



Rawalpindi Women University

Department of Business Administration

ENTRY TEST FOR PhD MANAGEMENT SCIENCES SAMPLE PAPER

PART A (70 Marks)

Subject-Based MCQs

1. A firm possesses a valuable capability, but competitors can readily acquire the same capability from the market. Which VRIN attribute is most clearly absent?

- A. Value
- B. Rarity
- C. Inimitability
- D. Non-substitutability

2. Which theoretical perspective argues that industry structure and competitive forces strongly influence firm profitability?

- A. Resource-Based View
- B. Industrial Organization Economics
- C. Upper Echelons Theory
- D. Institutional Theory

3. Strategic intent differs from a conventional short-term objective because it:

- A. Focuses only on operational efficiency
- B. Expresses an ambitious long-term direction that stretches organizational capabilities
- C. Specifies only annual financial targets
- D. Eliminates the need for resource allocation

4. A firm repeatedly invests in capabilities that were successful in the past even though customer preferences have changed. This is best described as:

- A. Strategic renewal
- B. Core rigidity
- C. Organizational agility
- D. Exploratory learning

5. Which concept explains why two organizations facing the same environment may require different structures to perform effectively?

- A. Contingency theory
- B. Scientific management

- C. Agency theory
- D. Classical theory

6. An organization simultaneously exploits its existing business model and explores emerging technologies. This reflects:

- A. Strategic ambidexterity
- B. Vertical integration
- C. Retrenchment
- D. Market concentration

7. Transformational leadership is most closely associated with:

- A. Contingent rewards only
- B. Intellectual stimulation and inspirational motivation
- C. Strict rule enforcement
- D. Minimal leader involvement

8. Bounded rationality suggests that decision makers generally:

- A. Optimize with complete information
- B. Satisfice because information, time, and cognitive capacity are limited
- C. Avoid all uncertainty
- D. Never use judgment

9. A firm that enters a new market before rivals may benefit from:

- A. First-mover advantages such as early customer loyalty and learning
- B. Guaranteed absence of competitive response
- C. Lower innovation requirements
- D. Elimination of market uncertainty

10. In dynamic capabilities theory, identifying emerging opportunities is primarily associated with:

- A. Sensing
- B. Seizing
- C. Transforming
- D. Standardizing

11. Which strategy seeks competitive advantage by offering differentiated value that customers perceive as meaningful?

- A. Cost leadership
- B. Differentiation
- C. Retrenchment
- D. Divestment

12. A business concentrates resources on a narrowly defined customer group with specialized needs. This is:

- A. Broad differentiation
- B. Focus strategy

- C. Conglomerate diversification
- D. Market skimming

13. Which mechanism is most likely to support integration of knowledge across specialized departments?

- A. Cross-functional teams
- B. Functional isolation
- C. Additional hierarchical layers
- D. Restricted information flows

14. Empowerment is best characterized by:

- A. Increasing employee discretion within agreed boundaries
- B. Centralizing every operational decision
- C. Eliminating accountability
- D. Replacing objectives with informal rules

15. Stakeholder theory challenges the narrow assumption that:

- A. Organizations operate in competitive markets
- B. Managers should consider only shareholder interests
- C. Firms require resources
- D. Employees influence performance

16. A manufacturer acquires a key supplier to secure access to critical inputs. This is:

- A. Backward vertical integration
- B. Horizontal integration
- C. Unrelated diversification
- D. Forward integration

17. Institutional isomorphism refers to organizations becoming similar because of:

- A. Institutional pressures and expectations
- B. Identical production technologies only
- C. Random managerial preferences
- D. Declining competition

18. A manager appoints a devil's advocate during strategic planning primarily to:

- A. Encourage critical evaluation of assumptions
- B. Eliminate disagreement
- C. Speed consensus without debate
- D. Increase conformity

19. Which governance mechanism most directly aligns managerial interests with shareholders?

- A. Performance-linked incentives
- B. Greater information asymmetry
- C. Reduced disclosure
- D. Removal of board oversight

20. A firm's capacity to renew and reconfigure resources in response to major environmental change is a:

- A. Dynamic capability
- B. Economies-of-scale advantage
- C. Structural inertia
- D. Switching cost

21. Which approach emphasizes small, continuous improvements involving employees throughout the organization?

- A. Kaizen
- B. Business process outsourcing
- C. Bureaucratic control
- D. Conglomerate diversification

22. A firm internalizes an activity because contracting with external suppliers creates substantial monitoring and transaction costs. This decision is explained by:

- A. Transaction Cost Economics
- B. Equity Theory
- C. Human Capital Theory
- D. Expectancy Theory

23. A small, ambiguous technological development with uncertain strategic implications is best described as:

- A. A weak signal
- B. A confirmed threat
- C. A mature trend
- D. A strategic objective

24. Resistance to organizational change is most likely to decline when employees:

- A. Receive timely information and participate meaningfully in implementation
- B. Are excluded from decision-making
- C. Learn about changes only after implementation
- D. Are discouraged from expressing concerns

25. Organizational resilience is best reflected by an organization's ability to:

- A. Absorb disruption, adapt, and recover while preserving critical functions
- B. Avoid all environmental uncertainty
- C. Maintain routines regardless of outcomes
- D. Eliminate all organizational slack

26. Which capital budgeting technique incorporates the time value of money and directly estimates value created by a project?

- A. Payback Period
- B. Accounting Rate of Return
- C. Net Present Value
- D. Average Cost Method

27. If a project's IRR is greater than its required rate of return, the conventional decision rule is to:

- A. Accept the project
- B. Reject the project
- C. Ignore the discount rate
- D. Use accounting profit only

28. In the CAPM, systematic risk compensation is captured primarily by:

- A. The risk-free rate alone
- B. Beta multiplied by the market risk premium
- C. Dividend yield
- D. Firm-specific variance

29. Holding other factors constant, a security with a higher beta should have:

- A. Greater exposure to systematic market risk
- B. Lower systematic risk
- C. No required risk premium
- D. Lower sensitivity to market movements

30. A firm has current assets of \$720,000 and current liabilities of \$360,000. Its current ratio is:

- A. 0.5
- B. 1.5
- C. 2.0
- D. 2.5

31. Which ratio most directly measures the return generated on shareholders' invested equity?

- A. Current ratio
- B. Return on Equity
- C. Debt-to-assets ratio
- D. Inventory turnover

32. Financial leverage is more likely to increase shareholders' return when:

- A. The return on assets exceeds the after-tax cost of debt
- B. The cost of debt always exceeds asset returns
- C. Operating income is negative
- D. Debt has no contractual obligations

33. Diversification primarily helps investors reduce:

- A. Systematic market risk
- B. Unsystematic firm-specific risk
- C. Inflation risk completely
- D. Interest-rate risk completely

34. A bond trading for less than its face value is selling:

- A. At par
- B. At a premium
- C. At a discount
- D. At book value

35. Dividend policy concerns the decision regarding:

- A. How much earnings to distribute and how much to retain
- B. How much inventory to purchase
- C. How many employees to hire
- D. How much advertising to conduct

36. All else equal, the present value of a future cash flow increases when:

- A. The discount rate decreases
- B. The discount rate increases
- C. The cash flow is delayed
- D. Risk increases

37. A prolonged increase in accounts receivable is most likely to:

- A. Lengthen the cash conversion cycle
- B. Automatically improve liquidity
- C. Reduce funds tied up in working capital
- D. Eliminate credit risk

38. The cash conversion cycle measures the period between:

- A. Cash payment for inputs and cash collection from customers
- B. Issuing shares and paying dividends
- C. Borrowing funds and repaying debt
- D. Purchasing fixed assets and selling them

39. Which condition most directly increases financial distress risk?

- A. High fixed interest obligations relative to operating cash flows
- B. Lower leverage
- C. Larger cash reserves
- D. Lower debt service requirements

40. Using a project-specific discount rate rather than the corporate WACC is intended primarily to:

- A. Match required return more closely to project risk
- B. Eliminate project risk

- C. Maximize accounting income
- D. Ignore systematic risk

41. Strategic workforce planning is primarily concerned with ensuring:

- A. The organization has the required workforce capabilities when needed
- B. Every department has identical staffing
- C. Employee turnover reaches zero
- D. The workforce is always maximized

42. Which HR process systematically determines the duties, responsibilities, and competencies associated with a job?

- A. Job analysis
- B. Succession planning
- C. Career counseling
- D. Employee engagement

43. Predictive validity of a selection test concerns its ability to:

- A. Predict future job performance
- B. Appear relevant to applicants
- C. Measure only current attitudes
- D. Eliminate measurement error completely

44. Which model evaluates training through reactions, learning, behavior, and results?

- A. Kirkpatrick model
- B. Maslow model
- C. Herzberg model
- D. Vroom model

45. According to equity theory, employees are likely to perceive inequity when they believe:

- A. Their input-outcome ratio differs unfairly from a comparison person's ratio
- B. Everyone receives identical outcomes regardless of inputs
- C. Goals are challenging
- D. Feedback is frequent

46. Which compensation system rewards employees according to demonstrated competencies or skills?

- A. Skill-based pay
- B. Seniority-only pay
- C. Flat-rate pay
- D. Across-the-board pay

47. Employees leaving an organization voluntarily represent:

- A. Voluntary turnover
- B. Involuntary turnover
- C. Absenteeism
- D. Downsizing

48. Which measure is most useful as a leading indicator of potential employee turnover?

- A. Declining employee engagement scores
- B. Last year's turnover rate
- C. Number of employees already separated
- D. Historical retirement count

49. Mentoring, stretch assignments, and leadership-development opportunities for high-potential employees represent:

- A. Talent development
- B. Workforce reduction
- C. Payroll administration
- D. Job simplification

50. Psychological safety is most likely to be supported when leaders:

- A. Encourage employees to raise concerns without fear of humiliation
- B. Punish employees for reporting errors
- C. Discourage dissent
- D. Centralize all problem reporting

51. Using interviews, simulations, cognitive tests, and assessment centers for managerial selection primarily improves:

- A. Breadth of assessment evidence
- B. Guaranteed promotion accuracy
- C. Elimination of job analysis
- D. Measurement of a single trait only

52. The principal distinction between training and development is that:

- A. Training emphasizes current performance, whereas development has a broader future orientation
- B. Training is always informal and development always formal
- C. Training applies only to technical workers
- D. Development excludes managerial capabilities

53. Using employee data to forecast turnover patterns and identify predictive factors is an application of:

- A. HR analytics
- B. Job rotation
- C. Collective bargaining
- D. Job enlargement

54. Perceived organizational support is most likely to strengthen:

- A. Organizational commitment
- B. Role ambiguity
- C. Turnover intentions
- D. Workplace isolation

55. A competency model is primarily used to define:

- A. Behaviors, knowledge, and capabilities associated with effective performance
- B. Only employee salaries
- C. Only departmental budgets
- D. Product prices

56. The strategic purpose of market segmentation is to:

- A. Identify groups of customers with relatively similar needs and responses
- B. Treat every customer identically
- C. Eliminate competitors
- D. Increase production without regard to demand

57. Segmenting customers by usage rate, purchase frequency, and loyalty is:

- A. Behavioral segmentation
- B. Geographic segmentation
- C. Demographic segmentation
- D. Psychographic segmentation

58. For a market segment to be strategically useful, it should generally be:

- A. Measurable, accessible, substantial, and actionable
- B. Impossible to identify
- C. Too small to serve profitably
- D. Identical to every other segment

59. A brand's deliberate effort to occupy a distinctive place in customers' minds relative to competitors is:

- A. Positioning
- B. Distribution
- C. Production scheduling
- D. Market forecasting

60. Launching a new product at a relatively low introductory price to gain market share rapidly is:

- A. Penetration pricing
- B. Price skimming
- C. Prestige pricing
- D. Cost-plus pricing

61. A firm's new product reduces sales of one of its own existing products. This is:

- A. Product cannibalization
- B. Market development
- C. Brand extension
- D. Competitive displacement

62. A brand has very high awareness, but customers perceive its quality as weak. Which dimension requires the most attention?

- A. Perceived quality
- B. Brand recognition
- C. Distribution intensity
- D. Market coverage

63. To test whether increased advertising expenditure causes higher sales, the most appropriate research design is:

- A. Causal research
- B. Exploratory research
- C. Descriptive observation only
- D. Ethnographic research

64. A correlation between advertising spending and sales does not by itself prove causality because:

- A. Confounding variables or reverse causality may exist
- B. Correlation always implies causation
- C. Segmentation prevents measurement
- D. Brand awareness cannot be observed

65. Customer Acquisition Cost measures:

- A. The average cost associated with acquiring a new customer
- B. The revenue generated over a customer's lifetime
- C. The cost of retaining all existing customers
- D. A firm's total market share

66. If Customer Lifetime Value is consistently below Customer Acquisition Cost, customer acquisition is likely to be:

- A. Economically unsustainable
- B. Automatically profitable
- C. Risk-free
- D. More efficient

67. Incremental lift refers to:

- A. Additional outcomes attributable to an activity above the expected baseline
- B. Total historical sales
- C. Declining brand awareness
- D. Market saturation

68. In the BCG matrix, a business with high relative market share in a low-growth market is a:

- A. Cash cow
- B. Star
- C. Question mark
- D. Dog

69. When customers judge benefits received relative to sacrifices made compared with alternatives, they are evaluating:

- A. Customer perceived value
- B. Brand dilution
- C. Promotional elasticity
- D. Production efficiency

70. A market-oriented organization is most likely to:

- A. Continuously gather and use market intelligence to create superior customer value
- B. Focus exclusively on internal efficiency
- C. Ignore competitor actions
- D. Prioritize production volume over customer needs

PART B (30 Marks)

Subjective-Based Descriptive Questions

Question 1. Organizations increasingly operate in environments characterized by technological disruption, geopolitical uncertainty, and rapidly changing stakeholder expectations. Critically discuss how strategic leadership and dynamic capabilities can help organizations achieve resilience and sustained competitive advantage.

Question 2. Strategic human resource management requires alignment between people practices and organizational strategy. Critically evaluate how talent management, employee engagement, leadership development, and HR analytics can contribute to organizational performance, and discuss the challenges of achieving such alignment.

Question 3. Digital transformation has fundamentally altered competitive dynamics and customer behavior. Critically analyze how digital technologies, data-driven marketing, and changing customer expectations influence competitive strategy, and discuss the organizational capabilities required to create sustainable value.