

Business Studies Previous Year Paper

Q1. "The measurement of accomplishment against the standard and the correction of deviations to assure attainment of objectives according to plans". Identify the function of management highlighted in the aforesaid statement.

- (a) Directing
- (b) Organising
- (c) Planning
- (d) Controlling

Q2. Which process is referred to as the process of learning opportunities designed to help employees grow?

- (a) Training
- (b) Job enrichment
- (c) Education
- (d) Development

Q3. Current assets are usually more liquid but contribute less to the profits than fixed assets. Examples of current assets are:

- (A) Cash in hand/Cash at the Bank
- (B) Marketable securities
- (C) Bills receivable
- (D) Finished goods inventory

Choose the **correct** answer from the options given below:

- (a) (A), (B) and (D) only
- (b) (A), (B) and (C) only
- (c) (A), (B), (C) and (D)
- (d) (A), (C) and (D) only

Q4. Identify the management function focusing on assigning duties, grouping tasks, establishing authority and allocating resources required to carry out a specific plan.

- (a) Planning
- (b) Organising
- (c) Staffing
- (d) Directing

Q5. Match **List-I** with **List-II**

Type of test	Aspects
(A) Intelligence Tests	(I) Indicator of a person's learning ability
(B) Aptitude Tests	(II) A measure of individuals' potential for learning new skills.
(C) Personality Tests	(III) Provide clues to a person's emotions, her reactions, maturity and value system etc.
(D) Interest Tests	(IV) Pattern of involvement of a person.

Choose the **correct** answer from the options given below:

- (a) (A) - (I), (B) - (II), (C) - (III), (D) - (IV)
- (b) (A) - (I), (B) - (III), (C) - (II), (D) - (IV)
- (c) (A) - (I), (B) - (II), (C) - (IV), (D) - (III)
- (d) (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Q6. "Following a pre-decided plan, when circumstances have changed, may not turn out to be in the organisations interest." Identify the limitation of planning highlighted in the aforesaid statement.

- (a) Planning reduces creativity
- (b) Planning does not guarantee success
- (c) Planning leads to rigidity
- (d) Planning does not work in a dynamic environment

Q7. Arrange the steps of organizing in a proper sequence.

- (A) Departmentalisation
- (B) Identification and division of work
- (C) Establishing a reporting relationship

Business Studies Previous Year Paper

(D) Assignment of Duties

Choose the **correct** answer from the options given below:

- (a) (A), (B), (C), (D)
- (b) (A), (C), (B), (D)
- (c) (B), (A), (D), (C)
- (d) (C), (B), (D), (A)

Q8. Match **List-I** with **List-II**

List-I	List-II
(Barriers)	(Aspect of Barriers)
(A) Semantic barriers	(I) Problems and obstructions in the process of encoding and decoding a message into words or impressions.
(B) Organisational barriers	(II) The state of mind of both sender and receiver of communication
(C) Psychological barriers	(III) Rigid rules and cumbersome procedures
(D) Personal barriers	(IV) Unwillingness to communicate

Choose the **correct** answer from the options given below:

- (a) (A) - (I), (B) - (II), (C) - (III), (D) - (IV)
- (b) (A) - (I), (B) - (III), (C) - (II), (D) - (IV)
- (c) (A) - (I), (B) - (II), (C) - (IV), (D) - (III)
- (d) (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Q9. Management is a complex and multi dimensional activity that has three main dimensions. Identify, from the options given below, which is NOT included in the three dimensions.

- (a) Management of Public
- (b) Management of People
- (c) Management of Work
- (d) Managements of Operations

Q10. "A never say die" attitude indicates which competency of an entrepreneur?

- (a) Persistence
- (b) Information seeking
- (c) Problem-solving
- (d) Assertiveness

Q11. The senior-most executives of the organisation are usually referred to as the chairman, the chief executive officer, chief operating officer, president and vice-president. They belong to which level of management?

- (a) Top level
- (b) Middle level
- (c) Non operational level
- (d) Supervisory level

Q12. The concept of marketing is based on the pillars arranged in the following sequence:

- (A) Satisfying the needs of the target market better than the competitors
- (B) Understanding the needs and wants of customers in the target market.
- (C) Identification of the market or customer who is chosen as the target of a marketing effort.
- (D) Development of products or services for satisfying the needs of the target market.

Choose the **correct** answer from the options given below:

- (a) (A), (B), (C), (D)
- (b) (A), (C), (B), (D)
- (c) (B), (A), (D), (C)
- (d) (C), (B), (D), (A)

Business Studies Previous Year Paper

Q13. The process of controlling involves the following steps:

- (A) Measurement of actual performance
- (B) Setting performance standards
- (C) Analysis of deviations and taking corrective action
- (D) Comparison of actual performance with standards

Choose the **correct** answer from the options given below:

- (a) (A), (B), (C), (D)
- (b) (A), (C), (B), (D)
- (c) (B), (A), (D), (C)
- (d) (C), (B), (D), (A)

Q14. "Jago grahak jago" is a campaign launched through multimedia awareness by:

- (a) Department of Consumer Affairs, GOI
- (b) Directorate of Consumer Affairs, GOI
- (c) Department of Consumer interests, GOI
- (d) Department of Consumer protection, GOI

Q15. Informal organisation can be better understood with the help of the following features:

- (A) An informal organisation originates from within the formal organisation as a result of personal interaction among employees.
- (B) The standards of behavior evolve from group norms rather than officially laid down rules and regulations.
- (C) Independent channels of communication without specified direction of flow of information are developed by group members.
- (D) It has a definite structure or form because it is a complex network of social relationships among members.

Choose the **correct** answer from the options given below:

- (a) (A), (B) and (D) only
- (b) (A), (B) and (C) only
- (c) (A), (B), (C) and (D)
- (d) (B), (C) and (D) only

Q16. Identify the correct role of consumer organizations and NGOs played by them, for the protection and promotion of consumers' interests.

- (a) Educating the individual consumer
- (b) Educating the corporate consumer
- (c) Educating the state government
- (d) Educating the general public

Q17. Match **List-I** with **List-II**

List-I	List-II
Functional Areas	Standards
(A) Production	(I) Quantity
(B) Marketing	(II) Labour absenteeism
(C) Human Resource Management	(III) Sales-person's performance
(D) Finance and Accounting	(IV) Flow of capital

Choose the **correct** answer from the options given below:

- (a) (A) - (I), (B) - (II), (C) - (III), (D) - (IV)
- (b) (A) - (I), (B) - (III), (C) - (II), (D) - (IV)
- (c) (A) - (I), (B) - (II), (C) - (IV), (D) - (III)
- (d) (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Q18. "A sales person is asked to clinch a deal with a buyer and is allowed to be given a 10% discount by the marketing manager. But the finance department tells her/him not to offer more than a 5% discount". Identify the principle of management violated in the aforesaid statement.

- (a) Unity of Command

Business Studies Previous Year Paper

- (b) Order
- (c) Scalar Chain
- (d) Unity of Direction

Q19. Taylor believed that contemporary management was amateurish and should be studied as a discipline. He is known for the coinage of the term 'Scientific Management' in his article 'The Principles of Scientific Management' published in the year _____.

- (a) 1911
- (b) 1910
- (c) 1909
- (d) 1908

Q20. Which method of training is a joint programme of training in which educational institutions and business firms cooperate?

- (a) Apprenticeship Programmes
- (b) Coaching
- (c) Internship Training
- (d) Job Rotation

Q21. Non-financial incentives include:

- (A) Job Security
- (B) Retirement Benefits
- (C) Co-partnership
- (D) Employee participation

Choose the **correct** answer from the options given below:

- (a) (A), (B) and (D) only
- (b) (A), (B) and (C) only
- (c) (A) and (B) only
- (d) (A) and (D) only

Q22. Identify which is not a feature of a business environment, from the options given below.

- (a) Relativity
- (b) Complexity
- (c) Dynamic
- (d) Certainty

Q23. Identify the importance of coordination that is depicted in the lines "it arises out of the complexities of modern technology and the diversity of tasks to be performed".

- (a) Specialisation
- (b) Growth in size
- (c) Functional differentiation
- (d) Organisational diversification

Q24. "In company Ace ltd, if the plans lay down a 2 percent increase in labor cost as an acceptable range of deviation, only an increase in labor cost beyond 2 percent should be brought to the notice of the management. However, in case of major deviation from the standard (say, 5 percent), the matter has to receive immediate action from management on a priority basis". Identify the concept of management highlighted in the aforesaid statement.

- (a) Management by exception
- (b) Critical point control
- (c) Exception by analysis
- (d) Critical plan control

Q25. Match **List-I** with **List-II**

List-I	List-II
(Types of products)	(Examples)
(A) Speciality products	(I) Rare collection of artwork

Business Studies Previous Year Paper

(B) Shopping Products	(II) Furniture, clothes
(C) Convenience products	(III) Equipments like hand tools, installations like elevators
(D) Capital items	(IV) Toothpaste, medicines

Choose the **correct** answer from the options given below:

- (a) (A) - (I), (B) - (II), (C) - (III), (D) - (IV)
- (b) (A) - (I), (B) - (III), (C) - (II), (D) - (IV)
- (c) (A) - (I), (B) - (II), (C) - (IV), (D) - (III)
- (d) (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Q26. The process of setting up one's own business as distinct from pursuing any other economic activity, is known as:

- (a) Environment Scouting
- (b) Environmental Scanning
- (c) Persistence
- (d) Entrepreneurship

Q27. "The process whereby an executive develops an orderly pattern of group efforts among his subordinates and secures unity of action in the pursuit of a common purpose". Identify the concept of management highlighted in the aforesaid statement.

- (a) Planning
- (b) Controlling
- (c) Coordination
- (d) Communication

Q28. Arrange the activities of the recruitment process in a proper sequence.

- (A) Identification of the different sources of labour supply
- (B) Choosing the most suitable source or sources
- (C) Assessment of their validity
- (D) Inviting applications from the prospective candidates for the vacancies

Choose the **correct** answer from the options given below:

- (a) (A), (B), (C), (D)
- (b) (A), (C), (B), (D)
- (c) (B), (A), (D), (C)
- (d) (C), (B), (D), (A)

Q29. "A sales manager has to negotiate a deal with a buyer. She finds that if she can offer a credit period of 60 days, she is likely to clinch the deal which is supposed to fetch the company a net margin of say Rs. 50 crores. The company entrusts her the task of clinching the deal but gives her power to offer a credit period of only 40 days". Identify the principle of management violated in the aforesaid statement.

- (a) Authority And Responsibility
- (b) Unity of Command
- (c) Unity of Direction
- (d) Scalar Chain

Q30. Maslow's theory is based on the following assumptions:

- (A) People's behaviour is based on their needs. Satisfaction of such needs influences their behavior.
- (B) People's needs are in hierarchical order, starting from basic needs to other higher level needs.
- (C) A satisfied need can no longer motivate a person; only the next higher level need can motivate him.
- (D) A person moves to the next higher level of the hierarchy only when the lower need is satisfied.

Choose the **correct** answer from the options given below:

- (a) (A), (B) and (D) only
- (b) (A), (B) and (C) only
- (c) (A), (B), (C) and (D)
- (d) (B), (C) and (D) only

Q31. The components of the Economic Environment are:

- (A) Expansion of transportation and communication facilities
- (B) Money supply in the economy

Business Studies Previous Year Paper

(C) Public debt (internal and external)

(D) Planned outlay in private and public sectors

Choose the **correct** answer from the options given below:

(a) (A), (B) and (D) only

(b) (A), (B) and (C) only

(c) (A), (B), (C) and (D)

(d) (B), (C) and (D) only

Q32. The motivation process is based on human needs. A simple model of the motivation process involves the following sequence:

(A) An unsatisfied need

(B) Tension

(C) Drives

(D) Generate a search behavior

Choose the **correct** answer from the options given below:

(a) (A), (B), (C), (D)

(b) (A), (C), (B), (D)

(c) (B), (A), (D), (C)

(d) (C), (B), (D), (A)

Q33. There are two projects, *A* and *B* (with the same risk involved), with a rate of return of 10 percent and *X* percent, respectively, if under normal circumstances, project *B* is selected. What could be the rate of return of Project *B*?

(a) 7 percent

(b) 8 percent

(c) 9 percent

(d) 12 percent

Q34. "Companies use sales promotion tools specifically designed to promote, like product combinations, dealer discounts and dealer incentives".

Which tool of promotion is highlighted in the aforesaid statement?

(a) Advertising

(b) Sales Promotion

(c) Personal selling

(d) Public relations

Q35. The factors affecting the price decision does not include:

(a) Product Cost

(b) The Utility and Demand

(c) Financial Risk

(d) The extent of Competition in the market

Q36. "Every manager can direct his immediate subordinates and take instructions from his immediate boss". Identify the feature of directing highlighted in the aforesaid statement.

(a) Directing initiates action

(b) Directing takes place at every level of management

(c) Directing is a continuous process

(d) Directing flows from top to bottom

Q37. "According to a management expert, "even a small production activity like loading pigs of iron into boxcars can be scientifically planned and managed. This can result in tremendous saving of human energy as well as wastage of time and materials."

Identify the principle of scientific management advocated in the aforesaid statement.

(a) Cooperation, not individualism

(b) Harmony, not discord

(c) Science, not rule of thumb

(d) Development of each and every person to his or her greatest efficiency and prosperity

Q38. Match List-I with List-II

List-I	List-II
(Type of Plan)	(Aspect of Plan)
(A) Objectives	(I) The desired future position that the management would like to achieve
(B) Strategy	(II) The general statement that guides thinking
(C) Policy	(III) The broad contours of an organisation's business
(D) Procedures	(IV) Routine steps on how to carry out activities

Choose the **correct** answer from the options given below:

- (a) (A) - (I), (B) - (II), (C) - (III), (D) - (IV)
- (b) (A) - (I), (B) - (III), (C) - (II), (D) - (IV)
- (c) (A) - (I), (B) - (II), (C) - (IV), (D) - (III)
- (d) (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Q39. "Electrical appliances which are manufactured with substandard products or do not conform to the safety norms might cause serious injury. Thus, consumers are educated that they should use electrical appliances which are ISI marked as this would be an assurance of such products meeting quality specifications." Identify the consumer right highlighted in the aforesaid statement.

- (a) Right to safety
- (b) Right to be informed
- (c) Right to seek redressal
- (d) Right to be heard

Q40. A statement of expected results expressed in numerical term which quantifies future facts and figures represent which type of plan?

- (a) Objective
- (b) Policy
- (c) Budget
- (d) Procedure

Comprehension:

[41-45] Passage 1: Detrimental debt

On the basis of this passage, answer the questions from Q. No. 41 to Q. No. 45

Even successful businesses have debt, but how much is too much? Learning how to manage debt is what can put you ahead. Taking on the right amount of debt can mean the difference between a business struggling to survive and one that can respond nimbly to changing economic or market conditions. A number of circumstances may justify acquiring debt. As a general rule, borrowing makes the most sense when you need to bolster cash flow or finance growth or expansion. But while debt can provide the leverage you need to grow, too much debt can strangle your business. So the question is: How much debt is too much?

A business that doesn't grow dies. You've got to grow, but you've got to grow within the financial constraints of your business. What is the ideal capital structure a business needs in its industry to remain viable? The higher the volatility (in your industry), the less debt you should have. The smaller the volatility, the more debt you can afford. Consider the capital structure of a growing company, NextGen Ltd.

Total Funds used Rs. 30 Lakh

Interest rate is 10% p.a.

Tax rate 30%

EBIT Rs. 4 Lakh

Nextgen Ltd. has an option to raise different amounts of debt:

Situation I : No Debt

Situation II: Rs. 10 Lakh Debt

Situation III:Rs. 20 Lakh Debt

Q41. Identify the correct statement.

- (a) Situation III attracts more financial risk than Situation II.
- (b) Situation II attracts more financial risk than Situation III.
- (c) Situation I attracts more financial risk than Situation III.
- (d) Situation I attracts more financial risk than Situation II.

Business Studies Previous Year Paper

Q42. "Learning how to manage debt is what can put you ahead". Identify the concept highlighted in the aforesaid statement.

- (a) Gross Working Capital
- (b) Net Working Capital
- (c) Financial Planning
- (d) Investment Decision

Q43. What does the term "Capital Structure" imply?

- (a) It indicates a ratio between debt and earning.
- (b) It indicates a mix between debt and retained earning.
- (c) It indicates a mix between debt and earning.
- (d) It indicates a mix between debt and equity.

Q44. What does EBIT stands for:

- (a) Equity Before Institutional Taxes
- (b) Earning Before Interest and Taxes
- (c) Earning Brings Interest and Taxes
- (d) Equity Before Interest and Taxes

Q45. The EBT of NextGen Ltd with zero debt situation will be

- (a) Rs. 400000
- (b) Rs. 500000
- (c) Rs. 300000
- (d) Rs. 200000

Comprehension:

[46-50] Passage2: The Software Giant -Wipro Technology

On the basis of the following passage, answer the Q. No. 46 to Q. No. 50

It's not quite there yet, but the goal is certainly within reach. One of India's largest IT solutions providers, Wipro Technologies, is taking on the likes of IBM and Accenture in its effort to be included among the largest and most successful technology services companies in the world. Restructuring Wipro was considered the most important step in becoming a global giant, driven by the goal towards improved customer orientation. During the past few months, Wipro separated itself into several subsidiaries by product line: telecommunications, engineering, financial services, etc. Each subsidiary brings in about \$300 million in annual earnings and is self-sufficient with their own accounting books, personnel and administrative functions. This policy of company reduces the workload as well as enhances productivity because of the specific workers performing a specific job on a regular basis. Such a practice at Wipro further resulted in avoidance of duplication of work helps in preventing confusion and minimising the wastage of efforts. Wipro shifted from a centralised to decentralised management system. All responsibilities for growth lay with the management of each entity. "We tried to de-layer the organisation and empower our business leaders with a much higher degree of growth responsibility," said Premji. This practice gives the employee requisite time to explore areas for growth and the opportunity to innovate thereby strengthening the company's competitive position. The authority dispersal develops in the subordinate the ability to deal effectively with challenges and helps them to realise their full potential.

Q46. "Wipro shifted from a centralised to decentralised management system. All responsibilities for growth lay with the management of each entity. We tried to de-layer the organisation and empower our business leaders with a much higher degree of growth responsibility". Identify the significance of the function of management highlighted in the aforesaid statement.

- (a) Division of work
- (b) Development of personnel
- (c) Optimum utilization of resources
- (d) Better administration

Q47. "Wipro separated itself into several subsidiaries by product line: telecommunications, engineering, financial services, etc". On the basis of the aforesaid statement, identify the organizational structure which is best suited for the company?

- (a) Divisional Structure
- (b) Functional Structure
- (c) Informal Structure
- (d) Matrix Structure

Business Studies Previous Year Paper

Q48. "Each subsidiary brings in about \$300 million in annual earnings and is self-sufficient with their own accounting books, personnel and administrative functions". Identify the step from the options given below, that is highlighted in the aforesaid statement.

- (a) Identification and division of work
- (b) Departmentalisation
- (c) Assignment of Duties
- (d) Establishing reporting relationships

Q49. "Such a practice at Wipro further resulted in avoidance of duplication of work and helps in preventing confusion and minimising wastage of efforts". Identify the significance of the function of management highlighted in the aforesaid statement.

- (a) Development of Personnel
- (b) Clarity in reporting relationships
- (c) Optimum utilization of resources
- (d) Better administration and greater creativity

Q50. Identify the function of management, discussed in detail in the above passage.

- (a) Organising
- (b) Planning
- (c) Staffing
- (d) Directing

