



**FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2016
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT**

Roll Number

BUSINESS ADMINISTRATION

TIME ALLOWED: THREE HOURS	PART-I (MCQS)	MAXIMUM MARKS = 20
PART-I(MCQS): MAXIMUM 30 MINUTES	PART-II	MAXIMUM MARKS = 80
NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the attempted question will not be considered. (vii) Use of Calculator is allowed.		

PART-II

- Q. No. 2.** Enumerate the important steps you will follow for completing the Strategic Management Process for a Garment Manufacturing Company. **(20)**
- Q. No. 3.** What are the various types of Pricing? Propose the Pricing Strategy for a new, high quality brand of shoes. **(20)**
- Q. No. 4.** Discuss the features of the various types of Financial Markets. **(20)**
- Q. No. 5.** The following data relates to Bright Star Company (millions of Rs.) **(20)**
- | | |
|------------------------------|-----------|
| Cash & equivalents | Rs 100.00 |
| Fixed Assets | 283.50 |
| Sales | 1000.00 |
| Net Income | 50.00 |
| Current Liabilities | 105.50 |
| Current Ratio | 3.00 |
| Days Sales Outstanding (DSO) | 40.55Days |
| Return on Equity | 12.00% |
- The Company has no Preferred Stocks- only Common Equity, Current Liabilities, Long Term Debt.
- (a)** Find the Company's
- | | | |
|-----------------------------|---------------------|--------------------|
| (i) Accounts Receivable | (ii) Current Assets | (iii) Total Assets |
| (iv) Return on Total Assets | (v) Common Equity | (vi) Quick Ratio |
| (vii) Long term Debt | | |
- (b)** In part a) you should have found that the Company's Accounts Receivable (A/R) = Rs. 111.1 million. If Bright Star Company reduces its DSO from 40.55 days to 30.4 days, while holding other things constant, how much cash would it generate?
- Q. No. 6.** Propose a 'Recruitment Yield Pyramid' for a Five Star Hotel. **(20)**
- Q. No. 7.** Discuss the significance of major 'Supply Chain Drivers' in accomplishing business goals. **(20)**



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BUSINESS ADMINISTRATION

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PART-I(MCQS): MAXIMUM 30 MINUTES

PART-I (MCQS)
PART-II

MAXIMUM MARKS = 20
MAXIMUM MARKS = 80

- NOTE: (i) Part-II is to be attempted on the separate Answer Book.**
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(vii) Use of Calculator is allowed.

PART-II

- Q. No. 2.** What does a company need to do to achieve strategic fit between the supply chain and competitive strategies? **(20)**
- Q. No. 3.** Describe how marketing strategies change during product life cycle. Also indentify and discuss some potential problems with the product life cycle. **(20)**
- Q. No. 4.** There are several basic techniques managers use for appraising the performance of employees. Discuss these techniques. **(20)**
- Q. No. 5.** A manager who really wants to approach a decision rationally and logically should try to follow the steps in rational decision making. Discuss these steps with examples. **(20)**
- Q. No. 6.** **(a)** A successful strategy requires determining the firm's Critical Success Factors (CSF) and core competencies. Discuss how a manager of pharmaceutical firm can align core competencies with CSF. **(10)**
- (b)** How an operation manager can manage demand of a product in the light of available capacity? **(10) (20)**
- Q. No. 7.** The following data relates to ABC Company **(20)**

Income statement

Sales	Rs. 500,000
Cost of goods sold	300,000
Operating expenses	60,000
Interest expenses	10,000
Income tax expenses	40,000
Net income	90,000

Balance sheet

Assets

Cash	Rs 10,000
Accounts receivable	15,000
Inventory	20,000
Equipment	455,000

Total:

500,000

Liabilities

Accounts payable	Rs 12,000
Long-term notes payable	48,000
Shareholder's equity:	
Capital stock	300,000
Retained earnings	140,000

Total:

500,000

Find and interpret the company's

- (i)** Current ratio **(ii)** Quick ratio **(iii)** Average collection period
(iv) Time interest earned **(v)** Inventory turn over

- Q. No. 8.** Discuss the three common capital budgeting decision techniques with examples and formulas. **(20)**



**FEDERAL PUBLIC SERVICE COMMISSION
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PART – II

- Q. No. 2.** Daud Tools, a manufacturer of lathe tools, is currently selling a product for \$10 per unit. Sales (all on credit) for last year were 60,000 units. The variable cost per unit is \$6. The firm's total fixed costs are \$120,000. **(20)**
- The firm is currently contemplating a relaxation of credit standards that is expected to result in the following; a 5% increase in unit sales to 63,000 units; an increase in average collection period from 30 days (the current level) to 45 days; an increase in bad debt expenses from 1% of sales (current level) to 2%. The firm determines that its cost of tying up funds in receivables is 15% before taxes.
- Question:** Determine whether it would be profitable for Daud Tools to relax its credit standards. To arrive at your decision, show the calculation of;
- (a) Additional profit contribution from sales
 - (b) Cost of marginal investment in account receivables
 - (c) Cost of marginal investment in bad debts

- Q. No. 3.** **(20)**
- ABC Industries**
Balance sheet ending December 31, 2016

<u>Assets</u>	<u>\$</u>	<u>Liabilities and stockholder's Equity</u>	<u>\$</u>
Cash	32,720	Accounts Payable	120,000
Marketable securities	25,000	Notes payable	-----
Accounts receivable	-----	Accruals	20,000
Inventories	-----	Total current liabilities	-----
Total current assets	-----	Long-term debt	-----
Net fixed assets	-----	Stockholder's equity	600,000
Total assets	-----	Total liabilities and stockholder's equity	-----

The following financial data for 2016 is also available;

- (a) Sales totalled \$1,800,000.
- (b) The gross profit margin was 25%.
- (c) Inventory turnover was 6.0.
- (d) There are 365 days in the year.
- (e) The average collection period was 40 days.
- (f) The current ratio was 1.60.
- (g) The total asset turnover ratio was 1.20.
- (h) The debt ratio was 60%.

Complete the 2016 balance sheet for ABC Industries using the given information.

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- Q. No. 4.**

Identify the major drivers of supply chain performance. Discuss the role each driver plays in creating strategic fit between supply chain strategy and the competitive strategy. Define the key metrics that track the performance of the supply chain in terms of each driver.

(20)
- Q. No. 5.**

Brand positioning is the act of establishing a distinctive image of a product or offering in the minds of customers. How do marketers analyse competition and differentiate their products for successful positioning?

(20)
- Q. No. 6.**

How do consumers process and evaluate prices? What is the 5-step process of setting the initial price for products or services? When and how should a company initiate a price change, i.e. introduce a price cut or price increase?

(20)
- Q. No. 7.**

Organizational structures are designed in two major forms; traditional and boundaryless organizations. Discuss their different types, characteristics as well as their relative advantages and disadvantages, in comparison to each other.

(20)
- Q. No. 8.**

What is Training Needs Analysis (TNA), why is it important to conduct it, and what should it evaluate? What are the types of training methods and which training method should be employed for each type of training needs?

(20)



FEDERAL PUBLIC SERVICE COMMISSION
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PART – II

- Q. No. 2.** What is the significance of strategic management for an organization? Explain the various steps of strategic management process. **(20)**
- Q. No. 3.** What are the internal sources of job candidates? How can managers forecast the supply of internal candidate? **(20)**
- Q. No. 4.** Discuss the advantages and disadvantages of different methods a manager can adopt for effective performance appraisal of employees. **(20)**
- Q. No. 5.** Discuss the three common capital budgeting decision techniques with examples and formulas. **(20)**
- Q. No. 6.** An international manufacturing concern has provided the income statement data. Give formulas to calculate the following ratios. Also explain how to interpret them? **(20)**
- (i)** Current ratio
 - (ii)** Quick ratio
 - (iii)** Average collection period
 - (iv)** Time interest earned
 - (v)** Inventory turnover
- Q. No. 7.** The impact of different levels of decision phases of supply chain depends on timeframe. Explain the decision phases in supply chains with examples. **(20)**
- Q. No. 8.** Compare the advantages of mass marketing to those of market segmentation for a company. Discuss with relevant business examples. **(20)**



FEDERAL PUBLIC SERVICE COMMISSION
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BUSINESS ADMINISTRATION

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PART-I(MCQS): MAXIMUM 30 MINUTES	PART-II	MAXIMUM MARKS = 80
NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the question will not be considered. (vii) Use of calculator is allowed.		

PART – II

- Q. No. 2.** Discuss that Management is evolutionary process. Substantiate your answer through commenting on contribution made by Fredrick Taylor, Max Weber and Elton Mayo. **(20)**
- Q. No. 3.** What are the key elements involved in designing organizational structure? **(20)**
- Q. No. 4.** What is the importance of Employees Performance Appraisal? Discuss the problems faced in Employee Appraisal. **(20)**
- Q. No. 5.** Describe how would you plan Integrated Communication Process for launching a product. **(20)**
- Q. No. 6.** What is Bullwhip effect and how does it relate to lack of coordination in the supply chain. **(20)**
- Q. No. 7.** Explain the following analytical tools of Financial Management: **(05 each) (20)**
(a) Time series analysis versus cross sectional analysis.
(b) Horizontal analysis versus vertical analysis.
(c) Liquidity ratios versus debt ratios.
(d) Turnover ratios versus profitability ratios.
- Q. No. 8.** Tiger Corporation is considering to invest in a given project. After tax cash flows of the project are given below: **(20)**

Years	Project (\$)
Initial Cash Flow	150,000
1	50,000
2	56,000
3	64,000
4	68,000
5	72,000

Determine Payback Period, Net Present Value and Profitability Index using 13% as required rate of return.



FEDERAL PUBLIC SERVICE COMMISSION
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Roll Number:

BUSINESS ADMINISTRATION

TIME ALLOWED: THREE HOURS
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PART-I (MCQS)
PART-II

MAXIMUM MARKS = 20
MAXIMUM MARKS = 80

- NOTE:**
- (i) **Part-II** is to be attempted on the separate **Answer Book**.
 - (ii) Attempt **ONLY FOUR** questions from **PART-II**. **ALL** questions carry **EQUAL** marks.
 - (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places.
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PART – II

- Q. No. 2.** Calculate payback period, required rate of return is 12% for net present value and profitability index. (20)

Year	Description	Cash Flow
0	Initial Cash outflow	\$ 1,00,000
1	Cash flows	\$34,432
2	Cash flows	\$39,530
3	Cash flows	\$39,359
4	Cash flows	\$ 32,219

- Q. No. 3.** An international manufacturing concern has provided the income statement data. Give formulas to calculate the following ratios. Also explain how to interpret them. (20)

- (i) Current ratio
- (ii) Quick ratio
- (iii) Average collection period
- (iv) Time interest earned
- (v) Inventory turnover

- Q. No. 4.** Discuss the advantages and disadvantages of different methods a manager can adopt for effective performance appraisal of employees. (20)

- Q. No. 5.** Describe competitive advantages and the competitive strategies the organizations use to achieve it with practical examples. (20)

- Q. No. 6.** Define the major steps in designing a customer value driven marketing strategy, market segmentation, targeting, differentiation and positioning. (20)

- Q. No. 7.** The impact of different levels of decision phases of supply chain depends on timeframe. Explain the decision phases in supply chains with examples. (20)

- Q. No. 8.** Compare the advantages of mass marketing to those of market segmentation for a company. Discuss with relevant business examples. (20)



FEDERAL PUBLIC SERVICE COMMISSION
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TIME ALLOWED: THREE HOURS	PART-I (MCQS)	MAXIMUM MARKS = 20
PART-I(MCQS): MAXIMUM 30 MINUTES	PART-II	MAXIMUM MARKS = 80
NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the question will not be considered.		

PART – II

- Q. No. 2.** Define the organization's culture. What are its dimensions and how cultural dimensions can be combined to differentiate from other organizations? **(20)**
- Q. No. 3.** Describe the strategic management process in detail. **(20)**
- Q. No. 4.** Explain the different types of orientation and training. Describe strategies for retaining competent and high-performing employees. **(20)**
- Q. No. 5.** How ratio analysis is a useful management tool to improve understanding of financial health for different stake holders including creditors, investors and management? **(20)**
- Q. No. 6.** Explain the factors influencing interest rate in the economy. **(20)**
- Q. No. 7.** Differentiate between Process Layout and Work Cell Layout along with their pros and cons. **(20)**
- Q. No. 8.** What are different external/macro environment factors, their importance and role in development of marketing plan? **(20)**



FEDERAL PUBLIC SERVICE COMMISSION
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TIME ALLOWED: THREE HOURS	PART-I (MCQS)	MAXIMUM MARKS = 20
PART-I(MCQS): MAXIMUM 30 MINUTES	PART-II	MAXIMUM MARKS = 80
NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the question will not be considered.		

PART – II

- Q. No. 2.** Elaborate the theories of privatization. Discuss with example the impact of Downsizing on Telecommunication sector of Pakistan. **(20)**
- Q. No. 3.** How non-tariff barriers effect international business? Critically discuss with reference to Less Developed Countries. **(20)**
- Q. No. 4.** **a.** Supply chain managers should be aware of the characteristic of forecasting. Why or why not? Critically discuss in detail. **(20)**
b. Discuss the components of a forecast and forecasting methods with examples. Explain the role of information technology in forecasting.
- Q. No. 5.** Critically examine Foreign Direct Investment and the strategic logic behind it for the development of a country, especially for Pakistan. **(20)**
- Q. No. 6.** Discuss and evaluate the endeavors during past decades in Pakistan for the development of Islamic Economic System. **(20)**
- Q. No. 7.** Discuss the difference between theories of Herzberg and Maslow. Elaborate with reasons which of these theories do you prefer in Pakistani context? **(20)**
- Q. No. 8.** Discuss the following with examples with relation to services sector: **(5 each) (20)**
(a) Management Information System
(b) Globalization across different cultures
(c) Meaning and importance of entrepreneurship
(d) Reinventing Organizations



FEDERAL PUBLIC SERVICE COMMISSION
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BUSINESS ADMINISTRATION

Roll Number

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PART-I (MCQs) : MAXIMUM 30 MINUTES	(PART-II) MAXIMUM MARKS: 80
NOTE: (i) First attempt PART-I (MCQs) on separate OMR Answer Sheet which shall be taken back after 30 minutes.	
(ii) Overwriting/cutting of the options/answers will not be given credit.	
(iii) There is no negative marking. All MCQs must be attempted.	

PART-I (MCQs)(COMPULSORY)

Q.1. (i) Select the best option/answer and fill in the appropriate Box ☐ on the OMR Answer Sheet.(20x1=20)
(ii) Answers given anywhere else, other than OMR Answer Sheet, will not be considered.

- Maryland Industries acquired a machine 2 years ago with an installed cost of \$100,000. The asset was being depreciated using MACRS at 20% and 32% in year 1 and year 2 respectively. What will be book value of the machine at the end of two years?**
(A) \$52,000 (B) \$54,400 (C) \$48,000 (D) None of these
- The portion of an asset's sale price that is above its book value and below its initial purchase price is called:**
(A) Accumulated depreciation (B) Recaptured depreciation (C) Salvage values (D) None of these
- The main purpose of Financial Accounting is to?**
(A) Provide financial information to shareholders (B) Maintain balance sheet
(C) Minimize taxes. (D) None of these
- Financial accounting reports lay greater emphasis on the;**
(A) Objectivity of data (B) Flexibility of data (C) Relevancy of data (D) None of these
- What does financial leverage measure? (EBIT: Earnings before interest and taxes, EPS: Earnings per share).**
(A) No change with EBIT and EPS (B) The sensitivity of EBIT with percent change w.r.t output
(C) The sensitivity of EPS w.r.t percent change in the EBIT level (D) None of these
- One major difference between PERT (project evaluation and review technique) and CPM (critical path method) is that:**
(A) PERT employs 3 time estimates and CPM employs 4 time estimates
(B) PERT employs 3 time estimates and CPM employs only 1 time estimate
(C) PERT employs 1 time estimate and CPM employs 3 time estimates (D) None of these
- The length of time an activity can be delayed without delaying the entire project is called:**
(A) Optimistic time (B) Pessimistic time (C) Slack time (D) None of these
- Which one of the following is not a time-series forecasting method?**
(A) Moving averages (B) Exponential smoothing (C) Trend projections (D) None of these
- According to the classification of three process regions in a process-chain-network (PCN), the example of sandwich preparation at Subway restaurant is:**
(A) Direct interaction (B) Surrogate interaction (C) Independent processing (D) None of these
- The three elements of Triple Bottom Line for sustainability are:**
(A) People, product, profits (B) People, planet, profits (C) People, process, product (D) None of these
- The customers of Tony & Guy Salon have noticed that the quality of a haircut depends on who provides it as well as when, where, and how the service is provided. Which of the following characteristic of the service is evident in this instance?**
(A) Service intangibility (B) Service inseparability (C) Service variability (D) None of these
- At a presentation in class, Aliya was not confident that she would be able to speak well. However, her confidence was increased when her friend, who she thought to have same communication skills as she did, performed brilliantly. She told herself; "Well, if she can do it, I can do it as well". This increase in her confidence is due to:**
(A) Enactive mastery (B) Vicarious modelling (C) Verbal persuasion (D) None of these
- Which of the following is NOT an accurate description of modern marketing?**
(A) Marketing is the creation of value for customers
(B) Marketing involves managing profitable customer relationships
(C) Marketing emphasizes selling and advertising exclusively (D) None of these
- Which of the following product mix pricing strategies involves pricing products that must or can only be used with the main product?** (A) By-product pricing (B) Captive product pricing (C) Product line pricing (D) None of these
- Which of the following is an example of a convenience product?**
(A) Fast food (B) Diamond ring (C) Furniture (D) None of these
- Which of the following brands most likely require heavy advertising in order to be set apart from similar products?** (A) Undifferentiated brands (B) Specialty brands (C) International brands (D) None of these
- According to the Leadership Grid, a leadership style which is high in people orientation and low in task orientation is termed as:**
(A) Transactional leader (B) Transformational leader (C) Country club management (D) None of these
- The fundamental principle of the application of Discounted Cash Flow (DCF) techniques to investment appraisal is:**
(A) To incorporate all incremental cash flow (B) To incorporate all relevant depreciation
(C) To absorb all company overheads (D) None of these

BUSINESS ADMINISTRATION

19. One of the disadvantages of a functional structure is:
(A) Replication of activities (B) Cost effectiveness (C) Myopia (D) None of these
20. Theory Y suggests that workers:
(A) Are not willing to accept responsibility (B) Cannot work without supervision
(C) Can exercise self-direction (D) None of these

PART-II

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- Q. No. 2.** Daud Tools, a manufacturer of lathe tools, is currently selling a product for \$10 per unit. Sales (all on credit) for last year were 60,000 units. The variable cost per unit is \$6. The firm's total fixed costs are \$120,000. (20)
The firm is currently contemplating a relaxation of credit standards that is expected to result in the following; a 5% increase in unit sales to 63,000 units; an increase in average collection period from 30 days (the current level) to 45 days; an increase in bad debt expenses from 1% of sales (current level) to 2%. The firm determines that its cost of tying up funds in receivables is 15% before taxes.
Question: Determine whether it would be profitable for Daud Tools to relax its credit standards. To arrive at your decision, show the calculation of;
a. Additional profit contribution from sales
b. Cost of marginal investment in account receivables
c. Cost of marginal investment in bad debts
- Q. No. 3.** Currently under consideration is an investment with a beta, b , of 1.50. At this time, the risk-free rate of return, R_F , is 7%, and the return on the market portfolio of assets, r_m , is 10%. You believe that this investment will earn an annual rate of return of 11%. (20)
a. If the return on the market portfolio were to increase by 10%, what would you expect to happen to the investment's return? What if the market return were to decline by 10%?
b. Use the capital asset pricing model (CAPM) to find the required return on this investment.
c. On the basis of your calculation in part **b**, would you recommend this investment? Why or why not?
d. Assume that as a result of investors becoming less risk-averse, the market return drops by 1% to 9%. What impact would this change have on your responses in parts **b** and **c**?
- Q. No. 4.** How do various characteristics of a problem ascertain the type of decision-making strategy to be adopted? What other conditions, as well as various types of decision-making biases and errors may affect the decision-making process? (20)
- Q. No. 5.** What is Quality Function Deployment? How can a "House of Quality" be used as a tool for QFD? Elaborate the seven basic steps to build a house of quality. Nikon Inc., wants to design a new digital camera. Prepare a hypothetical house of quality for product design of their new digital camera based on the emerging trends in the market. (20)
- Q. No. 6.** What are the unique characteristics of a service? What marketing strategies a firm can employ for service firms? How can marketers manage service differentiation, service quality and service productivity? (20)
- Q. No. 7.** What is price? Explain the major pricing strategies specifically with respect to new product pricing, product-mix pricing, and price-adjustment strategies. (20)
- Q. No. 8.** What are high performance work systems? Explain their essential elements, possible outcomes, necessary conditions and ways to measure the effectiveness of such work systems. (20)



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PART-I (MCQs)(COMPULSORY)

- Q.1. (i) Select the best option/answer and fill in the appropriate Box ☐ on the OMR Answer Sheet.(20x1=20)**
(ii) Answers given anywhere else, other than OMR Answer Sheet, will not be considered.
- Which of the following is an essential element of effective decision-making in general management?**
(A) Considering the long-term implications of decisions on the organization's goals
(B) Delegating decision-making responsibilities to subordinates
(C) Relying solely on quantitative data for making decisions (D) None of these
 - Which of the following best describes the "contingency theory" of management?**
(A) There is one best way to manage organizations
(B) The management style should be based solely on the size of the organization
(C) The best management practices depend on the specific circumstances and variables at hand
(D) None of these
 - In the context of decision-making, "bounded rationality" suggests that:**
(A) Managers make optimal decisions based on all available information
(B) Decision-making is limited by the available information, cognitive limitations, and time constraints
(C) Organizations always prioritize financial considerations when making decisions (D) None of these
 - Which of the following is a primary objective of "performance appraisals"?**
(A) To determine the amount of salary, increase an employee should receive
(B) To assess employee progress in their personal goals only
(C) To evaluate employee performance and provide constructive feedback for growth and development
(D) None of these
 - Which of the following is the best strategy to reduce "employee turnover" in a high-turnover industry?**
(A) Providing employees with higher pay to attract more talent
(B) Offering competitive benefits and career advancement opportunities to enhance job satisfaction
(C) Reducing employee training to cut costs (D) None of these
 - Which of the following is the main objective of market segmentation?**
(A) To develop a uniform marketing strategy for all customers
(B) To divide a broad target market into smaller, more manageable groups
(C) To increase the total market size (D) None of these
 - Which of the following is a characteristic of the "introduction" stage of the product life cycle?**
(A) High competition and reduced prices (B) Increased profits due to mass production
(C) High promotional costs to create awareness (D) None of these
 - Which of the following is the primary goal of the "lean production" philosophy?**
(A) To maximize inventory and buffer stock (B) To eliminate waste and improve efficiency
(C) To focus on mass production and economies of scale (D) None of these
 - In the context of supply chain management, which of the following best describes the "bullwhip effect"?**
(A) The result of a well-synchronized supply chain process with minimal delays
(B) The amplification of demand fluctuations as they move up the supply chain
(C) The reduction of inventory costs across the entire supply chain (D) None of these
 - Which of the following is a limitation of the Payback Period method?**
(A) It considers all cash flows over life of project (B) It ignores the time value of money
(C) It provides the exact profitability of the project (D) None of these
 - The purpose of financial markets is to:**
(A) Increase the price of common stocks (B) Lower the yield on bonds
(C) Allocate savings efficiently (D) None of these
 - In the context of leadership styles, which of the following best describes the "transformational leadership" approach?**
(A) Focuses on task-oriented goals and rewards
(B) Emphasizes control and compliance through authoritative power
(C) Inspires and motivates employees to achieve higher levels of performance by creating a shared vision
(D) None of these

BUSINESS ADMINISTRATION

13. Which of the following is a key characteristic of "Laissez-Faire" leadership?
(A) The leader has complete control over decision-making and enforces strict rules
(B) Leaders are highly involved in day-to-day activities and tasks
(C) Leaders provide minimal supervision and allow employees to make decisions independently
(D) None of these
14. Which of the following is a key challenge when implementing diversity and inclusion initiatives in the workplace?
(A) Increasing employee salaries to attract more diverse talent
(B) Ensuring that all employees feel valued and included while minimizing resistance to change
(C) Limiting recruitment to only one demographic group (D) None of these
15. The "4 Ps" of marketing (Product, Price, Place, Promotion) are associated with which concept in marketing?
(A) Customer relationship management (B) Marketing Strategy (C) Brand positioning (D) None of these
16. Which of the following is an example of a "push" marketing strategy?
(A) Offering special deals to customers who visit the website
(B) Providing retailers with incentives to promote a product to customers
(C) Using social media to engage customers directly (D) None of these
17. All else being equal, which of the following will increase a company's current ratio?
(A) An increase in accounts receivable. (B) An increase in accounts payable.
(C) An increase in net fixed assets. (D) None of these
18. What is the primary purpose of calculating the cost of capital for a firm?
(A) To determine the minimum return a firm must earn to satisfy its investors
(B) To determine the minimum return required for a project to break even
(C) To decide the optimal mix of debt and equity in the capital structure (D) None of these
19. Which of the following best describes the concept of "succession planning" in human resource management?
(A) A strategy to fill vacancies by recruiting external candidates only
(B) A formal process to identify and develop internal employees for future leadership roles
(C) A method to track employee performance on a daily basis (D) None of these
20. Which of the following HRM practices is most likely to increase "employee engagement"?
(A) Regularly monitoring and controlling employees' work activities
(B) Encouraging open communication and providing opportunities for personal growth and development
(C) Focusing on high turnover rates and reducing employee benefits (D) None of these

PART-II

- NOTE:** (i) Part-II is to be attempted on the separate Answer Book.
(ii) Attempt **ONLY FOUR** questions from PART-II. ALL questions carry **EQUAL** marks.
(iii) All the parts (if any) of each Question must be attempted at one place instead of at different places.
(iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper.
(v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.
(vi) Extra attempt of any question or any part of the question will not be considered.

- Q. No. 2.** Linda Manufacturing Company is considering the purchase of a new high-speed widget grinder to replace the existing grinder. The existing grinder was purchased five years ago for \$60,000 and has been depreciated under 5-year property class of MACRS (Existing grinder's current book value is zero). MACRS depreciation rates are 20%, 32%, 19.20%, 11.52%, 11.52%, and 5.76% respectively for each of the six years. The new grinder costs \$105,000 and requires \$5,000 for insurance and carriage inward. The 5-Year MACRS depreciation system is being practiced by company for all of its fixed assets. The existing grinder can be sold for \$30,000 now without any other expense (salvage value of old machine). The new grinder would provide before tax and before depreciation revenues of \$50,000 per year. The salvage value of new machine is zero and corporate tax rate is 30%. **(20)**

Required:

1. Calculate after tax relevant initial, interim incremental and terminal cash flows.
2. Depict on a time-line the relevant cash flows associated with the replacement project.
3. Make a decision regarding the selection of replacement project by using, Discounted Payback Period, NPV, and MIRR, if WACC is 12% and re-investment rate is 8%.

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- Q. No. 3.** In the context of digital transformation, how have advancements in artificial intelligence, big data analytics, and machine learning transformed customer targeting and personalization in marketing? Discuss the implications of these technologies for improving customer experience and increasing conversion rates. Include examples of companies using these technologies to enhance their marketing efforts. **(20)**
- Q. No. 4.** Compare and contrast various inventory management models (e.g., EOQ, JIT, and ABC analysis) in terms of their suitability for different types of businesses (e.g., high-demand consumer goods vs. specialized industrial products). How do inventory optimization techniques influence cash flow, service levels, and production scheduling? **(20)**
- Q. No. 5.** HR professionals often face the dilemma of balancing business interests with ethical considerations. Consider a situation where HR has to choose between implementing a cost-saving policy (such as reducing benefits) that benefits the organization financially, but negatively impacts employee morale. How should HR approach this decision ethically? **(20)**
- Q. No. 6.** Describe the key strategies that management can use to successfully manage change in an organization while ensuring that employee motivation remains high. How can HR align motivational theories with change management practices to minimize resistance and foster engagement? **(20)**
- Q. No. 7.** Offer some reasons why U.S. or European firms might prefer to engage in direct foreign investment (DFI) in Pakistan rather than Afghanistan. Elaborate your answer with the help of trade barriers and motives of FDI. **(20)**
- Q. No. 8.** Analyze the role of Integrated Marketing Communication in promoting sustainable business practices and green marketing in today's resource conserve economic systems. How can IMC help businesses communicate their commitment to sustainability while avoiding greenwashing? **(20)**



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2026 FOR RECRUITMENT
TO POSTS IN BS-17 UNDER THE FEDERAL GOVERNMENT
BUSINESS ADMINISTRATION

Roll Number

TIME ALLOWED: THREE HOURS	(PART-I MCQs) MAXIMUM MARKS: 20
PART-I (MCQs) : MAXIMUM 30 MINUTES	(PART-II) MAXIMUM MARKS: 80
NOTE: (i) First attempt PART-I (MCQs) on separate OMR Answer Sheet which shall be taken back after 30 minutes.	
(ii) Overwriting/cutting of the options/answers will not be given credit.	
(iii) There is no negative marking. All MCQs must be attempted.	

PART-I (MCQs)(COMPULSORY)

Q.1. (i) Select the best option/answer and fill in the appropriate Box ☐ on the OMR Answer Sheet.(20x1=20)
(ii) Answers given anywhere else, other than OMR Answer Sheet, will not be considered.

1. **Services' intangibility is best addressed by:**
(A) Physical evidence and cues (B) Overbooking capacity
(C) Strict price controls (D) None of these
2. **Multi-channel conflict often occurs when:**
(A) No intermediaries are used (B) Online prices undercut retailers
(C) One exclusive distributor exists (D) None of these
3. **Integrated Marketing Communications (IMC) mainly means:**
(A) Paid Publicity (B) Lowest advertising cost
(C) Only digital channels used (D) None of these
4. **If $IRR > WACC$ and $NPV < 0$, then:**
(A) Accept the project (B) Reject the project (C) Use payback instead (D) None of these
5. **A zero-coupon bond's duration equals:**
(A) Half its maturity (B) Zero (C) Its maturity (D) None of these
6. **The primary goal of financial management is:**
(A) Maximize firm value (B) Maximize sales (C) Maximize market share (D) None of these
7. **Systematic risk is best measured by:**
(A) Standard deviation of returns (B) Beta coefficient (C) Sharpe ratio (D) None of these
8. **A firm's dividend payout ratio increases. Other things equal, its:**
(A) Sustainable growth rate falls (B) Sustainable growth rate rises
(C) Retention ratio rises (D) None of these
9. **The payback period ignores:**
(A) Time value and cash flows after cutoff (B) Only tax effects (C) Only initial outlay (D) None of these
10. **A project's NPV profile crosses zero at:**
(A) Crossover rate (B) Internal rate of return (C) Break-even volume (D) None of these
11. **A mechanistic structure is characterized by:**
(A) Decentralization and flexibility (B) Organic, team-based design
(C) Both (A) & (B) (D) None of these
12. **In Agency Theory, managers are the:**
(A) Principals (B) Agents (C) Owners (D) None of these
13. **Under MM with taxes, more debt:**
(A) Raises WACC (B) Lowers WACC (C) Leaves WACC unchanged (D) None of these
14. **Working capital is best defined as:**
(A) Current assets minus current liabilities (B) Cash plus inventory only
(C) Fixed assets plus current assets (D) None of these
15. **A firm has capital structure: 60% equity (cost 12%), 40% debt (pre-tax cost 6%), tax rate 25%. WACC is:**
(A) 8.4% (B) 8.8% (C) 12% (D) None of these
16. **A leader who inspires a compelling vision and drives change is using which style?**
(A) Transactional (B) Laissez-faire (C) Transformational (D) None of these
17. **Which is NOT one of the original 4 Ps of marketing?**
(A) Product (B) Price (C) People (D) None of these
18. **Launching a new tech product at a high price to recover R&D costs is called:**
(A) Penetration pricing (B) Price skimming (C) Bundle pricing (D) None of these
19. **"The safest family cooking oil" is mainly:**
(A) Segment description (B) Brand mantra example (C) Value proposition (D) None of these
20. **When price is set above value:**
(A) Skimming (B) Penetration pricing (C) Price gouging risk (D) None of these

PART-II

- NOTE:** (i) **Part-II** is to be attempted on the separate **Answer Book**.
(ii) Attempt **ONLY FOUR** questions from **PART-II**. **ALL** questions carry **EQUAL** marks.
(iii) All the parts (if any) of each Question must be attempted at one place instead of at different places.
(iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper.
(v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.
(vi) Extra attempt of any question or any part of the question will not be considered.

- Q. 2.** Pakistan has repeatedly considered the privatization of electricity distribution companies (DISCOs) as a strategy to reduce fiscal losses and improve sector performance. However, evidence from past reforms—including unbundling, IPP policies, and management contracting—shows mixed outcomes. **(20)**
Question: Critically evaluate whether privatizing DISCOs is likely to address the core structural problems in Pakistan’s power sector.
In your answer, address the following:
i) Assumptions underlying the case for privatization.
ii) Key risks and constraints specific to Pakistan’s institutional context.
iii) Alternative or complementary reforms that could be implemented with or without privatization to ensure sustainable improvements in distribution performance.
- Q. 3.** As an Operations Manager of a Pakistani firm exporting mangoes to high-value markets (US, EU, Middle East) that demand strict quality, cold-chain reliability, speed, and food-safety compliance, explain how you would redesign and manage the firm’s operations to stay competitive in this global environment, focusing on one or two key areas such as process design from harvest to packing, cold-chain/logistics, or quality and waste reduction. In your answer, apply relevant principles and tools from Operations Management and show how they guide your specific decisions and trade-offs. **(20)**
- Q. 4.** Explain the concept of 360-degree Performance Evaluation. How does it differ from traditional supervisor-only appraisal? Briefly discuss the main advantages and disadvantages of the commonly used rater groups (supervisors, peers, subordinates, customers/clients, and self-ratings). Finally, identify key challenges in using 360-degree Evaluation and suggest how HR can manage or reduce these issues. **(20)**
- Q. 5.** A mid-sized manufacturing firm in Karachi is considering installing a 100-kW rooftop solar system to reduce both its electricity cost and its carbon footprint. The system costs PKR 12,000,000 today (including tax of PKR 1,200,000) and has a life of 10 years; the firm’s current annual electricity expense for the relevant load is PKR 2,400,000, which would be fully eliminated by the system, and it expects to earn an additional PKR 320,000 per year by selling surplus electricity to the grid under net metering (total annual benefit PKR 2,720,000). Assume no salvage value, no maintenance costs, and ignore inflation and income taxes; the firm’s required return is 12%. **(20)**
(a) Compute the payback period, NPV, and IRR of this investment, assuming current net-metering rules and tariffs remain unchanged over the project life.
(b) Now suppose the government eliminates net metering (so the firm cannot earn PKR 320,000 per year from exports) and doubles the tax on such systems from PKR 1,200,000 to PKR 2,400,000 (so the total installed cost rises accordingly). Using approximate numbers, show how these changes would affect the Payback Period, NPV, and IRR. Briefly discuss whether additional incentives or policies would be needed to encourage manufacturers to adopt solar to lower their carbon emissions.
- Q. 6.** You are the channel manager of a Pakistani FMCG company that wants to expand nationally but faces problems with limited product availability, retailer resistance, and high distribution costs across urban and rural markets. **(20)**
a. Explain how you would design the basic channel structure (e.g., choice and number of intermediaries, level of intensity, length of the channel) for this FMCG product in Pakistan, using a relevant channel design framework.
b. Describe how you would select and manage channel members (distributors, wholesalers, modern trade chains, kiriyana shops), including how you would create channel incentives and support programs to gain retailer cooperation.

BUSINESS ADMINISTRATION (2026)

- c. Using relevant Theories of Channel Power, Conflict, and Vertical Marketing Systems (VMS), explain how you would prevent and manage channel conflicts (e.g., between traditional retailers and modern trade, or between online and offline channels) in the Pakistani context.
- d. Briefly explain how you would use technology and multi-channel/omni-channel strategies (e.g., B2B ordering apps, e-commerce platforms, logistics partnerships) to improve coverage, efficiency, and coordination in your distribution system.

Q. 7. You are the brand manager of a Pakistani FMCG company planning to launch a new national brand (e.g., tea, snack food, or personal-care product) in a highly competitive and price-sensitive market where many brands appear similar. **(20)**

- a. Explain how you would design the brand identity for this product, referring to a relevant Brand Identity Framework (such as Kapferer's Brand Identity Prism or Aaker's Brand Identity System).
- b. Define the brand's value proposition and positioning by clearly stating the target segment, frame of reference, point(s) of difference, and reason to believe. Apply relevant positioning concepts and illustrate your answer with Pakistan-specific examples.
- c. Using either Keller's Customer-Based Brand Equity (CBBE) model or Aaker's Brand Equity dimensions (choose one), explain how your branding decisions would help build strong brand equity over time.
- d. Briefly explain how the brand elements (name, logo, packaging, and slogan) would reinforce the intended positioning and appeal to Pakistani consumers.

Q. 8. You are the marketing manager of a Pakistani textile and apparel brand planning to launch a new clothing line for younger urban consumers in cities such as Karachi and Lahore. **(20)**

- a. Briefly identify and justify two or three key consumer segments within this younger urban market (e.g., by lifestyle, social class, or benefits sought).
- b. For one chosen target segment, analyze two or three major influences on their buying behaviour (e.g., cultural values, reference groups, family, lifestyle, personality/self-concept) that are especially relevant in Pakistan.
- c. Describe the main stages of the consumer buying-decision process for this clothing line and explain how you would try to influence the chosen segment at two or three of these stages.
- d. For any two of your recommendations from parts (b) or (c), explicitly show how specific Consumer Behaviour Theories or Models (e.g., cultural/social/personal factors, buyer decision process model) guided your analysis and decisions.
