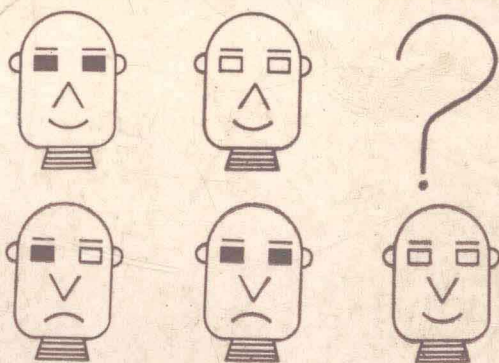
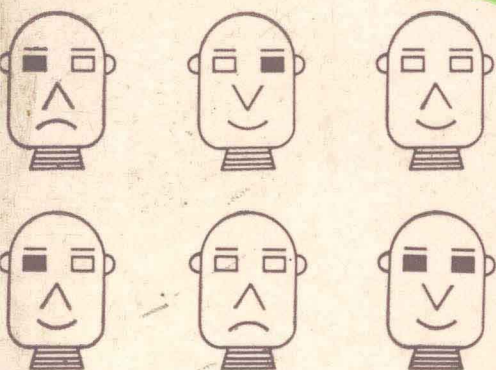




NEW LIGHT'S

MANAGERIAL APTITUDE TESTS



B.N. AHUJA
(Author of Best I.Q.)

MANAGERIAL APTITUDE TESTS

A COMPREHENSIVE GUIDE for EXECUTIVE CAREERS

CONTAINING

- ☐ BUSINESS APTITUDE TESTS ☐ TESTS OF REASONING ☐ VERBAL & NON-VERBAL TESTS ☐ NUMERICAL ABILITY & ARITHMETIC TESTS
- ☐ MENTAL ABILITY TESTS ☐ ENGLISH COMPREHENSION TESTS
- ☐ ANTONYMS, ANALOGIES AND SYNONYMS TESTS ☐ DATA SUFFICIENCY TESTS ☐ DATA INTERPRETATION TESTS ☐ GENERAL KNOWLEDGE TESTS ☐ MEMORY TESTS ☐ PROBLEM SOLVING TESTS
- ☐ PRACTICAL JUDGMENT TESTS ETC ETC.

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Preface

This book is a comprehensive self-contained guide for students appearing in the M.B.A. Entrance Examination conducted by the Universities of Delhi, Punjab, Madras, Allahabad, Banaras, Madurai, and Management Examinations of other specialised Institutions like the Indian Institute of Management (Ahmedabad, Bombay, Calcutta, Bangalore), Birla Institute of Technology, Pilani Xavier Labour Relations Institute, Jamshedpur and others.

The question papers set by the different examining bodies in previous years have been kept in view while preparing the format of this Book. Each chapter covers one field or the other of Objective Type questions asked in the examinations.—Business Aptitude, Basic English, Mental Ability, Reasoning, Data Sufficiency & Interpretation, Commercial Terms, Verbal and Non-verbal Type of tests and General Knowledge.

Since mathematics, numerical ability and arithmetic have a special place in the examinations for Banking and Management a good number of pages have been devoted to these subjects.

Illustrations, where necessary, have been given to make the subject-matter easy for comprehension and memory.

The book is equally valid for candidates taking Probationary Officers Examination of the State Bank of India and other banks. It is also of practical use for persons invited for Interview by business organisations both in Public and Private Sectors for Management jobs of all cadres, including the executive cadre.

A candidate after going through this book will have sufficient background and capability to face the examination with confidence.

Contents

<i>Chapter</i>	<i>Pages</i>
1. INTRODUCTION	1—2
2. What is Managerial Aptitude ?	3—8
3. Mental Ability Tests	9—13
4. Samples of Different Types of Tests for determining Business Management Aptitude	14—36
5. English Language Tests	37—45
6. Comprehension Tests	46—57
7. Memory Retention Tests	58—65
8. Management and Commercial Understanding Tests	66—70
9. Data Sufficiency Tests	71—93
10. Numerical Ability Tests-I	94—106
11. Numerical Ability Tests-II	107—113
12. Arithmetic Tests	114—125
13. Analytical Ability Tests	126—143
14. Problem Solving Tests	144—160
15. Advanced Arithmetic for MBA and G-MAT Examinations—Theory, Formulae and Tests	161—193
16. Non-Verbal Type Questions	194—215
17. General Knowledge :	
Science	216—228
History, Constitution & Indian Economy etc.	229—259
18. Modern Business Management : Solving Teamwork Problems	260—272

Introduction

With India moving fast on the way to industrialisation, there is an ever-increasing demand for capable young men to hold managerial and executive jobs in industrial organisations, financial institutions and even agriculture, which is now becoming modernised and mechanised. No wonder, there is tough competition for entry into managerial examinations and admission to M.B.A. and numerous other examinations connected with Business Management.

Most universities in our country offer graduate and post-graduate courses in Business Management and Administration. With expanding economy, more and more people are getting responsible jobs in Industry, Banking and Commerce. Hence the ever-increasing rush for entry into the above-mentioned examinations.

There are now a number of institutes and organisations which provide education and training to our youth in the field of Management. The Management Institutes offer a series of educational and training programmes of varying duration and standards at different levels of Management. More important of the programmes offered by these Management Institutes are :

- (a) Master of Business Administration (Full-time and Part-time).
- (b) Post-Graduate Diploma in Management (Agriculture).
- (c) Post-Graduate Programme in Marketing Management.
- (d) Post-Graduate Programme in Personnel Management
- (e) M.B.A. in Hospital Management
- (f) Post-Graduate Diploma in International Trade.

Besides the regular courses, some of the institutes organise Executive Development programmes for the trainees of Public and Private Sector industries, Banks, Small Industries etc. at the request of business organisations.

The objectives of Advanced Management Courses are :

- (i) to provide educational facilities for training leading to management careers and development of practising managers and bankers ;

- (ii) to conduct research and to contribute to the development of knowledge in the field of Management ;
- (iii) to provide for the development of teachers and research scholars in Management ;
- (iv) to assist organisations to improve management practices.

A large number of universities have a two-year post-graduate course leading to Master's Degree in Business Administration. The objective of this Course is to enable candidates to acquire knowledge, develop skills, and foster a progressive attitude necessary for their growth into competent and responsible managers.

Methods of instruction include Case Studies, Seminars, Group Exercises, Role Play, lectures and discussions. The objective of Case Studies is to deal with specific situations, provide facts, data and informations to enable the executives to take appropriate decisions to solve business problems at the right time.

The trainees are made familiar with case evidence and identification of relevant issues. They innovate methods to analyse the problems, generate alternatives, evaluate them and make suitable recommendations for proper implementation of decision-making processes.

In the First Year, the students are taught in basic functional areas such as marketing, production, finance control, personnel management, behavioural sciences, accounting and mathematical calculations. They are also taught the use of modern equipments and computers in managerial performance. The students are required to submit periodical reports of their practical work done in the organisation.

During the second year, students are taught the techniques of making policy decisions in certain functional areas. They are given freedom to innovate procedures which would augment production and cut down red tape. They are also put in specialised fields to be practically useful to Industry/Agriculture or any other field of their choice.

The M.B.A. examination is held in December-January every year at various centres in India. The selected candidates are called for interview before final admission.

Holders of Bachelor's Degree in Arts, Commerce or Social Sciences from a recognised university are eligible for admission. Usually those who have secured 50-60 per cent or higher marks are considered for taking up the examination. Relaxation in marks is permissible to holders of Post-graduate Degree, Diploma or Certificates in Law, Statistics, Public Administration, Office Supervision or any other specialised branch of Management. Only those who are above 19 years of age are allowed admission to the course.

Specialisation in Agriculture. In recent years, there is greater spurt in agricultural development with mechanisation and consolidation of holdings through cooperatives. Agriculture is becoming an industry of as much importance as any other specialised field.

What is Managerial Aptitude ?

An aptitude is a combination of characteristics indicative of an individual's capacity to acquire (with training) some specific knowledge, skill or set of organized responses, such as the ability to speak a language, to become an administrator, scientist, management executive bank officers, etc. An aptitude test, therefore, is designed to measure a person's potential ability in an activity of a specialized kind and within a restricted range.

Aptitude tests are to be distinguished from general intelligence tests and from tests of skill or proficiency required after training or experience. They should be distinguished, too, from educational achievement tests, which are designed to measure an individual's quantity and quality of learning in a specified subject of study after a period of instruction.

An aptitude is differentiated from skill and proficiency. Skill means the ability to perform a given act with ease and precision. Proficiency has much the same meaning, except that it is more comprehensive; for it includes not only skills in certain types of motor and manual activities, but also in other types of activities as shown by the extent of one's competence in language, book keeping, commerce, economics, mathematics etc. We may speak of one's degree of proficiency in any type of performance. On the other hand, when we speak of an individual's aptitude for a given type of activity, we mean the capacity to acquire proficiency under appropriate conditions; that is, his potentialities at present, as revealed by his performance in selected tests that have predictive value.

To determine whether you have the desired aptitude for management, we must study the elementary fundamentals of management.

Functions of Management. There are four fundamental functions of management :

- (i) Planning,
- (ii) Organising,
- (iii) Actuating ; and
- (iv) Controlling

These also constitute the process of management. They are the means by which a manager manages. They are the distinguishing marks between a manager and a non-manager.

(a) How to Plan ?

1. By clarifying, amplifying and determining objectives.
2. By forecasting.
3. By establishing the conditions and assumptions under which the work will be done.
4. By selecting and stating tasks to accomplish objectives.
5. By establishing an overall plan of accomplishment, emphasising creativity to find new and better means for accomplishing the work.
6. By establishing policies, procedures, standards and methods of accomplishment.
7. By anticipating possible future problems.
8. By modifying plans in the light of control results.

(b) How to organise ?

1. By breaking down work into operative duties.
2. By grouping operative duties into operative policies.
3. By assembling operative positions into manageable and related units.
4. By clarifying position requirements.
5. By selecting and placing individuals on proper jobs.
6. By utilising and agreeing upon proper authority for each management member.
7. By providing personnel facilities and other resources.
8. By adjusting organisation in the light of control results.

(c) How to Actuate ?

1. By practising participation by all affected by the decision or act.
2. By leading and challenging others to do their best.
3. By motivating members.
4. By communicating effectively.
5. By developing members to realise full potentials.
6. By awarding recognition and paying for work well done.
7. By satisfying the needs of employees through their work efforts.
8. By revising actuation efforts in the light of control results.

(d) How to Control ?

1. By comparing results with plans in general.
2. By appraising results against performance standards.
3. By devising effective media for measuring operations.
4. By making known the measuring media.
5. By transferring detailed data into forms showing comparison and variances.
6. By suggesting corrective sections, if needed.
7. By informing responsible members through interpretations.
8. By adjusting controlling in the light of control results.

F. W. Taylor formulated the following new functions for managers :

1. Replacing rule of thumb methods with scientific determination of each element of a man's job.
2. Scientific selection and training of Workmen ;
3. Cooperation of management and labour to accomplish work in accordance with scientific methods ; and
4. A more equal division of responsibility between managers and workers, with managers planning and organising the work.

According to Fayol, the activities of individual undertakings could be divided into six groups :—

1. Technical (production)
2. Commercial (buying, selling and exchanging)
3. Security (protection of property and personnel) ;
4. Financial (search for, and optimum use of capital)
5. Accounting (including statistics) ; and
6. Managerial (planning, organisation, command, coordination and control).

Virtues of an ideal Professional Manager. The professional manager is an individual who manages an organisation by applying modern management techniques to develop and expand the business to achieve and attain ambitions, aspirations and expectations of the owners and society. Such a manager need not necessarily be an owner though divergent views are expressed as to the desirability or otherwise of his sharing the ownership of a business which he manages. The professional manager tackles all operating problem

by applying scientific methods. Such methods include a well-planned, organised and systematic human approach to all organisational responsibilities. "Hit or Miss" and "Rule of Thumb" methods do not find a place in his style of management. Professional management is to the organisation what the mind is the body. Every enterprise should aim at achieving results, building of values and moulding people for tomorrow.

Responding to Changes : Management, like human life, keeps responding to changes. The shift from owner-management to professional management has come about over a period of time. Such a transition has crystallised the life of many companies. Formerly, their only consideration was to offer adequate return to the shareholders. But now, equal importance is attached to the welfare of the workers and community at large. Social responsibility has assumed significant importance. Human resources have come to be recognised as the most precious asset. Gone are the days when the manager could change the environment to suit his style. Today it is he who has to adjust himself to the prevailing environment.

Decentralisation. The present trend is towards decentralisation of authority and delegation of power and management participation at different levels. A shift is also noticed in the application of management tools and management education based on such modern management techniques as computer technology, multinational corporations, overseas operations etc. In short, the shift is in methods and approach. An individual will be an effective manager only if he is professionally competent and not just because he is an owner.

Managerial effectiveness can be achieved only by a proper understanding of various styles of management. Every manager has a certain distinctive style which may have some drawbacks. Among various management styles, the following types are often noticed :—

Diplomacy. Some managers adopt diplomacy in dealing with others and collect information from various sources within the organisation and utilise the same for their own development for getting favour and authority. These managers are so clever that no one suspects any foul play till it is too late in the day. They borrow ideas from others in the enterprise and present them as their own to earn credit.

Statesmanship. "He is capable and has future potential. Hence it is my duty to help him develop." This is the ultimate in management style and such a person is a true professional manager though not so common to come across in the management world.

At times, harmful styles are adopted by managers without their being aware of this fact. Hence every manager must appraise his

own style of analysing the impact of his style on others. Such a self-evaluation will produce better results in management.

Self-Evaluation. Self-enrichment can be achieved through self-disclosure and group feedback, sensitivity analysis tests, management effectiveness seminars, self-analysis etc. If a manager adopts the following five steps to maturity, he could successfully operate in any organisation :

1. Self-examination
2. Self-expectation
3. Self-realisation
4. Self-deduction
5. Broadened perception

The answer to the various questions we ask ourselves in the above areas will disclose the extent to which we differ from others.

Public Relations. Public Relations play a vital role in image-building. It is not a matter of makebelieve but a matter of calculated political performance. A well-planned public relations activity would therefore be the key to the political performance problem.

In our industrial development so far we have concentrated essentially on technical performance. It is now high time that we apply ourselves to the political performance and it is in this effort that the public relations will play a vital role in the years to come.

Human Relations. As the programming idea grows, some old human relations problems are getting redefined. Redefinition does not necessarily solve the problems, but obviates some and gives new priorities to others.

Thus, the issue of morale versus productivity that now worries us may pale into insignificance as programming moves in. The morale of programmed personnel may be of less central concern because less productivity is demanded of them.

Communication. Effective communication is the medium through which managerial understanding is created. Information, ideas and views are exchanged by the use of verbal and written expression. Therefore, clarity has to be maintained. Orderly construction and direct expression in communication will go a long way in presenting and analysing problems in a business situation. In an organisation, a manager has to obtain one-way as well as two-way communication. No interchange is possible in one-way communication and it is in this area that the manager has to be extremely careful in using his ability to avoid conflicts, misunderstandings or misconceptions. Communication is the key to interpersonal competence. A good manager must have immense capacity to listen to others and know how to be 'in' or 'enter' into the field of others. Two minds can meet only if there is mutual awareness,

respect and understanding. Carl Rogers has stated that the maturity of a person is revealed if he does not live behind a mask of fear, frustration, failure and anxiety and, therefore, intellect, will and feeling are necessary to meet and establish proper communication. The usual barriers to communication are the tendency to judge in advance, preconceived as assumption, personal viewpoint and one's own feeling. The objective approach to communication includes listening with understanding and expressing ideas with feelings and courage.

The information about Management careers as given here would put the reader in proper mental perspective to make the best use of the Tests given in the following chapters.

Mental Ability Tests

Mental Ability is the ability of the mind, how it reacts, responds and adjusts itself to problems as they come before it. Mental ability is mainly concerned with intelligence. Intelligence has been variously defined but the most universally accepted definition of intelligence is 'the versatility of adjustment or ability to respond flexibly to different and unknown environment'.

Intelligence is not confined to mere abstract thinking, consciousness, thought, language etc. There may be the existence of some degree of intelligence in every body without special traits. Mental ability tests seek to determine the degree of intelligence of the candidates, in order to sort out persons who are more intelligent than the average. Basic intelligence may often be innate and may not grow beyond a certain age, generally 25 years, after which, it is said to begin to decline. A university professor of 60 years would score less in IQ Tests than his young student of 20 years even if the professor may possess much knowledge about his subjects of specialization. The IQ of a young person can be sharpened by one's intelligence being put to constant use and through diverse training channels.

All human beings differ in their mental ability just as they differ in physical features. Between genius and idiots, there lie numerous grades of intelligence, above average or below average. To evaluate the range of intelligence in men, the following formula has been devised by psychologists :

$$IQ = \frac{\text{Mental Age} \times 100}{\text{Chronological Age}}$$

On the basis of this formula, it has been discovered that about 50% of the population has an IQ between 90 and 110, 25% above it and 25% below it. The average IQ ranges between 80 to 110. People below 70% are feeble-minded ; with IQ between 25 and 50 are imbeciles and those with IQ below 25 are idiots. There are 7% people with IQ between 120 and 130 ; 3% with IQ between 130 and 140 and only 1/2% with IQ above 140. Majority of the people have an average IQ *i.e.*, between 80 and 110.

Mental Ability Tests are designed to measure human flexibility rather than the crammed up knowledge. It is, therefore, useless to cram for the preparation of tests. Mental Ability tests find out the inherent capability of the candidates for higher education rather than simply the breadth or depth of their knowledge.

Intelligence and mental ability tests were initially introduced in India for selection of the Armed Forces. But now they have become popular for selection to the civil careers like the Civil Services, Managerial executives Banking officers and senior & junior cadres in government and private enterprises. These tests are a scientific device for measuring the mental ability of different individuals and their aptitudes for different jobs.

Perception Tests. Both learning capacity and the ability to solve problems have as much an advantage as the basic intelligence. They tend to eliminate contradictions arising from the use of adaptability alone as a criterion.

To create and keep up the learning capacity and the ability to solve problems, there is need for capacity to perceive. Without perception there can be no learning, no solving of problems. Perception is an essential step and a foremost one in the whole adaptive process. If you cannot perceive the characteristics of your environment, all efforts to adapt yourself can only be purely random—like those of a man deprived of senses, unable to tell night from day or heat from cold. It is to test your perception that examiners have devised non-vocal or non-verbal vision-based observation tests.

Concentration Tests. Concentration is defined as an exclusive attention paid to a subject or an object. The capacity to pay attention, particularly exclusive attention, is a primary component of intelligence. If you give your entire attention to a task or, in other words, if you concentrate on that task, you will perform it more accurately and more quickly than if you allow your attention to wander. The intelligent mind is one which can avoid distractions and concentrate on essentials. Examiners have devised tests to determine your power to concentrate.

Memory Tests. Memory can be systematically developed by practice of words, objects, etc. The man of medium intelligence but broad experience can quite often solve the problems of life better than the highly intelligent man with little experience. The psychological reason for this is that retained experience provides the brain with more material to relay into it a pattern of choices and makes it more likely that the choice will be a correct one.

Memory can be divided into two types according to the varieties of image retained. You remember what you hear, see, touch, taste, smell and feel. Visual attention, therefore, is a good guide to the task of memory development and in turn to the development of intelligence.

Memory implies the ability to recall requisite facts at specified times. Any one with an average intelligence can do this if he goes about it the right way.

The principles for development of good memory are :

(a) **Be interested in what you want to remember.** If the matter is not interesting to you, use imagination and ingenuity to tie it up in some way with your self-interest. This will act as a goal to your concentration and desire to remember.

(b) **Want to Remember.** Few people remember adequately the items about which they are indifferent. You must want to remember something to be capable of efficient recall.

(Those who perform prodigious feats of memory want to do so because their reputation and a very lucrative livelihood depend upon their success to retain facts and figures).

(c) **Trusting your Memory.** You must believe you have the mental machinery for efficient recall. Refrain from telling yourself that you have a poor memory. Instead say, "My memory is improving".

In place of saying 'If I remember' or thinking that you will probably remember, say firmly ("I shall remember".)

(d) **Repetition.** It remains one of the best ways of assisting recall. The actor learning his lines cannot be helped by cramming or memory pegging systems. For him there is only hard work, concentration and repetition.

(e) **Understand what you wish to Remember.** Recall will be made more difficult if you do not fully grasp the significance of the matter you wish to remember. You should therefore study your subject matter carefully and, if necessary, gain help in the eradication of difficulties until you have a complete understanding of the material to be remembered.

(f) **Association.** By this term we mean the linking in your mind of the things to be remembered, with something that is already part of your experience, and which requires no effort to bring to mind. For example, you have no difficulty in remembering the surname of your best friend or your employer.

If you wish to remember the name of a new acquaintance, and you make some kind of mental link or association with your friend or employer, you will have no difficulty in recalling the new name.

Sometimes imagination and ingenuity have to be used to make association. If the picture you conjure up is bizarre one so much the better. It is easier to remember pictures and associations of this type.

Visualisation Tests. The visualisation tests fall in-between simple perception and actual imagery or reasoning. These tests require ability to detect differences, likenesses and parallels in shape and size. They are valuable enough from the standpoint of judging perception but too often they are presented as guides to intelligence, or as measures of artistic and mechanical aptitudes.

Motor and Manual Tests. One of the oldest instruments for the measurement of individual differences in the psychological laboratory is the hand dynamometer for measuring strength of grip. In psychological work this instrument is useful principally as a device for determining degree of handedness and rate of fatigue.

Tests of Vision and Hearing. There are numerous occupations and forms of learning for which one or both, at a high level, are essential; thus, they are aspects, or elements, of certain aptitudes. Sensory deficiencies sometimes adversely affect an individual's achievements in educational and academic fields or in his social and emotional adjustment.

Tests of vision and hearing are particularly used in the selection of industrial and banking personnel, in order to select those having the necessary degree of visual or auditory acuity, or of color vision. They are useful, too, in eliminating those below the specified levels, in order to reduce job turn-over, accidents, errors, and waste of materials, as well as in improving quality and quantity of production.

However tests of vision and hearing do not measure a person's aptitude for specific types of learning and activity. For certain kinds of learning and activity, however, a given degree of visual or auditory acuity is essential.

Relationship or Analogy Tests. There is a certain type of relationship between two objects or ideas and by establishing the same kind of relationship between objects the missing object or idea is to be provided.

Tests of Mechanical Aptitude. The capacity designated by the term "mechanical aptitude" is not a single, unitary function. It is a combination of sensory and motor capacities plus perception of spatial relations, the capacity to acquire information about mechanical matters, essential for management decisions, including the capacity to comprehend mechanical relationships. Thus, tests of mechanical aptitude are designed to measure capacity and performance on a higher level of organization than those of sensory-motor capacity and dexterity.

Several pencil-and-paper tests are intended to evaluate mechanical aptitude by testing for specific mechanical information, specialized vocabulary, and ability to perceive and deal with practical mechanical problems. These tests are designed to measure one's understanding of the operations of physical and mechanical principles in relatively simple situations. One form is designed for use with