

AGA KHAN UNIVERSITY EXAMINATION BOARD

HIGHER SECONDARY SCHOOL CERTIFICATE

CLASS XI EXAMINATION

APRIL/ MAY 2017

Principles of Commerce Paper II

Time: 2 hours 25 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**

2. RUBRIC. There are TWELVE 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.

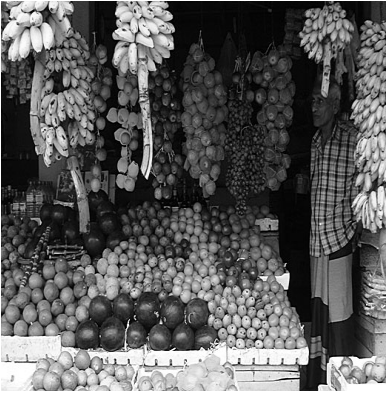

DO NOT use staples, paper clips, glue, correcting fluid or ink erasers.

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 2 Marks)

Identify and describe any ONE type of the businesses in the given table as either trading, service or manufacturing.

S. No.	Business	Type of Business	Description
i.			
ii.			

Q.2.

(Total 5 Marks)

Ms Farheen, Ms Farah and Ms Faiza were partners in a business since July 2007. Ms Faiza is planning to retire from the firm as she has not been well since January 2016. On December 31, 2016; they hired a lawyer to settle the dissolution.

- a. Ms Farheen and Ms Farah want to carry on the business after Ms Faiza's retirement. Are they allowed to continue the business after her retirement? (1 Mark)

- b. Explain the procedure for retirement of Ms Faiza. (4 Marks)

Q.3.

(Total 2 Marks)

Various duplicating machines are now being used by businesses to copy or duplicate business documents to save time and labour.

Explain the following types of duplicating machines:

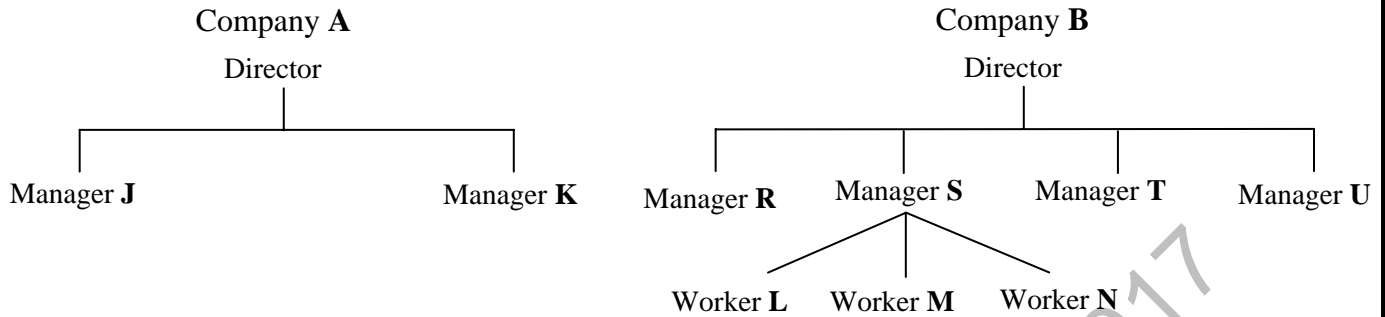
- a. Spirit duplicator (1 Mark)

- b. Stencil duplicator (1 Mark)

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Q.4. (Total 2 Marks)

Organisational chart of two different companies have been given.



Complete the given table by identifying the type of span of control and type of chain of command for both companies.

Company A		Company B	
Span of Control		Span of Control	
Chain of Command		Chain of Command	

Q.5.

(Total 3 Marks)

Advertisement is a tool used by businesses to persuade customers to buy their products.

Describe any ONE benefit of advertisement for each of the following:

a. Manufacturer

(1 Mark)

b. Customer

(1 Mark)

c. Society

(1 Mark)

Q.6.

(Total 3 Marks)

Draw the channel of distribution for each of the following products.

Product	Channel of Distribution
Bread	
Shampoo	
Car	

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Q.7. (Total 4 Marks)

Anas Tyre Corporation would like to import heavy duty tyres for aeroplanes.

List any FOUR documents required for such an import.

Q.8. (Total 3 Marks)

State any THREE purposes of writing a claim letter.

Q.9. (Total 3 Marks)

a. Define the term 'effective business communication'. (1 Mark)

b. Describe any TWO characteristics of effective business communication. (2 Marks)

Q.10.

(Total 8 Marks)

- a. Ms Kulsoom is an owner of a motor car showroom. She is planning to have a warehouse in the area near the port, but she is short of funds. Her friend advised her not to buy the warehouse and instead avail the benefits of government owned warehouses located near the port.

- i. Name the TWO types of government-owned and controlled warehouses. (2 Marks)

I. _____

II. _____

- ii. Explain how both the types of warehouses listed in part (i) are different from each other. (2 Marks)

- b. If Ms Kulsoom wants to buy her own warehouse, she will need Rs 4,000,000. She is planning to finance the amount through a non-conventional source (an interest-free banking system).

- i. List any TWO sources of interest-free financing suitable for Kulsoom. (2 Marks)

I. _____

II. _____

- ii. Explain the sources identified in part (i). (2 Marks)

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Q.11.

(Total 10 Marks)

(ATTEMPT ANY TWO PARTS OF Q.11.)

- a. It is often said that formation and registration of a company is very complicated and time consuming, but this is done in order to secure the investment of the general public.

Explain any FIVE steps that are involved in the formation of a company in Pakistan. (5 Marks)

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(ATTEMPT ANY TWO PARTS OF Q.11.)

- b. Mr Kamran was working as an Accounts Assistant in a private limited company and was quite satisfied with his performance and with the company too. However, he was always inspired by the thought “I want to be my own boss” or “I want to do things my way.” This led him to leave his job and open his own shop of mobile accessories in his locality.

Explain FIVE possible reasons that might have led Mr Karman to start his own business. (5 Marks)

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(ATTEMPT ANY TWO PARTS OF Q.11.)

- c. Memorandum of Association (MoA) is a constitution of a company. This document highlights the five basic clauses and is the prerequisite for a company's registration.

Explain any FIVE clauses of MoA.

(5 Marks)

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Q.12.

(Total 5 Marks)

EITHER

Talat has recently completed Bachelor's degree in Commerce and is in search of a job. The following advertisement was published on Sunday April 9, 2017.

Classified

Requirements:

- A fresh BA/ B.Com with strong academic background.
- Good command over written and spoken English and Urdu.
- Ability to learn quickly, innovative and self-motivated.

Responsibilities:

- Can prepare financial statements, cash and sales reports.
- Ability to work within short deadlines.

Apply to us with a brief résumé and a job letter at:

Manager Human Resource Department

Alpha Traders

PO box: 123/4

14th Street, M.A Jinnah Road, Karachi.

Talat wants to apply for the above post. Imagine yourself as Talat and compose any ONE of the following.

a. A job letter

OR

b. A résumé

Space for brainstorming

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Option: _____

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END OF PAPER