NCO Class XII: Question Paper

Section: Verbal Ability

Q1. Arrange the following sentences in a logical order to form a paragraph:-

A: The misconception arose in 1870, when a misplaced decimal point in a set was published.
B: The idea that spinach promotes strength was made popular by the cartoon character Popeye, the sailor is based on a mistake.
C: Furthermore the iron in any vegetable is less valuable than a similar quantity of iron in meat, because the body is less efficient at absorbing iron from vegetables.
D: Only between 2 and 10 percent of the iron in vegetables is absorbed compared to 10 to 30 percent of the iron in meat.

a) BDAC
b) ABCD
c) ABDC
d) BACD

Correct Answer: d) BACD

Q2. Arrange the following sentences in a logical order to form a paragraph:-

A: One day, a 17-year old shepherd boy came to visit his brothers and asked, "Why don't you stand up and fight the giant ?"
B: We all know the story of David and Goliath, in which there was a giant who was bullying and harassing the children in the village.
C: But David said, "No, he is not too big to hit; he is too big to miss."
D: The brothers were terrified and they replied, "Don't you see he is too big to hit?"

a) BADC
b) ACDB
c) BACD
d) BDCA

Correct Answer: a) BADC

Q3. Find sentences with appropriate usage of the given term:-

Vilified

A: She complained that she was 'vilified and slandered.'
B: The actor was vilified by the press as a monster.
C: His lawyer was vilified for representing him.

a) A only
b) A, B
c) A, C
d) All of the above

Correct Answer: **d) All of the above**

Q4. Find sentences with appropriate usage of the given term:-
   Insinuating

A: He seeked an apology for airing a news programme insinuating her involvement in anti-national activities.
B: The High Court has posted the case for insinuating hearing.
C: Some workers said their wages have not been insinuating during the last seven years.

a) A only
b) A, B
c) B, C
d) All of the above

Correct Answer: a) A only

Q5. Fill in the blank with the appropriate word:-
   When the _____ polished the stones, they gleamed with a breathtaking brilliance.

a) graphologist
b) cosmetologist
c) lapidary
d) gemologist

Correct Answer: c) lapidary

Q6. Match the following words with their respective meanings:-

	Words			Meanings
1.	Jane Doe	A.		Misrepresent
2.	Abrogate	B.		An anonymous woman
3.	Dilatory	C.		To revoke
4.	Belie	D.		Wasting time

a) 1-A, 2-C, 3-D, 4-B
b) 1-B, 2-C, 3-D, 4-A
c) 1-C, 2-D, 3-A, 4-B
d) 1-A, 2-D, 3-C, 4-B

Correct Answer: b) 1-B, 2-C, 3-D, 4-A

Q7. Choose the synonym for the given word:-
   Loquacious

a) Rational
b) Verbose
c) Alluring
d) Taciturn

Correct Answer: b) Verbose

Q8. Choose the figure of speech used in the following sentence:-
   He opened his door and his heart to the orphan.

a) Oxymoron
b) Zeugma
c) Irony
d) Simile

Correct Answer: b) Zeugma

Q9. Choose the figure of speech used in the following sentence:-
   She's not unkind.

a) Euphemism
b) Imagery
c) Eulogy
d) Litotes

Correct Answer: d) Litotes

Q10. Choose the figure of speech used in the following sentence:-
   It is better to light a candle than curse the darkness.

a) Bathos
b) Affective Fallacy
c) Epigram
d) Hyperbole

Correct Answer: c) Epigram

Section: Quantitative Aptitude/Data Interpretation/Logical Reasoning

Q11. Solve: $\sqrt{36 + \sqrt{36 + \sqrt{36 + \sqrt{36........\infty}}}}$

   a) 5
   b) 8
   c) 10
   d) 6

Correct Answer: d) 6

Q12. Match the following:-

A. Probability of having 53 Tuesdays or 53 Wednesdays	1) 1/4
B. Probability of selecting two black honor cards from a pack of 52 cards.	2) 2/7
C. Probability of getting exactly 3 heads when 4 coins are tossed.	3) 0.98
D. A coin is biased so that heads come up thrice as likely as tails. For three independent tosses of a coin, what is the probability of getting the utmost two tails?	4) 14/663

a) **A-2, B-4, C-1, D-3**
b) A-3, B-1, C-4, D-2
c) A-2, B-3, C-1, D-4
d) A-2, B-4, C-3, D-1

Correct Answer: a) A-2, B-4, C-1, D-3

Q13. Mr. Gulati decides to travel from Mumbai to Delhi at a uniform speed and decides to reach Delhi after 't' hours. After 15 km, there was some engine malfunction and the speed of the car became 3/5 of the original speed. So, he travelled the rest of the distance at a constant speed 3/5 of the original speed and reached Delhi 30 minutes late. Had the same thing happened after he travelled 45 km, he would have reached only 15 minutes late. What is the distance between Mumbai and Delhi?

a) 120 Kms
b) 75 Kms
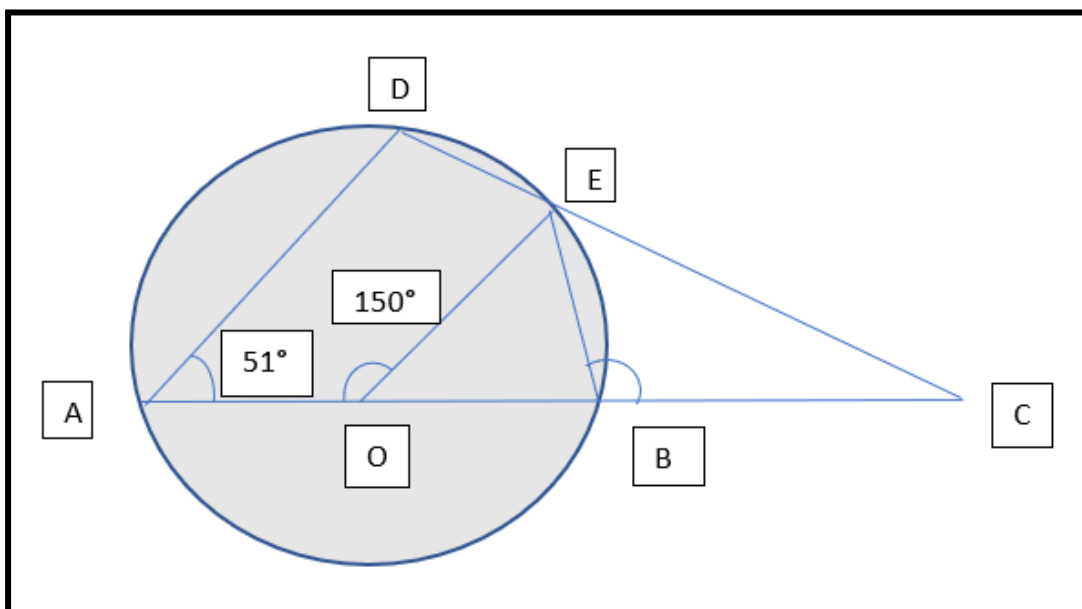c) 60 Kms
d) 90 Kms

Correct Answer: b) 75 Kms

Q14. Three people M,N and T decided to work in such a way that M and N work together on the first day, T alone works on the second day, again M and N work together on the third day and so on, the same is followed every alternate day till the work is completed. N and T together can complete the work in 20 days and efficiency of N is 4 times the efficiency of T. Number of days taken by M to

complete the work is double than that of N. Find the number of days in which the work will be completed.

a) 12 ⅔ Days
b) 14 ⅔ Days
c) 28 ⅓ Days
d) 15 Days

Correct Answer: c) 28 ⅓ Days

Q15. In the given figure below, AB is the diameter of the circle with centre O. Find the measure of ∠CBE.

a) **105°**
b) 120°
c) 51°
d) 115°

Correct Answer: a) 105°

Directions: Answer Q16. & Q17. based on the information given below.

The total number of students in a university is 4,000. The university has 4 colleges in its campus namely A, B, C and D.

College	Percentage of Students	Boys:Girls	Percentage of boys who wear watches	Percentage of girls who do not wear watches
A	30%	5:3	...	...
B	25%	..:2	80%	90%
C	...	3:..	33.33%	0%
D	25%	3:7	...	60%

Q16. If the number of boys who wear watches and the number of girls who wear watches in college C are equal, then the ratio of number of girls to the number of boys of college C?

    a) 6:5
    b) 1:3
    c) 3:2
    d) 6:7

Correct Answer: b) 1:3

Q17. If 180 boys of college D do not wear watches, then the number of girls who do not wear watches is how much percent more than boys who wear watches in college D?
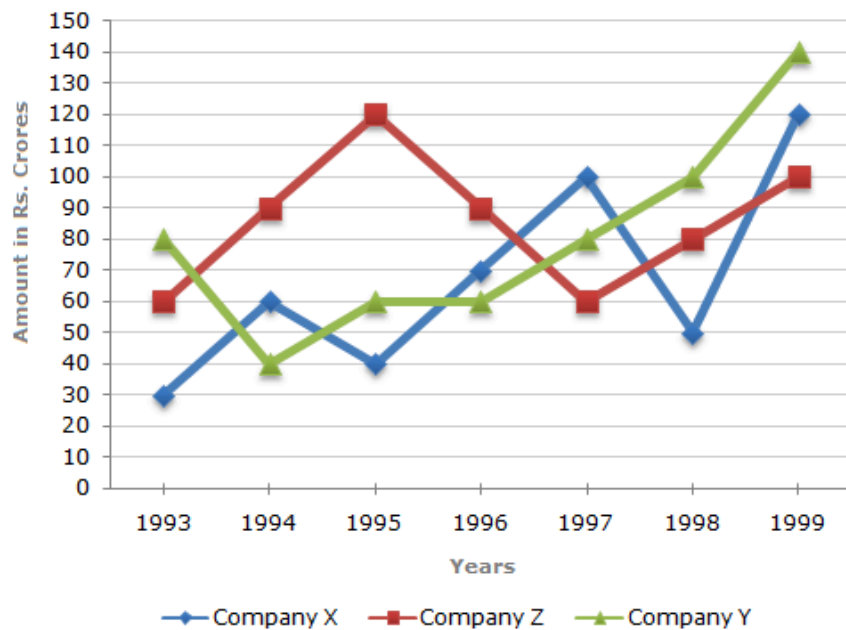
    a) 125%
    b) 100%
    c) 166.67%
    d) 250%

Correct Answer: d) 250%

Directions: Answer Q18. & Q19. based on the information given below.

Study the following line graph and answer the questions.

Exports from Three Companies Over the Years (in Rs. crore)

Q18. For which of the following pair of years the total exports from the three companies together are equal?

a) 1995 & 1998
b) 1996 & 1998
c) 1997 & 1998
d) 1995 & 1996

Correct Answer: d) 1995 & 1996

Q19. Average annual exports during the given period for Company Y is approximately what percent of the average annual exports for Company Z?

a) 87.12%
b) 89.64%
c) 91.21%
d) 93.33%

Correct Answer: d) 93.33%

Q20. There are 5 people: P, Q, R, S, & T, and each of them likes a different fruit: Apple, Banana, Grapes, Mango, and Orange. Based on the following clues, determine who likes Grapes?

1. P likes Banana.
2. Q does not like Apple or Orange.
3. R likes Mango.
4. S likes Apple.
5. T does not like Banana or Mango.

a) P
b) Q
c) R
d) T

Correct Answer: b) Q

Q21. Eight friends: Aman, Neha, Priya, Karan, Rani, Rohit, Sanya, and Raj are sitting in a straight line for a photograph. The following conditions apply:-

1. Rani is sitting third to the right of Priya.
2. Neha is sitting to the immediate left of Aman.
3. Karan is sitting exactly in the middle of Sanya and Raj.
4. Rohit is sitting to the immediate left of Priya.
5. Rani is not sitting next to Karan.
6. Priya is not at either of the ends of the line.

Which of the following statements is true?

a) Rohit is sitting between Raj and Priya
b) Sanya is sitting to the immediate right of Rani
c) Neha is sitting between Aman and Priya
d) Karan is sitting to the immediate left of Raj

Correct Answer: c) Neha is sitting between Aman and Priya

Q22. Read the given statements below carefully:-

Statement 1: All roses are flowers.
Statement 2: Some flowers are not red.

Which of the following conclusions can be logically drawn from the above statements?

    a) All roses are red.
    b) Some roses are not red.
    c) No roses are red.
    d) Some roses are not flowers.

Correct Answer: b) Some roses are not red.

Q23. Complete the given sequence:-
    DEF, DEF2, DE2F2, _____, D2E2F3

    a) DEF3
    b) D3EF3
    c) D2E3F
    d) D2E2F2

Correct Answer: d) D2E2F2

Q24. Five friends Teenu, Bani, Chandni, Dev and Joy are playing Hide and Seek and standing randomly. Bani is to the northeast of Joy. Dev is 20 m to the east of Joy, who is 60 m to the west of Teenu. Chandni is to the northwest of Dev and in the line of Joy and Bani. Dev is 40 m to the south of Bani.

    1) If Bani is to look for Teenu in the game, how much distance will she save if she goes to Teenu straight instead of first going to Dev & then go towards Teenu?
    2) What angle does Bani make at the point where Teenu is standing while Joy, Dev and Teenu are in the same line?

    a) 22.44 m, 90°
    b) 23.44 m, 45°
    c) 22.44 m, 45°
    d) 23.44 m, 90°

Correct Answer: b) 23.44 m, 45˚

Q25. Identify the pattern in row 1 & 2 and then find the missing number in row 3:-

Row 1	3	15	35
Row 2	63	99	143
Row 3	195	?	323

a) **255**
a) 295
b) 240
c) 310

Correct Answer: a) 255

Section: Economics/Mathematics

Q26. The Central Bank of Zimbabwe has set the reserve ratio at 35%. A commercial bank has initial deposits of ₹180 crores. However, in order to cope with increased risk, it decides to hold excess reserves of ₹27 crores instead of lending out the maximum permissible amount. What is the total increase in the money supply after considering both the required reserves and excess reserves?

a) ₹480 crores
b) ₹360 crores
c) ₹700 crores
d) ₹800 crores

Correct Answer: b) ₹360 crores

Q27. Based on the information given below, find the National Income for the year 2024-25.

Particulars (2024-25)	Amount (in ₹ crores)
Purchase of goods by government for maintaining buffer stock	400
Dearness allowance	400
Goods used for self-consumption	20
Basic pay	500
Employer's contribution to Labour welfare schemes	260
Profit after Tax	100
Tax on profit	40
Employee's contribution to social security schemes	200
Rent-free house given to an employee by an employer	100
Royalty	100
Interest	100
Net Income from property and entrepreneurship from the rest of the world	(-)20
Income from unincorporated enterprises	70
Dividend	30

a) **1650**
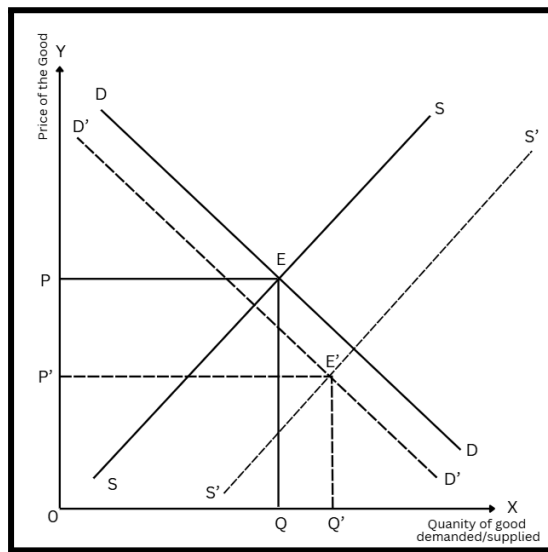b) 1870
c) 1680
d) 1900

Correct Answer: a) 1650

Q28. In Country X, wheat producers are facing an unexpected downturn despite showcasing growth production levels. The adoption of an innovative agricultural methodology has significantly expanded wheat cultivation into previously unsuitable terrains, leading to a substantial increase in overall output. Favorable climatic conditions have further boosted harvest yields to unprecedented levels,
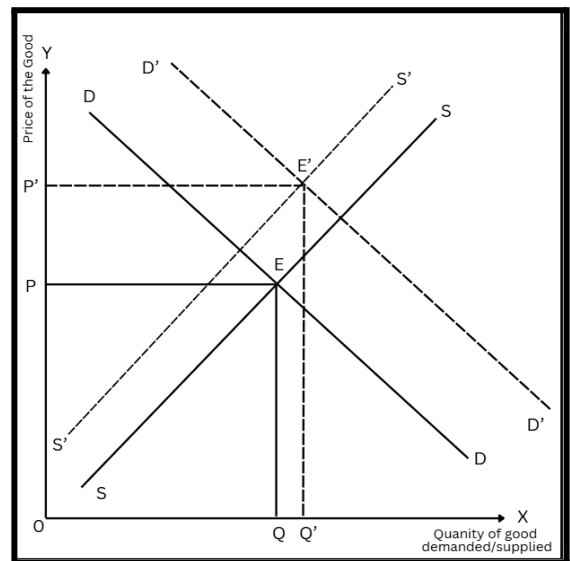
resulting in a dramatic decline in market prices over just 18 months. While there is a shift in consumer preferences due to the growing popularity of gluten-free diets and alternative grains, this change in demand is relatively modest compared to the overwhelming surge in production capacity. Additionally, advancements in logistics infrastructure have streamlined wheat transportation, greatly enhancing market accessibility.

What will be the effect of these changes on equilibrium prices and quantity of what industry in Country X?
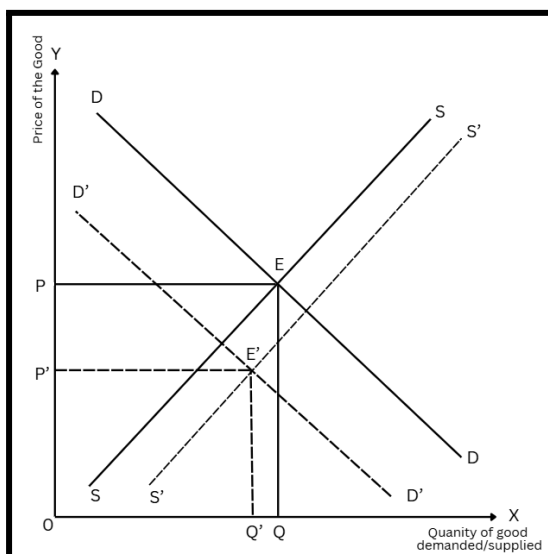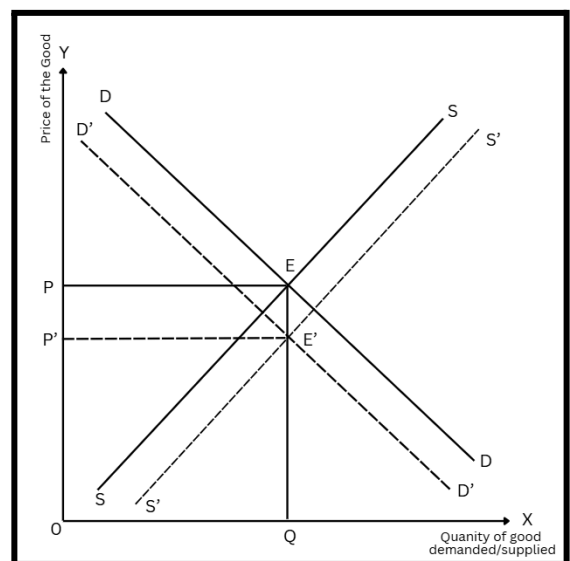
a)

b)

c)

d)

Correct Answer: a)

Q29. Alice, a chocolate lover, consumes several chocolate bars one after another, each providing her with a unique experience. Alice enjoys the first bar chocolate, satisfying her initial craving for something sweet. As she continues, her enjoyment grows, and she savors the taste more deeply. The indulgence feels even more satisfying on the third bar, with a heightened sense of pleasure. Each additional bar continues to provide more enjoyment, as Alice fully immersed in the experience of chocolate. Each bar of chocolate costs ₹10. Marginal Utility of money is 1 (in utils). When will Alice attain Equilibrium?

a) Alice cannot attain equilibrium
b) When Alice's MU is equal to price of chocolate in terms of utils
c) When Alice's total utility reaches its maximum
d) When the price of chocolate exceeds her total utility

Correct Answer: a) Alice cannot attain equilibrium

Q30. The government budget for the fiscal year 2024-25 provides the following data. Using the information below, calculate the Revenue Deficit and Primary Deficit of the government and choose the correct answer.

Particulars (2024-25)	Amount (in ₹ crores)
Interest Receipts	10,000
Expenditure on day to day functioning	28,000
Goods and Services Tax (GST)	5,000
A loan from World Bank is taken at Interest rate of 10 %	1,45,000
Fees and Penalties	10,000
Fiscal Deficit	25,000
Income Tax	1,000
Grants-in-Aid Received from Foreign Sources	1,000

Tax Revenue	8,000
Dividends and Profits	10,000
Escheats	5,000

Options	Revenue Deficit (in ₹ crores)	Primary Deficit (in ₹ crores)
a)	(-)16,000	10,500
b)	16,000	(-)10,500
c)	(-)22,000	11,500
d)	22,000	(-)11,500

Correct Answer: a) Revenue Deficit: (-)16,000 & Primary Deficit: 10,500

Q31. Identify the competitive market type depicted in the picture and identify what is most likely to occur in the long run.

a) **Firms will enter the market until economic profits are zero.**
b) Firms in the market will earn positive economic profits.
c) Firms in the market will experience price rigidity.
d) Firms will produce at the point where marginal cost equals average total cost.
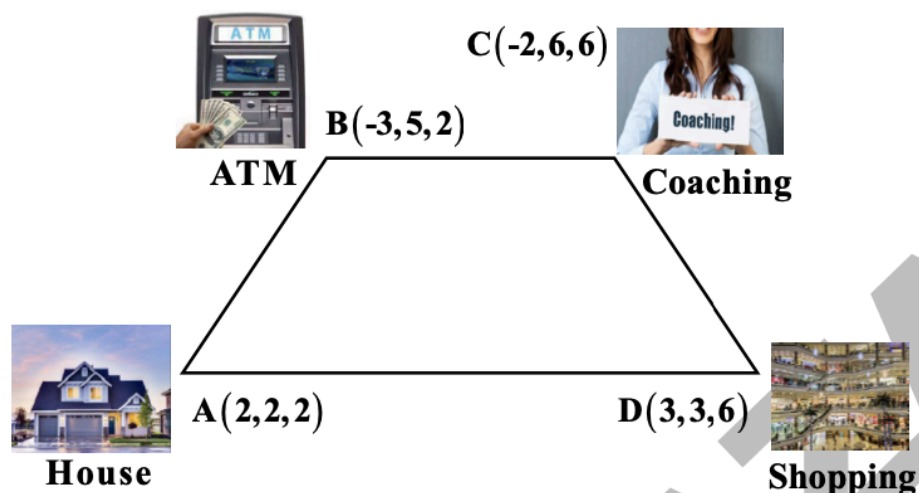
Correct Answer: a) Firms will enter the market until economic profits are zero.

Q32) Pharmeasy is trying to develop a new drug that would combat tuberculosis and would easily cure it within 2 - 3 days. To check the affectibility of the drug, the company decided to test the drug on 53 people suffering from tuberculosis. According to the government, if the drug is successful for over 98% of the patients, it can be sold commercially. The probability of success turned out to be 47/53. What is the probability that the drug would gain the government's acceptance?

a) **$365 \left(\frac{47^{52}}{53^{53}}\right)$**
b) $365 \left(\frac{47^{53}}{53^{52}}\right)$
c) $365 \left(\frac{52^{47}}{53^{53}}\right)$
d) $365 \left(\frac{53^{53}}{47^{52}}\right)$

Correct Answer: a) $365 \left(\frac{47^{52}}{53^{53}}\right)$
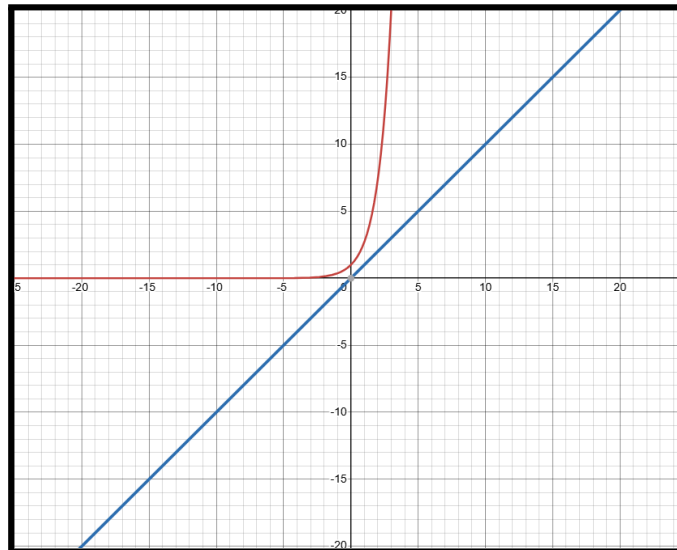

Q33) Nitin starts walking from his house to the shopping mall. Instead of going to the mall directly, he first goes to an ATM, from there to his son's coaching and then reaches the mall. Find the distance covered by Nitin while traveling this path.

a) **$(3\sqrt{2} + 2\sqrt{34})$ units**
b) $(4\sqrt{2} + 2\sqrt{34})$ units
c) $(2\sqrt{2} + 3\sqrt{34})$ units
d) None of the above
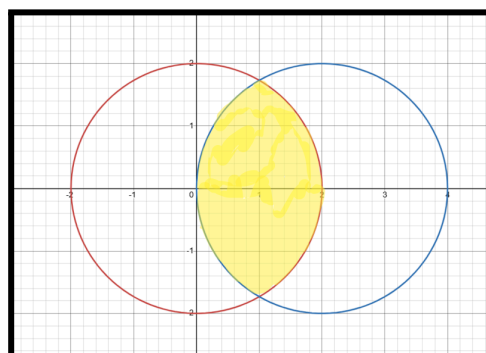
Correct Answer: a) $(3\sqrt{2} + 2\sqrt{34})$ units

Q34. If the blue graph is acting as a mirror then which of the following functions will be the mirror image of the red graph?

a) $y = \log_{10} x$
b) $y = e^{\wedge}x$
c) $y = e^{\wedge}2x$
d) $y = \log x$

Correct Answer: d) y = log x

Q35. Find the area of the yellow shaded region.

a) (8π)/3-2√3
b) (4π)/3 - √3
c) (2π)/3 - (√3)/2

d) (8π)/2 - 3√2

Correct Answer: a) (8π)/3 - 2√3

Q36. Restaurant "Random" is a trendy dining establishment located in a bustling urban area, known for its eclectic menu that changes daily based on seasonal ingredients and the chef's creative impulses. The restaurant has built a loyal customer base by offering a unique dining experience, where each visit promises something different.
One day a customer asked for the wifi and the answer for the same is solution to the following equation:

$$\int \left(\cdot \cos^{-1}\left(\frac{x - x^{-1}}{x + x^{-1}} \right) + \tan^{-1}\left[2\cos\left(2\sin^{-1}\frac{1}{2} \right) \right] \right) dx$$

What is the wifi password that the customer shall use when the value of x is 90 degrees?
(Note: 'C' is an arbitrary constant)

a) **Pi²/8 + C**
b) Pi + C
c) -2pi + C
d) Log 1

Correct Answer: Pi²/8 + C

Section: Business Studies/Accountancy

Q37. 'Lexus', a luxury car manufacturing company decided to start 'Car rental service'. The production manager suggested that as these cars were sophisticated and each spare part was very costly, it would be better to provide these cars for rental service along with trained drivers, so that there would be less wear and tear. A training unit was started for the same. Two of the available cars were used for the training the drivers.

Identify the method of training given by 'Lexus' to its drivers.

a) On the job method
b) Off the job method
c) On the job method- Coaching
d) None of these

Correct Answer: b) Off the job method

Q38. Which key characteristic of principles of management is being highlighted in the given 2 statements?

Statement 1: McDonald's manages key decisions regarding human and material resources at its corporate headquarters to maintain consistency across all outlets.

Statement 2: Google gives its teams the freedom to make decisions within general guidelines, encouraging experimentation and new ideas across different levels of the organization.

a) Mainly Behavioural
b) General Guidelines
c) Formed by experimentation
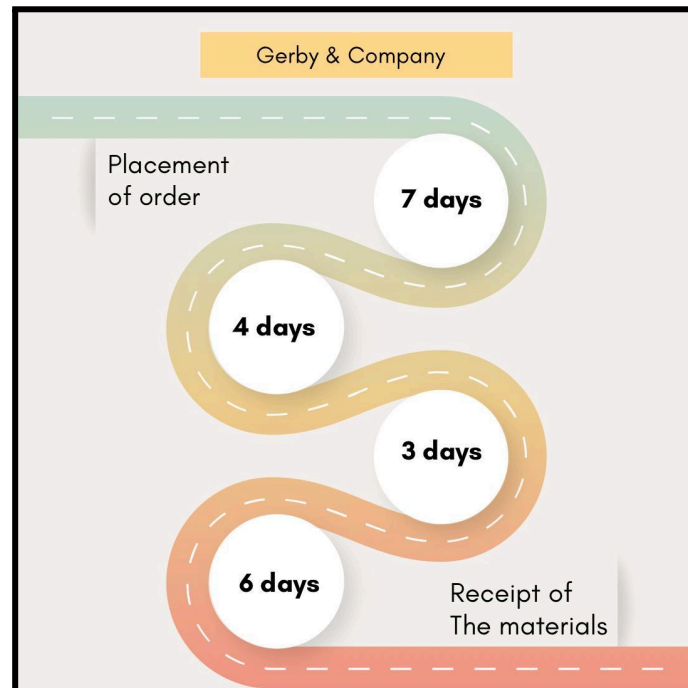**d) None of these**

Correct Answer: d) None of these

Q39. Acknowledging the rising trend of UPI in India, 'Mukesh Associates and Co.' has made a decision to make all payments by e-transfers only. Identify the type of plan adopted by 'Mukesh Associates and Co.'

a) Strategy
b) Procedure
c) Rule
d) None of these

Correct Answer: d) None of these

Q40. Which factor affecting working capital requirement of 'Gerby & Co.' is being depicted in this image?

a) **Availability of Raw Material**
b) Operating Cycle
c) Production Cycle
d) None of these

Correct Answer: a) Availability of Raw Material

Q41. I am one of the pillars of marketing. I provide innovational opportunities to a company and also help it in product differentiation. Who am I?

a) Product Designing and Development
b) Branding
c) **Packaging**
d) Labelling

Correct Answer: c) Packaging

Q42. Ford Motor Company used the _____ method very successfully. Also, Taylor devised the concept of assembly line using this method.

a) Time Study
b) Motion Study
c) Method Study
d) Standardization

Correct Answer: c) Method Study

Q43. The Financial management of a firm also involves decision regarding the proportion of long-term and short-term funds to be used. For this, a manager has a choice between either maintaining liquidity or profitability. This is based on the assumption that _____ costs _____ long term liabilities.

a) current assets, equal to
b) current assets, more than
c) current liabilities, less than
d) current liabilities, more than

Correct Answer: c) current liabilities, less than

Q44. Xeros Ltd. records assets using diminishing balance method. Following is an extract of its Trial Balance:-

Particular	Balance as on April 1, 2024	Balance as on March 31, 2025
Furniture A/c	₹7,00,000	₹9,50,000

Depreciation for the year was ₹40,000. In the beginning of the year, a part of furniture was sold for ₹25,000; which had a written down value of ₹20,000. Calculate Cash flow from Investing activities.

a) (-)₹2,50,000
b) (-)₹1,25,000
c) (-)₹3,10,000
d) (-)₹2,85,000

Correct Answer: d) (-)₹2,85,000

Q45. During the Dissolution of a firm, the closing balances of Capital A/c of three partners were ₹25,000; ₹70,000 and ₹55,000. Their drawings (out of capital) during the year amounted to ₹2,000; ₹3,500 and ₹4,700 respectively. The firm also had creditors amounting to ₹30,000. Calculate total assets of the firm.

a) **₹1,80,000**
b) ₹1,69,800
c) ₹1,90,200
d) ₹1,50,000

Correct Answer: a) ₹1,80,000

Q46. Answer the following Assertion based question:-

Assertion (A): Balance Sheet is a list of assets and liabilities of a company.

Reason (R): Balance Sheet is a statement of assets and liabilities of a company that measures its financial performance.

a) Both (A) and (R) are true, and (R) is the correct explanation of (A).
b) **Both (A) and (R) are false.**
c) (A) is true, but (R) is false.
d) (A) is false, but (R) is true.

Correct Answer: b) Both (A) and (R) are false.

Q47. Match the following with respect to how the given items are treated in Cash flow statement. (items in Column II can have more than one correctly matched item from Column I).

Column I	Column II
A. Decrease in balance of Machinery	1. Purchase

B. Increase in balance of Goodwill	2. Sale
C. Decrease in balance of Investments	3. Depreciation
D. Decrease in balance of Land	4. Sale/Depreciation

a) A-3, B-1, C-3, D-4
b) A-4, B-1, C-2, D-2
c) A-3, B-1, C-2, D-4
d) A-4, B-1, C-4, D-2

Correct Answer: b) A-4, B-1, C-2, D-2

Q48. Sanaya, an auditor, was examining Debt to Capital Employed ratio of three companies. Following were her observations:-

Company	Debt to Capital Employed ratio
NexaTech	0.8:1
Lumora	2:1
Zenova	2.2:1

She came to know some discrepancies regarding her observation which were left to be taken into account:-
i) NexaTech had made a sale of equipments costing ₹1,30,000 for ₹90,000.
ii) Zenova had filed for a Tax refund of ₹12,000 during the year.

Which of the following companies offer the least security to lenders?
a) NexaTech
b) Lumora
c) Zenova
d) Both B & C

Correct Answer: b) Lumora

Q49. CoreLink Ltd. has 50 partners. They want to admit Shreya as a minor into the partnership. Can they do so?

a) Yes, If all the partners agree.
b) Yes, If majority of the partners agree.
c) Yes, if the minor consents to share in losses also.
d) None of these

Correct Answer: d) None of these

Q50. 'XYZ ltd.' forfeited 80 shares of ₹10 each issued at a premium of 40% to Rajat who had applied for 100 shares. After having paid application money of ₹6 per share (including ₹2 premium), he did not pay allotment money of ₹2 (including ₹1 premium) and on his subsequent failure to pay the first call of ₹3 (including ₹1 premium), his shares were forfeited. Now, the company plans to reissue these forfeited shares on discount. What is the maximum permissible discount 'XYZ ltd.' could offer on the reissue of these shares?

a) ₹480
b) ₹320
c) ₹400
d) ₹360

Correct Answer: c) ₹400

Section: Case Study/Problem Solving

Directions: Answer Q51-53 based on the case study given below.

In Oct 2017, Valangar visited the cafe on a hot day and ordered a 750ml water bottle. While drinking, he noticed that the menu listed the bottle at Rs.19 - Rs.39 above its MRP of Rs 20. With service tax added, he was charged Rs.41. Upset by the excessive pricing and unsatisfactory responses from the staff, Valangar decided to take action and filed a complaint in Vadodara Consumer Commission. After a 7 years long legal battle, the court sided with the consumer, ordering the café to pay Rs.5,000 for mental harassment and Rs.2,000 as legal costs.

Q51. Keeping in mind the consumer protection law, which of the following is NOT typically considered an unfair trade practice?
a) advertising a product at a low price but add multiple hidden fees at checkout
b) charging different prices to different customers for the same product or service

c) offering a warranty on a product but using unclear language and difficult procedures to make it nearly impossible for consumers to claim benefits
d) changing a consumer's service without proper authorization

Correct Answer: b) charging different prices to different customers for the same product or service

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Q52. What fundamental consumer right was exercised by Valangar when he decided to take legal action against the café?

a) Right to safety
b) **Right to seek redressal**
c) Right to consumer education
d) Right to be heard

Correct Answer: b) Right to seek redressal

Q53. Imagine if in the above case the verdict was given against the consumer. What was the remedy available to him?

a) Appeal to High Court of Gujarat
b) Appeal to National consumer dispute redressal commission
c) **Appeal to Gujarat consumer dispute redressal commission**
d) Appeal to Supreme Court

Correct Answer: c) Appeal to Gujarat consumer dispute redressal commission

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Directions: Answer Q54-57 based on the case study given below.

"Burger King failed to attract nutrition-conscious diners through Satisfries, a lower-calorie, healthier version of its French fries, with the result that the company withdrew the product from two-thirds of its restaurants. The failure of Satisfries was a major blow to the global fast food giant which was struggling to provide better dining experiences to customers by serving healthy fast food at its restaurants. Burger King introduced the lower-calorie fries with the objective of attracting more health-conscious consumers and boosting its health-friendly image among the fast food giants in the world. But critics questioned its claim about offering fewer calories and a healthier fast food option than its rivals. The product also failed to satisfy consumers who were not clear about the advantages of

Satisfries compared to the company's regular fries. Moreover, its overpricing, weak brand positioning, bad marketing decisions, wrong social media advertisements, and lack of product differentiation among others, resulted in the failure of Satisfries."

Q54. Which of the following best explains why Satisfries failed to attract health-conscious consumers?

   a) Strong competition from other fast food outlets
   b) Ineffective supply chain management
   c) Lack of taste and spices
   d) Overpricing and lack of product differentiation

Correct Answer: d) Overpricing and lack of product differentiation

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Q55. The launch of Starfries did not succeed due to a critical mistake in its marketing strategy which Burger King made?

   a) Miscommunication of product benefits.
   b) Targeting a non-existent market segment.
   c) Offering excessive discounts.
   d) Underestimating the competition's response.

Correct Answer: a) Miscommunication of product benefits.

Q56. Which psychological factor likely influenced the consumer's perception of Satisfries?

   a) Social proof from health influencers.
   b) Confusion from conflicting messages.
   c) Halo effect of Burger King's brand image.
   d) Perceived scarcity due to limited availability.

Correct Answer: b) Confusion from conflicting messages.

Q57. What lesson about consumer behavior can be drawn from the failure of Satisfries?

   a) High pricing never results in product success.
   b) Clear communication is crucial for new products.
   c) Competitors' response has no impact on new product launches.
   d) Quality products do not need effective marketing.

Correct Answer: b) Clear communication is crucial for new products.

Directions: Answer Q58-60 based on the problem passage given below.

Two leading tech companies, AlphaTech and BetaTech, produce similar products and dominate the market. They face a difficulty: either they can keep their product prices high and maintain healthy profit margins, or they can engage in a price war to increase their market share. If both companies decide to keep their prices high, they benefit mutually with stable profits.
However, if one company lowers its prices while the other maintains high prices, the company with lower prices gains a significant market advantage, attracting more customers.
Conversely, if both companies reduce their prices, they end up in a price war, resulting in reduced profits for both. Despite knowing that cooperation (maintaining high prices) is mutually beneficial, the lack of trust and fear of being undercut leads both companies to lower their prices.

Q58. What classical concept is portrayed in the above passage?

   a) Stag Hunt
   b) Tragedy of Commons
   c) Prisoner's Dilemma
   d) Chicken Game

Correct Answer: c) Prisoner's Dilemma

Q59. What might be a potential consequence if AlphaTech and BetaTech both adopted a strategy of price reduction?

   a) Market exit by one of the company
   b) Increased market share for both the companies

c) Consumer brand loyalty erosion
d) High profitability for both the companies

Correct Answer: a) Market exit by one of the company

Q60. What might be a potential reason for AlphaTech if they decide to maintain high prices despite BetaCorp lowering theirs?

a) Desire to start price war
b) Focus on short term gains
c) Lack of awareness about BetaTech's strategy
d) **Confidence in brand superiority**

Correct Answer: d) Confidence in brand superiority