CUET 2026 May 13 Shift 2 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. Under right to _____ the consumer has right to file a complaint in case of dissatisfaction with a good or service.

(A) Seek redressal

(B) Be heard

(C) Choose

(D) Be informed

Correct Answer: (A) Seek redressal

Solution:

Concept: Consumer rights protect buyers against unfair trade practices and defective goods or services.

Step 1: Understand the statement.

The question mentions:

- Filing a complaint
- Dissatisfaction with goods or services

This refers to the consumer's:

Right to Seek Redressal

Step 2: Analyze the remaining options.

Be heard

Means consumer interests should receive due consideration.

$$\Rightarrow \text{Incorrect}$$

Choose Refers to freedom of selecting goods and services.

$$\Rightarrow \text{Incorrect}$$

Be informed Refers to receiving correct product information.

$$\Rightarrow \text{Incorrect}$$

Step 3: Identify the correct option.

Therefore, the correct answer is:

$$\boxed{\text{Seek Redressal}}$$

Hence, the correct answer is:

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

Quick Tip:

$$\text{Right to Seek Redressal}$$

allows consumers to:

$$\text{File Complaints against Defective Goods or Services}$$

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2. The decision of raising funds through debt or equity constitutes which type of decision?

(A) Investment Decision

(B) Capital Budgeting Decision

(C) Financing Decision

(D) Dividend Decision

Correct Answer: (C) Financing Decision

Solution:

Concept: Financial management involves decisions related to:

- Investment
- Financing
- Dividend

Step 1: Understand the statement.

The question refers to:

Raising Funds through Debt or Equity

This relates to selecting sources of finance and deciding the capital structure.

Step 2: Identify the type of decision.

Decisions regarding:

- Debt capital
- Equity capital

are called:

$$\boxed{\text{Financing Decision}}$$

Step 3: Analyze the remaining options.

Investment Decision Deals with investment in long-term assets.

$$\Rightarrow \text{Incorrect}$$

Capital Budgeting Decision Concerned with evaluating investment projects.

$$\Rightarrow \text{Incorrect}$$

Dividend Decision Deals with distribution of profits to shareholders.

$$\Rightarrow \text{Incorrect}$$

Step 4: Identify the correct option.

Therefore, the correct answer is:

$$\boxed{\text{Financing Decision}}$$

Hence, the correct answer is:

$$\boxed{(C)}$$

Quick Tip:

Debt vs Equity

is part of:

Financing Decision

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3. Business Environment is a complex phenomenon which is relatively _____ to understand in parts.

(A) Easier

(B) Difficult

(C) Uncertain

(D) Specific

Correct Answer: (B) Difficult

Solution:

Concept: Business environment consists of numerous external forces such as:

- Economic factors
- Social factors
- Political factors
- Technological factors

These factors interact with each other, making the environment highly complex.

Step 1: Understand the statement.

Because business environment contains many interconnected elements, it becomes:

Difficult

to understand separately in parts.

Step 2: Analyze the remaining options.

Easier Contradicts the idea of complexity.

$$\Rightarrow \text{Incorrect}$$

Uncertain Business environment may be uncertain, but the sentence specifically refers to understanding in parts.

$$\Rightarrow \text{Incorrect}$$

Specific Business environment is broad and dynamic, not specific.

$$\Rightarrow \text{Incorrect}$$

Step 3: Identify the correct option.

Therefore, the correct answer is:

$$\boxed{\text{Difficult}}$$

Hence, the correct answer is:

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

Quick Tip: Business Environment is:

$$\text{Complex, Dynamic, and Interrelated}$$

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4. Consider the following facts about stock exchange:

(A) Stock exchange provides scope for speculation

(B) Stock exchange regulates takeover bids by companies

(C) Stock exchange controls insider trading by imposing penalties

(D) Stock exchange ensures safety of transactions

(E) Stock exchange spreads equity cult

Choose the correct answer from the options given below:

(A) (A), (D) and (E) Only

(B) (A), (B) and (D) Only

(C) (A), (B) and (C) Only

(D) (B), (C) and (D) Only

Correct Answer: (A) (A), (D) and (E) Only

Solution:

Step 1: Analyze Statement (A).

Stock exchanges provide opportunities for:

$$\text{Speculation}$$

through continuous buying and selling of securities.

$$\Rightarrow \text{Correct}$$

Step 2: Analyze Statement (B).

Regulation of takeover bids is primarily handled by:

$$\text{SEBI}$$

not directly by stock exchanges.

$$\Rightarrow \text{Incorrect}$$

Step 3: Analyze Statement (C).

Insider trading regulations and penalties are mainly imposed by:

$$\text{SEBI}$$

not stock exchanges themselves.

$$\Rightarrow \text{Incorrect}$$

Step 4: Analyze Statement (D).

Stock exchanges ensure:

$$\text{Safety and Fairness of Transactions}$$

$$\Rightarrow \text{Correct}$$

Step 5: Analyze Statement (E).

Stock exchanges encourage public investment in shares and help spread:

$$\text{Equity Cult}$$

$$\Rightarrow \text{Correct}$$

Step 6: Identify the correct option.

Correct statements are:

$$(A),\ (D) \text{ and } (E)$$

Hence, the correct answer is:

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

Quick Tip: Stock exchanges help in:

$$\text{Liquidity, Safety, and Equity Investment}$$

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5. "Promotion works as a tonic and encourages employees to exhibit improved performance." Identify the incentive.

(A) Status

(B) Career Advancement Opportunity

(C) Job Enrichment

(D) Employee Recognition Programme

Correct Answer: (B) Career Advancement Opportunity

Solution:

Concept: Promotion provides employees with higher position, responsibility, and growth opportunities.

It motivates employees to improve their performance.

Step 1: Understand the statement.

The statement says:

$$\text{Promotion}$$

encourages employees to perform better. Promotion is directly related to:

$$\text{Career Advancement Opportunity}$$

Step 2: Analyze the remaining options.

Status Promotion may improve status, but the main incentive highlighted is career growth.

$$\Rightarrow \text{Incorrect}$$

Job Enrichment Refers to increasing job responsibilities and satisfaction.

$$\Rightarrow \text{Incorrect}$$

Employee Recognition Programme Involves appreciation and awards, not promotion itself.

$$\Rightarrow \text{Incorrect}$$

Step 3: Identify the correct option.

Therefore, the correct answer is:

$$\boxed{\text{Career Advancement Opportunity}}$$

Hence, the correct answer is:

$$\boxed{(B)}$$

Quick Tip:

$$\text{Promotion}$$

acts as a:

$$\text{Career Advancement Incentive}$$

for employees.

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6. "Planning provides the basis of all other functions." Identify the feature of planning.

(A) Planning focuses on achieving objectives

(B) Planning is pervasive

(C) Planning is continuous

(D) Planning is a primary function

Correct Answer: (D) Planning is a primary function

Solution:

Concept: Planning is the first and primary function of management because all other managerial functions depend upon it.

Step 1: Understand the statement.

The statement says:

$$\text{Planning provides the basis of all other functions}$$

This means planning comes before:

- Organising
- Staffing
- Directing
- Controlling

Hence, planning is considered the:

$$\text{Primary Function}$$

Step 2: Analyze the remaining options.

Planning focuses on achieving objectives This refers to goal orientation, not the basis of other functions.

$$\Rightarrow \text{Incorrect}$$

Planning is pervasive Means planning exists at all organisational levels.

$$\Rightarrow \text{Incorrect}$$

Planning is continuous Means planning is an ongoing process.

$$\Rightarrow \text{Incorrect}$$

Step 3: Identify the correct option.

Therefore, the correct answer is:

$$\boxed{\text{Planning is a primary function}}$$

Hence, the correct answer is:

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

Quick Tip: Planning is called:

The Primary Function of Management

because all other functions depend on it.

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7. "The stock exchange can play a vital role in ensuring wider share ownership by regulating new issues, better trading practices." Identify the function of Stock Exchange highlighted in the above sentence.

(A) Scope for speculation

(B) Spreading of Equity Cult

(C) Safety of Transactions

(D) Pricing of Securities

Correct Answer: (B) Spreading of Equity Cult

Solution:

Concept: Stock exchanges encourage wider public participation in investment and ownership of shares.

Step 1: Understand the statement.

The statement mentions:

- Wider share ownership
- Better trading practices
- Regulation of new issues

These activities help in promoting:

$$\text{Equity Cult}$$

among the public.

Step 2: Identify the correct function.

The highlighted function of stock exchange is:

$$\boxed{\text{Spreading of Equity Cult}}$$

Step 3: Analyze the remaining options.

Scope for speculation Relates to buying and selling for profit.

$$\Rightarrow \text{Incorrect}$$

Safety of Transactions Refers to secure and fair dealings.

$$\Rightarrow \text{Incorrect}$$

Pricing of Securities Relates to determination of share prices.

$$\Rightarrow \text{Incorrect}$$

Step 4: Identify the correct option.

Hence, the correct answer is:

$$\boxed{(B)}$$

Quick Tip:

$$\text{Equity Cult}$$

means:

$$\text{Encouraging Public Investment in Shares}$$

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8. Which of the following factor will affect Capital Budgeting Decision?

(A) Shareholder's preference

(B) Stability of dividends

(C) Taxation policy

(D) Investment criteria involved

Correct Answer: (D) Investment criteria involved

Solution:

Concept: Capital budgeting decisions involve selection of long-term investment projects based on evaluation techniques and investment criteria.

Step 1: Understand Capital Budgeting Decision.

Capital budgeting relates to:

- Investment in long-term assets
- Evaluation of projects
- Selection of profitable investments

These decisions depend mainly on:

$$\text{Investment Criteria}$$

such as:

- Net Present Value (NPV)
- Payback Period
- Internal Rate of Return (IRR)

Step 2: Analyze the remaining options.

Shareholder's preference Mainly affects dividend decisions.

$$\Rightarrow \text{Incorrect}$$

Stability of dividends Related to dividend policy.

$$\Rightarrow \text{Incorrect}$$

Taxation policy May influence financial decisions indirectly but is not the primary factor asked here.

$$\Rightarrow \text{Incorrect}$$

Step 3: Identify the correct option.

Therefore, the correct answer is:

$$\boxed{\text{Investment Criteria Involved}}$$

Hence, the correct answer is:

$$\boxed{(D)}$$

Quick Tip: Capital Budgeting focuses on:

Long-Term Investment Decisions

using investment evaluation techniques.

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9. Identify the correct order of Needs as per Maslow's Need Hierarchy Theory.

(A) Safety and Security needs

(B) Self Actualisation needs

(C) Esteem needs

(D) Basic physiological needs

(E) Affiliation and Belonging needs

Choose the correct answer from the options given below:

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

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

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

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

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

Solution:

Concept: According to Maslow's Need Hierarchy Theory, human needs are arranged from lower level to higher level.

The correct order is:

$$\text{Physiological Needs}$$
$$\downarrow$$
$$\text{Safety Needs}$$
$$\downarrow$$
$$\text{Belongingness Needs}$$
$$\downarrow$$
$$\text{Esteem Needs}$$
$$\downarrow$$
$$\text{Self Actualisation Needs}$$

Step 1: Identify the lowest level need.

Basic physiological needs such as food and shelter come first.

Thus:

$$(D)$$

Step 2: Next comes safety needs.

Need for protection and security.

Thus:

$$(A)$$

Step 3: Then comes belongingness needs.

Affiliation and social acceptance.

Thus:

$$(E)$$

Step 4: Then comes esteem needs.

Need for respect and recognition.

Thus:

$$(C)$$

Step 5: Highest level need.

Self actualisation represents personal growth and achievement.

Thus:

$$(B)$$

Step 6: Identify the correct sequence.

Therefore, the correct order is:

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

Hence, the correct answer is:

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

Quick Tip: Maslow's hierarchy:

$$\text{Physiological} \rightarrow \text{Safety} \rightarrow \text{Belongingness} \rightarrow \text{Esteem} \rightarrow \text{Self Actualisation}$$

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10. Consumer Protection Act is applicable on:

(A) Immovable goods

(B) Specific goods and services

(C) All goods and services

(D) Movable goods

Correct Answer: (C) All goods and services

Solution:

Concept: The Consumer Protection Act protects consumers against unfair trade practices related to goods and services.

Step 1: Understand the scope of the Act.

The Consumer Protection Act applies to:

$$\text{All Goods and Services}$$

including both public and private sector services unless specifically exempted.

Step 2: Analyze the remaining options.

Immovable goods The Act is not limited only to immovable goods.

$$\Rightarrow \text{Incorrect}$$

Specific goods and services The Act covers a broad range, not just specific categories.

$$\Rightarrow \text{Incorrect}$$

Movable goods The Act also applies to services, not only movable goods.

$$\Rightarrow \text{Incorrect}$$

Step 3: Identify the correct option.

Therefore, the correct answer is:

$$\boxed{\text{All Goods and Services}}$$

Hence, the correct answer is:

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

Quick Tip: Consumer Protection Act covers:

$$\text{Goods} + \text{Services}$$

to protect consumer rights.