1. Which of the following statements is not true about an HR audit?

a. It establishes a benchmark for measuring the performance of the HR department.
b. It is done by internal employees or external consultants.
c. It gathers data about people, processes, structures and policies.
d. It is a statutory requirement for an organisation.

Answer: d

2. Which of the following pieces of information is normally not considered for HR audit?

a. job description and job specification statements
b. hiring policies, practices and procedures
c. details about exit and other interviews
d. None of the above

Answer: d

3. The HR audit needs to be done at _______ levels of the organisation.

a. two
b. three
c. four
d. five

Answer: b
4. When the efficiency of the HR activity is measured in terms of the organisational productivity and cost, it is called the _______ approach.

a. internal  
b. external  
c. self-directed team  
d. task force

Answer: a

5. Which of the following conditions is essential for an effective HR audit?

a. top management’s commitment  
b. clarity in HR audit objectives  
c. regularity and continuity  
d. All of the above

Answer: d

6. When the cost incurred on recruiting, training and developing the employees is considered for determining the value of employees, it is called

a. the replacement cost approach  
b. the historical cost approach  
c. the opportunity cost approach  
d. none of the above

Answer: b
7. The opportunity cost approach in human resource accounting was introduced by

a. Hekimian and Jones  
b. Rensis Likert  
c. Eric G. Flamholtz  
d. William C. Pyle

Answer: a

8. The aggregate payment approach in human resource accounting was developed by

a. Myers and Flowers  
b. Hermanson  
c. S. K. Chakraborty  
d. none of the above

Answer: c

9. The value of human resources is the function of the average salary of the employees and their average employment tenure in the organisation. This is the essence of the

a. aggregate payment model  
b. five-dimensional model  
c. causal, intervening and end-result model  
d. un purchased goodwill model

Answer: a
10. Fixing the value of an employee depending upon his productivity, promotability transferability and retainability is the core of the

a. certainty equivalent model  
b. stochastic reward valuation model  
c. human asset multiplier model  
d. present value of future earnings model  

Answer: b  

11. Transformational change in an organisation refers to

a. complete change in almost all aspects of the organisation  
b. incremental change in which necessary improvements are made in the existing organisation  
c. no change in any aspect of the organisation  
d. None of the above  

Answer: a  

12. Which of the following is normally the cause of organizational change?

a. technological development  
b. change in labour characteristics  
c. mergers, acquisitions, etc.  
d. All of the above  

Answer: d
13. When employee resistance provokes a well-grounded debate and constructive criticism leading to improvements in the change process, it is called

a. positive resistance  
b. negative resistance  
c. passive resistance  
d. None of the above

Answer: a

14. Which type of employee resistance aims at ensuring the complete failure of change initiatives of the organisation?

a. positive resistance  
b. negative resistance  
c. passive resistance  
d. active resistance

Answer: b

15. Which of the following is not a symptom of employee resistance to change?

a. increase in employee absenteeism  
b. non-participative and indifferent behaviour  
c. increase in performance and productivity  
d. unprofessional conduct

Answer: c
16. The country where the headquarters of a multinational company is located is known as

a. host country  
b. home country  
c. third country  
d. None of the above

Answer: b

17. When an international firm follows a strategy of choosing only from the nationals of the parent country, it is called

a. polycentric approach  
b. geocentric approach  
c. ethnocentric approach  
d. None of the above

Answer: c

18. When the firms adopt a strategy of limiting recruitment to the nationalities of the host country where the branch is located, it is called

a. polycentric approach  
b. geocentric approach  
c. ethnocentric approach  
d. None of the above

Answer: a
19. When the firms choose a strategy of recruiting the most suitable persons for the positions available in the firm, irrespective of their nationalities, it is called

a. polycentric approach  
b. geocentric approach  
c. ethnocentric approach  
d. None of the above  

Answer: b  

20. Which of the following factors is not related directly to the success of expatriate/abroad assignments?

a. the personality of expatriate employees  
b. the intentions of expatriate employees  
c. the incapability of the spouse to adjust to the new situation  
d. the nature of products produced by the company  

Answer: d  

21. The term competitive advantage stands for

a. the superior market position of a company in the market vis-a-vis its competitors  
b. the organisational confidence level  
c. the expansion of product lines in the market  
d. None of the above  

Answer: a
22. The reason for organisation’s efforts to gain competitive advantage out of HR is:

a. HR environment is responsible for competitive advantage as it cannot be imitated easily by the competitors.
b. Human resources are more important than physical resources.
c. It is easy to obtain competitive advantage out of HR practices.
d. None of the above

Answer: a

23. When a manager is moved to another country for employment, he is called

a. international manager
b. foreign manager
c. expatriate
d. None of the above

Answer: c

24. The treatment of employees as one of the factors of production is the basic assumption of the ________ version of HRM.

a. soft
b. hard
c. medium
d. indifferent

Answer: b
25. Which of the following resources is a source of competitive advantage?

a. physical resources  
b. human resources  
c. organisational resources  
d. All of the above  

Answer: d

26. Performance evaluation improves competitive advantage by

a. involving immediate supervisors in the evaluation process  
b. providing strong basis for demotion, transfers, and lay-offs  
c. increasing the frequency of performance evaluation  
d. reducing grievance and labour turnover by making employees trust that they are treated fairly

Answer: d

27. In which of the following methods are grievances ascertained at the time of employees quitting the organisation?

a. The exit interview method  
b. The gripe-box system  
c. The open door policy  
d. Opinion surveys

Answer: a
28. Which of the following is not a reason for the involuntary separation of employees?

a. Employee health problems  
b. Employee indiscipline problems  
c. Organisational problems  
d. None of the above

Answer: d

29. Which of the following makes the employees ineligible for provident and gratuity benefits?

a. Retirement  
b. Resignation  
c. Dismissal  
d. Discharge

Answer: d

30. A scientific approach to study and then solving organisational issues experienced by an organisation is called

a. Action Research  
b. Applied Research  
c. Pure Research  
d. None of the above

Answer: a