

**AGA KHAN UNIVERSITY EXAMINATION BOARD**  
**SECONDARY SCHOOL CERTIFICATE**  
**CLASS X**  
**MODEL EXAMINATION PAPER 2023 AND ONWARDS**  
**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 <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> <input type="radio"/> D	1 <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> <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"/> <input type="radio"/> D
	4 <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> <input type="radio"/> D

**Candidate's Signature**

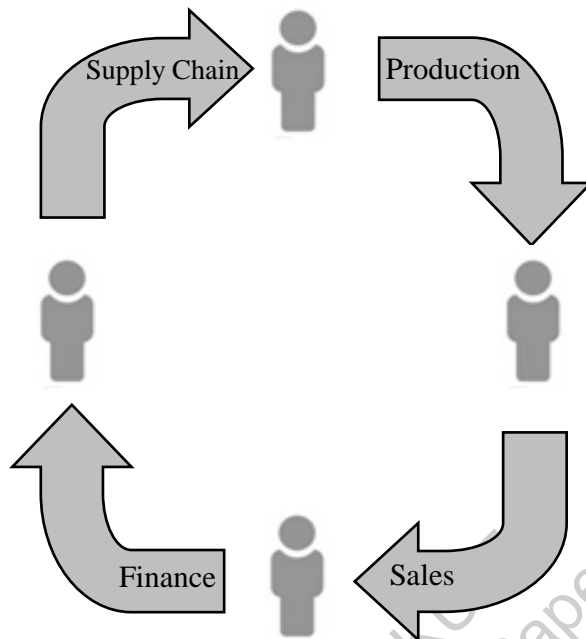
5. If you want to change your answer, ERASE the first answer completely with a rubber, before blacking out a new circle.
6. DO NOT write anything in the answer grid. The computer only records what is in the circles.
7. You may use a simple calculator if you wish.

1. Herzberg's theory of motivation focuses on two factors which basically covers
  - A. job rotation and job routine.
  - B. job designation and job dedication.
  - C. job specification and job description.
  - D. job satisfaction and job dissatisfaction.
  
2. With reference to Herzberg's two factor theory, all of the following are motivators EXCEPT for
  - A. promotion.
  - B. recognition.
  - C. work conditions.
  - D. personal growth.
  
3. Rubina is working as a Customer Relationship Officer (CRO) at Atlas Bank. She receives an additional amount along with her fixed salary for enrolling each new client.

The additional amount she receives on increasing the branch business with inclusion of every new customer will be termed as

  - A. bonus.
  - B. salary.
  - C. commission.
  - D. profit sharing.

4. The given picture shows that an individual is transferred to various departments. This transfer is done after every three months.



The given picture and description best describe

- A. job rotation.
  - B. job transfer.
  - C. job training.
  - D. job enrichment.
5. ABC Company announced that it will offer an incentive to all workers who are working with the firm for more than 20 years. They will be awarded a golden handshake for early retirement in terms of 50% excess provident fund and 25% increase in their pension with a special incentive.

In the given scenario, the step undertaken by the company towards the removal of its employees can be classified under

- A. dismissal.
  - B. retirement.
  - C. resignation.
  - D. redundancy.
6. Rehana has recently joined a trade union that represents the people working in an office including management and professional staff.

The type of trade union joined by Rehana is known as

- A. craft union.
- B. general union.
- C. industrial union.
- D. white-collar union.

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7. Few employees of Maheen Traders have gathered at the gate of the factory to demand better wages. They are persuading other employees to become a part of their industrial action by not going to work.

The industrial action referred in the given situation is termed as

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

8. Ittehad Union is a trade union formed in Allien Limited. A clause in the hiring agreement of Allien Limited states that all the employees should be a part of Ittehad Union only.

The agreement made between Allien Limited and the new employee is termed as

- A. industrial union.
- B. collective bargaining.
- C. closed shop agreement.
- D. single union agreement.

9. The following plan is extracted from the orientation programme issued by Shah Jahan Limited to its new employees.

Meetings	Timings	Agenda
HR Department	2:00 - 2:30	<ul style="list-style-type: none"> <li>• HR policies and details</li> <li>• Confirmation and appraisal policy</li> <li>• Job description</li> </ul>
Security and Safety Department	2:30 - 3:00	<ul style="list-style-type: none"> <li>• Names and responsibilities of safety committee representatives</li> <li>• Security and safety policies and procedures</li> </ul>
Administration Department	3:00 - 4:00	<ul style="list-style-type: none"> <li>• Campus visit</li> </ul>

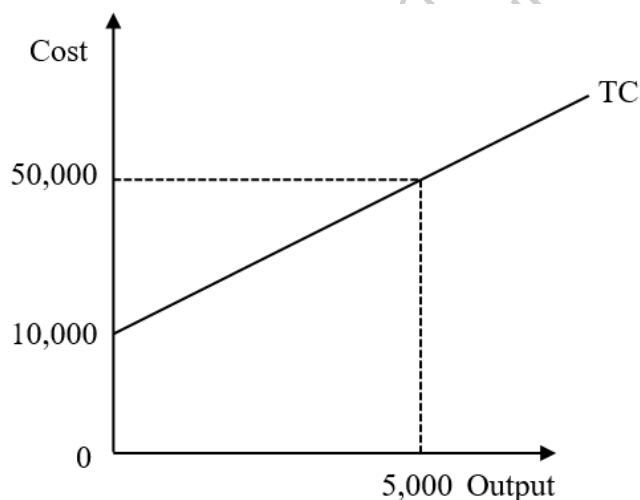
This type of training is known as

- A. on job training.
- B. off job training.
- C. technical training.
- D. induction training.

10. Which of the following shows the procedure for hiring an employee by the Human Resource Department?

- A. Advertisement → selection → training → interview
- B. Advertisement → interview → selection → training
- C. Selection → training → interview → advertisement
- D. Selection → advertisement → training → interview

11. Which of the following is NOT a fixed cost?
- A. Rent of a building
  - B. Insurance expense
  - C. Salaries of workers
  - D. Commission on sales
12. The manufacturer has to bear a cost even at the zero or non-productivity level, which will not vary with the number of items sold or produced in short term. Such a cost is considered as
- A. fixed cost.
  - B. average cost.
  - C. variable cost.
  - D. marginal cost.
13. Economies of scale result in increase in output and decrease in
- A. fixed cost.
  - B. average cost.
  - C. estimated cost.
  - D. opportunity cost.
14. The given graph shows the relationship between cost and output.



The amount of fixed cost extracted from the given graph will be

- A. Rs 0
  - B. Rs 5,000
  - C. Rs 10,000
  - D. Rs 15,000
15. Sobia is a furniture manufacturer. Which of her expenses will be classified as an indirect expense?
- A. Wages paid to labour
  - B. Payment made for purchase of wood
  - C. Payment to supplier for the glass work
  - D. Salary paid to security guard of warehouse

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16. Nabeel is planning to open a small shoe store. He is considering some factors before starting his business.

The MOST important factor he should consider when choosing a location for his store is

- A. accessibility to banks.
- B. availability of workers.
- C. accessibility to suppliers.
- D. availability of customers.

17. In order to expand her cement manufacturing business, Zahra requires a large area for constructing factory building.

She is MOST likely to locate her factory in

- A. a coastal area.
- B. a residential area.
- C. an industrial zone.
- D. the heart of the business hub.

18. Feroz has provided the following cash flow forecast for the two months.

	January	February
	Amount in million (Rs)	Amount in million (Rs)
Opening cash balance	0	70
Cash inflows	800	770
Cash outflows	730	?
Closing cash balance	70	140

What will be the value of cash outflows for February?

- A. Rs 40 million.
- B. Rs 180 million.
- C. Rs 660 million.
- D. Rs 700 million.

19. The given table shows the details of Ammar's business.

Detail	Amount (Rs)
Sales Revenue (15% are credit sales)	50,000
Cost of goods sold	30,000

The amount of net cash flow from the above table will be

- A. Rs 7,500
- B. Rs 12,500
- C. Rs 20,000
- D. Rs 22,500

20. An example of a cash inflow for a business is

- A. wages paid to workers.
- B. cash from sale of asset.
- C. advertisement payments.
- D. interest payments to bank.

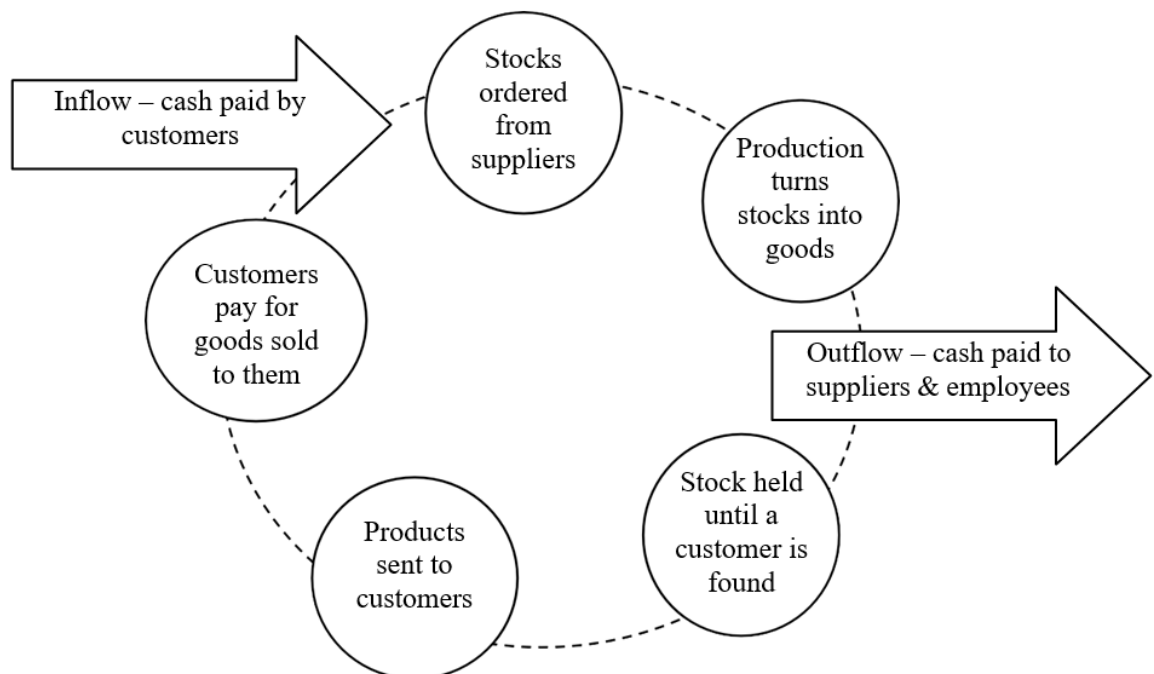
21. The details given below represent the summary of cash account of Mr Aleem.

Details	Amount (Rs)
Balance of cash at January 01, 2017	150,000
Sales revenue during the year	300,000
Salaries paid during the year	20,000
Rent paid during the year	30,000

The amount of cash on December 31, 2017 will be

- A. Rs 400,000
- B. Rs 440,000
- C. Rs 470,000
- D. Rs 500,000

22. Review the given circular flow diagram.



The given diagram represents a/ an

- A. cash flow cycle.
- B. working capital cycle.
- C. account payable cycle.
- D. account receivable cycle.

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Use the given information to answer Q.23 and Q.24.

The statement of financial position (balance sheet) of a business is as under:

Statement of Financial Position (Balance Sheet)			
Account Title	Amount (Rs)	Account Title	Amount (Rs)
Cash	75,000	Trade payables (Accounts payable)	45,000
Trade receivables (Accounts receivable)	150,000	Bank Loan	500,000
Stocks	45,000	Unearned commission	35,000
Supplies	25,000		
Equipment	450,000		

23. The equity to asset ratio of the given statement of financial position (balance sheet) is
- 0.221:1
  - 0.562:1
  - 0.601:1
  - 0.625:1
24. The working capital of the given statement of financial position (balance sheet) is
- Rs 65,000
  - Rs 105,000
  - Rs 165,000
  - Rs 215,000
25. Rahat has recently established a restaurant in a busy commercial area of Karachi. He plans to provide fresh meals at a reasonable rate.
- With reference to the given situation, the strengths of Rahat's business would be
- tasty food, better quality service and fresh meals.
  - large market share, better quality food and competition.
  - better interior, no dining area and high employee turnover.
  - large number of customers, no competition and government laws.



26. The missing element in the given table of the marketing mix is

Price	Place
Product	?

- A. packaging.  
B. promotion.  
C. presentation.  
D. participation.
27. Businesses conduct SWOT analysis in all of the following conditions EXCEPT
- A. before taking any business decisions.  
B. before any internal or external audits.  
C. after any unusual losses or business casualty.  
D. after completion of a successful business deal.
28. A marketing plan is BEST defined as an operational document that
- A. covers all the business risks a business may face during the advertisement.  
B. sums up all the direct and indirect expenses a business pays during an advertising campaign.  
C. includes all the detailed features regarding the product manufactured and cost of production.  
D. outlines an advertising strategy that an organisation will implement to generate leads and reach its target market.
29. Saleem is given the responsibility to draw a marketing plan for a departmental store as the overall market is growing rapidly. The store daily receives 50 walk-in customers with an average purchase of Rs 1,000. The store needs to increase the customers by 50% and purchases by 25%.
- The task assigned to Saleem will be considered as the
- A. business expansion objective.  
B. pricing and promotion objective.  
C. market share expansion objective.  
D. branding and product specification objective.

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30. The marketing department of a departmental store has designed the following questionnaire to be filled by the customer visiting their store:

I. How often do you visit the store?

☐ daily ☐ weekly ☐ monthly

II. How much is your total bill in a visit?

☐ more than 1,000 ☐ less than 5,000 ☐ more than 5,000

III. How did you find the services of the store?

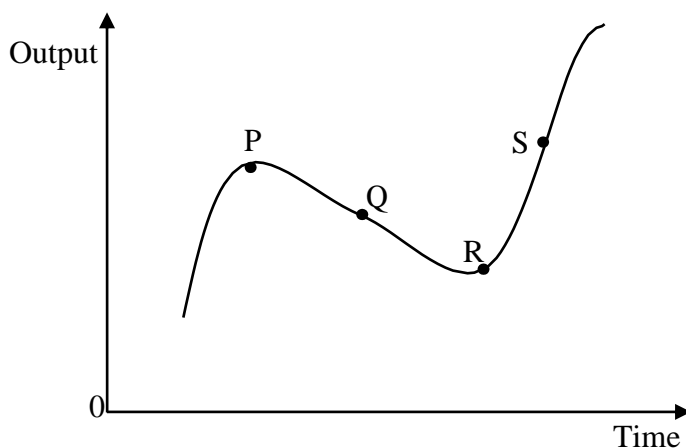
☐ satisfactory ☐ non-satisfactory ☐ no comments

Which of the given question(s) is/ are qualitative in nature?

- A. I only  
 B. III only  
 C. I and II  
 D. II and III
31. Samba Company is planning to launch its new product. The product is a luxury item targeted for specific customers only.

The type of market explained above is commonly known as the

- A. mass market.  
 B. niche market.  
 C. resource market.  
 D. consumer market.
32. It is a phase of business cycle, where various economic indicators, including employment, real income, level of buying, selling and production are declining.



The point on the given graph that reflects the given description is

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

33. The balance of payment (BoP) status of a country S is given below.

Exports \$ 3.8 billion	Country S	Imports \$ 5.3 billion
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A LIKELY action of the government in the given situation would be to

- A. print more currency notes.
  - B. increase tax on local product.
  - C. reduce the custom duty on exports.
  - D. raise interest rate on loans given to businesses.
34. After intervention by the State Bank of Pakistan (SBP), the dollar increased to Rs 137.70 in the interbank market. (Source: Dawn News TV November 30, 2018.)

This increase in the exchange rate of dollar will affect the automobile industry by a/ an

- A. increase in exports of automobiles.
  - B. decrease in imports of automobiles.
  - C. increase in demand of automobiles.
  - D. decrease in cost of buying automobiles.
35. The MAIN reason for increasing the custom duty would be to
- A. increase demand of imported goods.
  - B. decrease the revenue of government.
  - C. assist local business in improving their quality.
  - D. protect home industries from external competition.
36. The government of a country has increased the rate of import tax and custom duty on the imported goods.
- The MOST LIKELY result of the government's decision would be a/ an
- A. increase in imports.
  - B. decrease in exports.
  - C. decrease in economic growth.
  - D. increase in domestic production.
37. A firm claim that a pair of trousers (one of their products) is made of wool while actually it is made of cotton. Which of the following law is being exploited by the firm?
- A. Sale of Good Act.
  - B. Consumer Credit Act.
  - C. Trade Description Act.
  - D. Weights and Measures Act.

38. The BEST reason for the existence of multinational companies (MNCs) is that companies want to
- A. find new markets.
  - B. promote local industry.
  - C. discover new products and raw materials.
  - D. generate more employment opportunities in native country.
39. Which of the following is NOT a characteristic of a Multinational Companies (MNCs)?
- A. The parent company works like a holding company.
  - B. The MNCs operates in a single country with multiple products on large scale.
  - C. The MNCs are quality and cost conscious and managed by professionals and experts.
  - D. The MNCs do not take much interest in the social welfare activities of the host country.
40. In order to increase its market share in United Arab Emirates (UAE), a Pakistan-based company is planning to export goods to UAE at prices lower than in its own country?
- This trade activity is considered as
- A. quota.
  - B. tax slab.
  - C. dumping.
  - D. transfer pricing.

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