

# Practice Paper

# 1

Section II of CUET (UG) is Domain specific. In this section of Business Studies, 40 questions to be attempted out of 50.

Max. Marks : 200

Time : 45 minutes

## Multiple Choice Questions (MCQs)

- \_\_\_\_\_ function of management decides who will do a particular task, where it will be done, and when it will be done.  
(a) Planning (b) Organising  
(c) Directing (d) Staffing
- Steel Authority of India Ltd., (SAIL) is contributing regularly for education, agriculture, health care and clean drinking water supply for the people living nearby their steel plants. It is an example of \_\_\_\_\_ objective of management.  
(a) Social (b) Organisational  
(c) Personal (d) None of these
- Completing the task with minimum cost and optimum utilisation of resources is called \_\_\_\_\_.  
(a) Effectiveness (b) Competency  
(c) Deliverable (d) Efficiency
- The objective of \_\_\_\_\_ is to determine the labour costs.  
(a) Motion study (b) Method study  
(c) Time study (d) Fatigue study
- The role of \_\_\_\_\_ in functional foremanship is to keep the machine and tools ready for operation by workers.  
(a) Workmen (b) Gang Boss  
(c) Inspector (d) Speed Boss
- The main aim of demonetisation was to curb \_\_\_\_\_.  
(a) Corruption (b) Money supply  
(c) Inflation (d) Deflation
- These days companies cannot avoid investing in \_\_\_\_\_.  
(a) Research (b) Development  
(c) Research and Development  
(d) Employees
- "The shift of demand from soft drinks to juices is an opportunity for juice companies and threat for soft drinks companies." Identify the feature of business environment.  
(a) Relativity (b) Complexity  
(c) Uncertainty (d) Dynamic
- \_\_\_\_\_ are the anticipated environments in which plans are expected to operate.  
(a) Planning premises (b) Forecasting  
(c) Objectives (d) None of these
- As a part of its comprehensive plan 'Neerja Ltd., decided to combine a new line of activity with its existing footwear business.  
The type of plan is \_\_\_\_\_.  
(a) Objective (b) Strategy  
(c) Method (d) Procedure
- Psychological and social needs get satisfied in \_\_\_\_\_ organisation.  
(a) Informal (b) Formal  
(c) Semi-formal (d) None of these
- \_\_\_\_\_ is practically a horizontal movement of employees.  
(a) Promotion (b) Demotion  
(c) Rotation (d) Transfer.
- The process of organising involves identifying and dividing the work into small and manageable activities, and then grouping those activities which are similar in nature. This grouping process is called \_\_\_\_\_. This facilitates \_\_\_\_\_.  
(a) Specialisation, Departmentalisation  
(b) Departmentalisation, Specialisation  
(c) Specialisation, Assignment  
(d) Departmentalisation, Identification
- \_\_\_\_\_ method of training is suitable when employees are required to handle sophisticated machinery.  
(a) Apprenticeship Programme  
(b) Internship Training  
(c) Vestibule Training  
(d) Induction Training
- Trainee work under the guidance of Master Worker under which method of training.  
(a) Apprenticeship programme  
(b) Vestibule school  
(c) Internship (d) Induction Training
- Hunger, thirst and shelter are some examples of \_\_\_\_\_ needs.  
(a) Social needs (b) Basic needs  
(c) Self actualisation needs  
(d) Eastern needs

17. The motivation theory which classifies needs in hierarchical order is developed by \_\_\_\_\_ .  
 (a) Fred Luthans (b) Scott  
 (c) Abraham Maslow (d) Peter F. Drucker
18. The communication network in which all subordinates under a supervisor communicate through supervisor only is \_\_\_\_\_ .  
 (a) single chain (b) inverted V  
 (c) wheel (d) free flow
19. When a leader is a role model to others regarding ethics and values, he is said to possess the quality of \_\_\_\_\_ .  
 (a) Initiative (b) Integrity  
 (c) Self-confidence (d) Decisiveness
20. Once a plan becomes operational, \_\_\_\_\_ is necessary to monitor the progress, measure it discover deviations and initiate corrective measures to ensure that events conform to plans.  
 (a) Staffing (b) Directing  
 (c) Controlling (d) Organising
21. In \_\_\_\_\_ organisations, each piece produced may be checked to ensure that it conforms to quality specifications laid down for the product.  
 (a) Medium (b) Small  
 (c) Micro (d) Large
22. \_\_\_\_\_ company is likely to have more fixed capital.  
 (a) Service (b) Manufacturing  
 (c) Both (a) and (b) (d) None of these
23. Sudha Cables Ltd., earned a net profit of 50 crore. Jagdish, the finance manager of Sudha Cables Ltd., wants to decide how to appropriate these profits. \_\_\_\_\_ decision will help Jagdish in deciding it.  
 (a) Dividend (b) Financial  
 (c) Investment (d) None of these
24. \_\_\_\_\_ is the time span between the receipt of raw material and their conversion into finished goods.  
 (a) Production cycle (b) Business cycle  
 (c) Both (a) and (b) (d) None of these.
25. REPO is  
 (a) Repurchase agreement  
 (b) Reliance petroleum  
 (c) Read and process (d) None of the above
26. \_\_\_\_\_ is an institution or organisation, which holds securities in electronic form, in which trading is done.  
 (a) Stock exchange (b) SEBI  
 (c) Depository (d) None of the above
27. Pooja purchased a packet of juice from the local grocery shop. The information provided on the packet was not clear. She fell sick on consuming it. She filed a case in the District Forum under Consumer Protection Act and got the relief. The important aspect which has been neglected by the marketer in the above case is \_\_\_\_\_ .  
 (a) Packaging (b) Branding  
 (c) Labelling (d) Grading
28. Companies appoint sales persons to contact prospective buyers and create awareness about the product and develop product preferences with the aim of making sale. Identify the element of promotion mix highlighted above.  
 (a) Advertising (b) Personal selling  
 (c) Sales promotion (d) Public relations
29. Range of products or variety or assortment of products a company is manufacturing is called \_\_\_\_\_ .  
 (a) Marketing mix (b) Promotion mix  
 (c) Price mix (d) Product mix
30. Under direct channels, firm has \_\_\_\_\_ intermediaries  
 (a) one (b) two (c) zero (d) three
31. Rita wants to buy a packet of juice. As an aware customer how can she be sure about the quality of juice she plans to buy?  
 (a) ISI Mark (b) FPO Mark  
 (c) Hallmark (d) Agmark
32. The component of product mix that helps the consumer to exercise the right to information is \_\_\_\_\_ .  
 (a) Labelling (b) Packaging  
 (c) Grading (d) Branding
33. Internal recruitment creates \_\_\_\_\_ among the staff.  
 (a) Sense of responsibility  
 (b) Sense of accomplishment  
 (c) Sense of security (d) Sense of delegation
34. Which of these is the first activity of a new business?  
 (a) Departure point  
 (b) Business skill development  
 (c) Goal orientation (d) None of these.

### Assertion & Reasoning Based MCQs

**For question numbers 35-38, a statement of Assertion(A) followed by a statement of Reason(R) is given. Choose the correct answer out of the following choices.**

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).  
 (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).  
 (c) Assertion (A) is true but Reason (R) is False.  
 (d) Assertion (A) is False but Reason (R) is True.

## Practice Paper-1

35. **Assertion (A)** : Promotion has a great positive psychological impact over the employees.

**Reason (R)** : A promotion at the higher level may lead to a chain of promotions at lower levels in the organisation.

36. **Assertion (A)** : The principles of management help the organisation to meet the changing requirements of the environment.

**Reason (R)** : The principles of management aim at influencing complex human behavior.

37. **Assertion (A)** : Political factors play a major role in shaping the environment, in which business firms operate.

**Reason (R)** : Political stability builds up confidence among the business people to invest in long-term projects.

38. **Assertion (A)** : A product may be both a consumer good and an industrial good at the same time.

**Reason (R)** : A product that is a convenience good to one person may be shopping good or speciality good to another person.

## Match the Following

39. Match the concepts in column I with their interpretation in column II.

Column I (Techniques)	Column II (Statements)
A. Principles of Management	(i) Flexible
B. Principles of science	(ii) Moral implication
C. Values	(iii) Way of doing a particular task
D. Techniques	(iv) Rigid
(a) A-(i), B-(iv), C-(iii), D-(ii)	
(b) A-(i), B-(iv), C-(ii), D-(iii)	
(c) A-(ii), B-(iv), C-(i), D-(iii)	
(d) A-(ii), B-(iv), C-(iii), D-(i)	

40. Match the different objectives of management given in column I and Column II and choose the correct alternative.

Column I	Column II
A. Profit	(i) Competitive salaries and perks
B. Growth	(ii) Environmental friendly methods of production
C. Social Objectives	(iii) Revenue of a company
D. Personal Objectives	(iv) A stage of development

- (a) A-(iii), B-(iv), C-(ii), D-(i)  
 (b) A-(iv), B-(ii), C-(i), D-(iii)  
 (c) A-(ii), B-(i), C-(iv), D-(iii)  
 (d) A-(i), B-(ii), C-(iv), D-(iii)

## Case Based MCQs

**Case I** : Read the following text and answer the following questions from 41 to 45.

Priyanshi purchased an ISI marked Heater from Hinduja Appliances. She made Cash Payment, but failed to get a Cash Memo. While making use of the heater she observed that it was not working properly. She contacted the shopkeeper immediately but shopkeeper paid no heed to her complaint rather he marked that the good was not bought from his shop. Priyanshi had no evidence of proving that the heater was purchased from his shop only. She discussed the problem with her friend Sonakshi who advised her to approach Consumer Forum and lodge the complaint. Priyanshi was convinced with the idea of lodging the complaint against the shopkeeper but due to lack of cash memo it was difficult for her to proceed.

41. Identify the responsibility of the consumer that have not fulfill in the above case.  
 (a) Quality conscious  
 (b) Must obtain cash memo  
 (c) Read and follow instruction  
 (d) Ready to lodge complaint
42. Identify the Right of the consumer as referred to in the above paragraph.  
 (a) Right to be Informed (b) Right to safety  
 (c) Right to be Heard (d) Right to Choose
43. Priyanshi cannot lodge a complaint against shopkeeper. Why?  
 (a) She doesn't have the right.  
 (b) Shopkeeper deny the purchase made from his shop.  
 (c) She does not have the Cash Memo  
 (d) She was happy with the product
44. Under which Act Priyanshi seek to protect her rights being a consumer?  
 (a) Consumer Protection Act, 1986  
 (b) Consumer Protection Act, 1968  
 (c) The Indian Contract Act, 1872  
 (d) The Competition Act, 2002
45. Which mark is shown on electronics items?  
 (a) FPO (b) ISI  
 (c) Hallmark (d) BIS

**Case II** : Read the following text and answer the following questions from 46 to 50.

AIR limited enjoys a rich record of industry presence and experience. In 2007, with the aim to accelerate growth the company had gone through several meetings and discussions before launching new products. The

management had done effective forecast and critical thinking regarding allocation of resources to reduce wastage. For this purpose, the company had taken multiple courses of action to meet the challenge in adverse situations. In 2010, the company suffered loss in many projects due to change in government policies. The management had taken utmost care regarding the possible outcome and timely review of the plans to achieve the set target during that time. In 2012 the system implemented successfully which subsequently helped the company to execute numerous projects with precision and timeliness.

46. "In 2007, with the aim to accelerate growth the company had gone through several meetings and discussions." What is the objective mentioned here according to the process stated here?
- Starting business worldwide
  - Growth and development
  - Launching IT enabled system
  - Cost cutting.
47. "In 2010, the company suffered loss in many projects due to change in government policies." Which limitation of the management process is indicated here?

- It fails to cope with sudden changes
  - It involves huge cost
  - It requires critical thinking
  - Economic Environment
48. "The management had done effective forecast and critical thinking regarding allocation of resources to reduce wastage." This statement is
- True
  - False
  - Partially True
  - Cannot be determined.
49. "The management had taken utmost care regarding the possible outcome and timely review of the Plans to achieve the set target during that time." Which is the last step of the Process mentioned here?
- Implementation of plan
  - Timely execution of projects
  - Follow up
  - To prepare alternative course of action
50. Which of the following factors cannot be controlled by management.
- Environmental Changes
  - Recession
  - Change in Governmental policies
  - All of the above.

## SAMPLE OMR SHEET

Candidate's Name : \_\_\_\_\_ Roll No : \_\_\_\_\_

### General Instructions

- Darken one circle against each question number in the OMR answer sheet as shown. Faintly darkened or half darkened circle might be rejected by the optical scanner.
- Use blue/black ball point pen to record the answer.
- Rough work must not be done on the answer sheet.
- Please do not make any stray marks on the answer sheet.

Wrong Marking



Correct Marking



1. (a) (b) (c) (d)	11. (a) (b) (c) (d)	21. (a) (b) (c) (d)	31. (a) (b) (c) (d)	41. (a) (b) (c) (d)
2. (a) (b) (c) (d)	12. (a) (b) (c) (d)	22. (a) (b) (c) (d)	32. (a) (b) (c) (d)	42. (a) (b) (c) (d)
3. (a) (b) (c) (d)	13. (a) (b) (c) (d)	23. (a) (b) (c) (d)	33. (a) (b) (c) (d)	43. (a) (b) (c) (d)
4. (a) (b) (c) (d)	14. (a) (b) (c) (d)	24. (a) (b) (c) (d)	34. (a) (b) (c) (d)	44. (a) (b) (c) (d)
5. (a) (b) (c) (d)	15. (a) (b) (c) (d)	25. (a) (b) (c) (d)	35. (a) (b) (c) (d)	45. (a) (b) (c) (d)
6. (a) (b) (c) (d)	16. (a) (b) (c) (d)	26. (a) (b) (c) (d)	36. (a) (b) (c) (d)	46. (a) (b) (c) (d)
7. (a) (b) (c) (d)	17. (a) (b) (c) (d)	27. (a) (b) (c) (d)	37. (a) (b) (c) (d)	47. (a) (b) (c) (d)
8. (a) (b) (c) (d)	18. (a) (b) (c) (d)	28. (a) (b) (c) (d)	38. (a) (b) (c) (d)	48. (a) (b) (c) (d)
9. (a) (b) (c) (d)	19. (a) (b) (c) (d)	29. (a) (b) (c) (d)	39. (a) (b) (c) (d)	49. (a) (b) (c) (d)
10. (a) (b) (c) (d)	20. (a) (b) (c) (d)	30. (a) (b) (c) (d)	40. (a) (b) (c) (d)	50. (a) (b) (c) (d)

- Number of questions attempted : \_\_\_\_\_
- Number of questions correct : \_\_\_\_\_
- Marks scored : \_\_\_\_\_ out of 200

For every correct answer award yourself 5 marks, for every incorrect answer deduct 1 mark in MCQs.

## ANSWER KEYS

1. (b) 2. (a) 3. (d) 4. (c) 5. (b) 6. (a) 7. (c) 8. (d) 9. (a) 10. (b)  
 11. (a) 12. (d) 13. (b) 14. (c) 15. (a) 16. (b) 17. (c) 18. (c) 19. (b) 20. (c)  
 21. (b) 22. (b) 23. (a) 24. (a) 25. (a) 26. (c) 27. (c) 28. (b) 29. (d) 30. (c)  
 31. (b) 32. (a) 33. (c) 34. (a) 35. (a) 36. (b) 37. (a) 38. (b) 39. (b) 40. (a)  
 41. (b) 42. (c) 43. (c) 44. (a) 45. (b) 46. (b) 47. (a) 48. (a) 49. (c) 50. (d)

## ANSWERS

1. (b): Organising can be defined as a process that initiates implementation of plans by clarifying jobs and working relationships and effectively deploying resources for attainment of identified and desired results (goals).

2. (a): Social objective : It involves the creation of benefit for society. As a part of society, every organisation whether it is business or non-business, has a social obligation to fulfill. This refers to consistently creating economic value for various constituents of society.

3. (d)

4. (c): The objective of time study is to determine the number of workers to the employed; frame suitable incentive schemes and determine labour costs.

5. (b)

6. (a): The main objectives of demonetisation are to reduce circulation of black money, fake notes and creating a cashless economy by pushing digital transaction.

7. (c)

8. (d): Business environment is dynamic in that it keeps on changing whether in terms of technological improvement, shifts in customer preferences or entry of new competition in the market.

9 (a): Planning premises include actual forecast about data, policies and plans of the enterprise. Planning involves looking into the future which necessitates the enterprise to know how future conditions will affect its activities.

10. (b): A strategy provides the broad contours of an organisation's business. It will also refer to future decisions defining the organisations direction and scope in the long run.

11. (a): Informal organisation helps to fulfill the social needs of the members and allows them to find like minded people. This enhances their job satisfaction, since it gives them a sense of belonging ness in the organisation.

12. (d)

13. (b)

14. (c): Employees learn their jobs on the equipment

they will be using, but the training is conducted away from the actual work floor. Actual work environments are created in a class room and employees use the same materials, files and equipment. This is usually done when employees are required to handle sophisticated machinery and equipment.

15. (a)

16. (b)

17. (c): Abraham Maslow, a well-known Psychologist in a classic paper published in 1943, outlined the elements of an overall theory of motivation. His theory was based on human needs. He felt that within every human being, there exists a hierarchy of give needs.

18. (c): In wheel network, all subordinates under one superior communicate through him only as he acts as a hub of the wheel. The subordinates are not allowed to talk along themselves.

19. (b)

20. (c): Controlling is systematic process involving the following steps:

1. Settling performance standards
2. Measurement of actual performance
3. Comparison of actual performance with standards
4. Analysing deviations
5. Taking corrective action

21. (b)

22. (b): A manufacturing company require to purchase plant and machinery so required more fixed capital.

23. (a): Dividend decision involved how much of the profit earned by company (after paying tax) is to be distributed to the shareholders and how much of it should be retained in the business.

24. (a): Production cycle is the time span between the receipt of raw material and their conversion into finished goods. Some business have a longer production cycle while some have a shorter one. Duration and the length of production cycle, affects the amount of funds required for raw materials and expenses.

25. (a) : A repurchase agreement, also known as REPO is a form of short term borrowing, mainly in government securities.
26. (c) : Just like a bank keeps money in safe custody for customers, a depository is also like a bank and keeps securities in electronic form on behalf of the investor. It is a technology driven electronic storage system. It has no paper work relating to share certificates, transfer, forms, etc.
27. (c)
28. (b) : Personal selling involves oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales.
29. (d) : Product mix refers to the total number of product lines, a company offers to its customers.
30. (c)
31. (b) : FPO mark is a certification mark mandatory on all processed fruit products sold in India.
32. (a) : The label may vary from a simple tag attached to the product, indicating some information about the quality or price, to complex graphics that are part of the package.
33. (c) : Internal sources of recruitment create a sense of security among employees where they are motivated to work and perform effectively.
34. (a) : The point of departure is a starting point, *i.e.*, a place from which an enterprise is launched.
35. (a)
36. (b)
37. (a)
38. (b) : Cotton is a consumer as well as industrial goods. Clothing may be convenience good for one person and speciality good for another person.
39. (b)
40. (a)
41. (b) : If a seller forgets to give the bill, then there is the responsibility of the consumer to demand to cash memo.
42. (c) : Consumer have right to be heard, that means consumer's interests will receive due consideration at appropriate forums.
43. (c)                      44. (a)
45. (b) : ISI mark is a certification mark for industrial products in India.
46. (b)
47. (a) : The company fails to cope with sudden changes as business environment is dynamic in nature, it is affected by many factors, all of which are not under control of management.
48. (a)
49. (c) : Last step of planning is follow up actions.
50. (d)

