**BUSINESS STUDIES**

**PAPER 565/1**

**FORM FOUR**

**ENDOF TERM ONE EXAMINATION**

**TIME: 2 ½ HRS**

NAME ------------------------------------------------------ADM.NO:---------------CLASS -----------

***Instructions***

***Answer all questions on the provided spaces.***

1.State **Four** internal (Micro) environment factors that influence the business positively. (4mks)

a)

b)

c)

d)

2.Outline **Four** disadvantages of division of labour (4mks)

a)

b)

c)

d)

3.Your neighbour intends to start a business and has come to you for advice on how to identify a business idea. Highlight four sources she can use. (4mks)

a)

b)

c)

d)

4.Name **Four** machines/equipments found in a general office. (4mks)

a)

b)

c)

d)

5. Outline **Four** factors to consider when intending to buy office furniture (4mks)

a)

b)

c)

d)

6. State **Four** challenges facing small scale businesses in Kenya (4mks)

a)

b)

c)

d)

7. Give **Four** instances when a seller may send a proforma invoice to a buyer (4mks)

a)

b)

c)

d)

8.Identify **Four** Clauses of a memorandum of association (4mks)

a)

b)

c)

d)

9. Outline **Four** benefits Kenyan traders have enjoyed from globalization (4mks)

a)

b)

c)

d)

10.State **Four** advantages of transporting oil by pipeline rather than road. (4mks)

a)

b)

c)

d)

11. Highlight **Four** ways in which warehousing is useful to a trader. (4mks)

a)

b)

c)

d)

12. Highlight **Four** ways that the government may put in place to create a favourable business environment. (4mks)

a)

b)

c)

d)

13. Outline **Four** advantages of audio-visual communication (4mks)

a)

b)

c)

d)

14.State **Four** policies covered under general insurance (4mks)

a)

b)

c)

d)

15.Name **Four** types of advertising (4mks)

a)

b)

c)

d)

16. Explain **Four** factors that may lead to the shift of the supply curve to the right (4mks)

a)

b)

c)

d)

17.Highlight **Four** ways in which the production activities of firms in your country affect the environment negativity. (4mks)

a)

b)

c)

d)

18. Fill in the missing figures in the table below. (4mks)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Fixed asset | Current Assets | Capital | Liabilities |
| a. | 275 500 |  | 315 000 | 115 500 |
| b. | 182 000 | 108 700 |  | 217 100 |
| c. |  | 76 400 | 123100 | 91 900 |
| d. | 313 450 | 211 340 | 189 170 |  |

19. The following balances were extracted from the books of Raji Enterprises on 1st July 2019

Shs.

Capital 550,000

Motor Van 185,000

Debtors 68,000

Cash 200,000

Stock 50,000

Furniture 160,000

Creditors 95,000

Bank Loan 18, 000

The following transactions took place during the month.

1. Sold some of the old furniture for sh. 50,000 for which sh. 45, 000 was paid by cash and the balance to be settled later.
2. The owner took sh. 8,500 cash from the business to cater for family shopping
3. Bought goods for resale for cash sh. 59, 800.

Required:

Prepare Raji Enterprises balance sheet as at 30th July 2019 (4mks)

20. Record the transaction given below in their relevant ledger A/cs. (4mks)

2018

May 1 Started business with Ksh. 400,000 cash.

3 Purchased office furniture by cash sh. 90,000

5 Paid Wages by Cash sh. 3,000.

10 Bought stock of goods by Cash sh. 190,00

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21. The following information relates to Ali General Stores for the year ended 31st Dec 2018.

Opening stock shs. 24,000

Carriage on Sales shs. 12,000

Purchases shs. 370,000

Sales shs. 442,500

Closing Stock shs. 40, 000

Expenses 10% on gross profit

Prepare Trading profit and loss account for the year ended 31st Dec 2018 (5mks)

22.Apex traders provided you with the following .

Margin 25%

Cost of Sales 15,000

Opening Stock 2,000

Closing Stock 1,000

Operating expenses 2% of Capital

Sales and capital are in ratio of 1:4

**Calculate**

(a)Rate of Stock turnover (2mk)

(b)Purchases (1mk)

(c)Return on Capital (1mk)

23.Give **Four** roles played by the Central Bank of Kenya in the economy (4mks)

a)

b)

c)

d)

24.Name **Three** sources of public finance (3mks)

a)

b)

c)

d)

25.Give **Four** benefits one gets from self –employment (4mks)

a)

b)

c)

d)

**END**