**SUNRISE 2 END TERM 2 EXAMS FORM 4 - 2022**

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

**Name…………………………………………………………………Adm No….………… Class………**

**School ………………………………………………………………Candidates Signature………….**

**Date………………….**

**TERM 2 2022**   **Student Target**

**565 / 1**

**BUSINESS STUDIES PAPER ONE**

**Form 4**

**September 2022**

**Time: 2 Hours**

**INSTRUCTIONS TO CANDIDATES**

1. *Answer all the questions in the spaces provided.*

**For Examiner’s Use Only (100 Marks)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Question No** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** | **13** |
| **Marks** |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **14** | **15** | **16** | **17** | **18** | **19** | **20** | **21** | **22** | **23** | **24** | **25** |
|  |  |  |  |  |  |  |  |  |  |  |  |

 **ACHIEVED**

1. Outline **four** benefits that a business gain from its environment. (4mrks)

(i)………………………………………………………………………………………………………

(ii)………………………………………………………………………………………………………

(iii) ……………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. Highlight **four** limitations that small scale retailer operators face. (4mrks)

(i)………………………………………………………………………………………………………

(ii)………………………………………………………………………………………………………

(iii) ……………………………………………………………………………………………………..

(iv)………………………………………………………………………………………………………

 4. Outline **four** ways in which inflation can be controlled by the government. (4mrks)

(i)………………………………………………………………………………………………………

(ii)………………………………………………………………………………………………………

iii)………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. The following items belong to Mlamba Wholesalers as at 31st Dec 2018

|  |  |
| --- | --- |
|  |  |
| Motor vehicle | 75,000 |
| Stock | 4,000 |
| Overdraft | 11,100 |
| Creditors | 5,740 |
| Debtors | 6,200 |
| Commission paid | 2,000 |
| Cash | 10,000 |
| Returns Outwards  | 3,400 |
| Returns Inwards | 1,400 |
| Capital | 78,360 |

Required, draw Mlamba’s trial balance as at 31st December 2018. (5mks)

1. The bodaboda motorcycles are very popular both in urban and rural environment. Highlight **four** disadvantages of this method of transport. (4mks)

(i)………………………………………………………………………………………………………

(ii)………………………………………………………………………………………………………

(iii) ……………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. Lopez who completed building a house has insured it against the risk of fire. State **four** circumstances that may prevent her from being compensated in an event of loss occurring. Outline **four** benefits that a business gain from its environment. (4mrks)

(i)………………………………………………………………………………………………………

(ii)………………………………………………………………………………………………………

(iii)………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. Outline **four** characteristics of economic resources. (4mks)

(i)………………………………………………………………………………………………………

(ii)………………………………………………………………………………………………………

(iii) ……………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. Outline **four** disadvantages of division of labour. (4mks)

(i)………………………………………………………………………………………………………

(ii)………………………………………………………………………………………………………

(iii) ……………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. Give **four** benefits one gets from self-employment. (4mks)

(i)………………………………………………………………………………………………………

(ii)………………………………………………………………………………………………………

(iii) ……………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. Shaban started a shop dealing in ladies clothing but failed after two years. Outline *four*

 factors that may have caused this failure. (4mks)

(i)………………………………………………………………………………………………………

(ii)………………………………………………………………………………………………………

(iii)………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. Highlight **four** challenges passed to a country by a rapidly growing population. (4mks)

(i)………………………………………………………………………………………………………

(ii)………………………………………………………………………………………………………

(iii) ……………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. State the type of utility created by each of the following activities: (4mks)

i)Delivery Milk to a customer ………………………………………………………………

ii)Keeping money in the bank………………………………………………………………

iii)Selling bread to a student……………………………………………………………………

iv)Making uniform for students………………………………………………………………

1. Highlight **four** factors which hinder economic development in a country. (4mks)

(i)………………………………………………………………………………………………………

(ii)………………………………………………………………………………………………………

(iii) ……………………………………………………………………………………………………

iv)………………………………………………………………………………………………………

1. Outline **four** means used by commercial banks to transfer money. (4mks)

(i)………………………………………………………………………………………………………

ii)………………………………………………………………………………………………………

(iii)………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. Mention **four** unethical Practices in product promotion. (4mks)

(i)………………………………………………………………………………………………………

(ii)………………………………………………………………………………………………………

(iii) ……………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. State **four** reasons why the volume of exports from less developed countries to the developed countries tend to be low. (4mks)

 (i)………………………………………………………………………………………………………

(ii)………………………………………………………………………………………………………

(iii) ……………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. The average consumer price for a commodity for various years is shown below

|  |  |  |
| --- | --- | --- |
| **Year**  | **Consumer price** | **Consumer price index** |
|  | shs |  |
| 2004 | 120 | 100 |
| 2005 | 145 | a. |
| 2006 | 160 | b. |
| 2007 | 170 | c. |
| 2008 | 175 | d. |

Calculate the consumer price index using year 2004 as the base year. (4mks)

1. State four benefits that consumers get from small scale retailers. (4mrks**)**

(i)………………………………………………………………………………………………………

(ii) ………………………………………………………………………………………………………

(iii)………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. The following information was obtained from the books of Okame Traders on 30th June 2018.

 Opening stock 8,000

 Purchases 53,000

 Sales 62,900

 Returns outwards 2,700

 Closing stock 12,700

 Prepare Okame Trading Accounts for the year ended 30th June 2018. (4 marks)

1. Give four features that differentiate a public corporation from a public limited company. (4marks)

(i) ………………………………………………………………………………………………………

(ii)……………………………………………………………………………………………………….

(iii)………………………………………………………………………………………………………

 (iv………………………………………………………………………………………………………

1. Highlight four features that should be observed when coming up with a good tax system (4mks)

(i)………………………………………………………………………………………………………

(ii)……………………………………………………………………………………………………….

(iii)………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. Give four advantages of landscape office layout (4mks)

(i)………………………………………………………………………………………………………

(ii)……………………………………………………………………………………………………….

(iii)………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. State four importance of balance sheet. (4marks)

(i)………………………………………………………………………………………………………

(ii)……………………………………………………………………………………………………….

(iii)………………………………………………………………………………………………………

(iv)………………………………………………………………………………………………………

1. The following balances were extracted from Mwangaza traders’ books of accounts.

Shs.

Opening stock 25,000

Closing stock 35,000

Purchases 190,000

Mark - up 20%

Calculate:

1. Cost of sales (1mark)
2. Gross profit (1 mark)
3. Sales (1 mark)
4. Rate of stock turnover(ROSTO) (1 mark)