

CUET 2026 May 21 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. Management consists of 3 dimensions — management of work, people and operations. Which characteristic of management is being highlighted here?

- (A) Pervasive
- (B) Multidimensional
- (C) Goal-oriented
- (D) Dynamic

Correct Answer: (B) Multidimensional

Solution:

Concept: Management is considered **multidimensional** because it involves managing different aspects of an organization simultaneously.

The three important dimensions of management are:

- Management of work
- Management of people
- Management of operations

These dimensions work together to achieve organizational goals efficiently.

Step 1: Understand the meaning of multidimensional management.

Management is not limited to only one activity. It includes:

- Planning and organizing work
- Managing human resources
- Controlling operational activities

Thus, management has multiple dimensions.

Step 2: Eliminate the incorrect options.

- **Pervasive** means management is applicable in all organizations.
- **Goal-oriented** means management aims to achieve objectives.
- **Dynamic** means management changes according to the environment.

These do not directly describe the three dimensions mentioned in the question.

Therefore, the characteristic highlighted here is **Multidimensional**.

Management is Multidimensional.

Quick Tip: Remember the three dimensions of management:

- Management of Work
- Management of People
- Management of Operations

These together make management **multidimensional**.

2. In order to make the 'Annual Day' of the school a successful event, the Headmistress of the school segregated all the activities into task groups each one dealing with a specific area. For instance, decorations, refreshments, backstage support, etc. Each group was put under the charge of one teacher. Identify the function of management performed by the Headmistress by dividing the activities and assigning the duties?

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

Correct Answer: (B) Organising

Solution:

Concept: Organising is the management function that involves identifying and grouping activities, assigning duties, and establishing authority relationships to achieve organizational objectives efficiently.

It includes:

- Division of work
- Formation of departments or groups
- Assignment of duties
- Delegation of authority

Step 1: Identify the activities performed by the Headmistress.

The Headmistress:

- Divided activities into different task groups
- Assigned specific responsibilities
- Put each group under one teacher

These actions involve arranging and coordinating resources systematically.

Step 2: Relate the actions to the correct management function.

The process of:

- Grouping activities
- Assigning duties
- Creating responsibility structure

is known as **Organising**.

Step 3: Eliminate the incorrect options.

- **Planning** involves deciding objectives and future actions.
- **Staffing** involves recruitment and selection of employees.
- **Directing** involves guiding and motivating people.

These are not directly related to dividing work into groups and assigning duties.

Therefore, the management function performed is **Organising**.

The function of management performed is Organising.

Quick Tip: Remember:

- **Organising** → Grouping activities and assigning duties
- It creates a proper structure for achieving goals efficiently

3. A company needs a detailed plan for its new project, 'Construction of retail shops across the city'. Which type of plan should it prepare?

- (A) Programme
- (B) Rule
- (C) Procedure
- (D) Method

Correct Answer: (A) Programme

Solution:

Concept: A **Programme** is a detailed plan prepared for a specific project or objective. It includes:

- Goals to be achieved
- Activities to be performed

- Time schedule
- Procedures and rules involved

Programmes are generally prepared for large and complex projects.

Step 1: Understand the requirement given in the question.

The company wants a detailed plan for:

Construction of retail shops across the city

This is a large project involving:

- Multiple activities
- Coordination
- Time schedules
- Resource allocation

Step 2: Identify the appropriate type of plan.

A **Programme** is specially designed for handling such comprehensive projects because it combines:

- Policies
- Procedures
- Rules
- Budgets

into one complete action plan.

Step 3: Eliminate the incorrect options.

- **Rule** specifies what must or must not be done.
- **Procedure** describes the sequence of steps.
- **Method** refers to a particular way of performing one activity.

These are narrower in scope than a programme.

Therefore, the company should prepare a **Programme**.

The company should prepare a Programme.

Quick Tip: Remember:

- **Programme** → Detailed plan for a project
- Includes objectives, procedures, rules, budgets, and schedules
- Used for large-scale activities

4. Which of the following principles of management by Fayol states that there should be one and only one boss for every individual employee?

- (A) Unity of direction
- (B) Order
- (C) Unity of command
- (D) Division of work

Correct Answer: (C) Unity of command

Solution:

Concept: According to Henri Fayol's principle of **Unity of Command**, an employee should receive orders and instructions from only one superior.

This principle helps in:

- Avoiding confusion
- Preventing conflict in instructions
- Maintaining discipline and accountability

Step 1: Understand the statement given in the question.

The question states:

“There should be one and only one boss for every individual employee.”

This directly refers to a situation where:

- An employee reports to only one superior
- Multiple commands from different bosses are avoided

Step 2: Identify the correct Fayol principle.

The principle that supports this idea is:

Unity of Command

Step 3: Eliminate the incorrect options.

- **Unity of direction** means one plan and one head for similar activities.
- **Order** refers to proper arrangement of resources and people.
- **Division of work** means specialization of tasks.

These principles do not specifically relate to having only one boss.

Therefore, the correct answer is **Unity of Command**.

Unity of Command

Quick Tip: Remember:

- **Unity of Command** → One employee should have only one boss
- Prevents confusion and conflicting instructions

5. It is usually found that specialists use technical jargon while explaining to persons who are not specialists in the concerned field. Therefore, they may not understand the actual meaning of many such words. Identify the type of barrier highlighted above:

- (A) Personal barrier
- (B) Organisational barrier
- (C) Semantic barrier

(D) Psychological barrier

Correct Answer: (C) Semantic barrier

Solution:

Concept: Semantic barriers arise when words, symbols, or language used in communication are not understood properly by the receiver.

Such barriers occur because of:

- Technical jargon
- Different interpretations of words
- Complex language
- Poor translation

Step 1: Understand the situation given in the question.

The question states that specialists use:

- Technical jargon
- Difficult professional terms

Non-specialists fail to understand the actual meaning of those words.

Step 2: Identify the communication barrier involved.

Since the misunderstanding is caused due to:

- Language
- Meaning of words
- Technical terminology

the barrier is known as a **Semantic Barrier**.

Step 3: Eliminate the incorrect options.

- **Personal barrier** relates to personal emotions or attitudes.
- **Organisational barrier** arises due to organizational structure or rules.
- **Psychological barrier** involves mental stress, emotions, or perceptions.

These do not directly involve misunderstanding of language or terminology.

Therefore, the barrier highlighted is **Semantic Barrier**.

Semantic Barrier

Quick Tip: Remember:

- **Semantic Barrier** → Problem caused by language or meaning of words
- Technical jargon often creates semantic barriers in communication

6. In a company, employees are involved in decision-making of the issues related to them by forming joint management committees, work committees, canteen committees, etc. The non-financial incentive discussed above is _____.

- (A) Employee Participation
- (B) Employee Empowerment
- (C) Employee Recognition Programmes
- (D) Organisational Climate

Correct Answer: (A) Employee Participation

Solution:

Concept: Employee Participation is a non-financial incentive in which employees are involved in the decision-making process related to organizational activities and matters affecting them.

It improves:

- Motivation
- Job satisfaction
- Sense of belongingness
- Team spirit

Step 1: Understand the situation given in the question.

The company forms:

- Joint management committees
- Work committees
- Canteen committees

Employees participate in decisions related to their work and welfare.

Step 2: Identify the non-financial incentive involved.

Allowing employees to take part in decision-making is known as:

Employee Participation

Step 3: Eliminate the incorrect options.

- **Employee Empowerment** means giving authority and responsibility to employees.
- **Employee Recognition Programmes** involve appreciation and rewards.
- **Organisational Climate** refers to the overall work environment.

These do not specifically focus on participation in decision-making committees.

Therefore, the correct answer is **Employee Participation**.

Employee Participation

Quick Tip: Remember:

- **Employee Participation** → Involvement of employees in decision-making
- Committees and group discussions are common examples

7. Which of the following is not a function of Securities and Exchange Board of India (SEBI)?

- (A) Registration of brokers and sub-brokers and other players in the market
- (B) Training of intermediaries of the securities market
- (C) Controlling insider trading
- (D) Pricing of securities

Correct Answer: (D) Pricing of securities

Solution:

Concept: The Securities and Exchange Board of India (SEBI) is the regulatory authority for the securities market in India. It protects the interests of investors and regulates the functioning of the stock market.

Major functions of SEBI include:

- Registration of brokers and intermediaries
- Prevention of unfair trade practices
- Controlling insider trading
- Investor protection and market regulation
- Training and regulating market intermediaries

Step 1: Examine Option (A).

SEBI registers and regulates:

- Brokers
- Sub-brokers
- Merchant bankers
- Other market intermediaries

Hence, this is a function of SEBI.

Step 2: Examine Option (B).

SEBI promotes training and education of intermediaries in the securities market.

Hence, this is also a function of SEBI.

Step 3: Examine Option (C).

SEBI takes measures to prevent and control insider trading to maintain fairness in the market.

Hence, this is a function of SEBI.

Step 4: Examine Option (D).

SEBI does **not directly determine or fix the pricing of securities**. Prices of securities are generally determined by:

- Demand and supply forces
- Market conditions
- Investor behavior

Therefore, pricing of securities is not a direct function of SEBI.

Hence, the correct answer is:

Pricing of securities

Quick Tip: Remember:

- **SEBI** → Regulates and protects the securities market
- Controls insider trading and registers intermediaries
- **Does not fix security prices directly**

8. What is the relationship between planning and controlling?

- (A) Planning and controlling are unrelated functions of management.
- (B) Planning eliminates the need for controlling.
- (C) Planning and controlling are inseparable twins of management.
- (D) Controlling is unnecessary if planning is done correctly.

Correct Answer: (C) Planning and controlling are inseparable twins of management.

Solution:

Concept: Planning and controlling are closely related management functions. They are often called the **inseparable twins of management** because one cannot function effectively without the other.

- **Planning** sets objectives and standards.
- **Controlling** measures actual performance and compares it with planned standards.

Thus, controlling ensures that plans are properly implemented.

Step 1: Understand the role of planning.

Planning involves:

- Deciding goals
- Setting targets
- Determining future actions

Without planning, there would be no standards against which performance could be measured.

Step 2: Understand the role of controlling.

Controlling involves:

- Measuring actual performance
- Comparing performance with standards
- Taking corrective actions

Thus, controlling depends on planning.

Step 3: Identify the correct relationship.

Since planning provides the basis for controlling and controlling improves future planning, both functions are interdependent.

Therefore, they are called:

Inseparable twins of management

Step 4: Eliminate the incorrect options.

- Planning and controlling are not unrelated.
- Planning does not eliminate the need for controlling.
- Even with proper planning, controlling is still necessary.

Hence, the correct answer is:

Planning and controlling are inseparable twins of management.

Quick Tip: Remember:

- **Planning** sets standards
- **Controlling** checks performance against standards
- Both functions are interdependent and inseparable

9. Which of the following best describes the purpose of setting performance standards in the controlling process?

- (A) To eliminate the need for employee training
- (B) To serve as benchmarks towards which an organization strives to work
- (C) To reduce the importance of external factors
- (D) To ensure that no deviations occur

Correct Answer: (B) To serve as benchmarks towards which an organization strives to work

Solution:

Concept: In the controlling process, **performance standards** are predetermined criteria used to measure actual performance.

These standards help managers:

- Compare actual performance with expected performance
- Identify deviations
- Take corrective actions

Thus, standards act as benchmarks for organizational performance.

Step 1: Understand the meaning of performance standards.

Performance standards define:

- Expected targets
- Desired level of performance
- Goals to be achieved

They provide a basis for evaluation during controlling.

Step 2: Identify the correct purpose of standards.

Since standards guide employees and management toward organizational objectives, they serve as:

Benchmarks for performance

Therefore, option (B) is correct.

Step 3: Eliminate the incorrect options.

- Performance standards do not eliminate the need for training.
- They cannot reduce the importance of external factors.
- Deviations may still occur even after setting standards.

Hence, these options are incorrect.

Therefore, the purpose of setting performance standards is to provide benchmarks for organizational performance.

To serve as benchmarks towards which an organization strives to work

Quick Tip: Remember:

- **Performance Standards** → Benchmarks for evaluation
- Used to compare actual performance with planned performance
- Essential step in the controlling process

10. What does effective directing through motivation, communication, and leadership help to reduce in an organization?

- (A) Employee satisfaction
- (B) Resistance to change
- (C) Profit margins
- (D) Organizational goals

Correct Answer: (B) Resistance to change

Solution:

Concept: Directing is an important function of management that includes:

- Motivation
- Leadership
- Communication
- Supervision

Effective directing helps employees understand organizational goals and encourages cooperation within the organization.

Step 1: Understand the role of motivation, communication, and leadership.

- **Motivation** encourages employees to perform better.
- **Communication** creates clarity and understanding.
- **Leadership** guides employees toward organizational objectives.

These elements help employees accept organizational changes positively.

Step 2: Identify what is reduced through effective directing.

When employees are properly guided and informed:

- Fear and confusion decrease
- Cooperation improves
- Opposition to organizational changes reduces

Therefore, effective directing helps reduce:

Resistance to change

Step 3: Eliminate the incorrect options.

- Effective directing increases employee satisfaction rather than reducing it.

- It aims to improve profits, not reduce profit margins.
- It helps achieve organizational goals rather than reducing them.

Hence, these options are incorrect.

Therefore, the correct answer is:

Resistance to change

Quick Tip: Remember:

- Effective directing improves cooperation and coordination
- Motivation + Leadership + Communication reduce resistance to change