

CUET Business Studies Solved Paper-2023

Held on 25 May 2023 (Shift-I)

- "A comprehensive plan which helps in accomplishing an organisation objective.
(a) Policy (b) Strategy
(c) Procedure (d) Rule
- Identify the incorrect option about planning from the following.
(a) Planning is mental exercise
(b) Planning is futuristic
(c) Planning is only for long run
(d) Planning involves decision making
- Arrange the following in a proper sequence (in respect of distribution channel).
A. Agent B. Retailer
C. Customer D. Manufacturer
E. Wholesaler

Choose the correct answer from the options given below:

- (a) D, C, B, A, E (b) D, A, E, B, C
(c) D, B, E, A, C (d) D, E, A, B, C
- Identify the correct features of Business Environment.
(a) Certainty, relatively and independent
(b) Static, complexity and inter-relatedness
(c) Complexity, Relatively and inter-relatedness
(d) Relativity, static and complexity
- Fayol's 14 Principles of management does not include.
A. Authority and responsibility
B. Division of work
C. Unstability of personnel
D. Indiscipline
E. Initiative

Choose the correct answer from the options given below:

- (a) A and C only (b) B and D only
(c) C and D only (d) C and E only
- Consumer protection is important due to widespread of consumers about their rights and reliefs.
(a) Unorganised (b) Ignorance
(c) Enlightened (d) Protected
- Match List I with List II

LIST I		LIST II	
A.	Consumer Protection Act	I.	Claim exceeds 10 crore
B.	District Forum	II.	Settlement of claim exceeds 1 crore but does not exceed 10 crore
C.	State Commission	III.	Established in 1986
D.	National Commission	IV.	Settlement of claim up to 1 crore

Choose the correct answer from the options given below:

- (a) A-III, B-I, C-II, D-IV (b) A-III, B-IV, C-II, D-I
(c) A-III, B-II, C-I, D-IV (d) A-III, B-IV, C-I, D-II
- Identify the correct pair of elements of directing.
(a) Co-ordination and Leadership
(b) Motivation and Communication
(c) Supervision and Decentralisation
(d) Delegation and Communication
- Consider the following facts about management.
A. Efficiency and effectiveness both terms have similar meaning
B. Effectiveness and efficiency both terms do not have similar meaning
C. Management has four dimensions
D. Management has three dimensions
E. Principles of management are not as exact as the Principles of Science

Choose the correct answer from the options given below:

- (a) A, B, C only (b) A, D, C only
(c) B, D, E only (d) B, C, E only
- Cross Ltd. a company manufacturing cars is a highly successful organisation. For designing their cars, they follow assembly line production which entails the sequence of operations, place for men, machines and raw materials etc.
Identify the technique of scientific management being followed by Cross Ltd.
(a) Time study (b) Motion study
(c) Method study (d) Fatigue study
- Identify the last step of communication process.
(a) Feedback (b) Decoding
(c) Encoding (d) Message
- Arrange the steps of controlling process in their correct order or sequence.
A. Setting performance Standards
B. Measurement of actual performance
C. Analysing deviations
D. Taking corrective action
E. Comparison of actual performance with standards

Choose the correct answer from the options given below:

- (a) B, A, C, D, E (b) A, B, E, C, D
(c) A, E, B, C, D (d) C, A, D, B, E
- If there was no planning, employees would be working in different directions and the organisation would not be able to achieve its desired goals.
Which of the following importance of planning is highlighted in the above lines?

- (a) Planning provides directions
(b) Planning reduces the risk of uncertainty
(c) Planning facilitates decision making
(d) Planning provides innovative ideas
14. Reduction of controlling power of existing equity shareholders in a company is a result of.
(a) Issue of new equity shares
(b) Issue of new preference shares
(c) Issue of new debentures
(d) Issues of new bonds
15. Identify the factor, which does not affect the pricing of a product.
(a) Cost of product and its Utility
(b) Pricing of product and Extent of competition
(c) Cost of product and Marketing method used
(d) Marketing method used and Pricing objective
16. Which of the following is not an element of delegation?
(a) Authority (b) Responsibility
(c) Accountability (d) Centralisation
17. Choose the correct sequence of first five steps of setting up a business.
A. Appraisal by the funding agencies
B. Scanning the environment for entrepreneurial opportunities
C. Assessment of feasibility of the idea and preparation of business plan
D. Resource mobilisation
E. Development of product/service idea
Choose the correct answer from the options given below:
(a) B, D, A, C, E (b) D, B, A, E, C
(c) D, B, E, C, A (d) D, B, C, E, A
18. Which among the following factors affects capital Budgeting decision.
A. Floatation cost
B. Cash flow of project
C. Control considerations
D. The rate of return
E. The investment criteria involved
Choose the correct answer from the options given below:
(a) B, D and E only (b) C, A and B only
(c) D, B and C only (d) A, B and C only
19. Delegation refers to the:
(a) Upward transfer of responsibility from a subordinate to a superior
(b) Downward transfer of responsibility from a superior to a subordinate
(c) Upward transfer of authority from a subordinate to a superior
(d) Downward transfer of authority from a superior to a subordinate
20. Identify the step/element which is not a part of motivation process.
(a) Unsatisfied need (b) Tension
(c) Relaxation (d) Drives

21. Techniques of controlling includes.

- A. Ratio analysis B. PERT and CPM
C. On the job training D. Management audit
E. Off the job training

Choose the correct answer from the options given below:

- (a) A, C, D and E only (b) A, B and D only
(c) B, C, D and E only (d) C, D and E only

22. Essential element(s) of delegation is/are.

- (a) Authority only
(b) Responsibility only
(c) Authority and responsibility only
(d) Authority, responsibility and Accountability

23. As per Consumer Protection Act, 2019, District commission has a jurisdiction to entertain complaints where value of goods or services paid as consideration.

- (a) Exceeds one crore rupees
(b) Does not exceed one crore rupees
(c) Exceeds two crore rupees
(d) Does not exceed two crore rupees

24. Which among these is not a traditional method of controlling.

- (a) Statistical reports (b) Breakeven analysis
(c) PERT and CPM (d) Budgetary control

25. Match List I with List II

LIST I		LIST II	
A.	Unity of command	I.	Pay and compensation should be fair to employees and organisation
B.	Remuneration	II.	Distribution of decision making authority amongst many personnels.
C.	Equity	III.	Only one boss for every Individual employee
D.	Decentralisation	IV.	Fairness to all employees

Choose the correct answer from the options given below:

- (a) A-II, B-III, C-IV, D-I (b) A-I, B-II, C-III, D-IV
(c) A-II, B-I, C-III, D-IV (d) A-III, B-I, C-IV, D-II

26. Identify the correct sequence of first 5 steps of planning process:

- A. Developing premises
B. Identifying alternative courses of action
C. Evaluating alternative courses
D. Setting objectives
E. Selecting an alternative

Choose the correct answer from the options given below:

- (a) C, D, B, E, A (b) D, A, B, C, E
(c) A, D, C, B, E (d) C, D, A, B, E

27. Match List I with List II

LIST I		LIST II	
A.	Unclearified assumptions	I.	Organisational Barriers
B.	Distrust	II.	Personal Barriers
C.	Status	III.	Semantic Barriers
D.	Lack of proper incentives	IV.	Psychological Barriers

Choose the correct answer from the options given below:

- (a) A-I, B-II, C-III, D-IV (b) A-III, B-IV, C-I, D-II
(c) A-III, B-IV, C-II, D-I (d) A-III, B-II, C-I, D-IV

28. 'To become a Chartered Accountant in India, a candidate has to clear a specified examination conducted by the Institute of Chartered Accountants of India'

Which Characteristic of management as a profession is highlighted in the above statement?

- (a) Ethical code of conduct
(b) Professional Association
(c) Well defined body of knowledge
(d) Restricted entry

29. Capital Structure refers to the mix between owners and borrowed funds. Which of the following is the correct formula.

- (a) Debt Equity (b) Equity Debt
(c) Debt - Equity (d) Debt - Equity

30. Characteristics of entrepreneurship include.

- A. Lawful and purposeful Activity
B. Low level of risk
C. Innovation
D. Systematic Activity
E. Organisation of production

Choose the correct answer from the options given below:

- (a) A, B and C only (b) B, C and D only
(c) A, B, E and D only (d) A, C, D and E only

31. Arrange the following steps involved in communication process.

- A. Encoding B. Sender
C. Message D. Decoding
E. Receiver

Choose the correct answer from the options given below:

- (a) B, C, A, D, E (b) B, E, D, A, C
(c) B, D, E, C, A (d) B, E, C, D, A

32. Match List I with List II

LIST I		LIST II	
A.	Fixed capital	I.	EBIT/interest
B.	Working capital	II.	Investment in non-current Assets
C.	Interest coverage Ratio	III.	Investment in current Assets
D.	Financial leverage	IV.	Proportion of debt in the capital structure

Choose the correct answer from the options given below:

- (a) A-I, B-IV, C-III, D-II (b) A-II, B-III, C-I, D-IV
(c) A-III, B-II, C-IV, D-I (d) A-IV, B-II, C-III, D-I

33. Match List I with List II

LIST I		LIST II	
A.	Production concept	I.	Satisfaction of customer needs
B.	Product concept	II.	Quantity of product
C.	Selling concept	III.	Agressive selling techniques
D.	Marketing concept	IV.	Quality of product

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

34. Arrange the following steps of organising process in a logical sequence.

- A. Establishing authority and reporting relationship
B. Identification of work
C. Departmentalisation
D. Division of work
E. Assignment of duties

Choose the correct answer from the options given below:

- (a) C, D, E, A, B (b) C, E, A, B, D
(c) B, D, C, E, A (d) A, B, C, D, E

35. "The Formal lines of authority from highest to lowest ranks are known as _____."

- (a) Order (b) Equity
(c) Unity of direction (d) Scalar chain

36. A manager should replace "I" with "We" in all his conversation with workers to foster team spirit. Identify the principle of management stated above.

- (a) Stability of personnel (b) Order
(c) Discipline (d) Esprit De Corps

37. Match List I with List II

LIST I		LIST II	
A.	Political environment	I.	Consumption & habits pattern of household
B.	Economic environment	II.	Scientific improvements and innovations
C.	Social environment	III.	General stability of elected govt and its attitude towards business
D.	Technological environment	IV.	Change in interest rate, inflation and disposable income

Choose the correct answer from the options given below:

- (a) A-IV, B-III, C-I, D-II (b) A-III, B-IV, C-I, D-II
(c) A-II, B-I, C-III, D-IV (d) A-I, B-II, C-III, D-IV

38. Identify single use plans from the following plans

- (a) Project and Budget (b) Methods and Budget
(c) Procedures and Project (d) Rules and Programme

39. Arrange the Functions of Management in correct sequence.

- A. Planning B. Directing
C. Organising D. Controlling
E. Staffing

Choose the correct answer from the options given below:

- (a) B, C, D, A, E (b) A, B, C, D, E
(c) C, D, A, B, E (d) A, C, E, B, D

40. Labelling is an element of which 'p' of marketing mix?

- (a) Product
(b) Price
(c) Place
(d) Promotion

DIRECTIONS (41 to 45): Read the following passage and answer the questions that follows:

Adhunik Ltd is a consumer goods manufacturing unit running the business for the last 11 years. The C.E.O Mr. Aman wants to raise capital with an objective to modernise the existing plant. For this he has made a plan to offer equity and preference share in the primary market. He uses a combination of methods. He got the prospectus printed, so as to make a direct appeal to investors. Also he has invited offers from some brokers to buy shares at an enbloc value. Since Mr. Aman has a great circle of friends who are institutional investors, he can soon gather capital. Another method, that he wants to use is the online system of stock exchange.

41. "He got the prospectus printed, so as to make a direct appeal to investors"
Identify the method of floatation mentioned in these lines.
(a) E-IPO (b) Rights issue
(c) Offer for sale (d) Offer through prospectus
42. "He has invited offers from some brokers to buy shares at an enbloc value." Identify the method of floatation used in these lines
(a) Offer for sale
(b) Offer through prospectus
(c) Rights issue
(d) Private placement
43. "Mr Aman has a great circle of friends who are institutional investors." Identify the method of floatation used in these lines.
(a) Private placement (b) Rights issue
(c) Offer for sale (d) E-IPO
44. "Another method he wants to use is the online system of stock exchange." Identify the method of floatation used in these lines.
(a) Private placement (b) Offer through prospectors
(c) E-IPO (d) Offer for sale
45. In the above case Mr. Aman is using all methods of floatation which are used in primary market because.

- (a) It deals in new securities issued for the first time
(b) It is more transparent
(c) No permissions are required from SEBI
(d) Existing shares can be easily traded here

DIRECTIONS (46 to 50): Read the following passage and answer the questions that follows:

Lenovo India decided to strengthen its diversing numbers. It decided to tap its referral system. The company asked its employees to recommend candidates and decided to reward those who successfully recommended more women for the same roles.

Today technology major infosys for instance, has enhanced the use of technology for the employees referral process. It has created a portal where employees can view requirements and submit profiles of candidates directly. Employees can then track the status of their referral real-time.

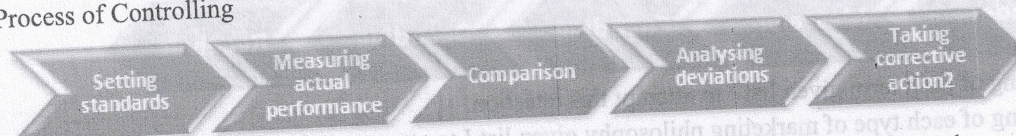
46. Which external source of recruitment is used by Lenovo India?
(a) Direct Recruitment
(b) Casual callers
(c) Transfer
(d) Recommendations of Employees
47. It involves shifting of an employee from one job to another. Identify the source of internal recruitment.
(a) Transfers (b) Promotions
(c) Direct Recruitment (d) Casual callers
48. Under which external source of recruitment organisations keep a database of unsolicited applicants in their offices?
(a) Employment Exchange (b) Campus Recruitment
(c) Placement agencies (d) Casual callers
49. Which of the following is an internal source of recruitment?
(a) Direct Requirement (b) Advertisement
(c) Promotions (d) Campus Recruitment
50. Which of the following is not included in external sources of recruitment?
(a) Direct Recruitment (b) Advertisement
(c) Labour contractor (d) Transfers

Hints & Explanations

- (b) A strategy provides the broad contours of an organisation's business. It will also refer to future decisions defining the organisations direction and scope in the long run. Thus, we can say a strategy is a comprehensive plan for accomplishing an organisation objectives.
- (c) Planning is supposed to be done both for short term and long term.
- (b) Manufacturer-Agent-Wholesaler-Retailer-Consumer: In this route, the producers use the services of an agent middlemen and as sole selling agent, for the initial dispersion of goods. The agent in turn may distribute to wholesalers who in turn sell to retailers.
- (c) Features of Business Environment
Inter-relatedness, Dynamic, Uncertainty, Complexity, Relativity
- (c) Discipline and Stability of Personnel are one of the fayol's principles. Indiscipline and Unstability of Personnel are not any principles.
- (b) In the light of widespread ignorance of consumers about their rights and reliefs available to them, it becomes necessary to educate them about the same so as to achieve consumer awareness.
- (b) Under Consumer Protection Act, 1986 Limits for various forums:
Claim upto 1 crore – District forum

- Claim more than 1 crore upto 10 crore – State commission
Claim more than 10 crore – National commission
8. (b) Elements of directing viz. Motivation, Supervision, Leadership and Communication
9. (c) Efficiency refers to the act of performing activities with minimum wastage of time and optimum usage of resources, so that the work done is faster and in an error free manner. Effectiveness is the extent to which someone or something is successful towards meeting the desired outcome.

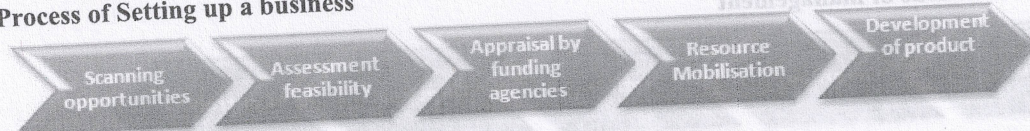
12. (b) Process of Controlling



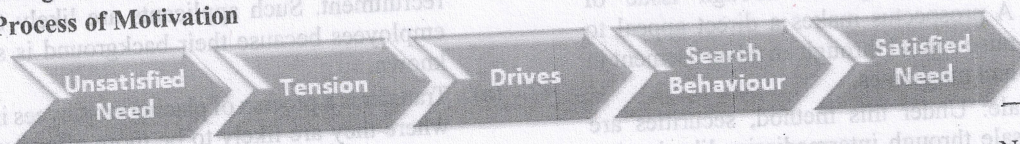
13. (a) Planning involves setting objectives and stating the ways to achieve them. This clearly defines what the employees have to do, when to do, how to do and for whom to do. Thus, planning provides direction to employees and departments to work in coordination, when they are aware of what is to be done.
14. (a) Share dilution is when a company issues additional stock, reducing the ownership proportion of a current shareholder.
15. (b) **Determinants of Price in Marketing**
- Product Cost.

17. Correct Option should be B,C,A,D,E (Not given in Question)

Process of Setting up a business



18. (a) Factors influence the selection of capital budgeting technique such as the size of the company, revenues, profitability, leverage level, expenditure, familiarity with the project, availability of cash, and the level of education of decision makers.
19. (d) Delegation refers to downward transfer of authority from a superior to an immediate subordinate.
20. (c) **Process of Motivation**



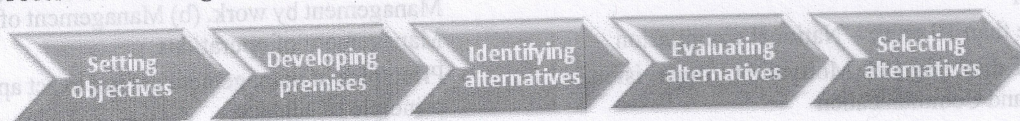
21. (b) Control techniques in management are of two types — traditional and modern. Traditional techniques include break-even analysis, budgeting, personal observation, etc. On the other hand, ROI and management audits are examples of modern techniques.
22. (d) Elements of delegation viz. Authority, Responsibility and Accountability.
23. (b) Under Consumer Protection Act, 1986 Limits for various forums:
- Claim upto 1 crore – District forum
Claim more than 1 crore upto 10 crore – State commission

There are three main dimensions of management. (a) Management by work. (b) Management of people. (c) Management of operations.
Principles of management are not exact applicable as principle of science.

10. (c) Method study is used in the assembly line of car production which includes deciding the sequence of operations.
11. (a) The communication process is made up of four key components. Those components include encoding, medium of transmission, decoding, and feedback.

- The Utility and Demand.
 - The extent of Competition in the market.
 - Government and Legal Regulations.
 - Pricing Objectives.
 - Marketing Methods used.
 - Government and Legal Regulations.
 - Pricing Objectives.
 - Marketing Methods used.
16. (d) Elements of delegation viz. Authority, Responsibility and Accountability.

24. (c) Modern Techniques of Managerial Control
- Return on investment.
 - Ratio analysis.
 - Responsibility accounting.
 - Management audit.
 - PERT & CPM.
25. (d) Learn meaning of each principle of management given list I to attempt this question.

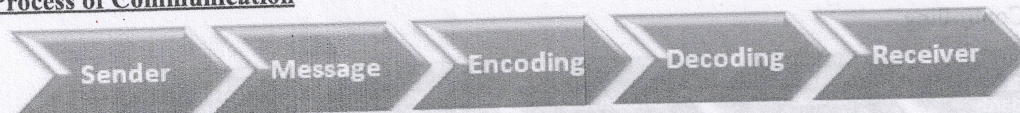
26. (b) **Process of Planning**

27. (b)

28. (d) Restricted entry: Management has restricted entry through an examination or degree as in profession.

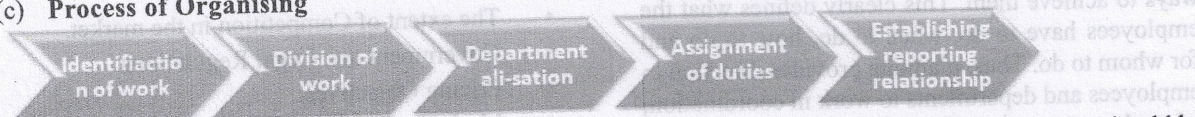
29. (a) Capital structure refers to mix of Debt and equity, represented by Debt/Equity.

30. (d) Characteristics of Entrepreneurship viz. Innovation, Economic and purposeful activity, Organisation Building, Skillful management, Risk bearing, Gap filling function

31. (a) **Process of Communication**

32. (b) Learn meaning of each term given list I to attempt this question.

33. (b) Learn meaning of each type of marketing philosophy given list I to attempt this question.

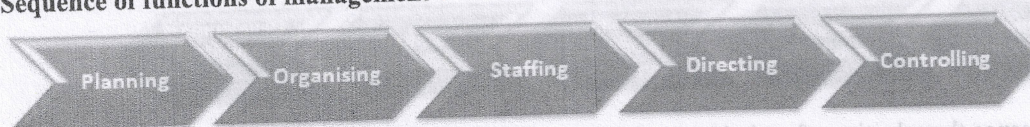
34. (c) **Process of Organising**

35. (d) The formal line of authority from highest to lowest ranks is known as Scalar Chain. Organisations should have a chain of authority and communication that runs from top to bottom and should be followed by managers and the subordinates.

36. (d) Esprit De Corps means union is strength. It is one of the fourteen principles of management developed by Fayol. He emphasized on the team work. According to him, management must develop a feeling of belongingness among the employees so that they can contribute maximum to achieve the team goal.

37. (b) Learn meaning of each type of business environment given list I to attempt this question.

38. (a) Single-use plans cannot be used repeatedly since they become useless after they have achieved their objective. Some examples are budgets, programmes, project reports, etc.

39. (d) **Sequence of functions of management**

40. (a) Labelling, Packaging, Branding etc. are part of Product mix.

41. (d) Offer through Prospectus: It involves inviting subscription from the public through issue of prospectus. A prospectus makes a direct appeal to investors to raise capital through an advertisement in newspapers and magazines.

42. (a) Offer for Sale: Under this method, securities are offered for sale through intermediaries like issuing houses or stock brokers. The company sells securities to intermediary/broker at an agreed price and the broker resells them to investors at a higher price.

43. (a) Private placement refers to the process of raising capital that involves selling of securities to a selected group of investors.

44. (c) E-IPOs: A company can raise funds by issuing capital to the public through the online system of stock exchange.

45. (a) The primary market is the place where securities are created. Companies float (in finance lingo) new stocks and bonds in this market for the first time.

46. (d) Recommendations of Employees: Applicants introduced by present employees, or their friends and relatives may prove to be a good source of recruitment. Such applicants are likely to be good employees because their background is sufficiently known.

47. (a) Transfer is a process of placing employees in positions where they are likely to be more effective or where they are to get more job satisfaction. In transfers, there is no change in the responsibility, designation, status or salary. It is a process of employee's adjustment with the work, time and place.

48. (d) Casual callers, also called unsolicited applications, are the prospective employees who go to well-renowned associations informally and either mail or drop in their employment forms looking for any open positions.

49. (c) Internal source of recruitment includes, transfer and promotion etc.

50. (d) Internal source of recruitment includes, transfer and promotion etc. Hence Transfer is not the external source of recruitment.