

INSTITUTE OF ACTUARIES OF INDIA
EXAMINATIONS

21st November 2024

CB3 - Business Management

**Time allowed: 1 Hours 30 Minutes (09.30 – 11.00
Hours)**

Total Marks: 100

- Q.1 When can a firm practice as Actuaries?
- A. All the partners are Fellow of Institute of Actuaries of India (FIAI)
 - B. Some of the partners are FIAI while some can be members of other professional bodies
 - C. Some of the partners are FIAI while some can be Associates of Institute of Actuaries of India
 - D. Professional qualification of partners doesn't matter
- [2]
- Q.2 Which of the following is not an issue / challenge for actuaries working in life insurance companies in India?
- A. Treating customers fairly.
 - B. Fast changing regulations resulting in business challenges.
 - C. Move towards risk based and market consistent reporting and valuation techniques.
 - D. Ensuring policyholders are adequately serviced.
- [2]
- Q.3 Which one of the following would not be a current issue for Health insurance companies in India?
- A. Fast changing regulations resulting in business challenges.
 - B. Move towards market consistent and risk-based reporting techniques.
 - C. High claim ratio in group health insurance segment.
 - D. Increase in loss ratio with maturing policies in retail segment.
- [2]
- Q.4 Which of the following constitutes professional guidance by the Institute of Actuaries of India?
- A. Professional guidance consists of the Professional Conduct Standards only
 - B. Professional guidance consists of the Professional Conduct Standards and Actuarial Practice Standards
 - C. Professional guidance consists of all Guidance Notes and Standards of Practice issued by the International Actuarial Association
 - D. Professional guidance consists of the Professional Conduct Standards, all Actuarial Practice Standards and all Guidance Notes
- [2]
- Q.5 You are considering opening a record store in a major shopping area. As there are other record stores located nearby, you will have to find sources of competitive advantage. Only one of the following would be a real source of competitive advantage - which is it?
- A. An award-winning advertising campaign.
 - B. Exclusive promotional relationship with a major record label.
 - C. An unusual store design and internal layout.
 - D. Higher ratio of staff per customer than the industry norm.
- [2]
- Q.6 Strategic decisions work at different levels of a company. If you were developing a 'business unit' strategy, which one of the following questions would you be concerned with?
- A. What functional capabilities should we build and leverage to meet the company's needs?
 - B. How should the business compete?
 - C. Which business/es should we be in?
- [2]

- Q.7 One form of research used with consumers to explore their needs is called Conjoint Analysis. For what precise purpose would you use this research? Choose the correct statement.
- A. To discover how they rate the importance and quantify the value of different attributes of a product or service.
 - B. To find out which types of people would buy the product or service.
 - C. To see in what different types of circumstances people might use the product or service.
 - D. To find out what attributes of the product they are most familiar with. [2]
- Q.8 What do we mean by the term a 'business system'?
Select the correct answer:
- A. A map of all the businesses operating in a strategic set i.e. targeting the same market segment.
 - B. A system showing the industry competitors and all their suppliers.
 - C. A technological map used to capture all the technology links used within a company.
 - D. A model of the primary and support functions of a business with their key activities. [2]
- Q.9 As an executive in a major oil company, you work for the division where responsibilities cover its network of petrol stations serving the public. You've received details from the directors of the strategic, financial, and non-financial objectives going forward. Identify the two strategic objectives.
- A. Devise a new package of benefits for the 'motorist's club' loyalty scheme you run for customers.
 - B. Pledge to protect the environment by increasing new policies and processes.
 - C. Leverage distribution network more effectively by establishing shops on sites.
 - D. Increase return on investment by 5% over 2 years.
 - E. Increase share of national market by investing to update facilities. [2]
- Q.10 The company you work for, TransGlobal Multinational Limited, is considering entering a new market. The decision-making process has involved reviewing other similar organisations' attempted entries, identifying successes and failures, suggesting improvements that TransGlobal could make over competitors' offers, and an analysis of the market and the customers' needs.
- Based on this decision-making behaviour, which one of the organisational cultural types listed do you think TransGlobal fits within?
- A. Defenders.
 - B. Innovators.
 - C. Fast followers.
 - D. Slow reactors. [2]
- Q.11 You have just joined a new company, and you have already been asked to make a recommendation on what you think is a strategic, high-impact decision. Your recommendation will be made direct to the Chief Executive. You have looked for someone able to help you with this, but not found anyone with the right qualifications or experience. You had intended to do a detailed analysis, but a colleague has informed you there is not enough time to do that and suggested you should "use your instinct." What type of organisational structure do you think you are now working in?
- A. A complex matrix organisation.
 - B. A hierarchical organisation.

- C. A power-based organisation.
D. A freeform organisation. [2]
- Q.12 In case of a conflict of interest arising between two or more clients of an actuary's firm which of the following options should an actuary exercise? [2]
- A. The actuary must withdraw from providing advice to both/all clients thereby avoiding the conflict of interest
B. The actuary must consider only the nature of the conflict and whether it makes it improper for the actuary to provide advice to one or both the clients involved in the conflict
C. The actuary must consider the nature and extent of the conflict and whether it makes it improper for the actuary to provide advice to one or both the clients involved in the conflict
D. None of them [2]
- Q.13 The Value Chain shows the activities required to deliver value to... [2]
- A. shareholders.
B. customers.
C. products.
D. the economy. [2]
- Q.14 Synthesis is the process of combining two or more facts to produce other facts, hypotheses or questions. There are two kinds of synthesis. Which one of the following are they? [2]
- A. Negative and deductive.
B. Creative and corrective.
C. Corrective and negative.
D. Deductive and creative. [2]
- Q.15 When considering financial and non-financial objectives, which of the following would be true? [2]
- A. non-financial objectives are often just as important as financial ones, and they can be a lot less obvious.
B. Financial objectives will always be more important than non-financial ones and are usually more obvious.
C. non-financial objectives will usually be more obvious than financial ones and will be better understood by the staff.
D. Financial objectives are key to the success of a company so non-financial ones are not usually relevant. [2]
- Q.16 Which one of the following statements is false? [2]
- A. Life insurance market in India was tariffed until very recently, which limited the role that actuaries can play in product pricing and development.
B. IRDA has recently issued product related regulations, resulting is majority of life insurance products offered by life insurers to be re-developed and re-priced.
C. Solvency II has been mandated by IRDA for life insurance companies, but not general insurance companies in India.
D. None of the above. [2]
- Q.17 Genuine Public Ltd wishes to get its factory constructed. They wish to choose a contractor for the purpose with good experience, and who will carry out the work at the best price. They should:

- A. Call tenders from interested contractors
B. Make an offer to three contractors their directors know
C. Call the contractor who has constructed the factory on the neighbouring plot, and negotiate the Contract with him
D. Put up a notice board on the premises calling interested contractors to meet the Managing Director [2]
- Q.18 X has agreed to sell land to Y, and to complete the sale only if the Collector of the District gives permission to the sale. The land is such that by law it cannot be sold unless permission is obtained. The Collector refuses permission. What is the effect?
- A. The Contract is voidable when the Collector refused permission
B. The agreement is void from the beginning, because land cannot be sold without permission
C. The Contract continues to be valid and binding, and X must pay compensation to Y
D. The Contract has become void when permission is refused. X need not sell the land, nor need X pay compensation to Y for breach [2]
- Q.19 A in Ahmedabad has made a Contract in Kolkata with B from Bombay that A shall supply goods to B in B's various factories throughout India. The Contract contains a clause: "Subject to Bombay jurisdiction only". A fails to supply a particular delivery to B's factory at Jhansi. B cannot file a suit at:
- A. Ahmedabad
B. Bombay
C. Jhansi
D. Kolkata [2]
- Q.20 Which of the following are the skills you have to acquire to become a competent actuary?
- A. Communication Skills.
B. Judgment.
C. Management and soft skills.
D. Professionalism and Business Ethics.
E. All of above. [2]
- Q.21 Commercial premises are given on a licence basis. Licensee has occupied it. It is the term of that licence that the Licensor shall bear and pay all property or other taxes relating to the premises, and the Licensee will pay for the services used by it, viz. electricity, water, building maintenance services. The Licensor does not pay property taxes, and the Licensee as the occupant, receives a warrant from the local authority. The Licensee pays the amount.
- A. The Licensee is entitled to reimbursement of this amount from the Licensor
B. The Licensee is not entitled to receive it from the Licensor
C. The Licensee can stop paying license fees until the Licensor has paid him the amount
D. The Licensee can deduct the amount from the license fees with interest, although there is no provision for such deduction in the licence [2]
- Q.22 Which of the following agreement is not void?
- A. An agreement where X promises to donate Rs 50000 to a hospital

- B. Y accepted an offer of X relying on false statements made in the offer, which X knew to be false
- C. A term in an employment Contract that an employee will not take up employment only for six months after termination
- D. A term in an agreement that parties to a Contract will not file legal proceedings against one another [2]
- Q.23 Which of the following statements is true?
- A. A public company can by its Articles restrict the number of its members to 500
- B. A private company can by its Articles restrict the number of its members to 40
- C. The liability of members of any private company is unlimited.
- D. A private company can issue a prospectus [2]
- Q.24 Which of the following is not a main practice area for actuaries working in life insurance?
- A. Pricing.
- B. Reserving and valuations.
- C. Risk Management.
- D. Marketing. [2]
- Q.25 Which of the following statements describes the characteristics of power-based organisations in terms of organisational decision-making? Select the two relevant options.
- A. Decision-making may be based on instinct or swayed by key influencers more than key data/research.
- B. Logic, rules, procedures, activities and job roles are tightly specified. Easier to predict likely actions as policies are set down.
- C. Two or more functions are critical to the company's success.
- D. Junior/specialist staff are exposed to more responsibility and issues beyond one function.
- E. Company stability depends on a key person remaining in place. [2]
- Q.26 The Value Chain shows the activities required to deliver value to...
- A. shareholders.
- B. customers.
- C. products.
- D. the economy. [2]
- Q.27 Which of the following is a valid disclosure of the Director's interest?
- A. Must disclose even if the Director has a relationship of friendliness with the Director of the company to which the contract is awarded
- B. Disclosure must be to the entire board at the Meeting of the Board
- C. Disclosure by sending letters to the Chairman and other Directors
- D. Disclosure to the independent Directors [2]
- Q.28 A patient claims compensation from his Doctor who, he alleges, administered an injection that caused him complex skin problems. The patient can claim compensation:
- A. Only by showing that the injection has caused the skin problems, without showing whether the doctor was at fault or not.
- B. Only if he can show that the Doctor was at fault, for example, did not test whether the patient was allergic to that drug

- C. Only if he can show that giving the particular injection was not considered the best option by the other Doctors in the same field
- D. Only if he can show that the Doctor was morally wrong to give him that injection, although it was a standard practice. [2]
- Q.29 A victim of an accident has become permanently disabled. Will a court order giving him compensation to:
- i. Provide for the financial loss actually suffered due to the accident until the date of filing the suit;
- ii. Provide for the future financial loss suffered by the victim due to the accident;
- iii. Provide for payment of an additional amount of compensation with a view to punish and deter the wrongdoer;
- iv. Provide for the compensation based on present capital value of the future loss.
- A. (i) and (ii)
- B. (i), (ii) and (iv)
- C. (i) and (iii)
- D. all of the four [2]
- Q.30 Which one of the following statements is incorrect?
- A. A partnership does not enjoy perpetual succession unless the partnership agreement provides otherwise
- B. A close corporation always enjoys perpetual succession
- C. A company enjoys perpetual succession
- D. A trust deed may confer perpetual succession on a trust [2]
- Q.31 Which one of the following would not be a current issue for Finance & Investment companies in India?
- A. To be known as credible player in financial and investment sector – business challenge.
- B. Understand & apply asset liability techniques for pension sector.
- C. Move towards market consistent asset valuations for insurance sector
- D. None of the above [2]
- Q.32 Ability to communicate well is becoming one of the key skills you must possess to become a successful actuary. Why?
- A. Because actuaries are required to communicate technical / specialist concepts to the non-technical people and without adequate communication skills, their ability to drive their points would remain limited.
- B. In order to showcase better the value added for their clients, enabling them to charge accordingly.
- C. Because there is an exam relating to Communications which you must pass to qualify as an actuary.
- D. None of the above. [2]
- Q.33 In maximising the value of a company, which of the following is the best measure of value to use?
- A. Annual profit.

- B. Annual return on assets.
C. Net present value of future profits. [2]
D. There is no one perfect measure.
- Q.34 Which of the following Committee/Committees is/are mandated by the Actuaries Act 2006
- I. Finance and Strategic Affairs Committee
II. External Affairs Committee
III. Professional Affairs Committee
IV. Disciplinary Committee
- A. I only
B. I, III and IV
C. IV only [2]
D. III and IV
- Q.35 You have just joined a new company, and you have already been asked to make a recommendation on what you think is a strategic, high-impact decision. Your recommendation will be made direct to the Chief Executive. You have looked for someone able to help you with this, but not found anyone with the right qualifications or experience. You had intended to do a detailed analysis, but a colleague has informed you there is not enough time to do that and suggested you should "use your instinct." What type of organisational structure do you think you are now working in?
- A. A complex matrix organisation.
B. A hierarchical organisation.
C. A power-based organisation.
D. A freeform organisation. [2]
- Q.36 Which one of the following authorities is responsible for setting the ethical standards that member of the Institute of Actuaries in the India should comply with?
- A. Insurance Regulatory and Development Authority
B. The Institute of Actuaries of India
C. Reserve Bank of India
D. Securities and Exchange Board of India [2]
- Q.37 Which of the following forms of publicity is prohibited?
- A. A member authorized by the Institute of Actuaries of India to represent the profession speaking as its representative
B. Appropriate publicity of the profession objectively substantiated
C. Description of the professional services offered including basis for charging
D. Description of the work done on behalf of the profession for gains by the actuary's firm [2]
- Q.38 When invited to give actuarial advice to a client an actuary must consider whether there are any professional reasons not to accept the appointment by exercising which of the following options?
- A. Contacting the client's Board or Trustees

B. Contacting the previous actuary when this is known

C. Contacting the client's CEO

D. None of the above

[2]

Q.39 Which of the following options A, B, C or D lists the members not entitled to vote on any matter or resolution in any meeting of the Institute of Actuaries of India:

I. Honorary Members

II. Affiliate Members

III. Student Members

IV. Associate Members

A. I and III

B. I, II and III

C. II and III

D. All of them

[2]

Q.40 Which of the following options A, B, C or D is correct?

I. The actuarial profession does not have an obligation to serve the public interest

II. Advice given to an actuarial colleague does not have to meet the same standards as external advice

III. A member has a duty to the profession and must not act in a manner that denigrates its reputation

A. I and III

B. II and III

C. II only

D. III only

[2]

Based on the following information, answer the following multiple-choice questions 41-60. Please select one option

Strategic decision making by an organization can get waylaid by external shocks in the macroeconomic environment. Herein, a strategic plan requires one to match their strengths to external opportunities and threats.

The PEST framework assists the organization to gauge the likelihood of events from the **Political, Economic, Social and technological** sphere affecting its perceived profitability and competitiveness in the future due to any of these occurrences. This research tool is typically used in conjunction with the **SWOT (Strengths, weakness, opportunities and threats) framework** which allows the organization to forecast how it will leverage its strengths during periods of such crisis or seek an opportunity in the uncertainties that such events bring. However, all such events are not necessarily negative. For example, regulatory change (especially when an organization has lobbied for it or is adequately prepared for it) can also present unexplored opportunities.

Any given industry is also internally impacted by a number of unique forces which present strategic complexity for an organisation since they shape the competition and opportunities present in that industry. The internal conditions of the industry alongside the external forces of the macroeconomic environment can together challenge the strategic plan that an organization has devised for itself. **The 5 forces for an industry** were identified by Professor Michael Porter as **competitive rivalry, the potential for new entrants, the bargaining power of buyers, the bargaining power of suppliers and the availability of substitutes.**

Let us understand all these concepts in some depth through the following two cases on the telecommunications industry in India and the Swachh Bharat Mission (SBM).

Case 1

Consider the time period between 2005-2006 when changes in government policy to promote efficiency, allowed for more foreign direct investment (FDI) in the country and therefore promoted competition in the telecom industry by supporting the smaller companies. Before this period, domestic capital (which included business groups like Reliance and TATA) was leveraging products which used CDMA technology. However the smaller players (like Bharti Airtel) who were using GSM technology were capital starved and unable to expand.

Political factors which affect the business environment include political stability, civil unrest, changes in tax and employment laws etc. Political uncertainties also relate to regulatory changes which can change the structure of the industry. In the above example, government preference for GSM technology to promote efficiency and increased sensitivity towards the needs of the smaller companies also paved way for more foreign investment by making the regulatory environment favourable. This regulatory change allowed for greater competition in the telecom market.

Economic factors are prices, changes in demand and supply, inflation etc. These also include changes in the price of the services and availability of associated products. CDMA technology did not use sim cards and was embedded in the handset itself. This did not allow the customer to switch service providers because of the high fixed cost of the device itself. However GSM technology used a sim card which could be easily inserted in any device. Promotion of GSM services also allow for greater competition in the handset device market as well as increase price competition which benefits the consumers by offering them greater choice across service providers and handset manufacturers.

Social factors refer to changes in the demographics of the area, cultural changes and lifestyle alterations. Increased mobility for work with urban migration and more individuals from the same household stepping out for work is likely to increase the number of telecom users. Similarly a decrease in the age at which young teenagers start using a device is also likely to increase the size of the overall market.

Technological factors refers to Research and development expenditures which lead to new technology as well as availability of alternatives. The above example underscores the revolutionary impact on a market that even availability of alternatives and government promotion of a technology can have.

Without going into a detailed analysis, a brief analysis using the SWOT framework for the GSM providers versus the CDMA companies (Bharti Airtel vs Reliance) can also be drawn up.

SWOT for Bharti Airtel GSM services (for the time period 2005-2006)

| | |
|---|---|
| <p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Cost effective because of greater competition • Provides choices to customer | <p style="text-align: center;">Weakness</p> <ul style="list-style-type: none"> • Dependent on foreign capital • Inadequate distribution infrastructure |
| <p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Expansion in internet and broadband services • Expansion in other countries to leverage its experience in emerging markets | <p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Unfavourable regulatory changes in telecommunications industry • Changes in foreign capital investment climate and regulations(domestic or foreign markets) • Political instability and changes in interest rates in home markets of the foreign investors |

SWOT for Reliance CDMA services (for the time period 2005-2006)

| | |
|--|---|
| <p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Few players so little competition • High brand recognition | <p style="text-align: center;">Weakness</p> <ul style="list-style-type: none"> • High fixed cost for customers • Slow uptake in rural markets |
| <p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • High entry barriers • Potential to expand using existing infrastructure | <p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Unfavourable regulatory changes in telecommunications industry • Changes in technology |

Similarly we can also conduct a Porters' five forces analysis for the telecommunications industry as it was during the period in discussion.

Competitive rivalry was and still is high since there are a few players only, particularly after a series of consolidations and sell offs. Competitive rivalry refers to the intense competition between companies in the same industry. This is often very high either because of the existence of very few players, or even when the market has too many players as well. When the players are limited, they are more likely to charge high prices because they have high bargaining power vis a vis consumers. However in case of market saturation, companies are likely to try and undercut each other on prices or compete on other factors to underscore their unique value proposition. Entry barriers refer to the factors which dissuade companies from entering a new market because of the challenges they pose. Within telecommunications, the entry barriers are high for new players because of the heavy capital investment required and the need to build adequate infrastructure. Therefore it is unlikely that the situation will change for the industry in future as well.

Rivalry remains intense because of lack of penetration in rural markets which has seen huge uptake with improvement in service provision and quality. With the introduction of comprehensive service plans at low price points, service providers have added huge volumes to their customer base with very low average revenue per user from this market segment. This is particularly true for Reliance which has switched significantly from being a CDMA service provider to GSM services as well. All the service providers have also extended services to now include internet and broadband services and television broadcasting as well. Since there is low product differentiation between service providers, switching costs between customers is very low and therefore there is little brand loyalty as well. This keeps the competition high and price low giving the customers high bargaining power even though there are no close substitute products. However bargaining power of suppliers is perceived to be low because of the small number of service providers and a new duopoly between private sector players Bharti Airtel and Reliance Jio.

Porters' five forces for the telecommunications industry in India

| | |
|--------------------------------------|-------------|
| Competitive Rivalry | High |
| Availability of substitutes | Low |
| Entry Barriers | High |
| Bargaining power of suppliers | Low |
| Bargaining power of customer | High |

Case 2

The Swachh Bharat Abhiyaan/ Mission (SBM) launched in 2014 by the Government of India as a national cleanliness programme, may have improved infant mortality through consistent efforts at improving sanitation and the construction of toilets a new study published in the prestigious Nature journal suggests. The study conducted by the US-

based International Food Policy Research Institute estimates that **60,000-70,000 infant deaths a year were averted by the construction of toilets under the Swachh Bharat Mission (SBM).**

According to the opinion of Shri Parameswaran Iyer, 'the swachh bharat mission has advanced the cause of safety and dignity, health and the economy through showcasing the 4 Ps required for the success of most large transformational developmental programmes- political leadership, public financing, partnerships and people's participation. Another study conducted by the UNICEF estimated that the value of the SBM went beyond health and a reduction in mortality to include economic benefits too. **Construction of toilets under the SBM allows a village to become open defecation free (ODF).** This has resulted in significant annual savings for the household on account of saved medical expenses, time savings etc.

The government gave a cash subsidy of Rs 12,000 for every **household toilet** constructed in rural areas and supplemented this campaign through the construction of **public toilets**, particularly in urban areas. The effort at reducing open defecation has not only brought about visible progress in infant mortality and everyday health and hygiene for the low income family, but also reduced the dropout rates for school girls signaling their improved education and overall well-being.

- Q.41 Implementation of the SBM should lead to an increase in the sales of which of the below companies?
- A. TATA motors
B. CERA (Sanitaryware)
C. BSNL
D. L& T [1]
- Q.42 The SBM is a positive regulatory nod for the creation of basic household infrastructure implemented even at the municipal and panchayat level which promotes secondary growth in many industries. Which option from the below list will also benefit when households and municipal agencies invest in SBM initiatives?
- A. FMCG (companies like Unilever/ Godrej/ Reckitt which make Dettol etc)
B. Pharmaceutical (companies like Cipla)
C. Agricultural technology (companies like Syngenta)
D. Logistics and supply chain (companies like Mahindra Logistics) [1]
- Q.43 With the slew of government initiatives launched as part of the SBM, the entry barriers in the Indian sanitary ware industry will be perceived to be
- A. Higher
B. Lower
C. No perceptible change
D. None of the above [1]
- Q.44 For the existing players, competitive rivalry will go up, due to
- A. Threat of new entrants
B. High Bargaining power of suppliers
C. Low bargaining power of customers
D. A and C [1]
- Q.45 SBM displays political will and leadership to bring about positive change in the lives of the masses in India. What will be the direct impact on the economy in 10 years?
- A. More innovation in hygiene products

- B. Increase in female literacy
C. Reduction in child marriages
D. Both A and B [1]
- Q.46 According to the SWOT analysis for the telecommunications industry in India, the threat of an increase in interest rates in the home market of the foreign investor will lead to
- A. Strategic challenges for the Indian company
B. Political challenges for the Indian Government
C. Capital inflows from India
D. Both A and C [1]
- Q.47 If you were the medical officer attached to the local district level hospital, which of the below tools will you use to assess the impact of SBM on your career?
- A. 5 FORCES
B. PEST
C. SWOT
D. None of the above [1]
- Q.48 Within the sanitary ware industry, companies like Jaguar and Parryware are making a strategic plan in 2015 for the next 10 years. In which area should they consider investing to develop future capabilities?
- A. Rural distribution network
B. Training HR
C. Increasing production
D. All of the above [1]
- Q.49) According to the PEST analysis, for a village to be declared ODF constitutes which type of change
- A. Political
B. Economic
C. Social
D. Technological [1]
- Q.50) Previous sanitation programmes met with limited success. The reason that the SBM has made visible progress is because of the strategic planning embedded in such a large transformational developmental programme. It has proved the necessary underpinning as
- A. Political lobbying
B. Peoples vote
C. Public finance
D. None of the above [1]
- Q.51) Given the SBM, which of the following technological advancements should be included in a PEST analysis of the sanitary ware industry in India,
- A. Tap aerators (which reduce the usage/wastage of water)
B. Water harvesting systems
C. Bio vacuum toilets
D. Jet body showers [1]

- Q.52) Behavioural change requires political will and commitment. However it takes time as well. What did the SBM ensure in the meantime, which allowed the mindset to develop and adjust?
- A. Free medical aid
 - B. Infrastructure
 - C. Subsidy
 - D. Both B and C
- [1]
- Q.53) The fate and prospects of telecom companies (like companies in many other highly regulated industries) are often guided by the regulator. Company X is facing a disgruntled regulator regarding spectrum guidelines. You are preparing to file for an impending IPO. What should your strategy be?
- A. Form an industry alliance to lobby the regulator
 - B. Postpone the IPO
 - C. Try approaching the regulator through informal networks
 - D. Change your product portfolio
- [1]
- Q.54) If the competitive rivalry is too intense in an industry, a possible strategic recourse is to
- A. Form a strategic alliance with the competitor
 - B. Buyout a rival
 - C. Acquire complementary facilities
 - D. All of the above
- [1]
- Q.55) The Russia – Ukraine war has impacted key markets of food, fuel and fertilizers. Can a crisis such as this war present an opportunity for any industry? Choose below [Ukraine is a top producer of wheat, sunflowers and fertilizers. Russia is a natural gas and oil exporter. EU is focusing on building energy security]
- A. Agricultural produce from Ukraine
 - B. Indian petrochemical refineries buying Russian crude oil
 - C. European power industry
 - D. Indian agriculture
- [1]
- Q.56) Referring to the Porters' 5 forces framework, identify an industry where individual consumers have high bargaining power.
- A. Real estate
 - B. FMCG
 - C. Tourism
 - D. Aviation
- [1]
- Q.57) This power (identified in Q56 above) stems from
- A. Because of a large number of alternative suppliers
 - B. Because of the stringent application of FSSAI guidelines
 - C. Because of a tough regulator
 - D. The enactment of RERA
- [1]
- Q.58) Reduction in infant mortality as a measure of the successful implementation of the SBM indicates
- A. A positive social and economic change for the country
- [1]

- B. Strategic planning of the structure and implementation of the national sanitation programme
- C. Provision of necessary incentives for the behavioural change
- D. All of the above

Q.59) In the telecom industry, from a strategic perspective, which technology best allows for the vertical integration of operations

- A. GSM technology
- B. CDMA technology
- C. Internet telephony
- D. None of the above

[1]

Q.60) Which of the below industries has the lowest entry barriers for an entrepreneur to consider entering?

- A. Logistics
- B. Agriculture
- C. Oil and natural gas
- D. Banking

[1]
