AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS IX EXAMINATION

APRIL/ MAY 2019

Business Studies Paper II

Time: 2 hours 20 minutes   Marks: 50

INSTRUCTIONS

Please read the following instructions carefully.

1.   Check your name and school information. Sign if it is accurate.

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│   **I agree that this is my name and school.** │
│   **Candidate's Signature**   │
│   │
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RUBRIC

2.   There are TWELVE questions. Answer ALL questions. Questions 11 & 12 each offer TWO choices. Attempt any ONE choice from each.

3.   When answering the questions:

Read each question carefully.
Use a black pointer to write your answers. DO NOT write your answers in pencil.
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 2 Marks)

Identify the difference between the objectives of public organisations and private organisations.

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Q.2. (Total 5 Marks)

The production capacity of TWO businesses of leather industry is as under:

	Production of Shoes	Production of Jackets
Business A	30,000	15,000
Business B	40,000	80,000

On the basis of opportunity cost, answer the following.

a. Compare the production capabilities of both the products. (4 Marks)

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b. On the basis of comparison done in part a, decide which business should produce more shoes and which should produce more jackets. (1 Mark)

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Q.3. (Total 5 Marks)

In order to motivate the employees, the Human Resource Manager of Bisma Textile Limited has suggested the management to increase the salaries by 20% and to issue visiting cards to better performing office staff.

a.   Define motivation. (1 Mark)

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b.   Analyse any TWO effects of the suggestions in the given scenario on the business. (4 Marks)

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Q.4. (Total 3 Marks)

A furniture business is facing severe financial problems due to economic recession.

Explain how economic recession could affect the furniture business.

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Q.5. (Total 4 Marks)

Economies of scale are beneficial for all the stakeholders of an economy that is consumer, business and government.

Explain any FOUR types of economies of scale.

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Q.6. (Total 3 Marks)

Differentiate between capital expenditure and revenue expenditure on the basis of the given criteria. Attempt any THREE.

Basis of Difference	Capital Expenditure	Revenue Expenditure
Effect on earning/ production capacity of an asset		
Time of occurrence		
Frequency		
Presentation in financial statement		

Q.7. (Total 3 Marks)

Complete the table by explaining the given concepts.

Concept	Explanation
Going Concern	
Money Measurement	
Cost Concept	

Q.8. (Total 3 Marks)

Complete the given table by identifying the types of pricing strategy shown in each situation.

S. No.	Situation	Type of Pricing Strategy
1	Alpha technology has set a very high price for its new cell phone with latest features.	
2	Beta Sons has opened their first outlet in the area where there are many other pizza parlours. They have introduced their pizzas at very low prices.	
3	Gamma Brothers have set the price of watch at Rs 699 instead of setting it at Rs 700 to attract more customers.	

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Q.9. (Total 3 Marks)

Explain any THREE factors that affect a business choice of mode of transportation.

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Q.10. (Total 3 Marks)

Complete the given table by explaining each type of training offered by a business for its employees.

Type of Training	Explanation
On-job Training	
Off-job Training	
Induction Training	

Q.11. (Total 8 Marks)

EITHER

a. Ahmed left his job from an ice cream manufacturing company and now wants to open his own ice cream parlour. He is investing Rs 200,000 from his own source and has borrowed Rs 200,000 from his friend Basit.

   Explain, with examples, the factors of productions that will be needed by Ahmed to start his own business.

OR

b. An event management company has appointed Danish as a manager of operations department. He will be taking care of the logistics and staff arrangements for different events.

   Explain any FOUR functions that Danish will perform as manager.

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Q.12. (Total 8 Marks)

EITHER

a. The accountant of Zahid Traders prepared the following profit and loss account for the first two quarters of business operation.

Account Head	January to March 2018 (Rs)	April to June 2018 (Rs)
Sales revenue	200,000	248,000
Cost of sales	(142,000)	(180,000)
Gross profit	58,000	68,000
Operating expenses	(25,000)	(40,000)
Net profit	33,000	28,000

i. Analyse the quarterly profit and loss account of Zahid Traders by calculating the percentage change in different accounts heads. (5 Marks)

ii. Discuss THREE ways by which Zahid Traders can improve its overall profitability. (3 Marks)

OR

b. In order to hire a Mathematics teacher, Alpha School has published an advertisement in a weekly newspaper.

With reference to the given situation, explain any SEVEN steps of hiring that will be followed by Alpha School for hiring the teacher. (8 Marks)

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