

AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS X EXAMINATION




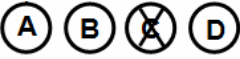
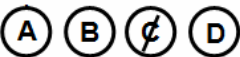
MAY 2015

Business Studies Paper I

Time: 35 minutes Marks: 25

INSTRUCTIONS

1. Read each question carefully.
2. Answer the questions on the separate answer sheet provided. DO NOT write your answers on the question paper.
3. There are 100 answer numbers on the answer sheet. Use answer numbers 1 to 25 only.
4. In each question there are four choices A, B, C, D. Choose ONE. On the answer grid black out the circle for your choice with a pencil as shown below.

Correct Way		Incorrect Ways	
1		1	
		2	
		3	
		4	

Candidate's Signature

5. If you want to change your answer, ERASE the first answer completely with a rubber, before blacking out a new circle.
6. DO NOT write anything in the answer grid. The computer only records what is in the circles.
7. You may use a simple calculator if you wish.

1. Which of the following is an example of a public corporation?
 - A. Askari Bank Ltd
 - B. State Life Insurance
 - C. Rehman Habib Consultants
 - D. Al Ghazi Tractor Company Ltd

2. Ahmed wants to start a business that has a total strength of ten people including Ahmed. These people would be managers in the business and they would be offered both limited liability and continuity. Ahmed sends important documents to the registrar for the registration of his business.

The registrar will register this business as a

 - A. joint venture.
 - B. co-operatives.
 - C. close corporations.
 - D. municipal enterprises.

3. Pakistan is suffering from a deficit due to a low demand for its export in foreign countries and increased imports locally. The trade deficit increased to US \$ 3.946 billion in 2010 (Economic Survey of Pakistan 2011).

The above statement shows a/ an

 - A. inflation in Pakistan.
 - B. economic boom in Pakistan.
 - C. negative balance of trade in Pakistan.
 - D. positive balance of payment of Pakistan.

4. Which is most likely to improve distribution of income in a country?
 - A. An increase in indirect taxes
 - B. An increase in rate of inflation
 - C. An increase in progressive taxes
 - D. An increase in managers' salaries

5. The acquisition of suppliers for buying raw materials by an organization is termed as
 - A. horizontal integration.
 - B. conglomerate integration.
 - C. vertical forward integration.
 - D. vertical backward integration.

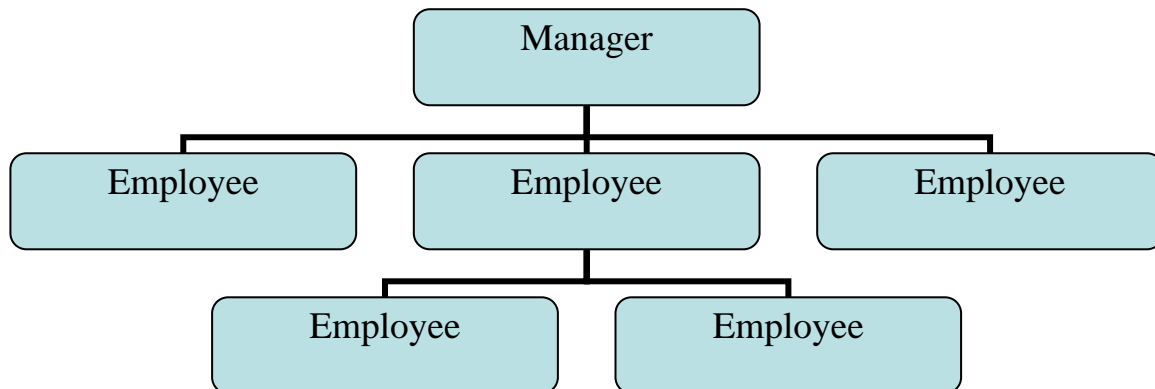
6. Indus Motors Pvt Ltd assembles automobiles parts on continuous basis. Their method of production will be termed as
 - A. job production.
 - B. lean production.
 - C. flow production.
 - D. batch production.

7. A company introduces techniques whereby they get rid of piles of stock and reduce the amount of time taken for worker to walk between tasks. This method of production is classified as
- A. kaizen.
 - B. kanban.
 - C. just in time.
 - D. cell production.
8. What is meant by the term 'economies of scale'?
- A. Big firms will always be more efficient than the small ones.
 - B. Bigger economies will always perform better than the smaller ones.
 - C. Big firms can always invest more than the small ones and can, therefore, spend more on resource and development.
 - D. As the market grows in size, businesses can adapt production techniques to meet increased demand and in the process, lower average costs.
9. A cement factory manufactures on a large scale using continuous process of production. Which method of production is the factory adopting?
- A. Job production
 - B. Flow production
 - C. Batch production
 - D. On-time production
10. Fahad's web security business has expanded; he has assigned some tasks to his new employees. This has enabled Fahad to find more time to do the administrative work which he considers should be left to him. This helped the organization to make progress and the employees' satisfaction level was also increased.
- The above action of Fahad can be categorised as
- A. delegation of responsibilities.
 - B. enhancement of job specification.
 - C. management of chains of commands.
 - D. decentralization of management structures.
11. A supply chain network design decision pertaining to capacity allocation to production plants is classified as
- A. a tactical decision.
 - B. a strategic decision.
 - C. an operational decision.
 - D. a departmental decision.
12. The job design practice that involves giving employees more responsibility for scheduling, coordinating, and planning their own work is called
- A. job rotation.
 - B. job enrichment.
 - C. job enlargement.
 - D. job significance.

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13. The factory management of ABC Shoes Ltd decides that they will advertise their summer collection through outdoor marketing agencies by placing hoardings and billboards. Such management decision is considered as a/ an
- A. tactical decision.
 - B. strategic decision.
 - C. personal decision.
 - D. operational decision.
14. Fahim & Co merged with Raheel Group of Companies and formed Sunrise Company Ltd. There is a need to reduce the number of employees otherwise the new company will experience falling revenues. For that they need to do
- A. firing workforce planning.
 - B. dismissal workforce planning.
 - C. redundancy workforce planning.
 - D. short listing workforce planning.
15. The trade union of a factory recommended an increase of Rs 300 per hour while the management of the factory offered an increase of 150 per hour. The negotiation to decide the fair rates will be done by the
- A. picketers.
 - B. arbitrators.
 - C. conciliators.
 - D. union congressmen.
16. A situation in which an organization makes it compulsory for its employees to be a member of the union is called
- A. trade union.
 - B. closed shop.
 - C. shop steward.
 - D. employer association.
17. Centralization in management structure refers to the
- A. geographic dispersion of an organization.
 - B. team decision-making in an organization.
 - C. devolution of power to the lower tier of an organization.
 - D. degree to which decision-making is concentrated at a single point in an organization.

18.



The above organization chart shows the

- A. line managers.
 - B. chain of command.
 - C. wider span of control.
 - D. narrow span of control.
19. A SWOT analysis is a type of
- A. strategic analysis.
 - B. product position analysis.
 - C. shareholder value analysis.
 - D. customer profitability analysis.
20. The brand manager of BMW has asked a questionnaire to be filled by 300 people between the ages 35 to 39, 100 people between the ages 30 to 34 and 100 people between the ages of 25 to 29 respectively. What method of research has he/ she adopted?
- A. Interview
 - B. Quota sampling
 - C. Consumer panels
 - D. Random sampling
21. The companies which are generally operated from different destinations and can transfer their production plants to locations according to the availability of raw material and natural resources are known as
- A. joint venture.
 - B. cooperatives.
 - C. transnational business.
 - D. fast-moving consumer goods business.

22. Imposition of tax on an imported product is called
- A. tariff.
 - B. quota.
 - C. embargo.
 - D. export duty.
23. Which of the following is an activity through which an organization receives inflow of cash?
- A. Repaying loans or creditors
 - B. Paying wages or salaries
 - C. Purchasing goods as material for production
 - D. bringing additional cash investment
24. The following are account heads at Al-Rahim Traders:

<u>Cash in</u>	<u>Rs</u>
Sale of goods	125,000
Received payment	15,000

<u>Cash out</u>	<u>Rs</u>
Purchase of equipment	45,000
Interest paid on bank loan	15,000
Wages paid to staff	5,000
Payment to creditors	12,500

The cash closing balance is

- A. Rs 62,500.
 - B. Rs 77,500.
 - C. Rs 60,000.
 - D. Rs 140,000.
25. The following information has been extracted from the records of Al-Mehran Brothers.
- Cash sales Rs 50,000
 - Stock purchase Rs 45,000
 - Credit sales Rs 40,000
 - Ending goods stock Rs 9,000 (at cost value)

The gross profit of the firm will be

- A. Rs 5,000.
- B. Rs 36,000.
- C. Rs 45,000.
- D. Rs 54,000.

Please use this page for rough work

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