

CUET (UG) Exam Paper 2023

National Testing Agency

Held on 29th May 2023

BUSINESS STUDIES

Solved

(This includes Questions pertaining to Domain Specific Subject only)

Max. Marks : 200

Time allowed : 45 Minutes

General Instructions:

- (i) This paper consists of 50 MCQs, attempt any 40 out of 50 .
- (ii) Correct answer or the most appropriate answer: Five marks (+5) .
- (iii) Any incorrect option marked will be given minus one mark (- 1) .
- (iv) Unanswered/Marked for Review will be given no mark (0) .
- (v) If more than one option is found to be correct then Five marks (+5) will be awarded to only those who have marked any of the correct options .
- (vi) If all options are found to be correct then Five marks (+5) will be awarded to all those who have attempted the question .
- (vii) If none of the options is found correct or a Question is found to be wrong or a Question is dropped then all candidates who have appeared will be given five marks (+5).
- (viii) Calculator / any electronic gadgets are not permitted .

1. Capital structure should emphasize on:
 - (1) Increasing the turnover of firm
 - (2) Increasing the assets and liabilities of firm
 - (3) Increasing the shareholders wealth
 - (4) Increasing voting right of shareholders

Ans. Option (3) is correct.

Explanation: Debt and equity combined forms the capital structure of any company. Optimally, the mix of both should focus on wealth maximization, which rises the company's market value and also, focuses on minimising the cost borne to raise the capital. It works optimum when the Return on Investment (ROI) is more than Rate of Interest.

2. Identify the rights provided to consumers by the Consumer Protection Act 2019.
 - A. Right to Safety
 - B. Right to be Informed
 - C. Right to choose
 - D. Right to be heard
 - E. Right to be assured

Choose the correct answer from the options given below:

- (1) A, B, C and D only
- (2) A, B, C and E only
- (3) A, B, D and E only
- (4) A, B and C only

Ans. Option (3) is correct.

Explanation: Under the Consumer Protection Act, 1986, Right to choose has been defined as the consumers' right to exercise freedom in choosing the product from the variety available at the competitive prices. However, under Consumer Protection Act, 2019, the right has been renamed as Right to be assured. Therefore, the correct answer includes A, B, D and E only.

3. Arrange the following functions of Management.
 - A. Staffing
 - B. Planning
 - C. Organizing
 - D. Controlling
 - E. Directing

Choose the correct answer from the options given below:

- (1) A → B → C → D → E
- (2) B → C → A → E → D
- (3) C → B → A → D → E
- (4) B → C → A → D → E

Ans. Option (2) is correct.

Explanation: Planning is the primary function of management, upon which organising helps to frame the organisational structure, leading to assigning jobs under staffing, further directing the employees and controlling function is performed to measure the achievement of organisational goals.

4. Planning is an intellectual process that requires logic rather than wishful thinking. Which feature of planning is highlighted by the statement?
 - (1) Futuristic
 - (2) Continuous
 - (3) Mental exercise
 - (4) Pervasive

Ans. Option (3) is correct.

Explanation: Planning is a mental exercise as it requires intellectual process so that logical plans and sound judgments could be made.

5. Identify the Non Financial Incentive that give more autonomy and powers to subordinates.
 - (1) Employee participation
 - (2) Employee empowerment
 - (3) Organisational climate
 - (4) Co-partnership

Ans. Option (2) is correct.

Explanation: It helps the employees of an organisation to develop the feeling of their jobs being considered important, by providing them more power and autonomy in working.

6. Which Marketing Management philosophy has main focus on existing product?
 (1) Selling concept (2) Production concept
 (3) Product concept (4) Marketing concept

Ans. Option (1) is correct.

Explanation: The main focus in production concept is on the quantity of product produced, in product concept, it is on the quality of the product, and marketing concept, it is on the needs and wants of the consumers. However, selling concept focuses on the existing product only and works by using aggressive selling and promoting techniques, in order to gain profits.

7. Identify the specific forces of business environment from following.
 A. Investors B. Customers
 C. Social D. Political
 E. Competitors

Choose the correct answer from the options given below:

- (1) A, B, C and D only (2) A, B and E only
 (3) C and D only (4) C, D and E only

Ans. Option (2) is correct.

Explanation: The forces that have an immediate and direct effect on the affairs of business are termed as specific forces. From the given options, it can be ascertained that the investors, customers and competitors affect the business directly, rather than social or political factors which are more general in nature.

8. Arrange following elements of communication process in a sequence.
 A. Sender B. Receiver
 C. Message D. Media
 E. Feedback

Choose the correct answer from the options given below:

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

Ans. Option (3) is correct.

Explanation: The sequence of elements is as follows:
 Sender – The one who wishes to convey his or her thoughts or opinions.
 Message – It consists of the intended ideas, suggestions, to be communicated.
 Media – The channel of communication, it can be written, verbal, internet, etc.
 Receiver – The one who gets the message from the sender.
 Feedback – It consists of the actions that convey the receiver's understanding the intended message from the sender.

9. "Dependence on technological gadgets is comparatively higher in America than in India". Which feature of business environment is highlighted by the statement?

- (1) Relativity (2) Uncertainty
 (3) Complexity (4) Dynamic

Ans. Option (1) is correct.

Explanation: The business environment differs from one place to another. Therefore, it is relative to the place.

10. Arrange the steps of Trading and Settlement procedure in Securities.

- A. Open a demat account
 B. Place an order with the broker
 C. Sign a broker-client agreement
 D. Broker match the share price available
 E. Broker issue a trade confirmation slip

Choose the correct answer from the options given below:

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

Ans. Option (3) is correct.

Explanation: The steps in the process of trading and settlement procedure are as follows:

- Step 1 – Signing of a broker-client agreement
 Step 2 – Opening of Demat account
 Step 3 – Placing an order of shares with the broker
 Step 4 – Broker matching the share price available
 Step 5 – Broker issuing a trade confirmation slip

11. Identify the correct statements among the following:

- A. Salary is not a primary economic reward for an entrepreneur.
 B. A 'never say die' attitude of an entrepreneur is termed as self-confidence.
 C. Acting out of choice rather than compulsion is initiative.
 D. Entrepreneur's concern for conservation of time and money is termed as 'assertiveness'.
 E. Executive summary and operation strategies are included in Business Plan.

Choose the correct answer from the option given below:

- (1) A, C, E only (2) A, B, E only
 (3) A, D, E only (4) A, B, C only

Ans. Option (1) is correct.

Explanation: For an entrepreneur, salary is not a primary economic reward
 A 'never say die' attitude of an entrepreneur is termed as persistence. Acting out of choice rather than compulsion, taking the lead rather than waiting for others to start is termed as initiative. Entrepreneur's concern for conservation of time and money is termed as 'efficiency orientation'. Executive summary and operation strategies are included in Business Plan.

12. A company has replaced their obsolete machinery with a Hi-Tech machine as it could not achieve its target in the previous month due to slow production process. Which step in the process of controlling is executed by the company?
- (1) Measurement of actual performance
 - (2) Comparing actual performance with standards
 - (3) Analysing deviations
 - (4) Taking Corrective action

Ans. Option (4) is correct.

Explanation: During the process of controlling, if the deviations are noted upon comparing the actual performance with the planned performance, the corrective actions are taken and, in this case, replacement of obsolete machinery with Hi-tech machinery is a corrective action to meet the performance standards.

13. As per Consumer Protection Act, 2019, State Commission has a jurisdiction to entertain complaints where value of goods and services paid" as consideration.
- (1) Does not exceed one crore but more than 20 lakh rupees
 - (2) Exceeds one crore but does not exceed ten crore rupees
 - (3) Exceeds five crore but does not exceed ten crore rupees
 - (4) Exceeds four crore but does not exceed five crores rupees

Ans. Option (2) is correct.

Explanation: As per Consumers Protection Act, 2019, the following is the jurisdiction:
 District Commission – Amount of goods and services up to one crore.
 State Commission – Amount of goods and services from one crore up to ten crores.
 National Commission – Amount of goods and services exceeding ten crores.

14. Staffing is the part of which functional area of Management ?
- (1) Marketing Management
 - (2) Human Resource Management
 - (3) Production Management
 - (4) Financial Management

Ans. Option (2) is correct.

Explanation: Staffing is a distinct function of management, that deals with human resource specifically. Therefore, staffing is the part of human resource management as a functional area.

15. Match List I with List II:

List - I	List - II
(A) Regulatory Function of SEBI	(I) Levying fee or other charges
(B) Development Function of SEBI	(II) Training of intermediaries
(C) Protective Function of SEBI	(III) Controlling insider training
(D) Objective of SEBI	(IV) Regulate stock exchanges

Choose the correct answer from the options given below:

- (1) (A)-(I), (B)-(II), (C)-(IV), (D)-(III)
- (2) (A)-(I), (B)-(II), (C)-(III), (D)-(IV)
- (3) (A)-(III), (B)-(II), (C)-(IV), (D)-(I)
- (4) (A)-(III), (B)-(I), (C)-(II), (D)-(IV)

Ans. Option (2) is correct.

Explanation:

- (A) Regulatory Function of SEBI: This function involves SEBI's authority to impose fees and charges on market participants.
- (B) Development Function of SEBI: SEBI plays a crucial role in the development of the securities market by conducting training programs and initiatives for market intermediaries.
- (C) Protective Function of SEBI: This function revolves around SEBI's efforts to maintain market integrity by implementing regulations to control insider trading and other fraudulent practices.
- (D) Objective of SEBI: SEBI's primary objective is to regulate and oversee the functioning of stock exchanges.

16. "The principles of management are not rigid prescriptions, these can be modified by the manager when the situation so demands."

What nature of principles of management has been indicated in above statement?

- (1) General guidelines
- (2) Flexible
- (3) Contingent
- (4) Mainly behavioural

Ans. Option (2) is correct.

Explanation: The principles of management can be changed subject to the situation and circumstances, which do not have to be blindly followed.

17. Which technique of Scientific Management violates Fayol's principle of Equity?

- (1) Standardization of work
- (2) Motion study
- (3) Differential piece wage system
- (4) Mental revolution

Ans. Option (3) is correct.

Explanation: Principle of Equity states that all the members of an organisation should be treated in a fair and just manner. For the same job done, they should be paid the same salary or wages. However, this principle is violated in 'differential piece wage system' technique of scientific management, wherein, the efficient and inefficient workers are paid differently. The efficient workers are paid more than the inefficient ones, leading inefficient workers to work with more motivation and enhance their productivity so that they can also be paid more, equal to efficient workers.

18. Match List I with List II:

List - I	List - II
(A) District Commission	(I) One crore to ten crore rupees
(B) State Commission	(II) Appeal against National Commission in matter of its original jurisdiction.
(C) National Commission	(III) Upto one crore rupees
(D) Supreme Court	(IV) Exceeds ten crore rupees

Choose the correct answer from the options given below:

- (1) (A)-(I), (B)-(II), (C)-(III), (D)-(IV)
- (2) (A)-(IV), (B)-(III), (C)-(II), (D)-(I)
- (3) (A)-(III), (B)-(I), (C)-(IV), (D)-(II)
- (4) (A)-(III), (B)-(I), (C)-(II), (D)-(IV)

Ans. Option (3) is correct.

Explanation: As per Consumers Protection Act, 2019, the following is the jurisdiction:

District commission – Amount of goods and services up to one crore.

State commission – Amount of goods and services from one crore up to ten crores.

National commission – Amount of goods and services exceeding ten crores.

If the complainant is not satisfied with the decision of national commission, he/she may appeal against it, in the Supreme Court.

19. Social environment includes:

- (1) Consumption habits and life expectancies
- (2) Money supply in the economy
- (3) Rate of savings
- (4) New ways of producing goods

Ans. Option (1) is correct.

Explanation: Components and dimensions of business environment are as follows:

Consumption habits and life expectancies – Social

Money supply in the economy – Economic

Rate of savings – Economic

New ways of producing goods – Technological

20. Arrange the steps of controlling process in a logical sequence.

- A. Measurement of Actual performance
- B. Setting performance standards
- C. Taking Corrective action
- D. Comparison of actual performance with standards
- E. Analysing deviations

Choose the correct answer from the options given below:

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

Ans. Option (1) is correct.

Explanation: The management control process involves a sequence of steps to ensure that an organization's performance aligns with its goals. Firstly, performance standards are set to define expected levels of performance. Secondly, the actual performance is measured and compared to the established standards. Subsequently, any deviations or variances are analyzed to understand the underlying reasons. Afterward, corrective actions are taken to address the identified issues and bring the performance back on track. This systematic approach enables managers to monitor, evaluate, and continuously improve the organization's performance and ensure its success.

21. Which element of Marketing Mix refers to activities that make firm's product available to the target customers?

- (1) Promotion
- (2) Place
- (3) Price
- (4) Product

Ans. Option (2) is correct.

Explanation: The "Place" element in the Marketing Mix, also known as distribution, deals with the strategies and activities involved in getting the product from the producer to the end consumer. It includes decisions related to selecting distribution channels, warehousing, inventory management, transportation, and retailing.

22. Which quality of a leader requires that he should understand people and maintain good human relations with them?

- (1) Initiative
- (2) Communication skills
- (3) Integrity
- (4) Social skills

Ans. Option (4) is correct.

Explanation: The social skills help the leaders understand and interact with humans thereby, maintaining good relations with them.

23. Which of the following are the features of leadership?

- A. It tries to bring change in the behaviour of a person.
- B. It is an internal feeling.
- C. It indicates interpersonal relationship between leaders and followers.
- D. It is a continuous process.

Choose the correct answer from the options given below:

- (1) A, C and D only
- (2) A and C only
- (3) A, B and D only
- (4) C and D only

Ans. Option (1) is correct.

Explanation: Leadership is marked by several significant aspects. Firstly, it entails initiating changes in the behavior and actions of individuals or groups to accomplish shared objectives. Secondly, it reflects a robust interpersonal bond between leaders and followers, with leaders influencing, guiding, and motivating the team toward a collective vision. Lastly, leadership is an ongoing process that demands consistent efforts and effective communication to inspire and lead the team successfully.

24. The primary aim of financial management is:
- (1) Maximise profit of firm
 - (2) Maximise sales of firm
 - (3) Maximise shareholders' wealth
 - (4) Maximise number of customer of firm

Ans. Option (3) is correct.

Explanation: Financial management is concerned with making decisions that maximize the value of the firm and, in turn, the wealth of its shareholders. While profitability and sales are essential considerations, the ultimate goal is to increase the long-term value of the company and, consequently, enhance the shareholders' wealth. This is achieved through efficient allocation of resources, investment decisions, and financing choices that generate positive net present value (NPV) and maximize the market value of the firm's shares.

25. Identify the market that is known as stock exchange.
- (1) Secondary Market
 - (2) Money Market
 - (3) Capital Market
 - (4) Primary Market

Ans. Option (1) is correct.

Explanation: Money market deals in short-term instruments whereas capital market deals in both medium and long-term instruments. Primary market and secondary market are part of capital market. Primary market is also known as new issues market whereas, secondary market is also known as stock exchange.

26. External Sources of recruitment does not include:
- A. Casual callers
 - B. Employment exchange
 - C. Transfer
 - D. Advertising
 - E. Promotions

Choose the correct answer from the options given below:

- (1) A and B only
- (2) B and C only
- (3) C and E only
- (4) D and E only

Ans. Option (3) is correct.

Explanation: Transfer and promotions is done for already existing employees of the organisation, therefore, they are internal sources of recruitment, held internally.

27. Match List I with List II:

List - I	List - II
(A) Job Enrichment	(I) Indicates the characteristics which describe an organisation
(B) Organisational Climate	(II) Informal Communication
(C) Laissez-faire	(III) Leadership Style
(D) Grapevine	(IV) Concerned with designing jobs that include greater variety of work content

Choose the correct answer from the options given below:

- (1) (A)-(III), (B)-(IV), (C)-(II), (D)-(I)
- (2) (A)-(III), (B)-(IV), (C)-(I), (D)-(II)
- (3) (A)-(IV), (B)-(II), (C)-(III), (D)-(I)
- (4) (A)-(IV), (B)-(I), (C)-(III), (D)-(II)

Ans. Option (4) is correct.

Explanation: Job enrichment aims to increase employee motivation and satisfaction by designing jobs with more challenging and meaningful tasks. Organizational climate refers to the prevailing atmosphere and characteristics that define an organization's work environment. Laissez-faire is a leadership style where the leader allows employees considerable freedom in decision-making and minimal intervention. Grapevine represents informal communication within an organization, often involving rumors and gossip.

28. refers to vertical shifting of employees in an organisation.

- (1) Promotion
- (2) Transfer
- (3) Interview
- (4) Placement

Ans. Option (1) is correct.

Explanation: Promotion is the vertical shifting of employees in the hierarchical order in an organisation. It can be a case of a subordinate being promoted to a superior level.

29. Process which provides for learning opportunities that helps employee growth is:

- (1) Education
- (2) Development
- (3) Training
- (4) Education and Training

Ans. Option (2) is correct.

Explanation: Employee development is a systematic and planned effort by organizations to enhance the knowledge, skills, and abilities of their employees. It aims to provide learning opportunities beyond their current job responsibilities, which can help employees prepare for future roles and responsibilities.

30. Identify for the following under whose overall administrative control, SEBI functions.

- (1) Ministry of Corporate Affairs, GOI
- (2) Ministry of Home Affairs, GOI
- (3) Ministry of Finance, GOI
- (4) Ministry of External Affairs, GOI

Ans. Option (3) is correct.

Explanation: The Securities and Exchange Board of India (SEBI) functions under the overall administrative control of the Ministry of Finance, Government of India. SEBI is the regulatory authority for the securities market in India and is responsible for regulating and overseeing various entities and activities in the capital market to protect investors and promote the development of the market.

31. Match List I with List II:

List - I	List - II
(A) Convenience products	(I) Consumed in one or few uses
(B) Shopping products	(II) Brand loyalty of the highest order
(C) Speciality products	(III) Purchased frequently
(D) Non durable products	(IV) Buyer devote considerable time

Choose the correct answer from the options given below:

- (1) (A)-(III), (B)-(IV), (C)-(II), (D)-(I)
- (2) (A)-(III), (B)-(II), (C)-(IV), (D)-(I)
- (3) (A)-(IV), (B)-(III), (C)-(II), (D)-(I)
- (4) (A)-(I), (B)-(II), (C)-(III), (D)-(IV)

Ans. Option (1) is correct.

Explanation: Convenience products are items that are purchased frequently and with ease, as they are essential and low-cost. Shopping products require considerable time and effort in the decision-making process, as consumers compare and select from various options. Speciality products enjoy a high level of brand loyalty, with consumers seeking out specific brands due to unique features or high-end attributes. Non-durable products have a short lifespan and are consumed in one or a few uses.

32. Planning is pervasive because:

- (1) It is required in setting special goals.
- (2) It is required at all levels of management.
- (3) It is forward looking and backward looking.
- (4) It lays down the base for other functions of management.

Ans. Option (2) is correct.

Explanation: Planning is pervasive in nature as it is required in all organisations, in all departments and at all levels of management.

33. Identify the trend in stock market when equity shares are more easily sold even at higher price.

- (1) Bearish
- (2) Bullish
- (3) Horse trading
- (4) Badla

Ans. Option (2) is correct.

Explanation: Share market is said to be in bullish phase when the prices of stocks are rising. In bullish phase, the shares are sold easily even at these high prices.

34. Match List I with List II:

List - I	List - II
(A) Advertising Expenditure	(I) Human Resource Management
(B) Quality	(II) Finance and Accounting
(C) Labour Turnover	(III) Marketing
(D) Liquidity	(IV) Production

Choose the correct answer from the options given below:

- (1) (A)-(III), (B)-(IV), (C)-(II), (D)-(I)
- (2) (A)-(III), (B)-(IV), (C)-(I), (D)-(II)
- (3) (A)-(IV), (B)-(III), (C)-(II), (D)-(I)
- (4) (A)-(IV), (B)-(III), (C)-(I), (D)-(II)

Ans. Option (2) is correct.

Explanation: Advertising is one of the components of 'Promotion' element of marketing, therefore, its expenditure would be part of marketing.

Quality is maintained during the production of the goods; therefore, it would come under the category of production.

Labour turnover also referred as employee turnover, it is part of the staffing function which is in turn part of human resource, therefore, human resource management.

Liquidity means the securities easily convertible into cash, hence, part of finance and accounting.

35. Which technique of Scientific Management violates Unity of Command?

- (1) Time study
- (2) Standardisation of work
- (3) Functional foremanship
- (4) Simplification of work

Ans. Option (3) is correct.

Explanation: Functional Foremanship is a concept in Scientific Management where workers receive instructions from multiple specialized foremen, each responsible for specific aspects of their work. This violates the Unity of Command principle, which advocates that employees should have only one direct supervisor to avoid conflicting instructions and confusion. Having multiple foremen can lead to inefficiencies and difficulties in coordination, undermining the clarity and effectiveness of the chain of command within an organization.

36. Identify the correct sequence of first five steps of staffing process.

- A. Estimating the manpower requirement
- B. Recruitment
- C. Training and development
- D. Placement and orientation
- E. Selection

Choose the correct answer from the options given below:

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

Ans. Option (3) is correct.

Explanation: The staffing process begins with estimating the organization's manpower requirement, followed by recruitment to attract potential candidates. Next, the selection process takes place, where the most suitable candidates are chosen for the vacant positions. After selection, the candidates are placed in their designated roles, and orientation is conducted to familiarize them with the company's policies and work environment. Finally, training and development programs are provided to equip the new employees with the necessary skills and knowledge for their roles.

37. Select from following who is considered risk taker?
 (1) Manager (2) Customer
 (3) Entrepreneur (4) Government

Ans. Option (3) is correct.

Explanation: Entrepreneur is considered to be a risk taker, as by considering to set a business from the scratch, an entrepreneur bears the risk in the hopes of making profits and expanding the business in long run.

38. According to which principle of management, "Organisation should have a chain of authority and communication that runs from top to bottom and should be followed by managers and the subordinates."
 (1) Centralisation and Decentralisation
 (2) Subordination of individual interest to general interest
 (3) Scalar chain
 (4) Esprit De Corps

Ans. Option (3) is correct.

Explanation: The Scalar Chain principle emphasizes the need for a clear and formal chain of command in an organization. It implies that each subordinate should have a direct line of communication and authority with their immediate superior and so on up the hierarchy to the top management. This chain ensures a smooth flow of information, decision-making, and coordination, promoting efficiency and reducing conflicts within the organization.

39. Arrange the Channels of Distribution in order for a consumer product.
 A. Consumer
 B. Retailer
 C. Wholesaler
 D. Producer

Choose the correct answer from the option given below:

- (1) A, B, C, D (2) D, C, B, A
 (3) C, A, B, D (4) A, D, C, B

Ans. Option (2) is correct.

Explanation: Channel of distribution often followed for consumer goods is two-level channel.

The producer creates the product, and it is then sold in large quantities to wholesalers. Wholesalers, in turn, distribute the product to retailers who sell it to the end consumers. The end consumers are the final destination of the distribution channel, where the product is purchased and used.

40. Match List I with List II:

List - I	List - II
(A) Treasury Bill	(I) Mobilise large amount of money
(B) Commercial paper	(II) Maturity period of one day to fifteen days

(C) Call money	(III) Maturity period of 15 days to one year
(D) Certificate of Deposit	(IV) Issued by RBI

Choose the correct answer from the options given below:

- (1) (A)-(III), (B)-(I), (C)-(II), (D)-(IV)
 (2) (A)-(II), (B)-(III), (C)-(IV), (D)-(I)
 (3) (A)-(IV), (B)-(III), (C)-(II), (D)-(I)
 (4) (A)-(IV), (B)-(III), (C)-(I), (D)-(II)

Ans. Option (3) is correct.

Explanation: Treasury Bills are issued by the RBI to raise short-term funds for the government. Commercial Paper is an unsecured debt instrument with a maturity period of 15 days to one year issued by corporations to meet their short-term funding needs. Call Money represents short-term funds borrowed or lent in the money market for a period of one day to fifteen days. Certificate of Deposit is a money market instrument issued by banks to mobilize large amounts of money for a specific period, usually ranging from a few months to a year.

41. Rohan is the Head Boy of Ethos Public School school. The School is going to hold a covid vaccination camp for students of age group 12-14 yrs in the month of May. The entire Prefectorial Board is given the duties for the event under the leadership of Rohan. Rohan has shorlisted following activities:

- (1) Identification of students eligible for vaccination under 12-14 yrs.
 (2) Obtaining Aadhar card for registration of these students on the covid vaccination App
 (3) Consent letters of parents

He further divided the execution part activities. Later he grouped the similar natured activities into different units. Then he allocated these to different prefects under his preceptorial board. Thereafter he devised a computer software where each prefect was supposed to enter his data of vaccination for further submission to school headmistress.

..... is the function of management discussed in the above passage.

- (1) Planning (2) Directing
 (3) Organising (4) Staffing

Ans. Option (3) is correct.

Explanation: In the given scenario, Rohan, as the Head Boy, is organizing the Covid vaccination camp for students aged 12-14 years. He is dividing the execution part activities, grouping similar activities into different units, and then allocating them to different prefects under his leadership. Additionally, he devised a computer software for data entry and further submission. All these actions of Rohan fall under the organizing function of management, where he is structuring and arranging resources and tasks to achieve the goal of conducting the vaccination camp efficiently.

42. Rohan is the Head Boy of Ethos Public School school. The School is going to hold a covid vaccination camp for students of age group 12-14 yrs in the month of May. The entire Prefectorial Board is given the duties for the event under the leadership of Rohan. Rohan has shortlisted following activities:

- (1) Identification of students eligible for vaccination under 12-14 yrs.
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He further divided the execution part activities. Later he grouped the similar natured activities into different units. Then he allocated these to different prefects under his preceptorial board. Thereafter he devised a computer software where each prefect was supposed to enter his data of vaccination for further submission to school headmistress.

Rohan has shortlisted following activities"

Identify the step highlighted in the above line in the process of organisation.

- (1) Setting objectives
- (2) Assignment of duties
- (3) Identifying the alternative courses of action
- (4) Identification and division of work

Ans. Option (4) is correct.

Explanation: Identification and division of work helps to identify the activities to be performed to accomplish the goals.

43. Rohan is the Head Boy of Ethos Public School school. The School is going to hold a covid vaccination camp for students of age group 12-14 yrs in the month of May. The entire Prefectorial Board is given the duties for the event under the leadership of Rohan. Rohan has shortlisted following activities:

- (1) Identification of students eligible for vaccination under 12-14 yrs.
- (2) Obtaining Aadhar card for registration of these students on the covid vaccination App
- (3) Consent letters of parents

He further divided the execution part activities. Later he grouped the similar natured activities into different units. Then he allocated these to different prefects under his preceptorial board. Thereafter he devised a computer software where each prefect was supposed to enter his data of vaccination for further submission to school headmistress.

"Later he grouped the similar natured activities into different units"

Identify the step highlighted in the above line in the organisation process.

- (1) Implementing the plan
- (2) Measurement of actual performance
- (3) Departmentalisation
- (4) Selecting an alternative

Ans. Option (3) is correct.

Explanation: Grouping of activities that are similar in nature is the second step in the process of organising, and is termed as departmentalisation.

44. Rohan is the Head Boy of Ethos Public School school. The School is going to hold a covid vaccination camp for students of age group 12-14 yrs in the month of May. The entire Prefectorial Board is given the duties for the event under the leadership of Rohan. Rohan has shortlisted following activities:

- (1) Identification of students eligible for vaccination under 12-14 yrs.
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He further divided the execution part activities. Later he grouped the similar natured activities into different units. Then he allocated these to different prefects under his preceptorial board. Thereafter he devised a computer software where each prefect was supposed to enter his data of vaccination for further submission to school headmistress.

"Then he allocated these to different prefects under his prefectorial board"

Which step of organisation process is discussed in these lines?

- (1) Assignment of duties
- (2) Implementing the plan
- (3) Division of activities
- (4) Follow up action

Ans. Option (1) is correct.

Explanation: Assignment of duties is the third step in the process of organising. Under this step, duties are allocated to the employees (in this case, to the prefects), based on their competencies and skills.

45. Rohan is the Head Boy of Ethos Public School school. The School is going to hold a covid vaccination camp for students of age group 12-14 yrs in the month of May. The entire Prefectorial Board is given the duties for the event under the leadership of Rohan. Rohan has shortlisted following activities:

- (1) Identification of students eligible for vaccination under 12-14 yrs.
- (2) Obtaining Aadhar card for registration of these students on the covid vaccination App
- (3) Consent letters of parents

He further divided the execution part activities. Later he grouped the similar natured activities into different units. Then he allocated these to different prefects under his preceptorial board. Thereafter he devised a computer software where each prefect was supposed to enter his data of vaccination for further submission to school headmistress.

"Thereafter he devised a computer software where each prefect was supposed to enter his data of vaccination for further submission to school headmistress."

Identify the step of organisation process discussed in above statement.

- (1) Follow up action
- (2) Establishing reporting relationship
- (3) Corrective action
- (4) Assignment of duties

Ans. Option (2) is correct.

Explanation: Establishing reporting relationship defines who is going to report to whom for the organising function.

46. Management is the process of planning, organising, staffing, directing and controlling the enterprise resources efficiently and effectively for achieving the goals of the organisation. Effectiveness in Management is concerned with doing the right task, completing activities and achieving goals. Efficiency means doing the task correctly with minimum cost. Answer the following questions on the basis of above case.

Company's target production is 10,000 units in a year. To achieve this target the manager has to operate on double shifts due to power failure most of the time.

In the above case manager was:

- (1) Effective and efficient both
- (2) Only efficient
- (3) Efficient but not effective
- (4) Effective but not so efficient

Ans. Option (4) is correct.

Explanation: Effectiveness is concerned with minimum time whereas, efficiency is concerned with minimum cost incurred. Here, the manager is effective as he is willing to get the work done in time, however, achieving this at huge cost considering running the factory double shifts due to power failure.

47. Management is the process of planning, organising, staffing, directing and controlling the enterprise resources efficiently and effectively for achieving the goals of the organisation. Effectiveness in Management is concerned with doing the right task, completing activities and achieving goals. Efficiency means doing the task correctly with minimum cost. Answer the following questions on the basis of above case.

Cutting down the cost but not achieving the target production is an example of:

- (1) Effective but not efficient
- (2) Effective and efficient both
- (3) Efficient but not effective
- (4) Neither efficient nor effective

Ans. Option (3) is correct.

Explanation: Cutting down the cost but not achieving the target production indicates that the task is being performed correctly (efficiently) with minimum cost, but it is not leading to the desired outcome (effectiveness) of achieving the target production. In this case, the process may be efficient in terms of minimizing costs, but it is not effective in accomplishing the primary goal of meeting the target production level.

48. Management is the process of planning, organising, staffing, directing and controlling the enterprise resources efficiently and effectively for achieving

the goals of the organisation. Effectiveness in Management is concerned with doing the right task, completing activities and achieving goals. Efficiency means doing the task correctly with minimum cost.

Answer the following questions on the basis of above case.

..... implies setting goals in advance and developing a way of achieving them efficiently and effectively

- (1) Organising
- (2) Controlling
- (3) Planning
- (4) Coordination

Ans. Option (3) is correct.

Explanation: Planning is bridging the gap between where we are and where we want to reach. It is setting goals in advance and developing the ways to achieve the same, effectively and efficiently.

49. Management is the process of planning, organising, staffing, directing and controlling the enterprise resources efficiently and effectively for achieving the goals of the organisation. Effectiveness in Management is concerned with doing the right task, completing activities and achieving goals. Efficiency means doing the task correctly with minimum cost. Answer the following questions on the basis of above case.

..... is the management function of monitoring organisational performance towards the attainment of organisational goals.

- (1) Planning
- (2) Organising
- (3) Directing
- (4) Controlling

Ans. Option (4) is correct.

Explanation: Controlling is measurement of actual performance and comparison of the same against the set standards, checking deviations, if any and taking corrective measures; in order to attain the organisational goals.

50. Management is the process of planning, organising, staffing, directing and controlling the enterprise resources efficiently and effectively " for achieving the goals of the organisation. Effectiveness in Management is concerned with doing the right task, completing activities and achieving goals. Efficiency means doing the task correctly with minimum cost. Answer the following questions on the basis of above case.

..... determines what activities and resources are required.

- (1) Planning
- (2) Organising
- (3) Controlling
- (4) Directing

Ans. Option (2) is correct.

Explanation: Organising involves arranging and structuring resources (both human and non-human) to achieve the goals of the organization. It includes determining the tasks that need to be done, grouping them into logical units, defining the relationships between individuals and departments, and allocating resources to different activities.



CUET Question Paper 2022

NATIONAL TESTING AGENCY

18th August 2022—Slot-1

BUSINESS STUDIES

[This includes Questions pertaining to Domain Specific Subject only]

SOLVED

Time Allowed: 45 Mins.

Maximum Marks: 200

General Instructions :

- (i) This paper consists of 50 MCQs, attempt any 40 out of 50
- (ii) Correct answer or the most appropriate answer: Five marks (+5)
- (iii) Any incorrect option marked will be given minus one mark (-1)
- (iv) Unanswered/Marked for Review will be given no mark (0)
- (v) If more than one option is found to be correct then Five marks (+5) will be awarded to only those who have marked any of the correct options.
- (vi) If all options are found to be correct then Five marks (+5) will be awarded to all those who have attempted the question.
- (vii) If none of the options is found correct or a Question is found to be wrong or a Question is dropped then all candidates who have appeared will be given five marks (+5).
- (viii) Calculator / any electronic gadgets are not permitted.

1. Arrange the following needs in sequence of priority as Maslow's Need Hierarchy Theory:

- A. Physiological needs
- B. Self actualisation needs
- C. Safety needs
- D. Belongingness needs

Choose the correct answer from the options given below:

- (A) D, B, C, A
- (B) A, C, D, B
- (C) B, C, D, A
- (D) A, D, B, C

Sol. Option (B) is correct

Explanation: The hierarchy of needs as given by Maslow is: Basic physiological needs, safety needs, belongingness needs, esteem needs and self actualisation needs.

2. "This organisational structure has the disadvantage of increases in costs due to duplication of activities."

Identify the organisational structure being referred to here.

- (A) Formal Organisation
- (B) Informal Organisation
- (C) Functional Structure
- (D) Divisional Structure

Sol. Option (D) is correct

Explanation: Divisional Structure has various divisions made under one single organization. This increases the cost due to duplication of work.

3. The workers of a factory went on strike. To handle the issue, a meeting of Board of Directors of the company was called on urgent basis. The meeting continued for seven long hours. As a result, strike continued and productivity was zero.

Which limitation of planning is referred to in the above example/case?

- (A) Planning may not work in dynamic environment
- (B) Planning involves huge costs
- (C) Planning does not guarantee success
- (D) Planning is a time-consuming process

Sol. Option (D) is correct

Explanation: Planning is a very lengthy process as it consumes a lot of time for collection, analysis, and interpretation of data. Due to such a lengthy process, sometimes decisions get delayed, opportunities are lost.

4. Rohan is running a small business of producing homemade craft items. He believes that since the business is small, he does not require 'management'. Which feature of management has been neglected?

- (A) Management is all pervasive
- (B) Management is goal oriented
- (C) Management is a continuous process
- (D) Management is a dynamic function

Sol. Option (A) is correct

Explanation: Management is required in all types of organizations whether it is political, social, cultural or business because it helps and directs various efforts towards a definite purpose.

5. "The effect of management is noticeable in an organisation where targets are met according to plans, employees are happy and satisfied, and there is orderliness instead of chaos." Which characteristic of management is highlighted here?
- (A) Management is all pervasive
 (B) Management is multi-dimensional
 (C) Management is group activity
 (D) Management is an intangible force

Sol. Option (D) is correct

Explanation: Management is an intangible force, as it does not have any physical appearance. It can be felt, by the way an organisation functions.

6. Identify the statement which is not the meaning of 'planning function' of management?
- (A) Deciding in advance what to do, how to do and when to do.
 (B) It involves setting objectives.
 (C) It seeks to bridge the gap between where we are and where we want to go.
 (D) It gives shape to the organisational structure

Sol. Option (D) is correct

Explanation: Span of management gives shape to the organisational structure. Span of management refers to the number of subordinates that can be effectively managed by the superiors.

7. Match List-I with List-II

List-I (Part-A)	List-II (Part-B)
A. Apprenticeship	I. Internal source of recruitment
B. Casual Caller	II. Negative Process
C. Promotion	III. Training
D. Selection	IV. External Sources

Choose the correct answer from the options given below:

- (A) A - I, B - II, C - III, D - IV
 (B) A - II, B - IV, C - III, D - I
 (C) A - III, B - IV, C - II, D - II
 (D) A - III, B - I, C - II, D - IV

Sol. Option (C) is correct

Explanation: Solution not given

8. Match List-I with List-II

List-I (Part-A)	List-II (Part-B)
A. Employment Interview	I. Source of recruitment
B. Employment Exchange	II. Collaboration of business firm and educational institutions
C. Internship Training	III. Formal, in-depth conversation
D. Vestibule Training	IV. Related to handling sophisticated machinery and equipment

Choose the correct answer from the options given below:

- (A) A - I, B - II, C - IV, D - III
 (B) A - III, B - I, C - II, D - IV
 (C) A - II, B - III, C - I, D - IV
 (D) A - IV, B - I, C - III, D - II

Sol. Option (B) is correct

Explanation: Solution not given

9. It refers to the learning opportunities designed to help employees grow:

- (A) Training (B) Development
 (C) Selection (D) Career Planning

Sol. Option (B) is correct

Explanation: Development refers to the learning opportunities designed to help employees grow. It is a career-oriented process.

10. When Lenovo India decided to strengthen its diversity numbers, it decided to tap into its referral system. The company asked its workers to refer candidates and decided to reward those who become successful in this task. Identify the source of requirement referred to here:

- (A) Casual Callers
 (B) Labour Contractor
 (C) Recommendation of Employees
 (D) Direct Recruitment

Sol. Option (C) is correct

Explanation: Employee referrals are an excellent means of locating potential candidates for first hand to fill vacant positions.

11. Identify the process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased.

- (A) Development (B) Training
(C) Education (D) Selection

Sol. Option (B) is correct

Explanation: Training is a process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased

12. Which of the following are advantages of branding to a marketer?

- A. Enables making product differentiation
B. Helps in protecting the product
C. Helps in advertising and displaying programmes
D. To charge different price for its products different from the charged by its competitors
E. Help in product identification

Choose the correct answer from the options given below:

- (A) A and D only (B) A and B only
(C) B and E only (D) A and C only

Sol. Option (B) is correct

Explanation: Branding enables a marketer making product differentiation and helps in protecting the product.

13. Which of the following is not an element of delegation?

- (A) Authority
(B) Departmentalisation
(C) Responsibility
(D) Accountability

Sol. Option (B) is correct

Explanation: There are three elements of Delegation: Assignment of Responsibility, Grant of Authority, and Creation of Accountability.

14. Identify the correct functions of entrepreneur in relation to economic development.

- A. Capital Formation
B. Improvement in Economic Efficiency
C. Identification of specific product offering
D. Opportunity Scouting
E. Generation of Employment

Choose the correct answer from the options given below:

- (A) B, C and E only (B) A, B and E only
(C) C, D and E only (D) A, B and D only

Sol. Option (B) is correct

Explanation: Some of the roles of entrepreneurs

are:- 1. Capital Formation 2. Improvement in Per Capita Income 3. Generation of Employment 4. Balanced Regional Development 5. Improvement in Living Standards 6. Economic Independence

15. Mr. Vivek opened the Geysers box and found a booklet containing information about the geysers. Identify the consumer right highlighted in the above statement.

- (A) Right to consumer education
(B) Right to safety
(C) Right to be informed
(D) Right to be heard

Sol. Option (C) is correct

Explanation: The right to information is defined as 'the right to be informed about the quality, quantity, potency, purity, standard and price of goods or services

16. Under which consumer right does a business firm set up consumer grievance cell?

- (A) Right to safety
(B) Right to be informed
(C) Right to be heard
(D) Right to consumer education

Sol. Option (C) is correct

Explanation: Under the right to be heard business firm set up consumer grievance

17. Fill in the blank:

The earlier approach of caveat emptor, which means "Let the buyer beware", has now been changed to _____, which means, "Let the seller beware".

- (A) Caveat venditor (B) Caveat viewer
(C) Caveat vendor (D) Caveat retailer

Sol. Option (A) is correct

Explanation: Caveat venditor means let the seller beware

18. Which of the following cannot file a complaint under Consumer Protection Act?

- (A) Legal representative of deceased consumer
(B) Registered consumer association
(C) Registered Traders' Association
(D) Central or State Government

Sol. Option (C) is correct

Explanation: Registered traders association cannot file complaint under consumer protection act