

CUET 2024 Business Studies Set C

Question Paper with Solution

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

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

Choose the correct answer from the options given below:

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

Answer: (3) (B), (A), (D), (C)

Solution:

Maslow's hierarchy of needs posits a hierarchical structure where lower-level needs must be met before higher-level needs become primary motivators. The correct sequence is: **(B) Safety and Security needs**, then **(A) Belongingness needs**, followed by **(D) Esteem needs**, and finally **(C) Self-actualisation needs**.

Quick Tip

Maslow's hierarchy of needs provides a framework for understanding human motivation. Remember the hierarchical order: Physiological, Safety, Belongingness, Esteem, and Self-actualization.

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

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

Answer: (3) Leadership

Solution:

Leadership is the process of influencing individuals to work towards organizational goals willingly. While motivation is a component, leadership encompasses the broader scope of inspiring and guiding individuals toward collective success.

Quick Tip

Leadership is about influencing and guiding others to achieve a shared vision. Effective leadership fosters commitment and collaboration.

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

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

Choose the correct answer from the options given below:

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

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

Solution:

Let's match the descriptions in List-I with the corresponding HR concepts in List-II:

(A) Choosing the most appropriate candidate (I) Selection: Selection is the process of choosing the best candidate from a pool of applicants.

(B) Candidate is given an introduction to superiors (II) Orientation: Orientation is the process of familiarizing new employees with the company, their roles, and their supervisors.

(C) Learning the skills related to a job (IV) Training: Training focuses on developing the skills and knowledge necessary for a specific job.

(D) Searching for prospective employees (III) Recruitment: Recruitment is the process of identifying and attracting potential employees.

Therefore, the correct matching is (A) - (I), (B) - (II), (C) - (IV), (D) - (III).

Quick Tip

Recruitment, selection, orientation, and training are key components of the human resource management process. Understand the purpose and sequence of each step.

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

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

Answer: (1) Motivation

Solution:

Motivation is the process of stimulating individuals to act in a way that contributes to organizational goals. It involves influencing behavior through incentives and appeals.

Quick Tip

Motivation is a key managerial function aimed at inspiring and encouraging employees to perform effectively and achieve organizational objectives.

5. Which of the following is *not* a limitation of Controlling?

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

Answer: (3) Ensure order and discipline

Solution:

Effective controlling helps to maintain order and discipline within an organization. Options (1), (2), and (4) represent genuine limitations of the controlling process.

Quick Tip

Controlling is a crucial management function, but it is not without limitations. Resource constraints, resistance to change, and external factors can all affect the effectiveness of control systems.

6. Identify the correct sequence of Controlling process:

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

Choose the correct answer from the options given below:

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

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

Solution:

The controlling process logically begins with **(C) Setting up standards**. Then, **(B) Measurement of actual performance** is carried out. This is followed by **(D) Comparison of actual performance with standards** to identify deviations. Finally, **(A) Analysing deviations** helps to understand causes and take corrective actions.

Quick Tip

The control process is cyclical. Deviations from standards trigger corrective actions, which may lead to adjustments in standards over time.

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

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

Answer: (2) Critical point control

Solution:

The statement highlights that a small change in one area (labour cost) can have a disproportionately larger negative impact than a larger change in another (postal charges). This is the concept of critical point control, where certain factors have a significantly higher impact than others.

Quick Tip

Critical point control focuses on identifying key factors that, even with small variations, can greatly affect performance or outcomes.

8. Identify the function performed by Financial Market from the following statement: "Holders of assets can readily sell their financial assets through the mechanism of the financial market."

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

Answer: (2) Provide liquidity to financial assets

Solution:

The ability to readily sell financial assets implies the existence of a liquid market. Financial markets provide liquidity by enabling investors to quickly buy or sell assets without significant price impact.

Quick Tip

Liquidity refers to the ease with which an asset can be converted into cash without significant loss of value. Financial markets enhance the liquidity of financial assets.

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

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

Answer: (1) District Commission

Solution:

The hierarchical structure of consumer dispute redressal typically involves an appeal from a District Commission to the State Commission, and then to the National Commission.

Quick Tip

Consumer protection laws provide mechanisms for resolving disputes between consumers and businesses. Understand the hierarchical structure of the redressal process.

10. Identify the importance of consumer protection discussed in the following lines — “Business organisations make money by selling goods and providing services to consumers. Thus, consumers form an important group among the many stakeholders of business and like other stakeholders, their interest has to be well taken care of.”

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

Answer: (3) Social responsibility

Solution:

The statement highlights that consumers are vital stakeholders and their interests must be protected. This is directly related to the concept of social responsibility, which emphasizes a business’s ethical and moral obligations towards society.

Quick Tip

Social responsibility involves businesses considering the impact of their actions on society and acting ethically and sustainably. Consumer protection is a key aspect of social responsibility.

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

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

Answer: (3) Right to be Assured

Solution:

The statement describes the consumer’s right to choose from a variety of products offered at competitive prices. This directly relates to the Right to be Assured. Let’s examine why the other options are incorrect:

Right to Safety: This right focuses on the safety and non-hazardous nature of the products.

Right to Seek Redressal: This right deals with obtaining compensation or redress for faulty products or services.

Right to Consumer Education: This right focuses on providing consumers with information and education about their rights and responsibilities.

The statement emphasizes the availability of diverse products at competitive prices, a core aspect of the Right to be Assured, ensuring consumers have choices and aren’t limited by scarcity or unfair pricing practices.

Quick Tip

Consumer rights are distinct and address different aspects of consumer protection. Carefully analyze the description of the right to identify which specific right it represents.

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

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

Answer: (2) Offer for sale

Solution:

The question describes a scenario where a company sells its securities as a single block ("en bloc") to a broker at a pre-determined price. This is the defining characteristic of an "Offer for Sale." Let's look at why the other options are not suitable:

Rights Issue: A rights issue involves offering additional shares to existing shareholders.

e-IPOs: An e-IPO (electronic Initial Public Offering) is a public offering of securities through an electronic platform.

Offer through Prospectus: An offer through a prospectus involves a public offering of securities with a detailed prospectus outlining the company's financials and investment details.

In contrast, an "Offer for Sale" is a private placement where a company sells its securities to a single buyer (in this case, a broker) in bulk, directly, without a public offering or prospectus. This method avoids the complexities and regulatory requirements of a public issue.

Quick Tip

Distinguish between various methods of raising capital in the primary market by understanding their processes and key features. The key here is the "en bloc" sale to a single intermediary.

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

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

Choose the correct answer from the options given below :

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

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

Solution:

Let's match the meanings in List-I with the correct terms in List-II:

(A) Right to command: This corresponds to Authority (III). Authority is the right to give orders and expect obedience.

(B) Obligation to perform task: This is the definition of Responsibility (IV). Responsibility is the duty to perform a task.

(C) Accountability: This means being answerable for one's actions, thus it matches with Answerability (I).

(D) Basis of management hierarchy: The management hierarchy is built on the principle of Delegation (II). Delegation is the assignment of tasks and authority to subordinates.

Therefore, the correct matching is (A) - (III), (B) - (IV), (C) - (I), (D) - (II).

Quick Tip

Understanding the core concepts of management like authority, responsibility, and accountability is key to correctly matching terms with their meanings. Think about the practical implications of each term in an organizational context.

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

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

Choose the correct answer from the options given below:

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

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

Solution:

The organizing function in management follows a logical sequence. Let's analyze the options:

The first step in organizing is to identify and divide the overall work into manageable tasks. This is represented by option (C).

Next, the organization needs to group these tasks into departments or units. This is the process of departmentalization (B).

Once departments are established, duties must be assigned to individuals within those departments (D).

Finally, the authority and reporting relationships are established, clarifying who reports to whom (A).

Therefore, the correct sequence is (C), (B), (D), (A).

Quick Tip

Understanding the logical flow of management functions is crucial. In this case, the organizing process starts with defining the work, then grouping it, assigning it, and finally, establishing reporting structures.

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

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

Which of the following options are correct?

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

Answer: (1) (A), (B) and (D) only

Solution:

Let's analyze each statement to determine its accuracy in describing a formal organization:

- (A) This statement accurately describes a key feature of formal organizations: clearly defined hierarchical structures and reporting relationships.
- (B) This is also a correct description. Formal organizations establish rules and procedures to ensure systematic goal attainment.
- (C) This statement is incorrect. Independent communication channels not aligned with the formal structure are characteristic of informal, not formal, organizations.
- (D) This statement correctly points out that formal organizations are deliberately planned and structured by top management.

Therefore, only statements (A), (B), and (D) accurately represent features of a formal organization.

Quick Tip

Differentiate between formal and informal organizational structures. Formal structures are characterized by planned hierarchies, rules, and procedures, while informal structures emerge spontaneously from social interactions.

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

- (A) Prescribed lines of communication are not followed. Thus, informal organisation leads to faster spread of information as well as quick feedback.
- (B) It helps to fulfil the social needs of the members and allows them to find like minded

people. This enhances their job satisfaction since it gives them a sense of belongingness in the organisation.

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

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

Choose the correct answer from the options given below :

(1) (A), (B) and (D) only

(2) (A), (B) and (C) only

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

(4) (B), (C) and (D) only

Answer: (2) (A), (B) and (C) only

Solution:

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

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

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

(D) Unity of command is maintained through an established chain of command. THIS IS FALSE. It is the benefit of formal organisation.

Quick Tip

Interaction among people at work gives rise to a 'network of social relationships among employees' called the informal organisation. Informal organisation emerges from within the formal organisation when people interact beyond their officially defined roles. The informal organisation offers many benefits.

17. Identify the correct sequence of trading settlement procedure:

(A) The investor has to sign a broker client agreement.

(B) The investor has to open a 'Demat' Account.

(C) An order confirmation slip is issued to the investor by the broker.

(D) The broker will then go online and connect to the main stock exchange.

Choose the correct answer from the options given below:

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

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

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

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

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

Solution:

The correct sequence of steps in the trading and settlement procedure is as follows:

1. **(A) Broker Client Agreement:** The investor must first sign an agreement with a broker to establish a trading relationship.

2. **(B) Demat Account Opening:** A Demat account is essential for holding securities electronically. This must be opened before trading can begin.

3. **(D) Broker Connects to Exchange:** After the account is open, the broker executes trades by connecting to the stock exchange.

4. **(C) Order Confirmation:** Once the trade is executed, the broker provides the investor with an order confirmation slip.

Therefore, the correct sequence is (A), (B), (D), (C).

Quick Tip

The trading and settlement process involves several steps. Remember the logical flow: agreement, account opening, order execution, and then confirmation.

18. The market where existing securities are bought and sold is known as -----.

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

Answer: (2) Secondary market

Solution:

The primary market is where new securities are issued for the first time by companies or governments. The secondary market, on the other hand, is where existing securities are traded among investors. Therefore, the market where existing securities are bought and sold is known as the secondary market.

Let's look at why other options are incorrect:

Primary market: Deals with new issues of securities. Capital market: A broader term encompassing both primary and secondary markets for long-term securities. Financial market: An even broader term that includes markets for various financial instruments, not just securities.

Quick Tip

Distinguish between primary and secondary markets. The primary market is for new issues, while the secondary market is for trading already-issued securities.

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

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

Answer: (3) Risk avoider

Solution:

Successful entrepreneurs are typically characterized by their willingness to take calculated risks. Risk aversion is generally not considered a positive quality in this context. Initiative, self-confidence, and wealth creation are all commonly associated with successful entrepreneurs.

Quick Tip

Successful entrepreneurship often involves calculated risk-taking. While not all risks are successful, a reluctance to take risks generally hinders entrepreneurial success.

20. Identify the function performed by SEBI:

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

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

Answer: (2) Regulatory functions

Solution:

The description of SEBI’s actions – controlling insider trading, regulating takeover bids, and imposing penalties – clearly indicates a regulatory role. SEBI sets rules and regulations for the securities market and enforces compliance.

Quick Tip

Regulatory bodies like SEBI establish and enforce rules to maintain order and fairness in the markets. Their functions primarily focus on regulation and oversight.

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

- (1) Increase the shareholders’ wealth
- (2) Decrease the shareholders’ wealth
- (3) Increase the shareholders’ capital
- (4) Decrease the shareholders’ capital

Answer: (1) Increase the shareholders' wealth

Solution:

The primary goal of financial management is to maximize the value of the firm, which directly translates to increasing the wealth of its shareholders. This is achieved by making sound investment and financing decisions.

Quick Tip

The ultimate objective of financial management is shareholder wealth maximization. All financial decisions should be evaluated based on their impact on this goal.

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

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

Answer: (1) Financial planning

Solution:

Financial planning is the process of forecasting future funds requirements and identifying sources of funds to meet those needs. This ensures a proper match between funds requirements and availability.

Quick Tip

Financial planning is a proactive process of aligning resource acquisition with anticipated needs. It is a fundamental aspect of effective financial management.

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

- (1) Cheaper, risky
- (2) Cheaper, safe
- (3) Expensive, risky
- (4) Expensive, safe

Answer: (1) Cheaper, risky

Solution:

Debt financing is generally cheaper than equity financing because interest payments are tax-deductible. However, debt involves the obligation to repay the principal and interest, making it riskier than equity for a business. If the business fails to meet these obligations,

it can face serious financial consequences.

Quick Tip

Debt financing offers cost advantages but carries the risk of financial distress if repayment obligations are not met. Businesses must carefully balance the cost and risk of debt.

24. “Coordination unifies unrelated interests into purposeful work activity.” Identify the nature of coordination.

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

Answer: (4) Coordination integrates group efforts

Solution:

The statement highlights the unifying nature of coordination, bringing together diverse interests for a common goal. This aligns with the idea that coordination integrates group efforts. While coordination is pervasive and continuous, and it does ensure unity of action, the statement directly emphasizes the integration of diverse efforts.

Quick Tip

Coordination is a crucial management function that ensures the alignment of individual and group efforts towards organizational objectives.

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

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

Answer: (1) Social objective

Solution:

Akash Industries' action demonstrates a commitment to environmental responsibility and social welfare by providing employment and reducing waste. This aligns with a social objective of management, which goes beyond profit maximization to consider the broader impact on society.

Quick Tip

Social objectives of management focus on the company's contributions to society, including environmental protection, community development, and employee welfare.

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

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

Answer: (4) Management is a goal-oriented process

Solution:

The statement explicitly describes management as being directed towards a specific end result or aim. This is the defining characteristic of a goal-oriented process. Management's activities are purposeful and driven by the organization's objectives.

Quick Tip

Goal-orientation is a fundamental aspect of management. All managerial activities should contribute to the achievement of organizational goals.

27. The key position of top-level management is _____.

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

Answer: (1) Managing Director

Solution:

The Managing Director typically holds the key position in top-level management. They are responsible for overall strategic direction and leadership of the organization. Production managers, marketing managers, and plant supervisors occupy lower levels of management.

Quick Tip

Top-level management positions are responsible for overall strategic direction and leadership of the organization. These roles are typically at the highest levels of the organizational hierarchy.

28. Match List-I with List-II.

List-I		List-II	
(A)	Intelligence test	(I)	Indicator of a person's capacity to develop
(B)	Aptitude test	(II)	Clues to a person's emotions, values, etc.
(C)	Personality test	(III)	Measure existing skills of the individual
(D)	Trade test	(IV)	Indicator of a person's learning ability and ability to make judgements

Choose the correct answer from the options given below:

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

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

Solution:

(A) Intelligence test (IV) Indicator of a person's learning ability and ability to make judgements: Intelligence tests assess cognitive abilities, including learning and judgment.

(B) Aptitude test (I) Indicator of a person's capacity to develop: Aptitude tests measure a person's potential to learn and acquire skills.

(C) Personality test (II) Clues to a person's emotions, values, etc.: Personality tests aim to reveal aspects of an individual's personality, including emotions and values.

(D) Trade test (III) Measure existing skills of the individual: Trade tests assess a person's current proficiency in specific job-related skills.

Therefore, the correct matching is (A) - (IV), (B) - (I), (C) - (II), (D) - (III).

Quick Tip

Different psychological tests serve distinct purposes. Understand the objectives of each test type (intelligence, aptitude, personality, trade) to correctly match them with their descriptions.

29. Which of the following are advantages of functional structure of an organisation?

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

(D) Increases operational efficiency.

Choose the correct answer from the options given below:

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

Answer: (3) (A), (C) and (D) only

Solution:

Let's evaluate each statement in the context of the advantages of a functional organizational structure:

(A) **Leads to occupational specialisation:** This is a significant advantage. Functional structures group employees by their expertise, fostering specialization and efficiency.

(B) **Places less emphasis on organisational objectives:** This is incorrect. While departmental focus can sometimes lead to siloed thinking, a well-managed functional structure should support overall organizational goals.

(C) **Promotes coordination and control within a department:** This is correct. The grouping of similar functions facilitates internal coordination and control.

(D) **Increases operational efficiency:** This is generally correct. Specialization and streamlined workflows within functions contribute to improved operational efficiency.

Therefore, (A), (C), and (D) are advantages of a functional structure.

Quick Tip

Functional organizational structures group employees by specialized functions. While this promotes expertise and efficiency, it can also lead to communication challenges between departments if not managed effectively.

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

“Just Foodie” is a food chain offering different snacks like chips, biscuits, chocochip cookies, cakes, etc. through their own retail outlets. To make their products available to customers at right time, right place, they are also selling their products to grocery stores in addition to their own outlets. The taste, quality and packing are given utmost care. They are offering good quality, so they are able to charge higher price than their competitors. To increase their sales, they are using different offers like : Free gifts, Cash backs, etc. They are offering discounts to customers on various occasions. All these considerations have made “Just Foodie” a complete success and they are able to win over different competitors in the market, and their market share is rising continuously.

30. In the above case “Just Foodie” is using various variables of Marketing Mix. Identify the variable used in the following statement:

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

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

Answer: (4) Physical distribution

Solution:

This statement refers to the distribution strategy of “Just Foodie,” which involves making their products available through various channels (their own outlets and grocery stores) to reach customers at the right time and place. This relates to the physical distribution element of the marketing mix.

Quick Tip

Physical distribution in the marketing mix refers to all the activities involved in getting the product to the customer, including storage, transportation, and channel selection.

31. Identify the element of marketing mix in the following statement:

“The taste, quality and packing are given utmost care.”

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

Answer: (1) Product mix

Solution:

The statement emphasizes product characteristics (taste, quality, packaging), which are central to the product element of the marketing mix.

Quick Tip

The product mix encompasses all aspects of the product offering, including its design, features, quality, branding, and packaging.

32. “They are able to charge higher price than their competitors.” Which element of marketing mix is discussed in the statement?

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

Answer: (2) Price mix

Solution:

The statement directly addresses the pricing strategy, which is the "price mix" component of the marketing mix.

Quick Tip

The price mix focuses on the pricing strategy used to set prices for products or services, considering factors like costs, competition, and demand.

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

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

Answer: (3) Promotion mix

Solution:

The statement describes promotional activities like free gifts, cash backs, and discounts. These are all elements of the promotion mix.

Quick Tip

The promotion mix includes various methods used to communicate with customers and promote sales, such as advertising, sales promotion, public relations, and personal selling.

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

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

Answer: (2) Sales promotion

Solution:

Free gifts, cash backs, and discounts are all examples of sales promotion techniques designed to stimulate immediate sales.

Quick Tip

Sales promotion involves short-term incentives to encourage immediate purchase, while advertising is a broader communication strategy.

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

A Maharatna Company, Indian Oil

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

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

35. Identify the function of management highlighted in the above case.

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

Answer: (4) Planning

Solution:

The case highlights Indian Oil's strategic planning for global expansion, investment, and meeting energy demands. The focus on setting goals and anticipating future changes points directly to the planning function of management.

Quick Tip

Planning involves setting organizational goals, developing strategies to achieve those goals, and anticipating future challenges.

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

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

Answer: (4) Provides direction

Solution:

Clearly defined goals provide direction and purpose for employees, guiding their actions and efforts towards the organization’s objectives.

Quick Tip

A key role of management is to set clear goals and provide direction to employees to ensure everyone works towards common objectives.

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

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

Answer: (2) Reduces risks of uncertainty

Solution:

Anticipating and planning for potential changes reduces uncertainty and allows management to develop proactive responses.

Quick Tip

Planning helps in mitigating risks by anticipating future trends and potential challenges. This allows organizations to prepare contingency plans.

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

- (1) Facilitates decision making
- (2) Reduces risks of uncertainty
- (3) Provides direction

- (4) Reduces overlapping and wasteful activities

Answer: (3) Provides direction

Solution:

Policies create a framework for action, providing direction and reducing ambiguity within the organization.

Quick Tip

Policies offer a structured approach to managing various activities and ensure consistency and coordination across different levels.

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

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

Answer: (4) Facilitates decision making

Solution:

The ability to consider future scenarios and choose among alternatives is a core aspect of effective decision-making.

Quick Tip

Decision-making involves evaluating different options and selecting the best course of action based on available information and predicted outcomes.

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

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

Answer: (1) Science, not rule of thumb

Solution:

Frederick Winslow Taylor’s scientific management emphasized the application of scientific methods to improve efficiency in the workplace. This principle advocates replacing traditional, rule-of-thumb methods with systematic observation, measurement, and anal-

ysis to determine the best way to perform tasks. This is the core of “Science, not rule of thumb.”

Quick Tip

Taylor’s scientific management revolutionized management thinking by emphasizing data-driven decision-making and systematic process improvement, moving away from relying on guesswork and tradition.

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

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

Choose the correct answer from the options given below:

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

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

Solution:

Let’s match each item in List-I with the corresponding management principle in List-II:

(A) Obedience to organisational rules (III) Discipline: Discipline refers to obedience to rules and regulations within the organization.

(B) One boss for every individual employee (IV) Unity of command: Unity of command means that each subordinate should receive orders from only one superior.

(C) One head and one plan (I) Unity of direction: Unity of direction implies that there should be one plan for a group of activities having the same objective.

(D) Remuneration should be just and equitable (II) Remuneration of employees: This refers to the principle of fair and equitable compensation for employees.

Therefore, the correct matching is (A) - (III), (B) - (IV), (C) - (I), (D) - (II).

Quick Tip

Fayol’s 14 principles of management provide a framework for understanding effective organizational management. Familiarize yourself with these principles and their applications.

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

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

Answer: (3) Standardisation of work

Solution:

Standardisation of work, a key element of Taylor's scientific management, focuses on establishing uniform methods, processes, and specifications for tasks and products. The aim is to reduce variation and improve efficiency by defining fixed types, sizes, and characteristics.

Quick Tip

Standardisation ensures consistency and reduces waste by eliminating variations in processes and product features. It is a core principle of scientific management.

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

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

Choose the correct answer from the options given below:

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

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

Solution:

Let's match each statement in List-I with the appropriate term from List-II based on management principles:

(A) Employees turnover should be minimised (I) Stability of personnel: Minimizing employee turnover contributes to stability within the workforce.

(B) Emphasises kindness and justice (II) Equity: Equity refers to fair and just treatment of all employees.

(C) Chain of authority and communication from top to bottom (IV) Scalar chain: The scalar chain describes the formal line of authority and communication within an organization.

(D) Promotes team spirit (III) Esprit de corps: Esprit de corps refers to a sense of unity, camaraderie, and team spirit within a group.

Therefore, the correct matching is (A) - (I), (B) - (II), (C) - (IV), (D) - (III).

Quick Tip

Understanding the principles of management, such as those related to organizational structure, employee relations, and communication, is essential for effective management.

44. Under which dimension of business environment is “Online Booking of Air Tickets” included?

- (1) Legal dimension
- (2) Economic dimension
- (3) Technical dimension
- (4) Social dimension

Answer: (3) Technical dimension

Solution:

Online booking of air tickets is a technological advancement impacting how the travel industry operates. This falls under the technical dimension of the business environment, which includes technological factors affecting business operations.

Quick Tip

The technical dimension of the business environment encompasses technological advancements and their impact on business operations, including automation, information technology, and e-commerce.

45. Which of the following is an example of economic environment?

- (1) Money supply in economy
- (2) Constitution of the country
- (3) Life expectancy
- (4) Population shifts

Answer: (1) Money supply in economy

Solution:

The money supply directly impacts economic activity, interest rates, inflation, and business investment decisions. This is a core component of the economic environment.

Quick Tip

The economic environment includes factors such as economic growth, inflation, interest rates, unemployment, and government economic policies.

46. Which of the following is an example of legal environment?

- (1) Death/Birth Ratio
- (2) Trade Union Act
- (3) Prevailing Political System
- (4) Public Debt

Answer: (2) Trade Union Act

Solution:

The Trade Union Act is a piece of legislation directly impacting labor relations and business operations. It forms a part of the legal environment which encompasses laws and regulations governing business activities.

Quick Tip

The legal environment comprises laws, regulations, and legal frameworks that affect business operations, including labor laws, consumer protection laws, and environmental regulations.

47. Which of the following does *not* characterise business environment?

- (1) Inter-related
- (2) External forces
- (3) Market orientation and product
- (4) Relativity

Answer: (3) Market orientation and product

Solution:

While the business environment is characterized by inter-relatedness, external forces, and relativity, market orientation is not a defining characteristic of the business environment.

Quick Tip

The business environment is dynamic and complex, consisting of interrelated internal and external factors that influence business operations.

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

- (A) Setting objectives

- (B) Identifying alternative courses of action
- (C) Developing premises
- (D) Evaluating alternative courses of action

Choose the correct answer from the options given below:

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

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

Solution:

The logical sequence for the planning process is: First, **(A) Setting objectives** – defining what needs to be achieved. Next, **(C) Developing premises** – considering the assumptions and constraints involved. Then, **(B) Identifying alternative courses of action** – exploring different ways to reach the objective. Finally, **(D) Evaluating alternative courses of action** – assessing the feasibility and choosing the best option.

Quick Tip

The planning process is iterative and may involve revisiting earlier steps as new information emerges. However, the fundamental sequence proceeds from defining goals to selecting the optimal course of action.

49. Identify the correct sequence of Selection process:

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

Choose the correct answer from the options given below:

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

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

Solution:

A typical selection process follows these steps: First, **(C) Selection tests** are conducted to assess candidates' skills and abilities. Then, **(B) Employment interviews** allow for further evaluation and discussion. Next, **(D) Reference checking** verifies information provided by candidates. Finally, a **(A) Selection decision** is made based on the gathered information.

Quick Tip

The selection process aims to identify the best candidate for a position by systematically assessing qualifications, skills, and experience.

50. “It is a joint programme of training in which educational institutions and business firms cooperate.” Identify the method of training.

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

Answer: (3) Internship training

Solution:

Internship training is a program where educational institutions and businesses collaborate to provide practical, on-the-job experience to students. The description clearly points to this collaborative training approach.

Quick Tip

Internships provide valuable hands-on experience and bridge the gap between academic learning and practical workplace skills.
