

FORM 3
BUSINESS STUDIES
END TERM EXAM - MARCH 2016
TIME: 2HRS

NAME.....CLASS.....ADMIN NO.....

Answer all the questions.

1. Outline the importance of Business Studies in a society (4mks)

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2. Outline any four factors that one considers when choosing a reprographic method. (4mks)

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3. Outline the use if the following documents as used in home trade. (4mks)

i) Catalogue

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ii) Acknowledgement note

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iii) Credit note

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v) Letter of inquiry

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4. State any four limitations of using credit cards in making payments. (4mks)

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5. Distinguish between Postal orders and money orders

Postal Orders	Money Orders
i)	
ii)	
iii)	
iv)	

6. Give four reasons why you would require that your office be automated. (4mks)

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7. Outline any four functions of an office. (4mks)

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8. Outline any four importance of entrepreneurship to an economy. (4mks)

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9. Outline the purpose of the following types of ledgers.

i) Purchases ledger

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ii) Sales ledger

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iii) Cash book

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iv) Nominal ledger

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10. Write short notes on the following terms (4mks)

i) Registered mail.....

ii) Poste restante.....

iii) Business Reply service.....

iv) Speed post.....

11. Outline any four features of a bonded warehouse (4mks)

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12. State the procedure for obtaining an insurance policy. (4mks)

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13. Distinguish between a public limited and a private limited company (4mks)

Public Limited Company	Private Limited Company
i)	
ii)	
iii)	
iv)	

14. Outline any four limitations of using containers in transportation (4mks)

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15. State any four measures that consumers can take to protect themselves from exploitation by businessmen (4mks)

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16. State any five reasons for Government involvement in business activities (5mks)

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17. The following balances were extracted from the books of Dupa traders as at 31st December 2000 (5mks)

Buildings	100,000
Debtors	54,000
Capital	136,000
Sales	85,000
Purchases	48,000
Stock	25,400
Creditors	37,500
General expenses	31,800
Bank overdraft	2,500

Prepare trial balance as at 31st December 2000

SECTION B

1. Explain any five factors that should be considered when establishing a Warehouse (10mks)
2. Using a well labeled diagram explain the effect of an increase in supply on the equilibrium. (10mks)
3. Explain any five characteristics of an economic resource. (10mks)