**KASSU JET 2014**

**BUSINESS STUDIES PAPER 1**

**FORM 1**

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

a ) Economics

b ) Production

c) Entrepreneurship

d) Accounting

2. Atemo has been the head of the marketing department (team) at ABC Company that has recorded tremendously increase in volume of sales over the last four years. Highlight four attributes that she possess. (4mks)

**FORM 2**

1. Outline four ways which the government can be used to promote trade in the country

(4mks)

1. Outline four benefits of warehouse to a manufacturer (4mks)

**FORM 3**

1. Draw A

 B

 HO

 C

 D

From the diagram above indicate which is represented by (4mks)

a)

b)

c)

d)

6. The following information was obtained from the records of Obiri traders as at 31 August

 2010

Land 50,000

Stock 90,000

Debtors 10,000

Prepaid Rent 15,000

KCB Loan 140,000

Salaries due 10,000

Creditors 170,000

From the items above determine the net worth of a business (4mks)

**FORM 4**

1. Outline four circumstances under which a credit note may not be issued (4mks)

a)

b)

c)

d)

1. Highlight four benefits that accrued to Kenya as a result of being a member of international monetary fund.

i)

ii)

iii)

iv)

**KASSU JET 2014**

**BUSINESS STUDIES**

**MARKING SCHEME**

**PAPER 1**

1. **Define the following**
2. Economics

Its is the study of how human beings strive to satisfy their endless wants using the available scarce resources

1. Production

It refers to creation of goods and services or increasing their usefulness through activities such as transporting them to where they are required.

1. Entrepreneurship

This is the study of the activities involved in the process of identifying a business opportunity and acquiring thee necessary resources to start and run a business.

1. **Highlight four ways in which the government can be able to promote trade in the country**
2. By training business persons on appropriate ways of carrying out business and this may be done through institutions such as Kenya Business training Institute.
3. Offering business persons financial assistance to enable them to start and run their business
4. Advising business people on matters such as the type of goods and service to produce sources of finance, where to locate their business and legal formalities required for various business.
5. Providing incentives such as tax exemptions to encourage local businesses
6. Creating are enabling environment for business to thrive
7. Organizing shows, trade fairs and exhibitions through which local traders may promote their goods and services or from which prospective investors may obtain business ideas.

**FORM 2**

1. **Outline the benefit of warehouses to a manufactures**
2. The owner does not incur the cost of hiring space unlike in a public warehouse
3. The manufacturer exercise full control of the warehouse and may make major decisions without having to consult anyone.
4. The owner is not tied down by procedures of receiving and issuing goods unlike in public warehouse
5. It is also designed to suit thee manufacturers specifications and various needs
6. It enables special handling, storage and protection of goods by having special facilities which may not be available in other warehouses.

FORM 3

1. **The circular flow of income in a simple two sector economy**

 A

 B

 C

 D

From the diagram above, indicate what is represented by

A – Factors of production , land, labour, capital and entrepreneurship

B – Payments for factors of production e.g rates, salaries, wages or commission, interest and profit

C – Expenditure on goods and services consumption

D – Sale of goods and services

1. **The following information was obtained from the records of Obiri traders as t 31st August 2010**

Land 50,000

Stock 90,000

Debtors 10,000

Prepaid rent 15,000

 K.C.B Loan 140,000

Salaries due 10,000

Creditors 170,000

From the items above ,determine the net worth of a business

Networth refers to capital

Capital = assets – liabilities

Capital = Assets = 50,000 + 90,000 + 10,000 + 15,000

 = 165,000

 Liabilities = 140,000 + 10,000 + 170,000

 =320,000

Networth = Assets – Liabilities

 165,000 – 320,000 = 155,000

**FORM 4**

1. **Outline four circumstances under which a credit note may be issued**

1. When correcting an overcharge
2. When empty containers and packing cases whose values here included in the invoices are returned by the buyer
3. After the seller has received thee returned good together with the accompanying goods returned note
4.
5. **Highlight four benefits that accrued to Kenya as a result of being a member of International Monetary Fund (IMF)**
6. Kenya as a country will be assisted to stabilize its currency by offering foreign exchange
7. She will get the financial support in case of calamities to cater for emergencies
8. Kenya will be relieved of debts which will boost its economy
9. Stability of foreign exchange rate
10. Kenya will get loan to help them in development of projects
11. Kenya will get guidance and advices on how to invest on variable projects
12. **Atemo has been the head of the marketing department team of ABC Company, that has recorded tremendously increase in volume of sales over the last four years. Highlight four attributes that she posses.**
13. Knowledgeable
14. Well trained in marketing
15. Punctual
16. Keeping appointments and meeting deadlines
17. She has negotiations abilities