

CUET Business Studies Solved Paper-2022

1. Arrange the functions of Management in correct sequence:-

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

Choose the correct answer from the options given below:

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

2. In an organisation the employees are happy and satisfied Identify the feature of management highlighted in the above statement

- (a) Management is a group activity
(b) Management is intangible
(c) Management is all pervasive
(d) Management is multi-dimensional

3. A manager should not fall into the temptations of misusing her/his powers for individual/family benefit at the cost of larger general interest of the workers/company.

The relevant principle of management is -

- (a) Subordination of individual interest to general interest
(b) Discipline
(c) Unity of Direction
(d) Initiative

4. The following statements explains the concept of standardization of simplification of work.

- A. They seek to determine the amount and frequency of rest intervals
B. They aim at eliminating superfluous variety, sizes and dimension
C. Unnecessary movements are eliminated so that less time is required to complete the jobs.
D. They help to determine the number of workers to be employed
E. They help the organisation in devising new varieties instead of existing one.

Choose the correct answer from the options given below:

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

5. According to Fayol lazy personnel should be dealt with sternly for sending the message that everyone is equal in the eyes of management. This will ensure loyalty and devotion. The relevant principle of management is _____

- (a) Discipline
(b) Equity
(c) Espirit De Corps
(d) Unity of command

6. Attitude towards product innovations, lifestyles and consumer preferences are influenced by:

- (a) Economic Environment
(b) Social Environment

- (c) Cultural Environment
(d) Ecological Environment

7. Choose the correct answer from the options given below:

Dimension of Business Environment	Component
A. Economic	I. Festivals
B. Social	II. Court Judgements
C. Political	III. Public Debt
D. Legal	IV. Ideology of ruling party

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

8. Which of the following does NOT come under the dimensions of Business Environment ?

- (a) Political
(b) Legal
(c) Social
(d) Security

9. If there is a plan to increase production then more labour and more machinery will be required. This step would also involve organizing for labour and purchase of machinery. Identify this step in the process of planning.

- (a) Follow up action
(b) Implementing the plan
(c) Evaluating alternative courses
(d) Developing premises

10. From the given options, identify the statement that best describes planning as a continuous process

- (a) It lays down the base for other functions of management
(b) A plan is framed, it is implemented and is followed by another plan
(c) It involves peeping into the future
(d) It involves foresight, intelligent imagination and sound judgement

11. Amrit Lala, MD of Awasthi Ltd. retired after 33 years of service. The responsibility was given to Amit. Amit realized that there was lot of rivalry, confusion and misunderstanding among departmental heads. He detected inefficiencies, took corrective action and developed a master plan for the organisation to follow. This served as basis for coordinating the activities of all the departments, led to clarity of thought and action and the work got a smooth start.

Identify the importance of planning highlighted in the above paragraph.

- (a) Planning promote innovative ideas
(b) Planning reduces overlapping and wasteful activities
(c) Planning facilitates decision making
(d) Planning provides direction

12. Interaction among people at work give rise to this type of organisation. Identify the type of organisation highlighted in the above statement.
- Formal Organisation
 - Informal Organisation
 - Administrative Organisation
 - Functional Organisation

13. Out of the following options, choose the correct combination that constitute parts of organizing process
- Identification and division of work
 - Setting up standards for performance
 - Establishing authority and responsibility relations
 - Developing Premises
 - Assignment of duties

Choose the correct answer from the options given below:

- B, D, E only
- A, B, C only
- A, C, E only
- C, D, E only

Set A	Set B
A. Product specialization	I. Span of management
B. All decision making authority is kept with top level.	II. Informal
C. Arises out of personal qualities	III. Divisional Structure
D. Number of subordinates that can be managed by a superior	IV. Centralisation

Choose the correct answer from the options given below:

- A-III, B-IV, C-II, D-I
 - A-III, B-II, C-IV, D-I
 - A-III, B-I, C-II, D-IV
 - A-I, B-III, C-IV, D-II
15. It is prerequisites to effective functioning of an organisation because it enables the manager to use his time on high priority areas.
- Planning
 - Delegation
 - Decentralisation
 - Organisation Structure

Source of Recruitment	Condition
A. Casual Caller	I. The application of Sohan, was forwarded by XYZ consultancies to the company.
B. Advertisement	II. Raj sent his application to the company through the website Jobseekers.com
C. Placement Agencies	III. Prateek has seen a job vacancy in the newspaper and decided to give his application.
D. Web Publishing	IV. Rohan went to XYZ Ltd. and gave his application for a job.

Choose the correct answer from the options given below:

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

17. Mr. Gaurav needs to add 20 people to their team of sales executives. He had given an advertisement in the newspaper and has received 200 applications. Help him to select the best 20 candidates by giving him the correct sequence.

- Selection Test
- Reference and Background checks
- Employment Interview
- Selection Decision
- Preliminary Screening

Choose the correct answer from the options given below:

- E, A, C, B, D
- A, B, C, D, E
- E, C, B, D, A
- E, A, B, C, E

18. Arrange the staffing process in sequence

- Recruitment
- Estimating the manpower requirement
- Placement and orientation
- Selection
- Training and Development

Choose the correct answer from the options given below:

- B, A, D, E, C
- B, A, D, C, E
- B, A, C, D, E
- A, B, D, C, E

19. One of the following is not an element of direction Identify

- Communication
- Delegation
- Motivation
- Supervision

20. Choose the correct statement/statements

- Non-Financial Incentives mainly focus on satisfying psychological, social and emotional factors
- Money can satisfy all kinds of needs of individuals
- Career advancement opportunity, job security and employee empowerment are non-financial incentives
- Promotion, stock option and perquisites are non-financial incentives

Choose the correct answer from the options given below:

- A, B and C only
- B and C only
- C and D only
- A and C only

- 21.

List I	List II
A. Motivation	I. Function to be performed at the operative level
B. Supervision	II. Complex process as the individuals are heterogeneous in their expectations
C. Communication	III. Process that tries to bring change in the behavior of others
D. Leadership	IV. It implies common understanding

CUET Business Studies Solved Paper-2022

Choose the correct answer from the options given below:

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

22. Arrange the need hierarchy theory of motivation propounded by Abraham Maslow in hierarchical order from basic to highest level need.

- (A) Basic Physiological Needs
(B) Esteem Needs
(C) Safety Needs
(D) Self actualisation needs
(E) Affiliation needs

Choose the correct answer from the options given below:

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

23. Identify one statement among the following that is NOT true about capital budgeting:

- (a) These decisions are very crucial for any business since they affect its long run earning capacity
(b) The size of assets, profitability and competitiveness are all affected by these decisions
(c) These are concerned with levels of cash, inventory and receivable
(d) These decisions are irreversible except at a huge cost.

24. A company will tend to pay lower rate of dividend if –

- (a) Lower amount of earnings, stable earning, potentials, no shortage of cash, easy access to capital market
(b) Restrictive clauses imposed by lender, low access to capital market, falling short of cash, good growth opportunities available.
(c) Short of cash, good growth opportunities available, low access to capital market, enjoys stable earnings
(d) Unstable earnings, falling short on cash, easy access to capital market, lower amount of earning

25. It is a process of estimating the fund requirement of a business and specifying the sources of funds

- (a) Financial management (b) Financing decision
(c) Financial Planning (d) Capital Budgeting

26. A firm's ability to borrow at a lower rate

- (a) Decreases its capacity to employ higher debt
(b) Increases its capacity to employ higher debt
(c) Can or employ any amount of debt available from market
(d) Unable to raise any amount of debt

27. Arrange the following current assets in order of their liquidity

- A. Prepaid expenses B. Raw Material
C. Debtors D. Finished goods inventory
E. Bills receivable

Choose the correct answer from the options given below:

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

28. Treasury Bills are issued by

- (a) Government of India
(b) RBI (Reserve Bank of India)
(c) Stock Exchange
(d) NSE (National Stock Exchange)

29. Identify the objective of SEBI from the following:

- A. To protect the rights and interests of investors
B. To regulate stock market and the securities industry to promote their orderly functions.
C. Registration of brokers
D. To prevent trading malpractices and achieve a balance between self regulation by securities industry and its statutory regulation.
E. Calling for information by undertaking inspection

Choose the correct answer from the options given below:

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

30. Name the market for financial securities which is also known as 'New Issue Market'.

- (a) Primary Market (b) Secondary Market
(c) Money Market (d) Capital Market

31. "Through this process of disinvestment and reinvestment, savings get channelized into their most productive investment avenues"— which function of stock exchange is highlighted by the given statement?

- (a) Providing liquidity and marketability of securities
(b) Contributes to economic growth
(c) Spreading of equity cult
(d) Providing scope for speculation

32. "Holders of assets can readily sell their financial assets through the mechanism of the financial market"— This statement highlight one of the functions of financial market. Identify

- (a) Facilitates price discovery
(b) Provides liquidity of financial assets
(c) Reducing the cost of transactions
(d) Mobilisation of earnings and channeling them into the most productive uses.

33. Identify the function of marketing that is also undertaken to fulfill the 'right of be heard' right of a consumer under Consumer Protection Act.

- (a) Marketing Planning
(b) Transportation
(c) Physical Distribution
(d) Customer Support Services

34. A brand or part of a brand that is given legal protection against its use by other firms. Identify the term of branding highlighted in the above statement.

- (a) Brand (b) Brand Name
(c) Brand Mark (d) Trade Mark

35. The label on the package of a shaving cream mentions, '40% Extra free' or package of a toothpaste mentioning 'Free toothbrush inside, or save ₹ 15.' Identify the function of labelling.

- (a) Grading of product
(b) Providing information required by law
(c) Helps in promotion of product
(d) Describe the product and specify its contents.

36.

Consumer Rights	Explanation
A. Right to consumer education	I. Right to be protected against goods and services which are hazardous to life
B. Right to be heard	II. Right to have complete information of the product
C. Right to be informed	III. Right to file a complaint and be heard in case of dissatisfaction
D. Right to safety	IV. Right to acquire knowledge and to be well informed consumer

Choose the correct answer from the options given below:

- (a) A-IV, B-III, C-II, D-I (b) A-I, B-II, C-III, D-IV
(c) A-IV, B-I, C-II, D-III (d) A-III, B-I, C-II, D-IV.
37. Shikha wants to buy a Microwave. She goes to an outlet for the same. The sales person is convincing her to buy microwave of a particular brand only. Identify the consumer right which is being hindered here from the following
(a) Right to safety (b) Right to be informed
(c) Right to choose (d) Right to heard
38. Identify from the following phrase which means "Let the buyer beware"?
(a) Caveat emptor (b) Caveat venditor
(c) Caveat vendor (d) Consumer emptor
39. Who can file a complaint?
A. Any Consumer
B. Any Shopkeeper
C. Any registered consumer association
D. A legal heir of a deceased consumer
- Choose the correct answer from the options given below:
(a) A, B and C only (b) A, C, D and E only
(c) A, C and D only (d) B, D and E only
40. Identify from the following that cannot be termed as a 'Consumer' under Consumer Protection Act?
(a) One who purchased a car on installments
(b) One who got a car as a gift from parents
(c) One who drives a car with the permission of owner
(d) One who purchases cars for resale.
41. Identify which one is not a step in the process of setting up a Business?
(a) Assessment of feasibility of the idea
(b) Reference and Background checks
(c) Project commissioning and launch
(d) Appraisal by funding agencies

DIRECTIONS (Qs. 42-50): Read the case given below and attempt the following questions.

Anukriti, a III year B.Com student is very fond of home cooked food as her mother keeps experimenting with new tastes and varieties every now and then. Although the family is well off and reputed in society, her mother feels lack of recognition and

self-respect for herself. The mother daughter duo decided to go ahead with their own start up and cater to various occasions like birthday parties, office events, festivities, food for elderly and patients and so on.

They assessed the number and type of human resources required and accordingly hired the calculated man-power for help from those introduced by their domestic help and some relatives. The ensured the quality standards for hygiene in kitchen, standardized the quality of vegetables, dry fruits and other raw materials to be purchased made sure that the orders are delivered in time.

While Anukriti's mother took care of all cooking in Kitchen, she personally observed the helpers at work. Being a commerce student, Anukriti decided to take care of finances herself. She prepared budgets in terms of quality, time, cost of material, calculated a point with no profit, no loss to ensure earning of target profits.

As per the feedback received from customers, they improvised the dishes with lesser oil, spices, sugar.

As both of them were very understanding and positive towards feedback, their business grew well. Gradually, they trained their staff in cooking packaging, inventory management. The employees are happy and satisfied as their basic remuneration and incentives are increased.

42. Mother feels lack of recognition and self-respect for herself. The category of need identified in the statement is
(a) Belonging Needs (b) Esteem Needs
(c) Self-actualisation Needs (d) Safety/security Needs

43. "Assessed the number and types of human resources required" The concept identified is
(a) Workload analysis (b) Workforce analysis
(c) Staffing (d) Recruitment

44. Hired the calculated manpower for help from those introduced by their domestic help and some relatives Identify the source of recruitment
(a) Direct recruitment
(b) Placement agencies
(c) Labour contractors
(d) Recommendations of Employees

45. "They ensured quality standards for hygiene, standardized the quality of raw materials"

This is a step in the process of one of the function of management. Identify the function
(a) Planning (b) Organising
(c) Marketing (d) Controlling

46. Anukriti's mother took care of all cooking in kitchen and personally observed the helpers at work. Identify the technique of controlling—
(a) Statistical reports
(b) Responsibility accounting
(c) Personal Observation
(d) Management Information System

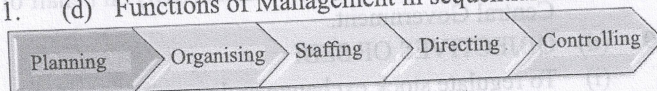
47. Identify the technique of control used by Anukriti when she prepares budgets of various types
(a) PERT and CPM (b) Ratio analysis
(c) Return on Investment (d) Budgetary Control

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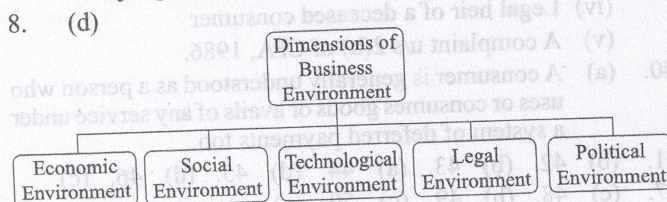
48. She calculated a point with no profit, no loss to ensure earning of target profits. Identify the technique of control highlighted above
 (a) Ratio analysis (b) Breakeven analysis
 (c) Return on investment (d) Budgetary control
49. As per the feedback received, they improvised the dishes with lesser oil, spices and sugar.
 Identify the step in the process of control
 (a) Setting Performance Standards
 (b) Measurement of performance
 (c) Taking corrective actions
 (d) Comparison of actual performance with standards
50. They trained their staff in cooking, packaging, inventory management. The employees are happy and satisfied as their basic remuneration and incentives also increased. Identify the objective of management highlighted above here-
 (a) Personal Objectives
 (b) Social Objectives
 (c) Organisational Objectives
 (d) Economic Objectives

Hints & Explanations

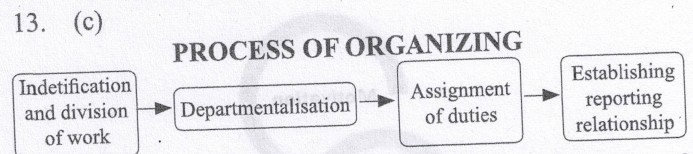
1. (d) Functions of Management in sequential order.



2. (b) Management is an intangible force that cannot be seen but its presence can be felt. E.g. Employees are happy and satisfied, and there is orderliness.
3. (a) As per "Subordination of Individual Interest to General Interest", the interest of an organisation should take priority over the interests of any one individual employee.
4. (b) As per "Standardisation and Simplification of work", Simplification aims at eliminating superfluous varieties, sizes and dimensions while standardisation implies devising new varieties instead of the existing ones.
5. (b) Equity principles emphasises kindness and justice in the behaviour of managers. Apart from it, it says that Lazy personnel should be dealt sternly to send the message that everyone is equal in the eyes of the management.
6. (b) Social Environment of Business includes social forces, society expectations, social trends etc.
7. (b) ECONOMIC ENVIRONMENT comprises factors like, interest rate, inflation, stock market indices, public debt etc.
 SOCIAL ENVIRONMENT includes social forces, traditions, values and social practices.
 POLITICAL ENVIRONMENT includes political conditions such as general stability and peace in the country and specific ideology (attitude) of the elected government.
 LEGAL ENVIRONMENT includes various legislations/laws passed by Government, court judgements etc.



9. (d) IMPLEMENTATION THE PLAN (Step of Planning Process)
 This step is concerned with putting the plan into action, i.e. doing what is required.
10. (b) Plans are prepared for a specific period of time. At the end of that period there is need for a new plan to be drawn. Hence, planning is a continuous process.
11. (b) Planning serves as the basis of coordinating the activities and efforts of different divisions, departments and individuals. It helps in avoiding confusion and misunderstanding.
12. (b) Interaction among people at work gives rise to a 'network of social relationship among employees' called the informal organisation.

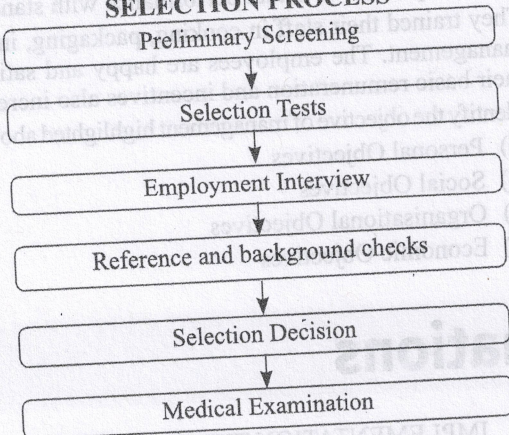


14. (a) • SPAN OF MANAGEMENT refers to the number of subordinates that can be managed by a superior.
 • In Informal Organisation, based on Interaction and friendship among employees tends to form groups.
 • One of the benefits of Divisional Structure is 'Product Specialisation'.
 • CENTRALISATION implies retention of almost decision making authority at the top level.
15. (b) Delegation helps a manager to extend his area of operations as without it, his activities would be restricted to only what he himself can do.
16. (b) CASUAL CALLERS : Many reputed business organisations keep a database of unsolicited applicants.
 ADVERTISEMENT : Advertisement in newspapers or trade and professional journals is generally used for recruitment when wider choice is required.
 PLACEMENT AGENCIES : Placement Agencies provide a nationwide service in matching personnel demand and supply.
 WEB-PUBLISHING : Certain Websites are designed and dedicated for the purpose of providing information about both job-seekers and job-openings.

BS-32

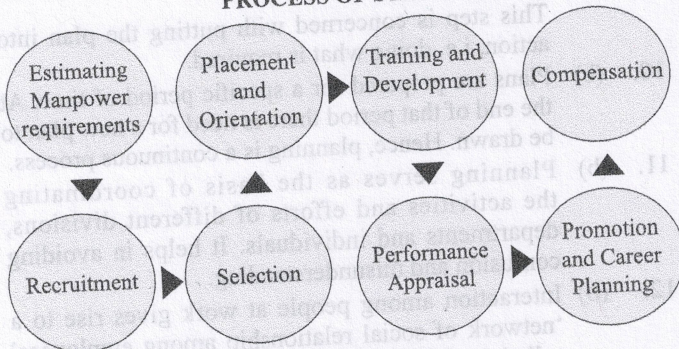
17. (a)

SELECTION PROCESS

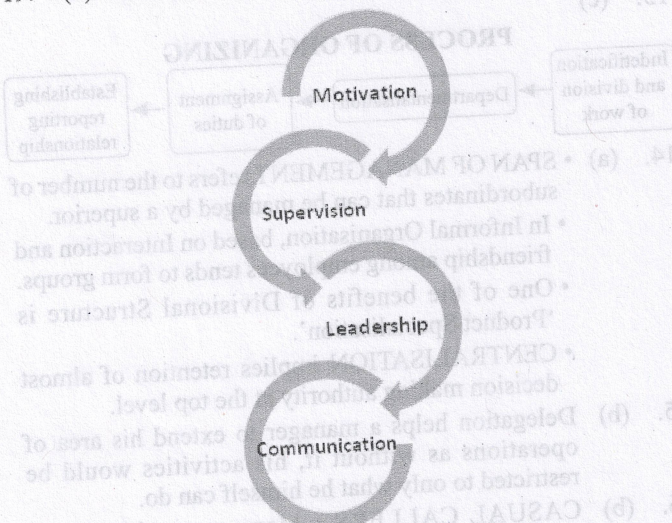


18. (b)

PROCESS OF STAFFING



19. (b) ELEMENTS OF DIRECTING



20. (d) All the needs of Individual are not satisfied by money alone. Emphasis of Non-financial incentive is to provide psychological and emotional satisfaction rather than money driven satisfaction. Career advancement opportunity, job security and employee empowerment are non-financial incentives.

21. (c) 22. (b) 23. (c)

24. (b) • **CONTRACTUAL CONSTRAINTS** : While granting loans to a company, sometimes the lender may impose certain restrictions on payment of dividend in future.

- **ACCESS TO CAPITAL MARKET** : Small companies have low access to capital market, so they tend to maintain large reserves and pay usually low dividend.
- Availability of enough cash is necessary for dividend.
- Companies having good growth opportunities retain more money and pay lower dividend.

25. (a) Financial Management aims at choosing best investment and financial alternative by focusing on their costs and benefits.
26. (a) A firm's ability to borrow at a lower rate implies its low solvency and accordingly decreases its capacity to employ higher debt.
27. (c)
28. (b) A treasury bill is an instrument of short-term borrowing by the Government of India. These are issued by Reserve Bank of India (RBI) on behalf of Central Government.
29. (d) **OBJECTIVES OF SEBI**
- (i) To regulate stock exchange and securities market
 - (ii) To protect the rights and interests of investors
 - (iii) To prevent trading malpractices
 - (iv) To regulate and develop a code of conduct and fair practices by intermediaries
30. (a) The primary market is also known as the new issue market. It deals with new securities being issued for the first time.
31. (a) 32. (b)
33. (d) One of the important functions of a marketer is to gather and analyse market information. This is necessary to identify the needs of the customers and take various decisions for the successful marketing of the products and services. This is important for making an analysis of the available opportunities and threats as well as strengths and weaknesses of the organisation.
34. (d) A brand or part of brand that is given legal protection is called Trademark.
35. (c) A carefully designed label can attract attention and give reason to purchase. E.g. '40% free', 'Free toothbrush inside', 'Save Rs.15' etc.
36. (a)
37. (c) The consumer has the freedom to choose from a variety of products at competitive prices. The marketer should allow the consumer to make a choice from amongst these.
38. (a)
39. (b) A complaint before consumer forum can be made by:
- (i) Any one or more consumers
 - (ii) Any registered consumer's association
 - (iii) Central Government or any State Government
 - (iv) Legal heir of a deceased consumer
 - (v) A complaint u/s 2(b) of CPA, 1986.
40. (a) A consumer is generally understood as a person who uses or consumes goods or avails of any service under a system of deferred payments too.
41. (b) 42. (b) 43. (a) 44. (d) 45. (d) 46. (c)
47. (c) 48. (b) 49. (c) 50. (a)