SUNRISE EVALUATION EXAMS FORM 4 - 2021

Kenya Certificate of Secondary Education (K.C.S.E)

| Name | Adm | No Class |
|------------------|------|----------------------|
| School | | Candidates Signature |
| Date | | |
| | GRAN | ND TOTAL |
| 565/1 | | |
| BUSINESS STUDIES | | |
| Form 4 | | |
| SEPTEMBER 2021 | | |

Time: 2 Hours <u>INSTRUCTIONS TO CANDIDATES</u>

Answer all the questions in the spaces provided.

For Examiner's Use Only

| Question No | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|-------------|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Marks | | | | | | | | | | | | | |
| Question No | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | |
| Marks | | | | | | | | | | | | | |

| 1. | Onazi Secondary School will wish to change from an enclosed office to an open office. | | | | | | |
|----|---|---|--|--|--|--|--|
| | Highlight four advantages that will accrue from this. | (4mks) | | | | | |
| | | • | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| 2. | Motor cycles have recently become a very popular mode of transport in Kenya. L | ist four | | | | | |
| | benefits a commuters enjoy by using them. | (4mks) | | | | | |
| | | • | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| 3. | Outline four factors that may make it necessary for insurance company to reinsur | | | | | | |
| | | (4mks) | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| 1 | The following diagram shows a shift in domand curve Outline four reasons that | | | | | | |
| 1. | The following diagram shows a shift in demand curve. Outline four reasons that this shift. | can lead to | | | | | |
| | A | (4mks) | | | | | |
| | D 0 D 1 | (HIIKS) | | | | | |
| | Price | | | | | | |
| | (shs) | | | | | | |
| | | | | | | | |
| | D 0 D 1 | | | | | | |
| | Quantity | | | | | | |
| | | | | | | | |
| | | | | | | | |

| | • | ••••• | | |
|--|---|--------------|---|---|
| | | 1. 1 | | ············ |
| 5. Kenya has a few oligopoly firms. Highlight fou | r sources of | ongopoly p | | |
| | | | (4 | mks) |
| | ••••• | ••••• | • | • |
| | ••••• | ••••• | • | • |
| | ••••• | ••••• | • | • • • • • • • • • • • • • |
| 6. Highlight four ways in which capital of a busing | ess may cha | nge | (Δ | mks) |
| o. The fine it ways in which capital of a basin | coo may cha | nge | (1 | пкој |
| | •••••• | ••••• | • | • |
| | ••••• | ••••• | • | • • • • • • • • • • • • |
| | | | | |
| | | | • | |
| 7. For each of the following transactions, indicate | with tick ($$ |) in the spa | ces provided | whether |
| will increase, decrease or have no effect on the | balance shee | et totals. | (4 | mks) |
| Fransaction | Increase | Decreas | No effect | |
| | | e | | |
|) Investing more cash in business | | | | |
|)Paying creditors in cash | | | | |
| Buying a piece of furniture in cash | | | | |
| d)Paying a creditor using money from private source | | | | |
| | 1 | 1 | 1 | _ |

8. Below are some entries in the cash book of Romeo Traders for the month of July 2021.

Cash Book

| Dr | | | | | | | Cr |
|-----------|---------|-------|----------|--------|---------|-------|-------|
| Date(2021 | Details | Cash | Bank(shs | Date | Details | Cash | Bank |
|) | | (shs) |) | (2021) | | (Shs) | (Shs) |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

| July: 1 | Bal b/f | 15,000 | | July: 1 | Bal.b/f | | 100,000 |
|---------|---------|--------|--------|---------|---------|--------|---------|
| 6 | cash | | 20,000 | 6 | bank | 20,000 | |
| 20 | sales | | 15,000 | 15 | wages | 5,000 | |
| 28 | Debtors | 20,000 | | 29 | stock | | 10,000 |
| | | | | 31 | Bal c/f | 19,000 | |

| St | ate the meaning of the following ϵ | (4mks) | | | | | | |
|--------|--|---|--------|--|--|--|--|--|
| a) | July 1, bal b/f bank column shs.1 | 100,000 | | | | | | |
| | | | | | | | | |
| b | b) July 6, cash shs. 20,000 and Bank shs. 20,000 | | | | | | | |
| ••• | | | | | | | | |
| c) | July, 28 debtors shs. 20,000 | | | | | | | |
| | July 31 2010, balance c/f shs. 10,0 | | | | | | | |
| u) | July 31 2010, valance C/1 313. 10,0 | | | | | | | |
| э. H | ighlight four roles of an entrepren | neur to the economy of a country. | (4mks) | | | | | |
| • • • | | | | | | | | |
| • • | | | | | | | | |
| • • • | | | | | | | | |
| • • • | | | | | | | | |
| 10. Id | entify the source documents used | to enter the following journals. | (4mks) | | | | | |
| | Journal | Source document | | | | | | |
| | (i)Purchase journal | (i) | | | | | | |
| | (ii)Returns outwards journal | (ii) | | | | | | |
| | (iii) Sales journal | (iii) | | | | | | |
| | (iv)Cash receipt journal | (iv) | | | | | | |
| | | | | | | | | |
| 11. St | ate four ways in which consumer | s are likely to suffer when there is no | _ | | | | | |
| | | | (4mks) | | | | | |
| | | | | | | | | |

| 12. | Highlight four disadvantages of concentrating many firms in Nairobi town. | (4mks) |
|-----|---|-------------|
| | | |
| | | |
| | | |
| | | |
| 13. | Oscar imports goods from South Africa to Kenya. State four conditions that would | d determine |
| | the choice of his distribution channel | (4mks) |
| | | , |
| | | •••••• |
| | | •••••• |
| | | ••••• |
| | | ••••• |
| 14. | State four ways in which Kenya as a country can conserve her economic resources | 3. |
| | | (4mks) |
| | | |
| | | |
| | | |
| | | •••••• |
| 4 = | | |
| 15. | Outline four ways in which the legal political environment can influence the activ | |
| | business. | (4mks) |
| | | |
| | | |
| | | |
| | | |
| 14 | For each of the following descriptions, identify the corresponding method of most | luct |
| 10. | For each of the following descriptions, identify the corresponding method of production. | (4mks) |

| DESCRIPTION | METHOD OF PROMOTION |
|---|---------------------|
| Free promotion of a product | |
| Strategies to increase sales at the point of promotion. | |
| Impersonal presentation of a product through the mass media | |
| Ment to improve the reputation of a firm | |

| precautionary motive. (4mks) | ′ | . Outline four factors that influence the amount of money held by an individual for | | | | | | | |
|------------------------------|---|--|--------|--|--|--|--|--|--|
| | | precautionary motive. | (4mks) | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

18. The following balances relates to the business of Super loaf traders during the period ended 30^{th} June 2021.

| | SHS. |
|--------------------|---------|
| Rent received | 12,000 |
| Salaries and wages | 48,000 |
| Gross profit | 120,000 |
| Discounts received | 7,500 |
| Insurance | 12,500 |
| Carriage on sales | 15,000 |
| Discounts allowed | 6,000 |

Prepare the business's Profit & loss a/c for the period ended 30^{th} June 2021.

19. The following transaction was extracted from books of Kuria business on 31st March 2004.

Stock (01/04/05) 8,000 Stock (31/03/06) 9,000

| | Purcha Sales Calcul | | 4,500 21,000 | |
|-----|---------------------------|---|--|-------------------|
| | (i) | Margin | | (2mks) |
| | (ii) | Rate of stock turn or | ver. | (2mks) |
| 20. | Highli | ight four factors that | must be considered before spending public funds. | (4mks) |
| 21. | Outlir | ials. | s under which a firm may be located near the source o | (4mks) |
| 22. | Ŭ | ight four circumstand red to written comm | ces under which face – to face communication would lunication in a firm. | oe (4mks) |
| 23. | | four ways how consuess people. | umers can protect themselves against malpractices by j | private (4mks) |

| 24. | Highlight four problems associated with the measurement of national income us | ing the |
|-----|---|---------|
| | output approach. | (4mks) |
| | | |
| | | |
| | | |
| | | |
| 25. | The aggressive campaign for citizens to plan their families seems to be causing a decline in the country's population growth. Outline four possible effects | |
| | of this. | (4mks) |
| | | ••••• |
| | | •••••• |
| | | |
| | | |