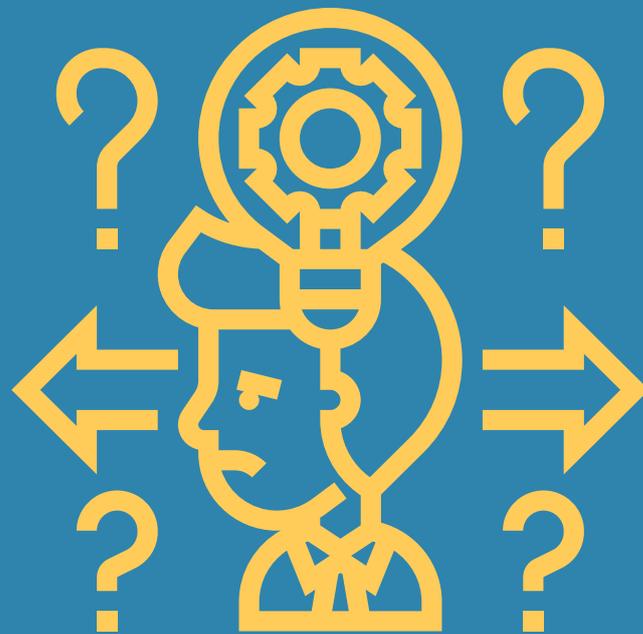


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# XAT DECISION MAKING QUESTIONS



**For XAT Exam**

## XAT Decision Making - Introduction

XAT Decision making section is a unique feature of the XAT exams and has this section has risen in prominence from 2012 onwards. The fact that decision making section is not present in any of the other management entrance exams held in India makes XAT decision section making somewhat difficult for the candidates.

XAT decision making consists of 21 questions in the XAT paper as per the latest exam pattern. The decision making section requires the candidates to follow a logical approach and create a clear understanding of the situation.

In that respect it can be said that XAT decision making section is a combination of reading comprehension and logical reasoning. Candidates who are more at ease in these sections tend to perform well in the decision making section.

A good point to start preparing for XAT decision making section is to solve previous year papers. In this e-book we have included 25 XAT Decision making questions that were asked in previous year XAT exams with their solutions.

Let's dive straight into the questions then.

## XAT Decision Making Previous Year Questions

Answer Questions 1 to 6 based on the information given below.

Mr. Rajiv Singhal, Chairman of the Board of Directors of Loha India Ltd., (a steel manufacturing company) had just been visited by several other directors of the company. The directors were upset with recent actions of the company president, Mr. Ganesh Thakur. They demanded that the board consider firing the president.

Mr. Thakur, recently appointed president, had undertaken to solve some of the management-employees problems by dealing directly with the individuals, as often as possible. The company did not have a history of strikes or any other form of collective action and was considered to have a good work culture. However, Mr. Thakur felt that by dealing directly with individuals, he could portray the management's concern for the employees.

An important initiative of Mr. Thakur was to negotiate wages of the supervisors with each supervisor. In these negotiation meetings, he would not involve anyone else, including the personnel department that reported to him, so as to take unbiased decisions. After the negotiation, a wage contract would be drawn up for each supervisor. This, he felt, would recognize and reward the better performers.

Mr. Thakur successfully implemented the process for most of the supervisors, except those working in the night shift. For them, he had drawn up the contracts unilaterally benchmarking the wages of supervisors of the night with that of the supervisors of the day shift.

For several days, Ram Lal, a night shift supervisor, had been trying to seek an appointment with Mr. Thakur about his wages. He was disgruntled, not only over his failure to see the president, but also over the lack of discussions about his wage contract prior to it being affected. As a family man with six dependents, he felt his weekly wage should be higher than that granted to him.

Last Thursday afternoon, Ram Lal stopped by the president's office and tried to see him. Mr. Thakur's secretary refused his request on the grounds that Mr. Thakur was busy. Infuriated, Ram Lal stormed into the president's office and confronted the startled Mr. Thakur, with his demands for a better wage. Mr. Thakur stood up and told Ram Lal to get out of his office and express his

grievance through official channels. Ram Lal took a swing at the president, who in turn punched Ram Lal on the jaw and knocked him unconscious.

### Questions

Q1. The most important causal factor for this entire episode could be:

- a. Trying to follow a divide-and-rule policy in his dealings with the supervisors.
- b. Inconsistent dealings of Mr. Thakur with supervisors.
- c. Paternalistic approach towards mature individuals in the organisation.
- d. Legalistic approach to employee problems.
- e. Inadequate standards for measurement of supervisors' on-job performance.

Q2. The situation with Mr. Lal could have been avoided if Mr. Thakur had

- a. Delegated the task of negotiation of wage contracts for night shift employees to Personnel department.
- b. Created a process for supervisors working the night shift so that they could have had opportunity to interact with him.
- c. Created an open door policy that would have allowed employees to see him without any appointment.
- d. Postponed the decision of wage revision for supervisors in the night shift for two months, since supervisors were rotated on different shifts after every two months.

The option that best arranges the above managerial interventions in decreasing order of organisational impact is:

- a. 4, 2, 3, 1
- b. 4, 3, 2, 1
- c. 4, 3, 1, 2
- d. 4, 1, 2, 3
- e. 2, 3, 1, 4

Q3. The most likely premise behind Mr. Thakur's initiative regarding individualised meetings with the supervisors seems to be

- a. Employee related policies should allow scope for bargaining by employees.
- b. Involvement of company's president in wage problems of employees will lead to a better goodwill towards the management among the workers.
- c. Individual agreements with supervisors would allow the management to prevent any possible collective action by the supervisors.
- d. Management will be able to force supervisors to accept lesser wages individually in this way.
- e. He would be able to know who the trouble makers in the plant are by interacting with the supervisors.

Q4. Out of the following, which one seems to be the most likely cause of Ram Lal's grievance?

- a. His disappointment with the management's philosophy of having one to one interaction as the supervisors were in a way being forced to accept the wage contracts.
- b. His being in the night shift had worked to his disadvantage as he could not interact with the management regarding his problem.
- c. He was not allowed to meet chairman of the board of directors of the company
- d. Employment in the night shift forced him to stay away from his family during the day time and therefore he could not interact with his family members much.
- e. All of these

Q5. Apart from the supervisors working in the night shift, executives of which department will have most justified reasons to be disgruntled with Mr. Thakur's initiative?

1. Production department - for not being consulted regarding the behaviour of the supervisors on the shop floor.
2. Finance department - for not taken into confidence regarding the financial consequences of the wage contracts.
3. Marketing department - for not being consulted on the likely impact of the wage contracts on the image of the company.
4. Quality control - for not being able to give inputs to Mr. Thakur on how to improve quality of steel making process.
5. Personnel department - for it was their work to oversee wage policies for employees and they had been ignored by Mr. Thakur.

- a. 1 + 2 + 3
- b. 1 + 4 + 5
- c. 1 + 2 + 5
- d. 1 + 3 + 4
- e. 3 + 4 + 5

Q6. Which of the following managerial attributes does Mr. Thakur seem to lack the most?

- a. Emotional instability under pressure.
- b. Proactive problem solving.
- c. Ethical behaviour.
- d. Emotional stability under pressure.
- e. Independent decision making

Directions for questions 7 to 9: Answer questions on the basis of information given in the following case.

Bright Engineering College (BEC) has listed 20 elective courses for the next term and students have to choose any 7 of them. Simran, a student of BEC, notices that there are three categories of electives: Job-oriented (J), Quantitative-oriented (Q) and Grade-oriented (G). Among these 20 electives, some electives are both Job and Grade-oriented but are not Quantitative-oriented (JG type). QJ type electives are both job and Quantitative-oriented but are not Grade-oriented and QG type electives are both Quantitative and Grade-oriented but are not Job-oriented.

Simran also notes that the total number of QJ type electives is 2 less than QG type electives. Similarly, the total number of QG type electives is 2 less than JG type and there is only 1 common elective (JQG) across three categories. Furthermore, the number of only Quantitative-oriented electives is same as only Job-oriented electives, but less than the number of only Grade-oriented electives. Each elective has at least one registration and there is at least one elective in each category, or combinations of categories.

7. On her way back Simran met her friend Raj and shared the above information.

Raj is preparing for XAT and is only interested in Grade-oriented (G) electives. He wanted to know the number of G-type electives being offered. Simran replied, "You have all the information. Calculate the number of G-type electives yourself. It would help your XAT preparation". Raj calculates correctly and says that there can be \_\_\_\_\_ possible answers.

Which of the following options would best fit the blank above?

- a. 3
- b. 5
- c. 8
- d. 9
- e. 1

8. Simran prefers J-type electives and wants to avoid Q-type electives. She noted that the number of only J-type electives is 3. Raj's preference is G-type electives followed by Q-type electives. However, they want to take as many common electives as possible. What is the maximum number of electives that can be common between them, without compromising their preferences?

- a. 3
- b. 4
- c. 5
- d. 7
- e. Not possible to answer from the above information.

9. Vijay and Raj want to avoid each other. Vijay is interested in J-type electives and wants to avoid Q-type electives. Raj's preference is Q-type electives followed by R-type electives. Raj noted that the number of only G-type electives is 2. Is there a possibility that they would not share any common elective(s)?

- a. Yes. There is a possibility
- b. No. They would meet in one elective.
- c. No. They would not be able to avoid in two electives.
- d. No. They meet in five electives.
- e. Cannot be solved with the information given.

Analyze the following Caselet and answer the questions 10-12 that follow:

Indian Institute of Research is a Government-established body to promote research. In addition to helping in policy making, it also provides free online access to all the articles to the public. It has a mission of publishing high quality research articles. Till 2010, the publication of articles was very slow because there was no incentive for researchers to publish. Researchers stuck to the mandatory one article a year. Most of the researchers engaged in offering consultancy and earned extra income.

Since its inception, the institute was considered the best place for cutting edge research. The new director of the institute was not happy with the work done by researchers in silo and came out with a new research policy in 2013 to increase research output and improve collaboration among researchers. It was decided that extra benefits would be offered to researchers with new publications. As a result, the number of research articles increased fourfold in 2014. At the 2015 annual audit, an objection was raised against the new benefits scheme.

Auditors were not happy with increased expenses towards remuneration for researchers. Further, the Government opined that the publication was itself a reward and hence researchers need be paid nothing extra. The director tried to defend his policy but the response from the government was not encouraging.

Note: Auditors role is to verify accounts.

Q10. The following facts were observed by an analytics team hired by the government to study the extant situation.

1. There was a four-fold increase in the number of researchers leaving the organization in 2014.
2. A researcher died while on duty.
3. The quality of articles published declined substantially.
4. The average number of people accessing an article decreased by 2%.

Which of the following options would justify the government's intention to DISCONTINUE the scheme?

- A. 1 and 2
- B. 2 and 3
- C. 3 only
- D. 4 only

E. 3 and 4

Q11. The director still wanted to persuade the government to review its stand. He had framed the following arguments:

1. Most famous researchers in the world are also the highest paid.
2. American institute of research gives extra benefits to its scientists.
3. This year's highest paid researcher had won the Nobel Prize last year.

Considering the Government to be reasonable which of the following options is UNLIKELY to convince the Government?

- A. 1 and 2
- B. 2 only
- C. 2 and 3
- D. 1 and 3
- E. 1, 2 and 3 Correct

Q12. The director wanted to promote good decision making at Indian Institute of Research. A few trusted colleagues offered the following suggestions:

1. Auditors need not be allowed to object to extra benefits schemes.
2. Auditors need not pin-point sudden increase in expenditure.
3. Auditors need not be consulted before taking any policy level decision.

Which of the following combination of options should the director agree THE MOST with?

- A. 1 and 2
- B. 2 only
- C. 2 and 3
- D. 1 and 3
- E. 1, 2 and 3 Correct

**Analyse the following caselet and answer the questions 13-14 that follow:**

A pastor had eaten at a restaurant with his troupe of ten and his family. It is a norm to tip the waiter and about 20% of a waiter's salary comes from these tips. However, while paying the bill, the pastor crossed out the automatic 18% tip charged for parties of more than eight and wrote "I give God 10% why do you get 18%?" above his signature. The chagrined waitress at the restaurant posted a photo of this on the social media. She was subsequently fired for violating company's policy on customer privacy.

This would have been understandable if the restaurant had not posted just 2 weeks ago a customer receipt that was complimenting them. Social media and social activists came heavily upon the management's ambivalent stand and the firing of the waitress. In response, the company posted a note on their social media page defending their actions. This quickly drew over 10,000 comments, mostly negative, to which the management started responding by posting the same note over and

over again. There were also accusations of the company deleting negative comments and blocking users. The restaurant also experienced a sizable drop in their footfall.

Q13. Who/what is the main cause for the situation becoming unmanageable?

- A. The pastor for flouting the norm of restaurant.
- B. The waitress for violating customer privacy.
- C. The management for not taking action against the pastor.
- D. The management for giving out disproportionate punishment to waitress.
- E. The management for removing negative comments from the social media.

The downward spiral continued for the restaurant as the management persisted in defending their actions and argued with those who criticized them. By the following week, the original post had generated over 18,000 negative comments.

Q14. Which of the following is the best way forward for the restaurant at this juncture?

- A. Unconditionally restore the waitress to her former position and salary on the ground that she was never at fault in the first place.
- B. Apologise to and reinstate the waitress and ask her to apologize for her breach of customer privacy and post both the apologies on social media.
- C. Reinstate the waitress provided she apologises for her breach of customer privacy and post that apology on the restaurant's social media page.
- D. Reinstate the waitress if and only if she apologizes for her breach of customer privacy and posts that apology on her social media page.
- E. Recruit two waitresses at a higher wage but stick to the original decision of firing the waitress.

Answer questions 15-17 on the basis of information given in the following situation.

Rose is the Queen of Kingdom A and Emily is the Queen of Kingdom B; both share a common border. They also share a border with Kingdom C, a much larger kingdom, ruled by King Jonathan who has expansive ambitions. Though individually their armies were no match to his might, together their armies were more powerful than King Jonathan's army.

Jonathan's kingdom also bordered Kingdom K on the opposite side, making Kingdom C a buffer state between Kingdoms A, B and K. Kingdom K is ruled by King Summer Sault, who united a group of warring and belligerent tribes under his aegis. Kingdom K and Kingdom C had continuous skirmishes with each other.

Jonathan realized that he has limited arms and ammunition to fight on all the three fronts simultaneously. Therefore, he planned to double the arms and ammunition which will take a few years. When this news reached Emily and Rose they held a secret meeting to discuss the situation.

Q15. Which of the following actions, by Emily and Rose, will be the best suited to delay Jonathan's plan?

- A. Emily and Rose should send arms and ammunition to Summer Sault for the next few years.
- B. The two queens should meet Jonathan and attempt to sign a peace pact.
- C. Emily and Rose should also double their armies.
- D. Emily and Rose should attack Jonathan immediately.
- E. The two queens should ignore the news.

Jonathan aims to invade and annex Kingdom K once and for all.

Q16. Which of the following options will best enable him to accomplish the ambition?

- A. He should request the cooperation of Queen Rose and Queen Emily.
- B. He should sign a peace pact with Queen Rose and Queen Emily.
- C. He should try and create a rift between the two Queens.
- D. He should secretly invest in doubling his army, by reducing all other expenditure.
- E. He should attack all three kingdoms simultaneously, giving them no time to cooperate.

King Summer Sault was growing tired of the warring tribes, who slowed down the overall economic development of Kingdom K.

Q17. Which of the following is the best option for King Summer Sault to focus on economic development?

- A. Align with Jonathan to eliminate one or two of the tribes and instil fear in others.
- B. Align with the two Queens to eliminate a few tribes and unify the rest.
- C. Design annual economic plans, with each plan named after a different tribe.
- D. Create a rift among the tribes and instigate a civil war.
- E. Request Jonathan to send teachers, doctors and artists to improve economic development of Kingdom K.

Read the following caselet and answer the questions that follow:

You are a Human Resource (HR) Manager in the HR Department of Vikash Educational Charitable Trust. You organize and support recruitment and training, provide secretarial support for disciplinary investigations and keep personnel records of staff. You report to Ms. Deelipa, one of the two Senior HR Managers who reports to the HR Director.

For the post of Consultant Professor in the Trust, two internal candidates, Mr. Rana and Mr. Charan were interviewed. Mr. Charan was selected as he was considered to be academically gifted with impressive leadership skills, even though he had less experience than the other. Three days later, Mr. Rana came to your office complaining that the selection was unfair as he had more experience than Mr. Charan.

Q18. Which of the following is the best way to handle the issue raised by Rana?

- A. Tell Mr. Rana, that you empathize with him, but the process was fair, and details of the assessment could be shared with him.
- B. Tell Mr. Rana that if he is interested, he could write to the HR Director and you would act as per the directives received.
- C. Offer tea to Mr. Rana and say that you can understand why he is upset. Let him have a bit of a moan and help him get it out of his system.
- D. Tell Mr. Rana that the Institute finds the right person for the job, not the one who has been around the longest.
- E. Warn Mr. Rana that his complaint will be construed as misdemeanour and held against him in the next promotion cycle.

Q19. Ms. Deelipa has asked you to conduct a Non Teaching Staff Induction Training. You are to call for a tender from various agencies with specifications that include the contents, duration, experience, budget and other relevant information. You then need to shortlist five agencies from the list of 20 and make a presentation within two days.

Review the following responses:

1. Rate all 20 agencies on a scale of 1 to 5 on information available and select the top 5.
2. Select the five lowest bids based on the price quoted.
3. Seek selection criteria from Deelipa and the HR Director and shortlist the bidders accordingly.
4. Follow the advise of a person who has completed a similar task.

Select the best of the following responses in the descending order of effectiveness?

- A. 4, 1, 3
- B. 1, 3, 4
- C. 3, 2, 4
- D. 1, 2, 3
- E. 3, 1, 2

Q20. The Vikash Trust has recently been plagued by a high turnover of teaching assistants with many looking for higher salary and better facilities. You have been asked to design and run a campaign to attract and appoint 10 teaching assistants. One of your measures of success will be the retention of the new recruits. You have 4 weeks for the interview.

Review the following:

1. Shortlist apt candidates who reflect values of the Trust from among respondees to your wide advertisement campaign.
2. Design an ad that attracts candidates with values that matches the Trust's, release it at an appropriate time and re-validate the candidates' credentials at the time of shortlisting.
3. Repeat the process that was followed by the Trust last time.
4. Seek expert advice on drafting an attractive advertisement.

Select the best of the following responses in the descending order of effectiveness?

- A. 4, 1, 2
- B. 2, 1, 3
- C. 4, 3, 1
- D. 1, 2, 3
- E. 2, 3, 4

Q21. The new induction training program has been a roaring success. All new induction courses for the next 12 months have been tightly scheduled. This morning, you receive a call from Mr. Surya, the Head of the Trust requesting you to train eight newly recruited teaching assistants before they start their job next month. You explain that all the slots are fully booked for the next 3 months, but he insists that the new teaching assistants be trained immediately, to hopefully reduce turnover among them. You speak to Deelipa, who wants you to deal with the issue on your own.

Review the following responses that you wish to communicate to Mr. Surya:

1. Inform him that once the schedules are drawn up, it is not possible to effect any change as the reputation of the Trust would be at stake.
2. Suggest that a new agency may be permitted to run induction sessions for these teaching assistants, as a special case.
3. Tell him that if some inductees dropout in the first month, at least some teaching assistants can be accommodated.

4. Tell him that since no space is available in the induction training sessions for three months, you, as the HR manager would conduct induction sessions for them after office hours.

Select the best of the following responses in the descending order of effectiveness.

A. 2, 1, 3, 4

B. 3, 2, 1, 4

C. 3, 2, 4, 1

D. 2, 4, 3, 1

E. 2, 3, 1, 4

Read the following caselet and answer the questions that follow:

The Public Relations Department of an organization has spent only 4 crores of its allocated 16 crores on publicity. There are 2 months left in the financial year. Due to shortage of officers, the Assistant Director, Operations has been given an additional charge of publicity. Because of his other commitments, he is unable to find time to undertake tasks such as baseline study, ascertaining communication needs, testing proposed messages and media channels, deciding optimum periodicity, measuring impact, etc. He also argues spending the rest of the budget is unnecessary because their regular programs are already widely known. His boss, the Director, however, feels that only by utilizing the entire budget can a similar amount be demanded the next year. He also thinks that there is nothing like enough publicity.

Q.22 Which of these is the best course of action for the department?

A. Repeat the advertising done so far 3 times over and thus exhaust the entire amount.

B. Rely on the operational experience of the Director and the Assistant Director and start spending the optimal amount right away.

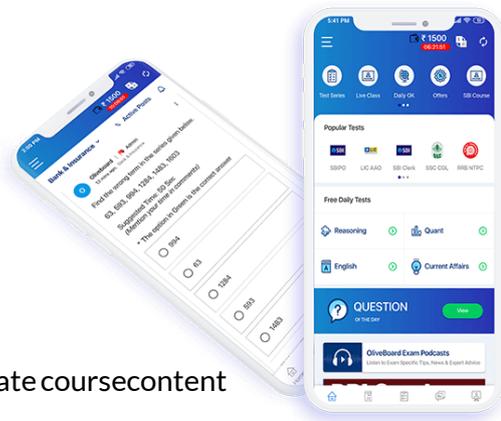
C. Surrender the budget right away so it can be utilized by other departments.

D. Hire a specialized external agency which will study the gaps and needs within a fortnight and follow it's recommendations.

E. Request higher authorities to reallocate the remaining amount to other departments of the organization.

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Q.23 Which of these new developments, if true, would most justify a larger utilization of the advertising budget?

- Advertising agencies have announced a 25% reduction in rates.
- An internal committee of the organization has made strong recommendations to improve service delivery.
- The organization has approved a new major scheme for immediate implementation.
- The findings of a baseline study on assessing communication needs are now available.
- A new Assistant Director has been posted to exclusively look after publicity.

Read the situation below and answer the associated questions:

Two industrial towns, Jayanagar and Ramnagar, about 15 kms. apart, are similar in land area, population, ethnic diversity and per capita incomes.

Jagdeep Singh owns a bakery named Le Baguette in Jayanagar. He specializes in croissants, masala bread and whole wheat bread; eggless cakes are also a favourite.

Among the four bakeries in Jayanagar, Jagdeep's bakery with a market share of 30% is second only to the oldest Le Croissant bakery whose market share is 40%. Le Croissant commands a loyal customer base and does not offer eggless varieties.

Q.24 Jagdeep has decided to open a branch in Ramnagar. Which of the following facts about Ramnagar will BEST support his decision?

- A. 3% of Le Baguette's current revenue comes from Ramnagar.
- B. Jagdeep has managed to acquire a big space in Ramnagar at a nominal rent.
- C. Before starting his own bakery, Jagdeep was supplying bread to most bakeries in Ramnagar.
- D. Ramnagar is served by 4 bakeries, with the two largest bakeries having market shares of 55% and 25% respectively.
- E. Le Croissant's Ramnagar branch struggles with a market share of 10%.

Q.25 Jagdeep wishes to open a 100% eggless branch in Ramnagar. To explore feasibility, he collected the following facts:

1. Eggless products account for 30% of Le Baguette's sales.
2. At least 20% of all bakery sales in Ramnagar is from eggless products.
3. The eggless varieties of Le Baguette contain minute traces of egg.
4. Le Baguette currently makes 3% of its revenue from Ramnagar customers and all of it comes from eggless products.
5. Le Croissant's Ramnagar branch struggles with a market share of 10%.

From the combinations below, in the DESCENDING order of effectiveness, choose the one that BEST supports Jagdeep's decision.

- A. 5, 2, 1
- B. 2, 1, 3
- C. 2, 4, 1
- D. 4, 3, 2
- E. 5, 4, 1

### Answer Key

Questions	Answer (Correct Option)
1	B
2	E
3	B
4	B
5	C
6	D

7	B
8	C
9	A
10	C
11	E
12	D
13	D
14	B
15	D
16	D
17	B
18	A
19	E
20	B
21	D
22	D
23	C
24	A
25	C

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