

**AGA KHAN UNIVERSITY EXAMINATION BOARD**

**SECONDARY SCHOOL CERTIFICATE**

**CLASS X EXAMINATION**

**MAY 2016**

**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	<input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D	1	<input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D
		2	<input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D
		3	<input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D
		4	<input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> 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. Ms Maheen is the owner of a garment factory. Recently, she has received an order of shirts worth Rs 50,00,000 from USA. As she was unable to complete the order within the given time, she asked Libra Garments Factory to collectively complete the order.

This form of collaboration is known as

- A. franchise.
- B. cooperatives.
- C. joint ventures.
- D. public cooperation.

2. A country is currently facing the following problems

- Decline in production (output)
- Decrease in level of employment
- Less expansion of business sector

The most likely cause of all the above mentioned problems is

- A. high inflation.
- B. low economic growth.
- C. deficit balance of payment.
- D. high levels of unemployment.

3. In order to increase its revenue government of Pakistan is planning to increase tax rate.

This step of the government is classified as a/ an

- A. fiscal policy measure.
- B. foreign policy measure.
- C. monetary policy measure.
- D. exchange rate policy measure.

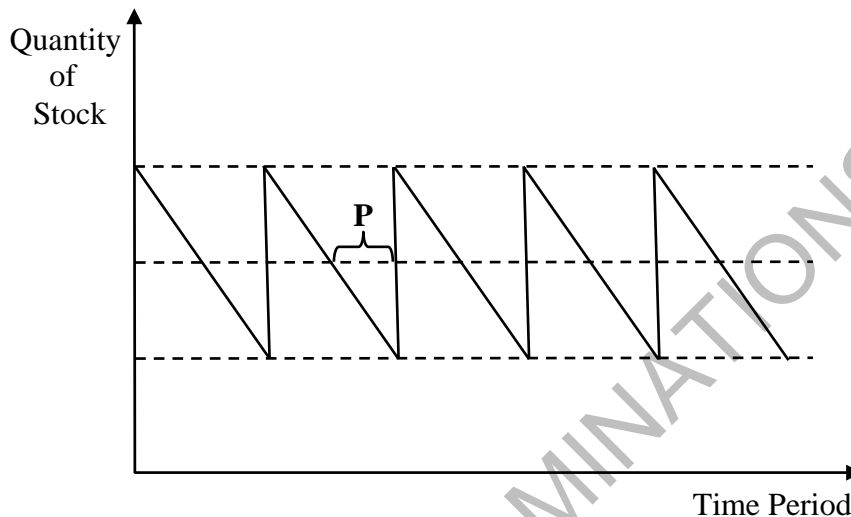
- 4.



The example given above is classified under

- A. cooperatives.
- B. joint ventures.
- C. public cooperation.
- D. municipal enterprises.

5. Mr Ali is basically a cloth merchant; however, recently he has also taken over a fast food restaurant. Such integration or business growth is known as
- A. horizontal integration.
  - B. conglomerate integration.
  - C. forward vertical integration.
  - D. backward vertical integration.
6. The given graph explains the concept of stock control.



In the above graph, point 'P' represents

- A. lead time.
  - B. buffer stock.
  - C. reorder level.
  - D. delivery time.
7. All of the following are the advantages of 'flow production' EXCEPT
- A. goods are sold quickly because of low price.
  - B. production of goods can be done on large scale.
  - C. increased efficiency because of capital intensive production.
  - D. maximum customer satisfaction because goods are customised.
8. In order to increase profit, Mr Khalid is planning to shift his boutique from a certain locality to the main shopping centre of the city.

The most likely reason for this shift of location will be

- A. saving tax.
- B. saving rent.
- C. less legal restrictions.
- D. to attract more customers.

9. A cement factory uses a continuous process for large scale production. What method of production is the factory adopting?
- A. Job production
  - B. Flow production
  - C. Batch production
  - D. On-time production

10. Ms Rubina is working as a Customer Relationship Officer (CRO) at Atlas Bank. She receives an additional amount along with her fixed salary for enrolling each new client.

The additional amount she receives on increasing the branch business with inclusion of every new customer will be termed as

- A. bonus.
  - B. salary.
  - C. commission.
  - D. profit sharing.
11. Mr Akber is working in a garment manufacturing company. He performs various tasks every week, the details of which are given below.

Week	Task
1 <sup>st</sup>	Stitching
2 <sup>nd</sup>	Ironing
3 <sup>rd</sup>	Packing

If this practice is done on a regular basis it will be called

- A. job rotation.
  - B. job enrichment.
  - C. job satisfaction.
  - D. job enlargement.
12. The Board of Directors (BOD) represents the key members of a company's management. Recently the BOD of Rameez & Company has decided to open its franchise in London, UK.

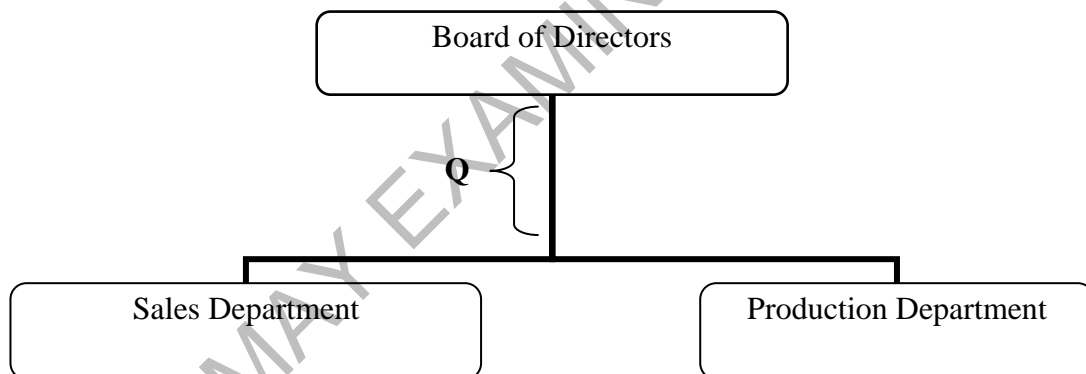
The decision taken by the BOD is known as

- A. tactical decision.
  - B. strategic decision.
  - C. short term decision.
  - D. operational decision.
13. Which of the following is NOT a hygiene factor according to Fredrick Herzberg?
- A. Achievement
  - B. Company's policy
  - C. Working conditions
  - D. Relation with supervisor

14. Oxford & Company is planning to introduce new working practices for better performance. The workers are not willing to accept the new practices.

The appropriate industrial action that should be taken by labours in the above case will be

- A. strike.
  - B. go slow.
  - C. work to rule.
  - D. non-cooperation.
15. The workers of Zia Chemical Industries have some concerns about their working conditions. To highlight these concerns, they have posted posters and standees at the entrance of the company and have protested for a few hours in front of the factory. This industrial action is classified as
- A. strike out.
  - B. picketing.
  - C. work to rule.
  - D. non-cooperation.
16. Below is the organisational chart of Rahim & Company.



In the above picture point 'Q' represents

- A. co-workers.
  - B. organogram.
  - C. span of control.
  - D. chain of command.
17. The structure in an organization which allows instructions to be passed down from senior management to lower levels of management is called
- A. delegation.
  - B. span of control.
  - C. decentralisation.
  - D. chain of command.

18. The details given below represent the summary of cash account of Mr Aleem.

Details	Amount (Rs)
Balance of cash at 01.01.2014	150,000
Sales for 2014	300,000
Salaries paid in 2014	20,000
Rent paid in 2014	30,000

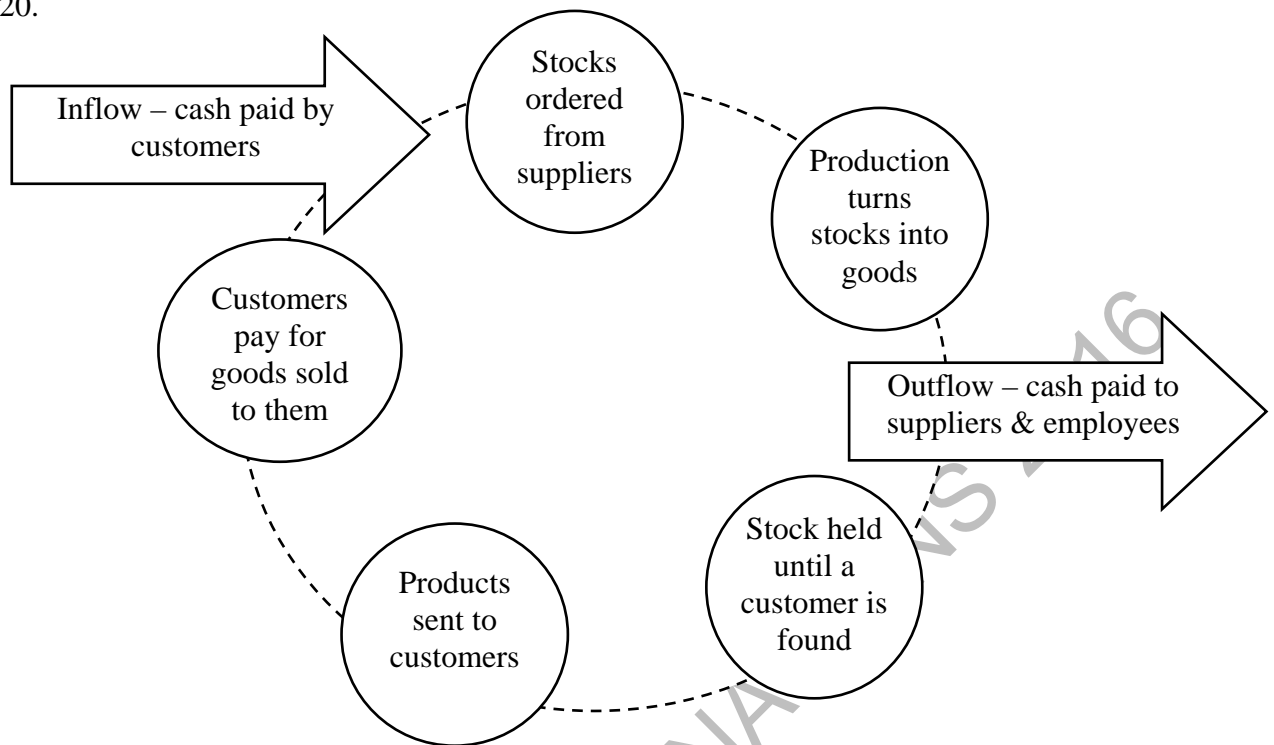
The amount of cash at 31.12.2014 will be

- A. Rs 400,000
  - B. Rs 440,000
  - C. Rs 470,000
  - D. Rs 500,000
19. Mr Rameez is a sole owner (entrepreneur). He wishes to purchase six new delivery vans for his chain of restaurants.

The MOST suitable source of finance in this case will be

- A. bank loan.
- B. debenture.
- C. share capital.
- D. loan from partner.

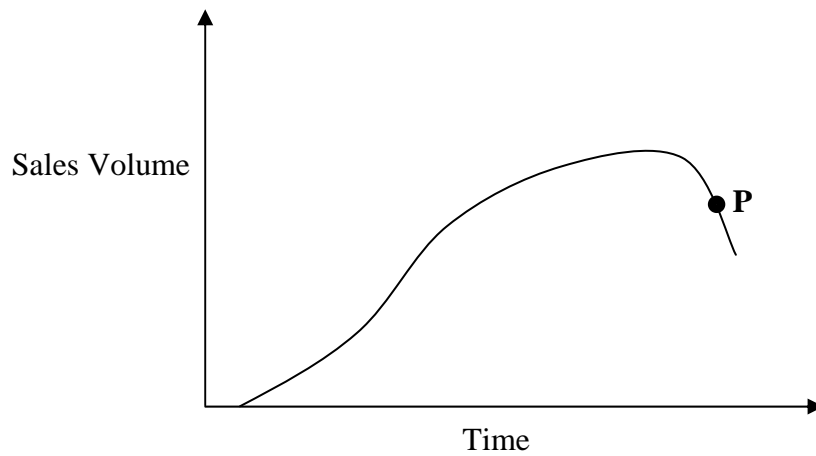
20.



The given diagram represents a/ an

- A. cash flow cycle.
  - B. working capital cycle.
  - C. account payable cycle.
  - D. account receivable cycle.
21. Which of the following is an activity through which an organisation receives inflow of cash?
- A. Payment of wages or salaries
  - B. Repayment of loans or creditors
  - C. Creditors deposited cash into the business organisation's account
  - D. Purchase of goods as material for production against open cheque

22. The given graph shows the life cycle of a company's product.



Point 'P' in the above graph represents

- A. growth.
  - B. decline.
  - C. maturity.
  - D. saturation.
23. The correct form of 'SWOT' analysis in market plan is

	S	W	O	T
A	strategy	worth	objective	technique
B	strengths	weaknesses	opportunities	threats
C	strengths	worth	objective	threats
D	strategy	weaknesses	opportunities	technique

24. In order to increase its market share in UAE, a Pakistan-based company is planning to export goods to UAE at prices lower than in its own country.

This trade activity is considered as

- A. quota.
  - B. tax slab.
  - C. dumping.
  - D. transfer pricing.
25. The BEST reason for the existence of multinational companies is that companies want to
- A. find new markets.
  - B. promote local industry.
  - C. discover new products and raw materials.
  - D. generate more employment opportunities in native country.