FORM FOUR CLUSTER KCSE MODEL8

BUSINESS PAPER 1 QUESTION

1. State (4) FOUR characteristics of economic resources.
   i) ....
   ii) ....
   iii) ....
   iv) ....

2. Indicate in the table the type of advertisement described

Description	Type of advertisement.
a) Used to promote a company name/image.	
b) Where a product is advertised using a popular person.	
c) Seeks to promote the sales of a new or existing product.	
d) Where the emphasis is to give full information about a product.	

3. Highlight (4) FOUR reasons why most banks are moving towards Land Scape type of office structure. (4mks)
   i) ....
   ii) ....
   iii) ....
   iv) ....

4. Give (4) FOUR reasons why small scale firms such as Legal services, continue to exist in an economy dominated by large scale firms.
   i) ....
   ii) ....
   iii) ....
   iv) ....

5. Outline (4) four positive effects of inflation in an economy.
   i) ....

ii) ………………………………………………………………………………………………..

iii) ………………………………………………………………………………………………..

iv) ………………………………………………………………………………………………..

6. With an aid of a diagram, show the effects of an increase in supply on equilibrium price and equilibrium quantity.

7. Identify (4) FOUR challenges that a country may face in the process of implementing its development plan.

i) ………………………………………………………………………………………………...

ii) ………………………………………………………………………………………………...

iii) ………………………………………………………………………………………………...

iv) …………………………………………………………………………………......................

8. Highlight any (4) FOUR contents of a Memorandum of Association.

(i) ………………………………………………………………………………………………...

ii) ………………………………………………………………………………………………...

iii) ………………………………………………………………………………………………...

iv) ………………………………………………………………………………………………...

9. The following information relates to BILENGE TRADERS for the year ended 31st December 2015.

Kshs.

Motor vehicle 1,840,000

Stock 400,000

Unpaid salaries 100,000

Rent income in advance 80,000

5 years I.C.D.C Loan 60,000

Bank overdraft 150,000

Calculate his capital

10. Outline (4) FOUR benefits of a public warehouse to traders.

i) ………………………………………………………………………………………………...

ii) ………………………………………………………………………………………………...

iii) ………………………………………………………………………………………………...

iv) ………………………………………………………………………………………………...

11. Show FOUR (4) differences between Banks and Non-Bank Financial Institutions.

BANKS	NON-BANK INSTITUTIONS
a)	a)
b)	b)
c)	c)
d)	d)

12. The establishment of Kibabii University has transformed the lives of the surrounding community. outline (4) FOUR business opportunities which the community is benefiting from that University.

i) …………………………………………………………………………………………...

ii) …………………………………………………………………………………………...

iii) …………………………………………………………………………………………...

iv) …………………………………………………………………………………………...

13. .The following information given below relates to KIKWETU GENERAL STORES for the year ended 31st December 2014.

Kshs

Sales 950,000

Purchases 640,000

Opening Stock 70,000

Closing Stock 68,000

Returns Inwards 150,000

Return Outwards 140,000

Required:

Prepare Trading account for the year

14. State (4) FOUR sources of monopoly power.

i) …………………………………………………………………………………………...

ii) …………………………………………………………………………………………...

iii) …………………………………………………………………………………………...

iv) …………………………………………………………………………………………...

15. Highlight (4) FOUR essential elements for effective communication

i) ………………………………………………………………………………………………...

ii) ………………………………………………………………………………………………...

iii) ………………………………………………………………………………………………...

iv) ………………………………………………………………………………………………...

16. Identify the levels of production described by the statements below.

STATEMENT	LEVEL OF PRODUCTION
a) Mr. Sotari looking after his animals by the river bank.	
b) Lawyer Nancy appearing in court of law to represent Mr.Barasa.	
c) California Construction Company putting up a dormitory for Miluki Girls Sec.School.	
d) North Rift Shuttle Sacco transporting people from Nairobi to Bungoma.	

17. State whether each of the following factors fall under Micro-environment or Macro-environment.

a) Competitive Environment ………………………………………………………………………

b) Legal-political environment ………………………………………………………………………….

c) Business structure ……………………………………………………………………………….

d) Business culture ………………………………………………………………………………….

18. The following information relates to BILENGE TRADERS for the months of May 2015.

Prepare his cash book and balance it off.

2015 May

3rd – Sold goods for Kshs 45,000 in cash.

10th – Banked Kshs 15,000.

15th –Bought goods worth Kshs 10,000 on credit.

25th –withdrew Kshs 2,000 from the bank for personal use.

19. The county government of Bungoma has embarked on lighting major streets in towns. List any (3)

Three benefits to the traders operating their business in these towns.

i) …………………………………………………………………………………….

ii) …………………………………………………………………………………….

iii) …………………………………………………………………………………….

20. Show the effects of the transactions listed below on capital:

a) Additional investment ……………………………………………………….

b) Profits …………………………………………………………………….

c) Drawings ……………………………………………………………….

d) Bank loan ……………………………………………………………….

21. Explain the meaning of the following basic concepts of population.

a) Population growth rate

……………………………………………………………………………………………...
……………………………………………………………………………………………...

b) Fertility rate

……………………………………………………………………………………………...
……………………………………………………………………………………………...

c) Ageing population

……………………………………………………………………………………………..
……………………………………………………………………………………………..

d) Under population

…………………………………………………………………………………………….
…………………………………………………………………………………………….

22. Explain the use of the following columns in the Ledger accounts.

a) Amount column

……………………………………………………………………………………………..
…………………………………………………………………………………………….

b) Date Column.

…………………………………………………………………………………………….
……………………………………………………………………………………………..

c) Details/particular column
. ……………………………………………………………………………………….
…………………………………………………………………………………………….

d) Folio column.

……………………………………………………………………………………………….
……………………………………………………………………………………………….

23. State (4) FOUR benefits of economic integrations to the countries of East Africa.

 i) ………………………………………………………………………………………...
 ii) ………………………………………………………………………………………...
 iii) ………………………………………………………………………………………...
 iv) ………………………………………………………………………………………...

24. Outline the procedure followed when taking out an insurance cover.

 i) ………………………………………………………………………………………...
 ii) ………………………………………………………………………………………...
 iii) ………………………………………………………………………………………...
 iv) ………………………………………………………………………………………...

25. Identify own (4) FOUR features of a tied shop.

 i) ………………………………………………………………………………………...
 ii) ………………………………………………………………………………………...
 iii) ………………………………………………………………………………………..
 iv) ………………………………………………………………………………………...