

NAME _____ INDEX NO _____

SIGNATURE _____

DATE _____

KIKUYU SUB-COUNTY SEPTEMBER 2017

FORM 4 BUSINESS STUDIES 565/1
Time: 2 HOURS

INSTRUCTIONS: ANSWER ALL THE QUESTIONS IN THE SPACES PROVIDED.

1. Highlight **four** reasons why a cheque may be dishonoured. (4 marks)
 - (a)
 - (b)
 - (c)
 - (d)
2. Highlight **four** characteristics of labour as a factor of production. (4marks)
 - (a)
 - (b)
 - (c)
 - (d)
3. State **four** factors that influence the level of national income of a country. (4 marks)
 - (a)
 - (b)
 - (c)
 - (d)
4. Outline **four** benefits of a bonded warehouse to the government. (4 marks)
 - (a)
 - (b)
 - (c)
 - (d)
5. Outline **four** reasons why a trader may prefer to transport his goods by train. (4 marks)
 - (a)
 - (b)
 - (c)
 - (d)

6. State the books of original entry in which the following document are used.
- (a) Incoming receipt _____
 (b) Incoming receipts _____
 (c) Outgoing Credit note _____
 (d) Outgoing Invoice _____
7. Outline **five** functions of money. (5 marks)
 (a) _____
 (b) _____
 (c) _____
 (d) _____
8. Using the balance sheet equation, fill in the missing figures in the table below. (30 marks)

<u>CAPITAL</u>	<u>LIABILITIES</u>	<u>ASSETS</u>
290,000	a	303,401
b	21,920	55,360
2,400	1,500	c

9. Highlight **four** reasons why consumers need to be protected.
 (a) _____
 (b) _____
 (c) _____
 (d) _____
10. State **four** equipments that can be used in a School to reproduce documents. (4 marks)
 (a) _____
 (b) _____
 (c) _____
 (d) _____
11. From the factors given below, state whether the factor constitute internal or external business environment.

Factor	Environment
(a) Social beliefs (b) Shareholder's resolutions (c) Market interest rate (d) Firm's physical infrastructure	

12. Outline **four** ways in which business studies may be of benefit to an individual. (4 marks)
 (a) _____
 (b) _____
 (c) _____
 (d) _____
13. In the course of preparing her balance sheet as at 31st Dec. 2007, Kemunto found out that she had capital amounting to sh. 120,000 in her business. During the year, investments

totaled to sh. 50,000 while drawings were s h. 56,000. Calculate her initial capital as at 1st Jan. 2007, if the profit was sh. 38,000. (4 marks)

14. Outline **four** circumstances under which a partnership may be dissolved. (4 marks)

- (a)
- (b)
- (c)
- (d)

15. Outline **four** circumstances under which communication may be ineffective. (4 marks)

- (a)
- (b)
- (c)
- (d)

16. State the principle of Insurance to which each of the following statements relate. (4mks)

- (a) There is a close connection between the cause of loss and the actual risk Insured against for compensation to the effected _____
- (b) A person can **only** Insure property whose destruction would result to a financial loss to him/or her _____
- (c) Restoring the Insured to the financial position he/she was in just before the risk occurred _____
- (d) Whatever remains of the property Insured after compensation becomes the property of the Insurer _____

17. Outline **four** factors that a producer would consider when selecting a distribution channel.

- (4mks)
- (a)
 - (b)
 - (c)

(d)

18. Highlight **four** benefits of Kenya involving itself in International trade. (4 marks)

- (a)
- (b)
- (c)
- (d)

19.

Outline any **four** factors that would have led to the phenomenon shown in the diagram. (4mks)

- (a)
- (b)
- (c)
- (d)

20. The following information was extracted from the books of Maina Wanjoki for the month of

	Sh.
Opening stock	22,000
Closing stock	26,000
Purchases	100,000
Mark-up	10%

Prepare the trading account for the month ending 31/8/2016. (4 marks)

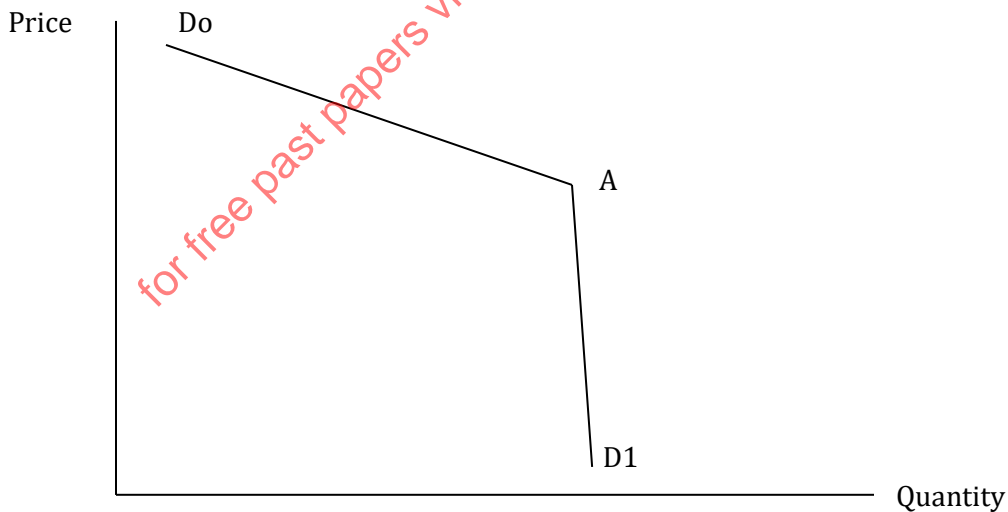
21. From the table below, match the statements with the type of unemployment in Kenya. (4mks)

Statement	Type of Employment
(a) Type of unemployment that occurs repeatedly at similar times.	_____
(b) Kind of unemployment that occurs when people lose jobs and are looking for new ones.	_____
(c) Occurs when demand for labour declines due to either changes in production methods or decrease in the supply of goods/services	_____
(d) Caused by seasonal changes.	_____

22. Highlight any **four** sources of public finance. (4 marks)

- (a)
- (b)
- (c)
- (d)

23. The diagram below represents the demand curve of a market structure.



- (a) State the name give to such a demand curve _____
- (b) Indicate in the diagram the equilibrium price and quantity for the firm. (1 mark)
- (c) State the significance of point A labeled on the diagram. (2 marks)

24. Outline **four** ethical issues in product promotion. (4 marks)

- (a)
- (b)
- (c)
- (d)

25. Outline **four** factors that may hinder economic development. (4 marks)

- (a)
- (b)
- (c)
- (d)

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