

CUET 2026 June 6 Shift 1 Business Studies

Question Paper (Memory-Based) with Solutions

Conducted by National Testing Agency (NTA)



General Instructions

- (i) The examination will be conducted in Computer-Based Test (CBT) mode.
- (ii) Each question carries +5 marks for correct answer and -1 mark for wrong answer.
- (iii) The total number of questions are 50.
- (iv) Duration of the exam is 1 hour (60 minutes).

1. Which of the following is not a characteristic of management?

- (A) Management is goal-oriented
- (B) Management is a continuous process
- (C) Management is an individual activity only
- (D) Management is a group activity

Correct Answer: (C) Management is an individual activity only

Solution:

Concept:

Management refers to the process of planning, organizing, staffing, directing and controlling the efforts of organizational members to achieve predetermined goals efficiently and effectively.

Step 1: Recall the characteristics of management.

The major characteristics of management are:

- Goal-oriented process
- Pervasive in nature
- Continuous process
- Group activity

- Dynamic function
- Intangible force

Step 2: Analyze the given options.

Options (A), (B), and (D) are characteristics of management.

However, management is not an individual activity. It involves coordinating the efforts of a group of people.

Therefore,

Management is not an individual activity only

Answer = (C)

Quick Tip: Management always involves getting work done through and with people. Hence, it is a group activity.

2. Which level of management is responsible for translating organizational plans into action?

- (A) Top-level management
- (B) Middle-level management
- (C) Supervisory management
- (D) Shareholders

Correct Answer: (B) Middle-level management

Solution:

Concept:

Organizations generally have three levels of management:

- Top-level Management
- Middle-level Management
- Supervisory/Operational Management

Step 1: Understand the role of top-level management.

Top-level managers formulate policies and long-term objectives.

Step 2: Understand the role of middle-level management.

Middle-level managers interpret policies framed by top management and ensure their implementation through lower-level managers.

Step 3: Identify the correct answer.

Since middle-level managers convert plans into operational activities,

Middle-level management

Answer = (B)

Quick Tip: Top level decides "What to do", middle level decides "How to do", and lower level ensures "Doing the work".

3. Which principle of management states that a subordinate should receive orders from only one superior?

- (A) Unity of Direction
- (B) Scalar Chain
- (C) Unity of Command
- (D) Equity

Correct Answer: (C) Unity of Command

Solution:

Concept:

Henri Fayol proposed 14 principles of management.

Step 1: Understand Unity of Command.

The principle of Unity of Command states that an employee should receive instructions from only one superior.

This avoids:

- Confusion
- Conflict

- Dual reporting
- Lack of accountability

Step 2: Differentiate from Unity of Direction.

Unity of Direction means one head and one plan for activities having the same objective.

Step 3: Select the correct principle.

Unity of Command

Answer = (C)

Quick Tip: Remember: Unity of Command = One Boss

Unity of Direction = One Plan

4. Which of the following is a financial incentive provided to employees?

- (A) Promotion
- (B) Job Security
- (C) Bonus
- (D) Employee Recognition

Correct Answer: (C) Bonus

Solution:

Concept:

Incentives motivate employees to perform better.

They are broadly classified into:

- Financial Incentives
- Non-Financial Incentives

Step 1: Identify financial incentives.

Examples include:

- Bonus

- Profit Sharing
- Commission
- Productivity-linked wage incentives

Step 2: Identify non-financial incentives.

Examples include:

- Promotion
- Recognition
- Job Security
- Participation in decision making

Step 3: Choose the correct option.

Among the given options, only Bonus is a financial incentive.

Bonus

Answer = (C)

Quick Tip: Financial incentives are directly measurable in monetary terms.

5. Planning provides directions for action and reduces uncertainty. This highlights which importance of planning?

- (A) Promotes Innovative Ideas
- (B) Facilitates Decision Making
- (C) Reduces the Risk of Uncertainty
- (D) Establishes Standards for Controlling

Correct Answer: (C) Reduces the Risk of Uncertainty

Solution:**Concept:**

Planning is deciding in advance what to do, how to do, when to do and who will do it.

Step 1: Understand the role of planning.

Planning enables managers to anticipate future events and prepare strategies accordingly.

Step 2: Analyze the statement.

The statement mentions:

- Provides direction
- Anticipates future conditions
- Minimizes uncertainty

These directly indicate that planning reduces uncertainty.

Step 3: Select the correct option.

Reduces the Risk of Uncertainty

Answer = (C)

Quick Tip: Planning cannot eliminate uncertainty completely, but it can significantly reduce its impact.

6. Which type of plan is formulated for activities that occur repeatedly over a long period of time?

- (A) Method
- (B) Project
- (C) Single-use Plan
- (D) Standing Plan

Correct Answer: (D) Standing Plan

Solution:**Concept:**

Plans are broadly classified into:

- Standing Plans
- Single-use Plans

Step 1: Understand Standing Plans.

Standing plans are prepared for activities that occur repeatedly in an organization.

Examples:

- Policies
- Procedures
- Methods
- Rules

These plans remain in use for a long period and guide routine decisions.

Step 2: Understand Single-use Plans.

Single-use plans are developed for one specific objective and cease to exist after achieving that objective.

Examples:

- Budgets
- Programmes
- Projects

Step 3: Identify the correct option.

Since the question refers to activities that occur repeatedly,

Standing Plan

Answer = (D)

Quick Tip: Repeated Activity = Standing Plan

One-Time Activity = Single-use Plan

7. The process of assigning duties, grouping tasks and establishing authority relationships among employees is known as

- (A) Staffing
- (B) Organising
- (C) Directing
- (D) Controlling

Correct Answer: (B) Organising

Solution:

Concept:

Organising is the process of identifying and grouping work, assigning duties and establishing authority-responsibility relationships.

Step 1: Understand the meaning of organising.

Organising involves:

- Identification of activities
- Departmentalisation
- Assignment of duties
- Establishment of reporting relationships

Step 2: Differentiate from other functions.

- Staffing = Recruitment and selection of employees
- Directing = Guiding and motivating employees
- Controlling = Comparing actual performance with standards

Step 3: Select the correct answer.

The activity described in the question is organising.

Organising

Answer = (B)

Quick Tip: Organising creates a structure that defines who will do what and who will report to whom.

8. Which of the following is the first step in the staffing process?

- (A) Recruitment
- (B) Selection
- (C) Training and Development
- (D) Estimating Manpower Requirements

Correct Answer: (D) Estimating Manpower Requirements

Solution:

Concept:

Staffing refers to the managerial function of filling and maintaining positions in the organizational structure.

Step 1: Recall the staffing process.

The major steps are:

1. Estimating Manpower Requirements
2. Recruitment
3. Selection
4. Placement and Orientation
5. Training and Development
6. Performance Appraisal

Step 2: Identify the first step.

Before recruiting employees, managers must determine:

- Number of employees required
- Type of employees required

- Skills required

This is known as estimating manpower requirements.

Therefore,

Estimating Manpower Requirements

Answer = (D)

Quick Tip: No recruitment can begin unless manpower requirements are first estimated.

9. The element of directing that seeks to influence the behaviour of employees to achieve organizational objectives is called

- (A) Communication
- (B) Supervision
- (C) Motivation
- (D) Delegation

Correct Answer: (C) Motivation

Solution:

Concept:

Motivation is the process of stimulating people to take desired actions to achieve organizational goals.

Step 1: Understand motivation.

Motivation creates willingness among employees to perform their tasks efficiently.

It helps in:

- Improving performance
- Increasing productivity
- Enhancing morale
- Achieving organizational objectives

Step 2: Differentiate from other elements.

- Communication = Exchange of information
- Supervision = Monitoring subordinates
- Delegation = Transfer of authority

Step 3: Identify the correct option.

The element that influences employee behaviour is motivation.

Motivation

Answer = (C)

Quick Tip: Motivation answers the question: "Why will employees work enthusiastically?"

10. In the controlling process, comparing actual performance with predetermined standards is known as

- (A) Measurement of Performance
- (B) Taking Corrective Action
- (C) Analysis of Deviations
- (D) Setting Standards

Correct Answer: (C) Analysis of Deviations

Solution:

Concept:

Controlling is the process of ensuring that actual performance conforms to planned performance.

Step 1: Recall the steps in controlling.

1. Setting Performance Standards
2. Measurement of Actual Performance
3. Comparison of Actual Performance with Standards

4. Analysis of Deviations

5. Taking Corrective Action

Step 2: Understand comparison and deviation analysis.

After actual performance is measured, it is compared with standards.

The difference between the two is called deviation.

Managers then analyze the causes and extent of these deviations.

Step 3: Identify the correct answer.

The process associated with comparing actual performance and identifying differences is analysis of deviations.

Analysis of Deviations

Answer = (C)

Quick Tip: Controlling is effective only when deviations are identified and corrective actions are taken promptly.