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

**OPENER EXAMINATION: TERM 1 2024**

**565/1**

**BUSINESS STUDIES**

**Paper 1**

**Form 4 EXAM**

**Time: 2 hours**

Instructions

*Answer ALL the questions in the spaces provided.*

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
|  |  |  |  |  |  |  |  |  |  |

1. Give four features of economic resources (4mks)

(a)………………………………………………………………………………………

(b)……………………………………………………………………………………

(c)……………………………………………………………………………………

(d)…………………………………………………………………………………………

2. State four reasons why diagonal communication needs to be encouraged in an organization (4 marks)

a)…………………………………………………………………………………

b)…………………………………………………………………………………

c)…………………………………………………………………………………

d)……………………………………………………………………………………

3.Mention four benefits enjoyed by a member of a producer cooperative society (4mks)

a)……………………………………………………………………………………

b…………………………………………………………………………………

c……………………………………………………………………………………

d……………………………………………………………………………………

4. Identify four factors that influence the level of capital of a business enterprise (4mks)

a……………………………………………………………………………………

b……………………………………………………………………………………

c……………………………………………………………………………………

d……………………………………………………………………………………

5.State four reasons why people engage in business activities (4mks)

a)……………………………………………………………………………………

b……………………………………………………………………………………

c……………………………………………………………………………

d……………………………………………………………………………………

6.Highlight four problems associated with monopoly market structure (4mks)

a……………………………………………………………………………………

b……………………………………………………………………………………

c……………………………………………………………………………………

d…………………………………………………………………………………

7.Outline four role of the mass media in promoting consumer protection (4mks)

a……………………………………………………………………………………

b……………………………………………………………………………………

c……………………………………………………………………………………

d……………………………………………………………………………………

8.Highlight four factors that may be used to determine the size of a firm(4 marks)

a……………………………………………………………………………………

b…………………………………………………………………………………

c)……………………………………………………………………………………

d)……………………………………………………………………………………

9.State the best type of machine one would use to perform the following tasks (4mks)

|  |  |  |
| --- | --- | --- |
|  | Functions | Name of machine |
| i) | Used to trim papers into desired sizes |  |
| ii) | To post information to ledgers and to prepare payrolls |  |
| iii) | To transmit printed messages such as letters, maps, diagrams and photographs |  |
| iv) | To destroy sensitive but unwanted documents |  |

10.The following balance sheet belongs to NyakwarAtiyo during the period ended 30th July 2023.

 NyakwarAtiyo

 Balance Sheet

 As at 30.6.2023

Fixed assets ksh. ksh Kshs.

 Machinery 45,000 Capital 65,000

Current assetsKshs. Short term liabilities Ksh.

 Stock 7,750 Creditors 4,500

 Debtors 1,375 Short term bank loan 10,000 14,500

 Bank 25,37534

79,500 79,500

The following transactions took place on 1st August 2023.

Paid creditors sh.2,000 by cheque

NyakwarAtiyo took stock worth sh 750 from the business for his son’s birthday

Motor vehicle previously owned by NyakwarAtiyo valued at sh. 200,000 was converted into business Motor van

Prepare the balance sheet of NyakwarAtiyo traders as at 1ST August 2023 (5mks)

11.Outline four sources of business idea (4mks)

a…………………………………………………………………………………

b……………………………………………………………………………………

c……………………………………………………………………………………

d……………………………………………………………………………………

12. Outline four benefits that consumer get from small scale retailers .(4 marks)

……………………………………………………………………………………………………………………………………………………………

………………………………………………………………………………………………………………………………………………………………

14.Distinguish between the following terms as used in National Income (3mks)

Gross Domestic Product

…………………………………………………………………………………………………………………………………………………

Gross National Product

………………………………………………………………………………………………………………………………………………………………

Per capita Income

……………………………………………………………………………………………………………………………………………………………

15.Highlight four ways in which the government of Kenya promotes entrepreneurial development

 (4mks)

a…………………………………………………………………………………

b……………………………………………………………………………………

c……………………………………………………………………………………

d…………………………………………………………………………………

16.State four channels of distribution for importation of agricultural produce. (4mks)

a…………………………………………………………………………………

b……………………………………………………………………………………

c…………………………………………………………………………………

d……………………………………………………………………………………

17.Outline four trends in transport sector. (4mks)

a……………………………………………………………………………………

b……………………………………………………………………………………

c)…………………………………………………………………………………

d)……………………………………………………………………………………

18.Outline four benefits of indirect production. (4mks)

a……………………………………………………………………………………

b……………………………………………………………………………………..

c…………………………………………………………………………………

d)……………………………………………………………………………………

19.Enter the following transactions in the relevant ledger accounts (4mks)

2023

April 1 Janet Cosmetics started a business with Ksh. 150,000 cash

,, 3 Bought stock of goods for Sh. 40,000 and paid in cash

,, 6 Opened a bank account and deposited Sh. 60,000 from the cash till

,, 9 Purchased an office machine for Sh. 25,000 and paid by cheque

20.Give four reasons why a producer may need to have their own warehouse (4mks)

a……………………………………………………………………………………

b………………………………………………………………………………..

c)…………………………………………………………………………………

d……………………………………………………………………………………

21. Define the following terms as used in business studies (4mks)

Annuity

……………………………………………………………………………

Proposer

……………………………………………………………………………

Speculative risk

………………………………………………………………………………

Grace period

……………………………………………………………………………………………………………………

22.In the table below fill in the missing figures S, T, U and V. (4 marks)

|  |  |  |  |
| --- | --- | --- | --- |
| Business | Assets(shs) | Capital(shs) | Liabilities(shs) |
| A | 20,000 | S | 5,000 |
| B | 42,000 | 32,000 | T |
| C | U | 17,000 | 53,000 |
| D | 18,000 | V | 6,000 |

 S---

 T---

 U---

 V---

23. Highlight four reasons why human wants are not satisfied easily. (4 marks)

..........................................................................................................

...........................................................................................................

...........................................................................................................

..........................................................................................................

24.Give four reasons why consumer need to make choice .(4marks)

(a)...........................................................................................................

.(b)........................................................................................................

©.......................................................................................................

(d).........................................................................................................

25 . Highlight four external factors that may affect the business operations negatively. (4 marks)

(a)...........................................................................................................

(b)..........................................................................................................

(c)...........................................................................................................

(d).........................................................................................................

26. You accompanied your elder sibling to your local registrar of persons office where he applied for his national identity card . you sadly noted that the clerks that served you lacked etiquette. Suggest four measures that can take to improve on their etiquette. (4marks)

(a)...............................................................................................................

(b)..............................................................................................................

(c)................................................................................................................

(d)………………………………………………………………………..