

Previous Years' Paper
Common University Entrance Test for UG Programmes

CUET-UG – Business Studies

Entrance Exam, 2025

(After the list of questions, the solution will Start.)

Q.1. Which of the following states that a specific and definite action is to be taken or not to be taken?

1. Rule
2. Policy
3. Strategy
4. Procedure

Q.2. The sum total of all individuals, institutions and other forces that are outside the control of a business firm, but that may affect its performance is known as:

1. Business Management
2. Business Environment
3. Business Decision making
4. Entrepreneurship Development

Q.3. The importance of consumer protection from the business point of view includes:

- (A) Social responsibility
- (B) Government intervention
- (C) Business uses its own resources
- (D) Long term interest of business

Choose the correct answer from the options given below:

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

Q.4. If the workload of a manager is more than his capacity, which of the following can he use to offload the work?

1. Delegation of Authority
2. span of management
3. Direct communication
4. Close supervision

Q.5. _____ is a continuous process because new jobs may be created and some of the existing employees may leave the organisation.

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

Q.6. Which of the following is related to economic dimension of business environment?

1. Modes of transportation communication facilities
2. Life expectancy and expectations from the workforce
3. Legislations passed by the government and regulations laid down by government authorities.
4. Technological developments and innovations

Q.7. Controlling improves future by providing information derived from past experience.

1. Controlling
2. Coordinating
3. Communication
4. Planning

Q.8. Manju was shopping in a grocery store. She picked up a product and started searching for the FPO mark on the package. What was the product in her hand?

1. Pickle jar
2. Shirt
3. Bulb
4. Gold necklace

Q.9. Which of the following is a function that brings the management cycle back to the planning function?

1. Organising
2. Coordinating
3. Controlling
4. Directing

Q.10. 'Compensation refers to all forms of pay or rewards going to employees where some payments are direct and some are indirect'.

An indirect payment is:

1. Bonus
2. Daily Incentive
3. CommisSIO
4. Employer paid Insurance

Q.11. _____ in management is concerned with doing the right task, completing activities and achieving goals.

- 1. Effectiveness**
- 2. Efficiency**
- 3. Sustainability**
- 4. Quality**

Q.12. AMPM is a reputed wristwatch company. Foreseeing the changing trend, the management of the company decided to manufacture smartwatches. This feature of management suggests that:

- 1. Management is all pervasive.**
- 2. Management is a continuous function.**
- 3. Management is a dynamic function.**
- 4. Management is an intangible force.**

Q.13. "Standardisation refers to the process of setting standards for every business activity; it can be standardisation of process, raw material, time, product, machinery, methods or working conditions". The phenomenon of standardisation was specified by:

- 1. Koontz**
- 2. Maslow**
- 3. F.W. Taylor**
- 4. Henry Fayol**

Q.14. _____ is a philosophy that implies selective dispersal of authority because it propagates the belief that people are competent, capable and resourceful.

- 1. Span of management**
- 2. Decentralisation**
- 3. Centralisation**

4. Democratic leadership style

Q.15. A very useful training method has been adopted by many training institutes since long by providing real work environment for trainees. This type of training is termed as:

1. Vestibule training
2. Programmed instruction
3. Internship training
4. Case Study

Q.16. Which of the following is NOT an aspect of staffing?

1. Training
2. Authority
3. Recruitment
4. Selection

Q.17. Which of the following can NOT be considered as an element of directing?

1. Coordination
2. Motivation
3. Communication
4. Supervision

Q.18. Paras developed a negative attitude towards his work because of his unsatisfactory performance appraisal. Which of the following may help him to change his attitude?

1. Transfer
2. Leave
3. Motivation
4. Coordination

Q.19. _____ ensures judging the accuracy of the standards.

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

Q.20. Which of the following cannot file a complaint under the consumer protection act 2019?

1. An ignorant consumer
2. A person who obtains the goods without any consideration
3. Legarheir ofadeceased consume
4. Central government

Q.21. Which of the following cannot be a characteristic of an entrepreneur?

1. Desire to Succeed
2. Risk averse
3. Innovative
4. Leader

Q.22. Which of the following factor is NOT responsible for emergence of entrepreneurship?

1. Education
2. Family Background
- 3 Goverpment Support
4. Future Certainty

Q.23. _____ involves setting objectives, developing appropriate courses of action and providing a rational approach to achieve these objectives.

1. Planning

2. Organising

3. Coordination

4. Controlling

Q.24. involves synchronisation of the different actions or efforts of the various units of an organization by providing the requisite amount, quality, timing and sequence of efforts which ensures that planned objectives are achieved with a minimum of conflict.

1. Planning

2. Organising

3. Controlling

4. Coordination

Q.25. _____ provide useful insights to managerial behaviour and influence managerial practices.

1. Organisational Objectives

2. Principles of Management

3. Leadership Traits

4. Dimensions of business environment

Q.26. Which of the following are the limitations of internal sources of recruitment?

(A) The scope for induction of fresh talent is reduced.

(R) Emp are motivated to improve their performance

(C) The employees may not take challenging tasks if they are sure of time-bound promotions.

(D) Internal recruitment may boost the competitive environment in the organisation.

Choose the correct answer from the options given below:

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

Q.27. Which of the following are identified as features of a profession?

- (A) Well-defined body of knowledge
- (B) Existence of theoretical knowledge
- (C) Entry restricted on the basis of examination or education
- (D) Dominance of service motive

Choose the correct answer from the options given below:

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

Q.28. Planning is an important function of management which involves defining the following:

- (A) Setting objectives
- (B) Deciding on plans, actions and strategies to achieve organisational goals
- (C) Allocating and arranging resources
- (D) Motivating and inspiring people to perform better

Choose the correct answer from the options given below:

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

4. (A) and (C) only

Q.29. Controlling is important for the following reasons

(A) Judging Accuracy of Standards

(B) Ensuring creativity in the organisation

(C) Facilitating Coordination in Action

(D) Making Efficient Use of Resources

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. (A), (C) and (D) only

Q.30. Match List-I with List-II

List-1	List-II
Principles	Statement
(A) Equity	(I) To ensure obedience to organizational rules
(B) Unity of direction	(II) Kindliness and justice in the behavior of managers towards workers
(C) Order	(III) A group of activities with common objectives must have one head and one plan
(D) Discipline	(IV) Every employee must be in his appointed place

Choose the correct answer from the options given below:

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

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

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

4. (A) - (III), (B) - (IV), (C) - (1), (D) - (11)

Q.31. Match List-I with List-II

List-1	List-II
(A) Strategy	(I) Prescribed way of doing a task
(B) Method	(II) Detailed statements about a project
(C) Programme	(III) Exact manner in which a particular activity is to be done
(D) Procedure	(IV) Comprehensive plan for accomplishing objectives

Choose the correct answer from the options given below:

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

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

3. (A)- (IV), (B) - (1), (C) (11), (D) (III)

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

Q.32. Match List-I with List-II

List-1	List-I1
Business Environment	Dimension
(A) Economic	(I) KYC compliance is mandatory in mutual funds investment
(B) Social	(II) Construction companies prefer low longer-term interest rates
(C) Legal	(III) The government maintains general stability and peace in the country
(D) Political	(IV) Rise in demand for goods during festivals

Choose the correct answer from the options given below:

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

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

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

4. (A) - (III), (B) - (IV), (C) - (1), (D) - (11)

Q.33. Match List-I with List-II

List-1	List-II
Importance of Organising	Description
(A) Development of personnel	(1) Survive and grow in spite of changes
(B) Adaptation to change	() Stimulating creativity among the managers
(C) Expansion and growth	(III) Clear description of jobs to avoid confusion
(D) Effective administration	(IV) Allowing a business enterprise to add more job positions and departments

Choose the correct answer from the options given below:

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

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

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

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

Q.34. Match List-I with List-II

List-I	List-11
(A) Supervision	(1) Process of exchange of ideas, views, facts, feelings etc
(B) Motivation	(II) Encouraging subordinates with zeal to work
(C) Leadershi	(III) Direct and immediate guidance and control of subordinates
(D) Communication	(IV) Guiding and influencing the work of subordinates in desired direction

Choose the correct answer from the options given below:

1. (A) - (III), (B) - (II), (C) - (IV), (D) - (1)
2. (A) - (1), (B) - (III), (C) - (II), (D) - (IV)
3. (A) - (1), (B) - (II), (C) - (IV), (D) - (III)
4. (A) - (III), (B) - (IV), (C) - (1), (D) - (11)

Q.35. Arrange the following steps of planning process in a logical sequence

- (A) Making certain assumptions about the future
- (B) Selecting the best possible and viable alternative
- (C) Waigbing the pror and cons of aach alternative
- (D) Monitoring the plan to ensure that objectives are achieved

Choose the correct answer from the options given below:

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

Q.36. Arrange the following stages of staffing process in the correct order.

- (A) Searching for employees and stimulating them to apply
- (B) Issuing offer letter
- (C) Giving a briet presentation about the company
- (D) Determining the number of personnel required for vacant positions

Choose the correct answer from the options given below:

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

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

Q.37. Arrange the following stages of motivation in order.

(A) Unsatisfied need

(B) Search behavior

(C) Drives

(D) Reduction of tension

Choose the correct answer from the options given below:

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

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

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

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

Q.38. Arrange the following steps of controlling process in incorrect sequence.

(A) Correcting the situation in accordance with the decision.

(B) Projecting the future and determining the goals and standards of performance.

(C) Measuring and comparing the work in terms of control standards.

(D) Promptly investigating the causes of the deviation.

Choose the correct answer from the options given below:

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

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

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

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

Q.39. Arrange the following steps of organising process in a logical order.

(A) Grouping similar activities

(B) Dividing the work according to the plan

(C) Establishing clear relationships to create a hierarchical structure

(D) Allocating work to various employees

Choose the correct answer from the options given below:

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

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

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

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

Q.40. Which of the following statement is true regarding the nature of Management?

1. It has features of both Science and Art.

2. It is not an Art.

3. It is an exact Science.

4. It is a fully recognized Profession.

Read the passage and answer the following questions:

Aroma Coffee House, a boutique café, aims to expand its brand by focusing on the marketing mix. The product is its artisanal coffee, known for unique flavors and organic ingredients. The café ensures appealing packaging, using recyclable aesthetically designed coffee bags to align with eco-conscious consumers. Its branding strategy emphasizes sustainability local community support, making it a trusted choice. and and

The pricing is premium, reflecting the high quality of the coffee beans and exclusivity. They also apply psychological pricing, like \$4.99, to appeal subtly. The place involves both a cozy café experience and an online delivery service to cater to a broader audience. For promotion, Aroma relies on social media marketing, influencer collaborations, and loyalty programs.

In line with their marketing philosophy the cafe follows a societal marketing concept prioritizing the welfare of customers and the environment. For instance, they source coffee ethically and support local farmers. Their labeling highlights critical attributes like "organic," "fair trade," and "hand-roasted," catering to health-conscious customers while ensuring clarity and compliance with regulations.

Q.41. Which of the following is NOT a component of Marketing Mix?

1. Product
2. Price
3. Placement
4. Promotion

Q.42. What does labeling provide to customers?

1. Packaging Design
2. Product Information
3. Product Protection
4. Enhances quality of the product

Q.43. What is Aroma Coffee House's primary branding focus?

1. Cost effectiveness
2. Sustainability
3. Luxury
4. Speed

Q.44. Which marketing mix component involves advertising?

1. Product
2. Price
3. Place

4. Promotion

Q.45. What type of packaging does Aroma Coffee House use?

1. Plastic bags
2. Recyclable materials
3. Aluminium Cans
4. Glass Jars

Read the passage and answer the following questions:

GreenTech Solutions, a renewable energy company, focuses on achieving financial stability and growth through robust financial management. The company ensures efficient allocation of business finance to expand operations, adopt new technology, and maintain a competitive edge. Its financial planning is centered on long-term sustainability, balancing profitability with eco friendly initiatives.

To new optimize its capital structure, Greenlech maintains a balanced mix of debt and equity, minimizing the cost of capital while ensuring financial flexibility. The firm undertakes thorough capital budgeting processes to evaluate projects like setting up solar farms, ensuring only viable investments are pursued. Tools like Net Present Value (NPV) and Internal Rate of Return (IRR) guide decision-making.

GreenTech's dividend decision aligns with its growth strategy. While retaining a significant portion of earnings for reinvestment, the company ensures consistent dividends to satisfy shareholders. This approach strengthens investor confidence while funding expansion plans.

Efficient working capital management ensures smooth day-to-day operations. By optimizing cash flow, managing inventory, and negotiating favorable credit terms with suppliers, GreenTech avoids liquidity issues while meeting short-term obligations.

Through prudent financial strategies, GreenTech achieves its goal of profitability and sustainability, setting an example in the renewable energy sector.

Q.46. What is the primary goal of financial management?

1. Maximizing revenue
2. Maximizing shareholders' wealth
3. Minimizing expenses
4. Expanding the business

Q.47. Which process evaluates the viability of long-term investment projects?

1. Capital Budgeting
2. Working capital management
3. Dividend decisions
4. Financial leverage

Q.48. Financial Planning of a company is essentially known as _____ ?

1. Finance
2. Financial blueprint
3. Shareholders' wealth
4. Operations management

Q.49. (D) What does GreenTech prioritize in working capital management?

1. Expanding inventory
2. Eliminating liabilities
3. Increasing dividends
4. Optimising cashflow

Q.50. (E) Which component is NOT a part of GreenTech's financial management?

1. Pricing Strategy
2. Capital Structure
3. Financial Leverage
4. Dividend decisions

Solution

Q.1.

Answer: 1. Rule

A rule is a clear and specific guideline that tells exactly what must or must not be done. Policies are broad guidelines, strategies are plans to achieve goals, and procedures are step-by-step methods to perform tasks. Since the question asks for something definite and mandatory, the correct answer is Rule.

Q.2.

Answer: 2. Business Environment

The term Business Environment refers to all external factors—like customers, competitors, suppliers, government policies, economic conditions—that a business cannot control but which influence its decisions and performance. Business Management is about managing the firm internally, Business Decision Making is the process of choosing actions, and Entrepreneurship Development focuses on promoting new businesses.

Q.3.

Answer: 1. (A), (C) and (D) only

From a business perspective, **consumer protection is important because it fulfills the firm's social responsibility, encourages businesses to use resources efficiently, and safeguards the long-term interests of the business.** Government intervention (B) is important for consumer protection from a regulatory perspective, but it is **not directly a business-driven reason.**

Q.4.

Answer: 1. Delegation of Authority

When a manager has more work than he can handle, he can **delegate authority**, which means assigning responsibility and decision-making power to subordinates. Span of management refers to the number of subordinates a manager can supervise, direct communication is about exchanging information, and close supervision is about monitoring work, not reducing workload.

Q.5.

Answer: 3. Staffing

Staffing is the process of recruiting, selecting, training, and retaining employees. It is continuous because organizations constantly need to fill new positions and replace employees who leave. Planning, organizing, and controlling are also important functions but they are not primarily concerned with filling and maintaining manpower.

Q.6.

Answer: 1. Modes of transportation, communication facilities

The **economic dimension** of business environment includes factors that affect the **production, distribution, and consumption of goods and services**. This includes infrastructure like **modes of transportation and communication facilities**, which directly impact business operations and economic activity. Life expectancy relates to social factors, legislation relates to political-legal factors, and technological developments relate to the technological dimension.

Q.7.

Answer: 1. Controlling

Controlling is a management function that involves measuring performance, comparing it with standards, and taking corrective actions. It uses **past performance data** to identify deviations and improve future performance. Coordinating ensures harmony, communication is about exchanging information, and planning focuses on setting future goals but doesn't directly use past performance to correct actions.

Q.8.

Answer: 1. Pickle jar

The **FPO (Fruit Products Order) mark** is found on **processed food items**, especially fruit-based products like jams, pickles, and fruit juices. It ensures that the food product meets safety and quality standards. Shirts, bulbs, and gold necklaces are not food items and do not carry the FPO mark.

Q.9.

Answer: 3. Controlling

Controlling is the management function that measures actual performance, compares it with standards, and takes corrective actions. By identifying deviations and providing feedback, controlling helps managers revise or improve future plans, thus linking the management cycle back to planning. Organising arranges resources, coordinating ensures harmony, and directing guides employees, but they do not directly feedback

Q.10.

Answer: 4. Employer-paid Insurance

Indirect payments are benefits provided to employees in addition to direct wages or salary. These include things like insurance, retirement benefits, paid leave, and other perks. Bonus, daily incentive, and commission are direct payments because they are paid directly in cash for work done.

Q.11.

Answer: 1. Effectiveness

Effectiveness in management means **doing the right things to achieve organizational goals**. It focuses on **completing tasks and achieving objectives**, rather than just using resources optimally. Efficiency, on the other hand, is about **doing things in the best possible manner with minimum resources**, not necessarily achieving the right goals. Sustainability and quality are related but do not directly define achieving goals.

Q.12.

Answer: 3. Management is a dynamic function

The management of AMPM adapted to changing trends by shifting to smartwatches, showing its ability to respond to changes in the environment. This indicates that management is dynamic, meaning it changes and evolves according to the needs of the organization and environment. Being all

pervasive or continuous is true in general, but the specific feature highlighted here is its dynamic nature.

Q.13.

Answer: 3. F.W. Taylor

F.W. Taylor, the father of Scientific Management, emphasized standardisation of work methods, tools, time, and processes to improve efficiency and productivity. Henry Fayol focused on general management principles, Koontz on modern management theory, and Maslow on human motivation.

Q.14.

Answer: 2. Decentralisation

Decentralisation is the process of **delegating authority to lower levels of management**, based on the belief that employees are competent and capable of making decisions. Centralisation is the concentration of authority at the top, span of management refers to the number of subordinates a manager can supervise, and democratic leadership is a leadership style, not a philosophy of authority dispersal.

Q.15.

Answer: 3. Internship training

Internship training provides trainees with practical experience in a real work environment, allowing them to learn by doing actual tasks under supervision. Vestibule training uses a simulated environment, programmed instruction is a self-learning method, and case study involves analyzing real or hypothetical business scenarios but does not provide hands-on work experience.

Q.16.

Answer: 2. Authority

Staffing involves **recruitment, selection, training, and placement** of employees to ensure the organization has the right people. **Authority**, however, relates to the **power to give orders and make decisions**, which is part of management and organizing, not staffing.

Q.17.

Answer: 1. Coordination

Directing involves guiding, supervising, motivating, and communicating with employees to achieve organizational goals. **Coordination**, however, is a separate management function that ensures harmony among different activities and departments, and is **not an element of directing**.

Q.18.

Answer: 3. Motivation

Motivation can help Paras improve his attitude by encouraging him, recognizing his efforts, providing incentives, or supporting his skill development. Transfer or leave may remove him from the situation but do not directly change his attitude, and coordination relates to teamwork rather than personal attitude.

Q.19.

Answer: 4. Controlling

Controlling is the management function that **compares actual performance with set standards** to ensure goals are being met. It helps in **judging the accuracy of standards** and taking corrective actions if required. Directing guides employees, organizing arranges resources, and planning sets the standards but does not

Q.20.

Answer: 2. A person who obtains the goods without any consideration

Under the **Consumer Protection Act, 2019**, a complaint can be filed by any **consumer** who has paid for goods or services. It can also be filed by the **legal heir of a deceased consumer**. Even an “ignorant” consumer has the right to file a complaint. However, a person who **obtains goods or services without paying anything is not considered a consumer and cannot file a complaint**. The central government can file complaints in special cases.

Q.21.

Answer: 2. Risk averse

Entrepreneurs are generally **innovative, leadership-oriented, and have a strong desire to succeed**. Being **risk averse** (avoiding risk) is **not a typical entrepreneurial trait**, because entrepreneurs usually take calculated risks to start and grow businesses.

Q.22.

Answer: 4. Future Certainty

Entrepreneurship is encouraged by **education, family background, and government support**, which provide skills, guidance, and resources. **Future certainty**, however, is **not a factor** because entrepreneurship inherently involves **uncertainty and risk**.

Q.23.

Answer: 1. Planning

Planning is the management function that **sets objectives, determines the best course of action, and provides a structured approach to achieve goals**.

Organising arranges resources, coordination ensures harmony, and controlling monitors performance, but **planning is the function that lays down objectives and action plans**.

Q.24.

Answer: 4. Coordination

Coordination is the management function that ensures harmony among different departments and activities, aligning efforts in the right amount, quality, timing, and sequence. This helps achieve organizational objectives efficiently and reduces conflicts. Planning sets goals, organizing arranges resources, and controlling monitors performance, but coordination synchronizes efforts across the organization.

Q.25.

Answer: 2. Principles of Management

Principles of Management are guidelines that **help managers understand behaviour, make decisions, and influence practices** in an organization. Organizational objectives set goals, leadership traits relate to individual qualities, and business environment dimensions affect external factors, but **principles of management directly guide managerial behaviour and practices.**

Q.26.

Answer: 2. (A) and (C) only

The **limitations** of internal recruitment are:

- (A) Reduced scope for fresh talent
- (C) Employees may avoid challenging tasks if promotions are guaranteed

(B) and (D) are advantages, not limitations.

Q.27.

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

All four options (A), (B), (C), and (D) are characteristics of a profession. Professions have a structured body of knowledge, rely on theoretical understanding, restrict entry through qualifications, and emphasize service to society.

Q.28.

Answer: 2. (A) and (B) only

Planning primarily involves setting objectives (A) and deciding on plans and strategies to achieve them (B). Allocating resources (C) is part of organising, and motivating people (D) is part of directing.

Q.29.

Answer: 4. (A), (C) and (D) only

The **importance of controlling** includes:

- (A) Judging accuracy of standards — ensures realistic benchmarks.

- (C) Facilitating coordination in action — aligns efforts with goals.
- (D) Making efficient use of resources — avoids wastage through monitoring and correction.

(B) Ensuring creativity is **not** a direct reason for controlling; it's more related to motivation and leadership.

Q.30.

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

List-I (Principles)	List-II (Statement)
(A) Equity	(II) Kindliness and justice in the behavior of managers towards workers
(B) Unity of Direction	(III) A group of activities with common objectives must have one head and one plan
(C) Order	(IV) Every employee must be in his appointed place
(D) Discipline	(I) To ensure obedience to organizational rules

Q.31.

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

- **Strategy (IV):** A comprehensive plan for accomplishing objectives.
- **Method (I):** A prescribed way of doing a task.
- **Programme (II):** Detailed statements about a project.
- **Procedure (III):** Exact manner in which a particular activity is to be done.

Q.32.

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

- **Economic (II):** Construction companies prefer low long-term interest rates → relates to economic conditions.
- **Social (IV):** Rise in demand for goods during festivals → reflects social and cultural factors.
- **Legal (I):** KYC compliance is mandatory → part of legal requirements.

- **Political (III):** Government maintaining stability and peace → political environment.

Q.33.

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

- **Development of personnel → (II):** Organising stimulates creativity among managers.
- **(B) Adaptation to change → (I):** Helps business survive and grow despite changes.
- **(C) Expansion and growth → (IV):** Allows addition of more departments and jobs.
- **(D) Effective administration → (III):** Clear job descriptions help avoid confusion.

Q.34.

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

- **(A) Supervision → (III):** Provides direct and immediate guidance to subordinates.
- **(B) Motivation → (II):** Encourages subordinates to work with zeal and enthusiasm.
- **(C) Leadership → (IV):** Guides and influences subordinates in the desired direction.
- **(D) Communication → (I):** Involves exchange of ideas, facts, and feelings.

Q.35.

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

The logical sequence of planning is:

1. **Making assumptions about the future (A)** – understand the environment and predict conditions.
2. **Weighing the pros and cons of each alternative (C)** – evaluate possible options.

3. **Selecting the best alternative (B)** – choose the most suitable course of action.
4. **Monitoring the plan (D)** – ensure objectives are achieved and take corrective actions if needed.

Q.36.

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

The correct order of staffing is:

1. **Determining the number of personnel required (D)** – first, find out the vacancies.
2. **Searching for employees and stimulating them to apply (A)** – attract candidates.
3. **Giving a brief presentation about the company (C)** – inform and orient candidates.
4. **Issuing offer letter (B)** – finalize and appoint selected candidates.

Q.37.

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

The correct sequence of motivation is:

1. **Unsatisfied need (A)** – recognition of a deficiency or desire.
2. **Drives (C)** – internal energy or stimulus to satisfy the need.
3. **Search behavior (B)** – actions taken to fulfill the need.
4. **Reduction of tension (D)** – need is satisfied, tension is reduced.

Q.38.

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

The logical sequence of controlling is:

1. **Projecting the future and determining goals and standards (B)** – set performance standards.

2. **Measuring and comparing work with standards (C)** – assess actual performance.
3. **Investigating causes of deviation (D)** – find reasons for discrepancies.
4. **Correcting the situation (A)** – take corrective action to align performance with standards.

Q.39.

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

The logical sequence of organising is:

1. **Dividing the work according to the plan (B)** – break down total work into tasks.
2. **Grouping similar activities (A)** – combine related tasks into departments or units.
3. **Establishing clear relationships (C)** – create a hierarchy and reporting structure.
4. **Allocating work to employees (D)** – assign tasks to individuals.

Q.40.

Answer: 1. It has features of both Science and Art

Management is considered **both a science and an art**. It is a science because it has principles, theories, and systematic knowledge. It is an art because applying these principles effectively requires skill, creativity, and personal judgment. Management is not an exact science, nor is it yet a fully recognized profession in the strict sense.

Q.41.

Answer: 3. Placement

The **marketing mix** consists of the **4 Ps: Product, Price, Place, and Promotion**. Here, “Placement” is incorrectly stated; the correct term is **Place**. All other options—Product, Price, and Promotion—are valid components.

Q.42.

Answer: 2. Product Information

Labeling provides **information about the product** to customers, such as ingredients, features, usage instructions, and certifications like “organic” or “fair trade.” While it may indirectly influence perception, its main purpose is to **inform and guide customers**, not to enhance quality or protect the product.

Q.43.

Answer: 2. Sustainability

The passage highlights that Aroma Coffee House emphasizes **sustainability and local community support** in its branding strategy. This includes eco-friendly packaging, ethical sourcing, and supporting local farmers. While luxury, cost, or speed may be secondary, the **primary focus is sustainability**.

Q.44.

Answer: 4. Promotion

Advertising is a tool used to **communicate and promote a product** to customers. It falls under the **Promotion** component of the marketing mix, which includes activities like advertising, sales promotions, social media marketing, and influencer collaborations.

Q.45.

Answer: 2. Recyclable materials

The passage mentions that Aroma Coffee House uses recyclable, aesthetically designed coffee bags to appeal to eco-conscious consumers. This indicates that their packaging focuses on sustainability and environmental friendliness.

Q.46.

Answer: 2. Maximizing shareholders' wealth

The main objective of financial management is to maximize shareholders' wealth, which means increasing the value of the company for its owners while ensuring profitability, sustainability, and growth. Revenue, expenses, and

expansion are important but serve the larger goal of enhancing shareholders' wealth.

Q.47.

Answer: 1. Capital Budgeting

Capital budgeting involves analyzing and selecting long-term investment projects (like solar farms) using tools such as NPV and IRR to ensure only viable investments are pursued.

Q.48.

Answer: 2. Financial blueprint

Financial planning acts as a **blueprint** for managing funds, allocating resources, and achieving financial goals in the short and long term.

Q.49.

Answer: 4. Optimising cashflow

Efficient **working capital management** focuses on **optimizing cash flow, managing inventory, and handling short-term obligations** to ensure smooth daily operations.

Q.50.

Answer: 1. Pricing Strategy

Pricing strategy is a **marketing function**, not part of **financial management**. Capital structure, financial leverage, and dividend decisions are core components of financial management.