

**LAHORE GRAMMAR SCHOOL
PARAGON CITY CAMPUS.**

BUSINESS STUDIES

7115/01

Assignment for the week 13/4/20 to 17/04/20

CLASS: 10

1 hour 30 minutes

**Candidates answer on the Question Paper.
No Additional Materials are required.**

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

Do not use staples, paper clips, highlighters, glue or correction fluid.

DO NOT WRITE IN ANY BARCODES.

Answer all questions.

The businesses described in this question paper are entirely fictitious.

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [] at the end of each question or part question.

1 Ikram is a hairdresser. His revenue was 10% higher this year than last year. He earned revenue of \$50,000 last year. He charged an average of \$5 for each customer last year and has not increased

prices. His cost is an average of \$2 for each customer. He estimates that his overhead expenses are \$10000 this year.

(a) Define the term revenue.

----- [2]

(b) Calculate his revenue this year. Show your working

----- [2]

(c) Identify four costs likely to be included in his annual overhead expenses.

----- [4]

(d) Calculate his net profit this year .(using your result from b)

----- [6]

(e) Ikram thinks that his net profit next year will be higher if he increases average prices to \$6 per customer. Do you agree? Justify your answer.

----- [6]

2 The table below is an extract from the accounts of Ali canning Ltd, a food canning and processing business. The company sells its products to the three main super market groups in the country

	2018(\$m)	2017(\$m)
Gross profit	300	285
Net profit	120	140
Revenue	3000	2500
Capital employed	1000	900

(a) Define the term capital Employed.

----- [2]

(b) Identify two objectives possible reasons why revenue has increased

----- [2]

(c) Outline two possible reasons why gross profit has increased.

----- [4]

(d) Explain two ways in which Ali canning management could increase its net profit.

----- [6]

(e) Do you agree think the management of Ali canning could be satisfied with the profitability of the company using ratios.

----- [6]

3 J. sells expensive handmade jewellery. These items are designed and made to the exact requirements of the customers. J. is successfully promoted on social media networks. Junaid, the owner of J. only sells through J. own shop. However, he is thinking of selling directly to customers through own websites.

(a) Define the term social media networks.

----- [2]

(b) Identify two other examples of how products might be promoted directly to customers.

----- [2]

(c) Outline two reasons why social media marketing is an important part of the marketing mix for J. .

----- [4]

(d) Explain two limitations to J. of using the internet for promotion.

----- [6]

(e) Do you think J. would be better selling through its own shop or website? Justify your answer.

[6]

4 Pinkor is a retail chain selling clothes on the market stalls and small shops that it owns. It buys most of its products from wholesalers. Raksh the owner says I think we should start to sell by mail order and on the internet and close some of our shops to save money.

(a) Define the wholesaler.

[2]

(b) Identify two disadvantages to pinkor of buying supplies from wholesalers.

[2]

(c) Outline two benefits to Raksh of selling through several small shops rather than by mail order and online.

[4]

(d) Explain two factors which affects Pinkors choice of distribution channel.

[6]

(e) Do you think Raksh is right to want to change the channel of distribution the business uses?

Justify your answer.

[6]