

NAME:..... INDEX NO:.....

GATUNDU SOUTH FORM FOUR 2016 EVALUATION EXAM

565/1

BUSINESS STUDIES

PAPER 1

JULY/AUGUST 2016

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

- ❖ Write your name and Index numbers in the spaces provided.
- ❖ Answer all questions in spaces provided.
- ❖ All answers should be written in the spaces provided in this booklet.

Qs	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Mks														

Qs	15	16	17	18	19	20	21	22	23	24	25
Mks											

TOTAL MARKS	
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1. Highlight four ways in which business studies may be of benefit to an individual. (4 Mks)

- (a)
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- (b)
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- (c)
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- (d)
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2. Outline four features of economic resources. (4 Mks)

- (a)
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- (b)
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- (c)
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- (d)
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3. Highlight four characteristics of labour as a factor of production. (4 Mks)

- (a)
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(b)
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(c)
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(d)
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4. List four sources of business idea. (4 Mks)

(a)
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(b)
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(c)
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(d)
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5. Highlight four elements of a carbon copying in the reproduction of documents. (4 Mks)

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

6. Outline four differences between hire purchase and installment buying. (4 Mks)

	Hire purchase	Installment buying
(i)		
(ii)		
(iii)		
(iv)		

7. Mention four current trends in forms of business units. (4 Mks)

(a)

 (b)

(c)
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(d)
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8. Outline four duties of commercial attaches. (4 Mks)

(a)
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(b)
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(c)
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(d)
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9. Highlight four advantages of human portorage. (4 Mks)

(a)
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(b)
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(c)
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(d)
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10. Outline four ways that the government can use to influence the quantity of a commodity supplied. (4 Mks)

- (a)
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- (b)
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- (c)
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- (d)
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11. List four factors that determine the size of a firm. (4 Mks)

- (a)
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- (b)
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- (c)
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- (d)
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12. Outline four factors that a producer would consider when selecting a distribution channel. (4 Mks)

- (a)
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- (b)

 (c)

 (d)

13. Outline four challenges that may be encountered when measuring national income using income approach. (4 Mks)

- (a)

 (b)

 (c)

 (d)

14. The following information was obtained from the records of Biashara traders as at 31st December 2014.

	Sh.
Long term loan	20,000
Debtors	6,000
Cash at bank	24,000
Creditors	14, 000
Furniture	40,000
Stock	10,000

Prepare Biashara Traders balance sheet as at 31st December 2014.

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15. Highlight four advantages of trade restriction. (4 Mks)

- (a)
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- (b)
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- (c)
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- (d)
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16. The following information was extracted from the books of Sunrise Enterprise on 30th June 2012

Item	Shs
Purchases	200,000
Opening stock	44,000
Closing stock	52,000
Mark - up	20%

Prepare the Trading account of Sunrise Enterprise for the year ended 30th June 2012. (4 Mks)

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17. Outline four circumstances under which sign language would be appropriate. (4 Mks)

(a)

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(b)
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(c)
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(d)
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18. Highlight four possible consequences that may arise due to poor arrangement of goods in a warehouse. (4 Mks)

(a)
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(b)
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(c)
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(d)
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19. Outline four factors that may hinder economic developments. (4 Mks)

(a)
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(b)
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(c)
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(d)
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20. Highlight four reasons that may necessitate insurance companies to re-insurance. (4 Mks)

(a)
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(b)
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(c)
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(d)
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21. Outline four advantages of window display as a method of product promotion. (4 Mks)

(a)
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(b)
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(c)
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(d)
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22. Outline four negative effects of an ageing population in an economy. (4 Mks)

- (a)
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- (b)
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- (c)
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- (d)
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23. On 1 April 2014, Kama Traders had Sh 200,000 in cash and Sh 70,000 bank overdraft.

During the month the following transactions took place.

April 10 A debtor settled his account of sh 500,000 by cheque less 5% cash discount.

April 15: Settled Jane's account of sh 90,000 by cheque less 3% cash discount.

April 30: Banked all cash except sh 40,000.

Enter the above information in the cash book given. (4 Mks)

Cash book

Dr										Cr
Date	Details	Discount Allowed	Cash	Bank		Date	Details	Discount Received	Cash	Bank

24. Highlight four advantages of a fixed deposit account. (4 Mks)

- (a)
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- (b)
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- (c)
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- (d)
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25. State four sources of monopoly power. (4 Mks)

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