**BUSINESS STUDIES**

**FORM 4**

**OPENER EXAMINATION: TERM 2 2024**

**TIME: 2 HRS**

**INSTRUCTIONS**

**Answer a questions in the spaces provided.**

1. Highlight four factors that may positively influence the operations of a business. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

2. In the spaces provided below, indicate the type of utility created by each of the following activities. (4marks)

 Activity Type of utility

a) Store keeping -

b) Selling goods to a customer -

c) Making a chair -

d) Transporting goods -

3. Outline four differences between a good and service. (4marks)

|  |  |
| --- | --- |
| **Good** | **Service** |
| **i)** **ii)** **iii)** **iv)**  | **i)** **ii)** **iii)** **iv)**  |

4. Outline four factors that may encourage entrepreneurship in Kenya. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

 5. Highlight four benefits of using electronic filing system. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

6. Outline four considerations that a seller should take into account before giving credit to a customer. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

7. Outline four circumstances under which a cooperative society may be dissolved. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

8. State four reasons why the government should create an enabling environment for investors. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

9. Name the essential elements of transport. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

10. Give four reasons why one would refer a letter to a telephone to send a message. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

11. Outline four characteristics of property insurance. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

12. Outline four benefits to a business that uses its own warehouse. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

13. Give four advantages of personal selling as a method of sales promotion. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

14. Give the meaning of the following terms as used in business. (4marks)

a) Law of demand –

b) Law of supply –

15. Highlight four benefits that would accrue to a firm located near other existing firms. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

16. State features of a monopoly market. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

17. Outline four ways in which households contribute to national income of a country. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

18. State four types of unemployment in an economy and give the cause of each. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

19. State the effects of each of the following transactions on the balance sheet totals by writing increase or decrease or no effect in each case. (4marks)

|  |  |
| --- | --- |
| Transaction  | Effect on Balance sheets totals |
| a) Brought machine on creditb) Withdrew cash from the business for personal usec) Purchased stock in cash d) Paid outstanding loan by cheque |  |

20. Identify the ledger in which the following accounts are maintained;

|  |  |
| --- | --- |
| Account  | Ledger |
| a) Commission income a/cb) Supplier a/cc) Machine a/cd) Cash a/c |  |

21. Give two reasons why a three column cash book is used both as a journal and a ledger. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

22. Indicate the type of journal in which each of the following transactions would be recorded. (4marks)

|  |  |
| --- | --- |
| transactions | Journal  |
| a) Goods previously sold on credit were returned b) goods bought on creditc) Goods sold for cashd) Motor vehicle sold on credit terms |  |

23. Outline four benefits that accrue to a business that uses automated teller machine (ATM) banking services. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

24. Outline four benefits of direct taxation to the government. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………

25. State four forms of economic integration that may exist between countries. (4marks)

i) …………………………………………………………………………………………………………………

ii) ……………………………………………………………………………………………………………….

iii) ……………………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………………………