**NAME: ………………………………………………… ADM NO.: …………………...**

**SCHOOL: ………………………… DATE: ………………… SIGN: ….……….**

**BUSINESS STUDIES**

**TIME: 2 HOURS**

**INSTRUCTION TO STUDENTS**

1. *Answer all the questions in the spaces provided*
2. *This paper consists of 10 printed pages. Students should check the question paper to ensure that all pages are printed as indicated and no questions are missing.*

**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** |  |  |  |  |  |  |  |  |  |  |  |  |

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**GRAND TOTAL MARKS**

1. List **FOUR** disciplines studied in business studies. (4mks)
2. ………………………………………………………………………………………………………………………………………………………………………………………………………………
3. ………………………………………………………………………………………………………………………………………………………………………………………………………………
4. ………………………………………………………………………………………………………………………………………………………………………………………………………………
5. ………………………………………………………………………………………………………………………………………………………………………………………………………............
6. State the type of utility created by each of the following activities. (4mks)

|  |  |
| --- | --- |
| **ACTIVITY** | **LEVEL OF PRODUCTION** |
| 1. Keeping money in the bank |  |
| 1. Baking a loaf of bread |  |
| 1. Importing vehicles from Japan |  |
| 1. Selling medicine to patient |  |

1. List **FOUR** characteristics of free goods. (4mks)
2. ………………………………………………………………………………………………………………………………………………………………………………………………………………
3. ………………………………………………………………………………………………………………………………………………………………………………………………………………
4. ………………………………………………………………………………………………………………………………………………………………………………………………………………
5. State **FOUR** types of business activities. (4mks)
6. ………………………………………………………………………………………………………………………………………………………………………………………………………………
7. ………………………………………………………………………………………………………………………………………………………………………………………………………………
8. ………………………………………………………………………………………………………………………………………………………………………………………………………………
9. ………………………………………………………………………………………………………………………………………………………………………………………………………………
10. Outline **FOUR** documents used in home trade. (4mks)
11. ………………………………………………………………………………………………………………………………………………………………………………………………………………
12. ………………………………………………………………………………………………………………………………………………………………………………………………………………
13. ………………………………………………………………………………………………………………………………………………………………………………………………………………
14. ………………………………………………………………………………………………………………………………………………………………………………………………………………
15. Mr.Muiga wants to start a business. State **FOUR** reasons why he would start one. (4mks)
16. ………………………………………………………………………………………………………
17. ………………………………………………………………………………………………………
18. ………………………………………………………………………………………………………
19. ……………………………………………………………………………………………………
20. State **FOUR** equipment that facilitate mailing in an office. (4mks)
21. ………………………………………………………………………………………………………………………………………………………………………………………………………………
22. ………………………………………………………………………………………………………………………………………………………………………………………………………………
23. ………………………………………………………………………………………………………………………………………………………………………………………………………………
24. ………………………………………………………………………………………………………………………………………………………………………………………………………………
25. Highlight **FOUR** advantages of automatic vending machines. (4mks)
26. ………………………………………………………………………………………………………………………………………………………………………………………………………………
27. ………………………………………………………………………………………………………………………………………………………………………………………………………………
28. ………………………………………………………………………………………………………

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1. ………………………………………………………………………………………………………

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1. Mention **FOUR** reasons why a consumer would satisfy basic wants before secondary wants. (4mks)

i)………………………………………………………………………………………………………………………………………………………………………………………………………………

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

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

iv………………………………………………………………………………………………………………………………………………………………………………………………………………

1. Name the factor of production that each of the following resources relate to. (4mks)

|  |  |
| --- | --- |
| **Resource** | **Factor of production** |
| 1. Manager |  |
| 1. Motor Vehicle. |  |
| 1. Water |  |
| 1. Owner |  |

1. Outline **FOUR** sources of business idea. (4mks)
2. ………………………………………………………………………………………………………
3. ………………………………………………………………………………………………………
4. ………………………………………………………………………………………………………
5. ………………………………………………………………………………………………………
6. List down FOUR external factors of environment that affect the business negatively. (4mks)
7. ………………………………………………………………………………………………………
8. ………………………………………………………………………………………………………
9. ………………………………………………………………………………………………………
10. ………………………………………………………………………………………………………
11. State **FOUR** characteristics of direct production . (4mks)
12. ………………………………………………………………………………………………………………………………………………………………………………………………………………
13. ………………………………………………………………………………………………………………………………………………………………………………………………………………
14. ………………………………………………………………………………………………………………………………………………………………………………………………………………
15. ………………………………………………………………………………………………………………………………………………………………………………………………………………
16. List down circumstances under which a cheque may be dishourned. (4mks)
17. ………………………………………………………………………………………………………………………………………………………………………………………………………………
18. ………………………………………………………………………………………………………………………………………………………………………………………………………………
19. ………………………………………………………………………………………………………………………………………………………………………………………………………………
20. ………………………………………………………………………………………………………………………………………………………………………………………………………………
21. Highlight **FOUR** importance of entrepreneurship to Kenyan Economy. (4mks)
22. ………………………………………………………………………………………………………
23. ………………………………………………………………………………………………………
24. ……………………………………………………………………………………………………..
25. …………………………………………………………………………………………………….
26. Outline **FOUR** advantages of division of labour and specialization. (4mks)
27. ………………………………………………………………………………………………………………………………………………………………………………………………………………
28. ………………………………………………………………………………………………………………………………………………………………………………………………………………
29. ………………………………………………………………………………………………………………………………………………………………………………………………………………
30. ………………………………………………………………………………………………………………………………………………………………………………………………………………
31. State down **FOUR** advantages of engaging e-commerce in business activities. (4mks)
32. ………………………………………………………………………………………………………………………………………………………………………………………………………………
33. ………………………………………………………………………………………………………………………………………………………………………………………………………………
34. ………………………………………………………………………………………………………
35. ………………………………………………………………………………………………………
36. List **FOUR** causes of business failure. (4mks)
37. …………………………………………………………………………………………………
38. …………………………………………………………………………………………………
39. …………………………………………………………………………………………………
40. …………………………………………………………………………………………………

19.Highlight **FOUR** small scale retailers without shops. (4mks)

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

20. List **FOUR** classification of economic resources (4mks)

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

21.Outline **FOUR** different rewards for labour as a factor of production. (4mks)

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

22. Highlight FOUR measures that can be taken by an office to safeguard the property of the organization. (4mks)

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

23.Classify each of the following activities into appropriate level of production. (4mks)

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| --- | --- |
| Activity | Level of production |
| 1. Wholesaling |  |
| 1. Mining |  |
| 1. Maize milling |  |
| 1. Insurance |  |

24.State FOUR differences between goods and services. (4mks)

|  |  |
| --- | --- |
| **GOODS** | **SERVICES** |
|  |  |
|  |  |
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|  |  |

25.Daudi sold crates of soda to Otis at sh.1000 on credit. He gave him a quantity discount of 10%. He also gave him cash discounts of;

10% if payment was made before 1 week.

5% if payment was made after 2 weeks

2% if payment was made after 1 month

Otis made the payment by the end of 2nd week. Calculate;

1. Quantity discount (1mk)
2. Cash discount (2mks)

c.Amount he paid (1mk)