

## FORM FOUR CLUSTER KCSE MODEL9

### BUSINESS STUDIES PAPER 1 QUESTIONS

1. By use of a tick (✓) identify four elements that comprise an External Business Environment from the list below.

Competitors

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Demographic.

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Business management

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Amount of capital available

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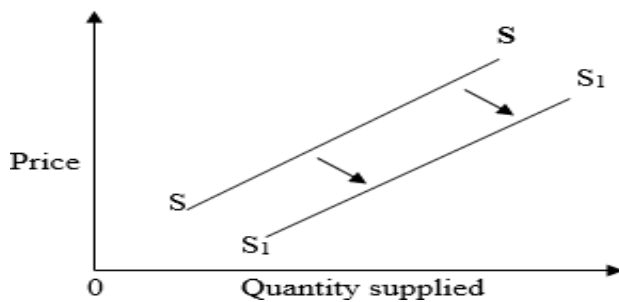
Customers

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Intermediaries

.....

2.



State four factors that may cause a supply curve to shift from SS to S1 S1. ....

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 .....

3. In what four ways does a community stand to benefit when she involves in business activities. ....

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4. Outline four characteristics of a Company as a form of a Business Unit. ....

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5. Dorry Enterprises deals in motor vehicle accessories. From the list below, identify the correct book

of original entry that she will record in, the transactions below. Sales Returns Journal, General Journal, Purchases Journal, Returns-Outwards Journal.

Transaction	Book of original entry
a) Tyres were purchased for sh. 130,000 on credit	
b) A customer returned goods worth sh.4,000	
c) A business lorry was bought at sh.2.5 million	
d) Goods worth sh. 8,000 were returned to a supplier.	

6. Define the following terms as used in accounting.

i. An asset

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ii. A liability

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iii. Owner's equity

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iv. A balance sheet

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7. Highlight four differences between a GOOD and a SERVICE.

8. Few businesses succeed despite quite a number of them failing to take-off in the first 3 years. State four reasons that make the few to succeed. ....

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9. State four advantages a customer gets when he uses M-pesa to make payments. ....

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10. Outline four ways in which the Government of Kenya participates in the operations of its parastatals. ....

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11. Safaricom and Airtel are stakeholders in communication sector in Kenya. One method they use to promote their products is PERSONAL SELLING. One advantage of using this method is "It creates good relationship between a customer and seller." What are the other four advantages of using this method. ....

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12. State four features of a perfect Competition Market structure.

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13. Outline four benefits that accrue to a producer who uses modern technology in the process of production. ....  
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14. State four complaints a trader may receive from her customers.  
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15. What are the four side effects of a big percentage of an ageing population to the economy of a country.  
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16. The following data was extracted from the books of accounts of young traders as at 30th September 2013. Prepare her Balance Sheet on this date.

	<u>Shs</u>
Land	120,000
Creditor	16,800
Loan	38,700
Machinery	45,000
Debtors	8,000
Cash	9,500

17. Name any four machines found in a modern office and one use of each.
18. In what four ways will consumers suffer, if a trader does not have a warehouse.  
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19. Under what four circumstances would a person start her own business. ....  
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20. State four reasons why a flower exporter would choose Air transport over sea transport to export her flowers to Britain.

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21. Introduction of mobile phones has improved communication in Kenya. Apart from sending and receiving calls, what other four services are provided by modern mobile phones.

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22. State four principles under which insurance companies operate.

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23. Outline four factors an investor would consider when locating a business.

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24. State four functions of commercial banks.

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