

The Pension Fund Regulatory and Development Authority (PFRDA), established under the PFRDA Act, 2013, invites applications for 40 Assistant Manager (Grade A) vacancies across multiple streams.

This prestigious opportunity offers aspirants a chance to contribute to India's pension sector, ensuring financial security for millions.

Most Probable MCQs on Management (MCQ 71-140)



Part 2: MCQs on Management (Questions 71-140)

Below is the second part of the 500 MCQs for PFRDA Grade A preparation, focusing exclusively on the financial/pension sector. These cover the "Management" topic comprehensively, including subtopics like management concepts and process, managerial roles, ethics in management, organizational behavior, human resource management, performance appraisal, motivation theories, leadership styles, communication, corporate governance, and their applications in financial institutions and pension funds. The questions vary in difficulty, and explanations provide key concepts to ensure full syllabus coverage through analysis.

71. What is the primary function of management in an organization?

- A) To maximize profits only
- B) To plan, organize, lead, and control resources to achieve objectives
- C) To handle daily operations without strategy
- D) To focus solely on employee welfare

Correct Answer: B

Explanation: Management involves POLC (Planning, Organizing, Leading, Controlling) to efficiently utilize resources, crucial in pension funds for regulatory compliance and fund optimization.

72. Which managerial role involves acting as a figurehead?

- A) Interpersonal
- B) Informational
- C) Decisional
- D) Operational

Correct Answer: A

Explanation: Mintzberg's interpersonal roles include figurehead, leader, and liaison, where managers represent the organization, relevant in PFRDA interactions with stakeholders.

73. Ethics in management refers to

- A) Ignoring moral principles for profits
- B) Applying moral principles in decision-making to ensure fairness and integrity
- C) Legal compliance only
- D) Short-term gains

Correct Answer: B

Explanation: Ethical management promotes trust, especially in the pension sector where fiduciary duties protect retirees' interests.

74. What is organizational behavior?

- A) Study of individual and group behavior in organizations
- B) Financial accounting practices
- C) Marketing strategies
- D) Production techniques

Correct Answer: A

Explanation: OB examines how people interact within groups, aiding in managing diverse teams in financial regulators like PFRDA.

75. Human Resource Management (HRM) primarily deals with

- A) Financial resources only
- B) Acquiring, developing, and retaining talent
- C) Machinery maintenance
- D) Product design

Correct Answer: B

Explanation: HRM functions include recruitment, training, and compensation, vital for building competent staff in pension administration.

76. What is performance appraisal?

- A) Evaluating employee performance against standards
- B) Salary negotiation
- C) Recruitment process
- D) Termination procedure

Correct Answer: A

Explanation: It involves methods like 360-degree feedback, used in financial sectors to ensure accountability and skill alignment.

77. Maslow's Hierarchy of Needs is a theory of

- A) Leadership
- B) Motivation
- C) Communication
- D) Control

Correct Answer: B

Explanation: It categorizes needs from physiological to self-actualization, helping managers motivate employees in high-stakes pension environments.

78. Which leadership style involves decision-making by the leader alone?

- A) Democratic
- B) Laissez-faire
- C) Autocratic
- D) Transformational

Correct Answer: C

Explanation: Autocratic leadership is directive, suitable for crisis situations in financial management but may reduce employee morale.

79. Effective communication in management is

- A) One-way only
- B) The process of exchanging information to achieve understanding
- C) Limited to written forms
- D) Irrelevant in teams

Correct Answer: B

Explanation: It includes barriers like noise and feedback loops, essential for clear policy dissemination in PFRDA.

80. Corporate governance involves

- A) Day-to-day operations
- B) Mechanisms to direct and control companies for stakeholder benefit
- C) Marketing only
- D) Ignoring ethics

Correct Answer: B

Explanation: It includes board oversight and transparency, critical in pension funds to prevent mismanagement.

81. The planning process in management includes

- A) Setting objectives and determining actions
- B) Ignoring risks
- C) Only budgeting
- D) Employee dismissal

Correct Answer: A

Explanation: Planning involves SWOT analysis, key for strategic pension fund investments.

82. In Mintzberg's roles, the monitor role is

- A) Interpersonal
- B) Informational
- C) Decisional
- D) Strategic

Correct Answer: B

Explanation: Managers scan for information, vital in monitoring market trends for pension schemes.

83. Utilitarianism in management ethics focuses on

- A) Individual rights
- B) Greatest good for the greatest number
- C) Rule-following
- D) Personal virtues

Correct Answer: B

Explanation: It guides decisions in finance to maximize societal benefits, like equitable pension distribution.

84. Perception in organizational behavior affects

- A) How individuals interpret situations
- B) Financial calculations only
- C) Physical environment
- D) Machinery efficiency

Correct Answer: A

Explanation: Biases like halo effect can influence HR decisions in pension organizations.

85. Job analysis in HRM is used for

- A) Defining job roles and requirements
- B) Profit calculation
- C) Sales forecasting
- D) Inventory control

Correct Answer: A

Explanation: It forms the basis for recruitment and training in specialized roles like pension fund managers.

86. Graphic rating scale is a method of

- A) Motivation
- B) Performance appraisal
- C) Leadership
- D) Communication

Correct Answer: B

Explanation: It rates employees on traits, common in financial sectors for objective evaluations.

87. Herzberg's Two-Factor Theory distinguishes between

- A) Hygiene factors and motivators
- B) Leaders and followers
- C) Plans and controls
- D) Ethics and laws

Correct Answer: A

Explanation: Hygiene prevents dissatisfaction, motivators drive performance, applicable in retaining talent in pension admin.

88. Transactional leadership emphasizes

- A) Vision and inspiration
- B) Rewards and punishments
- C) Laissez-faire approach
- D) Group decisions

Correct Answer: B

Explanation: It focuses on exchanges, useful in compliance-driven financial environments.

89. Barriers to communication include

- A) Semantic issues and physical distractions

- B) Perfect understanding always
- C) Only language differences
- D) None

Correct Answer: A

Explanation: Overcoming them ensures accurate reporting in pension fund operations.

90. Board of directors in corporate governance is responsible for

- A) Operational tasks
- B) Strategic oversight and accountability
- C) Daily sales
- D) Product manufacturing

Correct Answer: B

Explanation: They ensure alignment with stakeholder interests, as per SEBI/PFRDA guidelines.

91. Organizing in management involves

- A) Structuring tasks and authority
- B) Only planning
- C) Ignoring hierarchy
- D) Financial auditing

Correct Answer: A

Explanation: It includes departmentalization, crucial for efficient pension scheme management.

92. Entrepreneur role in Mintzberg is

- A) Informational
- B) Decisional
- C) Interpersonal
- D) Operational

Correct Answer: B

Explanation: Managers initiate changes, like innovating pension products.

93. Deontology in ethics emphasizes

- A) Outcomes
- B) Duties and rules
- C) Emotions

D) Profits

Correct Answer: B

Explanation: It guides fiduciary responsibilities in pension funds.

94. Attitude in OB consists of

A) Cognitive, affective, behavioral components

B) Only behavior

C) Financial aspects

D) Physical traits

Correct Answer: A

Explanation: Influences job satisfaction in high-pressure financial roles.

95. Training and development in HRM aims to

A) Improve skills and knowledge

B) Reduce workforce

C) Increase costs

D) Ignore performance

Correct Answer: A

Explanation: Essential for updating on pension regulations like NPS.

96. Management by Objectives (MBO) in appraisal involves

A) Joint goal-setting

B) Arbitrary ratings

C) No feedback

D) Only punishments

Correct Answer: A

Explanation: Aligns individual and organizational goals in pension sectors.

97. Expectancy Theory of motivation states that

A) Effort leads to performance and rewards

B) Needs are hierarchical

C) Factors are dual

D) Goals are set

Correct Answer: A

Explanation: Vroom's theory links effort, performance, valence in motivating financial staff.

98. Situational leadership adjusts style based on

- A) Follower maturity
- B) Fixed rules
- C) Leader preference only
- D) External markets

Correct Answer: A

Explanation: Hersey-Blanchard model, adaptable in dynamic pension markets.

99. Grapevine communication is

- A) Formal
- B) Informal network
- C) Written only
- D) Hierarchical

Correct Answer: B

Explanation: Can spread rumors, needs management in sensitive financial info.

100. Stakeholder theory in corporate governance considers

- A) Shareholders only
- B) All affected parties
- C) Employees alone
- D) Government only

Correct Answer: B

Explanation: Broadens focus in pension funds to include subscribers and regulators.

101. Controlling in management ensures

- A) Deviation from plans is corrected
- B) No monitoring
- C) Only planning
- D) Unlimited resources

Correct Answer: A

Explanation: Involves standards, measurement, correction in fund performance.

102. Liaison role is

- A) Interpersonal, networking externally
- B) Decisional
- C) Informational

D) Strategic

Correct Answer: A

Explanation: Builds alliances, key for PFRDA with financial institutions.

103. Virtue ethics focuses on

A) Character traits

B) Rules

C) Consequences

D) Contracts

Correct Answer: A

Explanation: Promotes integrity in management decisions.

104. Group dynamics in OB studies

A) Team formation and cohesion

B) Individual only

C) Finances

D) Products

Correct Answer: A

Explanation: Tuckman's stages aid in team building for pension projects.

105. Compensation management in HRM includes

A) Wages, benefits, incentives

B) Recruitment only

C) Training

D) Appraisal

Correct Answer: A

Explanation: Ensures equity, vital for attracting talent in pension sector.

106. Critical Incident Technique in appraisal records

A) Specific behaviors

B) General traits

C) No details

D) Only negatives

Correct Answer: A

Explanation: Focuses on key events for accurate feedback.

107. Equity Theory by Adams compares

- A) Input-output ratios
- B) Needs
- C) Factors
- D) Expectations

Correct Answer: A

Explanation: Addresses perceived fairness in rewards.

108. Charismatic leadership relies on

- A) Personal charm and vision
- B) Transactions
- C) Delegation
- D) Authority

Correct Answer: A

Explanation: Inspires in change management for pension reforms.

109. Downward communication flows from

- A) Superiors to subordinates
- B) Peers
- C) Bottom-up
- D) External

Correct Answer: A

Explanation: For instructions in hierarchical financial orgs.

110. Agency theory in governance addresses

- A) Conflicts between principals and agents
- B) No conflicts
- C) Only profits
- D) Employees

Correct Answer: A

Explanation: Mitigates issues in fund management.

111. Strategic management involves

- A) Long-term planning and implementation
- B) Tactical only
- C) Operational



D) Short-term

Correct Answer: A

Explanation: For sustainable pension growth.

112. Disseminator role shares

A) Information internally

B) Decisions

C) Resources

D) Plans

Correct Answer: A

Explanation: Ensures informed teams.

113. CSR in ethics is

A) Corporate Social Responsibility

B) Cost Saving

C) Customer Service

D) None

Correct Answer: A

Explanation: Includes ethical investments in pensions.

114. Personality traits in OB include

A) Big Five model

B) Only IQ

C) Physical

D) Financial

Correct Answer: A

Explanation: Openness, etc., predict job fit.

115. Succession planning in HRM prepares

A) For leadership transitions

B) Budgets

C) Sales

D) Products

Correct Answer: A

Explanation: Ensures continuity in regulators.



116. Behaviorally Anchored Rating Scales (BARS) use

- A) Specific examples
- B) Vague terms
- C) No anchors
- D) Only numbers

Correct Answer: A

Explanation: Reduces bias in appraisals.

117. Goal-Setting Theory emphasizes

- A) Specific, challenging goals
- B) Vague objectives
- C) No feedback
- D) Easy tasks

Correct Answer: A

Explanation: Locke's theory boosts performance.

118. Servant leadership prioritizes

- A) Serving others
- B) Power
- C) Profits
- D) Control

Correct Answer: A

Explanation: Builds trust in service-oriented pension sectors.

119. Upward communication provides

- A) Feedback from subordinates
- B) Instructions
- C) External info
- D) Peer exchange

Correct Answer: A

Explanation: Identifies issues early.

120. Independent directors in governance ensure

- A) Objectivity
- B) Bias
- C) Operations



D) Sales

Correct Answer: A

Explanation: As per Companies Act for transparency.

121. Directing in management is synonymous with

A) Leading

B) Planning

C) Organizing

D) Controlling

Correct Answer: A

Explanation: Involves motivation and communication.

122. Resource allocator role is

A) Decisional

B) Interpersonal

C) Informational

D) Strategic

Correct Answer: A

Explanation: Distributes resources efficiently.

123. Whistleblowing in ethics protects

A) Reporting wrongdoing

B) Secrecy

C) Profits

D) Individuals

Correct Answer: A

Explanation: Encouraged in financial integrity.

124. Learning in OB involves

A) Behavior change through experience

B) Static knowledge

C) Only training

D) Forgetting

Correct Answer: A

Explanation: Classical/operant conditioning applies.



125. Employee relations in HRM manage

- A) Conflicts and unions
- B) Finances
- C) Products
- D) Markets

Correct Answer: A

Explanation: Maintains harmony.

126. Paired comparison in appraisal compares

- A) Employees pairwise
- B) To standards
- C) Groups
- D) Self

Correct Answer: A

Explanation: For ranking.

127. Reinforcement Theory uses

- A) Rewards/punishments
- B) Needs
- C) Equity
- D) Goals

Correct Answer: A

Explanation: Skinner's operant for behavior shaping.

128. Path-Goal Theory of leadership clarifies

- A) Path to goals
- B) Fixed styles
- C) Charisma
- D) Transactions

Correct Answer: A

Explanation: Adapts to situations.

129. Non-verbal communication includes

- A) Body language
- B) Words only
- C) Emails



D) Reports

Correct Answer: A

Explanation: Conveys emotions.

130. Audit committee in governance oversees

A) Financial reporting

B) Operations

C) Marketing

D) HR

Correct Answer: A

Explanation: Ensures accuracy.

131. Levels of management include

A) Top, middle, supervisory

B) Only top

C) Flat

D) None

Correct Answer: A

Explanation: Each with distinct roles.

132. Spokesperson role represents

A) Organization externally

B) Internally

C) Decisions

D) Resources

Correct Answer: A

Explanation: In media for pension policies.

133. Conflict of interest in ethics arises when

A) Personal gains clash with duties

B) No issues

C) Profits high

D) All agree

Correct Answer: A

Explanation: Common in fund management.



134. Stress in OB can lead to

- A) Burnout
- B) High productivity always
- C) No effects
- D) Promotion

Correct Answer: A

Explanation: Eustress vs. distress management.

135. Diversity management in HRM promotes

- A) Inclusion
- B) Uniformity
- C) Exclusion
- D) Bias

Correct Answer: A

Explanation: Enhances innovation.

136. Forced distribution in appraisal assumes

- A) Bell curve ratings
- B) All excellent
- C) No distribution
- D) Random

Correct Answer: A

Explanation: Like GE's system.

137. Self-Determination Theory focuses on

- A) Autonomy, competence, relatedness
- B) Hierarchy
- C) Equity
- D) Reinforcement

Correct Answer: A

Explanation: Intrinsic motivation.

138. Authentic leadership emphasizes

- A) Genuineness and ethics
- B) Deception
- C) Power



D) Control

Correct Answer: A

Explanation: Builds trust.

139. Lateral communication occurs between

A) Peers

B) Superiors

C) Subordinates

D) External

Correct Answer: A

Explanation: For coordination.

140. ESG in corporate governance stands for

A) Environmental, Social, Governance

B) Economic, Sales, Growth

C) Employee, Salary, Gains

D) None

Correct Answer: A

Explanation: Integrated in sustainable pension investments.

