**HOLA SECONDARY SCHOOL**

**BUSINESS STUDIES**

**END OF YEAR EXAMINATION**

**YEAR 2011**

**TERM THREE**

**FORM THREE**

**PAPER ONE**

**565/1**

**TIME: 2 HOURS**

**NAME\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_CLASS\_\_\_\_\_\_\_\_\_ADM/NO.\_\_\_\_\_\_\_\_\_\_\_**

**Instructions: Answer all questions in the spaces provided.**

1. Name four factors that contribute to a health business environment. (4mks)

2. Give four circumstances under which cash payment is appropriate. (4mks)

3. Highlight four differences between life assurance and General or property insurance. (4mks)

|  |  |  |
| --- | --- | --- |
|  | **Life Assurance** | **General/Property Insurance** |
|  |  |  |

4. The following curve shows a supply curve that has shifted from Sosoto S1 S1. State any four factors that has caused the supply curve to shift from supply curve (SoSo) to supply curve 1 (SISI).

5. The following data is available from the books of Hanjera traders for the year ended 31st December, 2010.

Opening Stock 200,000

Closing Stock 300,000

Purchases 500,000

Margin 20%

Prepare the trading account of Hanjera traders for the year ending 31st December, 2010.

6. State four factors that influence the choice of distribution channel.(4mks)

7. The following are occupations found at various levels of production: **Railway construction, Lumbering, Entertainment, Maize milling**. Match them with their corresponding levels of production.

|  |  |  |
| --- | --- | --- |
|  | ***Level of production*** | ***Occupation*** |
| i) |  | Railway construction |
| ii) |  | Lumbering |
| iii) |  | Entertainment |
| iv) |  | Maize milling |

8. State four reasons/advantages that may make a person to transport his products using air transport. (4mks)

9. The following cash transactions took place in the business of Matoli traders during the first week of November 2011.

November 1, 2011: Balances brought down cash. 120,000

Bank. 350,000

November 2, 2011: Received shs. 80,000 cash from Hamaro after allowing her cash discount of Kshs. 10,000.00

November 3, 2011: Sold goods on credit worth kshs. 50,000 to kaseme.

November 4, 2011: Matoli took cash Kshs. 15,000 from personal use.

November 5, 2011: Settled Jalua’s bill of Kshs. 150,000 partly by cheque Kshs. 100,000 less Kshs. 20,000 cash discount.

November 6, 2011: Deposited all the cash into the bank except shs. 55,000. Required:

**A three column cash book duly balanced. (5mks)**

10.State four sources of monopoly power. (4mks)

11. Give four properties of economic resources. (4mks)

12. Name four contents of article of association. (4mks)

13. State four uses of general journal (journal proper). (4mks)

14. Most people prefer written communication compared to the other means

Of communication. Name four advantages of written communication. (4mks)

15. Of late, Kenyan government has been in the fore front to support entrepreneurs in

the country. State four factors that influence entrepreneurial practices. (4mks)

16. The following transactions relate to Kilelengwani traders.

November 4, 2011: the owner starts business by depositing Kshs. 500,000 in the bank a/c.

November 6, 2011: paid rent by cheque Kshs. 50,000

Open up the respective ledger a/cs for Kilelengwani traders and balance them off. (4mks)

17. The following are types of office machines and equipment: Pager, Facsmile/fax machine,

Stapler remover, Franking machine. Match them with their

corresponding statement/function. (4mks)

|  |  |  |
| --- | --- | --- |
|  | **Function/Statement** | **Machine/Equipment** |
| a) | Used to remove pins from papers. |  |
| b) | Used to communicate with people within a firm by alerting a person through signals or vibrations. |  |
| c) | Used to print postage impressions on envelopes and mails |  |
| d) | Used to transmit printed messages such as letters maps, diagrams and photographs. |  |

18. State four advantages of localisation. (4mks)

19. Name four reasons why the government involves itself in licensing activities. (4mks)

20. Give four essentials of a warehouse. (4mks)

21. Given the following books of original entry: **Petty cash book, Sales Journal/day book,**

**Returns outwards/Purchases Returns Journal/day book, Cash receipts Journal/day**

**Book.** Identify their source documents. (4mks)

|  |  |  |
| --- | --- | --- |
|  | **Book of Original entry** | **Source document** |
| a) | Petty Cash book |  |
| b) | Sales Journal/daybook |  |
| c) | Returns outwards/purchases returns journal/day book |  |
| d) | Cash receipts journal |  |

22. Name four functions of advertising agencies. (4mks)

23. State four features of a perfect competitive market structure. (4mks)

24. The following data relates to Ambari’s business for the month of October, 2011.

Shs.

Sales 300,000

Purchases 480,000

Salaries 110,000

Debitors 150,000

Creditors 50,000

Discount received 10,000

Capital 400,000

Returns inwards/sales returns 20,000

Prepare a trial balance for Ambari’s bsiness for the month of October 2011.

25. Give two uses of computers in communication. (2mks)

**THE END**

**MERRY X – MASS AND A PROPEROUS NEW YEAR (2012)**

**FROM: BUSINESS STUDIES SECTION**

**TECHNICAL AND APPLIED SUBJECTS DEPARTMENT**