

BUSINESS STUDIES F4

FORM 3 PAPER 1 565/1

ANSWER ALL QUESTIONS IN THE SPACES PROVIDED.

1. Outline **four** external business environments that may negatively affect performance of the business. (4 marks)

- (i)
- (ii)
- (iii)
- (iv)

2. Complete the table below. (4 marks)

Assets	Capital	Liabilities
(i) 63,450	44,850	_____
(ii) _____	650,230	123,500
(iii) 896,470	_____	241,439
(iv) 781,000	450,000	_____

3. State **four** components of Business studies. (5 marks)

- (i)
- (ii)
- (iii)
- (iv)

4. State **four** reasons why it is important to prepare business plans. (4 marks)

- (i)
- (ii)
- (iii)
- (iv)

5. Mention **four** roles played by intermediaries in the chain of distribution. (4 marks)

- (i)
- (ii)
- (iii)
- (iv)

6. State **four** trade promotion tools used by producers to attract traders to retail their products. (4 marks)

- (i)
- (ii)
- (iii)
- (iv)

7. Outline **four** differences between insurance and assurance. (4 marks)

Insurance	Assurance
(i)	
(ii)	
(iii)	
(iv)	

8. Give **four** types of expenditure used in measuring National Income using the expenditure approach. (4 marks)

- (i)
- (ii)
- (iii)
- (iv)

9. Outline **four** advantages a firm may enjoy by being quoted at the Nairobi Securities Exchange. (4 marks)

- (i)
- (ii)
- (iii)
- (iv)

10. For each of the following transactions, state the account to be debited and the account to be credited in respect to the following transactions. (4 marks)

Transactions	A/c to be Debited	A/c to be Credited
(i) Bought goods and paid by cheque		
(ii) Donated personal savings to the business		
(iii) Deposited business cash in the bank		
(iv) A debtor paid cash for credit sales		

11. Match each of the following classes of business activities with the correct statement in the table below. (Manufacturing, Extraction, Processing, Distribution). (4 marks)

Statement	Activity
(i) Combining different raw materials and converting them into finished goods.	
(ii) Collecting goods from various producers and storing them for onward sale.	
(iii) Drilling for oil	
(iv) Flour milling	

12. Outline **four** factors that may accelerate the growth of a firm. (4 marks)

- (i)
- (ii)
- (iii)
- (iv)

13. State **four** causes of changes in capital for a business. (4 marks)

- (i)
- (ii)
- (iii)
- (iv)

14. Highlight **four** challenges that a person may encounter when using a mobile phone. (4mks)

- (i)
- (ii)
- (iii)
- (iv)

15. State **four** circumstances under which a pro-forma invoice can be used. (4 marks)

- (i)
- (ii)
- (iii)
- (iv)

16. Kenya is currently experiencing a high rate of unemployment. Highlight any **four** measures that the country may take to reduce unemployment. (4 marks)
- (i)
 - (ii)
 - (iii)
 - (iv)
17. Outline **four** reasons for continued existence of portage despite advanced transport system in Kenya. (4 marks)
- (i)
 - (ii)
 - (iii)
 - (iv)
18. Highlight **four** reasons for the increased market demand for a given commodity. (4mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
19. Outline **four** advantages of an open office layout. (4 marks)
- (i)
 - (ii)
 - (iii)
 - (iv)
20. Outline **four** characteristics of human wants. (4 marks)
- (i)
 - (ii)
 - (iii)
 - (iv)
21. Give **four** errors that cannot be revealed by a trial balance. (4 marks)
- (i)
 - (ii)
 - (iii)
 - (iv)

22. Outline **four** circumstances under which a government may find it necessary to form a Parastatal. (4 marks)

- (i)
- (ii)
- (iii)
- (iv)

23. Highlight **four** features of a perfect competition market structure. (4 marks)

- (i)
- (ii)
- (iii)
- (iv)

24. Record the following information of Oraro Traders in the two column cash book and balance it out. (4 marks)

6/6/2012: Balance were as follows

Cash sh. 60,000

Bank overdraft sh. 50,000

10/6/2012: Sold goods worth Sh. 1800 and received a cheque.

12/6/2012: Deposited ksh. 20,000 into the bank account

14/6/2012: Withdrew all the money from the bank except ksh. 500 for business use.

Date	Details	F	Cash	Bank	Date	Details	F	Cash	Bank

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25. Name the types of warehouses associated with each of the statements given below.

(4mks)

Statement	Type of warehouse
(i) Goods can be stored before payment of customs duty	
(ii) Individuals can hire storage facilities	
(iii) Goods are stored from several manufacturers	
(iv) Specialized goods are stored	

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