

CUET Business Studies Solved Paper-2023

Held on 1 June 2023 (Shift-I)

1. Match List - I with List - II

List - I

- (A) Single use plan
- (B) Standing plan
- (C) Limitation of planning
- (D) Steps in planning

List - II

- (I) Follow-up action
- (II) Budget
- (III) Huge costs
- (IV) Policy

Choose the **correct** answer from the options given below:

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

2. Match List - I with List - II

List - I

- (A) Status
- (B) Bonus
- (C) Job security
- (D) Co-partnership

List - II

- (I) Shares offered at Discounted prices
- (II) Confirmation letter
- (III) Ranking of positions in an organisation
- (IV) Incentive offered above wages and salaries

Choose the **correct** answer from the options given below:

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

3. Identify the right sequence of steps in the process of recruitment.

- (A) Choosing the sources
- (B) Assessment of their validity
- (C) Inviting Application from prospective Candidates
- (D) Identification of different sources of Labour supply

Choose the **correct** answer from the options given below:

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

4. Marketer refers to any person who taken more _____ part in the process of exchange.

- (a) Dominating
- (b) Active
- (c) Passive
- (d) Enterprising

5. Arrange the right order in which process of Motivation takes place?

- (A) Drives
- (B) Tension
- (C) Unsatisfied need
- (D) Search behaviour
- (E) Satisfied need

Choose the **correct** answer from the options given below:

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

6. Which one of the following is not a modern technique of controlling function?

- (a) Responsibility Accounting
- (b) PERT and CPM
- (c) Management Audit
- (d) Critical point control

7. SEBI has the three types of functions including protective functions, _____ functions including and Development functions.

- (a) Investment
- (b) Training
- (c) Regulatory
- (d) Registration

8. Which one of the these is not primary skill requirement in entrepreneurship?

- (a) Opportunity spotting
- (b) Negotiation
- (c) People management
- (d) Inductive logic driven

9. Identify the correct combination of two demerits of Divisional Structure.

- (A) Promotes flexibility and facilitates expansion and growth of new divisions.
- (B) Product specialisation and managers become over powered
- (C) Leads to increase in cost and conflict may arise among various divisions.
- (D) Conflict may arise as interest of two departments may not compatible and inflexibility of people
- (E) Less emphasis on overall objectives and costly

Choose the **correct** answer from the options given below:

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

10. Match List - I with List - II.

List - I

- (A) One level distribution channel
(B) Three level distribution channel
(C) Zero level distribution channel

List - II

- (I) Manufacturer - Retailer - Consumer
(II) Manufacturer - Consumer
(III) Manufacturer - Wholesaler-Retailer - Consumer
(IV) Manufacturer - Agent - Wholesaler-Retailer - Consumer

Choose the **correct** answer from the options given below:

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

11. Identify a combination of facts that are true for the concept of management.

- (a) It is goal directed and promotes efficiency in the company
(b) It is an internal feeling, urge and is a complex process
(c) It leads to duplication of work and it can be positive and negative too
(d) It helps to reduce employee turnover and it increases inflexibility in working

Choose the correct answer from the options given below:

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

12. Match List - I with List - II

List - I

- (A) Liberalisation
(B) Privatisation
(C) Globalisation

List - II

- (I) Disinvestment
(II) Provisions of Companies Act, 2013
(III) Freedom in fixing the price of goods
(IV) Political boundaries no longer remain barriers

Choose the correct answer from the options given below:

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

13. Use of debt in framing the capital structure of a company is favourable when:

- (a) Return on Investment = Cost of Debt
(b) Return on Investment > Cost of Debt
(c) Return on Investment < Cost of Debt
(d) Return on Investment > Cost of Equity

14. The function of _____ is very important since there is a gap between irregular demand and irregular supply of goods.

- (a) Transportation (b) Advertising
(c) Warehousing (d) Selling

15. Identify the type of Decision not taken finance manager in a company.

- (a) Investment decision
(b) Interest decision
(c) Financing decision
(d) Dividend decision

16. As per the Consumer Protection Act 2019, in National Commission there should be how many women members?

- (a) Two (b) Three
(c) One (d) Four

17. Identify the Right sequence of the Planning process:

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

Choose the **correct** answer from the options given below:

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

18. Select the steps in the process of organising in correct sequence:

- (A) Establishing Reporting Relationship
(B) Assignment of Duties
(C) Identification and Division of work
(D) Departmentalisation

Choose the **correct** answer from the options given below:

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

19. 'In a manufacturing organisation, an increase of 5 percent in the labour cost may be more troublesome than a 15 percent increase in postal charges'.

The above is an example of _____.

- (a) Critical point control
(b) Taking corrective action
(c) Analysing deviation by management by exception technique
(d) Feedback

20. "When plans are drawn up, huge money and time are involved in their formulation." Identify the limitation of planning.

- (a) Planning is a time consuming process
(b) Planning involves huge costs
(c) Planning does not guarantee success
(d) Planning reduce creativity

CUET Business Studies Solved Paper-2023 (Held on 1 June 2023), Shift-I

21. "Controlling helps to minimise dishonest behaviour on the part of the employees by keeping a check on their activities". Identify the important of Controlling highlighted in the above sentence.
- Accomplishing organisational goals
 - Making efficient use of Resources
 - Ensuring order and discipline
 - Judging accuracy of standards
22. "Applicants introduced by present employees or their friends and relatives may prove to be good source of Recruitment". Identify the source of Recruitment highlighted in the above sentence.
- Web publishing
 - Campus Recruitment
 - Recommendation of Employees
 - Advertisements
23. Identify the concept which is not a part of promotion mix.
- Personal selling
 - Publicity
 - Public relations
 - Advertising Ethics
24. Under right to _____ the consumer has right to file a complaint in case of dissatisfaction with a good on service.
- Seek redressal
 - Be heard
 - Choose
 - Be informed
25. Full form of CDSL is _____.
- Central Dematerialisation services Ltd
 - Central Depository Securities Ltd
 - Central Depository Services Ltd
 - Central Demit Securities Ltd
26. The decision of raising funds through debt or equity constitutes which type of decision?
- Investment Decision
 - Capital Budgeting Decision
 - Financing Decision
 - Dividend Decision
27. Business Environment is a complex phenomenon that is relatively _____ to understand in parts.
- Easier
 - Difficult
 - Uncertain
 - Specific
28. Consider the following facts about stock exchange.
- Stock exchange provides scope for speculation
 - Stock exchange regulates takeover bids by companies
 - Stock exchange controls insider trading by imposing penalties
 - Stock exchange ensures safety of transactions
 - Stock exchange spreads equity cult
- Choose the **correct** answer from the options given below:
- (A), (D) and (E) Only
 - (A), (B) and (D) Only
 - (A), (B) and (C) Only
 - (B), (C) and (D) Only
29. "Promotion works as a tonic and encourages employees to exhibit improved performance." Identify the incentive.
- Status
 - Career Advancement Opportunity
 - Job Enrichment
 - Employee Recognition Programme
30. "Planning provides the basis of all other functions." Identify the feature of planning.
- Planning focuses on achieving objectives
 - Planning is pervasive
 - Planning is continuous
 - Planning is a primary function
31. "The stock exchange can play a vital role in ensuring wider share ownership by regulating new issues, better trading practices." Identify the function of Stock Exchange highlighted in the above sentence.
- Scope for speculation
 - Spreading of Equity Cult
 - Safety of Transactions
 - Pricing of Securities
32. The Entrepreneurship Development Institute of India (EDI), a national resource institution has set 15 competencies of entrepreneurial success. Identify the one that is not included in these competencies.
- Persistence
 - Concern for High Quality of work
 - Problem - solving
 - Leadership Qualities
33. Which of the following factor will affect Capital Budgeting Decision?
- Shareholder's preference
 - Stability of dividends
 - Taxation policy
 - Investment criteria involved
34. Identify the correct order of Needs as per Maslow's Need Hierarchy Theory.
- Safety and Security needs
 - Self Actualisation needs
 - Esteem needs
 - Basics physiological needs
 - Affiliation and Belonging needs
- Choose the **correct** answer from the options given below:
- (A), (B), (C), (D), (E)
 - (E), (B), (C), (A), (D)
 - (D), (C), (E), (A), (B)
 - (D), (A), (E), (C), (B)

43. "Ms. Neeta, in her team, work is well distributed till the lower most level". Identify the principle of management used by Ms. Neeta
- Discipline
 - Decentralisation
 - Order
 - Unity of direction
44. Ms. Neeta makes sure that no gender bias is there and all people are treated equally. Identify the principle being promoted in her team Ms. Neeta.
- Order
 - Remuneration
 - Equity
 - Discipline
45. "Oxlo enterprises follows a system of official communication where each subordinate contacts his/her immediate superior only." Identify the "Chain of authority and communication" being followed by the organisation
- Scalar chain
 - Delegation of authority
 - Order
 - Decentralisation
46. "One of the best working patterns that exists in the organisation is the everyone and everything can be found only at the right place." Point out the principle highlighted by the above statement.
- Discipline
 - Scalar chain
 - Order
 - Method study
47. "The whole company works on the ideology of "United we stand" and the culture can be translated by the their usage of "We" as a common phrase. Identify the spirit of the company in the form of an important principle of management.
- Unity of Direction
 - Unity of Command
 - Division of Work
 - Espirit De Corps
48. One of them has been made "Planning Incharge" and the other one as "Production Incharge". Identify an important technique suggested by F.W. Taylor, stated in the above line.
- Method study
 - Functional foremanship
 - Differential piece wage system
 - Fatigue study
49. "He said those workers who produce more units than standard would be paid more money per unit produced." Identify the technique of F.W. Taylor being suggested by Mr. Padam.
- Time study
 - Differential piece wage system
 - Motion study
 - Method study
50. "Mr. Padam also suggested to use standards for performance of both men and machines, so that raw material, time, product, machinery, methods in working conditions can perform as per benchmarks." Identify the technique stated in above statement:
- Functional foremanship
 - Motion study
 - Standardisation of work
 - Time study

35. From the following, choose the factors affecting working capital requirements:

(A) Growth prospects
(B) Inflation
(C) Diversification
(D) Cash flow position
(E) Level of competition

Choose the **correct** answer from the options given below:

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

36. Match List - I with List - II

List - I

List - II

(A) Function of Financial Market
(B) Instrument of Money Market
(C) Primary Market
(D) Methods of floatation

(I) E-IPO, Right issue
(II) Offer for sale
(III) Providing liquidity to financial Assets
(IV) Call Money, Commercial Bills

Choose the **correct** answer from the options given below:

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

37. Which one is not a merit of External sources of Recruitment?

(a) Wider choice
(b) Fresh Talent
(c) Competitive spirit
(d) Dissatisfaction among existing employees

38. Consider the following facts about Training and Development.

(A) Training is career oriented
(B) Development is the process of learning and growth
(C) Training increases knowledge and skills
(D) Training prepares employees for current job performance.
(E) Development is the process of increasing the knowledge and understanding of employees.

Choose the **correct** answer from the options given below:

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

39. In an organisation, a well defined plan is drawn up with _____ goals to be achieved within a specific time frame.

(a) Competitive
(b) Time bound
(c) Flexible
(d) Specific

40. Direct Financial payments are of two types.

(a) Time based or salary based
(b) Piece work based or sales based
(c) Time based or performance based
(d) Daily based or monthly based

DIRECTIONS (Qs. 41-50): Following the case study, answer the questions.

"Oxlo enterprises" is a renowned name in textile manufacturing industry. Over the past 2 years the company has scaled to new heights. The management has been grateful to the loyal team of managers and staff. Mr. Sharma, who is the operations head has been very clear about giving work to team mates based on their specialisation and skills. He has also given positional rights to people and often talks to subordinates to perform work and submit it on time. Talking about production department, where Ms. Neeta is department head. In her team, work is well distributed till the lower most levels. She makes sure that no gender bias is there and all people are treated equally.

"Oxlo enterprises" follows a system of official communication where each subordinate contacts his/her immediate superior only. One of the best working patterns that exists in the organisation is that everyone and everything can be found at the right place. The whole company works on the common phrase. As the size of company has tremendously expanded, now the management has hired two new Departmental heads to focus on productivity. One of them has been made "Planning Incharge" and the other one as "Production Incharge".

Mr. Padam, who is the Production Incharge, has suggested, an innovative way to improve production of units by workers. He said those workers who produce more units than standard would be paid more money per unit produced.

Mr. Padam also suggested to use standards for performance of both men and machines, so that raw material, time product, machinery methods on working conditions can perform as per benchmarks

41. "Mr. Sharma, who is the operations head has been very clear about giving work to team mates based on their specialisation." Identify, H. Fayol's principle that Mr. Sharma, has been using,

(a) Authority and Responsibility
(b) Order
(c) Division of work
(d) Equity

42. "He has also given positional rights to people and often talks to subordinates to perform work and submit work on time". Identify the principle stated in the above lines.

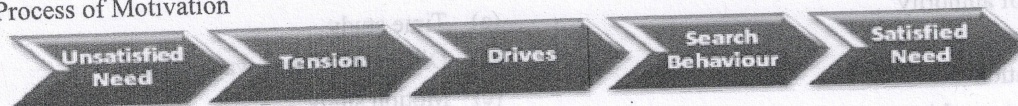
(a) Authority and Responsibility
(b) Scalar chain
(c) Discipline
(d) Unity of command

Hints & Explanations

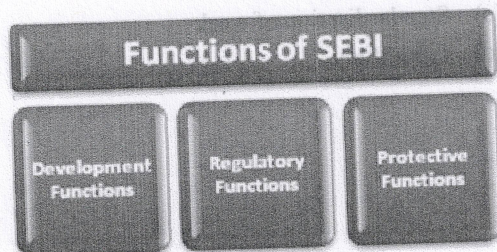
1. (a)
 - Standing plans are plans designed to be used again and again. Examples include policies, procedures, and regulations.
 - An organization's budget is a document that details the financial and physical resources allocated to a project or department. They are single-use plans because they are specific to a particular period or event.
 - Planning involves huge costs, one of the limitation of Planning.
 - Follow-up action is the last step of Planning process.
2. (d) Learn the meaning of each financial and non-financial incentive given to employees for motivation.
3. (d) Process of Recruitment



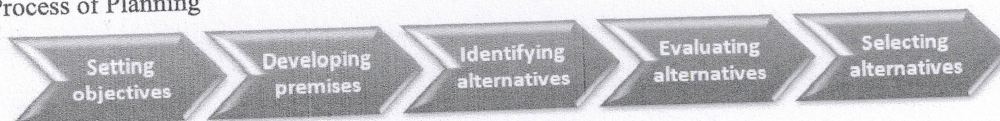
4. (b) Marketer refers to a person, who takes a more active part in the process of exchange.
5. (b) Process of Motivation



6. (d) Modern Techniques of Managerial Control
 - Return on investment.
 - Ratio analysis.
 - Responsibility accounting.
 - Management audit.
 - PERT & CPM.
7. (c)

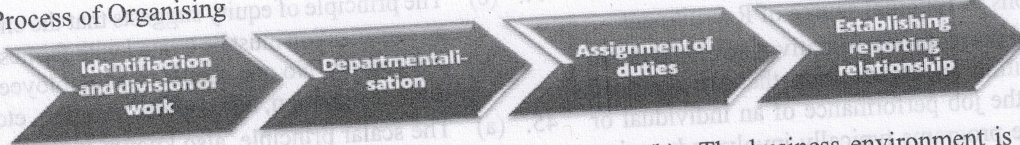


8. (c) Skills of a successful entrepreneurs are innovative thinking, adaptability and effective communication skills. Entrepreneurship often involves identifying opportunities and solving problems in new and creative ways.
9. (d) This structure is not suitable for small organizations. Headquarters find it difficult to control each division. Duplication of activities may happen in different divisions. Can be very expensive, When each division is engaged in independent service cost may increase.
10. (b) Learn the meaning of each type of distribution channel.
17. (c) Process of Planning
11. (b) Management is a goal oriented process by which an organisation is facilitated to achieve its goals. It promotes efficiency in an organisation. Motivation as a part of Management is an internal feeling, urge and is a complex process due to involvement of various dimensions.
12. (c) Liberalisation implies giving relaxation in rules and regulations (e.g. Freedom in fixing the price of the goods). Privatisation implies transfer of ownership, management and control of public sector to private sector by disinvestment. Globalisation implies integrating the national economy into world economy, i.e. Political boundaries no longer remain barriers. Legal environment involves rules, regulations, legislations or directives etc. (e.g. Provisions of Companies Act, 2013).
13. (b) Use of debts becomes more favourable until 'Return on investment > Cost of debt'.
14. (c) The function of warehousing is very important since there is a gap between irregular demand and irregular supply of goods
15. (b) Three types of decision are to be taken by a finance manager; Investment decision, Financing decision and Dividend decision.
16. (c) Composition: The Commission will comprise of four to 11 members. At least one member must be a woman.



CUET Business Studies Solved Paper-2023 (Held on 1 June 2023), Shift-I

18. (a) Process of Organising



19. (a) Critical point control: It means keeping focus on some key areas (KRAs) and if there is any deviation in these key areas, and then it must be attended urgently. Key areas are those which have impact on whole organisation.

20. (a)/(b) Planning involves huge costs and is a time-consuming process.

21. (c) Ensuring order and discipline: Controlling fosters a culture of discipline and order in the workplace. By closely monitoring their actions, it is possible to reduce the amount of dishonest behaviour on the part of the employees.

22. (c) 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.

23. (d) A promotional mix is an allocation of resources among five primary elements:

- Advertising.
- Public relations or publicity.
- Sales promotion.
- Direct marketing.
- Personal selling.

24. (a) Right to Redressal Consumers can file a complaint when they have a legitimate grievance. They can also seek Redressal of their problems with the support of various consumer organisations. The compensation can be money, repair of defective goods or replacement of goods according to the issue of the consumer.

25. (c) CDSL - Central Depository Services (India) Limited.

26. (c) The financing decision is about the amount of finance to be raised from various long-term sources, this determines the various sources of finance, as well as it also provides the cost of each source of finance. The main sources of finance are: Shareholders' Funds. Borrowed Funds.

27. (b) The business environment is complex because it is influenced by multiple factors. Each factor has its own dynamics and can have both direct and indirect effects on the business.

28. (a)

- Economic Barometer: A stock exchange is a reliable barometer to measure the economic condition of a country.

- Pricing of Securities
- Safety of Transactions
- Contributes to Economic Growth
- Spreading of Equity Cult

29. (b) **Career Advancement Opportunity**

It is very important for an organization to have an appropriate skill development program and a sound promotion policy for its employees which works as a booster for them to perform well and get promoted.

30. (d) Planning is the primary function of management and occupies the first position in the management process. It is the starting point of the whole management process as other management functions are related to planning function. Planning, in simple words, means to decide the objectives clearly and to prepare a plan.

31. (b) **Spreading of Equity Cult**

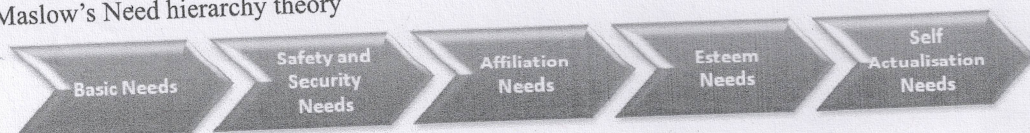
Stock exchange encourages people to invest in ownership securities by regulating new issues, better trading practices and by educating public about investment.

32. (d) As per EDI study, following is a list of major traits of entrepreneur that contributes towards top performance. Initiative, Looking for opportunities, Persistence, Information seeking, concern for quality products, Commitment to work, Efficiency orientation, Systematic planning, Problem solving, Self-confidence, Assertiveness, Persuasion, Monitoring, Concern for employee's welfare, Effective strategist.

33. (d) **Factors affecting Capital Budgeting decision**

- The cash flow of the project
- The rate of return
- The investment criteria involved

34. (d) Maslow's Need hierarchy theory



35. (c) Factor Affecting working capital requirements

Nature of Business, Scale of operations, Business cycle, Seasonal factors, Technology and production cycle, credit allowed, credit availed, operating efficiency, Availability of raw materials, level of competition, Inflation, Growth prospectus.

36. (c) Understand each term of List I to attempt this question.

37. (d) Dissatisfaction among existing employees is one of the limitations of External source of Recruitment.
38. (b) Training and development initiatives are educational activities within an organization that are designed to improve the job performance of an individual or group. These programs typically involve advancing a worker's knowledge and skill sets and instilling greater motivation to enhance job performance.
39. (d) Planning Leads to Rigidity *In an organisation a well-defined plan is drawn up with specific goals to be achieved, with in a specific time frame. These plans then decide how the work will progress in the future and managers may not be in a position to change it. This creates a problem as flexibility is very important.*
40. (c) Direct financial payments are of two types : time based or performance based. A time based plan means salary and wages are paid either daily, weekly or monthly or annually. Performance based plans means salary/ wages are paid according to piecework.
41. (c) The principle of division of work states that any work project must be divided into small tasks among workers based on their specialization. *This division of work promotes achieving specialization in a skill.*
42. (a) Authority is the power delegated by senior executives to assign duties to all employees for better functioning. Responsibility is the commitment to fulfil a task given by an executive.
43. (b) Decentralisation is referred to as a form of an organisational structure where there is the delegation of authority by the top management to the middle and lower levels of management in an organisation.
44. (c) The principle of equity suggests that the employees of an organization must be treated with fairness, kindness and respect. No one should treat employees based on their designation, age, gender, religion, etc.
45. (a) The scalar principle, also known as the scalar chain, is a management principle predicated on establishing an unbroken line of authority from the highest levels of management on down. In this model, the person at each management level communicates with only those directly above and below them.
46. (c) The principle of the order states that a place should be fixed for everything and everyone and everything and everyone should be in its place. Essentially it means orderliness.
47. (d) Esprit de Corps means "Team Spirit". This henry fayol principle of management states that the management should strive to create unity, morale, and co-operation among the employees. Team spirit is a great source of strength in the organization.
48. (b) Functional foremanship is a factory management technique that advocates for having multiple foremen in different, specialized roles.
49. (b) Differential piece rate Differential piece wage system is the strongest motivator for a worker to reach standard performance. It is a method of wage payment in which efficient and inefficient workers are paid at different rates.
50. (c) Standardisation of work during production involves consistent form, size, composition, methods, and quality maintained for all products/services.