



ALLAMA IQBAL OPEN UNIVERSITY
Semester Terminal Exam Autumn 2020

Program /level:	BBA/Graduation	Maximum Marks	100
Title /Course Code	Fundamentals of Business (8402)	Pass marks	50

Instructions for Exams:

1. Attempt All Questions.
2. Write answers in your own words and avoid copying from an internet source or any book.
3. Be precise, avoid unnecessary details, answer to each question must be between 600-800 words.
4. Students are advised to upload their answer sheets/solutions on LMS portal as soon as they complete their answers and not to wait for 8:30 PM.
5. Submissions after due date & time will not be entertained. Attach undertaking with each course code which were allowed to attempt in Urdu.
6. If plagiarism found, Student may be declared fail.

Q. No.	Questions	Marks
1	Manager is responsible to ensure the environment friendly policies. You are a CEO of an entity which is contaminating the environment during the production process. Being a responsible citizen, its your responsibility to make necessary arrangements to dispose off the waste properly but it demands a lot of cost. Prepare a working paper clearly mentioning the plan of action by giving various possible solutions to this problem.	40
2	Is it considered rational to change the type of business frequently? You started with a sole ownership, gradually converted in the partnership, and afterwards formed a company. What essential legal formalities you fulfilled at every stage for these developments? Discuss the challenges associated with this. Do you support free trade among nations or you will be in favor of trade controlled by tariffs. How your decision in this regard can affect the organization and economy both.	30
3	Normally dividend or /and capital gain is reason of investment. Why do you think stockholders of a firm that is performing very well would prefer that firm pay only a low percentage of its earnings as dividends? Does it give a good message to potential investors Give solid reasons to support your answer by taking into consideration the impact on financial performance of organization and capital structure composition	30