**MID-TERM TWO 2024**

**BUSINESS STUDIES FORM FOUR**

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

**TIME: 2HRS**

1 a) Outline four risks against which a kiosk owner may insure (4mks)

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2. Highlight four reasons why a manufacture may wish to market their goods directly to consumers (4mks)

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3.Outline four assumptions that are associated with perfect competition (4mks)

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4.Highlight four functions of the central bank (4mks)

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5.Outline four reasons why a multinational company may prefer setting up a production unit in a developing country instead of exporting finished goods to the country (4mks)

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6.Outline four types of unemployment experienced experienced in the Kenyan economy today (4mks)

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7.State four reasons why entrepreneurs may wish to expand their businesses (4mks)

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8.Identify the account to debit in each of the cases below (4mks)

a)Paid wages by cash …………………………………………………………………………

b)Sold stock by cheque …………………………………………………………………………

c)Returned goods to supplier …………………………………………………………………………

d)Took cash for private uses …………………………………………………………………………

9.Highlight four factors that may limit an individuals ability to satisfy his basic wants.

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10.State the sources of each of the following documents (4mks)

a)I.O.U ……………………………………………………………………………………………….

b)Bill of exchange …………………………………………………………………………………………….

c)Promisory note …………………………………………………………………………………………….

d)Credit note ………………………………………………………………………………………….

11.Highlight four negative effects experienced in Kenya in 2017 in due to political unrest (4mks)

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12.Outline four circumstances under which a manufacturer would not require a lot of warehousing facilities. (4mks)

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13.Highlight four differences between public corporation and a private limited company (4mks)

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14.Kiriamitii is a small scale retailer. Outline four considerations he needs to make before he advances goods on credit to Kamu his friend. (4mks)

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15.Highlight four circumstance under which a trader may wish to hire an office machine rather than purchasing it. (4mks)

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16.The following information relates to Maji Tamu Traders as at 31.11.2017

Fixed assets 400,000

Stock 120,000

Current liabilities 60,000

Net profit for the current year 100,000

Calculate; i)Rate of return on capital employed (2mks)

ii)Current ratio (2mks)

17.State four gaps that an entrepreneur can exploit (4mks)

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18.Outline four ways of creating utilities (4mks)

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19.Outline any four disciplines covered by business studies (4mks)

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20.Land is a basic factor in the production process. Outline four characteristics that describe it. (4mks)

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21.Assuming you are a human resource manager in an institution, outline four measures you can take to improve employees productivity (4mks)

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22.Outline four limitations of using free samples in production promotion. (4mks)

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23.Outline four emerging trends in communication (4mks)

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24.Development planning is crucial in every economy. Highlight four reasons why it is crucial (4mks)

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25.Highlight four characteristics of under developed economy (4mks)

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