**565/1**

**BUSINESS STUDIES**

**Form 4**

 **Time: 2 Hours**

**2021 TRIAL 3 OCT/N0VEMBER INTERNAL EXAMINATION**

***Kenya Certificate of Secondary Education (K.C.S.E.)***

**Name………………………………………………………. Adm No……………….**

**Stream……………………………………………………. Date ………………………….**

**Sign ............................................................................**

 **GRAND TOTAL**

**565/1**

**BUSINESS STUDIES**

**Form 4**

 **Time: 2 Hours**

**INSTRUCTIONS TO CANDIDATES**

1. *Answer all the questions in the spaces provided.*

**For Examiner’s Use Only**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Question No** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** | **13** |
| **Marks** |  |  |  |  |  |  |  |  |  |  |  |  |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Question No** | **14** | **15** | **16** | **17** | **18** | **19** | **20** | **21** | **22** | **23** | **24** | **25** |
| **Marks** |  |  |  |  |  |  |  |  |  |  |  |  |

1. Onazi Secondary School will wish to change from an enclosed office to an open office. Highlight **four** advantages that will accrue from this. (4mks)

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1. Motor cycles have recently become a very popular mode of transport in Kenya. List **four** benefits a commuters enjoy by using them. (4mks)

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1. Outline **four** factors that may make it necessary for insurance company to reinsure. (4mks)

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1. The following diagram shows a shift in demand curve. Outline **four** reasons that can lead to this shift.

 (4mks)

**Price**

**(shs)**

**D 0**

**D 0**

**D 1**

**D 1**

**Quantity**

**O**

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Kenya has a few oligopoly firms. Highlight **four** sources of oligopoly powers to these firms. (4mks)

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1. Highlight **four** ways in which capital of a business may change (4mks)

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1. For each of the following transactions, indicate with tick **(√ )** in the spaces provided whether it will increase, decrease or have no effect on the balance sheet totals. (4mks)

|  |  |  |  |
| --- | --- | --- | --- |
| Transaction | Increase  | Decrease | No effect |
| a) Investing more cash in business |  |  |  |
| b)Paying creditors in cash  |  |  |  |
| c)Buying a piece of furniture in cash  |  |  |  |
| d)Paying a creditor using money from private source |  |  |  |

1. Below are some entries in the cash book of Romeo Traders for the month of July 2021.

**Cash Book**

**Dr** **Cr**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date(2021) | Details | Cash (shs) | Bank(shs) | Date (2021) | Details | Cash (Shs) | Bank (Shs) |
| July: 1 | Bal b/f | 15,000 |  | July: 1 | Bal.b/f |  | 100,000 |
|  6 | cash |  | 20,000 | 6 | bank | 20,000 |  |
|  20 | sales |  | 15,000 | 15 | wages |  5,000 |  |
|  28 | Debtors | 20,000 |  | 29 | stock |  | 10,000 |
|  |  |  |  | 31 | Bal c/f | 19,000 |  |

State the meaning of the following entries. (4mks)

a) July 1, bal b/f bank column shs.100,000

……………………………………………………………………………………………………………………….

 b) July 6, cash shs. 20,000 and Bank shs. 20,000

……………………………………………………………………………………………………………………….

c) July, 28 debtors shs. 20,000

……………………………………………………………………………………………………………………….

d) July 31 2010, balance c/f shs. 10,000

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1. Highlight **four** roles of an entrepreneur to the economy of a country. (4mks)

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1. Identify the source documents used to enter the following journals. (4mks)

|  |  |
| --- | --- |
| **Journal** | **Source document** |
| (i)Purchase journal | (i) |
| (ii)Returns outwards journal  | (ii) |
| (iii) Sales journal | (iii) |
| (iv)Cash receipt journal | (iv) |

1. State **four** ways in which consumers are likely to suffer when there is no warehousing. (4mks)

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1. Highlight **four** disadvantages of concentrating many firms in Nairobi town. (4mks)

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1. Oscar imports goods from South Africa to Kenya. State **four** conditions that would determine the choice of his distribution channel (4mks)

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1. State **four** ways in which Kenya as a country can conserve her economic resources. (4mks)

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1. Outline **four** ways in which the legal political environment can influence the activities of a business. (4mks)

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1. For each of the following descriptions, identify the corresponding method of product promotion. (4mks)

|  |  |
| --- | --- |
| **DESCRIPTION** | **METHOD OF PROMOTION** |
| Free promotion of a product |  |
| Strategies to increase sales at the point of promotion. |  |
| Impersonal presentation of a product through the mass media |  |
| Ment to improve the reputation of a firm |  |

1. Outline **four** factors that influence the amount of money held by an individual for precautionary motive. (4mks)

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1. The following balances relates to the business of Super loaf traders during the period ended 30th June 2021.

 Shs.

 Rent received 12,000

 Salaries and wages 48,000

 Gross profit 120,000

 Discounts received 7,500

 Insurance 12,500

 Carriage on sales 15,000

 Discounts allowed 6,000

 Prepare the business’s Profit & loss a/c for the period ended 30th June 2021.

1. The following transaction was extracted from books of Kuria business on 31st

March 2004.

 Stock (01/04/05) 8,000

 Stock (31/03/06) 9,000

 Purchases 4,500

 Sales 21,000

 Calculate:

 (i) Margin (2mks)

(ii) Rate of stock turn over. (2mks)

1. Highlight **four**factors that must be considered before spending public funds. (4mks)

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1. Outline **four** circumstances under which a firm may be located near the source of its raw materials. (4mks)

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1. Highlight **four** circumstances under which face – to face communication would be

 preferred to written communication in a firm. (4mks)

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1. State **four** ways how consumers can protect themselves against malpractices by private business people. (4mks)

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1. Highlight **four** problems associated with the measurement of national income using the

output approach. (4mks)

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1. The aggressive campaign for citizens to plan their families seems to be causing

a decline in the country's population growth. Outline four possible effects

of this. (4mks)

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