

AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS IX 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 EIGHT questions. Answer ALL questions. Questions 7 & 8 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 7 Marks)

- a. All businesses have objectives. Identify and explain any TWO objectives of the businesses in the given cases. (4 Marks)

Case 1

Amna has just completed her professional education in textile designing. As a designer, she wants to establish her own brand of traditional casual dresses in Karachi.

Case 2

Ahmed and his friends recently helped rescue victims when a fire broke out in their locality. This motivated them to launch an NGO after completion of their education for helping to recover and rehabilitate the victims of fire who had suffered physical, financial and emotional trauma as a result of fire.

- b. Differentiate between public and private sector with reference to the table given. (3 Marks)

	Public Sector	Private Sector
Control		
Objective		
Examples		

Q.2.

(Total 5 Marks)

- a. Briefly discuss TWO ways in which the hierarchy in an organization benefits the employees. (2 Marks)

- b. Identify the type of leadership being practiced by these individuals. (3 Marks)

Name of Individuals	Scenario	Type of Leadership
Mr Abbas	He is a visionary and a self-made business icon. His style of work reflects his authority as he usually makes decisions without consulting his team members or subordinates. He has set his own method of rewards and penalties for the staff.	
Ms Afia	She leads a team of event organizers and follows a 'hands-off' strategy. She delegates different tasks to people working under her in different departments and they are independent to execute the task and take decisions as per their own judgment. She encourages her workers to be a contributing factor towards the success of their organization.	
Mr Saleem	Mr Saleem is a manager of a customer affairs department. He leads his team with passion and considers each team member to be a problem solver. He consults and takes consensus on each of his affairs and leads the team under the principle of 'each voice does matter.'	

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Q.3.

(Total 7 Marks)

- a. The following are two different decisions of production managers.

(4 Marks)

Manager A decides that he will not install any recycling unit as it will raise the cost of business and due to that he will have to raise the price level which will cut the company's returns.

Manager B decides that despite the rise in the price and raising the dividend's pressure, he will still continue to recycle as much as he can. According to him, conservation of the environment should be a priority.

Which decision is in the best interest of the business? Give FOUR reasons to support your choice.

- b. Suggest THREE ways by which the society and the government can make the businesses work in environment friendly ways.

(3 Marks)

Q.4.

(Total 6 Marks)

- a. Differentiate between the capital and revenue expenditure and give TWO examples of each. (3 Marks)

	Capital Expenditure	Revenue Expenditure
Definition		
Examples		

- b. Explain income statement and briefly explain any TWO of its key components or heads. (3 Marks)

Q.5.

(Total 6 Marks)

- a. Identify and explain the pricing strategy being used in each of the given scenarios. (3 Marks)

Scenarios	Pricing Strategy	Explanation
A new satellite television channel starts its broadcasting. It sets a very low price for annual subscription in order to get better TRP(target rating point) and once it is established, it will increase the subscription cost.		
A cell phone company launches a new smart phone with distinctive features which are not part of any existing sets in the market. Initially, a high price is set but later the company reduces the price to capture a larger market share.		
A fast food outlet adjusts the prices of chicken burgers and beef burgers in response to the price fall of a nearby fast food restaurant.		

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b. Identify the channel of distribution for the following goods.

(3 Marks)



i



ii



iii

i. _____

ii. _____

iii. _____

Q.6. (Total 3 Marks)

Identify and explain the type of training being given in each of the following cases.

S. No.	Case	Type of training	Explanation
1.	Mr Amir joined a super market as a sales executive. During his first month at work, he received instructions to perform his tasks with constant guidance from a Senior Sales Manager.		
2.	Ms Fariha is working as a unit receptionist at a Consumer Service Centre of a bank. She was sent for a three days conference on 'Service Excellence' to improve the services of the bank.		
3.	ABC Montessori appointed new teachers for their upcoming academic session. The selected candidates went through a complete two week orientation programme which enabled them to understand the on-going practices and morals, and the responsibilities to be carried out during their teachings.		

Q.7.

(Total 8 Marks)

EITHER

- a. 'Limited resource for unlimited human wants creates scarcity and this leads to effective use of limited resources which creates opportunity cost.'

Explain the term ‘opportunity cost’ and THREE of its significance with reference to the objectives of business activities.

OR

- b. Communication is a process of transferring information from your mind into the mind of someone else. The best communication is when the exact picture, feeling, emotion or concept that one person has is transferred so well that the other person has it as well.

Discuss FOUR ways to overcome the barriers of business communication.

[illegible]

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Q.8.

(Total 8 Marks)

EITHER

- a. Discuss any FOUR ways in which financial information of a company is important for its owners and managers.

OR

- b. Training is crucial for organizational development and success. It is fruitful for both employers and employees of an organization.

Analyse any FOUR benefits of training for a business organization.

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