CUET 2026 May 12 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. Match List-I with List-II:

List-I		List-II	
(A)	Single use plan	(I)	Follow-up action
(B)	Standing plan	(II)	Budget
(C)	Limitation of planning	(III)	Huge costs
(D)	Steps in planning	(IV)	Policy

Choose the correct answer from the options given below:

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

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

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

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

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

Solution:

Step 1: Match Single use plan.

A single use plan is prepared for one-time activities such as:

$$\text{Budget}$$

Thus:

$$(A) \rightarrow (II)$$

Step 2: Match Standing plan.

Standing plans are repeated plans such as:

$$\text{Policy}$$

Thus:

$$(B) \rightarrow (IV)$$

Step 3: Match Limitation of planning.

One limitation of planning is:

$$\text{Huge Costs}$$

Thus:

$$(C) \rightarrow (III)$$

Step 4: Match Steps in planning.

A step in planning includes:

$$\text{Follow-up Action}$$

Thus:

$$(D) \rightarrow (I)$$

Step 5: Identify the correct option.

Therefore, the correct matching is:

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

Hence, the correct answer is:

$$\boxed{(A)}$$

Quick Tip:

Budget → Single Use Plan

Policy → Standing Plan

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2. Arrange the right order in which process of Motivation takes place:

(A) Drives

(B) Tension

(C) Unsatisfied need

(D) Search behaviour

(E) Satisfied need

Choose the correct answer from the options given below:

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

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

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

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

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

Solution:

Concept:

The process of motivation generally follows this sequence:

Unsatisfied Need → Tension → Drives → Search Behaviour → Satisfied Need

Step 1: Start with Unsatisfied Need.

Motivation begins when a person feels a need that is not fulfilled.

Thus:

$$(C)$$

comes first.

Step 2: Formation of Tension.

An unsatisfied need creates:

$$\text{Tension}$$

Thus:

$$(B)$$

comes next.

Step 3: Development of Drives.

Tension generates:

$$\text{Drives}$$

that push a person toward action.

Thus:

$$(A)$$

comes next.

Step 4: Search Behaviour occurs.

The individual searches for ways to satisfy the need.

Thus:

$$(D)$$

comes next.

Step 5: Need gets satisfied.

Finally:

$$\text{Satisfied Need}$$

Thus:

$$(E)$$

comes last.

Step 6: Identify the correct sequence.

Therefore, the correct order is:

$$(C),\ (B),\ (A),\ (D),\ (E)$$

Hence, the correct answer is:

$$\boxed{\text{(B)}}$$

Quick Tip: Motivation process:

$$\text{Need} \rightarrow \text{Tension} \rightarrow \text{Drive} \rightarrow \text{Behaviour} \rightarrow \text{Satisfaction}$$

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3. SEBI has three types of functions including protective functions. _____ functions include regulation and development functions.

(A) Investment

(B) Training

(C) Regulatory

(D) Registration

Correct Answer: (C) Regulatory

Solution:

Concept:

SEBI (Securities and Exchange Board of India) performs three major categories of functions:

- Protective Functions
- Regulatory Functions

- Developmental Functions

Step 1: Understand the statement.

The question asks which function category includes:

$$\text{Regulation and Development}$$

Among the options, the correct category is:

$$\boxed{\text{Regulatory}}$$

Step 2: Analyze the remaining options.

Investment

Not a category of SEBI functions.

$$\Rightarrow \text{Incorrect}$$

Training

Not one of the three main SEBI functions.

$$\Rightarrow \text{Incorrect}$$

Registration

Only an activity under regulatory functions, not a category itself.

$$\Rightarrow \text{Incorrect}$$

Step 3: Identify the correct option.

Therefore, the correct answer is:

$$\boxed{\text{Regulatory}}$$

Hence, the correct answer is:

$$\boxed{(C)}$$

Quick Tip: SEBI functions are:

$$\text{Protective, Regulatory, and Developmental}$$

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4. The function of ____ is very important since there is a gap between irregular demand and irregular supply of goods.

(A) Transportation

(B) Advertising

(C) Warehousing

(D) Selling

Correct Answer: (C) Warehousing

Solution:

Concept:

Warehousing helps in storing goods so that they are available whenever demand arises.

It bridges the gap between:

$$\text{Irregular Demand}$$

and

$$\text{Irregular Supply}$$

Step 1: Understand the role mentioned in the question.

When production and demand do not occur at the same time, goods must be stored for future use.

This function is performed by:

$$\boxed{\text{Warehousing}}$$

Step 2: Analyze the remaining options.

Transportation

Helps in movement of goods from one place to another.

$$\Rightarrow \text{Incorrect}$$

Advertising

Creates awareness about products.

$$\Rightarrow \text{Incorrect}$$

Selling

Transfers ownership of goods to customers.

$$\Rightarrow \text{Incorrect}$$

Step 3: Identify the correct option.

Therefore, the correct answer is:

$$\boxed{\text{Warehousing}}$$

Hence, the correct answer is:

$$\boxed{\text{(C)}}$$

Quick Tip:

$$\text{Warehousing}$$

bridges the gap between:

$$\text{Production and Consumption}$$

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5. Identify the type of Decision not taken by finance manager in a company.

(A) Investment decision

(B) Interest decision

(C) Financing decision

(D) Dividend decision

Correct Answer: (B) Interest decision

Solution:

Concept:

The three major financial decisions taken by a finance manager are:

- Investment Decision
- Financing Decision
- Dividend Decision

Step 1: Analyze Investment Decision.

Investment decisions involve allocation of funds to long-term assets.

$$\Rightarrow \text{Taken by Finance Manager}$$

Step 2: Analyze Financing Decision.

Financing decisions deal with sources of funds and capital structure.

$$\Rightarrow \text{Taken by Finance Manager}$$

Step 3: Analyze Dividend Decision.

Dividend decisions involve distribution of profits among shareholders.

$$\Rightarrow \text{Taken by Finance Manager}$$

Step 4: Analyze Interest Decision.

$$\text{Interest Decision}$$

is not recognised as a standard financial management decision category.

$$\Rightarrow \text{Incorrect Category}$$

Step 5: Identify the correct option.

Therefore, the decision not taken as a standard finance management decision is:

$$\boxed{\text{Interest Decision}}$$

Hence, the correct answer is:

$$\boxed{(B)}$$

Quick Tip: Main financial decisions:

$$\text{Investment, Financing, Dividend}$$

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6. Identify the Right sequence of the Planning process?

(A) Developing premises

(B) Identifying alternative courses of action

(C) Evaluating alternative courses

(D) Selecting an alternative

(E) Setting objectives

Choose the correct answer from the options given below:

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

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

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

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

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

Solution:

Concept:

The planning process follows a systematic sequence.

The correct order is:

$$\text{Setting Objectives}$$
$$\downarrow$$
$$\text{Developing Premises}$$
$$\downarrow$$
$$\text{Identifying Alternatives}$$
$$\downarrow$$
$$\text{Evaluating Alternatives}$$
$$\downarrow$$
$$\text{Selecting an Alternative}$$

Step 1: Start with Setting Objectives.

Planning begins with deciding organisational goals.

Thus:

$$(E)$$

comes first.

Step 2: Develop Premises.

Premises are assumptions about future conditions.

Thus:

$$(A)$$

comes next.

Step 3: Identify alternatives.

Possible courses of action are identified.

Thus:

$$(B)$$

comes next.

Step 4: Evaluate alternatives.

Each alternative is carefully examined.

Thus:

$$(C)$$

comes next.

Step 5: Select the best alternative.

The best plan is finally selected.

Thus:

$$(D)$$

comes last.

Step 6: Identify the correct sequence.

Therefore, the correct order is:

$$(E),\ (A),\ (B),\ (C),\ (D)$$

Hence, the correct answer is:

$$\boxed{\text{(C)}}$$

Quick Tip: Planning process:

$$\text{Objectives} \rightarrow \text{Premises} \rightarrow \text{Alternatives} \rightarrow \text{Evaluation} \rightarrow \text{Selection}$$

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7. As per the Consumer Protection Act 2019, in National Commission there should be how many women members?

(A) Two

(B) Three

(C) One

(D) Four

Correct Answer: (C) One

Solution:

Concept:

Under the Consumer Protection Act, 2019, the National Consumer Disputes Redressal Commission (National Commission) includes:

- A President
- Other members prescribed by the Act

The Act specifically requires:

$$\text{At least one woman member}$$

in the National Commission.

Step 1: Identify the requirement regarding women members.

According to the Consumer Protection Act, 2019:

$$\boxed{\text{One Woman Member}}$$

must be included.

Step 2: Identify the correct option.

Therefore, the correct answer is:

$$\boxed{\text{One}}$$

Hence, the correct answer is:

$$\boxed{(C)}$$

Quick Tip: Consumer Protection Act, 2019:

National Commission

must include:

At Least One Woman Member

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8. "In a manufacturing organisation, an increase of 5 percent in the labour cost may be more troublesome than a 15 percent increase in postal charges". The above is an example of

(A) Critical point control

(B) Taking corrective action

(C) Analysing deviation by management by exception technique

(D) Feedback

Correct Answer: (C) Analysing deviation by management by exception technique

Solution:

Concept:

Management by Exception focuses management attention on significant deviations that seriously affect organisational performance.

Small deviations in important areas may be more serious than larger deviations in less important areas.

Step 1: Understand the statement.

The question compares:

5% increase in labour cost

with:

15% increase in postal charges

Labour cost has a greater impact on manufacturing cost than postal expenses.

Thus, management focuses on the more critical deviation.

Step 2: Identify the concept used.

This situation represents:

$$\text{Management by Exception}$$

where important deviations are analysed carefully.

Thus, the correct option is:

$$\boxed{\text{Analysing deviation by management by exception technique}}$$

Step 3: Analyze remaining options.

Critical point control

Focuses on key result areas but not specifically on deviation comparison.

$$\Rightarrow \text{Incorrect}$$

Taking corrective action

Occurs after deviation analysis.

$$\Rightarrow \text{Incorrect}$$

Feedback

Refers to performance information returned to management.

$$\Rightarrow \text{Incorrect}$$

Step 4: Identify the correct option.

Hence, the correct answer is:

$$\boxed{(C)}$$

Quick Tip:

Management by Exception

focuses on:

Important Deviations

rather than every small variation.

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9. "Controlling helps to minimise dishonest behaviour on the part of the employees by keeping a check on their activities". Identify the importance of Controlling highlighted in the above sentence.

(A) Accomplishing organisational goals

(B) Making efficient use of Resources

(C) Ensuring order and discipline

(D) Judging accuracy of standards

Correct Answer: (C) Ensuring order and discipline

Solution:

Concept:
Controlling helps organisations maintain discipline by monitoring employee activities and preventing dishonest or improper behaviour.

Step 1: Understand the statement.

The sentence states that controlling:

- Keeps a check on employee activities
- Minimises dishonest behaviour

This directly relates to maintaining:

Order and Discipline

Step 2: Identify the correct concept.

Thus, the importance of controlling highlighted here is:

$$\boxed{\text{Ensuring Order and Discipline}}$$

Step 3: Analyze the remaining options.

Accomplishing organisational goals

Related to achieving objectives, not specifically discipline.

$$\Rightarrow \text{Incorrect}$$

Making efficient use of resources

Concerned with avoiding wastage.

$$\Rightarrow \text{Incorrect}$$

Judging accuracy of standards

Concerned with evaluating standards and performance.

$$\Rightarrow \text{Incorrect}$$

Step 4: Identify the correct option.

Hence, the correct answer is:

$$\boxed{(C)}$$

Quick Tip: Controlling helps in:

$$\text{Maintaining Order and Discipline}$$

through continuous supervision and monitoring.

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10. "Applicants introduced by present employees or their friends and relatives may prove to be good source of Recruitment". Identify the source of Recruitment highlighted in the above

sentence.

(A) Web publishing

(B) Campus Recruitment

(C) Recommendation of Employees

(D) Advertisements

Correct Answer: (C) Recommendation of Employees

Solution:

Concept:

One source of recruitment is employee recommendation, where existing employees suggest friends, relatives, or known persons for jobs.

Step 1: Understand the statement.

The sentence mentions applicants introduced by:

- Present employees
- Friends and relatives

This clearly refers to:

Recommendation of Employees

Step 2: Analyze the remaining options.

Web publishing

Recruitment through online job portals or websites.

$\Rightarrow$ Incorrect

Campus Recruitment

Selection directly from educational institutions.

$\Rightarrow$ Incorrect

Advertisements

Recruitment through newspapers, media, or online advertisements.

$$\Rightarrow \text{Incorrect}$$

Step 3: Identify the correct option.

Therefore, the correct answer is:

$$\boxed{\text{Recommendation of Employees}}$$

Hence, the correct answer is:

$$\boxed{(C)}$$

Quick Tip: Employee recommendation is also called:

Employee Referral

method of recruitment.