**BUSINESS STUDIES**

**FORM 4**

**OPENER EXAM**

**NAME…………………………………………….ADM…………CLASS………..**

1. State four characteristics of a good filing system. 4mks

***Simplicity -should be simple to understand***

***Economical -should be affordable***

***Compactness- should occupy little space***

***Accessibility-should be essay to retrieve documents***.

1. Outline four types of unemployment.4mks

***Seasonal unemployment***

***Cyclical unemployment***

***Frictional unemployment***

***Voluntary unemployment***

1. Highlight four factors that determine the size of the firm.4mks

***Number of employees***

***Flour area covered by premises***

***Amount of capital invested***

***Market served***

1. State four assumptions in the two sector economy.4mks

***Involve two sectors, households and firms***

***Economy is closed***

***Firms spend all their revenues on factors of production***

***Households spend all their incomes on goods and services***

1. Highlight four circumstances under which personal selling is appropriate. 4mks

***If goods are of high value***

***If market is concentrated in one area***

***If products require demonstration***

***If products are tailored to meet customers specifications***

1. State four characteristics of human wants. 4mks

***Are insatiable***

***Are habitual***

***Are complimentary***

***Are competitive***

1. State four factors that hinders effective communication. 4mks

***Noise***

***Inappropriate language***

***Use of inappropriate signs***

***Use of wrong medium***

1. Give four differences between goods and services. 4mks

|  |  |
| --- | --- |
| Goods | services |
| Are tangible | Intangible |
| Can change possession | Cannot be separated from the provider |
| Can be stored | Cannot be stored |
| Can be seen | Cannot be seen |

1. Highlight four duties of commercial attaches. 4mk

***Research and analyze markets for their countries exports***

***Organize trade fairs and exhibition for their countries exports***

***Attend seminars and workshops on countries exports***

***Select buyers and distributors of countries exports***

1. State four factors to consider when selecting a distribution channel. 4mks

***Role of intermediary***

***Cost***

***Government policy***

***Level of competition***

1. On 1st march 2017 Lyon had sh 87,000 cash in hand and sh 250, 000 at bank.

During the month the following transactions took place.

March 2. Cash sales sh 60,000

“ 3. Paid salaries sh 101500.

“ 4. Received a cheque of sh 76,000from henry after allowing him cash discount of 15%.

“ 6. Bought office equipment by cheque sh 86,000.

“ 17. Settled Marita’s account for sh 34,200 in cash having deducted sh 800 cash discount.

“ 20. Received a cheque for sh 165,000in respect to sales.

“ 22. Paid wages sh 25,000 in cash.

“ 24. Withdrew sh 32000 from bank for office use.

“ 25. Withdrew sh 4000 cash for personal use.

“ 29received sh 17,000cash from Alvin in settlement of his account less sh 1000 cash discount.

“ 31. Deposited all the ach into the bank except sh 24,000.

Required: prepare three column cash book duly balanced. 10mks

LYON TRADERS

THREE COLUMN CASH BOOK

FOR THE MONTH OF ENDING 31ST MARCH 2017

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| DATE | DETAILS | FOLIO | DISCOUN  ALLOWED | CASH | BANK |  | DATE | DETAILS | FOLIO | DISCOUNT  RECEIVED | CASH | BANK |
| 2017  March 1 | Bal b/d |  |  | 87,000 | 250,000 |  | 2017  March 3 | salaries |  |  |  | 101,500 |
| 2 | sales |  |  | 60,000 |  |  | 6 | equipment |  |  |  | 86,000 |
| 4 | henry |  | 3,800 |  | 72200 |  | 17 | Marita |  | 800 | 342,00 |  |
| March20sales |  |  |  |  | 165,000 |  | March 22 |  |  |  | 25,000 |  |
| March 24 | bank | C1 |  | 32,000 |  |  | March 24 | cash | C1 |  |  | 32,000 |
| March 29 | Alvin |  | 1,000 | 17,000 |  |  | March 25 | drawings |  |  | 4,000 |  |
|  |  |  |  |  |  |  | March 31 | bank |  |  |  |  |
|  |  |  |  |  |  |  | March 31 | balance | c/d |  | 24,000 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |