

KENYA CERTIFICATE OF BASIC EDUCATION (K.C.B.E.)

GRADE 10

BUSINESS STUDIES (Theory)

TERM 1

JANUARY 2026



Time: 1 Hour 30 Minutes

COMPETENCY BASED EDUCATION CKEAB 001

LEARNER'S DETAILS



Name: _____

School: _____

Assessment Number: _____ Date: _____

School Code: _____ Signature: _____

INSTRUCTIONS TO LEARNERS

1. Write your name, assessment number, class and date on all the answer sheets provided.
2. Answer all the questions in the spaces provided.
3. Use a blue or black pen for writing. Pencils should be used only for drawings and diagrams.

SCORE GRID

Section A	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8a	Q8b	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	SECTION A TOTAL	
Max Marks	2	2	2	2	2	2	1	2	1	2	2	2	2	2	2	2	2	2	2	2	2	2	60
Learner Score																							

Section B	Q21a	Q21b	Q21c	Q21d	Q22a	Q22b	Q22c	Q22d	Q23a	Q23b	Q23c	Q23d	Q23e	Q24a	Q24b	Q24c	Q24d	Q25a	Q25b	Q25c	Q25d	SECTION B TOTAL	
Max Marks	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	40
Learner Score																							

Section	Max Marks	Learner Score
A	60	
B	40	
TOTAL	100	

Level	Level	% Range	Points	Learner's score
Exceeding (EE)	EE1	90-100%	8	
	EE2	75-89%	7	
Meeting (ME)	ME1	58-74%	6	
	ME2	41-57%	5	
Approaching (AE)	AE1	31-40%	4	
	AE2	21-30%	3	
Below (BE)	BE1	11-20%	2	
	BE2	1-10%	1	

Performance Levels Grid

This paper has 8 printed pages. Please check out to ensure all pages are printed

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BUSINESS STUDIES

001

-Senior School-

SECTION A: (60 Marks)

Answer all questions in this section.

1. A supermarket cashier receives a KSh 200 note from a customer. State two functions of money shown in this transaction. (2 marks)

- i. _____
- ii. _____

2. A learner found a new 1000 currency note on her way to school.



State two security features modern Kenyan currency must have. (2 marks)

- i. _____
- ii. _____

3. State two ethical practices a mobile-money agent should observe when handling customers' cash. (2 marks)

- i. _____
- ii. _____

4. A businessman prefers storing his wealth in form of land rather than cash. State two reasons people demand money even when they have assets. (2 marks)

- i. _____
- ii. _____

5. Give two roles of money in a modern economy. (2 marks)

- i. _____
- ii. _____



6. Identify two factors that determine the supply of money in an economy. (2 marks)

i. _____

ii. _____

7. State one reason why a business should set goals. (1 mark)

8. Abel plans to buy a smartphone worth Ksh.18,000 in four months. He has targeted to save at least Ksh 5,000 per month to raise the amount required.

a) Use the information above to formulate Abel's financial goals by filling in the following table. (2 marks)

Goal	Time frame	Amount required	Action plan

b) Outline one benefit that Abel will get from setting his financial goal. (1 mark)



9. Give two examples of short-term goals for a small retail shop. (2 marks)

i. _____

ii. _____

10. State two forms of unethical behaviour related to the use of money. (2 marks)

i. _____

ii. _____

11. A trader wants to set financial goals for the next term. State two steps he should follow. (2 marks)

i. _____

ii. _____

12. Identity two functions of money used when a parent pays school fees. (2 marks)

i. _____

ii. _____



13. State two reasons why counterfeit money is dangerous to the economy. (2 marks)

i. _____

ii. _____

14. Give two factors considered when setting business goals. (2 marks)

i. _____

ii. _____

15. State two reasons why long-term goals are important to a business. (2 marks)

i. _____

ii. _____

16. A shopkeeper deposits her daily sales through mobile banking. State two reasons why people prefer electronic money. (2 marks)

i. _____

ii. _____

17. List two ways money facilitates economic development. (2 marks)

i. _____

ii. _____

18. State two indicators of proper use of money in a business. (2 marks)

i. _____

ii. _____

19. Give two examples of long-term goals for a school canteen business. (2 marks)

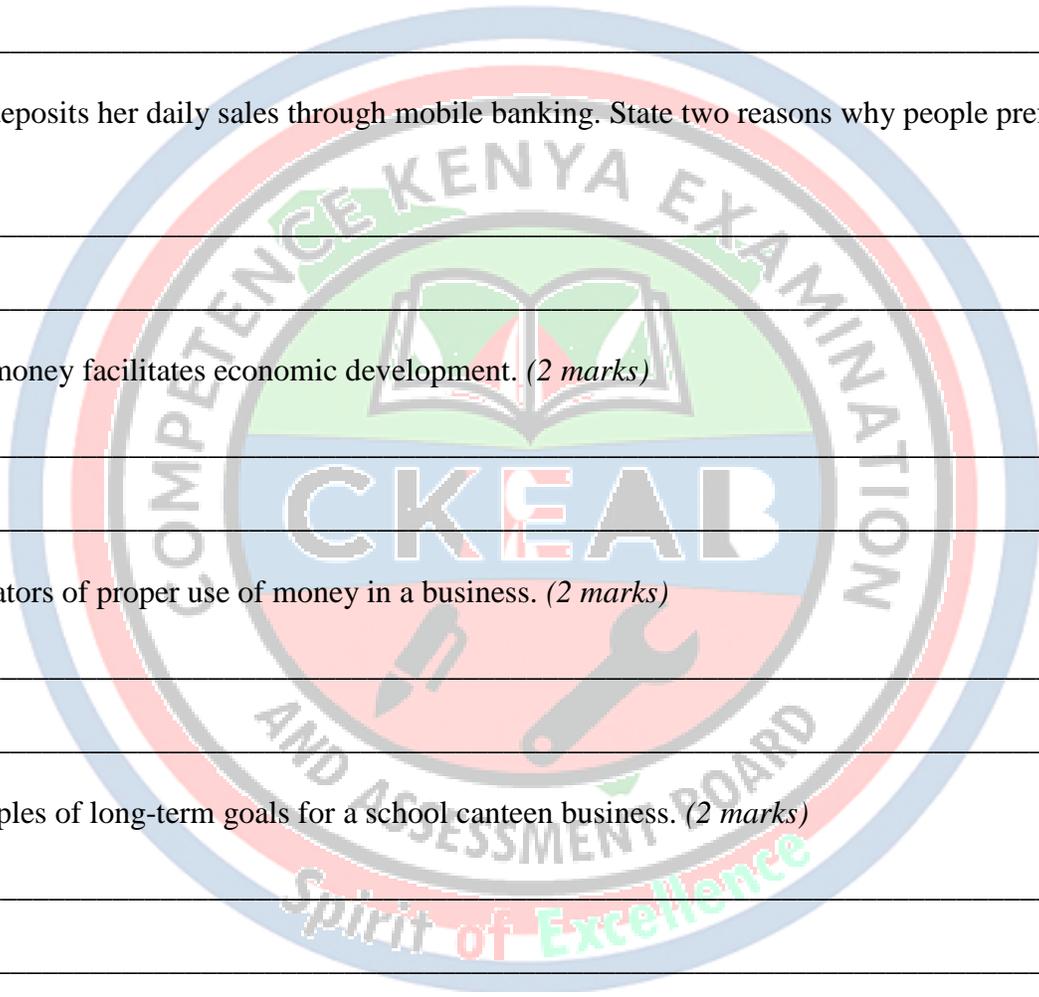
i. _____

ii. _____

20. Identify two reasons that may increase demand for money in Kenya today. (2 marks)

i. _____

ii. _____



SECTION B (40 MARKS)

Answer ALL questions

21. Kimani operates a small electronics shop in Eldoret town. Most of his customers pay through cash or mobile money.

(a) Explain three functions of money demonstrated in Kimani's daily business transactions. (2 marks)

- i. _____
- ii. _____
- iii. _____

(b) Describe two reasons why customers demand money before making purchases. (2 marks)

- i. _____
- ii. _____

(c) State two ethical practices Kimani must observe when handling customers' money. (2 marks)

- i. _____
- ii. _____

(d) Explain three negative effects of using counterfeit money in businesses like Kimani's. (2 marks)

- i. _____
- ii. _____
- iii. _____



22. The Central Bank of Kenya is conducting a campaign to educate the public on detecting fake currency.

(a) State two reasons why security features are important. (2 marks)

- i. _____
- ii. _____
- iii. _____

(b) Describe four security features found on Kenyan banknotes that help prevent counterfeiting. (2 marks)

- i. _____
- ii. _____
- iii. _____

- iv. _____



(c) Explain two dangers of failing to recognize fake currency in business. (2 marks)

i. _____

ii. _____

(d) State two ways the public can ensure they use genuine currency. (2 marks)

i. _____

ii. _____

23. Kenya's economic growth depends on how the Central Bank controls money supply.

(a) Define the term money supply. (2 marks)

(b) Explain three factors that determine the amount of money supplied in an economy.(2 marks)

i. _____

ii. _____

iii. _____

(c) Describe three ways money supply affects business operations.(2 marks)

i. _____

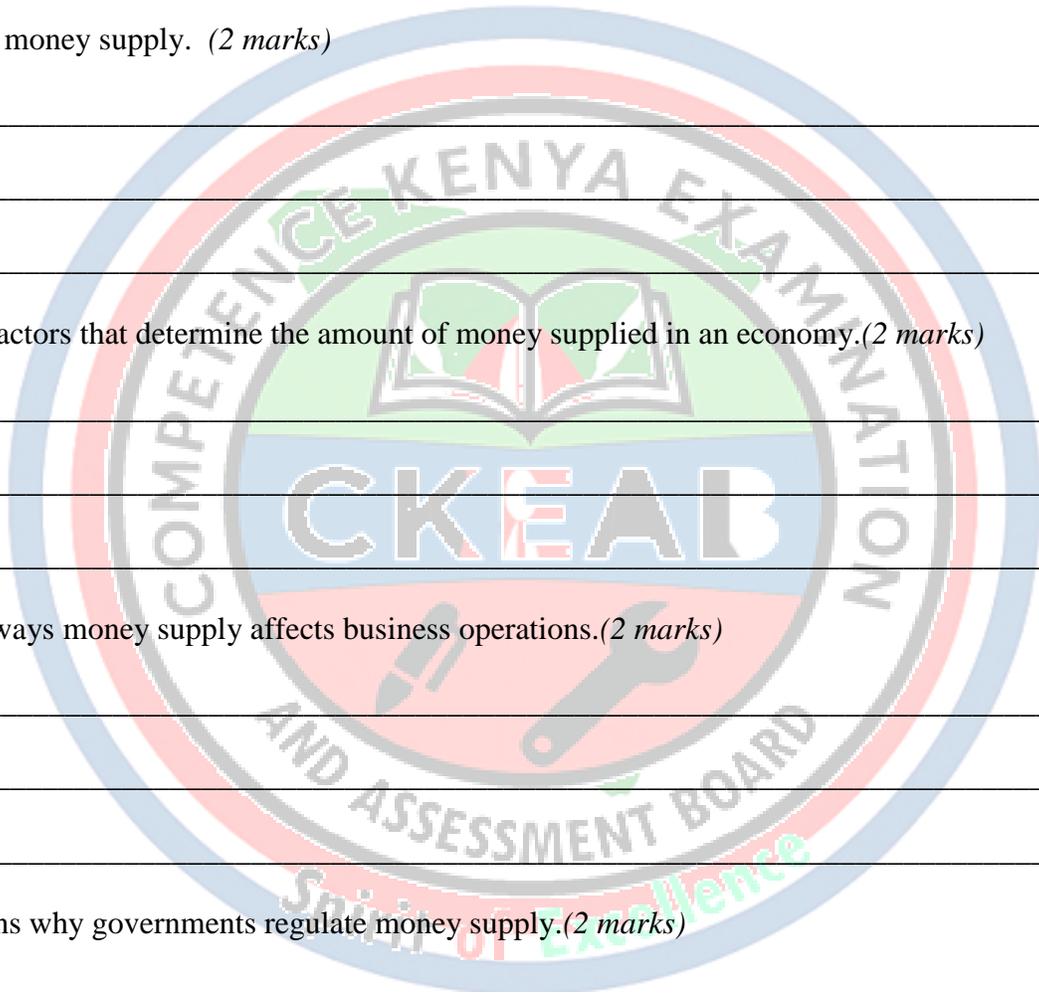
ii. _____

iii. _____

(d) State two reasons why governments regulate money supply.(2 marks)

i. _____

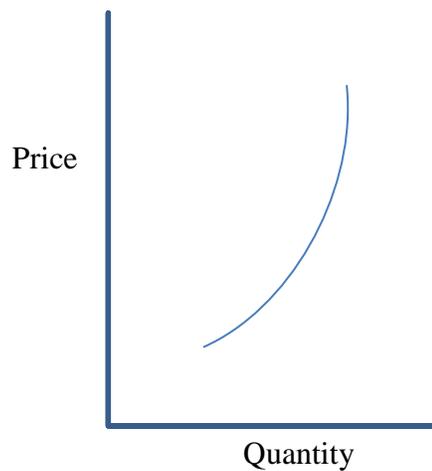
ii. _____



e) Identify the following curves as either demand or supply. (2 marks)



A



B

A: _____

B: _____

24. Mary has opened a small tailoring shop and wants it to grow into a well-established boutique.

(a) Explain four reasons why setting goals is important for Mary's business. (2marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

(b) Describe four factors Mary should consider when setting her business goals. (2 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

(c) Using the SMART approach, outline three features Mary should apply when setting her income goal for the next six months. (3 marks)

- i. _____
- ii. _____
- iii. _____



(d) Give three examples of long-term goals Mary can set for her business. (2 marks)

- i. _____
- ii. _____
- iii. _____

25. A youth group in Nakuru wants to start a poultry project but needs to plan financially.

(a) State four steps the group should follow when setting financial goals. (2 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

(b) Explain three reasons why demand for money may rise when such a project begins. (2 marks)

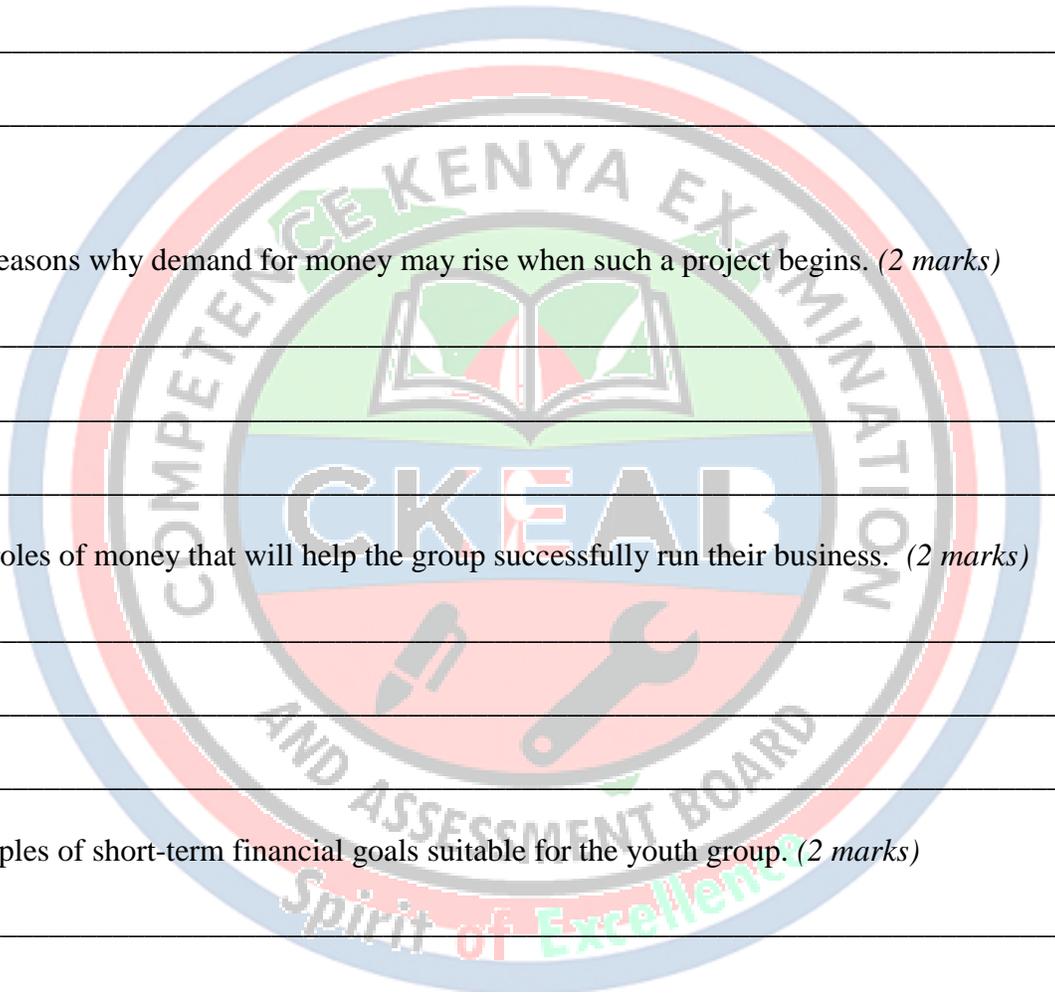
- i. _____
- ii. _____
- iii. _____

(c) Describe three roles of money that will help the group successfully run their business. (2 marks)

- i. _____
- ii. _____
- iii. _____

(d) Give four examples of short-term financial goals suitable for the youth group. (2 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____



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