

AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS X

ANNUAL EXAMINATIONS (THEORY) 2023

Business Studies Paper I

Time: 1 hour 10 minutes Marks: 40

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 40 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. You may use a simple calculator if you wish.

1. An employer notified his/ her employees that the organisation has few rules and they are bound to abide by the rules.

Based on the concept of industrial action, if the workers strictly abide by the rules, then it is termed as

- A. go slow.
- B. picketing.
- C. strike.
- D. work to rule.

2.



The industrial action depicted in the given image is

- A. go slow.
- B. picketing.
- C. strike.
- D. work to rule.

3. A closed shop is a term used for organisations where workers

- A. are bound to choose among one of the existing trade unions.
- B. are bound to join the agreed trade union.
- C. can join any trade union of their own choice.
- D. can join any political party of their choice.

4. Unlike the rest of the world, In the Scandinavian countries (i.e., Denmark, Finland, Norway and Sweden) the minimum wages are decided on industry-by-industry bases. This method is more flexible as it is based on an agreement between employers and employees in the form of a union.

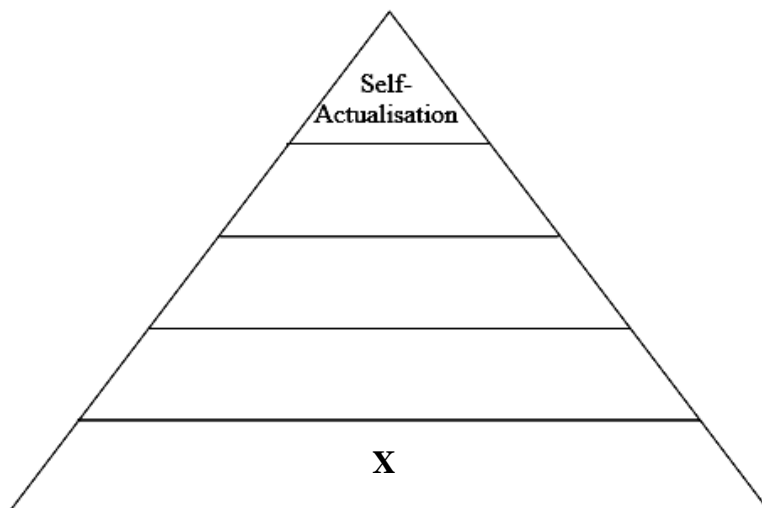
The given scenario is an example of

- A. collective bargaining.
- B. industrial action.
- C. wage criteria.
- D. workman compensation.

5. All of the following are the reasons a labour joins the trade union EXCEPT to
- A. give vocational advice and support.
 - B. negotiate better pay.
 - C. negotiate better working conditions.
 - D. provide training for new skills.
6. Alina has established her own brand of manufacturing customised artificial jewellery. Recently, in order to cater the walk-in customers, she has prepared few jewellery items.

With reference to the product life cycle, Alina's business is in the phase of

- A. introduction.
 - B. maturity.
 - C. growth.
 - D. decline.
7. The given pyramid depicts the theory of needs proposed by Abraham Maslow:
In the given pyramid, **X** represents



- A. safety needs.
 - B. self-esteem needs.
 - C. physiological needs.
 - D. belongingness needs.
8. Ayan's car was damaged in a road accident and both Ayan and his car were covered through an insurance policy. His medical and car's maintenance expenditures were compensated by his insurance company.

In the given scenario, the insurance was paid under the principle of

- A. indemnity.
- B. good faith.
- C. subrogation.
- D. insurable interest.

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9. Fareed & Co. has merged with Rohail Group of Companies to form Sunrise Company Ltd.

In order to protect the new company from experiencing a fall in revenue, there is a need to reduce the number of employees.

Based on the given scenario and workforce planning, Sunrise Company Limited will

- A. fire the employees.
- B. dismiss the employees.
- C. shortlist potential employees.
- D. face a redundancy in the workforce.

10. An employee can be made redundant due to

- A. closure of a department.
- B. unsatisfactory performance.
- C. unacceptable or unethical behaviour.
- D. involvement in cash misappropriation.

11. Amna is planning to establish a gym in a nearby locality.

The MOST important factor that she should consider in the locality is the availability of

- A. airport.
- B. customers.
- C. bank.
- D. super mart.

12. The term 'supply chain management' (SCM) covers all activities of a firm that are related to the management of the

- A. process of marketing and advertising of a product.
- B. expenditure which occurred during the process of production and generated sales revenue.
- C. communication from senior leadership to all employees during the process of production.
- D. flow of goods and services involving all processes of transformation of raw materials to final products.

13. The formula to compute the break-even points is

- A. $\text{variable cost} / (\text{average selling price} - \text{fixed cost})$.
- B. $\text{fixed cost} / (\text{average selling price} - \text{variable cost})$.
- C. $\text{variable cost} / (\text{average cost price} - \text{fixed cost})$.
- D. $\text{fixed cost} / (\text{average cost price} - \text{variable cost})$.

Use the given information to answer Q.14 and Q.15.

The given data of cost is extracted from the records of a toy business.

S.No.	Particulars of the cost	Amount (Rs)
1	Raw material consumed	18,000
2	Wages paid to workers	7,000
3	Power charges (Electricity consumed in production)	1,500
4	Salary of security guard	2,500
5	Cost of transportation of raw material	20,000
6	Packaging material	5,000

14. The indirect cost of manufacturing toys would be
- Rs 2,000.
 - Rs 2,500.
 - Rs 1,500.
 - Rs 5,000.
15. The fixed cost of manufacturing toys would be
- Rs 20,000.
 - Rs 22,500.
 - Rs 27,500.
 - Rs 29,000.
16. Large scale businesses obtain economies of scale due to decrease in
- profit.
 - production.
 - average cost.
 - labour turnover.
17. With reference to a business, supply chain management links the production department of a business with the
- finance department.
 - purchase department.
 - research and development department.
 - sales and distribution department.

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18. The following records are taken from the books of Al Fareed traders.

- Sales revenues Rs 125,000
- Cost of goods sold Rs 75,000
- Gross profit Rs 50,000
- Operating expense Rs 20,000
- Net profit Rs 30,000

Based on the given records, the gross profit margin of the business will be

- A. 40%
- B. 50%
- C. 60%
- D. 150%

19. All of the following are considered as cash inflows for a business EXCEPT

- A. purchases.
- B. sales revenues.
- C. commission income.
- D. returns on investment.

20. The following data related to cash has been taken from the books of Huda Associates for the year ended December 31, 2017.

Particulars	Amount (Rs)
Cash balance on January 01, 2017	34,000
Cash balance on December 31, 2017	63,000
Cash received during the year	206,000

The amount of cash paid during the year by Huda Associates will be

- A. Rs 109,000
- B. Rs 177,000
- C. Rs 235,000
- D. Rs 303,000

21. The financial information of a small business is as under:

- Sales revenue Rs 100,000
- Operating expenses Rs 45,000
- Gross profit Rs 62,000

Based on the given information, the amount of net profit margin would be

- A. 17%.
- B. 38%.
- C. 45%.
- D. 62%.

22. Following are the details related to a retail business.

- Opening stock Rs 80,000
- Ending stock Rs 95,000
- Purchases Rs 240,000
- Sales revenue Rs 450,000

Based on the given information, the amount of gross profit margin would be

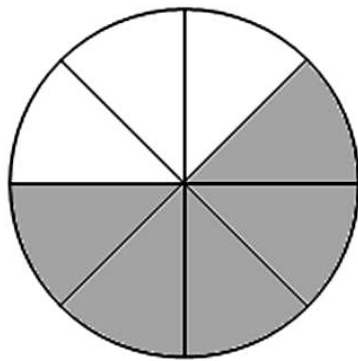
- A. 50%.
- B. 53.3%.
- C. 75%.
- D. 76.6%.

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23. The following information is extracted from the books of a business.

Account Title	Amount (Rs)
Net sales revenue	Rs 1,600,000
Net profit	Rs 400,000
Net profit margin	25%

The graphical representation of sales revenue is as follow:



■ Domestic Sales
□ International Sales

If the margin of the profit on domestic and international sales remains the same, then the amount of net profit earned from domestic sales is

- A. Rs 100,000
- B. Rs 150,000
- C. Rs 200,000
- D. Rs 250,000

24. The following particulars of a cash flow forecast is given below:

Particulars	Amount (Rs)
Opening cash balance	10,100
Cash inflows	
Sales revenue (cash)	22,000
Collection from customers	4,000
Rent of courtyard	4,000
Total cash inflows	30,000
Cash outflows	
Commission	1,680
Payment to suppliers	14,000
interest and other expenses	3,500
Total cash outflows	19,180

The amount of net cash flows of the business would be

- A. Rs 7,200
- B. Rs 10,820
- C. Rs 20,920
- D. Rs 39,180

25.



The pricing strategy used in the given advertisement can be referred as

- A. cost-plus pricing.
- B. penetration pricing.
- C. competitive pricing.
- D. psychological pricing.

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26. An assistant manager of a marketing firm has collected data from the general public related to market shares prices of different shoe companies through a questionnaire.

The data collection and research conducted by the assistant manager is classified as

- A. qualitative and primary.
- B. quantitative and primary.
- C. qualitative and secondary.
- D. quantitative and secondary.

27. The marketing department of a bank has initiated a marketing plan. The features of the plan are as under:

- Each customer will be welcomed by the consumer relation officer (CRO).
- During the facilitation of the customer, the CRO will informally inform them about new schemes.
- As per new policy, the bank will not collect any service charges on account balance enquiry and issuance of bank statement.

With reference to business objectives, the features of the marketing plan mentioned in the given situation will be BEST categorised as

- A. branding and specification.
- B. business expansion.
- C. market share expansion.
- D. pricing and promotion.

28. The purpose of performing SWOT (strength, weakness, opportunity, threat) analysis by a business is to

- A. ascertain sufficient allocation of resources.
- B. develop business strategies.
- C. ensure productivity with better opportunity cost.
- D. estimate profit or loss of a business.

29. With reference to the features of SWOT analysis, the external environment that allows a business to formulate and implement strategies for increasing its profitability is known as its

- A. opportunity.
- B. strength.
- C. threat.
- D. weakness.

30. Anna is an expert baker. She is planning to introduce her baked items and birthday cakes in the market.

Which of the following is the MOST cost-effective marketing strategy for her products?

- A. Advertising through social media network
- B. Hiring a renowned celebrity as a brand ambassador
- C. Publishing ads in the weekly newspapers
- D. Setting up a shop in a supermarket

31. A marketing plan is USUALLY prepared when a

- A. market research is conducted for a new product.
- B. new human resource is inducted by the business.
- C. new product is launched.
- D. new trade deal between businesses is signed.

32. The balance of payments (BoP) of country Y shows that its imports are higher than its exports. In order to resolve this issue, the government has imposed a quota on imported goods.

The possible effect of the given measure of the government on businesses will be a/ an

- A. appreciation in the foreign exchange rate.
- B. decrease in the demand of exported goods.
- C. possibility of local business to produce more.
- D. opportunity to explore the international market.

33. In order to increase the revenue, the Government of Pakistan is planning to increase the tax rate.

This step of the government is classified as the

- A. fiscal policy measure.
- B. foreign policy measure.
- C. monetary policy measure.
- D. exchange rate policy measure.

34. Following are the features of a business cycle's phase:

- Economic activities slow down
- Demand starts falling
- Overproduction and future investment plans are also given up by the firms
- Steady decline in the output, income, employment, prices and profits

The phase of the business cycle identified from the features is

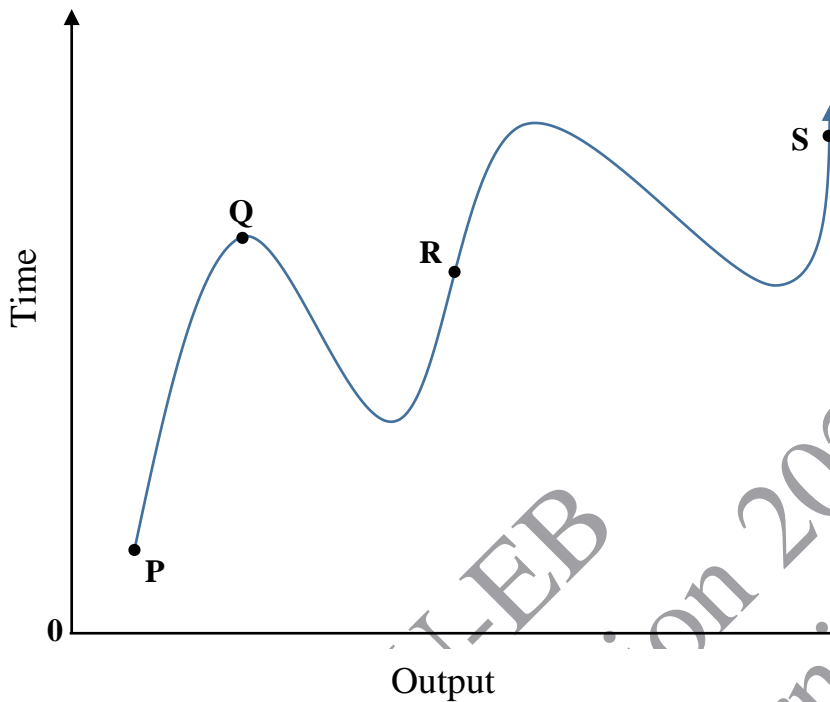
- A. boom.
- B. recovery.
- C. recession.
- D. depression.

35. A government has imposed a value added tax of 8% on all the general items.

The burden of the tax will be borne by the

- A. retailers.
- B. consumers.
- C. wholesalers.
- D. manufacturers.

36. The given graph represents the business cycle of an economy:



Which of the given points on the graph represents the 'phase of recovery' of the economy?

- A. P
- B. Q
- C. R
- D. S

37. OLX Pakistan is a web portal that deals in the sale and purchase of new or used products.

With reference to e-business modules, the portal exemplifies as a

- A. business-to-business (B2B).
- B. business-to-consumer (B2C).
- C. consumer-to-consumer (C2C).
- D. government (administration)-to-business (G2B).

38. Azam works in a metropolitan city. In order to support his family living in a rural area, he is looking for a permanent and reliable means of sending money.

The BEST mean of transferring money to his family would be by

- A. handing over his debit/ credit card to them.
- B. giving cash to any relative visiting the family.
- C. transferring funds electronically to his family members.
- D. mailing the amount in an envelope through courier services.

39. Globalisation can be BEST described as the
- A. colonisation of local markets.
 - B. interaction among businesses and governments worldwide.
 - C. integration of world economies into a single global economy.
 - D. combination of political and military powers into a uni-polar world.
40. The government of a country has asked the companies to export goods at a lower price than that prevailing in the domestic market.

The step of the government is known as

- A. dumping.
- B. embargo.
- C. quota.
- D. subsidising.

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