

CUET 2025 Business Studies Question Paper with Solution

1. A company hired consultants to restructure departments for better efficiency.

Identify the management function.

- (A) Planning
- (B) Organizing
- (C) Leading
- (D) Controlling

Correct Answer: (B) Organizing

Solution:

The function being described is organizing. Organizing involves arranging resources, tasks, and people to achieve the goals set during the planning stage. In this scenario, the company hired consultants to restructure its departments, which is a typical task of organizing to ensure better efficiency in operations. Organizing ensures that resources are properly allocated, and tasks are defined to achieve the company's objectives. Organizing is concerned with the allocation and arrangement of resources to ensure that they are used effectively to achieve goals.

Quick Tip

Organizing is the management function that focuses on structuring the organization and allocating resources efficiently to achieve set goals.

2. Select the feature of management shown when activities are directed toward a common goal.

- (A) Coordination
- (B) Planning
- (C) Organizing

(D) Controlling

Correct Answer: (A) Coordination

Solution:

The feature of management being described is coordination. Coordination is the process of ensuring that all the activities within an organization are directed toward a common goal. It involves aligning and harmonizing the efforts of different individuals and departments to work together efficiently towards the organizational objectives. Without coordination, even well-planned activities might not lead to effective results, as the efforts may be fragmented. Coordination is necessary to ensure that all departments and individuals are working in harmony to achieve the common goal of the organization.

Quick Tip

Coordination ensures that all activities in an organization are synchronized and aligned with the overall goals, ensuring the achievement of organizational objectives.

3. Which of the following best reflects that management aims at achieving results through others?

- (A) Efficiency
- (B) Leadership
- (C) Delegation
- (D) Supervision

Correct Answer: (B) Leadership

Solution:

The correct answer is Leadership. Management aims at achieving results through others by guiding, motivating, and influencing them to achieve the organizational goals. Leadership is the key management function that involves inspiring and directing people to contribute their best efforts toward achieving the desired outcomes. Unlike efficiency, delegation, or supervision, leadership focuses specifically on getting work done through people by

influencing them, providing direction, and motivating them to align their efforts with organizational objectives. Leadership is central to achieving results through people.

Quick Tip

Leadership is the function in management that focuses on inspiring and motivating others to contribute towards organizational goals, ensuring that results are achieved through collective efforts.

4. Which principle of Fayol suggests “one head, one plan for a group of activities”?

- (A) Unity of Command
- (B) Division of Work
- (C) Unity of Direction
- (D) Authority and Responsibility

Correct Answer: (C) Unity of Direction

Solution:

The correct answer is Unity of Direction. This principle suggests that there should be one head and one plan for a group of activities aimed at achieving a common goal. This ensures that all efforts in an organization are aligned toward the same objective, avoiding confusion and conflicting directions. Unity of Direction emphasizes the importance of a unified approach for achieving organizational goals. Having one head and one plan for a group of activities helps streamline efforts and avoid inefficiency caused by divergent actions or conflicting instructions.

Quick Tip

Unity of Direction ensures that the efforts of all individuals and departments are coordinated toward a single goal, avoiding misalignment and enhancing organizational effectiveness.

5. Identify the scientific principle Taylor introduced to replace outdated practices.

- (A) Time and Motion Study
- (B) Scientific Selection and Training
- (C) Functional Foremanship
- (D) Standardization of Tools

Correct Answer: (A) Time and Motion Study

Solution:

The correct answer is Time and Motion Study. Frederick Taylor introduced the Time and Motion Study as a scientific principle to replace outdated practices. The principle involves analyzing tasks to determine the most efficient way to perform them, focusing on time and movement to increase productivity and minimize waste. Taylor's method was designed to improve efficiency by systematically studying the time and movements required for workers to perform specific tasks. This approach laid the foundation for modern management practices, where efficiency and productivity are prioritized.

Quick Tip

Time and Motion Study is a method used to analyze tasks and determine the most efficient way to perform them, focusing on reducing unnecessary movements and time.

6. Introduction of UPI payments across rural India is an example of which environmental dimension?

- (A) Economic Environment
- (B) Political Environment
- (C) Technological Environment
- (D) Social Environment

Correct Answer: (C) Technological Environment

Solution:

The correct answer is Technological Environment. The introduction of UPI (Unified Payments Interface) payments across rural India is an example of a technological

advancement. The technological environment encompasses the developments in technology that impact business operations and society. UPI is a technological innovation that has facilitated easier and more efficient digital transactions in rural areas, improving financial inclusion and enabling digital payments on a large scale. This technological change is part of the broader technological environment, which includes all technological advancements that influence business activities.

Quick Tip

The technological environment refers to advancements in technology that affect business operations, like digital payment systems such as UPI.

7. Which of the following does not characterize the business environment?

- (A) External forces
- (B) Relativity
- (C) Interrelatedness
- (D) Formal hierarchy

Correct Answer: (D) Formal hierarchy

Solution:

The correct answer is Formal hierarchy. The business environment is characterized by external forces, relativity, and interrelatedness, all of which impact how a business operates. The business environment refers to the external conditions and factors that influence the operations of an organization, such as economic, technological, political, and social factors. On the other hand, a formal hierarchy is an internal organizational structure, not a characteristic of the business environment. It defines the chain of command within an organization, but does not affect the broader business environment.

Quick Tip

The business environment is shaped by external factors such as market conditions, competition, and technological developments, not by internal structures like formal hierarchies.

8. Trade policies, taxation rules, and subsidies fall under:

- (A) Economic Environment
- (B) Political Environment
- (C) Legal Environment
- (D) Technological Environment

Correct Answer: (B) Political Environment

Solution:

The correct answer is **Political Environment**. Trade policies, taxation rules, and subsidies are part of the political environment because they are determined by government decisions and political actions. The political environment refers to the influence that government policies, political decisions, and regulations have on business operations. Economic policies such as trade regulations, taxation, and subsidies play a major role in shaping the business environment by affecting the costs, opportunities, and risks businesses face.

Quick Tip

The political environment includes government policies, regulations, and actions that directly affect business operations, such as trade policies and taxation.

9. “Planning bridges the gap between where we are and where we want to go.” Identify the features of planning.

- (A) Pervasiveness
- (B) Focused on Action
- (C) Futuristic

(D) Decision-making

Correct Answer: (C) Futuristic

Solution:

The correct answer is **Futuristic**. Planning is inherently focused on the future. It involves forecasting future conditions, setting objectives, and determining the best course of action to achieve the desired goals. Planning bridges the gap between where the organization currently stands and where it aims to be in the future. This makes it a forward-looking process that helps organizations anticipate challenges and opportunities. It helps to set clear objectives and provides a roadmap for achieving them, ensuring that all actions are directed toward future goals.

Quick Tip

Planning is always focused on the future, as it helps to bridge the gap between current situations and desired goals by setting clear objectives.

10. Arrange in correct sequence:

- (i) Setting objective
 - (ii) Identifying alternatives
 - (iii) Developing premises
 - (iv) Evaluating options
- (A) (i), (ii), (iii), (iv)
 - (B) (iii), (ii), (i), (iv)
 - (C) (i), (iii), (ii), (iv)
 - (D) (iii), (i), (ii), (iv)

Correct Answer: (C) (i), (iii), (ii), (iv)

Solution: The correct sequence is (i), (iii), (ii), (iv). The correct order in the planning process is: **(i) Setting objectives:** Establishing the goals to be achieved. **(iii) Developing premises:** Identifying the assumptions or conditions that will affect planning. **(ii)**

Identifying alternatives: Brainstorming different possible courses of action to achieve the objectives. **(iv) Evaluating options:** Analyzing the alternatives to select the best option.

Quick Tip

In planning, always start with clear objectives, followed by assumptions or premises, and then explore and evaluate alternatives. This process helps in making informed decisions.

11. Which of these is a feature of informal organisation?

- (A) Clear structure and hierarchy
- (B) Based on personal relationships
- (C) Defined roles and responsibilities
- (D) Official communication channels

Correct Answer: (B) Based on personal relationships

Solution: The correct answer is Based on personal relationships. Informal organization refers to the relationships that develop naturally among individuals in an organization based on personal preferences, trust, and social interactions. Unlike formal organizations, informal organizations do not have a clear structure or defined roles and responsibilities.

Quick Tip

Informal organizations play a key role in fostering communication and camaraderie within a company, although they are not officially structured or defined.

12. Identify the element of delegation where the subordinate is answerable for the outcome.

- (A) Authority
- (B) Responsibility
- (C) Accountability
- (D) Delegation

Correct Answer: (C) Accountability

Solution: The correct answer is Accountability. In the delegation process, accountability refers to the obligation of the subordinate to answer for the outcomes of the task assigned. It involves being responsible for the execution and result of the task, and the subordinate must report back on the outcomes.

Quick Tip

Accountability ensures that the person assigned a task is not only responsible for carrying it out but is also answerable for the outcomes.

13. Internal sources of recruitment may lead to:

- (A) Increased motivation and morale
- (B) Fresh perspectives and new ideas
- (C) Higher cost of recruitment
- (D) External conflicts

Correct Answer: (A) Increased motivation and morale

Solution: The correct answer is Increased motivation and morale. Internal recruitment typically boosts employee motivation and morale as it provides growth opportunities for existing employees. It also encourages loyalty and reduces the feeling of being overlooked. However, fresh perspectives and new ideas might not always be achieved through internal recruitment.

Quick Tip

Internal recruitment can be highly effective for maintaining motivation, but it may limit the influx of new ideas unless combined with external hiring.

14. Which type of test measures existing job knowledge and skills?

- (A) Personality test

- (B) Aptitude test
- (C) Skill test
- (D) Intelligence test

Correct Answer: (C) Skill test

Solution: The correct answer is Skill test. A skill test is designed to assess the practical job knowledge and skills of candidates relevant to the role. It helps determine how well candidates can perform specific tasks or duties related to the job, making it the most suitable test for measuring existing job skills.

Quick Tip

Skill tests are great for evaluating practical competencies directly related to the job role, rather than assessing theoretical knowledge or personality traits.

15. Which of the following is not a feature of directing?

- (A) Motivating subordinates
- (B) Issuing instructions
- (C) Setting objectives
- (D) Leading by example

Correct Answer: (C) Setting objectives

Solution: The correct answer is Setting objectives. Setting objectives is part of planning, not directing. Directing involves guiding and motivating employees to achieve organizational goals, issuing instructions, and leading by example. While setting objectives is crucial in management, it is a step taken in the planning process.

Quick Tip

Directing focuses on guiding and motivating employees to achieve objectives, while setting those objectives is part of the planning process.

16. Maslow's hierarchy includes all except:

- (A) Physiological needs
- (B) Safety needs
- (C) Self-actualization needs
- (D) Financial needs

Correct Answer: (D) Financial needs

Solution: The correct answer is Financial needs. Maslow's hierarchy of needs includes physiological needs, safety needs, social needs, esteem needs, and self-actualization needs. Financial needs are part of physiological needs but are not listed separately in Maslow's hierarchy.

Quick Tip

Maslow's hierarchy focuses on human motivations, progressing from basic physiological needs to the highest level of self-actualization.

17. "Only a 5% increase in material cost was found critical." What technique is this?

- (A) Break-even analysis
- (B) Cost-benefit analysis
- (C) Budgetary control
- (D) Management by exception

Correct Answer: (D) Management by exception

Solution: The correct answer is Management by exception. Management by exception involves focusing on significant deviations from the expected or standard performance. In this case, only a 5% increase in material cost is being highlighted, showing that management is focusing on exceptions or critical areas that require attention.

Quick Tip

Management by exception allows managers to focus their attention on significant variances rather than monitoring every aspect of performance.

18. Which of the following is a limitation of controlling?

- (A) It ensures continuous improvement
- (B) It focuses on future performance
- (C) It is time-consuming
- (D) It provides immediate feedback

Correct Answer: (C) It is time-consuming

Solution: The correct answer is: It is time-consuming. Controlling involves monitoring, comparing, and analyzing performance, which can be time-consuming, especially when it involves continuous assessment and adjustments. While it provides valuable insights and feedback, the process of controlling can take significant time and effort, particularly in large organizations.

Quick Tip

While controlling provides crucial feedback, it can consume a lot of time and resources to maintain and ensure effective oversight of organizational performance.

19. “Coordination integrates group efforts and ensures unity of action.” This highlights that coordination is:

- (1) A process.
- (2) A structure.
- (3) An objective.
- (4) A result.

Correct Answer: (1) A process.

Solution: Step 1: Understanding coordination.

Coordination refers to the process by which different group efforts are integrated and synchronized to achieve common objectives.

Step 2: Explanation of the quote.

The statement highlights that coordination is essential for ensuring unity of action, meaning that it is an ongoing activity or process within management.

Step 3: Conclusion.

Thus, coordination is best described as a process.

Quick Tip

Coordination is a continuous process that harmonizes group activities to achieve organizational goals effectively.

20. According to Taylor, “each employee should receive orders from one superior only.”

This reflects:

- (1) Unity of direction.
- (2) Scalar chain.
- (3) Unity of command.
- (4) Discipline.

Correct Answer: (3) Unity of command.

Solution: Step 1: Understanding Taylor’s principle.

Taylor emphasized that to avoid confusion and conflict, every employee should receive orders from only one superior.

Step 2: Explanation of unity of command.

Unity of command is a management principle that states that each employee should have only one direct supervisor to whom they are accountable.

Step 3: Conclusion.

Thus, the statement reflects the principle of unity of command.

Quick Tip

Unity of command ensures clear reporting relationships and prevents conflicting instructions.

21. Which of these is a strategic plan?

- (1) Plan to increase daily production by 10%.
- (2) Plan to reduce employee turnover by 5%.
- (3) Plan to enter a new international market within five years.
- (4) Plan to organize a training workshop next month.

Correct Answer: (3) Plan to enter a new international market within five years.

Solution: Step 1: Understanding strategic plans.

Strategic plans are long-term plans designed to achieve major goals and set the overall direction of an organization.

Step 2: Evaluating options.

Plans focused on long-term goals and significant changes, such as entering new markets, are strategic. Short-term plans like increasing daily production or organizing workshops are operational or tactical.

Step 3: Conclusion.

Therefore, the plan to enter a new international market within five years is a strategic plan.

Quick Tip

Strategic plans focus on long-term objectives and significant organizational changes.

22. Arrange the steps of organizing:

- (A) Division of work, (B) Departmentalisation, (C) Assignment of duties, (D) Authority relationships
- (A) A, B, C, D

- (B) B, A, C, D
- (C) A, C, B, D
- (D) A, B, D, C

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

Solution: Step 1: Understanding the Process of Organizing.

The process of organizing involves arranging resources and tasks to achieve organizational goals. The correct order of the steps is crucial for proper organization.

Step 2: Explanation of the Steps.

A. Division of Work: The first step involves dividing the total work into manageable tasks or activities.

C. Assignment of Duties: Once the work is divided, the next step is to assign specific duties to individuals or teams.

B. Departmentalisation: After assigning duties, tasks are grouped into departments or sections based on common functions or goals.

D. Authority Relationships: Finally, authority relationships are established to ensure effective communication and decision-making between individuals or departments.

Step 3: Conclusion.

Thus, the correct order of organizing steps is: A, C, B, D.

Quick Tip

The sequence of organizing steps starts with dividing work, followed by assigning duties, grouping related tasks, and establishing authority relationships.

22. Identify the correct sequence in the selection process: (A) Test, (B) Interview, (C)

Reference check, (D) Job offer

- (A) A, B, C, D
- (B) B, A, C, D
- (C) A, C, B, D
- (D) A, B, D, C

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

Solution: Step 1: Understanding the Selection Process.

The selection process involves several key steps to evaluate and choose the right candidate for the job. The steps must be followed in a specific order to ensure an efficient and fair process.

Step 2: Explanation of the Steps.

A. Test: The first step in the selection process is usually an aptitude or skill test to assess the candidate's abilities.

B. Interview: After the test, the candidate is typically interviewed to assess their suitability for the job in terms of experience, skills, and cultural fit.

C. Reference Check: Once the candidate passes the test and interview, a reference check is done to verify their background and credentials.

D. Job Offer: Finally, after confirming the candidate's qualifications, a job offer is extended.

Step 3: Conclusion.

Thus, the correct sequence of the selection process is: A, B, C, D.

Quick Tip

The selection process is a structured procedure that starts with testing, followed by interviews, reference checks, and ends with the job offer.

24. What is the last step of the controlling process?

- (A) Measuring performance
- (B) Setting standards
- (C) Comparing actual performance with standards
- (D) Taking corrective actions

Correct Answer: (D) Taking corrective actions

Solution: Step 1: Controlling Process Overview.

The controlling process in management involves setting standards, measuring actual performance, and comparing them.

Step 2: Corrective Action.

Once the performance is measured and compared with the set standards, if any deviation is found, corrective actions are taken.

Step 3: Conclusion.

Hence, the last step in the controlling process is to take corrective actions to ensure the goals are achieved.

Quick Tip

Controlling helps in identifying performance gaps and taking corrective actions to align outcomes with goals.

25. Right to be heard ensures:

- (A) Freedom of speech
- (B) Right to appeal
- (C) Fair hearing
- (D) Right to protest

Correct Answer: (C) Fair hearing

Solution: Step 1: Definition of Right to be Heard.

The "Right to be heard" ensures that individuals have the opportunity to present their case or viewpoint before an authority or decision-maker.

Step 2: Importance of Fair Hearing.

This right is fundamental to ensuring a fair and just decision-making process, where all parties involved are given an equal opportunity to be heard.

Step 3: Conclusion.

Thus, the right to be heard ensures a fair hearing before decisions are made.

Quick Tip

The right to be heard is a fundamental aspect of procedural fairness and justice.