

# CUET (UG) Exam Paper 2024

National Testing Agency

**BUSINESS STUDIES**

Section-II

Time Allowed: 45 Mins.

Maximum Marks: 200

## General Instructions :

- (i) This paper consists of 50 MCQs, attempt any 40 out of 50 .
- (ii) Correct answer or the most appropriate answer: Five marks (+5) .
- (iii) Any incorrect option marked will be given minus one mark (– 1) .
- (iv) Unanswered/Marked for Review will be given no mark (0) .
- (v) If more than one option is found to be correct then Five marks (+5) will be awarded to only those who have marked any of the correct options .
- (vi) If all options are found to be correct then Five marks (+5) will be awarded to all those who have attempted the question .
- (vii) If none of the options is found correct or a Question is found to be wrong or a Question is dropped then all candidates who have appeared will be given five marks (+5).
- (viii) Calculator / any electronic gadgets are not permitted .

## Section - A

### Business Studies

1. Identify the Principle of Management where Taylor pioneered the introduction of method of scientific inquiry into the domain of management practice.

- (1) Science, not rule of thumb
- (2) Harmony not discord
- (3) Cooperation, not individualism
- (4) Development of each and every person to the greatest efficiency and prosperity.

Ans. Option (1) is correct.

#### Explanation:

Frederick Winslow Taylor's "Science, not the Rule of Thumb" principle emphasises scientific methods for efficient tasks, focusing on systematic study, standardisation, elimination of guesswork, and data-driven decisions. This approach revolutionised management practices by enhancing efficiency and productivity through scientific inquiry.

2. Match List-I with List-II on the basis of Management Principles:

List-I		List-II	
A.	Obedience to organisational rules	I.	Unity of direction
B.	One boss for every individual employee	II.	Remuneration of employees
C.	One head and one plan	III.	Discipline
D.	Remuneration should be just and equitable	IV.	Unity of command

Choose the correct answer from the options given below :

- (1) (A)- (I), (B)- (II), (C)- (III), (D)- (IV)
- (2) (A) - (I), (B) - (III), (C) - (II), (D) - (IV)
- (3) (A) - (I), (B) - (II), (C) - (IV), (D) - (III)
- (4) (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Ans. Option (4) is correct.

#### Explanation:

Obedience to organisational rules-The discipline principle emphasises the importance of employees adhering to organisational rules and regulations.

One boss for every individual employee-This principle ensures clear communication and prevents confusion, as employees are not subjected to conflicting instructions from multiple supervisors.

One head and one plan-This principle ensures coordinated efforts and a unified approach towards achieving the organisational goals.

Remuneration should be just and equitable-Adequate remuneration is essential to motivate employees, ensuring that they feel valued and fairly rewarded for their contributions to the organisation.

3. The aim of which technique given by F.W. Taylor is to reduce a given line or a product to fixed types, sizes and characteristics?

- (1) Method study
- (2) Time study
- (3) Standardisation of work
- (4) Functional foremanship

Ans. Option (3) is correct.

**Explanation:**

F.W. Taylor's technique of standardising work aims to reduce variability and ensure consistency in production processes. This involves creating standardised procedures, tools and practices to minimise variations and meet consistent quality standards. Standardisation improves efficiency, reduces waste, enhances productivity and streamlines operations. It also simplifies employee training and quality control, ensuring each product adheres to predetermined specifications.

4. Match **List-I** with **List-II** on the basis of Management Principles:

List-I (Meaning)		List-II (Term)	
A.	Employees turnover should be minimised	I.	Stability of personnel
B.	Emphasises kindness and justice	II.	Equity
C.	Chain of authority and communication from top to bottom	III.	Espirit de corps
D.	Promotes team spirit	IV.	Scalar chain

Choose the correct answer from the options given below:

- (1) (A) - (I), (B) - (II), (C) - (III), (D) - (IV)  
(2) (A)- (I), (B) - (III), (C) - (II), (D) - (IV)  
(3) (A)- (I), (B) - (II), (C) - (IV), (D) - (III)  
(4) (A) - (III), (B)- (IV), (C) - (I), (D) - (II)

Ans. Option (3) is correct.

**Explanation:**

Employee turnover should be minimised – Stability of personnel principle emphasises the importance of reducing employee turnover to maintain a stable workforce.

Emphasises kindness and justice – The equity principle highlights the importance of treating employees with fairness, kindness, and justice. Chain of authority and communication from top to bottom – The scalar chain represents a clear line of authority and communication in an organisation, extending from the highest to the lowest ranks.

Promotes team spirit – Esprit de corps encourages collaboration, boosts morale, and enhances overall productivity by promoting a sense of belonging and mutual support.

5. Under which dimension of business environment is "Online Booking of Air Tickets" included?  
(1) Legal dimension (2) Economic dimension  
(3) Technical dimension (4) Social dimension

Ans. Option (3) is correct.

**Explanation:**

The technical dimension of the business environment encompasses technological advancements and innovations that impact operations. Online air ticket booking, a prime example, relies on the internet and digital

platforms, enabling airlines to offer a seamless, efficient and cost-effective travel experience for both airlines and passengers, making the booking process faster and more accessible.

6. Which of the following is an example of economic environment?  
(1) Money supply in economy  
(2) Constitution of the country  
(3) Life expectancy  
(4) Population shifts

Ans. Option (1) is correct.

**Explanation:**

The economic environment encompasses external factors influencing consumer and business behaviour, including the money supply, which directly impacts interest rates, inflation, and economic activity. The constitution of a country, life expectancy, and population shifts play a role in shaping the legal and political framework of a country. These factors collectively influence consumer spending, business investment and overall economic growth.

7. Which of the following is an example of legal environment?  
(1) Death/Birth Ratio  
(2) Trade Union Act  
(3) Prevailing Political System  
(4) Public Debt

Ans. Option (2) is correct.

**Explanation:**

The legal environment encompasses the legal framework governing businesses and organisations, including legislation, precedents and regulatory bodies. The Trade Union Act is an example of this, governing trade union formation, registration, rights and responsibilities. The legal environment is influenced by demographic factors, political systems and public debt.

8. Which of the following does not characterise business environment?  
(1) Inter-related  
(2) External forces  
(3) Market orientation and product  
(4) Relativity

Ans. Option (3) is correct.

**Explanation:**

Characteristics of the business environment are:

1. Totality of external forces
2. Specific and general forces
3. Interrelatedness
4. Uncertainty
5. Dynamic nature
6. Relativity
7. Complexity

9. Identify the correct sequence of steps under the Planning function:

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

Choose the correct answer from the options given below:

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

Ans. Option (2) is correct.

**Explanation:**

The planning function involves setting objectives, developing premises, identifying alternative courses of action and evaluating them to determine the most feasible and effective course of action. This initial step defines goals or targets, while the subsequent steps involve making assumptions about future conditions and assessing the alternatives.

10. Identify the correct sequence of Selection process:

(A) Selection decision  
(B) Employment interview  
(C) Selection tests  
(D) Reference checking

Choose the correct answer from the options given below:

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

Ans. Option (4) is correct.

**Explanation:**

The selection process involves several steps, including selection tests, interviews, reference checking and a selection decision. These tests measure a candidate's suitability for the job, narrowing down the pool of applicants. Interviews assess interpersonal skills, cultural fit and other subjective qualities. Reference checks verify the candidate's work history, skills and performance. After gathering all the information, the employer makes a selection decision, choosing the best candidate for the job and extending an employment offer.

11. "It is a joint programme of training in which educational institutions and business firms cooperate." Identify the method of training.

(1) Vestibule training  
(2) Apprenticeship training  
(3) Internship training  
(4) Job rotation

Ans. Option (3) is correct.

**Explanation:**

Internship training is a collaborative educational programme where students work in a business or organisation for a specific period, gaining practical experience and skills relevant to their field. It bridges the

gap between education and employment, enhances skills, builds professional networks, allows career exploration and enhances resumes. Businesses benefit from internships by gaining fresh perspectives, recruiting talented individuals and fulfilling corporate social responsibility by contributing to future professional education.

12. Match List-I with List-II on the basis of meaning and name of the concept:

List-I		List-II	
A.	Choosing the most appropriate candidate	I.	Selection
B.	Candidate is given an introduction to superiors	II.	Orientation
C.	Learning the skills related to a job	III.	Recruitment
D.	Searching for prospective employees	IV.	Training

Choose the correct answer from the options given below:

(1) (A) - (I), (B) - (II), (C) - (III), (D) - (IV)  
(2) (A) - (I), (B) - (III), (C) - (II), (D) - (IV)  
(3) (A) - (I), (B) - (II), (C) - (IV), (D) - (III)  
(4) (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Ans. Option (3) is correct.

**Explanation:**

The process of selecting the most suitable candidate involves evaluating candidates through interviews and tests. Orientation introduces the candidate to the organisation and its culture, ensuring they feel welcomed. Training teaches employees the necessary skills for their jobs, including on-the-job training and educational programmes. Recruitment is the process of identifying, attracting and encouraging potential candidates to apply for job vacancies, generating interest in the company's employment opportunities.

13. Which of the following is a process of incitement or inducing subordinates to act in a desired manner to achieve organisational goals?

(1) Motivation      (2) Supervision  
(3) Leadership      (4) Communication

Ans. Option (1) is correct.

**Explanation:**

Motivation is the process of encouraging individuals to achieve specific goals in an organisation. It involves providing incentives, recognition, and creating a positive work environment. Effective motivation boosts morale, productivity and job satisfaction by understanding individual needs and using techniques like rewards and clear communication.

14. Find the correct sequence of needs as given by Maslow in his Need Hierarchy Theory.

(A) Belongingness needs  
(B) Safety and Security needs  
(C) Self-actualisation needs  
(D) Esteem needs

Choose the correct answer from the options given below:

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

Ans. Option (3) is correct.

**Explanation:**

Maslow's hierarchy of needs is a psychological theory that outlines a hierarchy of human needs. It consists of physiological needs, safety and security needs, which include a stable environment, belongingness and love needs, esteem needs and self-actualisation needs. These needs are fulfilled in a specific order, with safety and security needs being second after daily needs, i.e., physiological needs. The theory is often represented as a pyramid, illustrating that individuals must satisfy lower-level needs before focusing on higher-level needs.

15. .... is a process of influencing the behaviour of people by making them strive voluntarily towards achievement of organisational goals.

(1) Motivation      (2) Supervision  
(3) Leadership      (4) Communication

Ans. Option (3) is correct.

**Explanation:**

Leadership involves guiding individuals or groups towards achieving goals, providing direction, setting expectations and facilitating teamwork. Effective leadership inspires trust, motivates and coordinates efforts towards the organisation's objectives.

16. Which of the following is not a limitation of Controlling?

(1) Costly affair  
(2) Resistance from employees  
(3) Ensure order and discipline  
(4) Little control on external factors

Ans. Option (3) is correct.

**Explanation:**

Controlling monitors and evaluates performance to meet goals and take corrective actions, but it doesn't directly ensure order or discipline, which are more related to management and organisational culture.

17. Identify the correct sequence of Controlling process:

(A) Analysing deviations  
(B) Measurement of actual performance  
(C) Setting up standards  
(D) Comparison of actual performance with standards

Choose the correct answer from the options given below:

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

Ans. Option (4) is correct.

**Explanation:**

The controlling process involves setting up standards, measuring actual performance, comparing it with predetermined standards, and analysing deviations. Standards serve as benchmarks for evaluating performance, while actual performance is measured by collecting data on tasks, processes, or individuals. Differences between planned and actual performance are compared, and deviations are analysed to understand their reasons. This process helps organisations control operations, make informed decisions, and take corrective actions to achieve goals efficiently.

18. "Only a 5% increase in labour cost may be more troublesome than a 15% increase in postal charges" Identify the concept pointed out in the statement.

(1) Deviation      (2) Critical point control  
(3) Break-even analysis      (4) Critical path method

Ans. Option (2) is correct.

**Explanation:**

Critical point control is a process management technique that focuses on monitoring key areas where deviations can significantly impact the outcome. It helps identify and prioritise the most impactful variables in a process, ensuring that changes are made to these areas to maintain efficiency and cost-effectiveness.

19. Identify the function performed by Financial Market from the following statement:

"Holders of assets can readily sell their financial assets through the mechanism of the financial market."

(1) Reduce the cost of transactions  
(2) Provide liquidity to financial assets  
(3) Facilitate price discovery  
(4) Mobilisation of savings and channelising them into the most productive uses

Ans. Option (2) is correct.

**Explanation:**

Financial markets provide liquidity to financial assets by enabling holders to sell their assets quickly and easily. They offer a platform for buyers and sellers to trade assets like stocks and bonds, reducing transaction costs, facilitating price discovery based on supply and demand dynamics and mobilising savings for productive uses. The primary function of financial markets is to facilitate economic growth by facilitating the sale of financial assets.



20. If any of the parties are not satisfied by the order of ..... they can appeal against such order to the State Commission on the grounds of facts or law within a period of forty-five days from the date of order.

(1) District Commission (2) State Commission  
(3) National Commission (4) Local Court

Ans. Option (1) is correct.

**Explanation:**

The Consumer Protection Act in India has a consumer dispute redressal system divided into three levels: the District Commission, State Commission and National Commission. The District Commission allows consumers to file complaints and appeals if dissatisfied. The State Commission hears appeals within 45 days and can review facts and law. The National Commission is the highest level for appeals against State Commission orders.

21. Identify the importance of consumer protection discussed in the following lines –

"Business organisations make money by selling goods and providing services to consumers. Thus, consumers form an important group among the many stakeholders of business and like other stakeholders, their interest has to be well taken care of."

(1) Moral justification  
(2) Business uses society's resources  
(3) Social responsibility  
(4) Long-term interest of business

Ans. Option (3) is correct.

**Explanation:**

Businesses have social responsibilities towards various interest groups. They earn money by selling goods and services to consumers, making consumers an important stakeholder group. Like other stakeholders, businesses must ensure they take care of consumers' interests effectively.

22. Identify the Consumer Right– "The consumer has the freedom to access variety of products at competitive prices. This implies that the marketers should offer a wide variety of products in terms of quality, brand, prices, size, etc."

(1) Right to Safety  
(2) Right to Seek Redressal  
(3) Right to be Assured  
(4) Right to Consumer Education

Ans. Option (3) is correct.

**Explanation:**

The "Right to be Assured" is a fundamental consumer right that guarantees access to a variety of products that meet their needs and preferences. It includes access to variety, competitive pricing, quality and brand assurance and consumer education.

Consumers should be able to choose from a variety of products that cater to their tastes, preferences and needs, and ensure products meet established standards of quality and reliability. This promotes a fair marketplace where consumer interests are protected.

23. Identify the method of floatation in Primary Market wherein a company sells securities en bloc at an agreed price to a broker.

(1) Rights issue  
(2) Offer for sale  
(3) e-IPOs  
(4) Offer through Prospectus

Ans. Option (2) is correct.

**Explanation:**

Under this method securities are not issued directly to the public but are offered for sale through intermediaries like issuing houses or stock brokers. In this case, a company sells securities en bloc at an agreed price to brokers who, in turn, resell them to the investing public.

24. Match List-I with List-II on the basis of meaning and the term:

List-I (Meaning)		List-II (Term)	
A.	Right to command	I.	Answerability
B.	Obligation to perform task	II.	Delegation
C.	Accountability	III.	Authority
D.	Basis of management hierarchy	IV.	Responsibility

Choose the correct answer from the options given below:

(1) (A) - (I), (B) - (II), (C) - (III), (D) - (IV)  
(2) (A) - (I), (B) - (III), (C) - (II), (D) - (IV)  
(3) (A) - (I), (B) - (II), (C) - (IV), (D) - (III)  
(4) (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Ans. Option (4) is correct.

**Explanation:**

Authority is the power to command, make decisions and enforce obedience within an organisation. Responsibility is the obligation to perform tasks satisfactorily and be answerable for their success. Accountability is the obligation to justify actions and decisions to higher authorities. Delegation is the process of assigning authority and responsibility to subordinates, forming the basis of management hierarchy.

25. Identify the correct sequence of Organising function of management.

(A) Establishing authority and reporting relationships  
(B) Departmentalisation  
(C) Identification and division of work  
(D) Assignment of duties

Choose the correct answer from the options given below:

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

**Ans. Option (4) is correct.**

**Explanation:**

The organising function of management involves identifying and dividing tasks to achieve organisational goals, departmentalising activities based on similarity, assigning duties to individuals or groups, and establishing authority and reporting relationships. These steps help in efficient task allocation, coordination and decision-making within the organisation. By following these steps, managers can effectively organise resources, allocate tasks and establish a structure that supports the achievement of organisational objectives.

**26.** The formal organisation can be better understood by a study of its features which are as follows:

- (A) It specifies the relationships among various job positions and the nature of their inter-relationship. This clarifies who has to report to whom.
- (B) It is a means to achieve the objectives specified in the plans, as it lays down rules and procedures essential for their achievement.
- (C) Independent channels of communication without specified direction of flow of information are developed by group members.
- (D) It is deliberately designed by the top management to facilitate the smooth functioning of the organisation

Which of the following options are correct?

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

**Ans. Option (1) is correct.**

**Explanation:**

Formal organisations have a hierarchical structure, clearly defined roles and reporting relationships, and rules and procedures to achieve organisational goals. They are intentionally designed by top management to ensure efficiency, coordination and clarity in roles and responsibilities. Feature given in option 'C', which suggests independent channels of communication without specified direction, does not accurately describe a formal organisation, as it typically has structured communication channels with specified flows of information to maintain order and clarity.

**27.** The informal organisation offers many benefits. Important among them are given below:

- (A) Prescribed lines of communication are not followed. Thus, informal organisation leads to faster spread of information as well as quick feedback.

(B) It helps to fulfil the social needs of the members and allows them to find like minded people. This enhances their job satisfaction since it given them a sense of belongingness in the organisation.

(C) It contributes towards fulfilment of organisational objectives by compensating for inadequacies in the formal organisation.

(D) Unity of command is maintained through an established chain of command.

Choose the correct answer from the options given below:

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

**Ans. Option (2) is correct.**

**Explanation:**

Informal organisations offer benefits such as fast information spread, quick feedback, social needs and job satisfaction and compensation for organisational inadequacies. They allow for flexible communication, allowing employees to connect beyond their formal roles, build relationships and develop a sense of camaraderie. This complements formal structures, enhancing communication, social interaction and organisational adaptability, ultimately leading to better decision-making and problem-solving.

**28.** Identify the correct sequence of trading & settlement procedure:

- (A) The investor has to sign a broker client agreement.
- (B) The investor has to open a 'Demat' Account.
- (C) An order confirmation slip is issued to the investor by the broker.
- (D) The broker will then go online and connect to the main stock exchange.

Choose the correct answer from the options given below:

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

**Ans. Option (1) is correct.**

**Explanation:**

The investor first signs a broker client agreement (A) to establish a legal relationship with the broker.

Next, the investor opens a 'Demat' Account (B) to hold securities electronically.

The broker then confirms the investor's order with an order confirmation slip (C).

Finally, the broker executes the order by connecting to the main stock exchange online (D), completing the trading process.

**29.** The market where existing securities are bought and sold is known are .....

- (1) Primary market      (2) Secondary market
- (3) Capital market      (4) Financial market

**Ans. Option (2) is correct.**

**Explanation:**

The secondary market is a financial market where investors buy and sell securities issued in primary markets, such as IPOs. It facilitates liquidity, enables portfolio adjustments, manages risk and determines fair market value based on supply and demand dynamics.

**30.** Qualities of successful entrepreneur do not include:

- (1) Initiative
- (2) Self-confidence
- (3) Risk avoider
- (4) Wealth creators

**Ans. Option (3) is correct.**

**Explanation:**

Successful entrepreneurs often exhibit initiative, self-confidence and wealth creation, but risk-taking is often seen as necessary for innovation and growth, making them risk avoiders.

**31.** Identify the function performed by SEBI:

"It controls insider trading, takeover bids and imposes penalties for such practices."

- (1) Protective functions
- (2) Regulatory functions
- (3) Developmental functions
- (4) Preventive functions

**Ans. Option (1) is correct.**

**Explanation:**

SEBI's protective function involves controlling insider trading and takeover bids, and imposing penalties for such practices. Its overall objective is to protect investor interests and promote the development of the securities market. SEBI performs regulatory, development and protective functions, including preventing fraudulent trade practices, and promoting fair practices.

**32.** Financial management aims at choosing the best investment and financing alternatives by focusing on their costs and benefits. Its objective is to:

- (1) Increase the shareholder's wealth
- (2) Decrease the shareholder's wealth
- (3) Increase the shareholder's capital
- (4) Decrease the shareholder's capital

**Ans. Option (1) is correct.**

**Explanation:**

Financial management is the process of planning, organising, directing and controlling an organisation's financial activities to maximise shareholder wealth. This is achieved through investment decisions, financing decisions and dividend decisions. Financial managers select investment opportunities that generate higher returns compared to the cost of capital, thereby increasing profitability and stock value. They also determine the optimal mix of financing sources to minimise

capital costs and ensure adequate funds for growth and operations. This approach aligns shareholder interests with the organisation's long-term financial health and growth.

**33.** A proper matching of funds requirements and their availability is sought to be achieved by .....

- (1) Financial planning
- (2) Financial control
- (3) Capital budgeting
- (4) Investment decisions

**Ans. Option (1) is correct.**

**Explanation:**

Financial planning is a crucial process that involves analysing current financial situations, forecasting future needs and developing strategies to achieve financial goals. It involves assessing needs, forecasting, identifying sources, matching funds and monitoring performance. This iterative process ensures efficient meeting of obligations and goals, optimising financial resources.

**34.** Debt is ..... but is more ..... for a business because the payment of interest and the return of principal is obligatory for the business.

- (1) cheaper, risky
- (2) cheaper, safe
- (3) expensive, risky
- (4) expensive, safe

**Ans. Option (1) is correct.**

**Explanation:**

Debt is often cheaper than equity financing due to lower borrowing costs. However, it is riskier as businesses are obligated to make regular interest payments and repay the principal amount at maturity. Failure to meet these obligations can lead to financial distress or even bankruptcy.

**35.** "Coordination unifies unrelated interests into purposeful work activity." Identify the nature of coordination.

- (1) Coordination is an all pervasive function.
- (2) Coordination is a continuous process.
- (3) Coordination ensures unity of action.
- (4) Coordination integrates group efforts.

**Ans. Option (4) is correct.**

**Explanation:**

Coordination in management involves synchronising activities to ensure harmonious integration of individual efforts towards common objectives. It involves integrating group effort, ensuring seamless work across different parts of an organisation, avoiding conflicts and maximising synergy. Coordination is essential for aligning teams and departments' efforts towards organisational goals, bringing together collective efforts for unified action and outcomes.

- 36.** Akash Industries has installed a waste recycling plant in its premises and does not dump their waste material anymore. This plant is providing employment to many people. Identify the objective of management which the company is achieving by doing the aforesaid activity.

- (1) Social objective
- (2) Economic objective
- (3) Personal objective
- (4) Growth

**Ans. Option (1) is correct.**

**Explanation:**

The social objective of management involves achieving various objectives to ensure organisational success and positively impact society. This includes social responsibility, community impact and employment generation.

- 37.** "Management always works by keeping an end result or aim of the organisation. All activities of managers are directed towards the end result." From the above statement, identify the feature of management.

- (1) Management is multidimensional
- (2) Management is continuous
- (3) Management is intangible
- (4) Management is a goal oriented process

**Ans. Option (4) is correct.**

**Explanation:**

Management is a goal-oriented process, focusing on achieving specific objectives aligned with the organisation's mission and vision. This involves setting clear goals, aligning activities, measuring performance and continuously improving strategies to ensure success and effectiveness within the organisation.

- 38.** The key position of top-level management is .....

- (1) Managing Director
- (2) Production Manager
- (3) Marketing Manager
- (4) Plant Supervisor

**Ans. Option (1) is correct.**

**Explanation:**

Top-level management involves positions responsible for strategic direction, policy formulation and decision-making. The managing director, also known as the CEO or president, oversees company operations, setting goals, defining strategies, managing resources and ensuring long-term success and sustainability, making them the key position in the organisational hierarchy.

- 39.** Match List-I with List-II.

List-I		List-II	
A.	Intelligence test	I.	Indicator of a person's capacity to develop
B.	Aptitude test	II.	Clues to a person's emotions, values, etc.

C.	Personality test	III.	Measure existing skills of the individual
D.	Trade test	IV.	Indicator of a person's learning ability and ability to make judgement

Choose the correct answer from the options given below:

- (1) (A) - (I), (B) - (II), (C) - (III), (D) - (IV)
- (2) (A) - (IV), (B) - (I), (C) - (II), (D) - (III)
- (3) (A) - (II), (B) - (III), (C) - (I), (D) - (IV)
- (4) (A) - (I), (B) - (III), (C) - (IV), (D) - (II)

**Ans. Option (2) is correct.**

**Explanation:**

An intelligent test evaluates a person's cognitive abilities. It focuses on problem-solving, reasoning and abstract thinking. Aptitude tests measure a person's potential to develop skills in specific areas. Personality tests evaluate emotional traits, values, motivations and behavioural tendencies. Trade tests assess current skills in specific trades or occupations.

- 40.** Which of the following are advantages of functional structure of an organisation?

- (A) Leads to occupational specialisation
- (B) Places less emphasis on organisational objectives.
- (C) Promotes coordination and control within a department.
- (D) Increases operational efficiency.

Choose the correct answer from the option given below:

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

**Ans. Option (3) is correct.**

**Explanation:**

Functional structures group employees based on their expertise, enhancing productivity and effectiveness. This specialisation allows for deep knowledge development in specific areas, promoting coordination and control within departments. Additionally, functional structures increase operational efficiency by focusing on specific functions, resulting in economies of scale and reduced duplication of efforts.

**On the basis of the information given in the case, answer the next five questions.**

"Just Foodie" is a food chain offering different snacks like chips, biscuits, chocochip cookies, cakes, etc. through their own retail outlets. To make their products available to customers at right time, right place, they are also selling their products to grocery stores in addition to their own outlets. The taste, quality and packing are given almost care. They are offering good quality, so they are able to charge higher price than their competitors. To increase their sales, they



are using different offers like: Free gifts, Cash backs, etc. They are offering discounts to customers on various occasions. All these considerations have made "Just Foodie" a complete success and they are able to win over different competitors in the market, and their market share is rising continuously.

**41.** In the above case "Just Foodie" is using various variables of Marketing Mix. Identify the variable used in the following statement:

"To make their products available to customers at right time, right place, they are also selling their products to grocery stores in addition to their own outlets."

- (1) Product
- (2) Price
- (3) Promotion
- (4) Physical distribution

**Ans. Option (4) is correct.**

**Explanation:**

Just Foodie uses physical distribution to ensure their products are available at convenient locations, including grocery stores. This strategy involves selecting dealers or intermediaries, providing support through discounts and promotional campaigns, and managing inventory, storage, warehousing and transportation of goods from the production site to the buyer's location. This ensures the products are available at the right time and place for customers.

**42.** Identify the element of marketing mix in the following statement:

"The taste, quality and packing are given utmost Care."

- (1) Product mix
- (2) Price mix
- (3) Promotion mix
- (4) Physical distribution mix

**Ans. Option (1) is correct.**

**Explanation:**

Just Foodie emphasises the importance of quality, packaging and product line strategy in their marketing mix. They prioritise high standards of taste and quality, which directly impact customer satisfaction and brand reputation. Effective packaging not only protects the product but also influences consumer perception. The company offers a variety of snacks through its retail outlets and grocery stores, catering to different consumer preferences and increasing market reach.

**43.** "They are able to charge higher price than their competitors." Which element of marketing mix is discussed in the statement?

- (1) Product mix
- (2) Price mix
- (3) Promotion mix
- (4) Physical distribution mix

**Ans. Option (2) is correct.**

**Explanation:**

The price mix is a crucial aspect of marketing, aiming to set the right price for a product or service. In the case of Just Foodie, the company

has adopted a pricing strategy that allows them to charge higher prices than competitors. This strategy is based on superior quality, taste and packaging. The company also uses discounts, offers and promotions to attract and retain customers. This pricing strategy helps maintain a competitive edge and achieve higher profitability.

**44.** "To increase their sales, they are using different offers like: Free gifts, Cash backs, etc. They are offering discounts to customers on various occasions. Identify the marketing mix element from the above statement.

- (1) Product mix
- (2) Price mix
- (3) Promotion mix
- (4) Physical distribution mix

**Ans. Option (3) is correct.**

**Explanation:**

The promotion mix is a strategic approach a company uses to communicate with its target audience and influence their buying decisions. It includes advertising, sales promotion, public relations, personal selling and direct marketing. Advertising involves paid messages through various media, while sales promotion includes short-term incentives like free gifts and discounts. PR activities aim to build a positive image of the company, while personal selling involves direct communication between sales representatives and customers.

**45.** "To increase their sales, they are using different offers like: Free gifts, Cash backs, etc. They are offering discounts to customers on various occasions." Which tool of the promotion mix is used in the given statement?

- (1) Advertisement
- (2) Sales promotion
- (3) Personal selling
- (4) Publicity

**Ans. Option (2) is correct.**

**Explanation:**

Sales promotion is a marketing strategy that aims to increase sales through short-term incentives. Just Foodie uses sales promotion techniques such as free gifts and cashback, discounts on special occasions and the primary objective of increasing sales volume. This approach differs from advertising and personal selling, as it directly influences purchase decisions and enhances customer attraction and retention in a competitive market.

**On the basis of the information given in the case, answer the next five questions.**

**A Maharatna Company, Indian Oil**

Indian Oil is India's largest commercial organisation. It is the top ranked India company in the Fortune 'Global 500' listings (2017). Indian Oil's vision is driven by a group of dynamic leaders, who have made it a name to reckon with. With an over 34,000 strong workforce, a Maharatna Company, Indian Oil has been helping to meet India's energy demands and reaching petroleum products in every part of India for over five decades.

- It plans to increase its business operations all around the world.
- The company plans to invest ₹ 20,000 crore in 2017–18 acquisitions and plans to expand overseas. The company is always believed to be ahead of the demand. Last year too, IOC had invested close to ₹ 20,000 crore, including around ₹ 16,000 crore in various Indian projects and on acquisition for upstream in Russia.
- The company believed that if the goals are well defined, employees are aware of what the organisation has to do and what they must do to achieve those goals.
- Changes or events cannot be eliminated, but they can be anticipated and managerial responses to them can be developed. Policy formation serves as the basis of coordinating the activities and efforts of different divisions, departments and individuals.
- It helps in avoiding confusion and misunderstanding. Manager can look into the future and make a choice from amongst various alternative course of action.

**46.** Identify the function of management highlighted in the above case.

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

**Ans. Option (4) is correct.**

**Explanation:**

The case of Indian Oil highlights the importance of planning in management, emphasizing the need for well-defined goals and anticipating changes.

**47.** "If the goals are well defined, employees are aware of what the organisation has to do and what they must do to achieve those goals." Identify the significance of managerial function highlighted in this statement.

- (1) Facilitates decision making  
(2) Reduces overlapping and wasteful activities  
(3) Reduces risks of uncertainty  
(4) Provides direction

**Ans. Option (4) is correct.**

**Explanation:**

Well-defined goals provide direction within an organisation by ensuring clarity, coordination, focus, decision-making, risk management and alignment of efforts. They help employees understand the organisation's objectives, reduce confusion and ensure efficient resource utilisation. This proactive approach prepares the organisation for potential changes and minimises wastage.

**48.** "Changes or events cannot be eliminated, but they can be anticipated and managerial responses to them can be developed." Identify the significance of managerial function highlighted in this statement.

- (1) Provides direction  
(2) Reduces risks of uncertainty  
(3) Reduces overlapping and wasteful activities  
(4) Facilitates decision making

**Ans. Option (2) is correct.**

**Explanation:**

The statement emphasises that changes or events cannot be eliminated but can be anticipated and managed, emphasizing the crucial role of managers in reducing uncertainty by preparing appropriate responses.

**49.** "Policy formation serves as the basis of coordinating the activities and efforts of different divisions, departments and individuals. It helps in avoiding confusion and misunderstanding." Identify the significance of managerial function highlighted in this statement.

- (1) Facilitates decision making  
(2) Reduces risks of uncertainty  
(3) Provides direction  
(4) Reduces overlapping and wasteful activities

**Ans. Option (4) is correct.**

**Explanation:**

Policy formation is a crucial aspect of management, establishing guidelines and rules to guide activities within an organisation. It helps reduce overlapping and wasteful activities by providing clear guidelines, aligning actions with organisational goals, optimising resources, facilitating coordination and collaboration and mitigating risks.

**50.** "Manager can look into the future and make a choice from amongst various alternative courses of action." Identify the significance of managerial function highlighted in this statement.

- (1) Provides direction  
(2) Reduces risks of uncertainty  
(3) Reduces overlapping and wasteful activities  
(4) Facilitates decision making

**Ans. Option (4) is correct.**

**Explanation:**

The statement emphasises the significance of well-defined goals and anticipating future events, requiring managers to analyse options, evaluate risks and make informed decisions to achieve organisational goals. This highlights the need for managers to be proactive in this process.