

AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS IX 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.

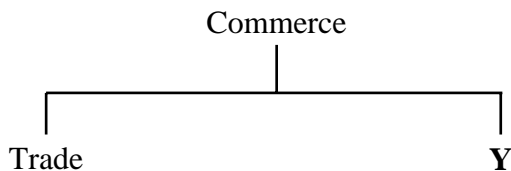
Correct Way		Incorrect Ways	
1	(A) (B) (C) (D)	1	(A) (B) (C) (D)
		2	(A) (B) (C) (D)
		3	(A) (B) (C) (D)
		4	(A) (B) (C) (D)

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. The **MOST LIKELY** reason of starting a retail business for a new entrepreneur is that
 - A. retail business requires more skills and time.
 - B. less capital is required in starting a retail business.
 - C. banks only provide loan facilities to retail business.
 - D. retail business is always more profitable than other businesses.

2. In the given chart, **Y** represents



- A. foreign trade.
 - B. documents of trade.
 - C. domestic (local) trade.
 - D. auxiliaries (aids) to trade.
3. Which of the following activities of a farmer is an example of **PRIMARY** production?
 - A. Cultivating the apple field.
 - B. Selling the produce in the market.
 - C. Buying a tractor to be used in farming.
 - D. Teaching villagers about new modes of farming.

4. Mr Saqib inherited Rs 200,000 from his parents. He is looking at two different options to invest this money. The options with their respective returns are as follows.

Options	Return
Save in a bank	Bank agrees to give Rs 1,000 every month, bank also agreed to give 5% at the end of the year as interest.
Invest in his friend's business	His friend agrees to pay Rs 2,000 every month as profit.

If he decides to invest in his friend's business, then his opportunity cost would be

- A. Rs 2,000
 - B. Rs 10,000
 - C. Rs 12,000
 - D. Rs 22,000

5. Which of the following CORRECTLY distinguishes between the different forms of business?

	Sole Owner	Partnership	Public Company
A	no separate legal status	separate legal entity	separate legal entity
B	single owner	2-20 partners	unlimited shareholders
C	many owners	2-10 partners	50 shareholders only
D	separate legal status	no separate legal status	separate legal entity

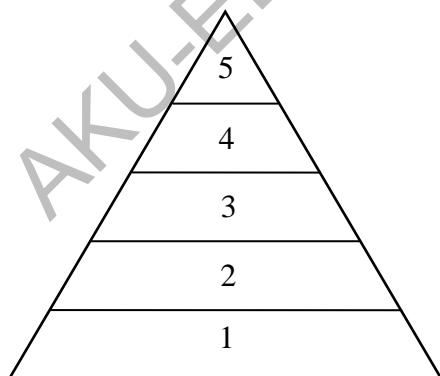
6. Mr Ahmed is the owner of a small trading business. He wants to purchase a new car to be used in the business.

Which source of finance should he use?

- A. Overdraft
 B. Debenture
 C. Issue of shares
 D. Loan from bank
7. Ms Areeba is a manager in a company. She tries to communicate, motivate, inspire and encourage her subordinates for better efficiency.

The functions performed by Ms Areeba are categorised as

- A. leading.
 B. staffing.
 C. planning.
 D. organising.
8. According to Maslow's Theory of Needs as shown in the given picture, the 2nd tier represents

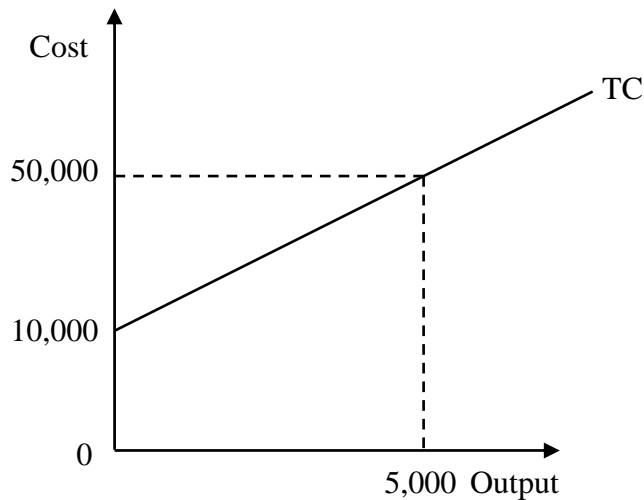


- A. basic needs.
 B. safety needs.
 C. esteem needs.
 D. self-actualisation needs.

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9. Which of the following is considered as a democratic leader of Pakistan?
- A. Zia-ul-Haq
 - B. Yahya Khan
 - C. Benazir Bhutto
 - D. Pervaiz Musharaf
10. If a worker receives a 6% wage increase but prices of goods rises by 10% in the same year, then the worker's real income will
- A. fall by 4%
 - B. fall by 6%
 - C. increase by 6%
 - D. remain constant
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 law 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. All of the following are the advantages of change in technology on the business EXCEPT
- A. increased productivity.
 - B. increased employment.
 - C. competitive advantage.
 - D. better quality of product.
13. Economies of scale result in increase in output and decrease in
- A. total cost.
 - B. fixed cost.
 - C. average cost.
 - D. marginal cost.

14. The given graph shows the relationship between cost and output.



The amount of fixed cost extracted from the given graph will be

- A. Rs 0
 B. Rs 5,000
 C. Rs 10,000
 D. Rs 50,000
15. Deficit in balance of payment (BoP) of a country forces the government to increase its exports.
- If the government of a country wants to increase exports, then the MOST LIKELY measure to improve deficit in BoP would be to
- A. enforce quota.
 B. increase embargo.
 C. reduce export duties.
 D. increase import duties.
16. Ms Rida is the owner of a coffee shop. The following details are available about her business.

Details	Amount (Rs)
Sales	500,000
Cost of Sales	350,000
Gross Profit	?
Overheads (expenses)	?
Net Profit	40,000

The amount of overheads (expenses) from the given table will be

- A. Rs 500,000
 B. Rs 350,000
 C. Rs 150,000
 D. Rs 110,000

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17. 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

18. The details of the accounting records of Shahbaz Traders are as under.

Particulars	Amount (Rs)
Sales revenue	87,500
Sales returns	2,500
Opening inventory (stock)	10,000
Purchases	50,000
Purchases returns	7,000
Carriage inwards	12,000
Ending inventory (stock)	15,000

The amount of cost of sales (cost of goods sold) for Shahbaz Traders from the given information will be

A. Rs 57,000
 B. Rs 50,000
 C. Rs 37,500
 D. Rs 35,000

19. Which of the following is shown in both Income statement and Statement of financial position (Balance sheet)?

A. Net profit
 B. Drawings
 C. Opening stock
 D. Discount allowed

20. 'Channel of distribution' helps manufacturer to

A. control selling price.
 B. store goods manufactured.
 C. reduce its distribution costs.
 D. sell goods to the consumer quickly.

21. Mr Saleem invented a new computer game. It will be sold on three different gaming zones only at a very high price.

The above pricing strategy is called

- A. price skimming.
 - B. cost-plus pricing.
 - C. penetration pricing.
 - D. psychological pricing.
22. Al-Karam Studio, Junaid Jamshed (J.) and Gul Ahmed's Ideas are examples of
- A. super stores.
 - B. chain stores.
 - C. joint ventures.
 - D. discount stores.
23. A person who sells goods to the public in relatively small quantities for use or consumption is a
- A. retailer.
 - B. producer.
 - C. distributor.
 - D. wholesaler.
24. The purpose of job description is to
- A. increase job efficiency.
 - B. increase job effectiveness.
 - C. explain the tasks an individual is expected to do.
 - D. explain the hierarchy of the organisation's structure.
25. Ms Sara joined an audit firm as a junior auditor. On the first day, Sara's supervisor introduced her to the employees, told her the firm'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.

Please use this page for rough work

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