

CUET 2023 Business Studies Solution

June 23 Shift 3

Ques 201. People with different backgrounds perform diverse tasks in an organisation to achieve common goal. What aims at guiding their efforts towards achieving a common goal ?

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

Solu. Coordination aims at guiding the efforts of people with diverse backgrounds towards achieving a common goal. It involves harmonizing individual efforts and activities to ensure they work together efficiently and effectively. Therefore, the correct answer is (3) Coordination.

Ques 202. Radha owns a company of handmade craft in a rural area and she employed marginalised sections of society in her company and gave them wages as per the work completed by them. Identify the objective of management that is accomplished by Radha.

- (1) Organisational Objective
- (2) Social Objective
- (3) Intangible Objective
- (4) Personal Objective

Solu. The objective of management accomplished by Radha in this scenario is primarily (2) Social Objective. By employing marginalized sections of society and paying them fair wages, she is contributing to social welfare and inclusivity, which aligns with broader societal goals beyond just organizational profitability or personal gain.

Ques 203. Following are the techniques suggested by Taylor.

- (A) Motion Study

- (B) Time Study**
- (C) Cooperation, not Individualism**
- (D) Harmony not Discord**
- (E) Fatigue Study**

Choose the correct answer from the options given below :

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

Solu. The correct answer is (4) (A), (B), and (C) Only. These techniques are associated with Frederick Taylor's principles of scientific management. They include Motion Study (A), Time Study (B), and Cooperation, not Individualism (C).

Ques 204. Ravi, the Sales Manager of Global Limited, never listens to others regarding sales policies, he think that he only is qualified to evaluate, judge and decide policies related to sales decisions. This leads to conflict among him and other departmental heads. So coordination is required to reconcile the differences between Ravi and other departmental heads.

Which importance of coordination is referred to in above case.

- (1) Growth in size**
- (2) Functional Differentiation**
- (3) Specialisation**
- (4) Increasing Efficiency**

Solu. The importance of coordination referred to in the above case is (2) Functional Differentiation. Functional differentiation refers to the division of tasks and responsibilities among various departments or individuals within an organization. In this case, Ravi, the Sales Manager, is operating independently without considering input from other departmental heads, leading to conflict. Coordination is needed to reconcile these differences and ensure that each department's goals align with the overall objectives of the organization.

Ques 205. LPG Model means

- (1) Liberty, Poverty, Globalisation**
- (2) Liberty, Privatisation, Globalisation**
- (3) Labour, Products and Goods**
- (4) Liberalisation, Privatisation and Globalisation**

Solu. The correct answer is (4) Liberalisation, Privatisation, and Globalisation (LPG) Model. This model refers to a set of policies that many governments around the world adopted, especially in the late 20th century, aimed at liberalizing their economies, privatizing state-owned enterprises, and integrating their economies into the global market.

Ques 206. _____ means the integration of the various economies of the world leading towards the emergence of a cohesive global economy.

- (1) Privatisation**
- (2) Industrialisation**
- (3) Globalisation**
- (4) Liberalisation**

Solu. The correct term for the integration of various economies of the world leading towards the emergence of a cohesive global economy is (3) Globalisation. Globalisation involves the increasing interconnectedness and interdependence of countries through the exchange of goods, services, capital, technology, and ideas on a global scale.

Ques 208. Following is not a part of Globalisation.

- (1) Integration of various economies of the world**
- (2) Increased level of interaction and interdependence among various nations**
- (3) No physical geographical gap or political boundaries**
- (4) Restrictions on import**

Solu. The correct answer is (4) Restrictions on import. Globalisation typically involves the reduction or elimination of barriers to international trade, including restrictions on imports. Therefore, restrictions on imports would not be considered a part of globalisation; rather, they would be contrary to its principles.

Ques 209. Arrange the steps of Planning process in the correct sequence.

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

Choose the correct answer from the options given below :

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

Solu. The correct sequence for the steps of the planning process is:

- (1) (A), (B), (C), (D), (E)
- So, the correct answer is (4).

Ques 210. "In spite of all efforts, company may fail to achieve dominant position in the market by the end of the next financial year". Which limitation of the function of management, is referred in the above statement.

- (1) Leads to Rigidity
- (2) Reduces Creativity
- (3) Time Consuming
- (4) Does not guarantee success

Solu. The limitation of the function of management referred to in the statement is (4) Does not guarantee success. This limitation acknowledges that even with thorough planning, organizing, leading, and controlling, there is no guarantee of achieving the desired outcomes or dominant position in

the market. Management functions provide frameworks and tools to improve the likelihood of success, but external factors and uncertainties can still impact results.

Ques 212. Identify the elements of delegation.

- (A) Authority**
- (B) Centralisation**
- (C) Decentralisation**
- (D) Accountability**
- (E) Responsibility**

Choose the correct answer from the options given below:

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

Solu. The correct elements of delegation are:

- (A) Authority
- (D) Accountability
- (E) Responsibility

So, the correct answer is (4) (A), (D), and (E) Only.

Ques 213. Identify which of the following concept arises from formal position.

- (1) Authority**
- (2) Responsibility**
- (3) Accountability**
- (4) Power**

Solu. The concept that arises from formal position is (1) Authority. Authority is the right to give orders and the power to exact obedience, typically arising from one's official position within an organization.

Ques 214. Which of the following statement is 'correct?'

- (1) Formal organisations are quicker in decision making**

- (2) Formal organisations are flexible**
- (3) Formal organisations emphasizes on work rather than interpersonal relationships**
- (4) Formal organisations are formed on its own**

Solu. The correct statement is:

- (3) Formal organisations emphasize on work rather than interpersonal relationships.**

Formal organizations typically prioritize efficiency and achieving organizational goals over personal relationships among employees.

Ques 215. Accountability arises from:

- (1) Delegated authority**
- (2) Responsibility**
- (3) Formal position**
- (4) Obligation to perform an assigned task**

Solu. Accountability arises from:

- (2) Responsibility**

Responsibility entails the obligation to perform an assigned task, and accountability refers to answerability for the outcomes of one's responsibilities. Therefore, accountability arises from responsibility.

Ques 216. Rearrange the staffing process in proper sequence:

- (A) Training and Development**
- (B) Performance Appraisal**
- (C) Placement and Orientation**
- (D) Promotion and Career planning**
- (E) Compensation**

Choose the correct answer from the options given below :

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

Solu. The correct sequence for the staffing process is:

- (C) Placement and Orientation
- (A) Training and Development
- (B) Performance Appraisal
- (D) Promotion and Career Planning
- (E) Compensation

So, the correct answer is (4) (C), (A), (B), (D), (E).

Ques 218. "Workload Analysis" and "Workforce Analysis" are two aspects of an important step in staffing process. Identify that step.

- (1) Recruitment
- (2) Selection
- (3) Placement and Orientation
- (4) Estimating the manpower requirements

Solu. "Workload Analysis" and "Workforce Analysis" are typically associated with the step of (4) Estimating the manpower requirements in the staffing process. This step involves assessing the quantity and quality of human resources needed to accomplish organizational goals effectively.

Ques 220. Arrange the following needs of an individual as per Maslow's Need Hierarchy theory.

- (A) Status
- (B) Hunger
- (C) Friendship
- (D) Stability of Income
- (E) Self fulfilment

Choose the correct answer from the options given below :

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

Solu. Maslow's Hierarchy of Needs arranges needs in the following order from the most basic to the highest level:

- (B) Hunger (Physiological needs)
 - (D) Stability of Income (Safety needs)
 - (A) Status (Esteem needs)
 - (C) Friendship (Social needs)
 - (E) Self-fulfillment (Self-actualization needs)
- So, the correct answer is (2) (B), (D), (A), (C), (E).

Ques 221. By which function, managers at all levels can ensure that activities are being performed as per the plans ?

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

Solu. Managers at all levels can ensure that activities are being performed as per the plans through the function of (2) Controlling. Controlling involves monitoring performance, comparing it with goals, and taking corrective action as needed to ensure that activities are aligned with plans and objectives.

Ques 222. Which is not the traditional technique of controlling?

- (1) Personal Observation
- (2) Statistical Reports
- (3) Ratio Analysis
- (4) Budgetary Control

Solu. Out of the listed options, Ratio Analysis is not a traditional technique of controlling.

Here's why:

- Traditional Techniques: These techniques have been used for a long time in management to ensure goals are being met and identify areas needing improvement. They often focus on direct observation, data collection, and comparisons with set plans or standards.
- Ratio Analysis: While valuable for understanding a company's financial health and performance, it's a more modern technique that

goes beyond basic control functions. Ratio analysis involves calculating and interpreting various ratios based on financial statements to assess profitability, liquidity, solvency, and efficiency. Therefore, the answer is (3) Ratio Analysis.

Ques 223. Arrange the following steps of controlling in a sequence:

(A) Analysing deviations

(B) Setting performance standards

(C) Taking corrective action

(D) Comparing actual performance with standards

(E) Measurement of actual performance

Choose the correct answer from the options given below :

(1) (B), (E), (A), (D), (C)

(2) (A), (B), (C), (D), (E)

(3) (B), (E), (D), (A), (C)

(4) (A), (B), (D), (C), (E)

Solu. The correct sequence for controlling processes is:

1. Setting performance standards (B): This involves defining what good performance looks like for a specific task or process.
2. Measurement of actual performance (E): This involves collecting data on how the task or process is actually being performed.
3. Comparing actual performance with standards (D): This involves analyzing the collected data to see if it meets the established standards.
4. Analysing deviations (A): If there are any discrepancies between actual performance and standards, this step involves identifying the cause of the difference.
5. Taking corrective action (C): If deviations are found, this step involves taking steps to address the root cause and improve performance.

Therefore, the correct answer is (1) (B), (E), (A), (D), (C).

Ques 224. Which technique of controlling is used to determine the probable profit and losses at different levels of activity.

- (1) Statistical reports
- (2) Personal observation
- (3) Breakeven analysis
- (4) Budgetary control

Solu. The technique of controlling used to determine the probable profit and losses at different levels of activity is (3) Breakeven analysis. Breakeven analysis helps identify the level of sales at which total revenue equals total costs, resulting in neither profit nor loss. It is useful for decision-making and assessing the financial viability of various levels of activity.

Ques 226. If a company's ROI is 7.8% and total investment is 30 lakhs, then what will be EBIT ?

- (1) ₹2,38,000
- (2) ₹2,40,000
- (3) ₹2,34,000
- (4) ₹ 4,00,000

Solu. calculate the EBIT (Earnings Before Interest and Taxes) based on the given information:

1. ROI (Return on Investment) Formula:

ROI is calculated as: $ROI = EBIT / \text{Total Investment}$

2. Rearrange the Formula for EBIT:

To solve for EBIT, we can rearrange the formula as follows:

$EBIT = ROI * \text{Total Investment}$

3. Plug in the Values:

- ROI = 7.8% (convert to decimal: $7.8/100 = 0.078$)
- Total Investment = 30 lakhs (1 lakh = 100,000 rupees) = $30 * 100,000$ rupees = 3,000,000 rupees

4. Calculate EBIT:

$EBIT = 0.078 * 3,000,000$ rupees = 234,000 rupees

Therefore, the EBIT of the company is ₹234,000 (option 1).

Ques 227. Identify the concept that refer to the difference between current assets and current liabilities.

- (1) Gross working capital**
- (2) Working capital**
- (3) Net working capital**
- (4) Fixed capital**

Solu. The concept that refers to the difference between current assets and current liabilities is (3) Net working capital. Net working capital represents the liquidity available to a company for day-to-day operations and is calculated as current assets minus current liabilities.

Ques 228. Choose the factors affecting capital structure

- (A) Risk Consideration**
- (B) Nature of business**
- (C) Cost of debt**
- (D) Growth prospects**
- (E) Flexibility**

Choose the correct answer from the options given below :

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

Solu. The factors affecting capital structure include:

- (A) Risk Consideration**
- (B) Nature of business**
- (C) Cost of debt**
- (D) Growth prospects**

So, the correct answer is (1) (A), (B), (C), and (D) Only.

Ques 229. Answer after reading following about Treasury Bill.

- (A) A Treasury bill is an instrument of short term borrowing by the Government of India**
- (B) The maturity period of a Treasury bill is more than one year**

- (C) Treasury bills are also known as Zero Coupon Bonds**
- (D) Treasury bills are available for a minimum amount of ₹20,000.**
- (E) Treasury bills are issued at a price which is lower than their face value and repaid at par.**

Choose the correct answer from the options given below :

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

Solu. The correct statements about Treasury Bills are:

- (A) A Treasury bill is an instrument of short-term borrowing by the Government of India.
- (E) Treasury bills are issued at a price which is lower than their face value and repaid at par.

So, the correct answer is (4) (A), (B), and (E) Only.

Ques 230. Which is a Development function of SEBI :-

- (1) Registration of Mutual Funds**
- (2) Training of intermediaries of the securities market**
- (3) Regulation of takeover bids by companies**
- (4) Controlling insider trading**

Solu. The development function of SEBI involves initiatives aimed at promoting and fostering the growth and development of the securities market. Among the options provided, the function that aligns with this objective is:

- (1) Registration of Mutual Funds

SEBI's role in registering and regulating mutual funds contributes to the development of the securities market by providing investors with access to diverse investment opportunities and enhancing investor protection.

Ques 231. Which of the following is not the objective of SEBI ?

- (1) To Regulate Stock Exchange and Securities Industry.**
- (2) To Protect the rights and interests of Investors**

(3) To Prevent trade Malpractices

(4) To Spread mechanism for Pricing of Securities

Solu. The objective that is not associated with SEBI is:

(4) To Spread mechanism for Pricing of Securities

SEBI primarily focuses on regulating and overseeing the securities market, protecting the rights of investors, and preventing malpractices. While it indirectly influences pricing mechanisms through its regulatory functions, its explicit objective is not to spread mechanisms for pricing of securities.

Ques 232. Arrange the following steps involved in the screen based trading for buying and selling of securities.

(A) Broker goes online, connects with stock exchange and matches the share with best price available.

(B) Approach a registered broker or sub-broker

(C) Placement of order with broker

(D) Open a demat account with depository participant.

(E) After shares are bought/sold, communication to broker's terminal and order executed.

Choose the correct answer from the options given below :

(1) (B), (D), (A), (C), (E)

(2) (D), (B), (A), (C), (E)

(3) (C), (A), (B), (D), (E)

(4) (B), (D), (C), (A), (E)

Solu. The correct sequence of steps involved in screen-based trading for buying and selling securities is:

(B) Approach a registered broker or sub-broker

(D) Open a demat account with depository participant

(A) Broker goes online, connects with stock exchange and matches the share with best price available

(C) Placement of order with broker

(E) After shares are bought/sold, communication to broker's terminal and order executed

So, the correct answer is (4) (B), (D), (C), (A), (E).

Ques 233. Read the following and select what is marketed?

'Visit Agra-'City of Love', 'Udaipur'- 'The City of Lakes', 'Mysore- 'The City of Gardens'

- (1) Product**
- (2) Persons**
- (3) Place**
- (4) Information**

Solu. The marketed item in the given statement is:

- (3) Place**

Ques 234. "The size and shape of the package should be such that it should be convenient to open and handle', Which function of packaging is this statement denoting?

- (1) Product Identification**
- (2) Facilitating the use of Product**
- (3) Product Protection**
- (4) Product Promotion**

Solu. The statement "The size and shape of the package should be such that it should be convenient to open and handle" primarily denotes:

- (2) Facilitating the use of Product**

Ques 235. The various terms related to branding includes ?

- (A) Brand**
- (B) Brand Name**
- (C) Brand Mark**
- (D) Brand Signal**
- (E) Trade Mark**

Choose the correct answer from the options given below :

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

Solu. The various terms related to branding include:

- (A) Brand
- (B) Brand Name
- (C) Brand Mark
- (E) Trade Mark

So, the correct answer is:

- (4) (A), (B), (C) and (E) Only

Ques 236. Identify the benefits, which is not availed by a customer while purchasing a product:-

- (1) Functional Benefits
- (2) Psychological Benefits
- (3) Saving Benefits
- (4) Social Benefits

Solu. The benefit not directly availed by a customer while purchasing a product is:

- (3) Saving Benefits

Ques 237. Who can not file a complaint before the appropriate consumer forum?

- (1) Central Government
- (2) State Government
- (3) National Commission
- (4) A registered consumer's organisation.

Solu. The entity that cannot file a complaint before the appropriate consumer forum is:

- (2) State Government

Ques 238. As per Consumer Protection Act 2019, Under which right, consumer get relief against unfair trade practices :-

- (1) Right to be heard

- (2) Right to Seek redressal**
- (3) Right to be assured**
- (4) Right to safety/Right to be protected**

Solu. Under the Consumer Protection Act 2019, the right under which consumers get relief against unfair trade practices is:

- (2) Right to Seek redressal

Ques 239. As per Consumer Protection Act 2019, Under which right, the consumer has the freedom to access variety of products at competitive prices :-

- (1) Right to Consumer Education**
- (2) Right to be informed**
- (3) Right to be assured**
- (4) Right to be heard**

Solu. The right under which the consumer has the freedom to access a variety of products at competitive prices is:

- (2) Right to be informed

Ques 240. _____ refers to a composite of knowledge, skills and host of psychological attributes in a person that mark his/her effectiveness

- (1) Competence**
- (2) Values**
- (3) Attitudes**
- (4) Persistence**

Solu. The term that refers to a composite of knowledge, skills, and a host of psychological attributes in a person that mark his/her effectiveness is:

- (1) Competence

**Ques 241. Read the following case study and answer the question :
Ramu is very hungry since he did not have breakfast in the morning. By 1.00 P.M., he became restless and started walking on the road in search of a hotel for snacks or meals.**

After walking for 2kms, he could find a hotel where roti and dal was available for 10. Since he had only 15 in pocket, he paid 10 and had a satisfying meal. After taking a meal, he felt that he had regained energy.

Identify the concept that leads to generation of search behaviour?

- (1) Unsatisfied Need**
- (2) Tension**
- (3) Hunger**
- (4) Drives**

Solu. The concept that leads to the generation of search behavior in this case study is:

- (1) Unsatisfied Need**

Ques 242. The element of Directing to which above case study is related to, do have various importance.

Select out of following, which is not its importance.

- (1) Improve performance of Employee**
- (2) Reduce employee turnover**
- (3) Either positive or Negative**
- (4) Reduce absenteeism**

Solu. The element of Directing in the case study may have various importance, and one of these is not its importance. The one that is not its importance is:

- (3) Either positive or Negative**

Ques 243. Identify the need of Ramu that is satisfied after taking meal.

- (1) Basic Physiological Need**
- (2) Safety Need**
- (3) Belonging Need**
- (4) Self Actualisation Need**

Solu. The need of Ramu that is satisfied after taking a meal is:

(1) Basic Physiological Need

Ques 244. Select the concept that leads to Ramu's reduction of tension.

- (1) Hunger
- (2) Meal
- (3) Search Behaviour
- (4) Satisfied Need

Solu. The concept that leads to Ramu's reduction of tension is:

(2) Meal

Ques 245. Ramu after having meal, is satisfied now. How it will impact him?

- (1) Helps to improve performance
- (2) Leads to contribute minimum efforts
- (3) Helps in motivating himself to take another meal
- (4) Helps in changing his present organisation.

Solu. The impact of Ramu being satisfied after having a meal would likely be:

(1) Helps to improve performance

Read the following case study and answer:

Mr. Anil is working in an MNC as a production manager. Mr. Rajat is working under him who is responsible for ordering raw material for the firm. Mr. Anil always takes care of his subordinates, but gives priority to organisational objectives. All the subordinates obey the orders of Mr. Anil. They are self-motivated to take steps.

Ques 246. At which level of management, Mr. Anil is working?

- (1) Top level
- (2) Middle level
- (3) Lower Level

(4) Operational level

Solu. Mr. Anil, who is working as a production manager and responsible for overseeing the production process and supervising employees like Mr. Rajat, who is in charge of ordering raw materials, is operating at the:
(2) Middle level of management.

Ques 247. Identify the Principle of management that represent the formal lines of authority between Mr. Anil and Mr. Rajat.

- (1) Equity**
- (2) Scalar Chain**
- (3) Subordination of individual interests to general interest**
- (4) Gang Plank**

Solu. The Principle of Management that represents the formal lines of authority between Mr. Anil and Mr. Rajat is:
(2) Scalar Chain

Ques 248. "Mr. Anil always takes care of his employees but gives priority to organisational objectives" Identify the principle of management followed by Mr. Anil.

- (1) Espirit De Corps**
- (2) Stability of personnel**
- (3) Subordination of individual interest to general interest**
- (4) Discipline**

Solu. The principle of management followed by Mr. Anil, which emphasizes giving priority to organizational objectives while still taking care of his employees, is:
(3) Subordination of individual interest to general interest

Ques 249. "All the subordinates obey the order of Mr. Anil." Which Principle of Management is reflected by the above statement?

- (1) Unity of Command**
- (2) Discipline**

(3) Authority and Responsibility

(4) Espirit De Corps

Solu. The principle of management reflected by the statement "All the subordinates obey the orders of Mr. Anil" is:

(1) Unity of Command

Ques 250. "All the subordinates of Mr. Anil are self-motivated to take steps" Identify the principle of management reflected from above statement.

(1) Initiative

(2) Espirit De Corps

(3) Division of work

(4) Scalar Chain

Solu. The principle of management reflected by the statement "All the subordinates of Mr Anil are self-motivated to take steps" is:

(1) Initiative
