



ROLL NO

PUNJAB PUBLIC SERVICE COMMISSION
COMBINED COMPETITIVE EXAMINATION
FOR RECRUITMENT TO THE POSTS OF
PROVINCIAL MANAGEMENT SERVICE, ETC -2023
CASE NO. 1C2024

SUBJECT: BUSINESS ADMINISTRATION (PAPER-II)

TIME ALLOWED: THREE HOURS

MAXIMUM MARKS: 100

NOTE:

- i. All the parts (if any) of each Question must be attempted at one place instead of at different places.
- ii. Write Q. No. in the Answer Book in accordance with Q. No. in the Q. Paper.
- iii. No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.
- iv. Extra attempt of any question or any part of the question will not be considered.

Note: Attempt any FIVE Questions at least TWO questions from each Part including Question No. 9 which is compulsory. Calculator is allowed. (Non-Programmable). Attempt in Urdu or English.

PART-I MARKETING

- Q. No. 1:** Explain why a small producer might want a marketing research firm to take over some of its information-gathering activities. **(20 Marks)**
- Q No. 2:** What is the purpose of packaging? Explain and give an example where packaging costs probably (a) lower total distribution costs and (b) raise total distribution costs **(20 Marks)**
- Q No. 3:** Consider the evolution of wholesaling in relation to the evolution of retailing. List several changes that are similar, and several that are fundamentally different. **(20 Marks)**
- Q No. 4:** Changes in the world demographic environment have major implications for business. The demographic environment is of major interest to marketers because it involves people, and people make up markets. Briefly explain demographic characteristics and their implications in marketing. **(20 Marks)**
- Q No. 5:**
- a) Define the five promotion mix tools for communicating customer value.
 - b) Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix. **(10+10=20 Marks)**

PART-II FINANCIAL MANAGEMENT

- Q No. 6:**
- a) What are the three types of business failure and the difference between them? What are the major causes of business failure?
 - b) Define extension and a composition, and explain how they might be combined to form a voluntary settlement plan to sustain the firm. How is a voluntary settlement resulting in liquidation handled? **(10+10=20 Marks)**
- Q No. 7:** Define the following: **(5x4=20 Marks)**
- (a) Cash Conversion Cycle ✓
 - (b) Aggressive funding strategy ✓
 - (c) ABC inventory management ✓
 - (d) Enterprise resource planning (ERP) ✓

P.T.O

Q No. 8: a) Use the appropriate items from the following list to prepare in good form Owen Davis Company's balance sheet at December 31, 2022. (All amounts in Rs. 000)

Accounts payable 220	Inventories 375
Accounts receivable 450	Long-term debts 420
Land 100	Accruals 55
Machinery 420	Accumulated depreciation 265
Buildings 225	Marketable securities 75
Notes payable 475	Cash 215
Common stock (at par) 90	Paid-in capital in excess of par 360
Cost of goods sold 2,500	Depreciation expense 45
Preferred stock 100	Equipment 140
Retained earnings 210	Furniture and fixtures 170
Sales revenue 3,600	Vehicles 25
General expense 320	

b) Discuss the relationship between debt and financial leverage and the ratios used to analyze a firm's debt **(10+10=20 Marks)**

Q No. 9: Grey Products has fixed operating costs of Rs 380,000, variable operating costs of Rs 16 per unit, and a selling price of Rs 63.50 per unit.

- Calculate the operating breakeven point in units.
- Calculate the firm's EBIT at 9,000, 10,000, and 11,000 units, respectively.
- With 10,000 units as a base, what are the percentage changes in units sold and EBIT as sales move from the base to the other sales levels used in part b?
- Use the percentages computed in part c to determine the degree of operating leverage (DOL).
- Use the formula for degree of operating leverage to determine the DOL at 10,000 units.

(2+3+5+5+5=20 Marks)