

**VIRAJ INTERNATIONAL ACADEMY**

HUMANITIES AND CTV

DEPARTMENT

**FORM FOUR BUSINESS STUDIES PP**

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**END**

**-**

**TERM**

**EXAMINATION**

**ACADEMIC YEAR**

**202**

**1**

**/202**

**2**

**DURATION:**

**2**

**HOURS**

***Additional***

***Materials:***

*NONE.*

**READ AND FOLLOW THESE INSTRUCTIONS:**

1.

Write

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name,

class,

subject

tutor’s

name and date in the spaces

provided

below.

2.

Write in

**black**

or

**dark**

**blue**

ink.

You

may

use a soft pencil for any

diagrams, graphs

or

rough work.

3.

Do

not

use staples, paper clips, highlighters, and glue

or

correction fluid.

4.

Answer

**any five**

questions

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5.

The number

of

marks is given in brackets

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each question

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question.

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**NAME:**

**CLASS:**

**SUBJECT**

**TUTOR:**

**DATE:**

*READ, LEAD, SUCCEED*

 2

1. a) Highlight **five** disadvantages of advertising to consumers. (10 marks)

b) Describe the procedure of obtaining insurance policy (10 marks)

1. a) The following balances were obtained from the books of Nzioka Traders on 1st January,

 2012.

 Shs

 Stock 5,000

 Debtors 2,000

 Cash in hand 4,000

 Premises 80,000

 Capital 66,000

 Machinery 18,000

 Overdraft 6,000

 Creditors 12,000

 Five year loan 25,000

The following transactions took place in the first week of January 2012.

1. Jan 2nd: Received from debtors sh. 1000 by cheque.
2. Jan 3rd: Sold goods worth Shs 2000 for Shs 4000 and

 Deposited the money in the business bank account.

1. Jan 4th: Paid Sh 1000 in cash part of the five year loan.
2. Jan 5th: Deposited Sh 2500 in bank account from cash till.

  **Required**:

 Prepare Nzioka Traders balance sheet as at 5th January, 2012 after the transactions took place. (10 marks)

 b) Explain **five** measures that can be taken to curb the problem of unemployment in Kenya.

 (10 marks)

1. a) Explain five differences between a sole proprietorship and a public limited company.

 (10 marks)

 b) Kenya has experienced a lot of loses through road carnage. Explain **five** measures the government has taken to reduce further loss of lives. (10 marks)

1. a) The following information relates to Kalondu Traders for the year 2010.

 Shs

 Turnover 270,000

 Margin 40%

 Rate of stock turnover 6 times

 Expenses 40,000

 From the above information, determine:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| i) Gross profit  |   |   |   |   |   |  (3 marks)  |
| ii) Cost of goods sold  |   |   |   |   |   |  (2 marks)  |
| iii) Net profit  |   |   |   |   |   |  (2 marks)  |
| iv) Average stock  |   |   |   |   |   |  (3 marks)  |

b) Explain five negative implications of a young population.  (10 marks)

1. a) Explain any **five** benefits that a public limited company enjoys. (10 marks)

 b) With the aid of a diagram, explain the effect of a decrease in the supply of a

 commodity while its demand remains constant. (10 marks)

1. a) Explain five services that may be offered by wholesalers to the retailers. (10 marks)
b) Explain **five** methods and legislations which the Kenyan government has put in place to protect consumers. (10 marks)