



# ZIAUDDIN UNIVERSITY

## EXAMINATION BOARD

POC

MODEL PAPER

Duration: 2 hours

Max Marks: 75

### “SECTION A”

#### MULTIPLE CHOICE QUESTIONS (38 MARKS)

**Instructions:** Attempt all of the following questions. Each question carries **ONE MARK**

1. Warehouses owned and managed by custom authorities of a country are called.

(a) Bonded Warehouses	(b) Government Warehouses	(c) Public Warehouses	(d) Private Warehouses
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2. Which of the following partner has limited liability?

(a) Active	(b) Sleeping	(c) Nominal	(d) Secret
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3. Which one of the following is a demerit of sole proprietorship business?

(a) Secrecy	(b) Prompt Decision	(c) Easy formation	(d) Un limited liability
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4. In Pakistan, Partnership businesses are formed under the act of:

(a) 1932	(b) 1942	(c) 1952	(d) 1922
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5. Time utility is created by:

(a) Warehouses	(b) Transport	(c) Insurance	(d) Information
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6. Return on investment of shareholders is termed as:

(a) Fee	(b) Salary	(c) Dividend	(d) Profit
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7. Which of the following form of businesses are most difficult to form?

(a) Companies	(b) Partnership	(c) Sole proprietorship	(d) Co-operative Societies
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8. Departmental stores fall under the category of

(a) Retailers	(b) Wholesalers	(c) Warehouses	(d) Banks
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9. Letter of credit is a request sent by importer's bank to

(a) Government	(b) Exporter	(c) Central Bank	(d) Importer's Warehouse
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10. Maximum number of partners in a partnership business are:

(a) 10	(b) 5	(c) 20	(d) 15
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11. Which of the following documents is **only** concerned with a private limited company?

(a) Prospectus	(b) Statement in lieu of prospectus	(c) Memorandum of Association	(d) Articles of Association
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12. Document explains rules and regulations of a company is called:

(a) Prospectus	(b) Memorandum of Association	(c) Articles of Association	(d) Statement in lieu of Prospectus
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13. Occupation which requires special knowledge and skills is termed as:

(a) Business	(b) Trade	(c) Industry	(d) Profession
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14. Which of the following is a distinct feature of wholesalers?:

(a) Work for welfare	(b) Work for profit	(c) Purchase in bulk quantity	(d) Have more than five employees
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15. Certificate of origin is issued by:

(a) Exporter	(b) Importer	(c) Commercial Bank	(d) Chamber of Commerce
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16. "Medical" falls under the category of :

(a) Profession	(b) Occupation	(c) Trade	(d) Auxiliary to trade
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17: A public limited company raises **capital** through:

(a) Borrowing by banks	(b) Investing in new business	(c) Offering shares to general public	(d) Asking grants from government
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18. Which of the following best differentiates a **Public Ware** House from **Retail business**?

(a) It is a welfare	(b) It is an auxiliary to trade	(c) It can't be conducted at private level	(d) It is always used in foreign trade.
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19. Income of an insurance company is termed as:

(a) Dividend	(b) Profit	(c) Premium	(d) Salary
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20. Bill of lading is issued by:

(a) Exporter	(b) Chamber of Commerce	(c) Importer	(d) Shipping Company.
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21. How many clauses does memorandum of association contain?

(a) 2	(b) 5	(c) 3	(d) 1
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22. In case of oral partnership agreement, what will be the base of profit and loss sharing?

(a) Shared equally	(b) Shared as per investment ratio	(c) Shared as per mutual consent of partners	(d) Shared as per decision of most senior partner of the business.
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23. Which one of the following insurance's type is mandatory by law:

(a) Life	(b) Accident	(c) Transit	(d) Fire
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24. Businesses use to fill the gap between point of production and point of consumption are termed as :

(a) Profession	(b) Industry	(c) Foreign Trade	(d) Channels of Distribution.
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25. Age of a minor partner should not exceed by:

(a) 17 years	(b) 16 years	(c) 20 years	(d) 21 years.
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26. Management of a public limited company is conducted by:

(a) Co-operative Societies	(b) Board of Directors	(c) General Public	(d) Attorneys
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27. Which of the following is **only** related to **public limited company**?:

(a) Memorandum of Association	(b) Certificate of Registration	(c) Certificate of Commencement	(d) Articles of Association
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28. Distinct feature of a super market is:

(a) Profit Making	(b) Self Service	(c) Free home delivery	(d) Companies' form of business.
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29. Which form of the business best caters organizational problem?

(a) Sole Proprietorship	(b) Partnership	(c) Companies	(d) Co-operative societies
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30. What is the commonality between transport and warehouses?

(a) Both are trading business	(b) Both are auxiliary to trade	(c) Both are specific to foreign trade	(d) Both are specific to local trade
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31. Crude oil is a product obtained by:

(a) Extractive industries	(b) Analytical Industries	(c) Manufacturing industries	(d) Tertiary industries
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32. Business having direct link with consumers are:

(a) Wholesalers	(b) Retailers	(c) Distributors	(d) Brokers
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33. Export through aero-planes is most suitable for:

(a) Furniture and Fixtures	(b) General Goods	(c) Perishables goods	(d) Heavy Machineries
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34. Minimum number of **Active Partner(s)** in a partnership:

(a) 1	(b) 2	(c) 3	(d) 4
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35. Which of the following is a definite cause of dissolution of partnership agreement?

(a) Competition	(b) Government Policies	(c) Admission of a new partner	(d) Illness of an existing partner
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36. Prime objective of a business organization is:

(a) Profit making	(b) Welfare of people	(c) Running state matters	(d) Supporting central bank of the country.
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37. A company formed by the act of parliament or presidential order is termed as:

(a) Private limited Company	(b) Statutory Company	(c) Chartered Company	(d) Public Limited Company
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38. Public utility is created by:

(a) Warehouses	(b) Transport	(c) Insurance	(d) Information
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### SECTION "B"

#### SHORT QUESTION AND ANSWERS (25 MARKS)

**Instructions:** Attempt any five of the following questions. Each question carries equal marks:

Q2:

- (i) Briefly discuss the scope of commerce.
- (ii) Briefly explain the advantages a consumer gets from retailer?
- (iii) Define memorandum of association. List its main clauses and explain Name clause.
- (iv) Explain why and when public limited companies are required to publish prospectus?
- (v) Under what circumstances a partnership agreement is dissolved.
- (vi) How would you differentiate a departmental store from super market?
- (vii) Why sole proprietorship businesses are common in Pakistan?

### SECTION "C"

#### LONG QUESTION AND ANSWERS (12 MARKS)

**Instructions:** Attempt any one of the following questions.

Q3: Discuss in detail the procedure of importing goods from Saudi Arabia to Pakistan.

Q4: Define partnership business. Also discuss merits and demerits of this type of business.

