

FORM FOUR CLUSTER KCSE MODEL14

BUSINESS PAPER 1 QUESTIONS

1. Give four ways in which commerce satisfy human wants. (4 marks)
 - i.
 - ii.
 - iii.
 - iv.
2. State the term given to each of the following disciplines. (4marks)
 - a. Study of trade and aids trade.
.....
 - b. Study of the activities that are carried out in an office.
.....
 - c. Study of how man/woman strives to satisfy his/her unlimited wants using limited resources.
.....
 - d. Study of a systematic way of recording business activities which are used in decision making.
.....
3. State four circumstances under which sea transport would be preferred to other forms of transport. (4 marks)
 - i.
 - ii.
 - iii.
 - iv.
4. Outline four ways in which political stability is of benefit to business. (4 marks)
 - i.
 - ii.
 - iii.
 - iv.
5. On 1st April 2013, Marangi had a capital balance of sh. 900,000. During the year ending 31st March 2014, he had introduced sh. 230,000 cash into the business from private sources. Monthly drawings were sh. 4,000. On 31st March 2014 he found the capital balance was sh. 1040,000. Determine profit or loss for the year. (4marks)
6. Outline four negative effects of an ageing population. (4 marks)
 - i.
 - ii.
 - iii.

- iv.
7. Give four reasons why the government requires that businesses acquire licences before commencing trade. (4 marks)
- i.
- ii.
- iii.
- iv.
8. Outline four characteristics of assets. (4 marks)
- i.
- ii.
- iii.
- iv.
9. State four reasons why a credit note is issued. (4 marks)
- i.
- ii.
- iii.
- iv.
10. The following is an extract of a cashbook.

Date	Particulars	Cash	Bank	Date	Particular	Cash	Bank
2013				2013			
Feb 2	Balance b/d	A		Feb 6	Balance b/d		600 000
12	Sales	200,000		19	Purchases		300,000
20	Joy(debtor)		500,000	27	Rent	60,000	
25	Sales		1,200,000	28	Balance c/d	B	C
		440,000	1,700,000				D

Calculate the figures for A,B,C, and D. (4marks)

11. . Outline four emerging trends in chain of distribution. (4 marks)
- i.
- ii.
- iii.

iv.

12. . The table below shows estimated values for a certain country in billions of shillings.

Wages and salaries 450,000

Income from rent 30,000

Profit of corporation 40,000

Net interest 80,000

Indirect taxes 70,000

Subsidies 200,000

Depreciation 80,000

Net income from abroad 50,000

Required

From the table above compute the following.

(a) Gross Domestic Product. (4 marks)

13. State four reasons why ethical practices are necessary in product promotion. (4 marks)

i.

ii.

iii.

iv.

14. 14. Highlight four roles of stock exchange market. (4 marks)

i.

ii.

iii.

iv.

15. The following credit sales were made by

Kijana Traders for the month of February 2010.

Feb 1: credit sales to

Rakel, invoice number 001/2 for sh. 2,000

Nyakio, invoice number 002/2 for sh. 5,000

Feb 3 : Credit sales to

Onyango, invoice number 003/2 for sh. 3,000

Wasako invoice number 004/2 for sh. 4,000

Feb 14 : Credit sales to

Nyakio, invoice number 005/2 for sh. 5,000

Wasako invoice number 006/2 for sh. 6,000

Feb 27: Credit sales to

Rakel invoice number 007/2 for sh. 8,000

Onyango invoice number 008/2 for Shs. 6,000

Required:

Prepare a sales journal for Kijana traders. (4 marks)

16. Give four reasons why an entrepreneur needs to prepare a business plan. (4 marks)

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

17. Give four differences between commercial banks and non banking financial institutions. (4marks)

Commercial banks	Non-banking financial institutions
i.	i.
ii.	ii.
iii.	iii.
iv.	iv.

18. Give four disadvantages of monopoly to the consumer. (4marks)

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

19. List four ways in which the government promote export processing zone. (4 marks)

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

20. State four advantages of a systematic arrangement of goods in a warehouse. (4 marks)

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

21. State four negative effects of a high taxation in the economy. (4 marks)

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

22. Give four benefits that may accrue to a business person who uses e-mail to communicate. (4 marks)

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

23. The following balances were extracted from the books of central traders on 30th April 2013.

Discount received 7,200

Purchases 89,000

Sales 100,000

Opening Stock 80, 000

Capital 160,000

Carriage on sales 30,000

General expenses 68,200

Prepare a trial balance as at 30th April 2013. (4 marks)

24. Outline four indicators of underdevelopment in a country. (4 marks)

- i.

ii.

iii.

iv.

25. State four circumstances under which a fall in price of a commodity would not lead to a fall in quantity demanded of the same commodity. (4 marks)

i.

ii.

iii.

iv.