

**AGA KHAN UNIVERSITY EXAMINATION BOARD**

**HIGHER SECONDARY SCHOOL CERTIFICATE**

**CLASS XI**

**MODEL EXAMINATION PAPER 2020**

**Principles of Commerce Paper II**

**Time: 2 hours 20 minutes    Marks: 50**

**INSTRUCTIONS**

**Please read the following instructions carefully.**

1. Check your name and school information. Sign if it is accurate.

**I agree that this is my name and school.  
Candidate's Signature**

**RUBRIC**

2. There are ELEVEN questions. Answer ALL questions. Choices are specified inside the paper.

3. When answering the questions:

Read each question carefully.

Use a black pointer to write your answers. DO NOT write your answers in pencil.

Use a black pencil for diagrams. DO NOT use coloured pencils.

DO NOT use staples, paper clips, glue, correcting fluid or ink erasers.

Complete your answer in the allocated space only. DO NOT write outside the answer box.

4. The marks for the questions are shown in brackets ( ).

Q.1. (Total 3 Marks)

Trade involves the transfer of goods or services from one person or entity to another, often in exchange of money.

Discuss whether the given cases are the examples of trade or not.

**Case 1:** Asma bought a bus that will be used as school van.

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**Case 2:** Hafeez bought a washing machine to be used in his house.

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**Case 3:** Saleem bought soft drinks that he will sell in his shop.

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Q.2. (Total 3 Marks)

In a joint stock company, different meetings are held for different purposes and the requirements of these meetings are different as well.

List the prerequisites of THREE different types of meetings held by the companies under Companies Ordinance 1984.

1. 

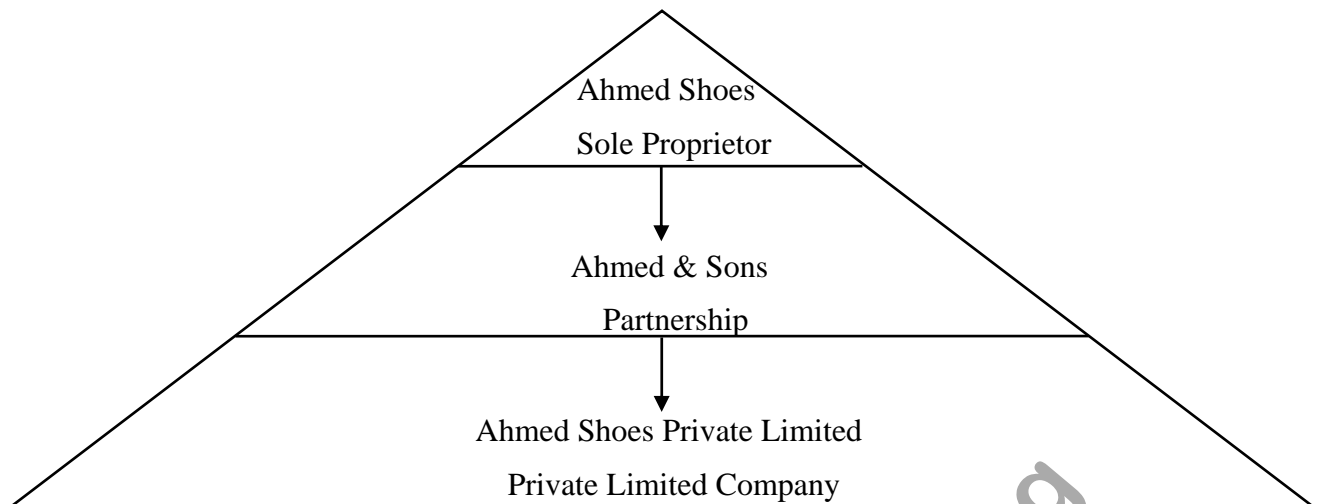
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2. 

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3. 

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Q.3.

(Total 3 Marks)



Ahmed started his business as a sole proprietor. Later on, he converted his business into partnership and then, to private limited company.

Directors of Ahmed Shoes Private Limited are planning to convert the company into a public limited company.

Explain any THREE advantages of converting Ahmed Shoes to a public limited company.

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Q.4.

(Total 3 Marks)

Irshad is planning to start a sole trade business of supplying water in a locality where there is a shortage of water.

Discuss any THREE advantages that Irshad will come across by starting the said business.

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Q.5. (Total 3 Marks)

Describe any THREE functions performed by any ONE of the following departments in an organisation.

- Human Resource Department
- Accounts and Finance Department

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Q.6.

(Total 5 Marks)

Government of country X has recently launched a new programme to help entrepreneurs in expanding their businesses. The advertisement issued in this regard is given below.

<p style="text-align: center;"><i>Want to expand your business?</i></p> <p>If you want advice related to a business or need loan(s) on easy terms or want subsidies, our experts will guide you!</p> <p>We will facilitate and help you in exploring and entering new markets nationally and internationally.</p> <p>Contact: 000-111-9090</p> <p>Help our country grow, create employment opportunities, improve exchange rates and the standard of living.</p>
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Rameez is the owner of a private shoes company in country X and wants to expand his business. The following advices were given to him upon responding to the advertisement.

S. No.	Advise
1	Convert the company into a listed company
2	Export the produce in other Asian countries

If Rameez plans to enter into international trade, explain any FIVE steps that will be followed by him for exporting the goods.

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Q.7. (Total 8 Marks)

a. Zafir is an owner of a small workshop. He sells refrigerators and also provides repair and maintenance services to its customers. He is planning to advertise his business in a nearby town through either billboards or the local newspaper.

i. Select an appropriate mode of advertisement for the given scenario. Give ONE reason for your selection. (2 Marks)

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ii. Suggest any ONE other 'modes of advertisement' that is suitable for Zafir's business. (2 Marks)

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b. Being a manager of a Marketing Department, you have been assigned to advertise a new product in the market.

List the FOUR core objectives that you would keep in mind while advertising the product. (4 Marks)

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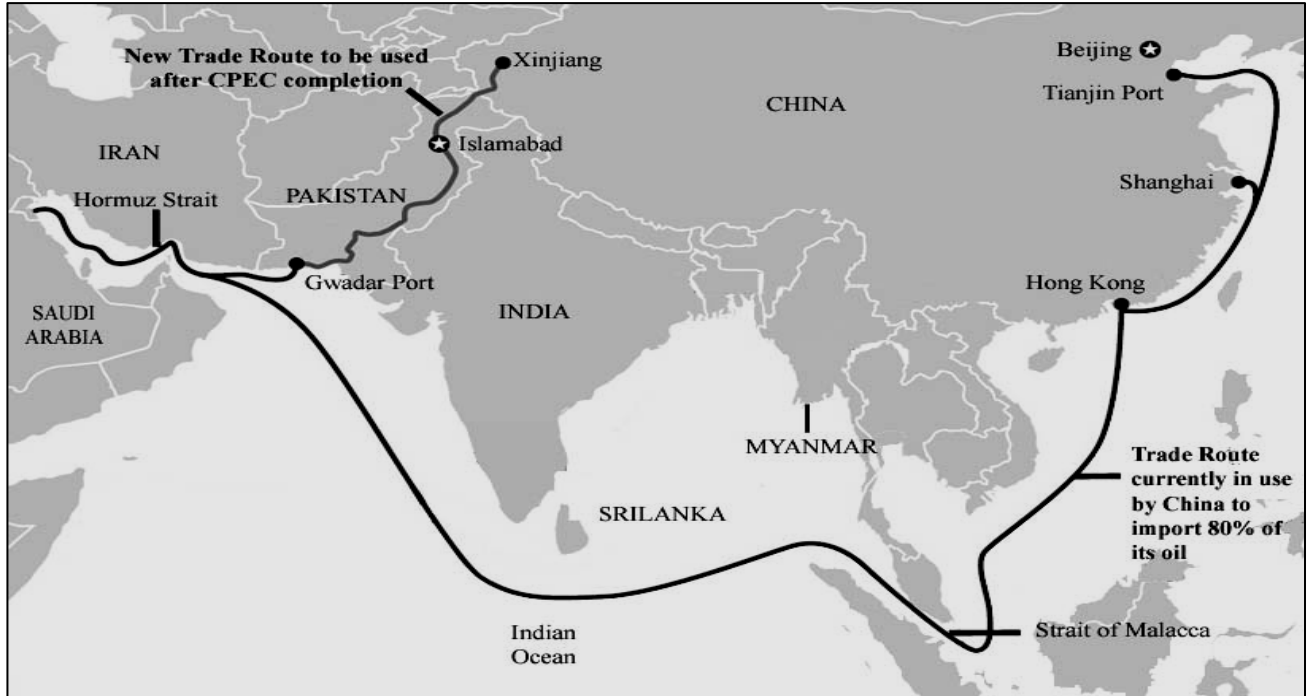
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Q.8.

(Total 9 Marks)

China-Pakistan Economic Corridor (CPEC) is a framework of regional connectivity that will have many benefits for China and Pakistan.



- a. Discuss any THREE benefits of new trade route shown in the given map for Pakistan and China. (3 Marks)

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- b. Rafay is an owner of an export business. His friend advised him to open a commercial warehouse for storing his own as well as goods of other businesses.

Explain any THREE economic benefits of commercial warehousing to Rafay. (3 Marks)

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- c. Discuss any THREE effects of warehousing of seasonal products like fish and other sea foods on their storage and supply. (3 Marks)

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Q.9. (Total 3 Marks)

Explain any THREE features of effective business communication.

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Q.11.

(Total 5 Marks)

**EITHER**

- a. Smart Bank Limited is a multinational bank having its branches in seven different countries. The human resource (HR) department of the bank has introduced a new policy related to working hours and work ethics. The business is planning to communicate the policy to all its employees.

As a Manager of the HR department, draft a circular letter that will be sent to all the employees of the Smart Bank Limited. Consider necessary details for your letter.

Your letter should include the following details:

- Subject line
- Key features of policy
- Implication of the policy
- Concluding remarks

**OR**

- b. Shafay Traders have recently received a complaint letter from their regular customer Amber Traders. The letter includes information about an incomplete and delayed order.

As a Communication Manager of Shafay Traders, draft an adjustment letter to be sent to Amber Traders. Assume the necessary details to be included in the letter.

Your letter should include the following details:

- Subject line
- Response to the complaint
- Facilitation and compensation
- Concluding remarks

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END OF PAPER

Please use this page for rough work

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