FORM THREE HOLIDAYS KEYNOTE
BUSINESS STUDIES PP1 10 QUESTION PAPERS



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TEN QUESTION PAPERS

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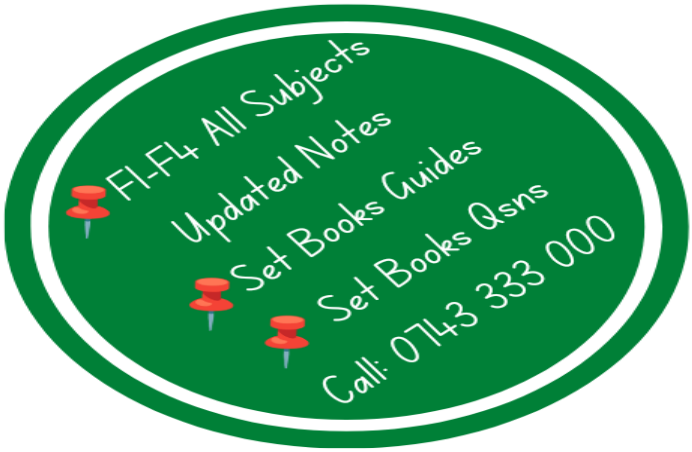
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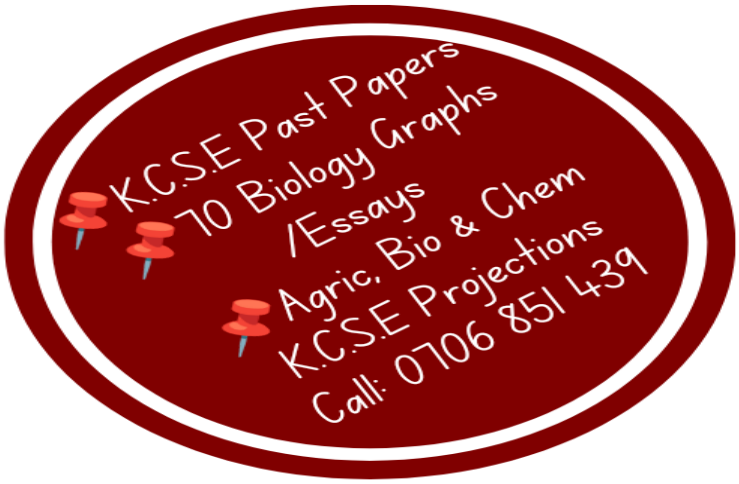
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FORM THREE HOLIDAYS KEYNOTE
BUSINESS STUDIES PP1 QUESTION PAPER NO: 01

1. State four economic elements that influence business operation **(4 mks)**

2. State four essential elements for a transport system to function efficiently **(4 mks)**

3. Apart from personal saving highlight four other sources of capital for a sole proprietorship **(4 mks)**

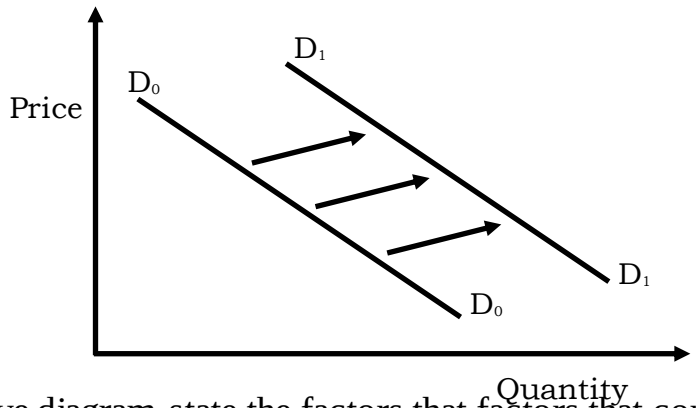
4. Give four differences between goods and services **(4 mks)**

5. Outline four circumstances under which a correctly drawn cheque can be dishonoured **(4 mks)**

6. The following are some of uses of office equipments. Indicate in the table below the most appropriate equipment one will use to perform the following functions

	Use	***Equipment***
(a)	For trimming documents into required shapes and sizes	
(b)	To make holes in papers to facilitate filing	
(c)	To fold documents, place them in envelopes and seal the envelopes	
(d)	For printing postage impression on envelopes	

7. The diagram below shows a shift in demand curve.



From the above diagram state the factors that factors that could have contributed to the shift.

. **(4 mks)**

8. State the line of communication involved in each of the following **(4 mks)**

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(a) The Manager of Safaricom Ltd talking to the Manager of Zeraki Softwares Company Ltd.

(b) A secretary asking for time off from her boss

(c) The Production Manager giving instruction to the secretary of the Sales Manager

(d) The store keeper giving explanations to the Chief Accountant

9. If a house worth Kshs. 1,200,000 was insured against fire for Ksh. 900,000 under the "with average clause" Fire occurred and damaged the house causing a loss of Kshs. 500,000. Determine the value of compensation due to the insured. **(4 mks)**

10. List four types of warehouses **(4 mks)**

11. Highlight four ways in which the government get involved in business **(4 mks)**

12. Outline **four** factors that should be considered of a means for transporting perishable goods. **(4 mks)**

13. Highlight **four** circumstances under which personal selling is appropriate. **(4 mks)**

14. Outline **four** benefits a firm will get by adopting division of labour and specialization in production **(4 mks)**

15. Outline **four** roles of Nairobi Securities Market in the economy. **(4 mks)**

16. State **four** factors that a trader should consider before offering a credit to a customer. **(4 mks)**

17. Highlight **four** features of an open – air market. **(4 mks)**

18. State **four** reasons why choice should be made in satisfying human wants. **(4 mks)**

19. Outline **four** reasons why the government issue licence to drivers**.** **(4 mks)**

20. Classify the following economic resources**.** **(4 mks)**

RESOURCE	**CLASSIFICATION**
(a) Oil	
(b) Ship captain	
(c) Hydroeletric power plant	
(d) Standard gauge railway	
(e)	

21. **(a)** Explain **five** roles of entrepreneurship to the economy of Kenya. **(10 mks)**

(b) Explain **five** external environment factors that may influence the operations of a business positively. **(10 mks)**

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BUSINESS STUDIES PP1 QUESTION PAPER NO: 02

1. Highlight four positive impacts of the physical environment on the operations of a business. **4mks**

2. Outline four features of oligopoly power. **4mks**

3. State four circumstance under which photocopying may be used to reproduce documents in a school. **4mks**

4. State four reasons why diagonal communication needs to be encouraged in an organization. **4mks**

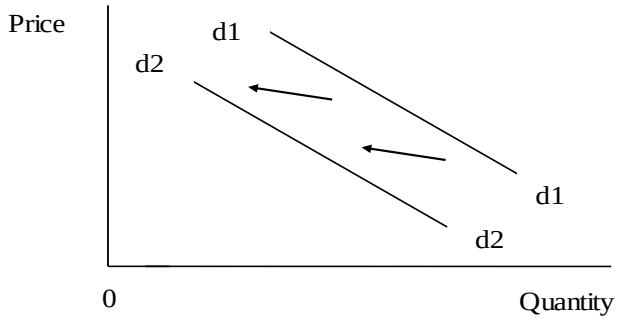
5. List four characteristics of land as a factor of production which distinguish it from other factors of production. **4mks**

6. Give the name of the insurance policy described in the following table. **4mks**

Description	Name of policy
Covers ships while on a specified voyage and time.	
Covers a specified peril when the ship is either being loaded, offloaded or served.	
Covers cargo against loss or damage while being transported by ship.	
One policy used to cover a number of ships belonging to one organization.	

7. State four benefits that a subsistence producer may get by participating in exchange of goods **4mks**

8. Study the diagram below and answer the questions that follow.



State four factors that are responsible for the change in the diagram above. **4mks**

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9. State four circumstances under which a wholesaler and a retailer may be removed from the chain of distribution. **4mks**

10. Identify the following Acts of Parliament used by the government to protect the consumer. **4mks**

	Description	Act of parliament
(i)	Requires that traders maintain high standards of hygiene	
(ii)	Requires that traders use correct weighing equipment	
(iii)	Requires that producers do not include harmful substances in products	
(iv)	Requires that traders only engaged in business which they are permitted	

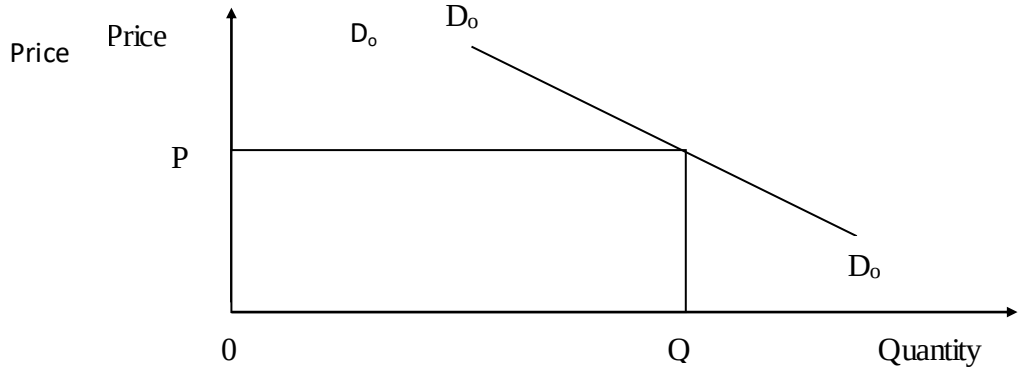
11. List four documents prepared by the buyer in home trade. **4mks**

12. Give four features of economic recourses. **4mks**

13. Outline four tools used by the government to influence the quantity of a product supplied in a market. **4mks**

14. Highlight four factors that may be used to determine the size of a firm. **4mks**

15. The diagram below shows the current demand for petrol.



(a) What is the effect of an increase in the price of cars on demand for petrol **2mks**

(b) Draw a new demand curve on the diagram above to show the effect of an Increase in price of cars **2mks**

16. State four reasons why few Kenyans take out life assurance policies. **4mks**

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17. In the table given below, give the appropriate type of advertising which suits the description. **4mks**

Description		Type of advertising
(a)	Persuades the consumers to buy a product	
(b)	Promotes a particular brand of product	
(c)	Creates awareness about a product	
(d)	Promotes the name of the manufacturer	

18. Highlight four disadvantages of a long channel of distribution of goods to a buyer. **4mks**

19. Highlight four major challenges that may face a developing country in its quest to adopt containerization as a method of transport. **4mks**

20. State four reasons why consumers have to make a choice between competing needs. **4mks**

21. Identify the macro-environmental factors affecting business operations as described by the following statements. **(4mks)**

(a) Laws and policies that regulate business activities

(b) Affects buyer's ability to buy commodities offered by a business

(c) Firms selling similar products trying to outdo each other in their efforts to maximize profits

(d) Dictates how people live and what products they consume

22. Outline four features of Itinerant traders. **4mks**

23. Nyeri Youth Group wants to start a warehouse service business in their ward. State any four essential factors they should consider for their warehouse to function effectively. **4mks**

24.Highlight four circumstances under which a partnership business would be preferred to a sole proprietorship. **4mks**

25. Define the following components of business studies. **4mks**

(a) Commerce
(b) Accounting
(c) Economic
(d) Office practices

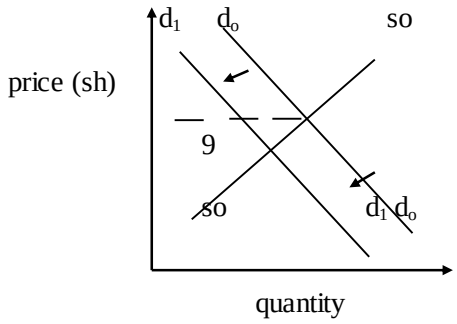
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BUSINESS STUDIES PP1 QUESTION PAPER NO: 03

1. Name the discipline described below that is part of the subject Business Studies **(4mks)**

2. The diagram below shows a shift of the demand give of a commodity from dodo to d1d1.

Outline any four factors that could have led to the shift **(4mks)**



3. Highlight four factors that may make communication in an organization to be ineffective **(4mks)**

4. Give four circumstances under which a cooperative society may be dissolved **(4mks)**

5. Outline any four characteristics of an imperfect competition market **(4mks)**

6. Write down the meaning of the following terms as used in business **(4mks)**

7. Give four benefits of electronic filing in an office **(4mks)**

8. Give four reasons why business firms advertise their products **(4mks)**

9. Mr Kigen is the managing director of Mbau furniture ltd. Which has a large, well equipped workshop with expensive machines. The company handles large sums of money. Outline four insurance policies that the company may have **(4mks)**

10. Outline four benefits to a firm that uses modern technology in its production activities **(4mks)**

11. Highlight four benefits to a retailer who uses a public warehouse to store goods **(4mks)**

12. A business wishes to communicate the arrival of much waited stock of goods to its customers. Give four reasons why it might describe to write a short text message(sms) to the customers instead of a business letter **(4mks)**

13. Outline any four advantages of using intermediaries in the chain of distribution **(4mks)**

14. List down four assumptions of the circular flow of income in a two sector economy **(4mks)**

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15. Give any four challenges faced by human beings in their endevour to satisfy human wants **(4mks)**

16. Highlight any four benefits that the recently launched standard gauge railway from Mombasa to Kisumu would bring to Kenya's economy **(4mks)**

17. Name any four occupations that are found at the extractive level of production **(4mks)**

18. Outline any four advantages of small-scale retailers over large-scale retailers **(4mks)**

19. Highlight any four methods used to determine prices of goods and services in the economy **(4mks)**

20. Outline any four challenges that entrepreneurs face in Kenya **(4mks)**

21. Highlight four characteristics of free resources **(4mks)**

22. Give four advantages of self employment **(4mks)**

23. Outline any four duties of an office receptionist **(4mks)**

24. Name the types of advertising that are described below **(4mks)**

i. Brand name and other features of the brand features more prominently –

ii. Advertising that aims at popularizing a new product –

iii. Advertising that popularizes the business organization –

iv. **U**sed by organization that deals with similar products to convince potential customers to buy their products and not the other –

25. Highlight any characteristics of subsistence production in Kenya **(4mks)**

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BUSINESS STUDIES PP1 QUESTION PAPER NO: 04

1. Outline 4 ways in which commercial attaches may promote trade between their country and other countries. **(4marks)**

2. A lucrative manufacturing firm has been constantly releasing toxic wastes into the neighbourhood. Outline four measures you can take to stop the firm from such malpractice. **(4marks)**

3. Outline four factors that should be considered in the choice of a means for transporting perishable goods

4. Outline four circumstances under which face to face communication may be ineffective **(4marks)**

5. Highlight four benefits that would accrue to a firm located near other existing firms **(4mks)**

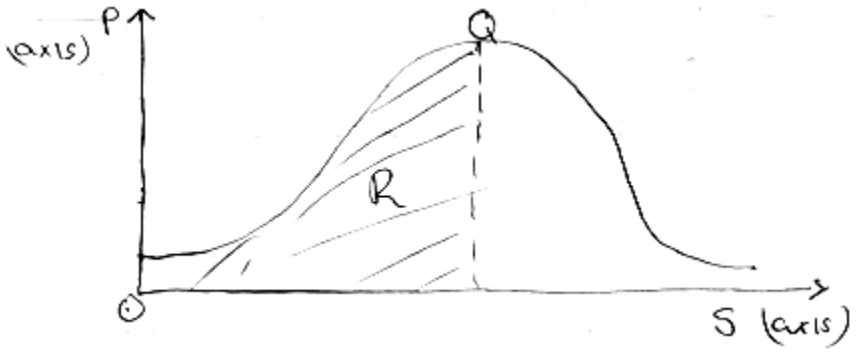
6. KAMBO owned a motor vehicle valued at sh.1,000,000. He comprehensively insured the car at sh.800,000. The motor vehicle was involved in an accident and declared a write off. Calculate the amount KAMBO should get from the insurer **(4marks)**

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

8. State four importances of intermediaries in the chain of distribution **(4marks)**

9. Highlight four challenges that a person may encounter when using a cell phone (mobile phone) **(4marks)**

10. The diagram below represents the relationship between population and income per capita



State what is represented by P and S axes and letters R and Q **(4marks)**

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11. The balances given below relate to Korir Traders for the year ended 31st December 2013.

	Sh.
Capital	?
2 year bank loan	230,020
Creditors	95,200
Fixed assets	480,000
Current assets	145,220

Prepare a balance sheet as at 31st December 2013 **(5mks)**

12. Identify the types of wholesalers described in the statements given below **(4marks)**

a) A wholesaler who trades in maize grain only

b) A wholesaler who supplies goods to most of the traders in Kerugoya, Mwea and Sagana in Kirinyaga County

c) A wholesaler who buys tomatoes from farmers in rural areas and sells the same to other wholesalers in urban areas.

d) A wholesaler who trades in a wide variety of human medicine

13. On 2nd November 2010, Mwaura received an invoice for Ksh.12,000. Terms of payment were trade discount 5% and cash discount 10%, if payment is made within 30 days. Determine the amount paid if payment was made on 28th November 2010. **(4marks)**

14. The following transactions were extracted from the books of Sarah Traders for the month of March 2014.

March 10: Purchased goods on credit worth Kshs.200,000 from Salim Traders.

March 25: Sold goods on credit worth Kshs.420,000 to Shah Traders. Record the above transactions in the relevant ledger accounts **(4marks)**

15. Highlight four circumstances under which the capital of a business may change **(4marks)**

16. Outline four features of liners in sea transport **(4marks)**

17. Fatuma operates a matatu business. State four factors in the internal environment that may influence the business **(4marks)**

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18. State 4 features of monopolistic competition **(4marks)**

19. Apart from selling shares. Outline 4 sources of finance for a public limited company **(4marks)**

20. There has been a decline in the demand for wooden furniture. State 4 factors that may have caused this trend. **(4marks)**

21. Karanja Ltd had the following ledger account balance as at 31st May 2015.

Details	shs.
Purchases	3,880
Sales	3,350
Returns outwards	150
Returns inwards	160
D. Simola (Debtor)	2,550
P. Mwendo (Creditor)	3,100
Wages	800
Cash	960
Capital	1,750

Required: Prepare Karanja's trial balance as at 31st May 2015 **(5mks)**

22. State four merits of promoting products through personal selling **(4marks)**

23. Complete the table below by indicating the relevant account to be debited and credited. **(3marks)**

Statement	**Account to debit**	**Account to credit**
a) A debtor paid by cheque		
b) Bought goods on credit		
c) Draw cash from bank for office use		

24. Highlight four essentials of a good warehouse **(4marks)**

25. Outline 3 features of economic resources **(3marks)**

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BUSINESS STUDIES PP1 QUESTION PAPER NO: 05

INSTRUCTIONS: ***Answer all questions in the spaces provided***

1. State the term given to each of the following descriptions. **(4 marks)**

	Description	**Term**
a)	Study of activities that are carried out in an office	
b)	Study of the process of identifying a business opportunity, acquiring the resources to start and run a business	
c)	Study of trade and aids to trade	
d)	Study of a systematic record keeping	

2. A survey conducted in Kenya shows an upward trend in entrepreneurial activities among citizens. Highlight **four** possible factors that may be leading to such a trend. **(4 marks)**

3. Outline **FOUR** challenges associated with a high ageing population in a country. **(4 Marks)**

4. Outline **FOUR** items that are included when computing national income using the expenditure approach. **(4 Marks)**

5. Outline **FOUR** features that constitute a market. **(4 Marks)**

6. Name the accounts to be debited and credited for each of the transactions shown in the table below. **(4marks)**

	Transaction	A/c to debit	A/c to credit
a)	Bought goods on credit from Kamene		
b)	Took soda from stock to entertain own children		
c)	Paid for office expenses in cash		
d)	Sold old motor vehicle and received a cheque		

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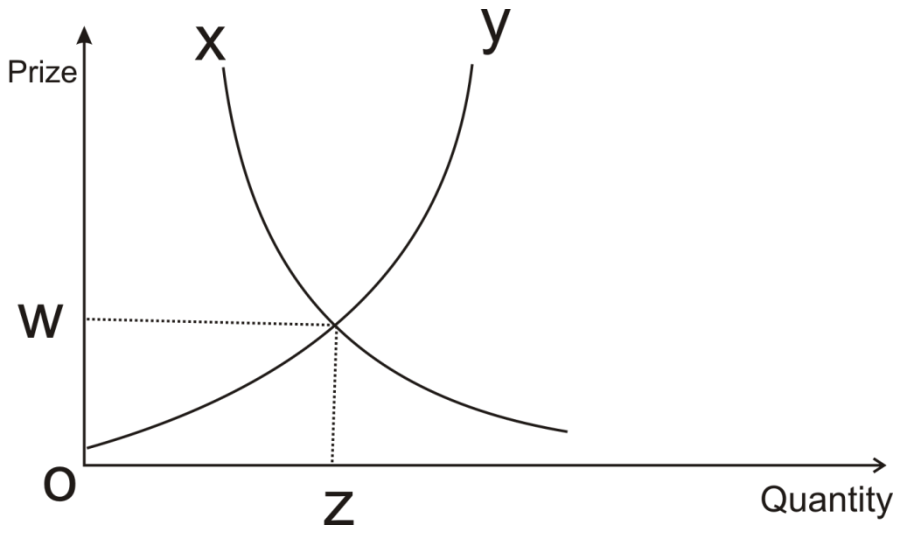
7. State **four** factors that may necessitate re-insurance. **(4mks)**

8. Name **three** types of wholesalers according to the goods they handle. **(3mks)**

9. State four reasons why consumers need protection from unscrupulous traders **(4 mks)**

10. State four merits of a bonded warehouse to the Government **(4 mks)**

11. Identify what is represented by the letters W,X, Y and Z in the diagram below **(4 mks)**



12. The following balances were extracted from the books of Mwenge Traders on 30th June 2010.

	Shs.
Debtors	120 000
Creditors	240 000
Ten-year loan Loan	400 000
Closing Stock	25 000
Cash in hand	50 000
Drawings	30 000
Furniture	700 000

Required : Prepare a Balance Sheet as at 30th June 2010 **(4mks)**

13. Identify four circumstances under which face to face communication would be appropriate **(4mks)**

14. Outline four factors you would consider before setting up a business **(4mks)**

15. State four benefits of a business plan to a business **(4mks)**

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16. Outline four features of perfect competition market **(4mks)**

17. Outline four factors to consider when choosing a method of promoting products **(4mks)**

18. List any **four** characteristics of services. **(4mks)**

19. Complete the table below by identifying whether the factor is within the internal or external business environment. **(4 mks)**

FACTOR	**ENVIRONMENT**
a) Business objectives	
b) Goodwill from customers	
c) Competitors	
d) Marketing strategies	

20. A TV set was sold for sh.10,000. If the buyer was allowed a trade discount of 5% and a cash discount of 2% if payment is made within a month. Determine the amount received by the seller if payment is made within 2 weeks. **(4 mks)**

20. Highlight **four** channels of distribution for local agricultural products. **(4 mks)**

21. Enter the following transactions in the relevant journal

a) On 5th may 2001 an old tractor worth shs. 80,000 was sold to wakulima entreprices on credit

b) On 10th may an old furniture worth shs. 80,000 was sold on credit to Bumbere Restaurant for shs 90,000.

c) On 20th may a machine whose book value was shs. 80,000 was sold to Yusuf for shs. 50,000 on credit.

22. State **four** functions of an office in an organization **(4mks)**

23. Identify **four** errors that may cause a trial balance to agree **(4mks)**

24. State the four factors that may limit a persons ability to satisfy human wants **(4mks)**

25. Give five differences between a cooperative and a parastatal **(5 mks)**

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BUSINESS STUDIES PP1 QUESTION PAPER NO: 06

1. Define the following terms as used in Business Studies. **(4 mks)**

(i) Economics **(iii)** Opportunity cost

(ii) Entrepreneurship **(iv)** Scale of preference

2. Highlight four features of a good filling system. **(4 mks)**

3. Outline four importance of a warehouse to a consumer. **(4 mks)**

4. Outline four benefits of a business plan. **(4 mks)**

5. Highlight four functions of an entrepreneur.(4mks)

6. State four importance of a balance sheet **(4 mks)**

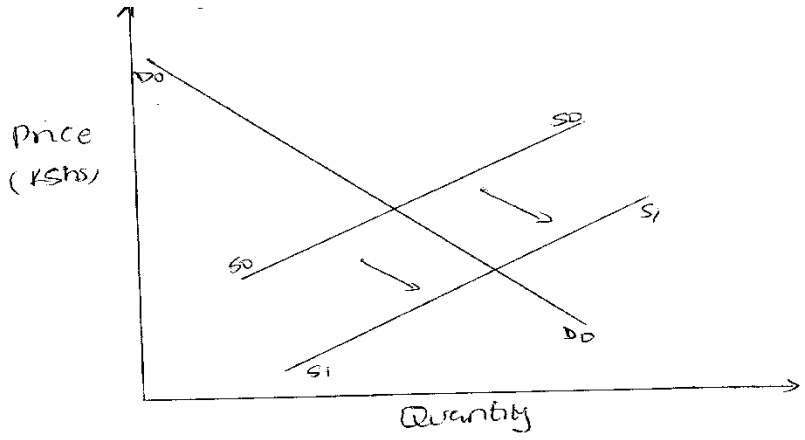
7. The following information was extracted from the books of Dawida businesses enterprise for the year ended 30th June 2000.

Capital as at 30th June, 2000	640,000
Capital as at 1st July 1999	420,000
Drawing for the year	180,000
Net profit for the year	140,000

Determine the additional capital during the year. **(5 mks)**

8. Highlight four barriers to effective communication **(4 mks)**

9. Below is a demand and supply curve.



Highlight the factors that may have led to the above behavior. **(4 mks)**

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10. Outline four circumstances under which a cheque maybe be dishonoured. **(4 mks)**

11. Give the difference between: **(4 mks)**

(a) Double and co-insurance

(b) Premiums and surrender value

12. Highlight four advantages of indirect production **(4 mks)**

13. Highlight four methods through which the government get involved in business activities. **(4 mks)**

14. Highlight four duties of commercial attaches in trade promotion. **(4 mks)**

15. Complete the table below. **(4 mks)**

FACTOR OF PRODUCTION	**REWARD**
Land	
Capital	
Labour	
Entrepreneurship	

16. Outline three leakages in a circular flow of income. **(3 mks)**

17. Outline four advantages of using celebrities in product promotion. **(4 mks)**

18. Distinguish between goods and services. **(4 mks)**

19. Kenya is planning to extend her pipeline transport. State four advantages of pipeline transport to the country. **(4 mks)**

20. Outline four factors that determine the size of a firm. **(4 mks)**

21. Kiburu carried out the following transactions during the month of February 2015.

February **1:** Started business by depositing sh 220,000 in business bank account

7: Bought goods on credit from Miyogo Sh 72,000

8: Paid rent by cheque Sh 20,000

16: Sold goods to Kamula on credit Sh 50,000.

Required: Post the above transaction in the relevant ledge accounts. **(8mks)**

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22. Highlight <u>four</u> features of perfect competition market. **(4 mks)**

23. Mention whether the following transactions have an increase, decrease or no effect on the assts, capital and liabilities of a business. **(4 mks)**

	Transaction	Assets	Capital	Liabilities
(a)	Bought premises on credit			
(b)	Took stock of goods and donated to a local dispensary			
(c)	Withdrew money from bank for office use			
(d)	Sold furniture receiving cash			

24. State the following abbreviations in full **(4mks)**

(i) GDP

(ii) GNP

(iii) NDP

(iv) NNP

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BUSINESS STUDIES PP1 QUESTION PAPER NO: 07

1. State four importance of teaching Business Studies in secondary schools to the learner **(4 mks)**

2. Name **four** types of business resources. **(4 mks)**

3. Indicate the form of external environmental factor described by the statement below. **(4 mks)**

Description	External environmental factor
Introduction of Mutotho law to curb excessive beer taking.	
Religions sect that is against medicine	
Construction of the superhighway.	
Price wars between safaricom and Telkom mobile companies.	

4. State **four** benefits of indirect production to a country. **(4 marks)**

5. Highlight four characteristics of economic resources. **(4 marks)**

6. The following information was extracted from Maili Kumi traders for the year ended 31st December 2020

Machinery 460,000

Cash in hand 80,000

Debtors 130,000

Creditors 60,000

Prepaid salaries 20,000

4 year loan 280,000

Accrued rent 30,000

Required: Prepare a balance sheet of Maili Kumi traders as at 31st December, 2020

7. Highlight **four** features that distinguish co-operative societies from other forms of business units **(4 marks)**

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8. State four factors that may encourage entrepreneurial growth in Kenya **(4 Marks)**

9. QQ Enterprises would like to partition its office. Outline **four** benefits the firm may get if it uses the enclosed office plan. **(4 marks)**

10. Give **four** reasons why railway transport is not competitive in Kenya. **(4 marks)**

11. Funny Traders, had the following assets and liabilities as at 1st January, 2020

Furniture + equipment	350,000
Debtors	45,000
Cash	7,000
Creditor	48,000

For the year ended 31st December, 2015 there was:

(i) Additional capital introduced amounting to sh 34,000.

(ii) Drawings made during the year amounting to sh 20,000.

(iii) Net profit amounting to sh 34,000.

Determine the capital of the business as at 31st December, 2020. **(4mks)**

12. State **four** positive implications of a large population in a country **(4marks)**

13. State **four** factors that may cause the supply curve to shift to the left**.** **(4 Marks)**

14. Outline **four** circumstances under which an Insurance company may re- Insure. **(4 marks)**

15. Using the following transactions, state the name of the account to be debited and the account to be credited. **(4 marks)**

Transaction	A/c debited	A/c Credited
Made cash sales of sh 2,000		
Purchased machine by cheque		
Paid a creditor sh3,000 cash		
Withdrew sh10,000 for business Use		

16. Highlight four circumstances under which face to face oral communication may not be effective **(4 marks)**

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17. State **four** measures that Kenya government may take to attract firms to an area. **(4 marks)**

18. State four services that retailers render to consumers. **(4 marks)**

19. Outline **four** requirements meant to enable a warehouse operate efficiently. **(4 Marks)**

20. Outline **four** measures the Kenyan government may take to solve unemployment in the country **(4 Marks)**

21. State circumstances that may lead to the creation of an oligopoly. **(4 Marks)**

22. State four leakages in a four sector economy **(4 Marks)**

23. Identify the legislation meant to protect consumers that each of the following description refers to. **(4mks)**

(a) Ensures that traders or producers do not cheat consumers by giving false descriptions of goods.

(b) Prohibits traders and manufacturers from including substance that might harm consumers in a product.

(c) Ensures that all weighing equipments are correct and accurate.

(d) Ensures that the landlord's do not overcharge their tenants.

24. Describe four channels of distribution that may be used for distributing imported goods **(4Marks)**

25. Identify four types of advertising **(4 marks)**

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FORM THREE HOLIDAYS KEYNOTE
BUSINESS STUDIES PP1 QUESTION PAPER NO: 08

1. Highlight any four challenges to a country that engages in direct production. **(4 mks)**

2. State any four circumstances under which a market gap and business opportunity can arise. **(4mks)**

3. Name the office machine used for the purpose described below. **(4 mks)**

Use	Type of machine
a) Used for trimming documents into required shapes and sizes **b)** Used to prepare cash receipts **c)** Used to transmit printed/written messages eg. Letters, maps, photographs **d)** Used for destroying unwanted documents	

4. State any four common features of small-scale retailers. **(4 mks)**

5. Outline any four factors that may limit the use of pipeline transport. **(4 mks)**

6. The following information was extracted from the books of CEKENA enterprises for the year ended 30th June, 2014

	Ksh
Capital as at 30th June 2014	640,000
Capital as at 1st July 2013	420,000
Drawings for the year	180,000
Net profit for the year	140,000

Determine the additional capital for the year. **(4mks)**

7. Describe the procedure for making an insurance claim. **(5 mks)**

8. Indicate with a tick (√) whether the following factors make-up internal or external business environments. **(4 mks)**

Factor	External	Internal
a) Providing safety equipment in the places of work		
b) Funding of a school project by donors		
c) Financial management in the business		
d) Introduction of a new tax		

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9. State the level of production to which the following activities relate. **(4mks)**

a) Mechanic repairing a vehicle	
b) A trader selling goods to customers	
c) A road construction company tarmacking a road	
d) A mining company extracting minerals	

10. Outline any four advantages of face-to-face communication. **(4 mks)**

11. Outline any four functions of advertising agencies. **(4 mks)**

12. List down any four types of errors that a trial balance may not show. **(4 mks)**

13. Name the ledger book used for the following. **(4 mks)**

a) Maintain accounts for debtors –

b) Maintain the cash and bank accounts –

c) Maintain a record of all the creditors –

d) Maintain a record of all fixed assets -

14. Highlight any four challenges to a country that experiences a high population growth rate. **(4 mks)**

15. Give any four reasons why a high national income in a country may not necessarily mean better living standards for the citizens of a country. **(4 mks)**

16. Outline any four factors that a firm should consider when deciding what goods and services to produce. **(4 mks)**

17. Jacob insured his vehicle for shs. 900,000. Its actual value was shs. 1,200,000. The vehicle was involved in an accident and the damage was valued to be worth shs. 500,000. Calculate the amount that should be compensated for the vehicle. **(5 mks)**

18. Outline any four circumstances under which a manufacturer may choose to distribute products through wholesalers. **(4 mks)**

19. Highlight four factors that can lead to a positive shift of a demand curve. **(4 mks)**

20. Name the factor of production that each of the following resources relate to: **(4 mks)**

a) Manager – **c)** Vehicle –

b) Quarry – **d)** Owner –

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21. Outline any four characteristics of monopolistic competition market. **(4 mks)**

22. Record the following transactions in the relevant ledger accounts and balance them off on Jan 3. **(6 mks)**

Jan 1: Started business with cash shs. 30,000 and cash at Bank shs. 20,000.

2: Purchased stock of goods shs. 15,000 in cash.

3: Bought furniture shs. 5,000 by cheque

23. Give the term that best fits the following descriptions. **(4 mks)**

a) Owners contribution to start or sustain a business –

b) The resources/items/money that a business owes to others –

c) The resources/items owned by the business –

d) The financial position of a business as shown by assets, liabilities and capital as at particular time –

24. Highlight any four challenges that face the transport sector in the country. **(4 mks)**

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FORM THREE HOLIDAYS KEYNOTE
BUSINESS STUDIES PP1 QUESTION PAPER NO: 09

1. Identify any four characteristics of human wants **(4mks)**

2. List four special delivery mail services offered by Post Office **(4mks)**

3. Give three reasons why transporting oil by pipeline has become popular than roads **(3mks)**

4. Compute the missing figures in the table below (3mks)

	Capital	Assets	Liabilities
a)	50,630	90,450	_____
b)	_____	30,420	11,110
c)	20,560	_____	30,480

5. State four functions of an entrepreneur **(4mks)**

6. State three circumstances under which a manufacturer would not require a lot of warehousing facilities **(3mks)**

7. For each of the following types of accounts, Indicate by writing DR or CR, the side of record for increase and decrease **(4mks)**

Type of account	**Increase**	**Decrease**
Assets		
Capital		
Revenue		
Expense		

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8. Give four features of parastatals **(4mks)**

9. Identify four ways in which commercial banks facilitates payment on behalf of their customers. **(4mks)**

10. State four disadvantages of concentrating industries in one area within a country**.** **(4mks)**

11. State four factors that may cause an increase in the supply of a product **(4mks)**

12. The following details were available in the books of Sambu Traders as at 30/12/2001. **(4mks)**

	Kshs
Premises	28,000
Fixtures and fittings	14,000
Creditors	6,000
Bank overdraft	4,000
Cash in hand	2,300
Debtors	4,600
5 year loan	8,000
Stock	4,000
Capital	34,900

Prepare a balance sheet as at 31st December 2001 **(5mks)**

13. Give four demerits of using television in advertising **(4mks)**

14. Munda insured his shop against the risk of fire for Kshs 80,000 to cover the goods valued at Kshs 240,000. Fire destroyed his property valued at Kshs 90,000.

i) Compute how much he would be paid by the insurer **(3mks)**

15. Mention four circumstances in which oral communication may be used **(4mks)**

16. Give five reasons why filing is important in an office. **(5mks)**

17. State any four services of retailers to consumers **(4mks)**

18. In the spaces provided below state the business document to which each of the following statements relate. **(4mks)**

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	Statement	Document
a)	Informs the buyer when goods were dispatched and by what means	
b)	Request by seller for payment in advance	
c)	Used to correct an undercharge in an invoice	
d)	Shows details of the transactions between a seller and a buyer during a given period	

19. Explain five benefits a trader would enjoy by operating a business alone**.** **(10mks)**

20. Explain five business malpractices that consumers used to be protected against by the government. **(10mks)**

21. Discuss the factors to consider when choosing a channel of distribution **(10mks)**

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FORM THREE HOLIDAYS KEYNOTE
BUSINESS STUDIES PP1 QUESTION PAPER NO: 10

1 Outline four reasons why organizations need to safe keep documents in files **(4mks)**

2. Give the four components of business studies **(4mks)**

3. A business is expected to be socially responsible to various groups such as customers, employees, government, public and suppliers. Indicate against each statement the most appropriate group **(5mks)**

Statement	Group
i) Fair remuneration	
ii) Timely tax returns	
iii) Fairness in tender allocation	
iv) Equal job opportunities	
v) Quality products	

4. Use the table below to outline four differences between basic wants and secondary wants **(4mks)**

5. Identify three activities in the extractive level of production **(4mks)**

6. Outlinefour ways in which partners may be classified **(4mks)**

7. Highlight four characteristics of mail order store **(4mks)**

8. Outline the meaning of the following terms as used in accounting **(4mks)**

i) Network of a business

ii) Business transaction

iii) Cash transaction

vi) Credit transaction

9. Statefour main factors that may limit the level of a country's national income. **(4mks)**

10. Identify four ways in which a business may be of benefit to people in the surrounding area . **(4mks)**

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11. State the effect of each of the following transaction on the balance sheet by writing increase or decrease or no effect in each case

Transaction	Effect
a)Bought machinery on credit	
b)withdrew cash from the business for personal use	
c)Purchased stock in cash	
d)Paid outstanding by cheque	

12. State four ways of increasing efficiency and effectiveness of human porterage **(4mks)**

13. The following information relates to Makuyu Traders. Determine the missing figures**. (3mks)**

	Assets	Liabilities	Capital
a)	50000	70000	
b)	320000		280000
c)		14360	12000

14. Post the following transactions in the ledger books of Embakasi traders **(4mks)**

March 1/2013 commenced business with sh. 150,000 cash at bank

March 5/2013 bought machinery in credit for sh. 9500

March 7/2013 withdrew sh 5000 from bank for office use

March 8/2013 paid sh 3000 cash to creditor

15. Give four reasons that make insurance companies decline to insure acts of nature **(4mks)**

16. Name 4 sources of business ideas. **(4mks)**

17. State 4 office etiquette of a business person. **(4mks)**

18. Mention four main types of demand. **(4mks)**

19. Name 4 methods of government involvement in business **(4mks)**

20. Name 4 types of public utilities. **(4mks)**

21. Name 4 barriers of effective communication. **(4mks)**

22. Name 4 types of life assurance contracts **(4mks)**

23. Name 4 characteristic of a good filing system. **(4mks)**

24. Give 4 characteristics of oligopoly market structure. **(4mks)**

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