

AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS IX

Business Studies Paper I

Time: 40 minutes Marks: 25

Note: The MCQs in this model paper can also be used as examples and for practice for Annual and Re-sit Examinations 2022.

INSTRUCTIONS

1. Read each question carefully.
2. The MCQs in this model paper can be used as examples and for practice for Annual and Re-sit examinations 2022.
3. Answer the questions on the separate answer sheet provided. DO NOT write your answers on the question paper.
4. There are 100 answer numbers on the answer sheet. Use answer numbers 1 to 25 only.
5. 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 <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D	1 <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D
	2 <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D
	3 <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D
	4 <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D

Candidate's Signature

6. If you want to change your answer, ERASE the first answer completely with a rubber, before blacking out a new circle.
7. DO NOT write anything in the answer grid. The computer only records what is in the circles.

Note: The MCQs in this model paper can be used as examples and for practice for Annual and Re-sit examinations 2022.

1. Aisha is the owner of a boutique. She is paying the following expenses per month.

- | | |
|---|----------|
| • Wages to workers | Rs 5,000 |
| • Interest to loan providers | Rs 7,000 |
| • Rent to the landlord of the office building | Rs 8,000 |

With reference to the factors of production, the role of Aisha categorised her as a/ an

- A. land.
- B. labour.
- C. capital.
- D. entrepreneur.

2. A group of students decided to stay at the school library to do research for an assignment rather than going to the stadium to watch a free cricket match.

The opportunity cost of their decision will be the

- A. money they would have spent for buying tickets.
- B. cost of extra electricity they will use in the library.
- C. enjoyment they would have derived from the match.
- D. improvement in marks they will obtain in their assignment.

3. Which of the following is concerned with both trade and auxiliary to trade?

- A. Industry
- B. Exchange
- C. Commerce
- D. Distribution

4. Ahmed asks his legal advisor to prepare a document that states:

- Rights and duties of all directors
- The rules concerning election of directors
- Procedures to be followed for issuing shares, proxies and minutes of meetings

The type of business that will issue this document is known as

- A. sole proprietor.
- B. partnership.
- C. limited companies.
- D. cooperatives.

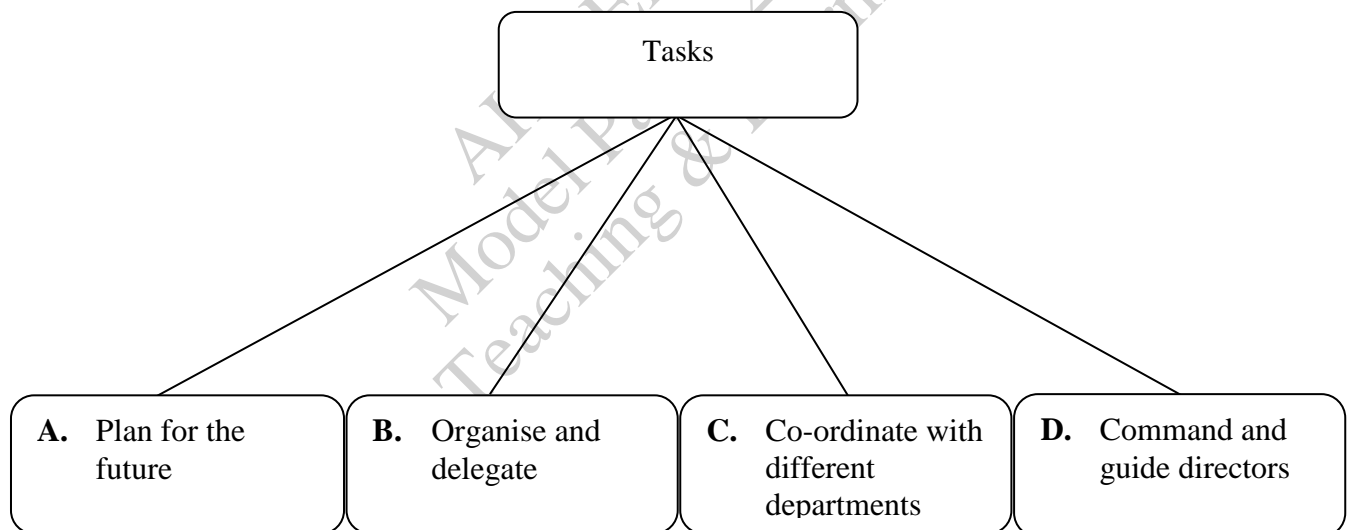
5. Which of the following CORRECTLY matches the business objective with its stakeholder?

	Stakeholder	Business Objective
A	Workers	Want job security and better salary
B	Owners	Want to enhance general welfare of the society
C	Consumers	Interested in the growth of the company
D	Directors	Increase tax payments to the government

6. The MOST likely reason of starting a retail business for a new entrepreneur is that

- A. a retail business requires more skills and time.
- B. less capital is required in starting a retail business.
- C. banks provide loan facilities to retail businesses only.
- D. a retail business is always more profitable than other businesses.

7. Which of the following tasks is NOT performed by an effective business manager?



8. Ms Areeba is a manager in a company. She tries to communicate, motivate, inspire and encourage her subordinates for better efficiency.

Functions performed by Ms Areeba are categorised as

- A. leading.
- B. staffing.
- C. planning.
- D. organising.

9. Which of the following is considered as a democratic leader of Pakistan?

- A. Zia-ul-Haq
- B. Yahya Khan
- C. Benazir Bhutto
- D. Pervaiz Musharaf

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10. 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.

11. Farah works as a marketing manager. She needs to share an urgent piece of information, in person, with her team of ten employees posted at different parts of the country, regarding the change in marketing strategy.

The mode of communication that she should use is

- A. e-mail.
- B. telephone.
- C. staff meeting.
- D. video conferencing.

12. The ratio between the value-added output to the efficient utilisation of resources is known as

- A. planning.
- B. promotion.
- C. production.
- D. productivity.

13. Mr Jamshed is the owner of a garment manufacturing business. There are 8 workers involved in the production process.

If each worker produces 4 units a day, then the total productivity per day will be

- A. 2
- B. 4
- C. 8
- D. 32

14. All of the following are the advantages of 'flow production' EXCEPT that

- A. goods are sold quickly because of low price.
- B. production of goods can be done on a large scale.
- C. efficiency increases because of capital intensive production.
- D. maximum number of customers are satisfied because goods are customised.

15. A change in technology has the following advantages on a business EXCEPT

- A. increased employment.
- B. increased productivity.
- C. competitive advantage.
- D. better quality of product.

16. Alpha Limited is listed on Karachi Stock Exchange (Pakistan Stock Exchange). Its issued share capital is equal to the authorised capital mentioned in the memorandum of the company. It is now planning to extend its building and requires an amount of Rs 12,000,000.

The MOST appropriate mode of financing in this case is

- A. issue of shares.
- B. bank overdraft.
- C. account payable.
- D. issue of debentures.

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 fire insurance for three years
- 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. A café buys cupcakes from a baker for Rs 100 and sells them for Rs 180 each.

What will be their gross profit for a month in which they would sell 1400 cupcakes?

- A. Rs 18,000
- B. Rs 112,000
- C. Rs 140,000
- D. Rs 252,000

19. The accountant of a company has entered the value of ending inventory (stock) more than the actual value in the income statement.

This will result in a/ an

- A. increase in net profit.
- B. decrease in gross profit.
- C. increase in cost of goods sold.
- D. decrease in operating expenses.

20. Which of the following is shown in both income statement and statement of financial position (balance sheet)?

- A. Net profit
- B. Drawings
- C. Opening stock
- D. Discount allowed

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21. Asif, a marketing manager, has asked his assistant to submit a descriptive sales report highlighting details regarding discounts, allowances, payment period and credit term.

Which 'P' of marketing mix has been considered in the given case?

- A. Price
- B. Place
- C. Product
- D. Promotion

22. Saleem has invented a new computer game. He will sell it on three different gaming zones only at a very high price.

The given pricing strategy is termed as

- A. price skimming.
- B. cost-plus pricing.
- C. penetration pricing.
- D. psychological pricing.

23. 'Channel of distribution' helps the manufacturer to

- A. control the selling price.
- B. store manufactured goods.
- C. reduce its distribution costs.
- D. sell goods to the consumer quickly.

24. The cheapest means of transportation for international trade, where possible, is

- A. airways.
- B. seaways.
- C. railways.
- D. highways.

25. Al-Karam Studio, Junaid Jamshed (J.) and Ideas by Gul Ahmed are examples of

- A. super stores.
- B. chain stores.
- C. joint ventures.
- D. discount stores.

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