**MID TERM ONE SERIES-TERM 1-2023**

**BUSINESS STUDIES FORM FOUR**

**PAPER ONE**

**TIME: 2 HRS**

1. Highlight four ways in which business studies may be of benefit to an individual. (4 Marks)
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3. ....................................................................................................................................................
4. ....................................................................................................................................................
5. ...................................................................................................................................................
6. Outline four features of economic resources. (4 Marks)
7. ....................................................................................................................................................
8. ....................................................................................................................................................
9. ....................................................................................................................................................
10. ...................................................................................................................................................
11. Outline four challenges that a firm would experience as a result of expansion of the entire industry in which it is found. (4 Marks)
12. ....................................................................................................................................................
13. ....................................................................................................................................................
14. ....................................................................................................................................................
15. ...................................................................................................................................................
16. Outline four factors that affect business activities and which the business has control over. (4 Marks)
17. ....................................................................................................................................................
18. ....................................................................................................................................................
19. ....................................................................................................................................................
20. ...................................................................................................................................................
21. Identify four gaps that may create a business opportunity in a market. (4 Marks)
22. ....................................................................................................................................................
23. ....................................................................................................................................................
24. ....................................................................................................................................................
25. ...................................................................................................................................................
26. Highlight four merits of an open office layout to a business (4 Marks)
27. ....................................................................................................................................................
28. ....................................................................................................................................................
29. ....................................................................................................................................................
30. ...................................................................................................................................................
31. Outline four reasons why cash payment is preferred to cheque payment. (4 Marks)
32. ....................................................................................................................................................
33. ....................................................................................................................................................
34. ....................................................................................................................................................
35. ...................................................................................................................................................
36. Identify four types of insurance policies relevant to a supermarket owner. (4 Marks)
37. ....................................................................................................................................................
38. ....................................................................................................................................................
39. ....................................................................................................................................................
40. ...................................................................................................................................................
41. The following information relates to Kembe Traders as at 31st December 2008

Rate of stock turnover 3 times

Mark up 20%

Opening stock sh.160,000

Closing stock sh.200,000

Required : Determine

1. Gross profit

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1. Sales

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1. Highlight **four** characteristics of a perfect competitive market. (4 marks)
2. ....................................................................................................................................................
3. ....................................................................................................................................................
4. ....................................................................................................................................................
5. ...................................................................................................................................................
6. The table below relates to four different businesses, insert the correct values for A, B, C and D. (4marks)

|  |  |  |
| --- | --- | --- |
| ASSETS | CAPITAL | LIABILITIES |
| 2,310,642 | A | 486,932 |
| B | 40,385 | 96,483 |
| 941,682 | 31,685 | C |
| 3,104,611 | D | 395,348 |

1. The population of the youth in country X is likely to be 3/4 of the total population in ten years time. Highlight four challenges this country will face at this point in time. (4 Marks)
2. ....................................................................................................................................................
3. ....................................................................................................................................................
4. ....................................................................................................................................................
5. ...................................................................................................................................................
6. Highlight four factors that may cause the demand curve to shift to the right (4 Marks)
7. ....................................................................................................................................................
8. ....................................................................................................................................................
9. ....................................................................................................................................................
10. ...................................................................................................................................................
11. For each of the following transactions indicate the account to be debited or credited.

|  |  |  |
| --- | --- | --- |
| Transaction | A/C debited | A/C credited |
| a) Received discount from Top suppliers |  |  |
| b) Allowed discount to Shujaa Traders |  |  |
| c) Sold furniture to Owuor on credit |  |  |
| d) Took stock worth sh.200 for personal use |  |  |

1. List four items that may affect the capital of a business (4 Marks)
2. ....................................................................................................................................................
3. ....................................................................................................................................................
4. ....................................................................................................................................................
5. ...................................................................................................................................................
6. State four ways in which advertising agencies assist in sales promotion. (4 Marks)
7. ....................................................................................................................................................
8. ....................................................................................................................................................
9. ....................................................................................................................................................
10. ...................................................................................................................................................
11. State **four** ways in which the Kenyan currency qualifies as good money. (4 marks)
12. ....................................................................................................................................................
13. ....................................................................................................................................................
14. ....................................................................................................................................................
15. ...................................................................................................................................................
16. State four advantages of using the internet as a means of communication. (4 marks)
17. ....................................................................................................................................................
18. ....................................................................................................................................................
19. ....................................................................................................................................................
20. ...................................................................................................................................................
21. Highlight four ways in which transport is important to a business. (4 marks)
22. ....................................................................................................................................................
23. ....................................................................................................................................................
24. ....................................................................................................................................................
25. ...................................................................................................................................................

1. State four circumstances under which a producer would sell his goods directly to the consumer. (4 marks)
2. ....................................................................................................................................................
3. ....................................................................................................................................................
4. ....................................................................................................................................................
5. ...................................................................................................................................................
6. In the spaces provided state the source document for each of the subsidiary books given below. (4 marks)

|  |  |
| --- | --- |
| Subsidiary book | Source document |
| a) Sales Journal |  |
| b) Purchases journal |  |
| c) Returns inwards journal |  |
| d) Returns outwards journal |  |

1. List four assumptions of the circular flow of income in a two sector closed economy. (4 marks)
2. ....................................................................................................................................................
3. ....................................................................................................................................................
4. ....................................................................................................................................................
5. ...................................................................................................................................................
6. Mention four small scale retailers with shops. (4marks)
7. ....................................................................................................................................................
8. ....................................................................................................................................................
9. ....................................................................................................................................................
10. ...................................................................................................................................................
11. The following balances were extracted from the books of Highway stores on 31st Dec. 2015

|  |  |
| --- | --- |
| Land and buildings | 650000 |
| Stock | 470000 |
| Bank overdraft | 80000 |
| Debtors | 350000 |
| Ten year loan | 500000 |
| Creditors | 220,000 |
| Cash | 50000 |
| Motor van | 150000 |

Required :

1. Prepare a balance sheet for Highway Stores as at 31st Dec. 2015. (4 marks)
2. Chumo industries want to open a warehouse for her products. Give the management some advice on **four** factors it should consider in establishing the warehouse. ( 4 Marks)
3. ....................................................................................................................................................
4. ....................................................................................................................................................
5. ....................................................................................................................................................
6. ...................................................................................................................................................