Which option is the best one that she should exercise?

- A. introduce separate music and dance competitions in same format as the elocution competition.
- B. appropriately compensate those teachers who volunteer to come for the extra day.

- C. appoint a committee of teachers, parents and management representatives to come up with possible suggestions within a deadline.
- D. appoint a committee of teachers to come up with possible suggestions, and ensure that majority of committee members are staunch supporters of the current practices.
- E. exercise the authority of the principal because she wants to retain all traditions.

17. A group of unhappy teachers have come up with a list of action plans for the consideration of their colleagues. The action plans are listed below.

- I. Exposing Mr. Ivan's intentions behind the inclusion of choral recitation.
- II. Conduct an open house discussion to gauge the unhappiness and to identify possible solutions.
- III. Introduce music and dance competitions in same format as elocution competition.

IV. Demand compensation for their work on the day of VMEC.

Mr. Zacharia, one of the senior teachers and a well-wisher of VPS, is asked to go through the action plans and make recommendations that benefit VPS the most. He would recommend:

- A. Options I and II
- B. Options II and IV
- C. Options I and III
- D. Options I and IV
- E. Options I, II, and IV

Directions (Qs. 18 to 20) : Answer these questions on the basis of the information given in the following case.

Dev Anand, CEO of a construction company, recently escaped a potentially fatal accident. Dev had failed to notice a red light while driving his car and attending to his phone calls. His well-wishers advised him to get a suitable replacement for the previous driver Ram Singh, who had resigned three months back.

Ram Singh was not just a driver, but also a trusted lieutenant for Dev Anand for the last five years. Ram used to interact with other drivers and gathered critical information that helped Dev in successfully bidding for different contracts. His inputs also helped Dev to identify some dishonest employees, and to retain crucial employees who were considering attractive offers from his competitors. Some of the senior employees did not like the informal influence of Ram and made it difficult for him to continue in the firm. Dev provided him an alternative job with one of his relatives.

During the last three months Dev has considered different candidates for the post. The backgrounds of the candidates are given in the table below :

Name	Age	Educational Qualification	Experience	Expected Salary (Rs.)	Remarks
Sunder	32	Post graduate	Seven years of driving experience	18,000 per month	Ex-employers are highly satisfied. Their only concern is about his tendency to switch jobs after every six months. Enjoys the newness in every job but tends to lose interest after six months. Not willing to commit for any more than six months.
Mani	23	Studied up to Standard IX	One year	8,000 per month	Claims to have more than one year of experience, but can't provide any certificate to substantiate it. He has received a hike of Rs. 2,000 last month on account of his good performance as a driver.
Chintan	44	Graduate	20 years	20,000 per month	Working as a driver for the last one year after losing his previous job of a stenographer. He has been forced to take up the job of a driver.
Bal Singh	40	Literate	More than 20 years	15,000 per month	Cousin of Ram Singh. Substituted Ram as Dev's driver whenever Ram was on leave. Currently working as a driver with Dev's in-laws. Strongly recommended by Ram. His knowledge and contacts in the firm is as good as Ram's.
Chethan	38	Standard XII	10 years	12,000 per month	Working as a temporary driver with Dev's major competitor for the last three years. The competitor has offered Chethan's service to Dev on a temporary basis. Chethan has also expressed his willingness to work on a long-term basis, provided he is given an annual increment of Rs. 500, which is reasonable as per the market condition.

Dev is primarily looking for a stable and trustworthy driver, who can be a suitable replacement for Ram. His family members do not want Dev to appoint a young driver, as most of them are inexperienced. Dev's driver is an employee of the firm and hence the

appointment has to be routed through the HR manager of the firm. The HR manager prefers to maintain parity among all employees of the firm. He also needs to ensure that the selection of a new driver does not lead to discontent among the senior employees of the firm.

18. From his perspective, and taking into account the family's concerns, Mr. Dev would like to have

- A. Chethan
- B. Chintan
- C. Bal Singh
- D. Mani
- E. Sunder

19. In order to resolve the conflicting preferences, one of Dev's friends suggested Dev, his family members and the HR manager to identify their most and the least preferred candidates without considering the concerns of other stakeholders.

- I. Dev's most and least preferred candidates: Bal Singh and Chetan respectively.
- II. Family members' most and least preferred candidates: Bal Singh and Chintan respectively.
- III. HR manager's most and least preferred candidates: Chethan and Bal Singh respectively.

Which of the above three statements is/are in conformity with the information provided in the passage?

- A. Option I
- B. Option II
- C. Options I and II
- D. Options II and III
- E. Options I, II and III

20. Who among the following five candidates is most likely to be rejected by the GM (HR)?

- A. Chethan
- B. Chintan
- C. Bal Singh
- D. Mani
- E. Sunder

Directions (Qs. 21 to 23) : Answer these questions based on the case given below.

Ethical—a person is called unethical, when he deviates from principles. The principles and their use is often guided by two definitions:

Morals: society's code for individual survival

Ethics: An individual's code for society survival

Naresh was a small time civil contractor in a small city. His major clients were the residents who wanted ad-hoc work like painting, building repairs, building extensions to be done. His just prices had made him a preferred contractor for most of the clients who preferred him over other civil contractors. Always he followed the principle that client had to be kept happy—only by doing so it would be a win-win situation for both. However due to the unpredictability of such orders from residents, Naresh used to be idle for substantial part of the year. As a consequence, he could not expand his business.

His two children were growing up and his existing business could not support their expenses. The medical expense of his elderly parents was another drain on his resources. The constant rise of prices in medical care and medicines was another issue. For Naresh, family's concern was predominant. Naresh was, therefore, under pressure to expand his business. He was the sole earning member of his family, and he had to ensure their well-being. He thought that

by expanding his business, not only he would be able to care for his family in a better way, as well as offer employment to more number of masons and labourers. That would benefit their families as well. Naresh drew the boundary of his society to include himself, his family members, his employees and their family members.

For expansion, the only option in the city was to enlist as a contractor for government work. Before deciding, he sought advice from another contractor, Srikumar, who had been working on government projects for a long period of time. Srikumar followed the principle of always helping others, because he believed that he would be helped back in return some day. Srikumar had just one advice "The work is given to those who will win the bidding process and at the same time will give the maximum bribe. Prices quoted for work have to include bribes, else the bills will not get cleared and the supervisors will find multiple faults with the execution of work. This ensures survival and prosperity for contractors".

When asked about other contractors, Srikumar said, "The government contractors are like a micro-society in themselves, almost like a brotherhood. Within that they are highly competitive; however towards any external threat they are united to ensure no harm happens to any of their members".

21. Naresh decided to work as a government contractor. Following Srikumar's advice, he inflated the prices so that he could pay the bribes out of the bills received.

- A. Naresh is now totally unethical.
- B. Naresh cannot be called totally ethical.
- C. Naresh can be called ethical when it suits him.
- D. Naresh is ethical to some extent.
- E. Naresh is being totally ethical.

22. A new supervisor had joined a government department where both Naresh and Srikumar were bidding for work. During the bidding process for a particular project, in an open meeting with all contractors and officers from the department, he produced a document which had the rates at which Naresh had worked for private clients for similar building-related work. He accused Naresh and Srikumar of over-pricing for government work and threatened to disqualify them from the bidding process, if the rates are not brought down. Faced with that situation, Naresh gave a written reply that "I use materials of inferior quality for private work, and that is the reason for price difference". Srikumar supported Naresh in the meeting by

saying that he had seen Naresh's work and he agreed. In this situation, it can be concluded that:

- A. both Naresh and Srikumar are unethical.
- B. Naresh is unethical while Srikumar is not.
- C. both Naresh and Srikumar are ethical.
- D. Naresh is ethical to a large extent, but no conclusion can be made about Srikumar.
- E. Srikumar is unethical, but no conclusion can be made about Naresh.

23. Lankawala, another contractor, when faced with the new supervisor's demand to reduce prices for government work, asked him to guarantee that no bribes would be taken, and only then prices would be reduced. This was said in front of everyone. At this, the supervisor forced Lankawala out of the meeting and threatened to blacklist him. Lankawala did not say anything and walked away. Blacklisting of a contractor by one government department implied that Lankawala would not be able to participate in any government departments' works.

In late evening, the city was abuzz with the news that the supervisor's dead body was seen on the railway tracks. In the investigations that followed, no one who attended the meeting recounted the happenings in the meeting to the police. Getting involved in murder cases could lead to unpredictable outcomes such as becoming the potential suspect, or an accessory to the crime. Furthermore, cases could drag on for years, and one would have to appear in court as witnesses in response to court's summons. This, for a contractor, was a serious threat to his business due to the disruptions created. However, Naresh wanted to speak out but was pressurised by Srikumar and other contractors not to, and as a result he did not. Due to this, the case was closed unresolved with no one found guilty.

In this situation, it can be concluded that:

- A. Srikumar is immoral, but ethical, while Naresh is not unethical.
- B. Naresh is ethical and moral, while other contractors are immoral and unethical.
- C. Naresh, Srikumar and other contractors are both immoral and unethical.
- D. Other contractors are moral, and they prevented Naresh from being immoral.
- E. Other contractors are unethical, but no conclusion can be made about Naresh.

Directions (Qs. 24 & 25): Answer these questions on the basis of the information given in the following case.

Saral Co. is operating in seven northeastern states of the country. The organisation has a history of participative decision making, wherein people deliberate openly about pros and cons of every important decision, and a broad consensus is taken before taking the final decision. 10 Saral Co. every employee gets a salary proportional to the sales achieved. A new General Manager (GM) joined during the beginning of this month and challenged the organisation's sole focus on sales to determine salaries. He urged the top management to include two more additional parameters in determining the salaries of the employees, viz. collection of information about competitors and the quality of relationship with the retailers.

24. Manohar, the highest earning employee for the last three years, vehemently opposes the GM's proposal. Which of the following could be most likely reason for him to oppose the proposal?

- A. He considers the proposal as a serious threat to his favourable position in Saral Co.**
- B. He is not interested in collecting the information regarding competitors.**
- C. No clarity regarding the relative importance of the three parameters.**
- D. He is not interested in maintaining quality relationship with retailers.**
- E. He may need to work harder to earn the highest salary.**

25. The top management of Saral Co. refused to implement the proposal of new GM from the beginning of next month. Which of the following could be the most justified reason for the management's refusal?

- A. To ensure that no manager will get credit for a major change soon after joining.**
- B. To avoid attracting criticism for their failure to implement a similar scheme.**
- C. His past experience is limited to seven north-eastern states only.**
- D. The GM is new to the organisation and he would require some time to implement the new plan.**
- E. The top management would need time to deliberate and get consensus.**

ANSWERS:

1	(D)
2	(E)
3	(D)
4	(B)
5	(C)
6	(B)
7	(E)
8	(E)
9	(A)
10	(E)

11	(E)
12	(D)
13	(B)
14	(A)
15	(E)
16	(B)
17	(B)
18	(C)
19	(A)
20	(C)

21	(E)
22	(D)
23	(A)
24	(E)
25	(E)