NATIONAL INCOME

KCSE QUICK REVISION

Compilation of Possible Questions in Business Studies Likely to be Examined in KCSE.

A Special Analysis of Prediction Questions that may be Tested in KCSE from this Topic in Form 3.

BUSINESS STUDIES

SERIES 1

For Marking Schemes

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MWALIMU CONSULTANCY

NATIONAL INCOME

The topic entails:-

- **Meaning of national income as a measure o f money value of goods and services resulting from productive activities of a country in any one year.**
- **Explain the circular flow of factors of production to business, and flow of goods and services back to households; and payments made for them.**
- **Measurements and uses of national income. Mention the three approaches and components of each.**

1. Outline **four** reasons why an increase in per capita income may not necessarily lead to a rise in the standard of living of the citizens
2. State **four** factors that affect the circular flow of income in an economy
3. Identify **four** factors that may be contributing to income disparity between the rich and poor citizens in Kenya
4. Account for the difference between the gross National Income figures between Kenya and Uganda
5. Name **three** approaches for measuring national income
6. Highlight **four** problems associated with income approach
7. Highlight **four** problems associated with the output approach in computation of National income
8. Highlight **four** uses of National Income statistics in any given country
9. Outline **four** circumstances under which per capita income would be a good indicator
10. Explain **five** uses of national income statistics to an economy
11. The gap between the rich and the poor is so wide In Kenya. Highlight **five** factors that contribute to this disparity in income distribution.
12. Explain **five** limitations of using per capita income as a measure of the standard of living in a country
13. Outline **five** problems that are encountered in measuring National income in your country
14. (a) Explain **five** limitations of using per capita income to compare living standards of people in different Countries

(b) High national income may not necessarily mean better welfare for the citizens of that country. Explain **five** reasons to support this argument

15. a) A newly industrialized country with a population of 40 million people, had its nationalincome estimates during the year 2009 as follows:

	Value in Kshs (million)
Exports	250000
Consumption expenditure	624000
Investment	300000
Government spending	416000
Imports	210000
Depreciation	10000
Net indirect taxes	50000

Required:

a) (i) Calculate the GNP per capital of the country

ii) Outline limitations of using GNP per capita in measuring the standard of living of accounts

b) Discuss **five** problems that are encountered in measuring National income in your country.

For Marking Schemes/Answers

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FOR THE FOLLOWING;

- ✓ONLINE TUITION
- ✓REVISION NOTES
- ✓SCHEMES OF WORK
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- ✓TERMLY EXAMS
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- ✓KCSE PREMOCKS
- ✓TOP SCHOOLS PREMOCKS
- ✓JOINT PREMOCKS
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