

AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS IX

ANNUAL EXAMINATIONS 2022

Business Studies

Time: 1 hour 40 minutes Marks: 50

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 50 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) (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. The marks obtained on the 50 MCQs will be equated to the total marks of 75 for the theory examination results.
8. You may use a simple calculator if you wish.

1. Ahmer opted to visit a library for the preparations of his examinations, instead of going for a football match.

The concept of costs that is reflected in the given situation is of





- A. fixed cost.
- B. indirect cost.
- C. variable cost.
- D. opportunity cost.

2. Aleem is working for a multi-national firm. His job requirements include knowledge about the field along with the technical skills.

The given situation shows that Aleem is a/ an

- A. craftsman.
- B. industrialist.
- C. professional.
- D. businessman.

3. Which of the following is an example of tertiary sector of an economy?

	
A	B
	
C	D

4. Which of the following business cards depicts the secondary form of economic activity?

<p>Absar Sports Goods</p> <p>Shop 165, Karim Road Faisalabad</p> <p>We buy and sell all kinds of sports goods and accessories.</p> <p>Phone: 0123- 1234567</p>	<p>Saqib Nazir Real Estate</p> <p>Office 5, Block 4 Nistar Road Islamabad</p> <p>We deal in properties across Islamabad.</p> <p>Phone: 0123- 7654321</p>
A	B
<p>Sam Tech Limited Mr. Bashir (Director)</p> <p>Office 5, Block K Akber Road, Lahore</p> <p>We assemble computers and laptops as per the client's requirement.</p> <p>Phone: 0123- 9876543</p>	<p>Beta Book Store Mr. Amir (Owner)</p> <p>Shop 12, Street 2, Urdu Bazar Karachi</p> <p>All types of new and used books are available.</p> <p>Phone: 0123- 0000000</p>
C	D

5. The production details of a business are as under:

Year 2020	Shoes	Jackets
Production (in Units)	30,000 units	15,000 units

The business is planning to produce an additional 5,000 shoes which will decrease the production of jackets to 12,000.

What will be the opportunity cost of producing 5,000 shoes?

- A. 5,000 units of shoes
- B. 35,000 units of shoes
- C. 3,000 units of jackets
- D. 12,000 units of jackets

6. A country has a total labour force of 120 million. The given table shows the employment details of the country.

Sector	Labour Force Employed
Primary sector	19%
Secondary sector	34%
Tertiary sector	38%

Based on the given information, the total labour force employed in the country is

- A. 10.8 million.
B. 91 million.
C. 109.2 million.
D. 120 million.
7. Arman is an owner of a small trading business. He wishes to purchase a new car which will be used in the business.

The source of finance that is BEST suited to Arman is

- A. overdraft.
B. debenture.
C. issuance of shares.
D. loan from the bank.
8. Iqbal and Aslam decided to start a new business. They agreed to sign a document highlighting the basic clauses of the partnership business.

The document signed by them is termed as

- A. partnership act.
B. partnership deed.
C. partnership registration.
D. partnership reconstitution.
9. Alpha Limited is a private limited company. The registered capital of the company is Rs 2,000,000.

With reference to the types of company, its shares will be traded

- A. privately.
B. in the stock market.
C. through the central bank.
D. by commercial banks.

10. The CORRECT difference between private and public limited company is that

	Private Limited Company	Public Limited Company
A	the number of shareholders cannot exceed 20.	the number of shareholders cannot exceed 50.
B	the shareholders of the business do not control and manage the business.	the shareholders of the business control and manage the business.
C	the minimum number of directors in a private company should be 2.	the minimum number of directors in a public company should be 7.
D	it can issue its shares in the stock market only.	it can issue its shares in the stock market as well as privately.

11. Asmara is successfully running her clothing business for the last 5 years. Now, she is planning to buy a franchise of a well-established clothing brand.

The reason due to which Asmara wants to buy the franchise is that

- A. buying the franchise will be very cheap and cost effective.
- B. she would have minimal control over the important decisions.
- C. she could advertise her own business along with the franchise.
- D. branding increases accessibility and acceptability to more customers.

12. All of the following are the advantages of joint ventures EXCEPT that it will lead to the

- A. creation of new opportunities for the venturing firms.
- B. distribution of set up cost between both the businesses.
- C. minimum disagreement between both the managements.
- D. division of administrative expenses between both the businesses.

13. The CORRECT example of external stakeholder for the business is the

- A. bank.
- B. employee.
- C. investor.
- D. audit director.

14. The stakeholder that uses the statement of financial position (balance sheet) for his/ her own interest is the

- A. investor.
- B. manager.
- C. employee.
- D. consumer.

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15. Ahsaan is an owner of a renowned restaurant. He is now planning to extend his business and wants to open a new branch in a nearby town.

The BIGGEST challenge that will be faced by Ahsaan would be to

- A. attract customers.
- B. arrange the capital.
- C. earn his livelihood.
- D. select the name of his restaurant.

16. Read the following statements:

- It is a way to structure an organisation.
- It uses different levels of authority and a vertical link.

The given statements describe a

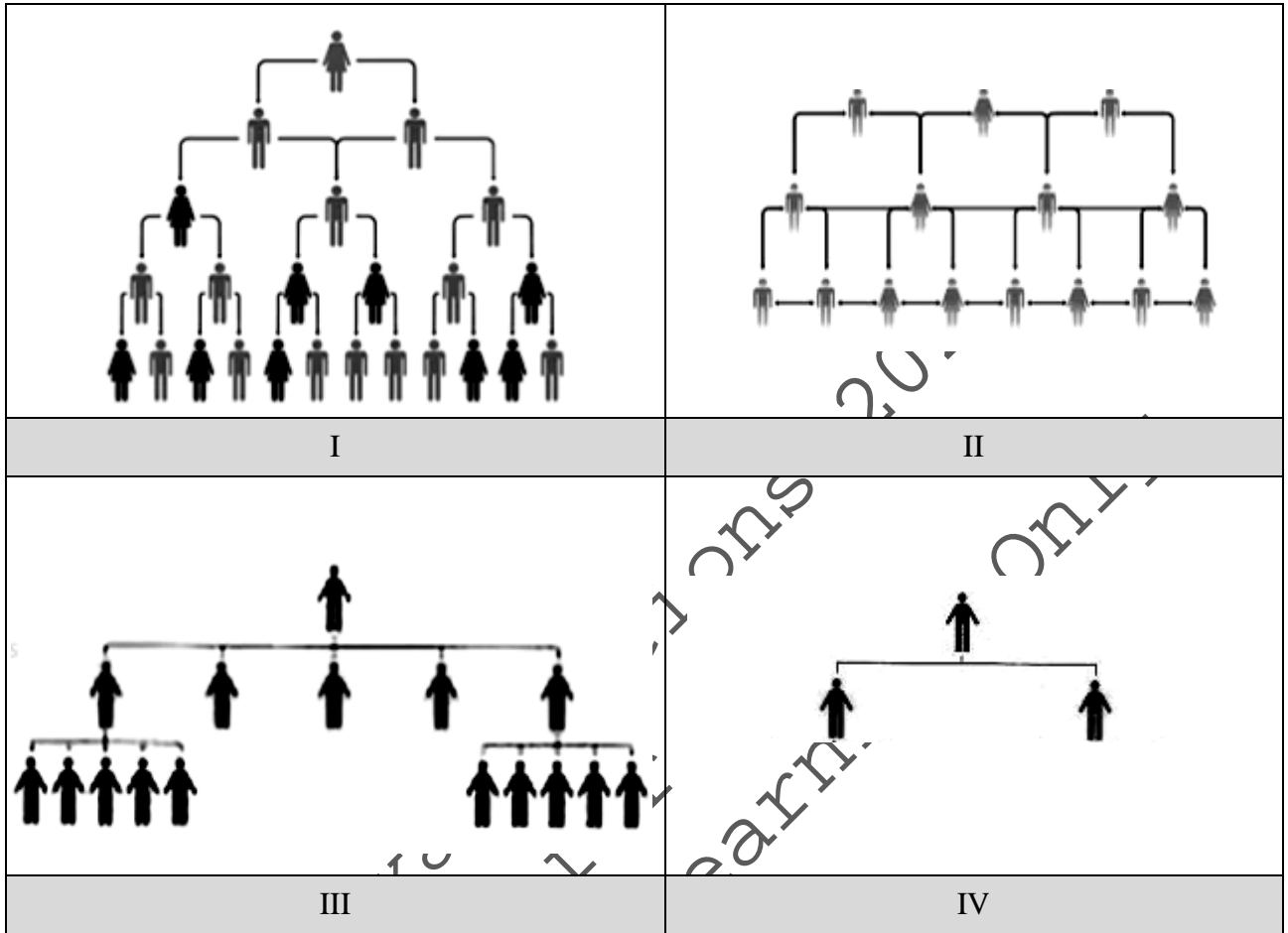
- A. mentorship.
- B. hierarchy.
- C. management.
- D. responsibility.

17. The number of subordinates that a manager or supervisor can directly control is known as

- A. management.
- B. the span of control.
- C. the chain of command.
- D. an organisational chart.

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Use the given images to answer Q.18 and Q.19.



18. The organisational chart that has a narrow span of control and a short chain of command is represented as

- A. I.
- B. II.
- C. III.
- D. IV.

19. The organisation in which the communication system would be MOST ineffective is

- A. I.
- B. II.
- C. III.
- D. IV.

20. All of the following are the functions of management EXCEPT

- A. staffing.
- B. planning.
- C. motivating.
- D. controlling.

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21. The following features show the relationship between managers and subordinates:

- I. Leading a team
- II. Division of labour
- III. Cost management

The features included in delegation of authority would be

- A. II only.
- B. III only.
- C. I and II.
- D. I and III.

22. Rehan is a manager in a business organisation. He takes all the decisions without taking much input from others. He trusts his subordinates very little and enforces all the work methods and processes.

The leadership traits of Rehan classify him as a/ an

- A. dictatorial leader.
- B. autocratic leader.
- C. democratic leader.
- D. laissez faire leader.

23. Amaan has been appointed as a team leader of a project.

One of the qualities that Amaan should possess is to

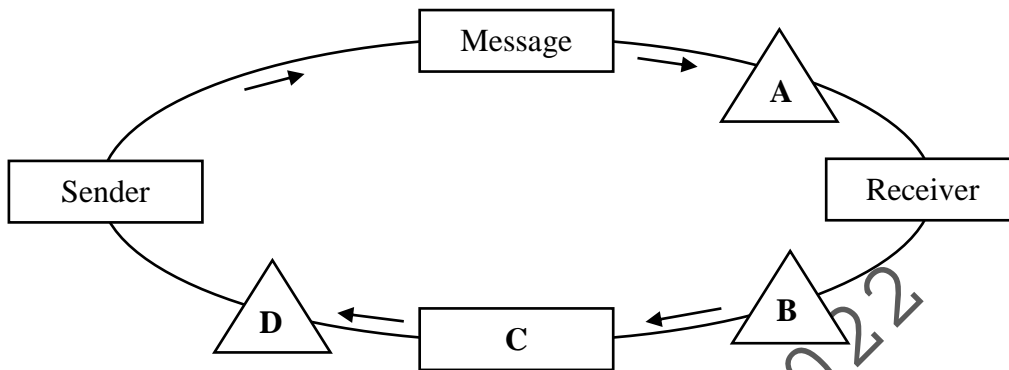
- A. inspire employees.
- B. achieve excellence.
- C. manage employees.
- D. strive for his own promotion.

24. Anaaf saw an online advertisement of a product that highlighted its general details. He wants specific details about it; hence, he decides to write a letter to the advertiser.

In the given situation, the letter is referred as a/ an

- A. promotional letter.
- B. enquiry letter.
- C. order letter.
- D. sales letter.

25. In the given cyclic process of communication, the medium is denoted as



26. In a business communication, the MOST reliable mode of communication is

- A. verbal communication.
- B. written communication.
- C. telephonic communication.
- D. non-verbal communication.

27. Which of the following is a barrier of communication?

- A. Usage of multiple channels of communication
- B. Feedback to be sent to the sender even if it is delayed
- C. Message sent should be in accordance to the need of the receiver
- D. Message conveyed in a language that is understandable to the sender

28. The BEST way to overcome the technical barrier of business communication is to

- A. ensure feedback.
- B. wait for a query from the receiver.
- C. use multiple mediums of communication.
- D. report the technical issue to the manager.

29. A factory produces 150,000 units in a month with 20 labours working an 8 hours shift for 22 days.

The productivity in terms of labour per hour would be

- A. 42.61 units per hour.
- B. 340.9 units per hour.
- C. 3,500 units per hour.
- D. 7,500 units per hour.

30. Rimsha makes 8 flower vases per day and she works 6 days a week. At a particular price, she sells 5 vases daily to a flower shop. She keeps the rest of the vases for a stall that she sets at the end of the month at a mart.

With reference to the given situation, her weekly supply and stock of flower vases will be

	Supply	Stock
A	48	40
B	30	18
C	48	30
D	30	15

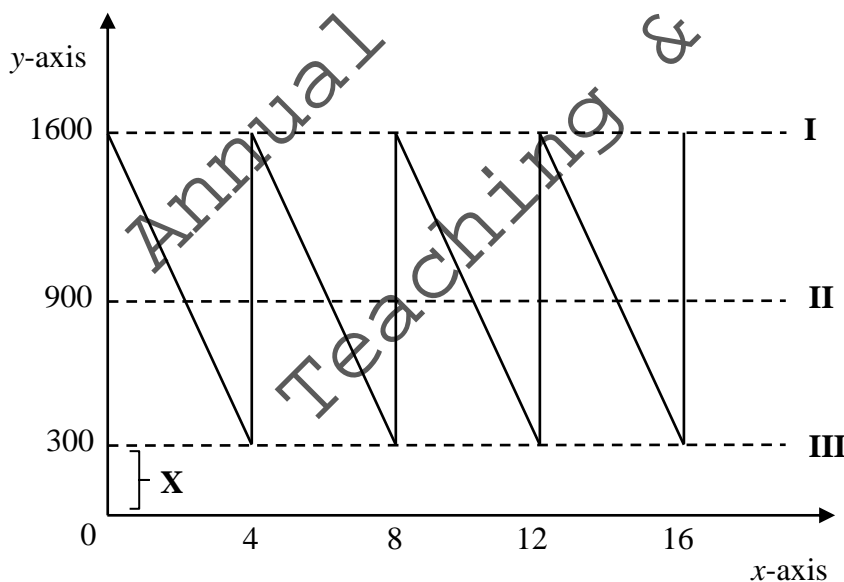
31. Arafat Builders and Developers launched a new housing scheme in a city. In this scheme, all the houses will be of the same design, but the design of this housing scheme will be different than their previously designed housing schemes.

The production method used by Arafat Builders and Developers is known as

- A. job production.
- B. flow production.
- C. mass production.
- D. batch production.

Use the given graph to answer Q.32, Q.33 and Q.34.

Given is the inventory control graph of Hafsa Limited.



32. In the given graph, 'X' reflects the

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

33. In the given graph of stock control, the CORRECT labelling for x -axis and y -axis is

	x-axis	y-axis
A	stock	time
B	time	stock
C	price	stock
D	stock	price

34. In the given graph, the CORRECT labelling for **I**, **II** and **III** is

	I	II	III
A	maximum order level	reorder level	minimum order level
B	minimum order level	reorder level	maximum order level
C	reorder level	minimum order level	maximum order level
D	maximum order level	minimum order level	reorder level

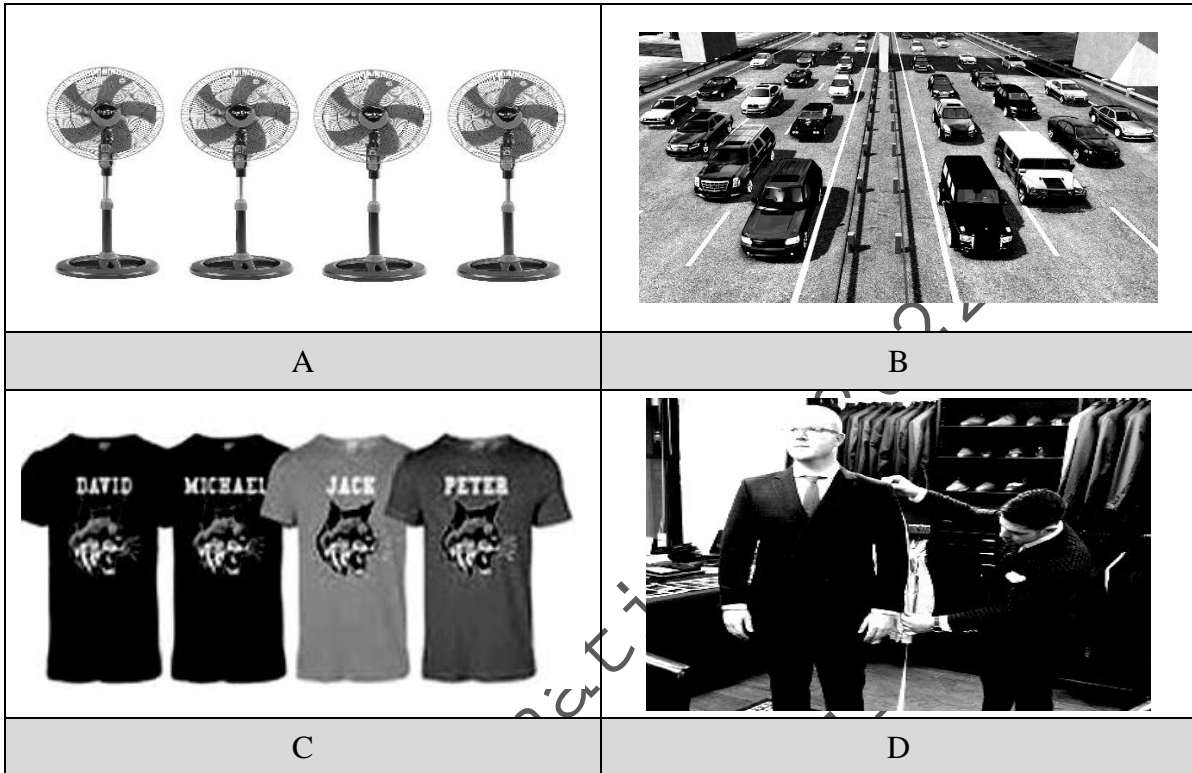
35. The BIGGEST demerit of flow production method is that the production process is

- A. flexible and products have different specifications.
- B. inflexible and products are standardised and similar.
- C. continuous and products are modified when required.
- D. irregular and product modification is not possible.

36. The BIGGEST merit of job order production method is that it caters to

- A. cost factors.
- B. trends set in the market.
- C. individual's need and specifications.
- D. general expectations of the consumers.

37. Which of the following images shows the job production method?



38. All of the following are the advantages of use of technology in business EXCEPT that it will lead to

- A. rapid change in technology which will make old machines obsolete.
- B. a decrease in the number of workers with specific skills for better production.
- C. accumulation of large amount of information that will be available for decision making.
- D. a reduction in the use of paper because of increased use of computers and other machines.

39. Read the following features.

- It is a specialised market.
- It is generally a small market for a particular product or service.

The given features describe the market segment that is

- A. niche market.
- B. mass market.
- C. target market.
- D. commodity market.

40. Ahsan has been appointed as a marketing manager in a retail store.

The roles that would be undertaken by Ahsan will include all of the following EXCEPT

- A. meeting consumer demands.
- B. providing better product offers.
- C. adopting the right price for the products.
- D. increasing the production capacity of the products.

41. The given logo was displayed outside a famous pizza parlour.

Avail 50% off on All Pizza



offer valid till December 31, 2021

The pricing strategy depicted in the given picture is known as

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

42. Anees is a software developer who has launched a new application for online food delivery. The application is first of its kind.

The pricing strategy BEST suited in the given situation is

- A. cost-plus price.
- B. skimming price.
- C. psychological price.
- D. dynamic pricing (discriminated price).

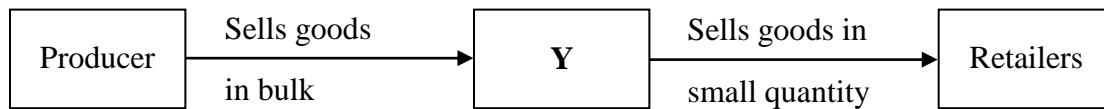
43. Many manufacturers plan to have smaller distribution channel for sales.

The advantage of having smaller channel of distribution is to

- A. reduce stockholding.
- B. increase productivity.
- C. enjoy lower profit margins.
- D. understand the demand of products closely.

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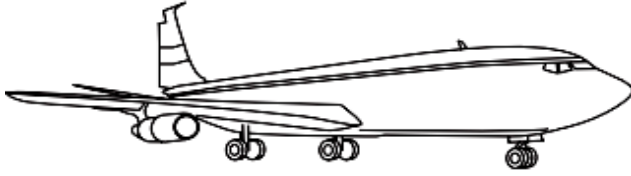
44. Given is a distribution channel followed by a business operating locally.



In the given channel of distribution, 'Y' represents

- A. agent.
 - B. consumer.
 - C. distributor.
 - D. wholesaler.
45. The MOST appropriate channel of distribution for branded tomato ketchup would be
- A. manufacturer ----- wholesaler ----- consumer
 - B. manufacturer ----- wholesaler ----- distributor ----- retailer ----- consumer
 - C. manufacturer ----- distributor ----- retailer ----- consumer
 - D. manufacturer ----- retailer ----- distributor ----- consumer
46. Following is the channel of distribution of a product.
- manufacturer ----- wholesaler ----- retailer ----- consumer
- The given channel of distribution is BEST suited for
- A. bread.
 - B. clothing.
 - C. airplane.
 - D. gold jewellery.
47. Rubex engineering company in Sialkot manufactures sports bicycles. They have to deliver 100 heavy duty bicycles to a client in Karachi.
- As per the given scenario, the MOST secure and cheapest mode of transportation would be
- A. airways.
 - B. seaways.
 - C. roadways.
 - D. railways.

48. The given mode of transportation is BEST suited to transport



- A. wheat.
B. cement.
C. bed sheets.
D. life-saving medicines.
49. The PRIMARY aim of production is to
- A. improve the quality of the products.
B. reduce the cost of production of the products.
C. increase the production quantity of the products.
D. spread information about the product to the consumers.
50. 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.

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