**TERM 1 2021 EXAM**

**FORM FOUR BUSINESS STUDIES**

1. For each of the following transaction indicate the source documents from which the following transactions would be recorded (4mks)

|  |  |
| --- | --- |
| Transaction | **Source document** |
| Sale of goods on credit | **Sales invoice** |
| Goods returned by customer | **Credit note** |
| Purchase of goods on credit | **Purchase invoice** |
| Correction of an undercharge | **Debit note** |

1. The following transactions were obtained from Adams company in the month of sep 2016

Sep 16. Sold goods on credit to foster company worth sh. 3742 invoice no 132

Sep 20 sold goods on credit to king traders sh 8950 invoice no 133

Sep 25 credit sales to simmer enterprises sh 10,000 invoice no 135

Sep 27 credit sales to king traders sh 9032 invoice no 135

Record the above transaction in the relevant journal (5mks)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Details | Invoice | Folio | Amount |
| Sep 16  Sep 20  Sep 25  Sep 27 | Foster company  King traders  Simmer enterprises  King traders  Total posted to sales a/c (Dr) | 132  133  134  135 | Sl 1  s.l 2  sl 3  sl 4 | 3742  8950  10000  9032  31724 |

1. State four features of a supermarket (4mks)
2. **Goods have price tags**
3. **Requires large capital to start**
4. **Do not sell on credit**
5. **Buy goods in large quantities thus enjoying trade discounts.**
6. **Operate on self service basis**
7. State four types of business activities carried out in Kenya (4mks)
8. **Processing of raw materials**
9. **Extraction of raw materials**
10. **Manufacturing of raw materials**
11. **Trade**
12. **Construction**
13. Indicate the account to debit and an account to credit (4mks)

|  |  |  |
| --- | --- | --- |
| Transaction | Debit | Credit |
| Started business with sh 70,000 in cash | cash | capital |
| Sold good on credit worth sh 8000 | debtors | sales |
| Purchased goods on credit from mugure sh 65000 | purchase | mugure |
| Withdrew ksh 5000 for own use | capital | cash |

1. State any four uses of national income statistics (4mks)
2. **Indicate standards of living of citizens**
3. **Tools for government in planning**
4. **Assess the performance of the economy over time**
5. **Indicate contribution of each sector in the economy**
6. **Compare the standards of living between countries**
7. Outline four methods of reproducing documents (4mks)
8. **Duplicating**
9. **Carbon copying**
10. **Photocopying**
11. **Printing.**
12. State four factors that influence the location of a firm (4mks)
13. **Availability of raw materials**
14. **Availability of market**
15. **Availability of labor**
16. **Government policies.**
17. Highlight four reasons that can lead to dissolution of a partnership (4mks)
18. **Continued disagreement**
19. **Court order**
20. **Completion of intended purpose**
21. **Admission of a new partner.**
22. Identify any four roles of intermediaries in the chain of distribution (10 mks)
23. **Continued disagreement**
24. **Court order**
25. **Completion of intended purpose**
26. **Admission of a new partner**
27. Highlight four factors that may lead to a shift of a demand curve to the right ( 4 mks)
28. **Increase in consumers income**
29. **Increase in population**
30. **Favorable tastes and preference**
31. **Favorable government policies**
32. Outline five characteristics of economic resources
33. **Have utility**
34. **Can be combined**
35. **Have alternative uses**
36. **Have monetary value**
37. **They are complementary.**