

**AGA KHAN UNIVERSITY EXAMINATION BOARD**

**SECONDARY SCHOOL CERTIFICATE**

**CLASS IX 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	(A)	(B)	●	(D)	1	(A)	(B)	(C)	(D)
					2	(A)	(B)	(C)	(D)
					3	(A)	(B)	(C)	(D)
					4	(A)	(B)	(C)	(D)

**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 would NOT add value to a restaurant?
  - A. Improving menu
  - B. Improving service
  - C. Improving ambience
  - D. Increasing the cutlery items
2. Usually, the key objective of a newly established business is to
  - A. survive.
  - B. expand business.
  - C. maximize profits.
  - D. provide service to the community.
3. Engro Group of Industries is a well known producer of fertilizers in Pakistan. However, it has also launched a food product named 'Olpers'. Such integration is known as
  - A. internal growth.
  - B. vertical integration.
  - C. horizontal integration.
  - D. conglomerate integration.
4. A free-market economy is NOT an economy where
  - A. there is an opportunity to make large profit.
  - B. the price system helps to match supply and demand.
  - C. there is no state ownership of the means of production.
  - D. the state determines what is produced and how resources are allocated.
5. Ahmed asks his legal advisor to prepare a document that states:
  - Rights and duties of all the directors
  - The rules concerning election of directors
  - Procedures to be followed for issuing shares and proxies and minutes of meetingsThis document is called the
  - A. prospectus.
  - B. article of association.
  - C. certificate of incorporation.
  - D. memorandum of association.
6. Mr Ahsan is setting up a bakery in his area which would design and sell cakes according to customers' requests. Such a business is an example of
  - A. partnership.
  - B. sole proprietorship.
  - C. public limited company.
  - D. private limited company.
7. Which of these statements about chain of command is TRUE?
  - A. It refers to the division of labour.
  - B. It is a centralized management structure.
  - C. It refers to the span of control of the management in a business organization.
  - D. It refers to the number of subordinators working directly under a supervisor.
8. Which of the following is the LEAST likely outcome of delegation of tasks?
  - A. Subordinates feel trusted.
  - B. Staff development increases job satisfaction.
  - C. Authority is given to others to take decisions and perform tasks.
  - D. Direct control by supervisors and managers when tasks is increased.

9. Nestlé has different product lines like cereals, yogurt, water, coffee, infant food, health care and confectioneries. The organisational hierarchy formed on the basis of this is called a
- A. product hierarchy.
  - B. regional hierarchy.
  - C. functional hierarchy.
  - D. centralized hierarchy.
10. If a worker receives a 6% wage increase but prices of goods rise by 10 % in the same year, then what would be its impact on the worker's real income?
- A. Workers real income will fall by 4%
  - B. Workers real income will remain constant
  - C. Workers real income will fall by 6%
  - D. Workers real income will increase by 6%
11. A firm claims that a pair of trousers (one of their products) is made of wool, while actually it is made of cotton. Which of the following is being exploited by the firm?
- A. Sale of good act
  - B. Consumer credit act
  - C. Trade description act
  - D. Weights and measures act
12. Economies of scale comprises of all of the following EXCEPT
- A. low interest rate.
  - B. low average cost.
  - C. communication network.
  - D. bulk buying and discounts.
13. All of the following are the examples of fixed costs of a factory EXCEPT
- A. factory's rent.
  - B. labourers' wages.
  - C. equipment's installation.
  - D. factory's insurance.
14. When the average cost of a business reduces due to an increase in its scale of operations, it is called
- A. flow production.
  - B. variance analysis.
  - C. economies of scale.
  - D. diseconomies of scale.
15. One of the stages of a business cycle, where unemployment reaches to a very high level and prices may fall, is considered as a
- A. boom.
  - B. slump.
  - C. recession.
  - D. recovery.
16. A café buys cupcakes from a baker for Rs 100 and sells them for Rs 180 each. What will be their gross profit for a month in which they sold 1400 cupcakes?
- A. Rs 18,000
  - B. Rs 112,000
  - C. Rs 140,000
  - D. Rs 252,000
17. Mustufa works as a credit officer in a bank. He receives an application for business finance. Before approving the finance for the bank, he should go through their
- A. cash flow statement.
  - B. profit and loss statement.
  - C. short and long term liabilities.
  - D. statement of financial position.
18. 'Accounting' is different from 'book keeping' as an accountant's job is to
- A. collect only facts regarding business.
  - B. maintain precise and accurate records.
  - C. record financial transactions and events.
  - D. record transactions and be involved in interpreting information.

PLEASE TURN OVER THE PAGE

19. Which of the following would be categorized as a 'current asset'?
- A. Trade credit
  - B. Land and building
  - C. Plant and machinery
  - D. Merchandise inventory
20. Range Rover's luxury SUV will have which type of market?
- A. Mass market
  - B. Niche market
  - C. Target market
  - D. Psychographic market
21. Saleem invented a new computer game. It will be sold on 3 gaming zones only at a very high price. This price strategy is called
- A. price skimming.
  - B. cost-plus pricing.
  - C. penetration pricing.
  - D. psychological pricing.
22. Chase Up, Imtaiz Stores, Junaid Jamshed and Gul Ahmed's Ideas are examples of
- A. chain stores.
  - B. super stores.
  - C. joint ventures.
  - D. discount stores.
23. Fahad bought a bed from a furniture shop because the manager guaranteed him 10 years service warranty. This type of promotion is called
- A. point of sale.
  - B. price reduction.
  - C. after sale service.
  - D. money off coupon.

24.

**Required**

A well reputed firm requires an office administrator.

The following are the required credentials:

- Should have a bachelors' degree.
- Should be able to perform multitasking.
- Must be fluent in English and Urdu.
- Must be proficient in MS office.

Interested candidates can send the CV to abc@xyz.com before 31<sup>st</sup> December, 2014.

A business organization gave the above advertisement in the newspaper. This classified advertisement reflects

- A. job analysis.
- B. job selection.
- C. job description.
- D. job specification.

25. Sara joined an auditing firm as a junior auditor. On the first day, Sara's supervisor introduced her to the employees, told her the company's history, structure, administration details and condition of employment. This was part of her
- A. on job training.
  - B. off job training.
  - C. internal recruitment.
  - D. orientation/induction training.