



Decision Making Questions for XAT

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Instructions

Madhuri Apte, a busy professional, rents out her studio apartment located in South Mumbai. Since she stays three hours away from the studio apartment, she uses a networked digital lock to monitor the property remotely. Each customer gets a temporary and unique access code for the digital lock that enables them to enter the studio apartment for the duration of stay. The apartment's entrance door can also be opened with physical keys and Madhuri Apte has two such keys in her possession.

Madhuri Apte has employed a cleaner who has a permanent access code to enter the apartment for cleaning every day. She is available only between 15:00 hrs and 17:00 hrs.

Madhuri Apte's apartment caters largely to international customers. A customer typically stays for 3 days, paying an average rent of \$125 per day.

Question 1

Madhuri's apartment received good feedback from the guests, except with respect to the operation of the digital lock. She decided to leave a spare physical key in the house for her guests. Recently some of the guests had forgotten to leave the key behind during checkout. Making a spare key will cost \$500 and will take about 10 days to arrive. She was confused if she should continue leaving the spare key and was looking for a way out.

Which of the following would be the best way out for her?

- A Keep Digital lock as the only option and communicate to customers.
- B Be present during checkout to ensure the key is returned.
- C Request the cleaner to be present during checkout.
- D Send polite reminders to guests before checkout date and on the day of checkout to leave the key behind.
- E Charge security deposit of \$100 which will be forfeited if the keys are not left behind.

Answer: E

Explanation:

Option A is limiting the choices, not the best solution in this case.

Option B is incorrect as it increases operational effort for Madhuri.

Option C is ruled out as cleaner cannot stay whenever guests leave the apartment.

Option D is not an effective solution as customers may still not leave their keys behind despite the polite reminders given to the customers.

Option E addresses the concerns that customers don't leave the keys behind, as well gave an option to recover a portion of the cost, if such incidents still occur.

Option E is correct.

Question 2

While Madhuri Apte's studio apartment gets good feedback on other aspects, many seem unhappy as they found the operation of the digital lock complicated.

Which of the following options is the best for Madhuri Apte in this context?

- A Madhuri should switch to a physical lock.
- B Madhuri, on request, should send one of the physical keys five days ahead of customer's arrival at an extra charge of \$75.
- C Madhuri should request the cleaner to explain the working of the digital access code to customers for an extra charge.
- D Madhuri should do nothing as digital locks shall be the norm in the future.
- E Madhuri should create a video manual on "how to use the digital access code" and e-mail it to the customers before their arrival.

Answer: E

Explanation:

Switching to physical lock will be a retrograde step. Digital lock provides Madhuri with an option to monitor her apartment remotely and a physical lock will not allow her to do the same. Therefore, we can eliminate option A.

We can eliminate option B too since it suffers from the same flaw as option A.

It has been given that the cleaner will be available only for a limited period every day. Therefore, the cleaner cannot be asked to explain the working of digital lock and hence, we can eliminate option C as well.

Madhuri cannot afford to be indifferent. Doing so will result in unsatisfied customers. Therefore, we can eliminate option D as well.

Option E states that Madhuri should educate her customers using a video on how to operate the digital lock. Releasing such a tutorial will ensure that the grievance of the customers get redressed. Also, Madhuri can continue using the digital lock as well. Therefore, option E is the right answer.

Instructions

Answer questions 30-32 on the basis of information given in the following situation.

Lal & Sons, a family business, comprises three different companies in three different industries. Sudarshan Lal was heading this entire business from the inception. Two years ago, he hired three managers, one for each company and Chhaganlal Jha as Chief Executive Officer (CEO) to look after the entire business. These three managers are reporting to the CEO. However, Sudarshan Lal and his family still own the entire business, though they are not involved in day to day operations.

Question 3

Chhaganlal Jha, the CEO, was certain that someone in his leadership team was leaking information to Sudarshan Lal, well before Chhaganlal communicated.

Given the following options, how best should Chhaganlal Jha respond to this situation?

- A Chhaganlal should request Sudarshan to kindly wait for him to communicate as informal sources may lead to misinformation.
- B Chhaganlal should complain about this to Sudarshan and threaten to resign.
- C Chhaganlal should request his team to continue passing information, since it brings down the communication barrier.
- D Chhaganlal should understand that this is bound to happen and should not bother.
- E Chhaganlal should threaten his team that one of them will be fired by the weekend if this practice of passing information doesn't stop immediately.

Answer: A

Explanation:

The leakage of information should be prevented. Sudharsan Lal is supposed to know the proceedings of the company but it should be through a formal communication channel.

We can eliminate option B since it proposes an immature course of action.

Option C can be eliminated as well since it proposes no step to curb the leak of information.

We can eliminate option D since it does not propose any course of action.

Option E can be eliminated as well since it spoils the relationship between him and the business heads. Also, it fails to find out the person responsible for leaking the information and even if someone is fired, there is no way to know whether Chhaganlal has fired the right person.

Chaganlal should request Sudharsan to be patient till he gives out the information. This will ensure that Sudharsan will not have the need to depend on second-hand information and hence, will address the root cause of the issue. Therefore, option A is the right answer.

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Instructions

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

Satyender heads a branch of a Micro-Finance company. The company provides small-size loans catering to rural households. As the head of the branch, he supervises three collection officers - Palani, Sayed, and Godwin. Palani was recently transferred by the company from another branch.

Question 4

Satyender is allocating territories to his subordinates for the coming financial year. So far, Palani's performance has been poor and this allocation will decide his future in the organization.

Which of the following information will be the least useful to Satyender in taking a fair allocation decision?

- A Sayed's territory has shown consistently good performance in the past three years.
- B Sayed's territory faces stiff competition from a well-known brand.
- C A new territory that faces competition from two relatively unknown brands.
- D Godwin's territory has shown consistent results in the past three years.
- E Godwin's territory performance has been flat for the past two years.

Answer: C

Explanation:

To make a decision, there must be a factor that encourages/discourages the distribution of territories to his subordinates.

Options A shows that Sayed has been a good performer, and can be allotted a fair share of the territories. Option B shows that Sayed is in a tight spot, and hence can be allowed to focus more on his territory and not assign him significantly more territories.

Similarly, Options D and E provide info as to how the performance of Godwin has been. They would help Satyender to decide to assign more territories or fewer territories according to the performance of Godwin over the past years.

Note that C provides no such factor of consideration. It merely states that there is a new territory that faces stiff competition. What about the other territories, what should be their distribution? Even we are unsure about this territory. Let us say Palani's performance is poor. But should this territory be assigned to Godwin or Sayed, who is a better performer? Hence, C does not lead us anywhere.

Question 5

Three months later, Palani submitted local travel bills to Satyender for reimbursement. Satyender realized that the bill amount was 30% higher than expected.

Which of the following options, if true, will enable Satyender take a decision that shall set a precedent, which is least likely to be misused in the future?

- A Palani being new to the area uses autorickshaws which are more expensive than personal motorcycles used by other collection officers.
- B Unlike his colleagues, Palani's house has very poor public transport connectivity.
- C Unlike his colleagues, Palani's sales territory has a powerful competitor.
- D Unlike his colleagues, Palani's customers can meet him only during weekends.
- E Unlike his colleagues, Palani has to visit customers repeatedly as they require additional persuasion.

Answer: A

Explanation:

Option A provides a justification why Palani's expenses are on a higher side. Also, the other options involve a level of subjectivity. The truth in the claims cannot be verified in the other options and hence, a decision cannot be arrived. Option A talks about a quantifiable reason and hence, Satyender can make a decision. Therefore, option A is the right answer.

Question 6

Sayed feared Palani's transfer may pull down the performance of the branch, as he felt Palani was transferred due to his poor performance in the previous branch.

Which of the following information will most likely assuage Sayed's fear?

- A In the past 12 years as the head of branch, Satyender has exceeded targets every time.

- B** Palani has been a top performer in the organization; his performance has deteriorated only in the last three years.
- C** The branch's performance has been good for the past 10 years; Sayed has joined the organization 3 years back.
- D** When Sayed joined as a fresher in this branch, others in the branch had feared that he might bring down the performance of the branch.
- E** While calculating the branch's performance, the branch head has the choice to exclude new joiner's performance.

Answer: E

Explanation:

We cannot predict the future performance using the past records. Therefore, any option that stresses on the track record to allay the fear can be eliminated.

Options A, B, C, and D use the past performance as a tool to assert that the person will perform well. Therefore, we can eliminate these options. Only option E states that Sayed has an option to exclude the new joiner's performance. Even if Palani fails to perform, Sayed will not have to bear the brunt for the same. Therefore, option E will encourage Sayed to provide Palani with a chance and hence, option E is the right answer.

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Instructions

Read the following caselet and choose the best alternative:

Head of a nation in the Nordic region was struggling with the slowing economy on one hand and restless citizens on the other. In addition, his opponents were doing everything possible to discredit his government. As a famous saying goes, "There is no smoke without a fire", it cannot be said that the incumbent government was doing all the right things. There were reports of acts of omission and commission coming out every other day.

Distribution of public resources for private businesses and for private consumption had created a lot of problems for the government. It was being alleged that the government has given the right to exploit these public resources at throw-away prices to some private companies. Some of the citizens were questioning the government policies in the Supreme Court of the country as well as in the media. In the midst of all this, the head of the nation called his cabinet colleagues for a meeting on the recent happenings in the country.

He asked his minister of water resources about the bidding process for allocation of rights to setup mini-hydel power plants. To this, the minister replied that his ministry had followed the laid out policies of the government. Water resources were allocated to those private companies that bid the highest and were technically competent. The minister continued that later on some new companies had shown interest and they were allowed to enter the sector as per the guidelines of the Government. This, the minister added, would facilitate proper utilization of water resources and provide better services to the citizens. The new companies were allocated the rights at the price set by the highest bidders in the previous round of bidding. After hearing this, the head of the nation replied that one would expect the later allocations to be done after a fresh round of bidding. The minister of water resources replied that his ministry had taken permissions from the concerned ministries before allocating the resources to the new companies.

Question 7

Subsequently, the minister questioned the role of the media in the whole affair. He said that the media cannot act like a reporter, prosecutor and judge at the same time. Mr. Swamy, an independent observer, was asked about appropriateness of the minister's opinion. What should be Mr. Swamy's reply?

- A** Media has been rightly accused by the minister.
- B** Minister's statement may be factually incorrect.
- C** Media has rightly accused the minister.
- D** Media has wrongly accused the minister.
- E** None of above

Answer: D

Explanation:

From the statements of minister and his answers to the questions raised by the Head of the nation, it is clear that the minister has allocated resources following the rules set by the government and there is no partiality or irregularities have taken place. So, Media has wrongly accused Minister.

Option A is wrong as we can't define a boundary to media.

There is no support to validate claims in option B.

Option C is wrong.

Option D is correct answer.

Question 8

Media reports suggested that the minister of water resources had deliberately allocated the water resources at old prices to the new companies, and in return some received kickbacks. However, the minister denied these charges. His counter argument was that he followed the stated policies of the Government and it is very difficult to price a scarce resource. He also said that the loss that the media is talking about is notional and in reality the Government and the citizens have gained by the entry of new players. Which of the following is the most appropriate inference?

- A If benefit to the citizens is higher than notional losses then it is not unethical.
- B If benefit to the citizens is lower than notional losses then it is unethical.
- C If benefit to the citizens is higher than actual losses then it is not unethical.
- D If benefit to the citizens is lower than actual losses then it is unethical.
- E All of the above A, B, C and D are inappropriate.

Answer: E

Explanation:

The minister has stated that the loss is notional and in reality, the projects have benefited everyone. Options C and D talk about actual losses. The minister has not made any statement regarding the loss. Therefore, we can eliminate options C and D. Options A and B talk about notional losses. Again, notional losses should not be a factor deciding whether a project should be implemented or not. We can eliminate options A and B as well. None of the given statements are valid inferences and hence, option E is the right answer.

Instructions

Read the following caselet and choose the best alternative:

Island of Growth was witnessing a rapid increase in GDP. Its citizens had become wealthier in recent times, and there had been a considerable improvement in the standards of living. However, this rapid growth had increased corruption and nepotism in the Island. In the recent times, a fear had gripped the population that corruption would destroy the inclusive nature of the society and hinder economic progress. However, most citizens had kept quiet because:

- a. they had benefited from the corruption indirectly, if not directly.
- b. they did not have the time and energy to protest.
- c. they did not have courage to rise against the established power centers.

There was a need to remove corruption but no one was willing to stick his neck out. Many politicians, bureaucrats and private organizations were corrupt. Media and intellectuals kept quiet, as they benefited indirectly from corruption. The common man was scared of state's retribution and the youngsters feared insecure future.

Against this background, an old, unmarried and illiterate gentleman of high moral and ethical authority, Shambhu, decided to take on the issue of corruption. He sat on a hunger strike in the heart of the capital city of the Island. Shambhu demanded that the Government should constitute new laws to punish the corrupt across all walks of life. Media and the citizens of the island gave massive support to Shambhu. Buckling under the pressure, the Government promised to accept Shambhu's demands. He ended the hunger strike immediately following the Government's announcement. Shambhu became the darling of the media. He used this opportunity as a platform to spread the message that only citizens with an unblemished character should be allowed to hold a public office.

A few months later, it was found that the Government had not fulfilled any of its promises made to Shambhu. Infuriated, he was thinking of launching another island-wide protest. However, this time, he sensed that not many people and media persons were willing to support him.

Question 9

Which of the following could be the most likely reason for decline in public support for Shambhu?

- A The common man had become sick and tired of Government's inaction against rising corruption.
- B Shambhu was old and he lacked the energy to garner the same support that he enjoyed from the media and the public in the initial stages.
- C The general public may have realized that Shambhu was focusing too much on "indirect involvement" in past incidences of corruption. Common men found it difficult to live up to the high standards set by Shambu.
- D Shambhu's colleagues were misleading him.
- E Shambhu came from a village, while most of his supporters were city dwellers.

Answer: C

Explanation:

Option B is false as state of Shambhu cannot be decided according to the paragraph.

In the last line of the second paragraph it is mentioned that " He used this opportunity as a platform to spread the message that only citizens with an unblemished character should be allowed to hold a public office." Thus Shambhu was not directly involved in the politics, he just uses the stage to garner support, which might be the reason for decline.

Option D and E are trivial.

Option C is correct

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Question 10

Read the following statements:

1. People's latent anger against corruption
2. Shambhu's moral courage
3. Hungry media looking to raise issues
4. Raising income level

In your opinion, which combination of the above statements is the most unlikely reason for Shambhu's initial success?

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

Answer: B

Explanation:

Shambhu's initial success was due to the latent anger in the people and Shambhu's moral courage to stand up against corruption. Raising income level was not the reason for Shambhu's initial success. Also, Shambhu became the darling of the media once he was successful. It has not been given that media aided in furthering Shambhu's struggle against corruption.

Points 1 and 2 played a pivotal role in Shambhu's initial success. Therefore, points 3 and 4 are unlikely to be the reasons for Shambhu's initial success and hence, option B is the right answer.

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