

# END OF TERM 1 EXAMS

## BUSINESS STUDIES

### FORM FOUR

### PAPER 1

TIME: 2 HOURS

NAME.....ADM NO:.....

SIGN..... INDEX NO:.....

1.State four reasons why individuals engage in business activities **(4mks)**

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2.List any five characteristics of services **(5mks)**

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3.State any three circumstances under which human resources help in exploiting natural resources **(3mks)**

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4.Highlight any four means of payment available to traders in your home town **(4mks)**

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5.Mention any three documents used in home trade which do not contain the prices of goods dispatched **(3mks)**

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6.State any five business considerations in evaluating a business opportunity **(5mks)**

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7.Use the table below to show four differences between partnerships and private companies **(4mks)**

Partnerships	Private companies

8.Give four reasons as to why a warehouse may be ineffective **(4mks)**

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9.Despite the development of widespread & modern means of transportation, human portorage is still popular. Enumerate any four factors that may have contributed to its usage in modernized economies **(4mks)**

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10.Identify any five items of information in an insurance policy **(5mks)**

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11.State any three unethical practices employed during the promotion of products **(3mks)**

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12.Highlight four main circumstances that makes it mandatory for business to use written communication **(4mks)**

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13.Identify any four factors that affects both demand and supply of a commodity **(4 mks)**

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14. Outline five ways in which “Land” may influence the location of a firm **(5mks)**

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15.State any four expenses incurred by intermediaries in the distribution of goods **(4mks)**

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16.Using the book keeping equation fill in the missing figures for business A,B,C and D (4mks)

Business	Assets	Capital	Liabilities
A	36000		12000
B		37000	23000
C	70000		53000
D	18000	6000	

17.Highlight four items that are considered when measuring the national income using the expenditure approach **(4mks)**

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18. Use a (√) to classify the following accounts as either personal, impersonal or private.(4mks)

Account	Personal	Private	Impersonal
Capital			
Owino (debtor)			

Pent income			
Drawings			

19. Complete the following table by indicating the account to be debited and the one to be credited (4mks)

Started a business with Sh 50,000 cash		
Received a cheque from a debtor Kamunya		
Bought office equipment by cheque		
Paid creditor Wambui in cash		

20. Outline five benefits that a community derives from international trade (5mks)

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21. Apart from taxes, state any other four sources of public finance internally (4mks)

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22. The following information relates to Mwangi traders for the month of August

- Opening stock      Sh.40,000
- Purchases      Sh.46,000
- Carriage in      Sh.2100
- Closing stock Sh. 22,500

Goods are usually sold at a mark-up of 20%. Prepare a trading account (5mks)

23.State any four importance's of preparing a balance sheet to the business **(4mks)**

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24.Mogere traders had the following information from his books of account as at 31<sup>st</sup> December 2009  
(4mks)

Capital 1/1/09	sh. 6,800,000
Additional capital	sh. 1,221,560
Drawing for the year	sh. 50,440
Capital 31/12/09	sh. 9,800,000

Determine the profit for the year.

25. Outline the meaning of the term "Crowding out effect"

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***Have A Nice Holiday***

***Stay Safe***

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