

AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS IX EXAMINATION

APRIL/ MAY 2019

Business Studies Paper I

Time: 40 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)	☒	(D)
					2	(A)	(B)	●	(D)
					3	(A)	(B)	☒	(D)
					4	(A)	(B)	☒	(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. 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, proxies and minutes of meetings

This document is called the

- A. prospectus.
- B. article of association.
- C. certificate of incorporation.
- D. memorandum of association.

2.

- It is an economic resource.
- It possesses economic value.
- It benefits (add value to) business operations.

The concept of business BEST describes by the given characteristics is

- A. asset.
- B. interest.
- C. revenue.
- D. liability.

3. Samia Limited is a public limited company that is in the formation phase.

If the directors of the company want to start the business operations, then as per law, Samia Limited can start its operations after

- A. getting registration.
- B. issuance of prospectus.
- C. issuance of memorandum of association.
- D. getting certificate of commencement of business.

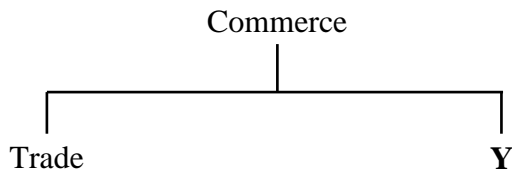
4. The internal stakeholder in a business would be

- A. bank.
- B. society.
- C. creditors.
- D. employees.

5. Which of the following CORRECTLY differentiates between the types of business?

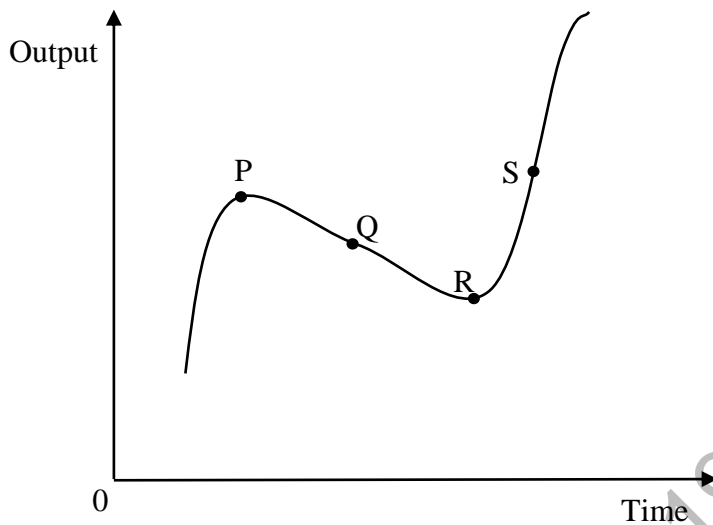
	Sole Trader	Partnership	Limited Liability Company
A	one owner	more than 20 partners	less than twenty shareholders
B	separate legal entity	no separate legal entity	no separate legal entity
C	one owner	less than equal to 20 partners	unlimited shareholders
D	no separate legal entity	separate legal entity	no separate legal entity

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



- A. foreign trade.
B. documents of trade.
C. domestic (local) trade.
D. auxiliaries (aids) to trade.
7. Rehan is a manager in a business organisation. He takes all the decisions without taking much input from others. He has limited trust in his subordinates and enforces all the methods and processes at work.
- The leadership traits of Rehan will classify him as a/ an
- A. dictatorial leader.
B. autocratic leader.
C. democratic leader.
D. laissez faire leader.
8. The theory of motivation known as 'Hierarchy of Needs' was proposed by
- A. Henry Fayol.
B. Frederick Taylor.
C. Abraham Maslow.
D. Frederick Herzberg.
9. With reference to business communication, the process of effective communication is completed when the
- A. sender sends the message.
B. receiver receives the message.
C. message is encoded by the receiver.
D. intended feedback is received by the sender.

10. It is a phase of business cycle, where various economic indicators, including employment, real income, level of buying, selling and production are declining.



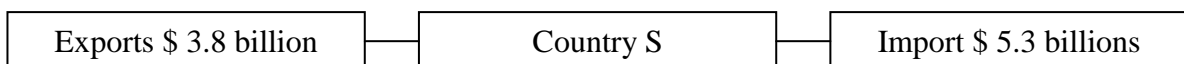
The point on the given graph that reflects the given description is

- A. P
 B. Q
 C. R
 D. S
11. Rahil, the owner of a factory, incurred the following expenses during the month of March 2019.

- I. Wages paid to workers involved in production
 II. Payment made to quality control manager
 III. Salaries paid to supervisor
 IV. Insurance premium paid

Which of the given expenses is a direct cost for Rahil?

- A. I
 B. II
 C. III
 D. IV
12. The balance of payment (BoP) status of a country S is given below.



A LIKELY action of the government in the given situation would be to

- A. print more currency notes.
 B. increase tax on local product.
 C. reduce the custom duty on exports.
 D. raise interest rate on loans given to businesses.

13. Diseconomies of scale are factors that result in
- A. increase in average cost.
 - B. increase in average revenue.
 - C. decrease in marginal cost.
 - D. decrease in marginal revenue.
14. After intervention by the State Bank of Pakistan (SBP), the dollar increased to Rs 137.70 in the interbank market. (Source: Dawn News TV November 30, 2018.)
- This increase in the exchange rate of dollar will affect the automobile industry by a/ an
- A. increase in exports of automobiles.
 - B. decrease in imports of automobiles.
 - C. increase in demand of automobiles.
 - D. decrease in cost of buying automobiles.
15. All of the following are advantages of change in technology on the business EXCEPT
- A. increased employment.
 - B. increased productivity.
 - C. competitive advantage.
 - D. better quality of product.
16. The transaction that will be considered as credit transaction is
- A. purchased goods and issued cheque.
 - B. received online payment for the goods sold.
 - C. bought furniture and issued promissory note.
 - D. issued shares and received payment in the account.
17. Anila bought a machine to be used in her factory. She incurred the following expenditures at the time of purchase:
- I. Paid foundation charges
 - II. Paid 3 years fire insurance
 - III. Paid transportation charges
- The revenue expenditures paid by Anila would include
- A. I only.
 - B. II only.
 - C. I and III.
 - D. II and III.
18. Aleem and Saleem are partners in a business. Their business needs funds to come out of liquidity problem and to expand business.
- The MOST appropriate source of finance for the business would be to
- A. issue shares.
 - B. add new partner.
 - C. take loan from bank.
 - D. take aid from the government.

PLEASE TURN OVER THE PAGE

19. The following items have been taken from the books of Hadi Traders as on December 31, 2018.

Account Title	Amount (Rs)
Cost of sales	165,000
Gross profit	90,000
Operating profit	18,000
Net profit	23,000

The amount that will be shown in the statement of affairs (balance sheet) of Hadi Traders will be

- A. Rs 18,000
B. Rs 23,000
C. Rs 90,000
D. Rs 165,000
20. 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.
21. Many manufacturers plan to have smaller distribution channels for sales.
- The advantage of having smaller channel of distribution is that it
- A. reduces stockholding.
B. increases productivity.
C. enjoys lower profit margin.
D. closely monitors the product demand.
22. Ms Amber is a well-known publisher. She wishes to promote her publications in other countries.
- The MOST cost-effective mode of publication for Amber will be promotion by
- A. internet.
B. television.
C. newspapers.
D. mobile SMS.

23. The given logo was displayed outside a famous Pizza Parlour.

Avall 50% off on All Pizzas



The pricing strategy depicted in the given image is known as

- A. price skimming.
- B. penetrating pricing.
- C. promotional pricing.
- D. psychological pricing.

24. The CORRECT difference between job description and job specification is

	Job Description	Job Specification
A	issued before hiring an employee.	issued after the employee is hired.
B	expresses what an applicant must possess for getting selected.	expresses what a prospective employee must do when he/ she will get the placement.
C	lists the Employee's qualification, skills and abilities.	lists the job title, duties, tasks and responsibilities undertaken at the job.
D	a concise written statement, explaining about what are the major requirements of a particular job.	the statement that explains the minimum eligibility requirements, for performing a particular job.

25. The human resource department of Hanif Traders is planning to hire an Assistant Manager for purchase department.

The CORRECT process of hiring will be

	Flow →			
A	shortlisting a candidate	advertising a position	interviewing a candidate	selecting an employee
B	selecting an employee	interviewing a candidate	advertising a position	shortlisting a candidate
C	interviewing a candidate	selecting an employee	shortlisting a candidate	advertising a position
D	advertising a position	shortlisting a candidate	interviewing a candidate	selecting an employee

Please use this page for rough work

April/ May 2019
for
Teaching & Learning only