

CUET (UG)
Business Studies Sample Paper - 18
Solved

Time Allowed: 45 minutes

Maximum Marks: 200

General Instructions:

1. The test is of 45 Minutes duration.
2. The test contains 50 questions out of which 40 questions need to be attempted.
3. Marking Scheme of the test:
 - a. Correct answer or the most appropriate answer: Five marks (+5).
 - b. Any incorrectly marked option will be given minus one mark (-1).
 - c. Unanswered/Marked for Review will be given zero mark (0).

Attempt any 40 questions

1. Which is not a function of management of the following? [5]
 - a) Staffing
 - b) Controlling
 - c) Cooperating
 - d) Planning

2. At which level of management are the managers responsible for maintaining the quality of output and the safety standards? [5]
 - a) Middle Level Management
 - b) Operational Management
 - c) All of these
 - d) Top Level Management

3. Which level of manager is responsible for coordination? [5]
 - a) Lower
 - b) Middle
 - c) All levels
 - d) Upper

4. Which of the following is the function of lower level management? [5]
 - i. To integrate diverse elements and coordinate the activities of different departments.
 - ii. To know the business environment and its implications for the survival of the firm.
 - iii. To be responsible for implementing and controlling plans and strategies developed by the top management.
 - iv. To interact with the actual workforce and pass on instructions of the middle management to the workers.
 - a) Option (i)
 - b) Option (ii)
 - c) Option (iii)
 - d) Option (iv)

26. Jay and Lal work in a garment factory. Jay always earns a higher wage than Lal, as he produces more units of output. Identify the type of financial incentive being adopted by the company. [5]
- a) Perquisites
b) Pay and allowances
c) Productivity linked wage incentives
d) Co-partnership
27. Esteem needs are concerned with _____. [5]
- a) Affection
b) Acceptance
c) Friendship
d) Prestige and Self-respect
28. Which non-financial incentive has a negative aspect? [5]
- i. Status
ii. Career Advancement Opportunity
iii. Job security
iv. Job Enrichment
- a) only iii
b) ii and iii
c) only i
d) iv and i
29. Name the type of communication in which persons communicate with each other through official channels. [5]
- a) Oral communication
b) Informal communication
c) Formal communication
d) Written communication
30. Management control is done by the _____. [5]
- a) Managers at Lower Level
b) All of these
c) Managers at Middle Level
d) Managers at Top Level
31. An efficient control system helps to [5]
- a) Accomplishes organisational objectives
b) Judges accuracy of standards
c) All of these
d) Boosts employee morale
32. What will be the corrective action for defective material? [5]

- a) None of these
- b) Change in Quantity
- c) Change in quality specifications of the material used
- d) Change in Price

33. In a manufacturing organisation, an increase of 5 % in the labour cost may be more trouble some than 15% increase in postal changes. Which of the following has been highlighted above? [5]

- a) Performed reports
- b) Sample checking
- c) Critical point control
- d) Management by exception

34. What is the main function of financial management? [5]

- a) Allocation of Net Profits
- b) Procurement of Funds
- c) Financial Planning
- d) All of these

35. A decision is taken in financial management to distribute certain parts of the profit to shareholders after paying tax. This decision is called _____. [5]

- a) Financing decision
- b) Working capital decision
- c) Dividend decision
- d) Investment decision

36. Financial planning arrives at: [5]

- A. ensuring that the firm faces neither a shortage nor a glut of unusable funds
- B. entering that the firm always have significantly more funds than required so that there is no paucity of funds
- C. minimising the external borrowing by resorting to equity issues
- D. doing only what is possible with the funds that the firms have at its disposal

- a) Only A
- b) Only D
- c) Only B
- d) Only C

37. Which of the following is **not** a factor affecting **Financing Decision** of a Company: [5]

- a) Risk
- b) Cash flow position of a company
- c) Cost
- d) Growth opportunities

38. Which is the apex statutory body of capital market to which customers can complain to redress their grievances? [5]

- a) CDSL
- b) SEBI

a) ii and iii

b) i and ii

c) only iii

d) iv and i

45. **Marketing Planning** as a function of marketing means to develop a plan for: [5]

a) Increasing the level of production, promotion of product etc., and specifying the action programmes.

b) Analysing the available opportunities and threats in the organisation.

c) Identifying the needs of the customers.

d) Developing repeat purchases by the customers.

46. Which element of the marketing mix covers customer support services? [5]

a) Place

b) Promotion

c) Product

d) Price

47. Any aggrieved party, not satisfied with the order of the District Forum can appeal before the State Commission within: [5]

A. 60 days of passing of the order

B. 30 days of passing of the order

C. 45 days of passing of the order

a) None of these

b) Only B

c) Only A

d) Only C

48. Which of the following does not fall under consumer rights? [5]

a) Right to choose

b) Right to seek government help

c) Right to present the consumer court

d) Right to be informed

49. Which consumer right provides adequate and accurate information about quality, quantity, purity standard and the price of the goods and services? [5]

a) Right to seek Redressal

b) Right to choose

c) Right to be heard

d) Right to be informed

50. Which of the following is not the example of unfair trade practice? [5]

a) Wrong information about goods/services

b) Indulging in hoarding

c) Compelling consumers to buy a gas stove while getting a gas connection

d) Not observing prescribed standards

Solutions

1.
(c) Cooperating
Explanation: We have only five functions of management that are - planning, organising, staffing, directing and controlling.
2.
(b) Operational Management
Explanation: Operational Management
3.
(c) All levels
Explanation: Coordination is needed at all three, i.e., top, middle, and lower managerial levels. Different activities performed at all levels are equally important. Thus, it is the responsibility of all the managers that they make efforts to establish coordination.
4.
(d) Option (iv)
Explanation: To interact with the actual workforce and pass on instructions of the middle management to the workers.
5.
(d) Personalised application
Explanation: Personalised application
6.
(b) Gang Boss
Explanation:
 - i. Speed boss - Responsible for timely and accurate completion of the job.
 - ii. Gang boss - Responsible for keeping machine and tools ready for operation.
 - iii. Repair boss - To Ensure proper working condition of machines.
 - iv. Inspector - To Check the quality of work.
7.
(c) Only ii
Explanation: It is a procedure that involves a series of steps to be taken.
8.
(d) All of these
Explanation: All the options are correct.
9.
(d) Absolute
Explanation: The application of management principles is dependent on the prevailing conditions in an organisation at a particular point of time, so they should be applied according to the need of the organisation. That's why management principles are relative and not absolute.
10.
(d) only iv

Explanation: Identifying opportunity and getting a first-mover advantage is quoted in this example.

11.

(b) Political Environment

Explanation: Political environment includes political conditions such as type of government in power, attitude of govt towards different groups of societies, policy changes etc. Thus it is an example of political environment.

12.

(b) Liberalisation

Explanation: Liberalisation refers to the end of license, quota, unnecessary restrictions and controls over industry and trade.

13. **(a) Economic environment**

Explanation: Economic environment can be done by creating economic policies.

14.

(d) Procedures

Explanation: Procedures

15.

(d) Planning

Explanation: Planning involves setting objectives and developing a course of action for the future. It is deciding in advance as what to do and how to do.

16. **(a) Standing plans**

Explanation: Standing plans are relevant to recurring activities.

17.

(d) avoiding confusions and duplications

Explanation: Organisation avoid confusions and duplications

18.

(d) Division of labour

Explanation: Division of labour is a basis for delegation of authority

19.

(d) No definite number

Explanation: No definite number of form.

20.

(c) All of these

Explanation: All of these

21. **(a) Internal**

Explanation: Internal since no employees exist during start of organisation

22.

(b) Workforce analysis

Explanation: Workforce analysis would reveal the number and type of human resources available within the organisation.

23.

(d) Demand of employees

Explanation: Starting of recruitment process is from Demand of employees

24.
(d) Social
Explanation: Social responsibility
25.
(d) Self actualisation need
Explanation: Self-actualisation need is the highest level of need in the hierarchy. It refers to the drive to become what one is capable of becoming. These needs include growth, self-fulfilment, and achievement of goals.
26.
(c) Productivity linked wage incentives
Explanation: Productivity linked wage incentives type of financial incentive being adopted by the company.
27.
(d) Prestige and Self-respect
Explanation: Esteem Needs include factors such as self-respect, autonomy status, recognition, and attention.
28. **(a) only iii**
Explanation: There is one negative aspect of Job Security. When people feel that they are not likely to lose their jobs, they may become complacent.
29.
(c) Formal communication
Explanation: Formal communication
30.
(b) All of these
Explanation: All functions of management like planning, co-ordinating, controlling, directing, communicating etc is an all inclusive and pervasive function performed by people working at any level in the organisation.
31.
(c) All of these
Explanation: Employees have the clarity of goals to be achieved thus, making it clear and easy for performance, Organisational objectives are stated, thus making the employee set up achievable standards towards achieving the organizational goals. Thus, an efficient control system is able to achieve better results in terms of organizational goals, employee morale and motivation, clarity in standards and setting up of achievable standards.
32.
(c) Change in quality specifications of the material used
Explanation: The corrective action to be taken by the materials management department is to check the quality of the material purchased and change the quality specifications of the material used.
33.
(c) Critical point control
Explanation: Critical point control
34.
(d) All of these

Explanation: Financial management is concerned with management decisions relating to optimal procurement of funds, investment of funds in long term, and short term assets of the firm. It is wider in scope as it includes financial planning also.

35.

(c) Dividend decision

Explanation: Dividend decision

36. (a) Only A

Explanation: Financial planning is the process of estimating the fund requirement of a business and specifying the sources of funds. It decides how much to spend and on what to spend. Thus ensures optimal utilisation of funds.

37.

(d) Growth opportunities

Explanation: Growth opportunities doesn't effect the financing decision of the organisation. financial decision relates to procurement of finance in the organisation.

38.

(b) SEBI

Explanation: SEBI was established to protect the interest of people in the stock market and provide a healthy environment for them. It is the supreme statutory body of capital market to which customers can complain to redress their grievances.

39.

(d) Rs. 3 crores

Explanation: The minimum capital requirement for a company to be listed on the OTCEI is Rs 3 crores and the maximum is Rs 50 crores.

40. (a) All of these

Explanation: All of these

41.

(c) option (b)

Explanation: Depository is like a bank which keeps securities in electronic form on behalf of investor.

42.

(c) Inventory Control

Explanation: Just In Time is related to Inventory Control.

43.

(b) Transportation packaging

Explanation: Transportation packaging

44.

(c) only iii

Explanation: Marketing is a Pre and Post production activity.

45. (a) Increasing the level of production, promotion of product etc., and specifying the action programmes.

Explanation: Increasing the level of production, promotion of product etc., and specifying the action programmes.

46.

(c) Product

Explanation: Product element of marketing mix.

47.

(b) Only B

Explanation: 30 days of passing of the order can appeal before State commission.

48.

(c) Right to present the consumer court

Explanation: Right to present the consumer court doesn't fall under consumer rights.

49.

(d) Right to be informed

Explanation: Right to be informed and right to consumer education.

50.

(c) Compelling consumers to buy a gas stove while getting a gas connection

Explanation: Compelling consumers to buy a gas stove while getting a gas connection is not an example of unfair trade practice.