

**VIRAJ INTERNATIONAL ACADEMY**

# HUMANITIES AND CTV DEPARTMENT

## FORM FOUR BUSINESS STUDIES PP1

**KNC END-TERM EXAMINATION**

### ACADEMIC YEAR 2021/2022

**DURATION: 2HOURS**

***Additional Materials:***

*NONE.*

##### READ AND FOLLOW THESE INSTRUCTIONS:

1. Write your 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 ALL questions.
5. The number of marks is given in brackets **[ ]** at the end of each question or part question.
6. This paper consists of **9 printed** pages and the total number of marks is **100.**

**NAME:**

**CLASS:**

#### SUBJECT TUTOR:

**DATE:**

*READ, LEAD, SUCCEED*

1. Identify reasons why national income statistics are not a good measure of comparing standards of living in different countries. (4 marks)

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1. Bismarck would like to start a business and has come to you for advice on some of the roles

he is expected to play. State them. (4 marks)

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1. Below is the cash account of clement stores for the first week of March 2015.

|  |  |  |  |
| --- | --- | --- | --- |
| Cash Account | | | |
| 2015 | Shs | 2015 | Shs |
| March 2: Capital | 3000 | March 3: Purchases | 2000 |
| March 4: Sales | 1500 | March 6: Wages | 300 |

State the possible transactions that could have given rise to the entries above. (4 marks)

1. March 2: …………………………………………………………………………………
2. March 3: …………………………………………………………………………………
3. March 4: ………………………………………………………………………………….
4. March 6: …………………………………………………………………………………..
5. State **four** reasons why the government may prefer to use direct taxes. (4 marks)

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1. Transporting goods in containers is becoming very popular in the world today. Give **four**

reasons for this popularity. (4 marks)

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1. Below is the structure of an official letter.

**(1)**

Dear Sir **(2)**

RE: ……………………………………………………………………..………………..... **(3)**

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BODY

Yours faithfully **(4)**



Name of writer

Name the parts marked 1−4 (4 marks)

1. …………………………………………………………………………………………..
2. ………………………………………………………………………………………..
3. …………………………………………………………………………………………..
4. …………………………………………………………………………………………
5. Highlight **four** causes of balance of payments disequilibrium. (4 marks)

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1. What are **four** shortcomings of the level of population represented by the shaded region in the diagram below? (4 marks)



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1. Name the documents described by each of the following statements (4 marks)

|  |  |  |
| --- | --- | --- |
|  | Used to correct an overcharge in the invoice |  |
|  | Written by the buyer requesting the seller to supply goods |  |
|  | A demand by the seller for payment for goods sold on credit |  |
|  | Request by a prospective buyer for information about goods |  |

1. State **four** elements of cost associated with office machines. (4 marks)

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1. Briefly explain the meaning of the following terms. (4 marks)
2. Cartel …………………………………………………………………………………………..

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1. Absorption………………………………………………………………………………..

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1. Franchising…………………………………………………………………………..

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1. Performance contract …………………………………………………………………..

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1. Name the accounts to be debited and credited for each of the transactions shown in the table

below. (4 marks)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Transaction | A/c to debit | A/c to credit |
|  | Bought goods on credit from Kamene |  |  |
|  | Took soda from stock to entertain own children |  |  |
|  | Paid for office expenses in cash |  |  |
|  | Sold old motor vehicle and received a cheque |  |  |

1. Prepare a trading account from the following information found in the books of Emilio on 31st December 2014. (5 marks)

|  |  |
| --- | --- |
|  | Shs |
| Stock 01/01/2014 | 3000 |
| Purchases | 16000 |
| Sales | 9000 |
| Return outwards | 4000 |
| Returns inwards | 500 |
| Stock 31/12/2014 | 7000 |

1. List **four** causes of cost – push inflation. (4 marks)

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1. The government would like to encourage investors to locate businesses in rural areas.

Outline **five** measures that it can use. (5 marks)

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1. Mr. Maseno would like to create departments in his organization. Highlight factors that he

should consider. (4 marks)

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1. The following diagram shows a credit side of a three-column cashbook.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| (A) |  | (B) | (C) | (D) | (E) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

Name the columns labelled A, B, C, D and E. (5 marks)

1. ………………………………………………………………………………………..
2. ………………………………………………………………………………………..
3. …………………………………………………………………………………………..
4. ………………………………………………………………………………………..

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18. State whether the following factors fall under micro-environment or macro-environment.

(4 marks)

|  |  |  |
| --- | --- | --- |
|  | Competitive environment |  |
|  | Legal-political environment |  |
|  | Business structure |  |
|  | Business culture |  |

1. State the appropriate level of production for each of the following activities. (4 marks)

|  |  |  |
| --- | --- | --- |
|  | Harvesting maize |  |
|  | Oil refining |  |
|  | Advertising |  |
|  | Fishing |  |

1. Name **three** source documents from which information entered in the cash receipts and cash

payments journals may be obtained. (3 marks)

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1. State **four** factors that may necessitate re-insurance. (4 marks)

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1. Mention **four** services available to customers who use m-banking facility. (4 marks)

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1. A cheque has three parties. Identify who they are in the following story:

Marian has a current account at Equity Bank. She paid Cynthia by cheque. (3 marks)

Marian……………………………………………………………………………………..

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Equity Bank ……………………………………………………………………………..

………………………………………………………………………………………………..

Cynthia ………………………………………………………………………………..

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24. Name **three** types of wholesalers according to the goods they handle. (3 marks)

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1. The following is the organization chart of a public limited company. Identify and name the parts

marked A – D. (4 marks)

**A**

**BOD**

**B**

**D**

**C**

**Finance**

A…………………………………………………………………………………………..

B…………………………………………………………………………………………..

C…………………………………………………………………………………………..

D…………………………………………………………………………………………..