CUET 2026 May 31 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 function of management?

(A) Planning

(B) Organising

(C) Advertising

(D) Controlling

Correct Answer: (C) Advertising

Solution:

Step 1: Recall the functions of management.

The major functions of management are:

Planning

Organising

Staffing

Directing

Controlling

Step 2: Examine the given options.

Planning, Organising and Controlling are recognized functions of management.

Advertising is a marketing activity and not a managerial function.

Step 3: Identify the correct answer.

$$\boxed{\text{Advertising}}$$

is not a function of management.

Therefore,

$$\boxed{(C)}$$

is the correct answer.

Quick Tip: Functions of Management:

$$\boxed{\text{Planning}}$$

$$\boxed{\text{Organising}}$$

$$\boxed{\text{Staffing}}$$

$$\boxed{\text{Directing}}$$

$$\boxed{\text{Controlling}}$$

Remember:

$$\boxed{\text{Advertising} \rightarrow \text{Marketing Function}}$$

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2. Match the levels of management in Column I with their primary responsibilities in Column II.

Column I		Column II	
(A)	$TopManagement$	(I)	$Supervisingworkers$
(B)	$MiddleManagement$	(II)	$Implementingpolicies$
(C)	$SupervisoryManagement$	(III)	$Formulatingpolicies$

Choose the correct answer from the options given below:

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

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

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

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

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

Solution:

Step 1: Recall the levels of management.

Organizations generally have:

$$\text{Top Level}$$

$$\text{Middle Level}$$

$$\text{Supervisory (Lower) Level}$$

Step 2: Identify their functions.

$$\text{Top Management} \rightarrow \text{Formulating Policies}$$

$$\text{Middle Management} \rightarrow \text{Implementing Policies}$$

$$\text{Supervisory Management} \rightarrow \text{Supervising Workers}$$

Step 3: Match the columns.

$$A \rightarrow III$$

$$B \rightarrow II$$

$$C \rightarrow I$$

Thus,

$$\boxed{A-III,\ B-II,\ C-I}$$

Therefore,

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

is the correct answer.

Quick Tip: Management Levels:

$$\boxed{\text{Top Level} \longrightarrow \text{Policy Making}}$$

$$\boxed{\text{Middle Level} \longrightarrow \text{Implementation}}$$

$$\boxed{\text{Lower Level} \longrightarrow \text{Supervision}}$$

A very common CUET Business Studies question.

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3. Which of the following is the first step in the planning process?

(A) Identifying alternatives

(B) Setting objectives

(C) Selecting an alternative

(D) Follow-up action

Correct Answer: (B) Setting objectives

Solution:

Step 1: Recall the meaning of planning.

Planning is deciding in advance what is to be done, how it is to be done, when it is to be done and by whom it is to be done.

Step 2: Recall the planning process.

The planning process begins with:

$$\boxed{\text{Setting Objectives}}$$

because objectives provide direction to all future actions.

Step 3: Identify the correct option.

Only after objectives are established can alternatives be identified and evaluated.

Therefore,

$$\boxed{\text{Setting Objectives}}$$

is the first step.

Hence,

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

is the correct answer.

Quick Tip: Planning Process:

$$\boxed{\text{Objectives}}$$

$$\boxed{\text{Alternatives}}$$

$$\boxed{\text{Evaluation}}$$

$$\boxed{\text{Selection}}$$

$$\boxed{\text{Implementation}}$$

Remember:

$$\boxed{\text{Planning starts with Objectives}}$$

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4. Given below are two statements:

Assertion (A): Division of work increases efficiency and productivity.

Reason (R): Specialisation enables workers to become experts in their assigned tasks.

Choose the correct answer from the options given below:

(A) Both A and R are true and R is the correct explanation of A

(B) Both A and R are true but R is not the correct explanation of A

(C) A is true but R is false

(D) A is false but R is true

Correct Answer: (A) Both A and R are true and R is the correct explanation of A

Solution:

Step 1: Examine the Assertion.

Henri Fayol's principle of Division of Work states that work should be divided into smaller tasks.

This increases efficiency and productivity.

$$\boxed{\text{Assertion (A) is True}}$$

Step 2: Examine the Reason.

When employees repeatedly perform a particular task, they develop expertise and specialization.

$$\boxed{\text{Reason (R) is True}}$$

Step 3: Determine the relationship.

Specialization is the reason why division of work improves efficiency.

Therefore, Reason correctly explains the Assertion.

Hence,

$$\boxed{\text{Both A and R are true and R is the correct explanation of A}}$$

Therefore,

$$\boxed{(A)}$$

is the correct answer.

Quick Tip: Henri Fayol's Principles:

$$\boxed{\text{Division of Work}}$$

$$\boxed{\text{Unity of Command}}$$

$$\boxed{\text{Unity of Direction}}$$

$$\boxed{\text{Equity}}$$

Remember:

$$\boxed{\text{Division of Work} \Rightarrow \text{Specialisation}}$$

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5. Which of the following is an element of delegation?

(A) Motivation

(B) Authority

(C) Coordination

(D) Planning

Correct Answer: (B) Authority

Solution:

Step 1: Recall the meaning of delegation.

Delegation refers to the assignment of responsibility and authority to subordinates for carrying out specific tasks.

Step 2: Identify the elements of delegation.

The three essential elements of delegation are:

$$\boxed{\text{Authority}}$$

$$\boxed{\text{Responsibility}}$$

$$\boxed{\text{Accountability}}$$

Step 3: Examine the options.

Among the given options, only authority is a recognized element of delegation.

Therefore,

$$\boxed{\text{Authority}}$$

is the correct answer.

Hence,

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

is the correct answer.

Quick Tip: Delegation consists of:

$$\boxed{\text{Authority}}$$

$$\boxed{\text{Responsibility}}$$

$$\boxed{\text{Accountability}}$$

Remember:

$$\boxed{\text{Authority can be delegated}}$$

$$\boxed{\text{Accountability cannot be delegated}}$$

6. Match the following financial markets with their characteristics.

Column I		Column II	
(A)	$MoneyMarket$	(I)	$Long-termfunds$
(B)	$CapitalMarket$	(II)	$TreasuryBills$
(C)	$EquityShares$	(III)	$Ownershipcapital$
(D)	$Debentures$	(IV)	$Borrowedcapital$

Choose the correct answer from the options given below:

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

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

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

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

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

Solution:

Step 1: Recall the characteristics of financial markets.

$$\text{Money Market} \longrightarrow \text{Short-term funds}$$

Example:

$$\boxed{\text{Treasury Bills}}$$

Step 2: Recall Capital Market instruments.

$$\text{Capital Market} \longrightarrow \text{Long-term funds}$$

$$\text{Equity Shares} \longrightarrow \text{Ownership Capital}$$

$$\text{Debentures} \longrightarrow \text{Borrowed Capital}$$

Step 3: Match the columns.

$$A \longrightarrow II$$

$$B \longrightarrow I$$

$$C \to III$$

$$D \to IV$$

Thus,

$$\boxed{A - II,\ B - I,\ C - III,\ D - IV}$$

Therefore,

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

is the correct answer.

Quick Tip: Financial Markets:

$$\boxed{\text{Money Market} \to \text{Short-Term Funds}}$$

$$\boxed{\text{Capital Market} \to \text{Long-Term Funds}}$$

$$\boxed{\text{Equity Shares} \to \text{Ownership Capital}}$$

$$\boxed{\text{Debentures} \to \text{Borrowed Capital}}$$

A frequently asked CUET Business Studies topic.

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7. Consumer Protection Act provides protection to consumers against

(A) Fair trade practices

(B) Exploitation by sellers and manufacturers

(C) Government policies

(D) Business expansion

Correct Answer: (B) Exploitation by sellers and manufacturers

Solution:

Step 1: Recall the objective of Consumer Protection.

Consumer protection aims to safeguard consumers from unfair practices adopted by manufacturers, traders and service providers.

Step 2: Understand the need for protection.

Consumers may face:

- Adulteration
- Overcharging
- Misleading advertisements
- Sale of defective goods

Step 3: Identify the correct answer.

The Consumer Protection Act protects consumers against:

$$\boxed{\text{Exploitation by sellers and manufacturers}}$$

Therefore,

$$\boxed{(B)}$$

is the correct answer.

Quick Tip: Consumer Rights:

$$\boxed{\text{Right to Safety}}$$

$$\boxed{\text{Right to be Informed}}$$

$$\boxed{\text{Right to Choose}}$$

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

A very important CUET Business Studies chapter.

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8. Given below are two statements:

Assertion (A): Leadership helps in influencing employees to achieve organisational goals.

Reason (R): Leadership is an important element of directing.

Choose the correct answer from the options given below:

(A) Both A and R are true and R is the correct explanation of A

(B) Both A and R are true but R is not the correct explanation of A

(C) A is true but R is false

(D) A is false but R is true

Correct Answer: (A) Both A and R are true and R is the correct explanation of A

Solution:

Step 1: Examine the Assertion.

Leadership involves influencing and guiding employees towards the achievement of organisational objectives.

$$\boxed{\text{Assertion (A) is True}}$$

Step 2: Examine the Reason.

Leadership is one of the major elements of directing along with supervision, communication and motivation.

$$\boxed{\text{Reason (R) is True}}$$

Step 3: Determine the relationship.

Since leadership is a key part of directing and its purpose is to influence employees towards goals, Reason correctly explains Assertion.

Therefore,

$$\boxed{\text{Both A and R are true and R is the correct explanation of A}}$$

Hence,

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

is the correct answer.

Quick Tip: Elements of Directing:

$$\boxed{\text{Supervision}}$$

$$\boxed{\text{Motivation}}$$

$$\boxed{\text{Leadership}}$$

$$\boxed{\text{Communication}}$$

Remember:

$$\boxed{\text{Leadership} \Rightarrow \text{Influencing People}}$$

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9. Which of the following is a monetary incentive provided to employees?

(A) Job Security

(B) Employee Participation

(C) Bonus

(D) Recognition

Correct Answer: (C) Bonus

Solution:

Step 1: Recall the meaning of incentives.

Incentives are rewards provided to employees to improve their performance and motivation.

Step 2: Classify incentives.

Incentives are of two types:

$$\boxed{\text{Monetary Incentives}}$$

and

$$\boxed{\text{Non-Monetary Incentives}}$$

Examples:

$$\text{Bonus, Profit Sharing, Commission}$$

are monetary incentives.

Step 3: Identify the correct answer.

Among the given options,

$$\boxed{\text{Bonus}}$$

is a monetary incentive.

Therefore,

$$\boxed{(C)}$$

is the correct answer.

Quick Tip: Monetary Incentives:

$$\boxed{\text{Bonus}}\boxed{\text{Commission}}\boxed{\text{Profit Sharing}}$$

Non-Monetary Incentives:

$$\boxed{\text{Recognition}}\boxed{\text{Job Security}}\boxed{\text{Employee Participation}}$$

10. Match the following marketing functions with their descriptions.

Column I		Column II	
(A)	$ProductPlanning$	(I)	$Informingcustomersaboutproducts$
(B)	$Branding$	(II)	$Designinganddevelopingproducts$
(C)	$Promotion$	(III)	$Creatingauniqueidentity$
(D)	$Packaging$	(IV)	$Protectingandpresentingproducts$

Choose the correct answer from the options given below:

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

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

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

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

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

Solution:

Step 1: Recall the marketing functions.

$$\text{Product Planning} \longrightarrow \text{Designing and developing products}$$

$$\text{Branding} \longrightarrow \text{Creating a unique identity}$$

$$\text{Promotion} \longrightarrow \text{Informing customers about products}$$

$$\text{Packaging} \longrightarrow \text{Protecting and presenting products}$$

Step 2: Match the columns.

$$A \to II$$

$$B \to III$$

$$C \to I$$

$$D \to IV$$

Step 3: Choose the correct option.

$$\boxed{A-II,\ B-III,\ C-I,\ D-IV}$$

Therefore,

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

is the correct answer.

Quick Tip: Marketing Functions:

$$\boxed{\text{Product Planning} \rightarrow \text{Product Development}}$$

$$\boxed{\text{Branding} \rightarrow \text{Identity}}$$

$$\boxed{\text{Promotion} \rightarrow \text{Communication}}$$

$$\boxed{\text{Packaging} \rightarrow \text{Protection} + \text{Attraction}}$$

A very common CUET Business Studies matching question.