

**BUSINESS STUDIES**  
**FORM FOUR MARKING SCHEME**

AMINA TRADERS

PROFIT AND LOSS A/C

1. FOR THE PERIOD ENDED 31<sup>ST</sup> DEC 2015

<p>Expenses</p> <p>Commission allowed      200</p> <p>Carriage on sales        4,000</p> <p>Discount allowed    8,000</p> <p>Salaries                                  6,000</p> <p>Rent    2,000</p> <p>Interest on Bank loan 500</p> <p>Net profit c/d <u>8,400</u></p> <p style="text-align: right;">21,900</p> <p>-----</p>	<p>Revenue</p> <p>Gross profit</p> <p>20,000</p> <p>Discount received</p> <p>400</p> <p>Commission received</p> <p>1,500</p> <p style="text-align: right;">21,900</p> <p>-----</p> <p>Net profit b/d                                  8,400</p>
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2. Benefits of NTSA to the Kenyan people. (4 marks)

- Unroadworthy vehicles have been removed hence reducing road accidents
- Use of speed limiter has reduced road accidents
- Carrying capacity has been limited hence reducing overloading and uncomfotability
- PSV are operated by people with certificates of good conduct comfortable of customers/there is order
- Drivers and conductors have uniforms that help in identifying them
- Yellow lines help identify PSV by their users
- Use of alcoblows has helped reduce the effect of drunk driving hence reducing accidents.
- Requirement that all PSVs be members of a SACCO for order, discipline and proper management of PSVs. Passengers can take their complains to the Sacco.

3. Reasons why a firm would locate near the market for products (4 marks)

- Competing tool
- If the market is concentrated in one place
- If the product is heavy to avoid the cost of transportation
- The product is perishable
- It may be due to Government policy

4. Withdrawals in the circular flow of income (3 marks)

- Taxation
- Saving
- Imports

	DR	Bank account	CR
	1/1.2015 ICDC 500,000	10/1/2015 Cash 50,000	
	DR	ICDC A/C	CR
		1/1/2015 Bank 500,000	
	DR	Kelunyo account	CR
		5/1/2015 Cash 40,000	
	DR	Cash A/C	CR
		12/1/2015 Furniture 35,500	
	5/1/2015 Kelunyo 40,000		
	10/1/2015 Bank 50,000		

DR Furniture account CR

12/1/2015 Cash 35,500

6. i) Kenya government initiating irrigation projects to ensure continuous food production  
*seasonal unemployment*
- ii) Retraining teachers to embrace the use of technology in teaching and learning  
*structural unemployment*
- iii) Government and private sectors inventing job advertisement sites for easy access by job seeker; *frictional/involuntary unemployment*
- iv) Parliament passing legislation that accommodate the disable people to acquire jobs;  
*residual unemployment*

7. State four essentials of effective communication. (4marks)

- i) *Medium used should be appropriate*
- ii) *Language used must be simple to understand*
- iii) *Information overload should be avoided*
- iv) *Both the sender and the receiver must have positive attitude while communicating.*
- v) *It must be free from distortion*
- vi) *Environment should be free from noise*
- vii) *Message should get to the intended recipient in good time.*
- viii) *The sender should have adequate knowledge of information being conveyed.*

**8.Highlight four reasons why people engage in Business activities.**

**(4mks)**

- i) To create employment opportunities
- ii) To make use of available local resources
- iii) To be their own bosses
- iv) To increase their present income
- v) To utilize their free time
- vi) To commercialize their skills and talents

**9. Outline four characteristics of a good filing system**

**(4mks)**

- i) Simplicity
- ii) Compactness i.e occupy little office space
- iii) Suitability
- i) Should be economical
- ii) Safety
- iii) Accessibility

**10.Highlight four methods that Government uses to protect consumers.**

**(4mks)**

- i) Setting up standards
- ii) By licensing
- iii) Weights and measures act
- iv) Food and drug act
- v) Trade description act / sale of good act
- vi) Public health act
- vii) Rent and tribunal act

