**BUSINESS STUDIES**

**FORM 4**

**MID-TERM 2 2022**

**TIME: 1 ½ HOURS**

**Name: ……………………………………..…… CLASS…………… ADM.............**

1. Outline four reasons for collapse of small scale business units. [4mks]
2. Highlight four disadvantages of newspaper as a means of advertising. [4mks]

1. The following information relates to Maendeleo traders as at 31st Dec. 2009

Capital at the start of the year was ksh. 110 000, the owner bought his personal furniture worth ksh. 50 000 into the business while drawings amounted to ksh. 20 000.

At the end of the year, value for capital was ksh. 280 000

*Required: Determine the profit earned during the year. [4mks]*

1. State four ways in which the government creates an enabling business environment. [4mks]
2. Highlight **four** essential features of an efficient transport system. [4mks]
3. Cite **four** possible causes of unemployment in Kenya. [4mks]
4. The following diagram shows a shift in demand curve. Outline four reasons that can lead to this shift. [4mks]

 Price

 (shs)

 Quantity

1. The diagram below shows the circular flow of income in a two sector economy.



 Identify the movements labeled A,B,C and D. [4mks]

1. Highlight **four** sources of public finance. (4mks)

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1. Highlight **four** statutory measures used to control inflation as used by the central bank. [4mks]
2. Outline **four** negative effects of inflation. (4mks)

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1. Outline **four** requirements that are needed for a smooth functioning of a warehouse (4mks)

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1. Give **two** principles of insurance. (2mks)

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