

AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS X EXAMINATION

APRIL/ MAY 2017

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. Mr Ahmed and Mr Bilal are business competitors. Due to the same nature of business, they are planning to merge their businesses.

The merger between the above mentioned businesses is termed as

- A. vertical integration.
- B. forward integration.
- C. horizontal integration.
- D. conglomerate integration.

2. Alpha Private Limited Company is growing every day. In order to capture more market share, the company decided to purchase Beta Private Limited Company with an agreement between the directors and the shareholders of both companies. It was also decided that Alpha Company will have the authority of decision making.

The above form of business expansion is classified as

- A. pool.
- B. cartel.
- C. merger.
- D. take over.

3. Mr Suleman owns a confectionary store. He wants his products to be available in different parts of the city but he does not want to open the stores himself. He has decided to call in proposals of interest from different parties and he will allow them to use his brand name, recipes and standardised processes. In turn, the parties are liable to pay him an agreed amount and abide by his rules and regulations.

The above form of business expansion is classified as

- A. cartel.
- B. partnership.
- C. franchising.
- D. joint venture.

4. Which of the following is considered as a DEMERIT of private sector for the economy?

- A. Initiates risks in order to maximise profit.
- B. Has strict controls and regulations of business activity.
- C. Concentrates economic power and wealth in few hands.
- D. Emphasises on social and economic development of society.

5. The policy by which a government adjusts its spending levels and tax rates to monitor and influence a nation's economy is known as

- A. trade policy.
- B. fiscal policy.
- C. foreign policy.
- D. monetary policy.

6. Mr Jamshed is the owner of a garment manufacturing business. There are 8 workers involved in production process.

If each worker produces 4 units in a day, then the total productivity per day will be

- A. 2
B. 4
C. 8
D. 32
7. The ratio between the value added output to the efficient utilisation of resources is known as
- A. planning.
B. promotion.
C. production.
D. productivity.
8. Given pictures show different methods of production.



Picture A

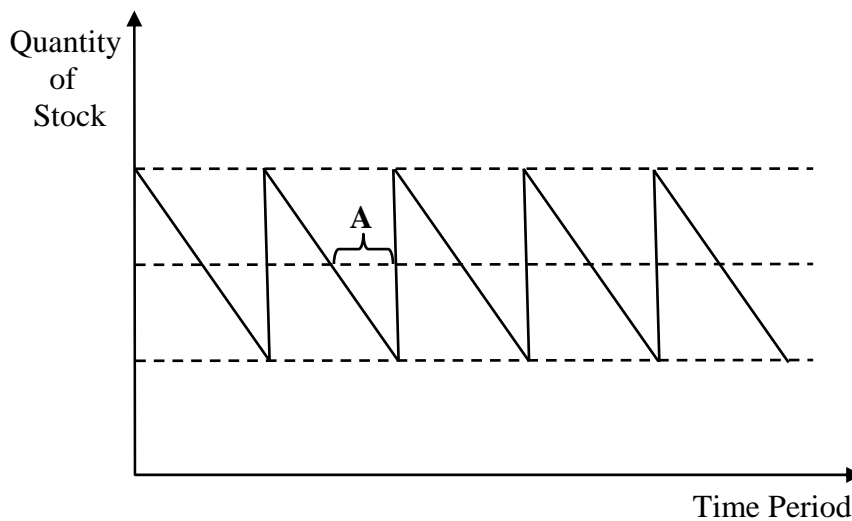


Picture B

Identify the CORRECT option that shows the methods of production for the given pictures.

	Picture A	Picture B
A	Flow production	Job production
B	Job production	Flow production
C	Lean production	Flow production
D	Job production	Lean production

9.



In the given graph, point A represents

- A. lead time.
- B. order time.
- C. buffer stock.
- D. maximum stock.

10. The factory management of ABC Shoes decides that they will advertise their summer collection through outdoor marketing agencies by placing hoardings and billboards. Such management decision is considered as

- A. strategic decision.
- B. tactical decision.
- C. operational decision.
- D. personal decision.

11. The following was observed during a survey of a production house

- Workers avoid work when possible.
- Workers are pushed to perform well.
- Most of the workers work in close supervision.
- Most of the workers avoid taking responsibilities.
- Workers have no internal motivation towards their job.

According to Mc Gregor's theories of management, which leadership style can be used to rectify the given situation?

- A. autocratic.
- B. democratic.
- C. laissez faire.
- D. transactional.

12. Ms Sarah has been hired to do two tasks at the start of her job that involved entering data and assisting in the photocopy of the papers. After six months, she was made responsible not only for entering data, but also for the quality assurance of the data entered.

This change in job nature will be termed as

- A. job rotation.
- B. job enrichment.
- C. job satisfaction.
- D. job enlargement.

13. Ms Sabeen works in a garment factory. She is responsible for the quality assurance of the garments manufactured. She is being paid for the number of garments checked and, if she checks more than 500 garments a day, she will be awarded extra amount for her efficiency and productivity.

In the above scenario, the financial motivator used is

- A. time rate.
- B. commission.
- C. profit sharing.
- D. performance related pay.

14. Irfan Associates has decided that it will fire employees exhibiting the following characteristics.

- Misconduct
- Inability to perform the job
- Negligence or incompetence

The above kind of termination of job is known as

- A. dismissal.
- B. retirement.
- C. resignation.
- D. redundancy.

15. Workers of a departmental store have gathered in front of the store to raise their voice against the extended working hours of the staff. The gathering is creating pressure and portraying a negative image of the store management and is also getting media attention.

The above industrial action is classified as

- A. go slow.
- B. picketing.
- C. work-to-rule.
- D. non-cooperation.

16. Moon Group of Industries is facing management issues in their business. The Board of Directors was advised by CEO to decentralise the following departments:

- Finance
- Marketing
- Production
- Human resources

The mentioned decentralisation is known as

- A. federal decentralisation.
- B. regional decentralisation.
- C. functional decentralisation.
- D. project-based decentralisation.

17. Ahsan Associates deals in providing information technology (IT) solutions. The business has instructed all their managers to take decisions on their own to facilitate customers regarding product features and marketing promotions.

The above policy of delegation of power is classified as

- A. Autocracy.
- B. Automation.
- C. Centralisation.
- D. Decentralisation.

18. Ms Erum, a sole trader, is in need of finance. She is looking at different financial resources to extend her business.

Which mode of financing is appropriate for Ms Erum's business?

- A. Bank loan
- B. Issue of shares
- C. Account payable
- D. Retained earnings

19. The given table shows the details of Mr Adil's business.

Detail	Amount (Rs)
Sales Revenue (15% are credit sales)	50,000
Cost of goods sold	30,000

The amount of net cash flow from the above table will be

- A. Rs 7,500
- B. Rs 12,500
- C. Rs 20,000
- D. Rs 22,500

20. Mr Feroz has produced the following cash flow forecast for the next year.

	January	February
	Amount in million (Rs)	Amount in million (Rs)
Opening cash balance	0	70
Cash inflows	800	770
Cash outflows	730	?
Closing cash balance	70	140

What will be the value of cash outflows for February?

- A. Rs 40 million
 B. Rs 180 million
 C. Rs 660 million
 D. Rs 700 million
21. An example of a cash inflow for a business is
- A. wages paid to workers.
 B. cash from sale of assets.
 C. advertisement payments.
 D. interest payments to bank.
22. Alpha Company is planning to launch its new product. The product is a luxury item targeted for specific customers only.
- The type of market targeted by Alpha Company is commonly known as
- A. mass market.
 B. niche market.
 C. resource market.
 D. consumer market.
23. Which of the following is NOT a part of marketing plan?
- A. Employee's benefit
 B. Budget of the business
 C. Targets set by the business
 D. Aims achieved by the business
24. Which problem is NOT related to international trade?
- A. Trade quota
 B. Language barrier
 C. Increased tariff barriers
 D. Lack of working capital

25. 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.

AKU-EB May Examination 2017