

Business and Management: second-round sample tasks

Difficulty level	Task	Assessment criteria	Maximum score	Correct answer
Entry	1) A procedure that details how to make an inventory is an example of a(n) _____ plan, while a promotional advertisement is an example of a(n) _____ plan. a) strategic, tactical b) tactical, operational c) single-use, ongoing d) ongoing, single-use e) operational, single-use	correct answer - 3 points; wrong answer - 0 points	3 points	d) ongoing, single-use
Entry	2) A production manager is organising the production of a new modification of machine building equipment. The costs for maintenance of production facilities, land rent, depreciation of equipment, and management costs are planned at \$5,000,000 per year. The costs for production, labor costs, raw materials and components, electricity are estimated at an average of \$10,000 per unit. The price is planned at 20 thousand dollars. Calculate what minimum production level will allow the manager to avoid losses from the new production. a) 500 b) 800 c) 250 d) 166,6 e) 2500	correct answer - 3 points; wrong answer - 0 points	3 points	a) 500
Entry	3) A pricing strategy that involves setting prices lower than what a product of a given economic value deserves and profiting from increased sales and captured market share: a) Skimming strategy b) Market Penetration Strategy c) Fixed costs strategy d) Discrimination strategy e) Priority pricing strategy	correct answer - 3 points; wrong answer - 0 points	3 points	2. Market Penetration Strategy
Entry	4) What is a substitute product? a) A competitor's product that is similar to the company's product and can be bought instead b) A product of the same seller that complements the main product c) A product of another seller, which can completely or to a large extent replace the product of the company and at the same time it is not its complete analogue d) A product of the same seller, an improved model of the previous version of the product e) Services required to support the sale of goods and after-sales service	correct answer - 3 points; wrong answer - 0 points	3 points	3. a) A product of another seller, which can completely or to a large extent replace the product of the company and at the same time it is not its complete analogue
Entry	5) The evaluation of preferred shares is based on: a) The principle of economic feasibility b) The impact of the dividend policy on the book value c) The determination of the term of dividend payment d) The principle of the indefinite existence of an economic entity e) The principle of self-sufficiency	correct answer - 3 points; wrong answer - 0 points	3 points	d) The principle of the indefinite existence of an economic entity

Entry	6) An indicator that assesses the degree of sensitivity of profit before interest and taxes (gross income) of an organization to changes in production volume is: a) Financial leverage b) Income-costs indicator c) Profitability of production activities d) Production leverage e) Breakeven point	correct answer - 3 points; wrong answer - 0 points	3 points	d) Production leverage
Entry	7) Which principles of organization are classified by the method of implementation: a) Individual or collective actions b) Customary c) Universal d) General e) Scientific	correct answer - 3 points; wrong answer - 0 points	3 points	a) Individual or collective actions
Entry	8) State one of the main disadvantages of the functional organizational structure a) Isolation of departments b) High demands on the qualifications of managers c) Difficulty in separating overhead and calculating costs d) complicated, and expensive implementation and operation e) double reporting system	correct answer - 3 points; wrong answer - 0 points	3 points	a) Isolation of departments
Entry	9) Which of Porter's basic strategies describes a company's development in a specific market segment with the desire for leadership in a niche: a) Cost Leadership strategy b) Differentiation strategy c) Cost Focus strategy d) Differentiation focus strategy e) Follower strategy	correct answer - 3 points; wrong answer - 0 points	3 points	c). Cost Focus strategy
Entry	10) Company A. has set a goal of increasing sales by 25-30%. What does this goal lack according to the quality criteria of SMART goals? a) The goal is unspecific b) The goal is unambitious c) The goal is not flexible d) The goal is not time-bound e) The goal is immeasurable	correct answer - 3 points; wrong answer - 0 points	3 points	d. The goal is not time-bound
Intermediate	11) Planning as a managerial function is about (choose 2 answers): a) defining goals for future organizational performance b) grouping tasks into departments c) deciding on the tasks and resources needed to attain them d) assigning tasks e) allocating resources to departments	selection of all correct answers - 5 points; partial choice of correct answers - 2 points; wrong answers - 0 points	5 points	a) defining goals for future organizational performance c) deciding on the tasks and resources needed to attain them
Intermediate	12) Company A. works with the countries of the Asia-Pacific region, supplying them with food, clothes, shoes. The organizational structure involves the allocation of units specializing in various product markets. Each Unit has its own production, marketing, investment, financial and HR departments. Select all correct answers about the organizational structure of this company: a) The company has a divisional structure b) The company has a matrix structure c) This organizational structure of the company allows it to optimize transports costs	selection of all correct answers - 5 points; partial choice of correct answers - 2 points; wrong answers - 0 points	5 points	a) The company has a divisional structure d) This organizational structure of the company allows for the economic autonomy of the divisions

	<p>d) This organizational structure of the company allows for the economic autonomy of the divisions</p> <p>e) This organizational structure of the company is focused on prompt decision-making</p>			<p>e) This organizational structure of the company is focused on prompt decision making</p>
Intermediate	<p>13) The laws of organizational development include:</p> <p>a) The law of synergy</p> <p>b) The law of composition and proportionality (harmony)</p> <p>c) The law of social harmony</p> <p>d) The law of the stability of information</p> <p>e) The law of differentiation and universalization of functions</p>	<p>selection of all correct answers - 5 points;</p> <p>partial choice of correct answers - 2 points;</p> <p>wrong answers - 0 points</p>	5 points	<p>c) The law of social harmony</p> <p>d) The law of the stability of information</p>
Intermediate	<p>14) Marketers define different types of markets based on the types of sellers and buyers. For example – B2B – business to business market, when a business unit sells goods and/or services to other business units. Which type of the market can be described in the following way: a person sells his car to another person using a special online platform?</p>	<p>correct answer - 5 points;</p> <p>wrong answer - 0 points</p>	5 points	C2C
Intermediate	<p>15) Choose the management principles proposed by Fayol from the list below (choose 3 answers):</p> <p>a) assign each employee a task that they can become proficient at</p> <p>b) be honest and trustworthy</p> <p>c) employees should know where they stand in the organization's hierarchy and who to speak to within a chain of command</p> <p>d) managers must possess the authority to give orders, and recognize that with authority comes responsibility</p> <p>e) by taking some downtime you can pace yourself and improve the productivity</p>	<p>Selection of all correct answers - 5 points;</p> <p>partial choice of correct answers - 2 points;</p> <p>wrong answers - 0 points</p>	5 points	<p>a) assign each employee a task that they can become proficient at</p> <p>c) employees should know where they stand in the organization's hierarchy and who to speak to within a chain of command</p> <p>d) managers must possess the authority to give orders, and recognize that with authority comes responsibility</p>
Intermediate	<p>16) In Greiner's theory of the organizational life cycle the crisis of control characterizes the transition between two successive stages. What are these stages?</p> <p>a) growth through creativity</p> <p>b) growth through management</p> <p>c) growth through delegation</p> <p>d) growth through coordination</p> <p>e) growth through collaboration</p>	<p>selection of all correct answers - 5 points;</p> <p>partial choice of correct answers - 2 points;</p> <p>wrong answers - 0 points</p>	5 points	<p>c) growth through delegation</p> <p>d) growth through coordination</p>
Intermediate	<p>17) What type of strategy does the decision to grow the company through unrelated diversification belong to?</p>	<p>correct answer - 5 points;</p> <p>wrong answer - 0 points</p>	5 points	Corporate strategy
Complex	<p>The company is considering various options for the capital structure presented in the table. The cost of borrowed capital is given without considering tax deduction. The income tax rate is 20%.</p>	<p>correct calculation in point (a) - 15 points,</p> <p>incorrect</p>	35 points	<p>a.</p> $WACC_1 = 0.4 \cdot (1 - 0.2) \cdot 9\% + 0.6 \cdot 15\% = 11.88\%$

	<p>Calculate: a. (15) weighted average cost of capital (WACC) of each option b. (20= 10+10) Which option is preferable, justify your choice</p> <p style="text-align: center;">Capital structure options</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Index</th> <th>1</th> <th>2</th> <th>3</th> </tr> </thead> <tbody> <tr> <td>Debt share, %</td> <td>40</td> <td>10</td> <td>38</td> </tr> <tr> <td>Equity share, %</td> <td>60</td> <td>90</td> <td>62</td> </tr> <tr> <td>Average cost of debt, %</td> <td>9</td> <td>9</td> <td>10</td> </tr> <tr> <td>Average cost of equity, %</td> <td>15</td> <td>15</td> <td>16</td> </tr> </tbody> </table>	Index	1	2	3	Debt share, %	40	10	38	Equity share, %	60	90	62	Average cost of debt, %	9	9	10	Average cost of equity, %	15	15	16	<p>calculation - 0 points;</p> <p>correct choice of option and argumentation - 20 points,</p> <p>correct choice of variant and lack of argumentation - 10 points,</p> <p>incorrect choice of variant with correct argumentation - 10 points;</p> <p>no solution or wrong answers - 0 points</p>	<p>WACC₂ = 0.1*(1-0.2)*9% + 0.9*15% = 14.22% WACC₃ = 0.38*(1-0.2)*10% + 0.62*16% = 12.96%</p> <p>b. The first option of the capital structure is preferable since it minimizes the weighted average cost of funding sources (11.88%).</p> <p>Answer: a. WACC₁ = 11.88% 5 points WACC₂ = 14.22% 5 points WACC₃ = 12.96% 5 points b. The first option is preferable (10 points), since it minimizes the weighted average cost of funding sources (10 points).</p>
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