| BUSINESS STUI   | DIES   |   |                         |
|---|--|---|-------------------------|
| PAPER 1   |  |   |                         |
| MARCH /APRIL  | 2017   |   |                         |
| FORM 4  |  |   |                         |
| 1. Explain the foll   | lowing a used in the sati  | sfaction of human wants.                  | (4 marks)               |
| a) Utility  |  |   |                         |
| b) Producer goods   |  |   |                         |
| c) Scarcity and ch  |  |   |                         |
| d) Scale of prefere   |  | an muadaminant dinast muada               | estion in a sountment   |
| Shares  | ctors that may account is  | or predominant direct produ<br>Debentures | ict foil in a country ( |
| a)  |  |   |                         |
| b)  |  |   |                         |
| c)  |  |   |                         |
| d)  |  |   |                         |
|   | etween shares and Deber  | ntures                                    | (4 marks                |
| a)  |  |   |                         |
| b)  |  |   |                         |
| c)<br>d)  |  |   |                         |
| ,   | ors to consider while cho  | oosing location of a busines              | s.                      |
|   | orb to combiaci winic circ   | sosing location of a susmes               | <b>5.</b>               |
| a)  |  |   |                         |
| *   |  |   |                         |
| b)  |  |   |                         |
| b)<br>c)  |  |   |                         |
| a) b) c) d) 5. The following i  | information was obtaine  | d from the books of IASHO                 | ) TRADERS at            |
| <ul><li>b)</li><li>c)</li><li>d)</li><li>5. The following in</li></ul>  |  | d from the books of JASHC                 | O TRADERS at            |
| b)<br>c)<br>d)  |  | d from the books of JASHC                 | TRADERS at              |
| <ul><li>b)</li><li>c)</li><li>d)</li><li>5. The following in the end of a trading</li></ul>   | ng period  | d from the books of JASHO                 | ) TRADERS at            |
| b) c) d) 5. The following in the end of a tradir Opening stock Sales  | ng period<br>Ksh<br>65,000<br>300,000  | d from the books of JASHO                 | ) TRADERS at            |
| b) c) d) 5. The following in the end of a tradir Opening stock Sales Purchases  | ng period<br>Ksh<br>65,000<br>300,000<br>180,000                             | d from the books of JASHO                 | ) TRADERS at            |
| b) c) d) 5. The following in the end of a tradir Opening stock Sales Purchases Sales Returns  | ng period<br>Ksh<br>65,000<br>300,000<br>180,000<br>5,000                    | d from the books of JASHO                 | O TRADERS at            |
| b) c) d) 5. The following in the end of a tradir Opening stock Sales Purchases Sales Returns Closing stock  | ng period<br>Ksh<br>65,000<br>300,000<br>180,000<br>5,000<br>42,000          |   | O TRADERS at            |
| b) c) d) 5. The following in the end of a tradir Opening stock Sales Purchases Sales Returns Closing stock Calculate                                | ng period  Ksh 65,000 300,000 180,000 5,000 42,000 the gross loss of the bus | iness.                                    |                         |
| b) c) d) 5. The following if the end of a tradir Opening stock Sales Purchases Sales Returns Closing stock Calculate 6. List four functi            | ng period<br>Ksh<br>65,000<br>300,000<br>180,000<br>5,000<br>42,000          | iness.                                    | TRADERS at  (4 marks)   |
| b) c) d) 5. The following is the end of a tradir Opening stock Sales Purchases Sales Returns Closing stock Calculate 6. List four functia           | ng period  Ksh 65,000 300,000 180,000 5,000 42,000 the gross loss of the bus | iness.                                    |                         |
| b) c) d) 5. The following if the end of a tradir Opening stock Sales Purchases Sales Returns Closing stock Calculate 6. List four functia a) b)     | ng period  Ksh 65,000 300,000 180,000 5,000 42,000 the gross loss of the bus | iness.                                    |                         |
| b) c) d) 5. The following is the end of a tradir Opening stock Sales Purchases Sales Returns Closing stock Calculate 6. List four functia           | ng period  Ksh 65,000 300,000 180,000 5,000 42,000 the gross loss of the bus | iness.                                    |                         |
| b) c) d) 5. The following in the end of a tradir Opening stock Sales Purchases Sales Returns Closing stock Calculate 6. List four function b) c) d) | ng period Ksh 65,000 300,000 180,000 5,000 42,000 the gross loss of the bus  | iness.                                    | (4 marks)               |

b)
c)
d)
8. The following information was found in the books of Joy Traders

| Output | Total cost | Average cost | Marginal cost |
|--------|------------|--------------|---------------|
| 0      | 55         |              |               |
| 1      | 70         |              |               |
| 2      | 82         |              |               |
| 3      | 87         |              |               |
| 4      | 92         |              |               |

| Complete the columns for average cost and marginal cost.  Outline four (4) reasons why inland water transport is not popular as means of transportation in Kenya a) b) c) d)  Organizing is a major function in business management. Highlight four benefits of organizing that an entrepreneur will enjoy (4 marks) a) b) c) d)  11. Highlight four circumstances under which firm may acquire oligopoly power  (4 marks) a) b) c) d) 12. Outline four important uses of measuring national income in a country (4 marks) a) b) c) d) 13. Ananda sita intends to set up a modern University in Eldoret. Outline four factors that will influence her choice of office layout (4 marks)  14. Give four ways in which consumers may benefit when producers compete in product promotion. a) b) c) d) 15. The following details were extracted from the books of Omino enterprises for the year ends 31st Dec. 2009.  Ksh Opening capital 105,000 Capital introduced 15,000 Drawings 6,000   |     | 3                                  | 87                                    |                           |                           |       |
|--|-----|------------------------------------|---------------------------------------|---------------------------|---------------------------|-------|
| 9. Outline four (4) reasons why inland water transport is not popular as means of transportation in Kenya a) b) c) d)  10. Organizing is a major function in business management. Highlight four benefits of organizing that an entrepreneur will enjoy (4 marks) a) b) c) d) 11. Highlight four circumstances under which firm may acquire oligopoly power (4 marks) a) b) c) d) 12. Outline four important uses of measuring national income in a country (4 marks) 13. Ananda sita intends to set up a modern University in Eldoret. Outline four factors that will influence her choice of office layout (4 marks) 14. Give four ways in which consumers may benefit when producers compete in product promotion. a) b) c) d) 15. The following details were extracted from the books of Omino enterprises for the year ends 31st Dec. 2009.  Ksh Opening capital 105,000 Capital introduced 15,000  |     | 4                                  | 92                                    |                           |                           |       |
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| Kenya a) b) c) d)  10. Organizing is a major function in business management. Highlight four benefits of organizing that an entrepreneur will enjoy (4 marks) a) b) c) d) 11. Highlight four circumstances under which firm may acquire oligopoly power (4 marks) a) b) c) d) 12. Outline four important uses of measuring national income in a country (4 marks) a) b) c) d) 13. Ananda sita intends to set up a modern University in Eldoret. Outline four factors that will influence her choice of office layout (4 marks)  4. Give four ways in which consumers may benefit when producers compete in product promotion. (4 marks) a) b) c) d) 15. The following details were extracted from the books of Omino enterprises for the year ended of the standard of the produced of the pro |     |                                    |                                       |                           |                           |       |
| a) b) c) d)  10. Organizing is a major function in business management. Highlight four benefits of organizing that an entrepreneur will enjoy (4 marks) a) b) c) d) 11. Highlight four circumstances under which firm may acquire oligopoly power (4 marks) a) b) c) d) 12. Outline four important uses of measuring national income in a country (4 marks) 13. Ananda sita intends to set up a modern University in Eldoret. Outline four factors that will influence her choice of office layout (4 marks) 14. Give four ways in which consumers may benefit when producers compete in product promotion. (4 marks) a) b) c) d) 15. The following details were extracted from the books of Omino enterprises for the year ends of the state of the product of the p | 9.  | Outline four (4) reasons           | s why inland water tra                | insport is not popular as | s means of transportation | n in  |
| b) c) d)  10. Organizing is a major function in business management. Highlight four benefits of organizing that an entrepreneur will enjoy (4 marks) a) b) c) d) 11. Highlight four circumstances under which firm may acquire oligopoly power (4 marks) a) b) c) d) 12. Outline four important uses of measuring national income in a country (4 marks) c) d) 13. Ananda sita intends to set up a modern University in Eldoret. Outline four factors that will influence her choice of office layout (4 marks)  14. Give four ways in which consumers may benefit when producers compete in product promotion. (4 marks) a) b) c) d) 15. The following details were extracted from the books of Omino enterprises for the year enders of the product  |     | Kenya                              |                                       |                           |                           |       |
| c) d)  10. Organizing is a major function in business management. Highlight four benefits of organizing that an entrepreneur will enjoy (4 marks) a) b) c) d) 11. Highlight four circumstances under which firm may acquire oligopoly power (4 marks) a) b) c) d) 12. Outline four important uses of measuring national income in a country (4 marks) a) b) c) d) 13. Ananda sita intends to set up a modern University in Eldoret. Outline four factors that will influence her choice of office layout (4 marks) 4. Give four ways in which consumers may benefit when producers compete in product promotion. (4 marks) a) b) c) d) 15. The following details were extracted from the books of Omino enterprises for the year enders of the product |     | a)                                 |                                       |                           |                           |       |
| d)  10. Organizing is a major function in business management. Highlight four benefits of organizing that an entrepreneur will enjoy (4 marks) a) b) c) d) 11. Highlight four circumstances under which firm may acquire oligopoly power  (4 marks) a) b) c) d) 12. Outline four important uses of measuring national income in a country (4 marks) 13. Ananda sita intends to set up a modern University in Eldoret. Outline four factors that will influence her choice of office layout (4 marks) 14. Give four ways in which consumers may benefit when producers compete in product promotion. (4 marks) a) b) c) d) 15. The following details were extracted from the books of Omino enterprises for the year ender 31st Dec. 2009.  Ksh Opening capital 105,000 Capital introduced 15,000   |     | b)                                 |                                       |                           |                           |       |
| 10. Organizing is a major function in business management. Highlight four benefits of organizing that an entrepreneur will enjoy (4 marks) a) b) c) d) 11. Highlight four circumstances under which firm may acquire oligopoly power (4 marks) a) b) c) d) 12. Outline four important uses of measuring national income in a country (4 marks) 13. Ananda sita intends to set up a modern University in Eldoret. Outline four factors that will influence her choice of office layout (4 marks) 14. Give four ways in which consumers may benefit when producers compete in product promotion. (4 marks) a) b) c) d) 15. The following details were extracted from the books of Omino enterprises for the year ender 31st Dec. 2009.  Ksh Opening capital 105,000 Capital introduced 15,000  |     | c)                                 |                                       |                           |                           |       |
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| b) c) d) 11. Highlight four circumstances under which firm may acquire oligopoly power (4 marks) a) b) c) d) 12. Outline four important uses of measuring national income in a country (4 marks) 13. Ananda sita intends to set up a modern University in Eldoret. Outline four factors that will influence her choice of office layout (4 marks) 14. Give four ways in which consumers may benefit when producers compete in product promotion. (4 marks) a) b) c) d) 15. The following details were extracted from the books of Omino enterprises for the year enders of the set of the product promotion of the product promotion.  Ksh Opening capital 105,000 Capital introduced 15,000   |     | that an entrepreneur wi            | ll enjoy                              |                           | (4 marks)                 |       |
| c) d) 11. Highlight four circumstances under which firm may acquire oligopoly power (4 marks) a) b) c) d) 12. Outline four important uses of measuring national income in a country (4 marks) 13. Ananda sita intends to set up a modern University in Eldoret. Outline four factors that will influence her choice of office layout (4 marks) 14. Give four ways in which consumers may benefit when producers compete in product promotion. (4 marks) a) b) c) d) 15. The following details were extracted from the books of Omino enterprises for the year ender 31st Dec. 2009.  Ksh Opening capital 105,000 Capital introduced 15,000   |     | a)                                 |                                       |                           |                           |       |
| d)  11. Highlight four circumstances under which firm may acquire oligopoly power  (4 marks)  a)  b)  c)  d)  12. Outline four important uses of measuring national income in a country (4 marks)  13. Ananda sita intends to set up a modern University in Eldoret. Outline four factors that will influence her choice of office layout (4 marks)  14. Give four ways in which consumers may benefit when producers compete in product promotion. (4 marks)  a)  b)  c)  d)  15. The following details were extracted from the books of Omino enterprises for the year ender 31st Dec. 2009.  Ksh  Opening capital 105,000  Capital introduced 15,000  |     | b)                                 |                                       |                           |                           |       |
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| c) d) 12. Outline four important uses of measuring national income in a country (4 marks)  13. Ananda sita intends to set up a modern University in Eldoret. Outline four factors that will influence her choice of office layout (4 marks)  14. Give four ways in which consumers may benefit when producers compete in product promotion. (4 marks)  a) b) c) d) 15. The following details were extracted from the books of Omino enterprises for the year ender 31 to Dec. 2009.  Ksh Opening capital 105,000 Capital introduced 15,000   |     | ,                                  |                                       |                           |                           |       |
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| <ul> <li>13. Ananda sita intends to set up a modern University in Eldoret. Outline four factors that will influence her choice of office layout (4 marks)</li> <li>14. Give four ways in which consumers may benefit when producers compete in product promotion. (4 marks) <ul> <li>a)</li> <li>b)</li> <li>c)</li> <li>d)</li> <li>15. The following details were extracted from the books of Omino enterprises for the year ender 31st Dec. 2009.</li> <li>Ksh</li> <li>Opening capital 105,000</li> <li>Capital introduced 15,000</li> </ul> </li> </ul>   |     | ,                                  |                                       |                           |                           |       |
| influence her choice of office layout (4 marks)  14. Give four ways in which consumers may benefit when producers compete in product promotion. (4 marks)  a)  b)  c)  d)  15. The following details were extracted from the books of Omino enterprises for the year ender 31st Dec. 2009.  Ksh  Opening capital 105,000  Capital introduced 15,000  |     |                                    |                                       |                           |                           |       |
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| promotion. (4 marks) a) b) c) d) 15. The following details were extracted from the books of Omino enterprises for the year endo 31 <sup>st</sup> Dec. 2009.  Ksh Opening capital 105,000 Capital introduced 15,000   |     |                                    |                                       |                           | ,                         |       |
| a) b) c) d) 15. The following details were extracted from the books of Omino enterprises for the year ender 31st Dec. 2009.  Ksh Opening capital 105,000 Capital introduced 15,000   | 14. |                                    | h consumers may ben                   |                           |                           |       |
| b) c) d) 15. The following details were extracted from the books of Omino enterprises for the year ender 31st Dec. 2009.  Ksh Opening capital 105,000 Capital introduced 15,000  |     | 1                                  |                                       | (4 n                      | narks)                    |       |
| c) d) 15. The following details were extracted from the books of Omino enterprises for the year ender 31st Dec. 2009.  Ksh Opening capital 105,000 Capital introduced 15,000   |     | ,                                  |                                       |                           |                           |       |
| d) 15. The following details were extracted from the books of Omino enterprises for the year ender 31st Dec. 2009.  Ksh Opening capital 105,000 Capital introduced 15,000  |     | ,                                  |                                       |                           |                           |       |
| 15. The following details were extracted from the books of Omino enterprises for the year endo 31 <sup>st</sup> Dec. 2009.  Ksh Opening capital 105,000 Capital introduced 15,000  |     | ,                                  |                                       |                           |                           |       |
| 31 <sup>st</sup> Dec. 2009.  Ksh Opening capital 105,000 Capital introduced 15,000   |     | /                                  | T                                     |                           |                           | 1     |
| Ksh Opening capital 105,000 Capital introduced 15,000  |     | 15. I ne following deta            | ils were extracted from               | m the books of Omino      | enterprises for the year  | enaec |
| Opening capital 105,000<br>Capital introduced 15,000   |     | 51 DCC. 2007.                      | Ksh                                   |                           |                           |       |
| Capital introduced 15,000  |     | Opening capital                    |                                       |                           |                           |       |
| •  |     |                                    | · · · · · · · · · · · · · · · · · · · |                           |                           |       |
|  |     | •                                  | ,                                     |                           |                           |       |

| Closing capital              | 135,000      |
|------------------------------|--------------|
| Determine the profit or loss | for the year |

Transaction

16. In the table, fill in by stating whether each of the following transaction will increase, decrease or have no effect on the capital of the business.

Effects on capital

| The business made profit Bought stock of good Withdrawal of stock for own use. Paid creditors by giving up an old machine   |  |
|---|--|
| 17. State four main cooperative principles.   | (4 marks)  |
| <ul><li>a)</li><li>b)</li><li>c)</li><li>d)</li><li>18. List four documents used in home trade a</li></ul>  | at the order stage. (4 marks)  |
| <ul> <li>a)</li> <li>b)</li> <li>c)</li> <li>d)</li> <li>19. Mamati has just taken a whole life policy high. Outline four reason why the premium reason who reason</li></ul> | and is complaining that his premiums are very nay be high. (4 marks) |
| 20. Highlight four (4) disadvantages of an ag a) b) c) d)   | eing population. (4 marks)   |
| 21. Highlight four benefits that may accure to communication. a) b) c) d)   | o an organization that practices effective (4 marks)                 |
| 22. State four advantages of bonded warehouta) b) c) d)   | ise to the government. (4 marks)                                     |

| 23.  | Identify the factors can cause an increase in the demand of a product. | (4 marks) |
|------|--|-----------|
| )    |  |           |
| )    |  |           |
| )    |  |           |
| )    |  |           |
| 24.  | The following are some of the source documents used in business.       |           |
| I.   | Credit note received Invoice   |           |
| II.  | Credit note issued   |           |
| III. | Cash sale slip   |           |
|      |  |           |

March each of the following books of original entry with relevant source document (4 marks)

| ( : =======)               |                    |  |
|----------------------------|--------------------|--|
| Books of original entry    | Source of document |  |
| a) Cash book               |                    |  |
| b) Sales day book          |                    |  |
| c) Returns inwards daybook |                    |  |
| d) Returns outward daybook |                    |  |

| 25. Highlight four services that the Central Bar | nk of Bank of Kenya may offer as a banker top |
|--|---|
| commercial banks.                                | (4 marks)                                     |

- a)
- b)
  c)
  d)