

# XAT Decision Making

## Sample Paper – 2

Duration: 48 Minutes

Maximum Marks: 21

### Instructions

- This paper contains **21** Multiple Choice Questions (Single Correct Answer), modelled on the Decision Making section of **XAT** (Xavier Aptitude Test), conducted by XLRI.
- Each correct answer carries **+1 mark**, with **0.25 marks deducted** for every incorrect answer. (In the actual XAT you may leave up to **8** questions across Part 1 unattempted without penalty; thereafter each blank costs **0.10** marks.)
- The paper has **six caselets**, each describing a business or ethical situation and followed by a few questions.
- Choose the **most appropriate** option, that is, the action that is honest, fair to all stakeholders, and still workable. Decide **only** from the facts in the caselet; do not invent details.
- Attempt this practice paper in one timed sitting of about **48 minutes**. Use of mobile phones and electronic gadgets is prohibited.

### Caselet I

*Directions (Q1–Q4): Read the following situation and answer the questions that follow.*

Karan is the team lead for a mobile-payments app. After a release goes live, he discovers a bug that has already reached customers: in rare cases it rounds a transaction amount incorrectly by a small sum. Very few users are affected and most may never notice, but real money is involved. His team can push a silent patch in the next routine update, or the company can tell affected users openly and refund them. A big product review is due next week and Karan is under pressure to keep the release looking clean.

**Q1.** What is the most appropriate course of action for Karan?

- (A) Quietly push a patch in the next routine update and never mention the bug to anyone.



- (B) Blame the developer who wrote the faulty code and note it in that person's appraisal.
- (C) Tell affected users plainly, refund the small amounts, release a fix promptly, and log the root cause so it does not recur.
- (D) Wait to see whether any user complains before deciding to do anything at all.

**Q2.** The central dilemma Karan faces is best described as:

- (A) the tension between being transparent with customers about the bug and keeping the release looking clean.
- (B) whether the developer is skilled enough to remain on the team.
- (C) whether the company should be building payment apps at all.
- (D) whether customers are able to understand how software works.

**Q3.** Which of the following would be the **least** appropriate action?

- (A) Hiding the bug from users and hoping the silent patch is never noticed.
- (B) Informing affected users and issuing a prompt fix.
- (C) Adding a regression test so the same bug cannot return.
- (D) Reviewing how the bug slipped past testing before release.

**Q4.** Choosing to hide the bug would mainly rest on the assumption that:

- (A) users will certainly discover the rounding error later anyway.
- (B) the developer is bound to make the same mistake again.
- (C) the chance of users noticing the error is low enough to make silence worth the risk.
- (D) the company has no testing process of any kind.

### Caselet II

*Directions (Q5–Q7): Read the following situation and answer the questions that follow.*



Dr. Nalini is the administrator of a busy hospital during a health emergency. Only a few ICU beds are free, but many critically ill patients need one. Some patients' families are wealthy and offer to pay generously; some patients are locally influential; others are poor with no connections. Dr. Nalini must decide who gets the scarce beds, knowing every choice affects lives.

- Q5.** What is the most appropriate way for Dr. Nalini to allocate the beds?
- (A) Give the beds to the patients whose families can pay the most.
  - (B) Give the beds to whoever has the most social influence in the town.
  - (C) Allocate the beds by medical need and likely benefit, using the same clinical criteria for every patient.
  - (D) Draw lots among all patients regardless of how ill each one is.
- Q6.** Allocating beds by ability to pay would most unfairly harm which group?
- (A) The hospital's medicine suppliers.
  - (B) The wealthy patients who can easily pay.
  - (C) The hospital's accountants.
  - (D) Critically ill patients who urgently need a bed but cannot afford to pay.
- Q7.** Which principle should best guide the allocation?
- (A) Beds should go to whoever asks for one most persistently.
  - (B) Scarce medical resources should be allocated by clinical need and fairness, not by wealth or influence.
  - (C) The administrator should quietly favour the patients she knows personally.
  - (D) The decision should be put off until more beds happen to free up.

### Caselet III

*Directions (Q8–Q11): Read the following situation and answer the questions that follow.*



Sameer prepares the quarterly performance report for his division. The quarter fell a little short of target. His boss privately pressures him to “adjust” the figures upward so the division looks better to senior management, hinting that Sameer’s own rating depends on it. The real numbers are honest and defensible; the inflated ones are not. Sameer knows the report feeds into decisions the company will make.

**Q8.** What should Sameer most appropriately do?

- (A) Inflate the numbers as told, since the boss is the one giving the instruction.
- (B) Inflate the numbers but keep a private note in case questions arise later.
- (C) Quietly resign without telling anyone why.
- (D) Decline to inflate the figures, explain the risks honestly to the boss, and report the true numbers.

**Q9.** The central dilemma Sameer faces is:

- (A) the tension between obeying his boss and reporting the numbers honestly.
- (B) whether he is skilled enough to do his job.
- (C) whether the company should measure performance by quarters at all.
- (D) whether his boss deserves a promotion this year.

**Q10.** Which of the following would be the **least** appropriate action?

- (A) Reporting the true figures to senior management.
- (B) Explaining to the boss why inflating the numbers is risky.
- (C) Falsifying the figures and hoping no audit ever catches it.
- (D) Keeping clear records of the division’s real performance.

**Q11.** If Sameer inflates the figures, the main long-term risk is that:

- (A) his boss will immediately be dismissed.



- (B) the division will grow faster than ever before.
- (C) customers will start paying more for the products.
- (D) the false numbers mislead company decisions and can expose both the firm and Sameer to serious trouble later.

### Caselet IV

*Directions (Q12–Q14): Read the following situation and answer the questions that follow.*

Farah owns a popular restaurant. Its star chef, Vikram, is hugely talented and many diners come specially for his dishes, so he clearly drives business. However, Vikram is harsh and abusive toward the kitchen staff, shouting and demeaning them, and two good junior cooks have already quit because of him. Farah values his cooking but is troubled by how he treats her team.

**Q12.** What is the most appropriate course of action for Farah?

- (A) Speak to Vikram privately, set a clear standard of respect with real consequences, while still valuing his talent.
- (B) Ignore the abuse entirely because the chef brings in so many customers.
- (C) Fire Vikram on the spot without any conversation.
- (D) Tell the kitchen staff to simply put up with the behaviour and stop complaining.

**Q13.** The central tension Farah faces is:

- (A) whether the restaurant should focus on lunch or dinner service.
- (B) which supplier delivers the freshest vegetables each morning.
- (C) whether the customers genuinely enjoy the current menu.
- (D) the tension between the chef's value to the business and his mistreatment of the staff.

**Q14.** If the abuse is left unchecked, which stakeholder is most directly harmed?

- (A) The restaurant's landlord.
- (B) The diners seated out in the front.



- (C) The city's tourism board.
- (D) The kitchen staff who face the mistreatment every day.

### Caselet V

*Directions (Q15–Q18): Read the following situation and answer the questions that follow.*

A purchasing committee must pick one of two vendors for a supply contract. Rohit, a committee member, realises that one of the shortlisted vendors is owned by a close personal friend of his. He genuinely wants the committee to choose well, but he also feels a pull toward helping his friend. The committee has clear scoring criteria based on cost and quality, and the decision will be documented.

- Q15.** What is the most appropriate thing for Rohit to do?
- (A) Quietly steer the contract to his friend's company to help him out.
  - (B) Disclose the friendship to the committee and step back from voting on that vendor.
  - (C) Say nothing about the friendship and vote exactly as he normally would.
  - (D) Cancel the entire tender so as to avoid any awkwardness.
- Q16.** Why is Rohit's involvement a problem even if his friend's vendor happens to be good?
- (A) Because his personal tie can bias the decision and undermine trust in the process, whatever the vendor's merit.
  - (B) Because a person's friends can never run a competent company.
  - (C) Because the committee has no authority to choose vendors at all.
  - (D) Because the other vendor must automatically be the better choice.
- Q17.** The scoring shows Vendor X (the friend's) at a cost of Rs. 12 lakh with a quality rating of 3/5, and Vendor Y at Rs. 10 lakh with a quality rating of 4/5. On these facts, which vendor offers better value?
- (A) Vendor X, because it costs more and so must be superior.
  - (B) Neither vendor can be compared on the given information.



- (C) Vendor Y, since it costs less and also scores higher on quality.
- (D) Vendor X, because Rohit personally knows its owner.

**Q18.** Which principle should best guide the committee?

- (A) Contracts should go to whichever vendor is friendliest with a committee member.
- (B) Decisions should be made on merit and value, with any conflict of interest openly declared and managed.
- (C) Members should hide personal ties to keep the process simple.
- (D) The cheapest bid must always win, no matter its quality.

### Caselet VI

*Directions (Q19–Q21): Read the following situation and answer the questions that follow.*

Mrs. Deshpande, a school principal, learns that Aryan, one of her brightest students, was caught copying answers during an important exam. Aryan is a strong performer with a promising future, and this is his first known offence. The school has a written policy on cheating that applies to every student. Some teachers urge leniency because of his talent; others insist the rules must be applied to all alike.

**Q19.** What is the most appropriate course of action for the principal?

- (A) Ignore the cheating because the student is brilliant and has a bright future.
- (B) Apply the school's cheating policy fairly, let Aryan explain, and use the episode as a chance to correct his conduct.
- (C) Expel Aryan permanently on the spot without any hearing.
- (D) Quietly change his marks and tell no one what happened.

**Q20.** The central dilemma for the principal is:

- (A) the tension between treating a talented student fairly and upholding the rules equally for everyone.
- (B) whether the exam was set at too difficult a level.



- (C) whether the school should hold examinations at all.
- (D) which subject the student happens to be strongest in.

**Q21.** Which approach would best support a fair and constructive outcome?

- (A) Punish Aryan far more harshly than other students to make an example of him.
- (B) Hear his side, apply the same rules used for any student, and pair the consequence with guidance so he learns from it.
- (C) Let him off completely because of his talent.
- (D) Announce the incident publicly to shame him in front of the school.



**Detailed Solutions**

Q1.

**Solution**

**What is asked:** the most appropriate action on finding a bug already shipped to customers.

**Reasoning:** Real money is involved, so the honest and workable choice is to tell affected users, refund the small amounts, and fix the root cause. Option C does all of this and also prevents a recurrence. It protects both the users and the company's trust in the long run.

**Why the other options are wrong:**

- Option A: A silent patch hides a monetary error from users and is dishonest.
- Option B: Blaming one developer dodges the real task of fixing the customer harm.
- Option D: Waiting for complaints leaves users out of pocket and looks like concealment.

**Final Answer:** Tell users, refund, fix, and log the cause ⇒

**Answer:** (C) [Go Back to Q1](#)

Q2.

**Solution**

**What is asked:** the central dilemma.

**Reasoning:** Karan is pulled between being transparent about the bug and keeping the release looking clean before the review. That is the real conflict in the caselet. Option A names it exactly.

**Why the other options are wrong:**

- Option B: The developer's overall skill is not the issue over one bug.
- Option C: Whether the company should build payment apps is far outside the situation.
- Option D: Users' understanding of software is not the dilemma.

**Final Answer:** Transparency versus a clean-looking release ⇒

**Answer:** (A) [Go Back to Q2](#)



Q3.

**Solution**

**What is asked:** the least appropriate action.

**Reasoning:** Hiding a bug that has cost users real money and hoping it goes unnoticed is dishonest and risky. It is the one option that fails both integrity and prudence. So option A is least appropriate.

**Why the other options are wrong:**

- Option B: Informing users and issuing a fix is exactly the right thing.
- Option C: Adding a regression test is constructive and prevents recurrence.
- Option D: Reviewing how the bug slipped through improves quality.

**Final Answer:** Hiding the bug is least appropriate  $\Rightarrow$

**Answer: (A)** [Go Back to Q3](#)

Q4.

**Solution**

**What is asked:** the assumption behind hiding the bug.

**Reasoning:** Someone would only stay silent if they judged the odds of users noticing low enough to risk it. That calculation is the hidden assumption. Option C states it.

**Why the other options are wrong:**

- Option A: If users were sure to find out, silence would make no sense.
- Option B: The developer repeating the error is not what concealment assumes.
- Option D: The presence or absence of testing is not the assumption at work.

**Final Answer:** The chance of being noticed is low enough to chance it  $\Rightarrow$

**Answer: (C)** [Go Back to Q4](#)



Q5.

**Solution**

**What is asked:** the most appropriate way to allocate scarce ICU beds.

**Reasoning:** The fair and workable rule is to allocate by medical need and likely benefit, applying the same clinical criteria to everyone. Option C treats every patient equally and puts survival first. It is both fair and defensible.

**Why the other options are wrong:**

- Option A: Allocating by ability to pay abandons the poorest patients.
- Option B: Favouring the influential is unfair and unclinical.
- Option D: Pure lottery ignores who is most ill and can benefit.

**Final Answer:** Allocate by clinical need and likely benefit  $\Rightarrow$

**Answer:** (C) [Go Back to Q5](#)

Q6.

**Solution**

**What is asked:** the group most unfairly harmed by allocating beds by ability to pay.

**Reasoning:** If beds went to the highest payers, critically ill patients who need a bed but cannot afford one would be denied care. They bear the heaviest and most direct harm. Option D identifies them.

**Why the other options are wrong:**

- Option A: Suppliers are barely affected by who gets a bed.
- Option B: Wealthy patients are helped, not harmed, by a pay-first rule.
- Option C: Accountants are not the ones whose lives are at stake.

**Final Answer:** Poor critically ill patients denied a bed  $\Rightarrow$

**Answer:** (D) [Go Back to Q6](#)



Q7.

**Solution**

**What is asked:** the principle that should guide the allocation.

**Reasoning:** Scarce medical resources should be allocated by clinical need and fairness, not by wealth or influence. Option B states this principle directly.

**Why the other options are wrong:**

- Option A: Rewarding persistence is neither fair nor clinical.
- Option C: Quietly favouring acquaintances is biased.
- Option D: Delaying the decision costs lives while beds sit contested.

**Final Answer:** Allocate by need and fairness, not wealth ⇒ **B**

**Answer: (B)** [Go Back to Q7](#)

Q8.

**Solution**

**What is asked:** the most appropriate action when pressured to inflate the numbers.

**Reasoning:** The honest and workable choice is to refuse to falsify, explain the risks to the boss, and report the true figures. Option D keeps Sameer honest while still engaging his boss respectfully.

**Why the other options are wrong:**

- Option A: “The boss told me to” does not excuse falsifying a report.
- Option B: Inflating and keeping a private note is still dishonest reporting.
- Option C: Resigning silently abandons the problem and helps no one.

**Final Answer:** Decline, explain the risks, report the truth ⇒ **D**

**Answer: (D)** [Go Back to Q8](#)



Q9.

**Solution**

**What is asked:** the central dilemma.

**Reasoning:** Sameer is caught between obeying his boss and reporting the numbers honestly. That is the real conflict driving the caselet. Option A names it exactly.

**Why the other options are wrong:**

- Option B: His job skill is not what is in question.
- Option C: Whether to use quarters at all is outside the situation.
- Option D: The boss's promotion is not the dilemma.

**Final Answer:** Obeying the boss versus honest reporting  $\Rightarrow$  **A**

**Answer: (A)** [Go Back to Q9](#)

Q10.

**Solution**

**What is asked:** the least appropriate action.

**Reasoning:** Falsifying the figures and hoping no audit catches it is dishonest and exposes the company to real harm. It is the one option that fails both integrity and prudence. So option C is least appropriate.

**Why the other options are wrong:**

- Option A: Reporting the true figures is exactly the right thing.
- Option B: Explaining the risks to the boss is constructive.
- Option D: Keeping clear records of real performance is sound practice.

**Final Answer:** Falsifying the figures is least appropriate  $\Rightarrow$  **C**

**Answer: (C)** [Go Back to Q10](#)



Q11.

**Solution**

**What is asked:** the main long-term risk of inflating the figures.

**Reasoning:** False numbers feed into company decisions and can later expose both the firm and Sameer to serious trouble. Option D captures this lasting risk.

**Why the other options are wrong:**

- Option A: The boss being dismissed is not the natural consequence.
- Option B: Faked figures do not make the division genuinely grow.
- Option C: Customer prices are unrelated to the internal report.

**Final Answer:** Misled decisions and serious trouble later ⇒ **D**

**Answer: (D)** [Go Back to Q11](#)

Q12.

**Solution**

**What is asked:** the most appropriate action on the abusive star chef.

**Reasoning:** The workable choice keeps the talent while stopping the harm: speak to Vikram privately, set a clear standard of respect with consequences. Option A protects the staff without needlessly throwing away his value.

**Why the other options are wrong:**

- Option B: Ignoring the abuse sacrifices the staff for sales.
- Option C: Firing him instantly with no conversation over-reacts and loses real value.
- Option D: Telling staff to just endure it abandons them entirely.

**Final Answer:** Set a clear respect standard while valuing his talent ⇒ **A**

**Answer: (A)** [Go Back to Q12](#)



Q13.

**Solution**

**What is asked:** the central tension.

**Reasoning:** Farah must weigh the chef's clear value to the business against his mistreatment of her staff. That trade-off is the heart of the caselet. Option D names it.

**Why the other options are wrong:**

- Option A: Lunch versus dinner service is not the issue.
- Option B: The vegetable supplier is irrelevant here.
- Option C: Whether diners like the menu is not the tension.

**Final Answer:** His business value versus his mistreatment of staff ⇒

**Answer: (D)** [Go Back to Q13](#)

Q14.

**Solution**

**What is asked:** the stakeholder most directly harmed if the abuse continues.

**Reasoning:** The kitchen staff face the shouting and demeaning treatment day after day, and two have already left. They bear the most direct harm. Option D identifies them.

**Why the other options are wrong:**

- Option A: The landlord is not affected by kitchen conduct.
- Option B: Front-of-house diners do not face the abuse.
- Option C: The tourism board is a distant, unrelated party.

**Final Answer:** The kitchen staff who face the abuse ⇒

**Answer: (D)** [Go Back to Q14](#)



Q15.

**Solution**

**What is asked:** the most appropriate action given the conflict of interest.

**Reasoning:** The clean choice is for Rohit to disclose the friendship and step back from voting on that vendor. Option B removes his bias and keeps the process trustworthy.

**Why the other options are wrong:**

- Option A: Steering the contract to a friend is exactly the corruption to avoid.
- Option C: Hiding the tie and voting anyway leaves the bias in place.
- Option D: Cancelling the whole tender over one member's conflict is an over-reaction.

**Final Answer:** Disclose the tie and recuse himself from that vote ⇒ **B**

**Answer: (B)** [Go Back to Q15](#)

Q16.

**Solution**

**What is asked:** why the conflict is a problem even if the friend's vendor is good.

**Reasoning:** The personal tie can bias Rohit's judgement and undermine trust in the process, whatever the vendor's actual merit. The wrong lies in the conflict of interest, not in the vendor's quality. Option A states this.

**Why the other options are wrong:**

- Option B: A friend can perfectly well run a competent company.
- Option C: The committee does have authority to choose vendors.
- Option D: Nothing says the other vendor is automatically better.

**Final Answer:** It can bias the decision and erode trust ⇒ **A**

**Answer: (A)** [Go Back to Q16](#)



Q17.

**Solution**

**What is asked:** which vendor offers better value from the given data.

**Reasoning:** Vendor Y costs less (Rs. 10 lakh versus Rs. 12 lakh) and scores higher on quality (4/5 versus 3/5). On both cost and quality it wins, so it is the better value. Option C follows directly from the numbers.

**Why the other options are wrong:**

- Option A: A higher price does not by itself mean better value.
- Option B: The figures given are enough to compare the two.
- Option D: Rohit's personal acquaintance is not a measure of value.

**Final Answer:** Vendor Y, cheaper and higher quality ⇒

**Answer: (C)** [Go Back to Q17](#)

Q18.

**Solution**

**What is asked:** the principle that should guide the committee.

**Reasoning:** Decisions should rest on merit and value, with any conflict of interest openly declared and managed. Option B captures both the fair basis and the honest handling of the conflict.

**Why the other options are wrong:**

- Option A: Friendliness with a member is a corrupt basis for awarding contracts.
- Option C: Hiding personal ties is the opposite of managing a conflict.
- Option D: "Cheapest always wins" ignores quality, which the scoring includes.

**Final Answer:** Decide on merit, with conflicts declared and managed ⇒

**Answer: (B)** [Go Back to Q18](#)



Q19.

**Solution**

**What is asked:** the most appropriate action on the cheating student.

**Reasoning:** The fair and constructive choice is to apply the cheating policy fairly, hear Aryan out, and use the episode to correct his conduct. Option B upholds the rules for everyone while still helping a first-time offender learn.

**Why the other options are wrong:**

- Option A: Ignoring it because he is bright makes the rules unequal.
- Option C: Expelling him on the spot with no hearing is disproportionate and unfair.
- Option D: Quietly changing his marks hides the offence and rewards it.

**Final Answer:** Apply the policy fairly and correct his conduct ⇒ **B**

**Answer: (B)** [Go Back to Q19](#)

Q20.

**Solution**

**What is asked:** the central dilemma for the principal.

**Reasoning:** She must weigh treating a talented student fairly against upholding the rules equally for every student. That is the real conflict. Option A names it.

**Why the other options are wrong:**

- Option B: The exam's difficulty is not the issue.
- Option C: Whether to hold exams at all is outside the situation.
- Option D: The student's best subject is irrelevant.

**Final Answer:** Fairness to a talented student versus equal rules ⇒ **A**

**Answer: (A)** [Go Back to Q20](#)



Q21.

**Solution**

**What is asked:** the approach that best supports a fair and constructive outcome.

**Reasoning:** Hearing his side, applying the same rules used for any student, and pairing the consequence with guidance is both fair and educative. Option B corrects the behaviour without either favouritism or cruelty.

**Why the other options are wrong:**

- Option A: Punishing him more harshly than others is itself unfair.
- Option C: Letting him off entirely because of talent breaks equal treatment.
- Option D: Public shaming is punitive, not constructive.

**Final Answer:** Same rules for all, plus guidance to learn ⇒ **B**

**Answer: (B)** [Go Back to Q21](#)



## Answer Key

Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans
1	C	2	A	3	A	4	C	5	C
6	D	7	B	8	D	9	A	10	C
11	D	12	A	13	D	14	D	15	B
16	A	17	C	18	B	19	B	20	A
21	B								

