

AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS X EXAMINATION

MAY 2015

Business Studies Paper II

Time: 2 hours 25 minutes Marks: 50

INSTRUCTIONS

Please read the following instructions carefully.

1. Check your name and school information. Sign if it is accurate.

**I agree that this is my name and school.
Candidate's signature**

2. RUBRIC. There are TEN questions. Answer ALL questions. Questions 9 & 10 each offer TWO choices. Attempt any ONE choice from each.
3. When answering the questions:

Read each question carefully.
Use a black pencil for diagrams. DO NOT use coloured pencils.
DO NOT use staples, paper clips, glue, correcting fluid or ink erasers.
Complete your answer in the allocated space only. DO NOT write outside the answer box.
4. The marks for the questions are shown in brackets ().
5. You may use a simple calculator if you wish.

Q.1. (Total 6 Marks)

- a. Identify and describe the type of private sector business organization that is expected to form in each of the given cases. (3 Marks)

Case	Type of Organization	Description of Type
A Dubai based super market wants to start a business of consumer electronic goods in collaboration with a local Pakistani consumer electronic goods store.		
Mr Ali submitted a tender to open a branch outlet of a renowned ready-made garment store in his locality. If the tender is passed, he will be running the branch outlet using the store's trademark and their product range and will provide the alteration services similar to the store's other outlets.		
Star Bookshop has been a well known bookseller since many years. They plan to form a small organization for readers in which their regular customers will be registered as members and the organization will facilitate them in purchasing books at cheap prices. It is also expected to be a platform for readers to sell, purchase and exchange books with other members.		

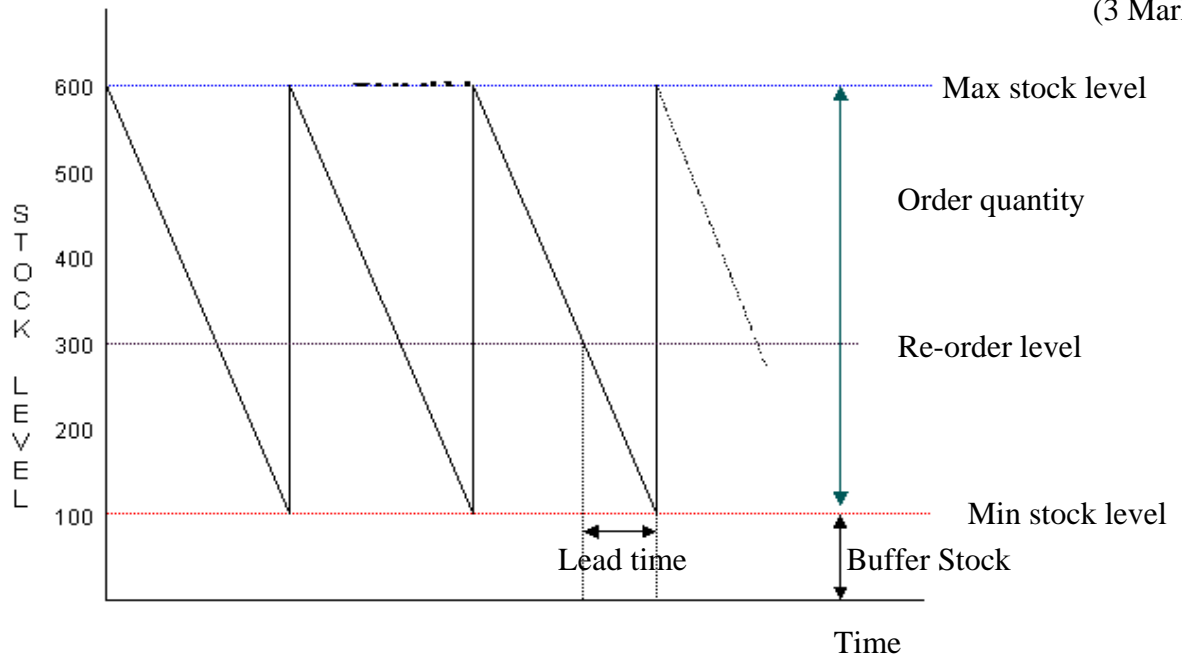
- b. Discuss any THREE merits of public cooperations for the society and the economy of a country. (3 Marks)

Q.2.

(Total 6 Marks)

a.

(3 Marks)



The graph given above represents the stock and time period relationship of a grocery store. Explain any **THREE** of the following terms regarding stock control with reference to this graph.

- Lead time
- Maximum stock level
- Re-order level
- Minimum stock level

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- b. Uzma has just completed Master's program in Fashion Designing. She is interested in establishing a retail outlet of her own where she can sell some famous designer brands as well as launch her own brand into the market.

Discuss THREE factors she should keep in mind regarding the location of her retailing business.
(3 Marks)

Q.3.

(Total 5 Marks)

Ammar is running a hardware store. The store also provides door to door solution services for different household problems related to plumbing and hardware. Recently, Ammar noticed that his staff lacks interest and takes too much time to resolve simple issues and answer complaints. The overall attitude of the staff towards work is not professional and some customers have also complained about their lazy attitude.

Currently, the workers receive a fixed salary, transportation and food allowances on the completion of each problem they receive a 20% commission.

The store's overall number of clients has reduced by 50%. The sales of the store are badly affected due to this. Hence, Ammar consulted a human resources (HR) consultant and was given the advice to introduce performance related financial motivators for his staff so that both, customer service and efficiency, can improve.

- i. On the basis of the given condition, explain how Ammar can implement the suggestions given by the HR consultant to improve efficiency of his workers.
- ii. What do you think can be the TWO alternative financial motivators that can be initiated to increase efficiency and customer service in the given scenario?

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Q.4. (Total 4 Marks)

If workplace disputes are not resolved, they can lead to industrial action.

What sort of industrial actions can be taken by a trade union to raise their voice and apply pressure on the upper management?

Q.5. (Total 5 Marks)

A short chain of command is considered to be an effective management structure for many businesses. Explain the FIVE merits of having a short chain of command in a business organization.

Q.6.

(Total 8 Marks)

- a. Aslam is a physical trainer. He would like to form a health club as a non-profit business organization for his locality.

Explain any FOUR ways in which he can finance his organization.

(4 Marks)

b.

- i. Describe the concept of cash flow in business.

(1 Mark)

- ii. Classify each of the given financial transactions as either cash inflow or cash outflow activities.

(3 Marks)

	Transaction	Cash flow activity
1.	Collection received form customers	
2.	Instalments of bank loan is paid off	
3.	Invest in an investment scheme	

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Q.7. (Total 3 Marks)

a. What is SWOT analysis? (1 Mark)

b. How is SWOT analysis done for a product or a business. (2 Marks)

Q.8. (Total 3 Marks)

Explain the concept of multinational companies and TWO of its characteristics.

Q.9.

(Total 5 Marks)

EITHER

- a. 'External business growth brings the possibility of higher profits to the business stakeholders and lowers the average costs with expansion in the market share'.
 - i. Describe what is meant by external growth.
 - ii. Explain, with examples, any TWO ways in which external growth of a business takes place.

OR

- b. Mr Haneef is a dress designer; he designs formal and informal outfits according to the specifications. given by client's specification.
 - i. Explain the method of production most suitable to him.
 - ii. Describe TWO merits and TWO demerits of that method of production.

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Q.10.

(Total 5 Marks)

EITHER

- a. Analyse the kind of financing that is most suitable for different forms of businesses with reference to short term and long term finance for unincorporated firms and incorporated firms.

OR

- b. Explain any FOUR modes by which an employee can be consulted for decision making process of a business organization and describe the importance of worker participation.

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