

ALLAMA IQBAL OPEN UNIVERSITY

Level: Bachelor
 Paper: **Fundamentals of Business (463)**
 Time Allowed: 3 hrs

Semester: Spring 2009
 Maximum Marks: 100
 Pass Marks: 40

Note: - **ATTEMPT FIVE QUESTIONS. ALL CARRY EQUAL MARKS.
 QUESTION NO (8) IS COMPULSORY.**

Q.NO.1	What do you know about capitalism? Explain briefly the role that various groups of individuals play under the capitalism.
Q.NO.2	What do you understand by "Ownership" with reference to business and what are its main forms?
Q.NO.3	Why do most producers and manufacturers find it advantageous to use middleman in distributions of their products?
Q.NO.4	What are the essential requirements for an effective control in purchase Department and inventory control in a big factory?
Q.NO.5	What do you understand by "Industrial Relations"? Is there any law about "Industrial Relations" in Pakistan?
Q.NO.6	"Risk should always be reduced to the lowest possible level". Do you agree with this statement? Why or why not?
Q.NO.7	What do you understand by the term "Budgetary Control"? What budgets are so essential for business & Industry?
Q.NO.8	<p>(A) Following statements are True or False.</p> <p>(i) Risk of doing business are the result of action of competitors & the economic forces affecting the economy. T/F</p> <p>(ii) Risk can be reduced through self insurance and reducing hazards. T/F</p> <p>(iii) Pakistan Insurance Corporation is the only Non-Life professional re-insurance organization operating in Pakistan. T/F</p> <p>(iv) Security Exchange provides a market process, where investment is not accomplished efficiently at a reasonable cost. T/F</p> <p>(v) Financial failure except in some cases does not happen overnight. T/F</p> <p>(B) Fill in the blanks.</p> <p>i. Produced goods must be made according to the prescribed _____ and _____</p> <p>ii. Most of the business units are based on _____ activities.</p> <p>iii. In _____ process a number of _____ are assembled and joined together to make a final _____.</p> <p>iv. In _____ process a number of different materials are mixed to form a single stable _____.</p> <p>v. Time & motion studies are very useful for developing _____ procedures</p>

