

AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS X




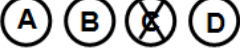

ANNUAL EXAMINATIONS 2022

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		1	
		2	
		3	
		4	

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. Which of the following is the DEMERIT of the private sector towards the economy?

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

2. Read the following features:

- This is a business entity typically formed by people with similar interests, such as suppliers or customers, to reduce costs and gain economic power.
- This entity has limited liability, an unlimited life span, an elected board of trustees and an administrative staff; all profits are distributed to the member-owners in proportion to their contributions.

The given features are of

- A. public companies.
- B. joint ventures.
- C. cooperatives.
- D. franchises.

3. The members of the Sialkot Chamber of Commerce and Industry initiated the Air Sial project in 2015 after the exceptional success of Sialkot Airport.

Based on the given information from Air Sial's official website, the airline business will be classified as a

- A. cooperative.
- B. joint venture.
- C. public limited company.
- D. non-governmental organisation (NGO).

4. The greatest DEMERIT of the public sector business organisation is that it

- A. brings inflation in the economy.
- B. results in exploitation of resources.
- C. increases dependency on consumers.
- D. comes under various political influences.

5. The main goals of Colgate are to better understand consumer's behaviour, launch new products through innovation, increase effectiveness and efficiency as well as strengthen the leadership worldwide.
- (Colgate-Palmolive Annual Report 2009)

With reference to the given extract of business objectives, all of the following are considered as the objectives of the organisation EXCEPT to

- A. generate profit.
B. expand its services internationally.
C. provide social services across the country.
D. improve value addition services to clients.
6. All of the following are the objectives of a private business organisation in an economy EXCEPT to

- A. maximise profit.
B. expand the operations.
C. survive from competition.
D. provide service to the community.

7. The owners of a private limited company allowed all their management staff to be shareholders of the firm.

The managerial staff opted for the offer. In order to increase the profit, they decided to cut wages of their non-management staff. This policy is in line with the policy of the government.

This action of management staff led to the dissatisfaction among the non-management staff and as a result, the firm is losing its valuable workforce.

The given scenario represents a conflict of interest of the

- A. owners.
B. non-management staff.
C. government.
D. managerial staff.
8. The economy is growing quickly and the aggregate demand is over the aggregate supply. The firms are having difficulty in employing sufficient skilled labour and this is leading to wage inflation.

The impact of the given situation will lead to a rise in the

- A. cost of production.
B. unemployment rate.
C. production capacity.
D. profitability of the business.

9. The government of a country has increased the money supply by adopting expansionary monetary policy.

The impact of the given step on the production and demand will be

	Production	Demand
A	increased	increased
B	decreased	decreased
C	increased	decreased
D	decreased	increased

10. An increase in which of the following components commonly indicates the 'INTERNAL GROWTH' of a business?

- A. Competitors in the market
- B. Socio-economic contribution
- C. Physical assets and human resource
- D. Prices of the substitute products in the market.

11. AB Manufacturer and XY Manufacturer have merged their business under a new name, i.e. ABX Manufacturer. Both the businesses used to manufacture soaps. The new business is selling the same products in the same markets.

The type of merger depicted in the given situation is

- A. vertical business integration.
- B. horizontal business integration.
- C. conglomerate business integration.
- D. cooperate sector business integration.

12. The merger of Phillip Morris (a cigarette company) and Miller Brewing (a brewery and beer company) has merged their business under the name M&P.

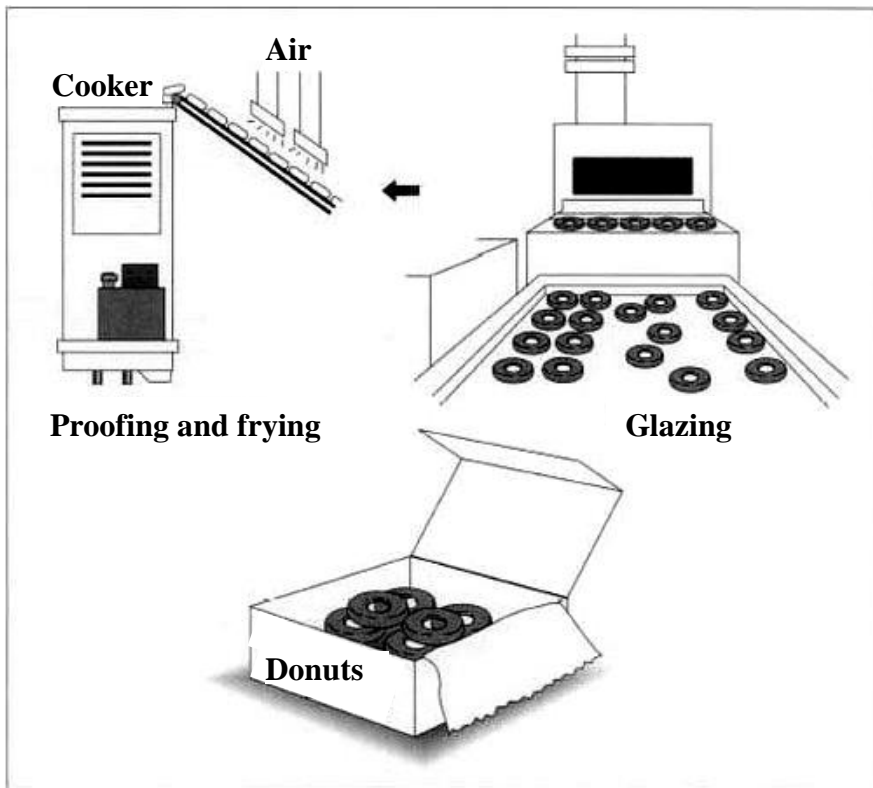
The type of merger depicted in the given situation is

- A. vertical and cooperate sector integration.
- B. horizontal and conglomerate integration.
- C. horizontal and cooperate sector integration.
- D. conglomerate and cooperate sector integration.

13. An increase in which of the following components commonly indicates the 'EXTERNAL GROWTH' of a business?

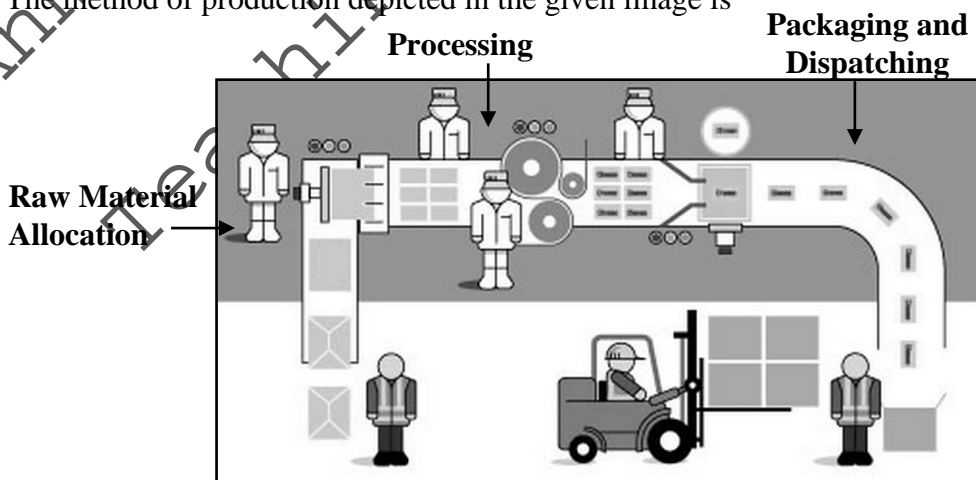
- A. Number of franchises
- B. Salaries and wage rates
- C. Equipment and employment
- D. Advertisement and marketing

14. The given production line depicts the production line of donuts in different flavours. One flavour is produced at a time and the production procedure is similar for every cycle.



The given method of production is classified as

- A. job production.
 - B. flow production.
 - C. batch production.
 - D. process production.
15. The method of production depicted in the given image is



- A. job production.
- B. just in time production.
- C. batch production.
- D. process production.

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16. Read the following merits and demerits of a method of production.

Merit	Demerit
Allows flexible production and all manufactured goods have consumer preference features.	Making of many small orders can be cost inefficient.
Inventories of partially finished goods can be stored and completed later as per consumer demand.	If production runs are different, there may be additional costs and delays in preparing equipment.

The given merits and demerits are of

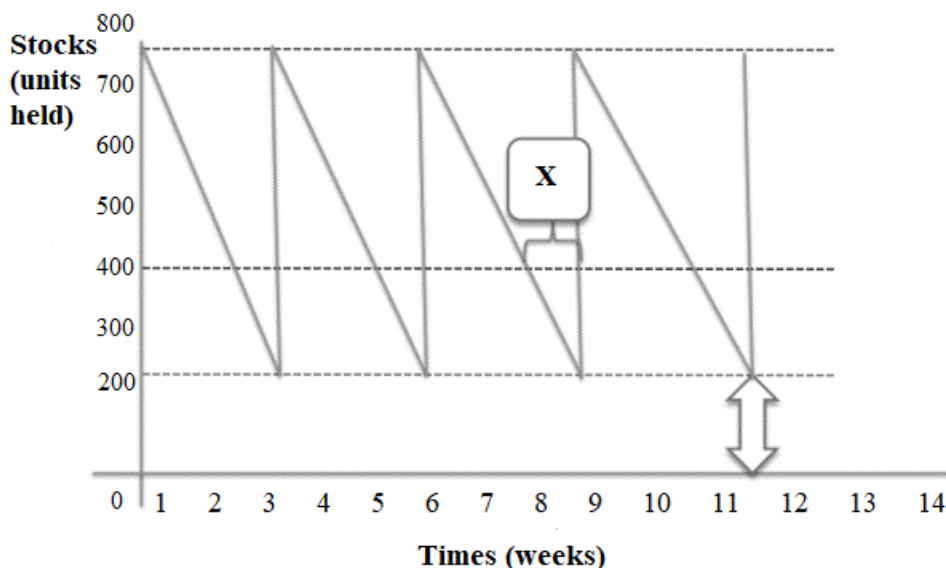
- A. job production.
- B. flow production.
- C. batch production.
- D. process production.

17. Stock is different from supply because it represents its availability at a particular

- A. price and time.
- B. quality and time.
- C. order and quantity.
- D. quantity and quality.

Use the given graph to answer Q.18, Q.19 and Q.20.

The given graph is depicting the stock control of a business.



18. In the given graph, X depicts the

- A. lead time.
- B. reorder level.
- C. minimum stock level.
- D. maximum stock level.

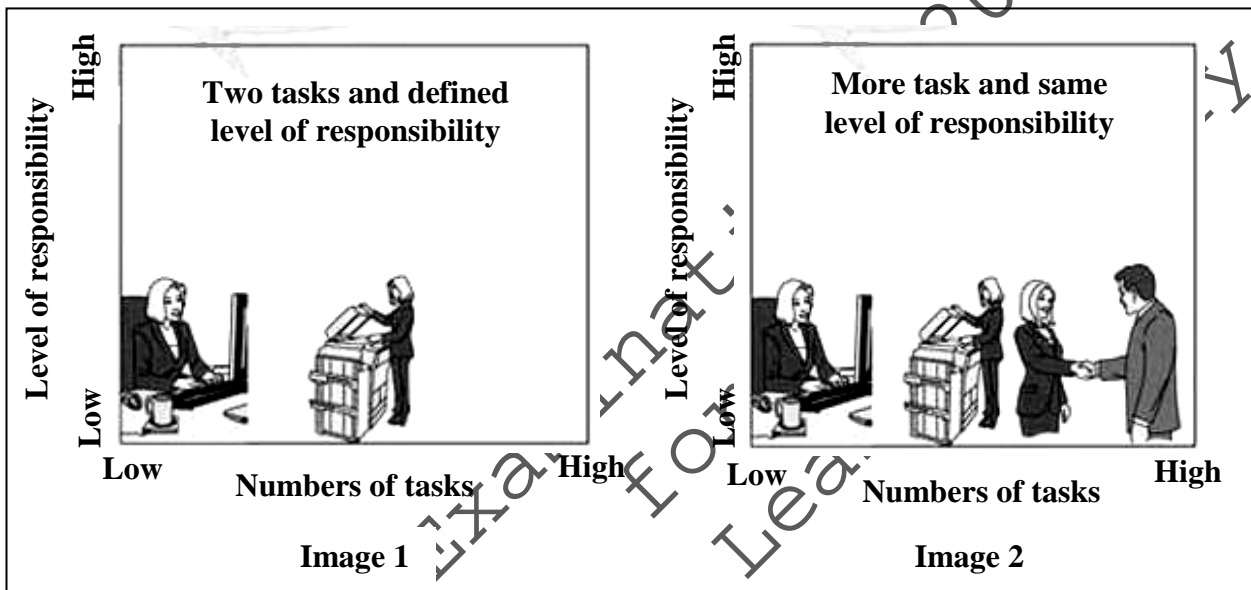
19. With reference to the given graph, the reorder stock level will be at
- A. 800 units.
 - B. 400 units.
 - C. 200 units.
 - D. 100 units.
20. With reference to the given graph, the difference between maximum and minimum stock level will be at
- A. 800 units.
 - B. 600 units.
 - C. 400 units.
 - D. 200 units.
21. With reference to the stock control, the buffer stock will be categorised as available stock
- A. at the reorder level.
 - B. above the maximum limit.
 - C. below the minimum limit.
 - D. between maximum and minimum levels.
22. Lean production focuses on cutting out waste and ensuring
- A. labour safety.
 - B. cost efficiency.
 - C. environmental safety.
 - D. efficient product marketing.
23. Amin runs a baking house. He accepts orders as per the required need because this reduces the cost of keeping inventory and wastage due to the loss of 'product shelf life'.
- The technique opted by Amin is known as
- A. just in time.
 - B. mass production.
 - C. batch production.
 - D. flow production.
24. Tactical decisions are MOSTLY taken by
- A. senior assistants.
 - B. factory supervisors.
 - C. junior accountants.
 - D. chief executive officers.

25. The business decisions are made as per the instructions received under the domain of a given time frame and have limited impact in the short run.

The given decisions are MOSTLY taken by the

- A. office clerks.
- B. board of trustees.
- C. machine technicians.
- D. operational managers.

26. The given picture shows that there has been a change in the job nature from image 1 to image 2.



This change in job nature will be termed as

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

27. Nadeem has been hired as a worker in an industry. His work agreement says that he will be paid a fixed amount for each unit he produces.

The type of wage that Nadeem will receive is known as

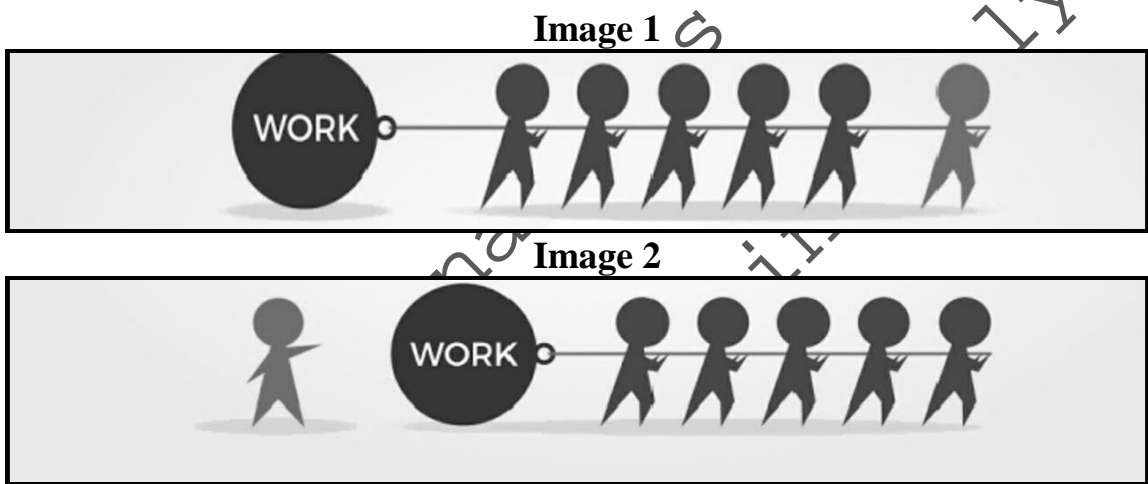
- A. time rate.
- B. piece rate.
- C. fixed salary.
- D. bonus salary.

28. Sana is working at a managerial position and has received the given comments by the higher management on her annual performance appraisal.

“You have a unique imagination and have come up with some of the most innovative ideas we’ve ever seen.”

The given comment highlighted her managerial trait for

- A. charity.
 - B. creativity.
 - C. cooperation.
 - D. collaboration.
29. Consider the following images:



The given images CORRECTLY distinguish between

- A. leading and managing.
 - B. teamwork and self-work.
 - C. controlling and collaborating.
 - D. competitiveness and causativeness.
30. Areej is a marketing manager. She has been assigned a marketing task by her management.

In order to perform the task, she has to

- build a special task team.
- set short-term targets for each member with their consensus.
- assign specific area(s) for marketing to each member as per their preference.
- allocate separate budget for each member as per their demand.

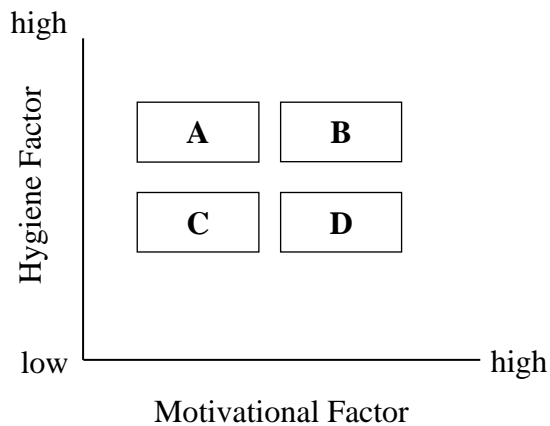
In the given situation, Areej is managing her task by

- A. delegating the task.
- B. coordinating the team.
- C. collaborative teamwork.
- D. dictating the coordinates.

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31. Herzberg's theory of motivation encompasses two factors i.e., maintenance/ hygiene factor and motivation factor.

With reference to environmental conditions the highest level of employees' satisfaction would IDEALLY be at point



32. Alpha Bank announced that each banking officer's role will be switched within the branch every six months. Furthermore, after three years of service, the officer will be transferred to another branch.

The given policy of the bank demonstrates that the organisation is adopting a

- A. job rotation policy.
- B. job enrichment policy.
- C. job enlargement policy.
- D. job enhancement policy.

33. The management decides

- how the new product will be launched.
- how the identified sector of the market will be targeted.
- how the material and human resources will be engaged.

The given business decisions are classified as

- A. strategic decisions.
- B. tactical decisions.
- C. operational decisions.
- D. technical decisions.

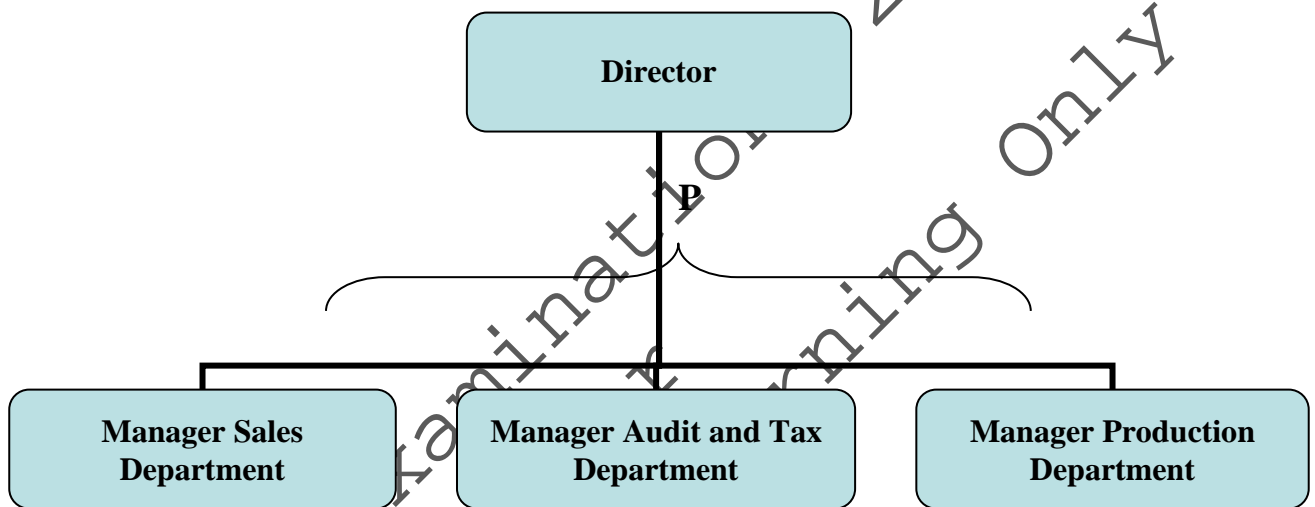
34. The management decides

- where the new product will be launched.
- where the identified sector of the market will be targeted.

The given business decisions are classified as

- A. production decisions.
- B. tactical decisions.
- C. operational decisions.
- D. non-technical decisions.

35. Given is the organisational chart of Hayat Private Limited.



With reference to the Director, 'P' in the given organisational chart represents

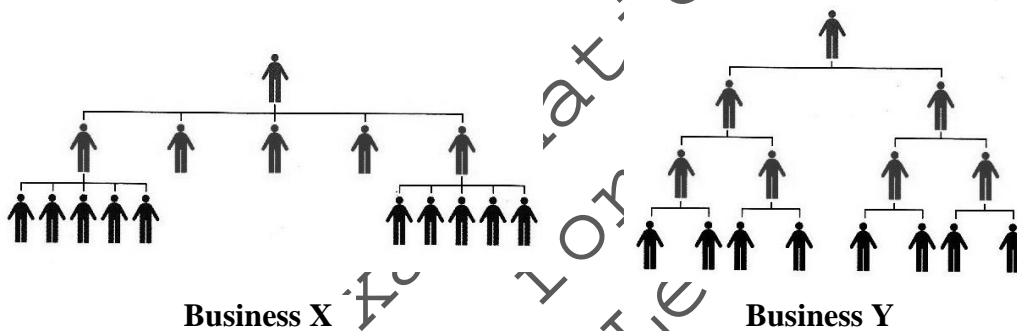
- A. superiors.
- B. organogram.
- C. span of control.
- D. chain of command.

36. The CORRECT set showing the role of line and staff manager is that

	Line Manager	Staff Manager
A	they have indirect authority over subordinates.	they have direct authority over subordinates.
B	they take directions from employees and pass it to the staff manager.	they take decisions on their own and pass it to the line manager.
C	they help the staff manager in giving advises to the employees for better efficiency.	they connect employees to the directors or business heads.
D	they give advice to the line manager regarding business issues.	they focus on their main task by following the guidelines of the staff managers.

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37. A type of decentralisation in which the authority is divided between groups of related tasks under a single brand is known as
- A. federal decentralisation.
 - B. regional decentralisation.
 - C. functional decentralisation.
 - D. project-based decentralisation.
38. All of the following are considered as DEMERITS of centralised management structure EXCEPT that it
- A. involves bureaucratic leadership.
 - B. lacks employee's loyalty.
 - C. delays the work processing.
 - D. creates a conflict between departments.
39. The organisational chart of business X and business Y is given below:



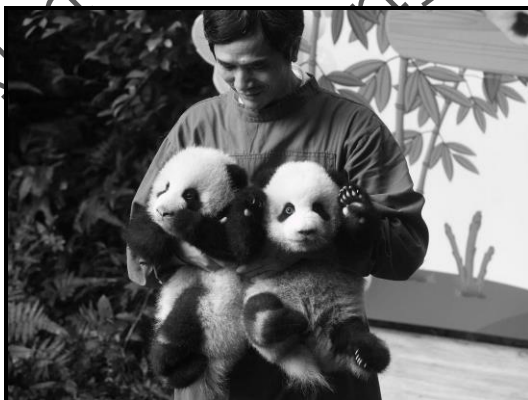
- With reference to span of control and chain of command, the given organisational chart of business X has
- A. wider span of control and longer chain of command as compared to business Y.
 - B. wider span of control and shorter chain of command as compared to business Y.
 - C. narrow span of control and longer chain of command as compared to business Y.
 - D. narrow span of control and shorter chain of command as compared to business Y.
40. Previously, typewriters were used for efficient writing standards. However, new electronic technology like computers, laptops and even smartphones have quickly replaced typewriters causing their revenues and demand to drop off.
- With reference to the product life cycle, the phase in which computers and laptops are operating is the
- A. introduction.
 - B. growth.
 - C. maturity.
 - D. decline.

41. The given poster was displayed by a business at a departmental store.



With reference to the given poster, the business will have all of the following marketing objectives EXCEPT for

- A. increasing the market share.
 - B. expanding the existing markets.
 - C. expanding the product range.
 - D. minimising the cost of production.
42. The branch manager of a commercial bank is conducting a research about the products and schemes offered by the bank. The manager collected information and feedback through face-to-face meetings with each client.
- The method of data collection PRIMARILY used in the given situation is
- A. interview.
 - B. observation.
 - C. group discussion.
 - D. document analysis.
43. With reference to the classification of types of markets in Pakistan, the adoption of the given endangered animal will be classified as



- A. mass market.
- B. niche market.
- C. resource market.
- D. intermediate market.

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44. In order to reduce their cost, improve their market share and become more competitive in the market, Alpha Toys Company has opted for a mechanised method. Through this method, they will install an automatic plant for manufacturing stuffed toys.

With reference to marketing, the adopted approach is classified under

- A. sales approach.
 - B. consumer approach.
 - C. marketing approach.
 - D. production approach.
45. Rafiq is conducting a research for his B.Sc. Health Science programme. In his research, he is interviewing various owners of school canteens to gather information about the number of soft drinks being purchased by the school children.

With reference to the type of research and data, the information gathered by Rafiq is

- A. qualitative and primary respectively.
 - B. quantitative and primary respectively.
 - C. qualitative and secondary respectively.
 - D. quantitative and secondary respectively.
46. All of the following are major purposes of conducting market research by a business EXCEPT
- A. exploring market trends.
 - B. creating product awareness.
 - C. determining new business opportunities.
 - D. making well-informed business decisions.
47. The brand manager of BMW, an automobile company, wanted to know the effect of expected increase in car prices on the consumers' behaviour and satisfaction. He wants to collect data from different regions and different age groups and has to report back in a month.

The MOST appropriate method of research in the given situation can be

- A. qualitative and internal.
 - B. qualitative and external.
 - C. quantitative and internal.
 - D. quantitative and external.
48. Which of the following is a step of secondary research?
- A. Samples
 - B. Interviews
 - C. Observation
 - D. Sales analyst report

49. The full form of SWOT analysis in a market plan is

	S	W	O	T
A	strategy	worth	objective	technique
B	strengths	weaknesses	opportunities	threats
C	strengths	worth	objective	threats
D	strategy	weaknesses	opportunities	technique

50. The product life cycle's phase where producers get maximum sales revenue is known as

- A. growth.
- B. decline.
- C. maturity.
- D. introduction.

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