CUET 2023 Business Studies Question Paper with Solutions

Time Allowed :45 minutes	Maximum Marks :250	Total Questions :50

221. Consider the following facts about management:

A. Efficiency and effectiveness both terms have similar meaning.

B. Effectiveness and efficiency both terms do not have similar meaning.

C. Management has four dimensions.

D. Management has three dimensions.

E. Principles of management are not as exact as the Principles of Science.

Choose the correct answer from the options given below:

(1) A, B, C only

(2) A, D, C only

(3) B, D, E only

(4) A, B, E only

Correct Answer: (4) A, B, E only

Solution: - Statement (A): Efficiency and effectiveness have similar meanings in some contexts, but in management theory, they are often considered distinct.

- Statement (B): This is true because effectiveness refers to achieving goals, while efficiency refers to how well resources are used.
- Statement (C): Management is generally discussed with more than three dimensions.
- Statement (D): This is false because management often has more than three dimensions.
- Statement (E): Principles of management are often considered more flexible and adaptable compared to scientific principles.

Quick Tip

When studying management theories, focus on the specific definitions of terms like efficiency and effectiveness, as their meanings can vary based on context.

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222. Identify the correct features of Business Environment.

(1) Certainty, relatively and independent

(2) Static, complexity and inter-relatedness

(3) Complexity, Relatively and inter-relatedness

(4) Relativity, static and complexity

Correct Answer: (3) Complexity, Relatively and inter-relatedness

Solution: Business Environment is characterized by complexity due to various interrelated factors like political, economic, legal, and social influences. It is also relative as it differs from country to country or region to region, and the elements are highly inter-related, making it essential to understand the interconnected nature of external forces.

Quick Tip

Remember the key features of Business Environment as: Complexity, Relativity, and Inter-relatedness — not certainty or static nature.

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223. Choose the correct sequence of first five steps of setting up a business.

A. Appraisal by the funding agencies

B. Scanning the environment for entrepreneurial opportunities

C. Assessment of feasibility of the idea and preparation of business plan

D. Resource mobilisation

E. Development of product/service idea

Choose the correct answer from the options given below:

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

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

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

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

Correct Answer: (1) B, D, A, C, E

Solution: The correct order of the steps to set up a business is as follows:

1. Appraisal by the funding agencies (B)
2. Scanning the environment for entrepreneurial opportunities (D)
3. Assessment of the feasibility of the idea and preparation of the business plan (A)
4. Resource mobilization (C)
5. Development of the product/service idea (E)

Quick Tip

Remember that setting up a business involves understanding funding, evaluating ideas, and building a proper plan before moving on to execution.

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224. Which among the following factors affects capital budgeting decision?

A. Floatation cost

B. Cash flow of project

C. Control considerations

D. The rate of return

E. The investment criteria involved

Choose the correct answer from the options given below:

(1) B, D and E only

(2) C, A, and B only

(3) D, B and C only

(4) A, B and C only

Correct Answer: (1) B, D and E only

Solution: Capital budgeting decisions are long-term investment decisions and are influenced by key financial metrics and project fundamentals. The relevant factors include:

- **Cash flow of project (B):** Since capital budgeting evaluates future returns, cash flow is a primary determinant.
- **The rate of return (D):** Determines the profitability of the investment.
- **The investment criteria involved (E):** Includes techniques like NPV, IRR, Payback Period etc., which guide the investment decision.

Floatation cost and control considerations, although relevant in financing and strategic decisions respectively, do not directly affect capital budgeting.

Quick Tip

Capital budgeting revolves around expected returns and financial viability, not administrative or incidental costs.

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225. Consumer protection is important due to widespread ______ of consumers about their rights and reliefs.

(1) Unorganised

(2) Ignorance

(3) Enlightened

(4) Protected

Correct Answer: (2) Ignorance

Solution: Consumer protection becomes essential when consumers are unaware or ignorant of their legal rights and redressal mechanisms. This lack of knowledge can lead to exploitation by sellers or service providers. Hence, the correct word to complete the sentence is "ignorance."

Quick Tip

Consumer protection laws exist primarily to combat ignorance and empower buyers with awareness of their rights.

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226. Arrange the following in a proper sequence (in respect of distribution channel):

A. Agent

B. Retailer

C. Customer

D. Manufacturer

E. Wholesaler

Choose the correct answer from the options given below:

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

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

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

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

Correct Answer: (4) D, E, A, B, C

Solutions: In a typical distribution channel, the flow of goods starts from the Manufacturer, then passes through the Wholesaler, possibly an Agent, then to the Retailer, and finally reaches the Customer.

So, the correct sequence is: D (Manufacturer) $\rightarrow$ E (Wholesaler) $\rightarrow$ A (Agent) $\rightarrow$ B (Retailer) $\rightarrow$ C (Customer).

Quick Tip

The distribution channel generally flows from production to end-user. Start with Manufacturer and end with Customer. Agents and Wholesalers are intermediaries to ease bulk distribution and reach.

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227. Identify the step/element which is not a part of motivation process.

(1) Unsatisfied need

(2) Tension

(3) Relaxation

(4) Drives

Correct Answer: (3) Relaxation

Solutions:

The motivation process typically involves the following steps:

1. Unsatisfied need
2. Tension
3. Drives
4. Goal-directed behavior
5. Need satisfaction
6. Reduction of tension.

"Relaxation" is not considered a formal element in this motivational sequence.

Hence, it is not a standard part of the motivation process.

Quick Tip

Focus on logical flow: Motivation begins with a need and ends with goal achievement and tension reduction — not necessarily relaxation.

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228. Match List I with List II

LIST I	LIST II
A. Production concept	**I.** Satisfaction of customer needs
B. Product concept	**II.** Quantity of product
C. Selling concept	**III.** Aggressive selling techniques
D. Marketing concept	**IV.** Quality of product

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

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

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

(4) A-IV, B-I, C-II, D-I

Correct Answer: (1) A-I, B-II, C-III, D-IV

Solution: In marketing concepts: - The Production concept (A) focuses on satisfying customer needs, which is related to I.

- The Product concept (B) emphasizes the quantity of product, corresponding to II.
- The Selling concept (C) is focused on aggressive selling techniques, hence matching III.

- The Marketing concept (D) addresses the quality of product, which aligns with IV.

Quick Tip

Understanding marketing concepts helps in matching them with the correct business strategies. Review the key characteristics of each concept for better clarity.

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229. If there was no planning, employees would be working in different directions and the organisation would not be able to achieve its desired goals.

Which of the following importance of planning is highlighted in the above lines?

(1) Planning provides directions

(2) Planning reduces the risk of uncertainty

(3) Planning facilitates decision making

(4) Planning provides innovative ideas

Correct Answer: (1) Planning provides directions

Solution: The lines highlight that without planning, employees would lack coordination and the organisation would not achieve its goals. This corresponds to the importance of planning in providing direction for the workforce and guiding them towards achieving the organisation's objectives.

Quick Tip

Remember, planning helps in setting clear objectives, aligning efforts, and providing direction to the team.

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230. As per Consumer Protection Act, 2019, District commission has a jurisdiction to entertain complaints where value of goods or services paid as consideration.

Which of the following statements is correct?

(1) Exceeds one crore rupees

(2) Does not exceed one crore rupees

(3) Exceeds two crore rupees

(4) Does not exceed two crore rupees

Correct Answer: (2) Does not exceed one crore rupees

Solution: As per the Consumer Protection Act, 2019, the District Commission has jurisdiction over complaints where the value of goods or services does not exceed one crore rupees. Complaints exceeding this threshold are typically handled by the State Commission.

Quick Tip

Remember, the District Commission handles complaints where the value of goods or services is up to one crore rupees. Anything above this threshold falls under the jurisdiction of the State Commission.

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231. Capital Structure refers to the mix between owners and borrowed funds. Which of the following is the correct formula?

(1) Debt/Equity

(2) Equity/Debt

(3) Debt - Equity

(4) Debt * Equity

Correct Answer: (1) Debt/Equity

Solution: The Capital Structure of a company is determined by the proportion of debt and equity financing. The correct formula to calculate the capital structure is Debt/Equity, which indicates the ratio of borrowed funds (debt) to the funds contributed by the owners (equity).

Quick Tip

Remember, Capital Structure = Debt/Equity is the key formula for understanding how a company is financed.

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232. To become a Chartered Accountant in India, a candidate has to clear a specified examination conducted by the Institute of Chartered Accountants of India. Which Characteristic of management as a profession is highlighted in the above statement?

(1) Ethical code of conduct

(2) Professional Association

(3) Well defined body of knowledge

(4) Restricted entry

Correct Answer: (2) Professional Association

Solution: The requirement for candidates to clear a specified examination conducted by the Institute of Chartered Accountants of India highlights the importance of Professional Association in management as a profession. It shows that a recognized body governs the profession, ensuring the integrity and standards of practice.

Quick Tip

The presence of a professional association ensures that the profession maintains high standards and governs the entry of new professionals.

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233. Identify the correct sequence of first 5 steps of the planning process:-

(A) Developing premises

(B) Identifying alternative courses of action

(C) Evaluating alternative courses

(D) Setting objectives

(E) Selecting an alternative

Choose the correct answer from the options given below:

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

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

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

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

Correct Answer: (1) C, D, B, E, A

Solution: The first five steps of the planning process are generally as follows:

1. Developing premises (A)
2. Identifying alternative courses of action (B)
3. Evaluating alternative courses (C)
4. Setting objectives (D)
5. Selecting an alternative (E)

Thus, the correct sequence is: C, D, B, E, A.

Quick Tip

Understanding the sequence of planning steps is crucial for effective decision-making in management. Remember, it starts with defining objectives and ends with choosing the best course of action.

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234. Match List I with List II

LIST I	LIST II
A. Unity of command	**I.** Pay and compensation should be fair to employees and organisation
B. Remuneration	**II.** Distribution of decision making authority amongst many personnel
C. Equity	**III.** Only one boss for every individual employee
D. Decentralisation	**IV.** Fairness to all employees

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

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

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

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

Correct Answer: (1) A-II, B-III, C-IV, D-I

Solution: In management concepts: - Unity of command (A) means there is only one boss for every individual employee, matching with III.

- Remuneration (B) refers to pay and compensation, which should be fair to both employees and the organisation, corresponding to I.
- Equity (C) implies fairness to all employees, aligning with IV.

- Decentralisation (D) is about the distribution of decision-making authority amongst many personnel, hence matching II.

Quick Tip

Understanding key management principles can help in accurately matching the related concepts. Focus on the core objectives of each term.

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235. Match List I with List II

LIST I	LIST II
A. Political environment	**I.** Consumption & habits pattern of household
B. Economic environment	**II.** Scientific improvements and innovations
C. Social environment	**III.** General stability of elected govt and its attitude towards business
D. Technological environment	**IV.** Change in interest rate, inflation and disposable income

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

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

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

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

Correct Answer: (1) A-IV, B-III, C-I, D-II

Solution: In environmental concepts: - Political environment (A) is related to changes in interest rate, inflation, and disposable income, matching IV.

- Economic environment (B) is associated with the general stability of elected government and its attitude towards business, corresponding to III.

- Social environment (C) focuses on the consumption and habits pattern of the household, aligning with I.

- Technological environment (D) deals with scientific improvements and innovations, which matches II.

Quick Tip

When studying different types of environments in business, focus on how each environmental factor affects economic and social systems.

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236. Arrange the following steps of organising process in a logical sequence.

A. Establishing authority and reporting relationship

B. Identification of work

C. Departmentalisation

D. Division of work

E. Assignment of duties

Choose the correct answer from the options given below:

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

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

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

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

Correct Answer: (1) C, D, E, A, B

Solution: In the organising process:
- First, departmentalisation (C) takes place, where the tasks are divided into specific departments.
- Next, the division of work (D) follows, where work is further split into specific jobs.
- Then, the assignment of duties (E) takes place, where specific duties are given to individuals.
- After that, authority and reporting relationships (A) are established to define the responsibility and accountability of the individuals.
- Finally, identification of work (B) ensures that the work is recognized and understood within the organisation.

Quick Tip

The organising process flows logically from identifying and dividing the work, assigning responsibilities, and establishing authority and relationships. Always follow the order of the process for clear understanding.

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237. "The formal lines of authority from highest to lowest ranks are known as ...."

(1) Order

(2) Equity

(3) Unity of direction

(4) Scalar chain

Correct Answer: (4) Scalar chain

Solution: The formal lines of authority that define the hierarchical structure in an organisation, from the highest rank to the lowest, are referred to as the "Scalar chain." This term was introduced by Henri Fayol and is an essential principle of management.

Quick Tip

In organisational theory, the scalar chain represents the clear, defined line of authority within a hierarchy. Understanding this helps in navigating management structures more effectively.

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238. Which among these is not a traditional method of controlling.

(1) Statistical reports

(2) Breakeven analysis

(3) PERT and CPM

(4) Budgetary control

Correct Answer: (3) PERT and CPM

Solution: PERT (Program Evaluation and Review Technique) and CPM (Critical Path Method) are project management techniques that are more modern methods of controlling, rather than traditional ones. Statistical reports, breakeven analysis, and budgetary control are considered traditional methods of controlling in management.

Quick Tip

For controlling in management, it's important to distinguish between traditional methods like reports and newer techniques such as PERT and CPM, which are used for more complex project management.

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239. Characteristics of entrepreneurship include:

A. Lawful and purposeful Activity

B. Low level of risk

C. Innovation

D. Systematic Activity

E. Organisation of production

Choose the correct answer from the options given below:

(1) A, B and C only

(2) B, C and D only

(3) A, B, C and E only

(4) A, C, D and E only

Correct Answer: (3) A, B, C and E only

Solution: Entrepreneurship typically involves lawful and purposeful activity (A), low levels of risk (B), innovation (C), and organisation of production (E). Systematic activity (D) may not always be a characteristic of entrepreneurship in every context.

Quick Tip

Understanding the key traits of entrepreneurship is essential. Focus on the aspects such as innovation and risk, as they define an entrepreneurial mindset.

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240. Identify single use plans from the following plans.

(1) Project and Budget

(2) Methods and Budget

(3) Procedures and Project

(4) Rules and Programme

Correct Answer: (1) Project and Budget

Solution: Single-use plans are those that are used only once, and the combination of Project and Budget are often specific to particular projects or activities, making them single-use plans. Methods, procedures, rules, and programs tend to be ongoing and reusable.

> **Quick Tip**
>
> Single-use plans are typically associated with one-time projects, so focus on options that include project-specific elements like budgets or activities.

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241. Arrange the steps of controlling process in their correct order or sequence.

A. Setting performance Standards

B. Measurement of actual performance

C. Analysing deviations

D. Taking corrective action

E. Comparison of actual performance with standards

Choose the correct answer from the options given below:

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

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

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

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

Correct Answer: (2) A, B, C, D, E

Solution: The correct sequence for the controlling process is: - First, setting performance standards (A).

- Then, measuring actual performance (B).

- After that, analysing deviations (C).

- Following this, taking corrective action (D).

- Finally, comparing actual performance with standards (E) to ensure that the objectives are met.

Quick Tip

The controlling process is systematic and requires setting clear standards, measuring performance, identifying deviations, and taking corrective actions to keep the organisation on track.

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242. Techniques of controlling includes.

A. Ratio analysis

B. PERT and CPM

C. On the job training

D. Management audit

E. Off the job training

Choose the correct answer from the options given below:

(1) A, C, D and E only

(2) A, B and D only

(3) B, C, D and E only

(4) C, D and E only

Correct Answer: (1) A, C, D and E only

Solution: Techniques of controlling include Ratio analysis (A), On the job training (C), Management audit (D), and Off the job training (E). PERT and CPM (B) are project management techniques and are not typically considered part of controlling methods.

Quick Tip

Controlling techniques in management often involve monitoring and improving ongoing processes, with methods such as ratio analysis, audits, and training being central to achieving control.

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243. ”A comprehensive plan which helps in accomplishing an organisation objective.”

(1) Policy

(2) Strategy

(3) Procedure

(4) Rule

Correct Answer: (2) Strategy

Solution: A comprehensive plan designed to accomplish an organisation’s objectives is referred to as a strategy. While policies, procedures, and rules guide actions, strategy is the overarching plan for achieving specific organisational goals.

Quick Tip

In management, a strategy is the plan designed to achieve long-term success, while policies and procedures provide the framework for carrying out these plans.

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244. Match List I with List II

LIST I	**LIST II**
A. Fixed capital	**I.** EBIT/interest
B. Working capital	**II.** Investment in non-current assets
C. Interest coverage ratio	**III.** Investment in current assets
D. Financial leverage	**IV.** Proportion of debt in the capital structure

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

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

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

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

Correct Answer: (1) A-I, B-IV, C-III, D-II

Solution: - Fixed capital (A) is related to EBIT/interest (I), as it refers to long-term investments.
- Working capital (B) is connected with the proportion of debt in the capital structure (IV), which deals with short-term assets and liabilities.
- Interest coverage ratio (C) is related to investment in current assets (III), as it evaluates the company's ability to cover its interest expenses.
- Financial leverage (D) deals with the proportion of debt in the capital structure (II), indicating how much debt is used in the financing of the company.

Quick Tip

In financial analysis, it's crucial to understand how different financial metrics and ratios are linked with various business operations, including capital structure and asset investment.

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245. Arrange the following steps involved in communication process.

A. Encoding

B. Sender

C. Message

D. Decoding

E. Receiver

Choose the correct answer from the options given below:

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

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

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

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

Correct Answer: (4) B, E, C, D, A

Solution: In the communication process, the steps occur in the following sequence:

1. The sender (B) initiates the communication.

2. The message (C) is created.

3. The message is then encoded (A).

4. The message is received (E).

5. Finally, the message is decoded (D) by the receiver to understand the information.

Quick Tip

In the communication process, always follow the logical order of sender, message creation, encoding, transmission, and decoding for effective communication.

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246. Identify the correct pair of elements of directing.

1. Co-ordination and Leadership

2. Motivation and Communication

3. Supervision and Decentralisation

4. Delegation and Communication

Choose the correct answer from the options given below:

(1) 1 and 2

(2) 2 and 3

(3) 3 and 4

(4) 1 and 4

Correct Answer: (4) 1 and 4

Solution: The correct pair of elements of directing includes Co-ordination and Leadership (1), and Delegation and Communication (4). These pairs are fundamental to effective directing in management.

Motivation and Communication (2), and Supervision and Decentralisation (3) are important but are not directly paired as elements of directing.

Quick Tip

When studying directing in management, focus on the roles of co-ordination, leadership, delegation, and communication as they are key to guiding and motivating employees effectively.

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247. Reduction of controlling power of existing equity shareholders in a company is a result of.

(1) Issue of new equity shares

(2) Issue of new preference shares

(3) Issue of new debentures

(4) Issue of new bonds

Correct Answer: (1) Issue of new equity shares

Solution: When a company issues new equity shares, it dilutes the ownership percentage of existing equity shareholders. This reduces their controlling power in the company because their proportionate ownership decreases.

Quick Tip

The issuance of new equity shares is a common way to raise capital, but it also results in dilution of existing shareholders' control over the company.

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248. Labelling is an element of which 'p' of marketing mix?

(1) Product

(2) Price

(3) Place

(4) Promotion

Correct Answer: (1) Product

Solution: Labelling is considered a part of the "Product" element of the marketing mix. It helps in identifying the product and provides important information about it, such as the brand, features, and usage instructions.

Quick Tip

In the marketing mix, ”Product” involves everything related to the product, including design, packaging, labelling, and branding.

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249. Identify the incorrect option about planning from the following.

(1) Planning is mental exercise

(2) Planning is futuristic

(3) Planning is only for long run

(4) Planning involves decision making

Correct Answer: (3) Planning is only for long run

Solution: Planning is not just for the long run; it also involves immediate and short-term goals. While planning is a mental exercise, futuristic, and involves decision-making, its scope is not limited to the long run alone.

Quick Tip

In planning, it is important to consider both long-term and short-term goals as part of the overall strategy.

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250. Essential element(s) of delegation is/are:

(1) Authority only

(2) Responsibility only

(3) Authority and responsibility only

(4) Authority, responsibility and Accountability

Correct Answer: (4) Authority, responsibility and Accountability

Solution: The essential elements of delegation include authority, responsibility, and accountability. Authority enables the person to make decisions, responsibility refers to the duty to perform tasks, and accountability ensures that the individual is answerable for the results. All three elements are essential for effective delegation.

Quick Tip

In delegation, ensure that the person to whom you delegate tasks has both the authority to make decisions and the responsibility for carrying out the tasks. Accountability ensures they are answerable for the outcomes.

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251. Identify the factor, which does not affect the pricing of a product.

(1) Cost of product and its Utility

(2) Pricing of product and Extent of competition

(3) Cost of product and Marketing method used

(4) Marketing method used and Pricing objective

Correct Answer: (4) Marketing method used and Pricing objective

Solution: The marketing method used and pricing objective do not directly affect the cost of the product or its utility. However, the cost of the product, its utility, and the extent of competition all play an essential role in determining its price.

Quick Tip

When pricing a product, focus on direct factors such as cost and utility. Marketing methods and objectives, while important, do not directly influence the product's intrinsic pricing.

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252. Identify the last step of the communication process.

(1) Feedback

(2) Decoding

(3) Encoding

(4) Message

Correct Answer: (1) Feedback

Solution: The last step in the communication process is feedback. After the message has been sent, decoded, and understood, the receiver provides feedback to the sender, completing the communication loop.

> **Quick Tip**
>
> Feedback is crucial for effective communication as it ensures that the message has been received and understood as intended.

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253. Match List I with List II

LIST I	LIST II
A. Consumer Protection Act	**I.** Claim exceeds 10 crore
B. District Forum	**II.** Settlement of claim exceeds 1 crore but does not exceed 10 crore
C. State Commission	**III.** Established in 1986
D. National Commission	**IV.** Settlement of claim up to 1 crore

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

(2) A-II, B-IV, C-II, D-I

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

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

Correct Answer: (1) A-I, B-II, C-III, D-IV

Solution: - Consumer Protection Act (A) is related to Claim exceeds 10 crore (I), as it deals with large claims.

- District Forum (B) is connected with the settlement of claims exceeding 1 crore but not exceeding 10 crore (II), typically handling medium-sized claims.

- State Commission (C) is linked with being established in 1986 (III), which is when it came into effect.

- National Commission (D) deals with the settlement of claims up to 1 crore (IV), handling smaller claims.

Quick Tip

In legal and financial contexts, understanding the structure of regulatory bodies and their responsibilities helps in identifying their role in resolving claims.

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254. Which of the following is not an element of delegation?

(1) Authority

(2) Responsibility

(3) Accountability

(4) Centralisation

Correct Answer: (4) Centralisation

Solution: Delegation involves assigning authority, responsibility, and accountability. Centralisation, on the other hand, refers to the concentration of decision-making power at the top of the hierarchy, which is not part of delegation.

Quick Tip

When studying delegation, remember that it involves distributing authority, responsibility, and accountability, whereas centralisation concentrates power at the top.

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255. Match List I with List II

LIST I	LIST II
A. Unclarified assumptions	**I.** Organisational Barriers
B. Distrust	**II.** Personal Barriers
C. Status	**III.** Semantic Barriers
D. Lack of proper incentives	**IV.** Psychological Barriers

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

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

(3) A-I, B-IV, C-I, D-II

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

Correct Answer: (1) A-I, B-II, C-III, D-IV

Solution: - Unclarified assumptions (A) relate to Organisational Barriers (I), as they create obstacles in communication within an organisation.

- Distrust (B) is connected to Personal Barriers (II), as it affects personal interactions and decision-making.

- Status (C) relates to Semantic Barriers (III), as status differences can lead to misinterpretation of messages.

- Lack of proper incentives (D) connects to Psychological Barriers (IV), since the absence of motivation affects mental engagement.

> **Quick Tip**
>
> Understanding the psychological and personal barriers within organisations helps in breaking down communication gaps. Focus on how personal and organisational elements influence communication.

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256. Arrange the Functions of Management in correct sequence.

A. Planning

B. Directing

C. Organising

D. Controlling

E. Staffing

Choose the correct answer from the options given below:

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

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

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

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

Correct Answer: (2) A, B, C, D, E

Solution: The correct sequence of the functions of management is:

1. Planning
2. Organising
3. Directing
4. Controlling
5. Staffing

Planning is the first function, followed by Organising to arrange resources. Then, Directing takes place to guide employees, followed by Controlling to ensure goals are met, and finally, Staffing to allocate appropriate personnel.

> Quick Tip
>
> Always remember the logical flow of management functions. Planning sets the foundation, followed by organising and directing, with controlling ensuring the process stays on track.

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257. Fayol's 14 Principles of management does not include

A. Authority and responsibility

B. Division of work

C. Unstability of personnel

D. Indiscipline

E. Initiative

Choose the correct answer from the options given below:

(1) A and C only

(2) B and D only

(3) C and D only

(4) C and E only

Correct Answer: (1) A and C only

Solution: Fayol's 14 principles do not include "Unstability of personnel" (C) or "Authority and responsibility" (A), both of which are not part of the principles outlined by Fayol. The principles include the idea of stable personnel but not instability.

Quick Tip

When studying Fayol's principles, focus on understanding the core concepts like authority, responsibility, and division of work, while excluding principles that contradict the foundations of organizational stability.

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258. Delegation refers to the:

(1) Upward transfer of responsibility from a subordinate to a superior

(2) Downward transfer of responsibility from a superior to a subordinate

(3) Upward transfer of authority from a subordinate to a superior

(4) Downward transfer of authority from a superior to a subordinate

Correct Answer: (4) Downward transfer of authority from a superior to a subordinate

Solution: Delegation is the process in which a superior transfers authority to a subordinate to carry out specific tasks. This is typically a downward transfer of authority, not responsibility or any other form of transfer.

Quick Tip

In delegation, authority is transferred downward from superiors to subordinates to carry out tasks, while responsibility remains with the superior.

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259. Cross Ltd., a company manufacturing cars, is a highly successful organisation. For designing their cars, they follow assembly line production which entails the sequence of operations, place for men, machines and raw materials etc. Identify the technique of scientific management being followed by Cross Ltd.

(1) Time study

(2) Motion study

(3) Method study

(4) Fatigue study

Correct Answer: (3) Method study

Solution: Method study involves analysing the sequence of operations and arrangement of work processes, which aligns with the description of Cross Ltd.'s approach. It ensures that work processes are carried out in the most efficient manner.

Quick Tip

Method study focuses on improving the efficiency of operations by studying the best methods and sequences of tasks, crucial for assembly line production.

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260. A manager should replace "I" with "We" in all his conversation with workers to foster team spirit. Identify the principle of management stated above.

(1) Stability of personnel

(2) Order

(3) Discipline

(4) Esprit De Corps

Correct Answer: (4) Esprit De Corps

Solution: "Esprit De Corps" refers to the sense of unity and teamwork within an organization. By replacing "I" with "We" in communication, the manager promotes a sense of collective effort, which is aligned with the principle of "Esprit De Corps."

Quick Tip

Fostering team spirit and unity within an organization is crucial for enhancing employee morale and overall productivity.

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261. Answer the question on the basis of following passage:

Adhunik Ltd is a consumer goods manufacturing unit running the business for the last 11 years. The C.E.O Mr. Aman wants to raise capital with an objective to modernise the existing plant. For this he has made a plan to offer equity and preference shares in the primary market. He uses a combination of methods. He got the prospects printed, so as to make a direct appeal to investors. Also he has invited offers from some brokers to buy shares at an attractive value. Since Mr. Aman has a great circle of friends who are institutional investors, he can soon gather capital. Another method, that he wants to use is the online system of stock exchange.

"He got the prospectus printed, so as to make a ...... direct appeal to investors."

Identify the method of floatation mentioned in these lines.

(1) E-IPO

(2) Rights issue

(3) Offer for sale

(4) Offer through prospectus

Correct Answer: (4) Offer through prospectus

Solution: The method described in the passage, where a company prints a prospectus to make a direct appeal to investors, is known as "Offer through prospectus." This method is used when a company offers its shares directly to the public.

Quick Tip

In primary market offerings, an "Offer through prospectus" involves issuing shares to the public with a detailed document outlining the terms of the offer, financial information, and other important details.

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262. Answer the question on the basis of the following passage:

Adhunik Ltd is a consumer goods manufacturing unit running the business for the last 11 years. The C.E.O Mr. Aman wants to raise capital with an objective to modernise

the existing plant. For this he has made a plan to offer equity and preference shares in the primary market. He uses a combination of methods. He got the prospectus printed, so as to make a direct appeal to investors. Also he has invited offers from some brokers to buy shares at an enbloc value. Since Mr. Aman has a great circle of friends who are institutional investors, he can soon gather capital. Another method that he wants to use is the online system of stock exchange.
"He has invited offers from some brokers to buy shares ...... at an enbloc value."
Identify the method of floatation used in these lines.

(1) Offer for sale

(2) Offer through prospectus

(3) Rights issue

(4) Private placement

Correct Answer: (4) Private placement

Solution: The passage describes a situation where brokers are invited to buy shares at an enbloc value, which is characteristic of "Private placement." In this method, shares are sold to a small group of investors, usually institutional investors.

Quick Tip

In private placements, companies sell securities to a select group of investors rather than the general public. It is typically used for raising capital quickly.

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263. Answer the question on the basis of the following passage:
Adhunik Ltd is a consumer goods manufacturing unit running the business for the last 11 years. The C.E.O Mr. Aman wants to raise capital with an objective to modernise the existing plant. For this he has made a plan to offer equity and preference shares in the primary market. He uses a combination of methods. He got the prospectus printed, so as to make a direct appeal to investors. Also he has invited offers from some brokers to buy shares at an enbloc value. Since Mr. Aman has a great circle of friends who are

institutional investors, he can soon gather capital. Another method, that he wants to use is the online system of stock exchange.
"Mr. Aman has a great circle of friends who are institutional investors."
Identify the method of floatation used in these lines.

(1) Private placement

(2) Rights issue

(3) Offer for sale

(4) E-IPO

Correct Answer: (1) Private placement

Solution: The passage describes a situation where shares are offered to a select group of investors, specifically institutional investors. This aligns with the method of "Private placement," where shares are sold to a small group of investors, typically without a public offering.

Quick Tip

In private placement, the company raises capital by selling securities directly to a small group of selected investors, usually institutional ones.

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264. Answer the question on the basis of the following passage:
Adhunik Ltd is a consumer goods manufacturing unit running the business for the last 11 years. The C.E.O Mr. Aman wants to raise capital with an objective to modernise the existing plant. For this he has made a plan to offer equity and preference shares in the primary market. He uses a combination of methods. He got the prospectus printed, so as to make a direct appeal to investors. Also he has invited offers from some brokers to buy shares at an enbloc value. Since Mr. Aman has a great circle of friends who are institutional investors, he can soon gather capital. Another method that he wants to use is the online system of stock exchange.
"Another method he wants to use is the online system of stock exchange."
Identify the method of floatation used in these lines.

(1) Private placement

(2) Offer through prospectus

(3) E-IPO

(4) Offer for sale

Correct Answer: (2) Offer through prospectus

Solution: The method described in the passage, where a company prints a prospectus to make a direct appeal to investors, is known as "Offer through prospectus." This method involves making a public offering of shares, which is described in the passage.

Quick Tip

An "Offer through prospectus" involves issuing a detailed document outlining the terms of the offer, financial information, and other essential details to the public for share offerings.

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265. Answer the question on the basis of following passage:

Adhunik Ltd is a consumer goods manufacturing unit running the business for the last 11 years. The C.E.O Mr. Aman wants to raise capital with an objective to modernise the existing plant. For this he has made a plan to offer equity and preference shares in the primary market. He uses a combination of methods. He got the prospectus printed, so as to make a direct appeal to investors. Also he has invited offers from some brokers to buy shares at an enbloc value. Since Mr. Aman has a great circle of friends who are institutional investors, he can soon gather capital. Another method that he wants to use is the online system of stock exchange.

In the above case Mr. Aman is using all methods of floatation which are used in the primary market because.

(1) It deals in new securities issued for the first time

(2) It is more transparent

(3) No permissions are required from SEBI

(4) Existing shares can be easily traded here

Correct Answer: (1) It deals in new securities issued for the first time

Solution: The passage describes methods used in the primary market, where new securities are issued for the first time to investors. This process involves the issuance of new shares, making option (1) the correct choice.

Quick Tip

The primary market is where new securities are issued for the first time, whereas the secondary market involves the trading of existing securities.

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266. Answer the question on the basis of the following passage:
Lenovo India decided to strengthen its diversifying numbers. It decided to tap its referral system. The company asked its employees to recommend candidates and decided to reward those who successfully recommended more women for the same roles.
Today, technology major Infosys for instance, has enhanced the use of technology for the employee's referral process. It has created a portal where employees can view requirements and submit profiles of candidates directly. Employees can then track the status of their referral in real-time. Which external source of recruitment is used by Lenovo India?

(1) Direct Recruitment

(2) Casual callers

(3) Transfer

(4) Recommendations of Employees

Correct Answer: (4) Recommendations of Employees

Solution: In the passage, it is mentioned that Lenovo India uses its referral system where employees recommend candidates. This method of recruitment is known as "Recommendations of Employees."

Quick Tip

Employee referral programs are effective sources of recruitment, as they encourage current employees to bring in qualified candidates from their network.

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267. Answer the question on the basis of the following passage:

Lenovo India decided to strengthen its diversifying numbers. It decided to tap its referral system. The company asked its employees to recommend candidates and decided to reward those who successfully recommended more women for the same roles.

Today, technology major Infosys for instance, has enhanced the use of technology for the employees' referral process. It has created a portal where employees can view requirements and submit profiles of candidates directly. Employees can then track the status of their referral in real-time.

It involves shifting of an employee from one job to another. Identify the source of internal recruitment.

(1) Transfers

(2) Promotions

(3) Direct Recruitment

(4) Casual callers

Correct Answer: (1) Transfers

Solution: The passage describes a process where an employee is shifted from one job to another within the organization, which is characteristic of "Transfers," a common source of internal recruitment.

Quick Tip

Internal recruitment can be through transfers, where employees are moved to different roles or departments within the same company.

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268. Answer the question on the basis of the following passage:
Lenovo India decided to strengthen its diversifying numbers. It decided to tap its referral system. The company asked its employees to recommend candidates and decided to reward those who successfully recommended more women for the same roles.
Today, technology major Infosys for instance, has enhanced the use of technology for the employees' referral process. It has created a portal where employees can view requirements and submit profiles of candidates directly. Employees can then track the status of their referral in real-time. Under which external source of recruitment do organizations keep a database of unsolicited applicants in their offices?

(1) Employment Exchange

(2) Campus Recruitment

(3) Placement agencies

(4) Casual callers

Correct Answer: (4) Casual callers

Solution: The passage discusses methods of recruitment and mentions the use of unsolicited candidates. Casual callers refer to candidates who apply on their own without any invitation, and organizations keep a database for such applicants.

> Quick Tip
>
> Casual callers are candidates who apply for jobs without being specifically invited by the organization. Many organizations maintain databases of such unsolicited applicants.

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269. Answer the question on the basis of following passage:
Lenovo India decided to strengthen its diversifying numbers. It decided to tap its referral system. The company asked its employees to recommend candidates and decided to reward those who successfully recommended more women for the same roles.
Today, technology major Infosys for instance, has enhanced the use of technology for the employees' referral process. It has created a portal where employees can view require-

ments and submit profiles of candidates directly. Employees can then track the status of their referral real-time. Which of the following is an internal source of recruitment?

(1) Direct Requirement

(2) Advertisement

(3) Promotions

(4) Campus Recruitment

Correct Answer: (3) Promotions

Solution: In the context of the passage, ”Promotions” is an internal source of recruitment. It involves selecting candidates within the company for higher roles or positions.

Quick Tip

Internal sources of recruitment include promotions, transfers, and employee referrals. Promotions help employees grow within the company.

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270. Answer the question on the basis of following passage:
Lenovo India decided to strengthen its diversifying numbers. It decided to tap its referral system. The company asked its employees to recommend candidates and decided to reward those who successfully recommended more women for the same roles.
Today, technology major Infosys for instance, has enhanced the use of technology for the employee's referral process. It has created a portal where employees can view requirements and submit profiles of candidates directly. Employees can then track the status of their referral real-time. Which of the following is not included in external sources of recruitment?

(1) Direct recruitment

(2) Advertisement

(3) Labour contractor

(4) Transfers

Correct Answer: (4) Transfers

Solution: Transfers are considered an internal source of recruitment, as they involve moving employees within the organization. The other options are external sources of recruitment.

Quick Tip

External sources of recruitment include methods like advertisements, labour contractors, and direct recruitment from outside the organization.
