NYAMBARIA HIGH SCHOOL

END OF YEAR EXAMS

Paving Way For Kenya Certificate of Secondary Education Success

Name …….. Admission no…….

Candidate's Signature…… Date…….

FORM 3

BUSINESS

PAPER 1

TIME: 2Hours

INSTRUCTIONS

- Write your **NAME, SCHOOL** and **INDEX NUMBER** in the spaces provided.
- Answer **ALL** questions provided in the spaces provided.

1. State four importance of teaching Business Studies in secondary schools to the learner **(4 marks)**

   i) ……..

   ii) ……..

   iii) ……..

   iv) …….

2. Name **four** types of business resources. **(4 marks)**

   i) ……..

   ii) ……..

   iii) ……..

   iv) …….

3. Indicate the form of external environmental factor described by the statement below. **(4 marks)**

Description	External environmental factor
Introduction of Mutotho law to curb excessive beer taking.	
Religions sect that is against medicine	
Construction of the superhighway.	
Price wars between safaricom and Telkom mobile companies.	

4. State **four** benefits of indirect production to a country. **(4 marks)**

   i) ……..

   ii) ……..

   iii) ……..

   iv) …….

5. Highlight four characteristics of economic resources. **(4 marks)**

   i) ……..

   ii) ……..

   iii) ……..

   iv) …….

6. The following information was extracted from Maili Kumi traders for the year ended 31st December 2020

   Machinery 460,000
   Cash in hand 80,000
   Debtors 130,000
   Creditors 60,000
   Prepaid salaries 20,000
   4 year loan 280,000
   Accrued rent 30,000

   Required: Prepare a balance sheet of Maili Kumi traders as at 31st December, 2020

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7. Highlight **four** features that distinguish co-operative societies from other forms of business units

(4 marks)

i) ……..

ii) ……..

iii) ……..

iv) …….

8. State four factors that may encourage entrepreneurial growth in Kenya **(4 Marks)**

i) ……..

ii) ……..

iii) ……..

iv) …….

9. QQ Enterprises would like to partition its office. Outline **four** benefits the firm may get if it uses the enclosed office plan. **(4 marks)**

i) ……..

ii) ……..

iii) ……..

iv) ……

10. Give **four** reasons why railway transport is not competitive in Kenya. **(4 marks)**

i) ……..

ii) ……..

iii) ……..

iv) ……

11. Funny Traders, had the following assets and liabilities as at 1st January, 2020

Furniture + equipment	350,000
Debtors	45,000
Cash	7,000
Creditor	48,000

For the year ended 31st December, 2015 there was:

(i) Additional capital introduced amounting to sh 34,000.

(ii) Drawings made during the year amounting to sh 20,000.

(iii) Net profit amounting to sh 34,000.

Determine the capital of the business as at 31st December, 2020. **(4mks)**

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12. State **four** positive implications of a large population in a country **(4marks)**

i) ……..

ii) ……..

iii) ……..

iv) …….

13. State **four** factors that may cause the supply curve to shift to the left. **(4 Marks)**

i) ……..

ii) ……..

iii) ……..

iv) …….

14. Outline **four** circumstances under which an Insurance company may re- Insure. **(4 marks)**

i) ……..

ii) ……..

iii) ……..

iv) …….

15. Using the following transactions, state the name of the account to be debited and the account to be credited. **(4 marks)**

Transaction	A/c debited	A/c Credited
Made cash sales of sh 2,000		
Purchased machine by cheque		
Paid a creditor sh3,000 cash		
Withdrew sh10,000 for business Use		

16. Highlight four circumstances under which face to face oral communication may not be effective **(4 marks)**

i) ……..

ii) ……..

iii) ……..

iv) …….

17. State **four** measures that Kenya government may take to attract firms to an area. **(4 marks)**

i) ……..

ii) ……..

iii) ……..

iv) …….

18. State four services that retailers render to consumers. **(4 marks)**

i) ……..

ii) ……..

iii) ……..

iv) …….

19. Outline **four** requirements meant to enable a warehouse operate efficiently. **(4 Marks)**

i) ……..

ii) ……..

iii) ……..

iv) …….

20. Outline **four** measures the Kenyan government may take to solve unemployment in the country **(4 Marks)**

i) ……..

ii) ……..

iii) ……..

iv) …….

21. State circumstances that may lead to the creation of an oligopoly. **(4 Marks)**

i) ……..

ii) ……..

iii) ……..

iv) …….

22. State four leakages in a four sector economy **(4 Marks)**

i) ……..

ii) ……..

iii) ……..

iv) …….

23. Identify the legislation meant to protect consumers that each of the following description refers to.

(4mks)

(a) Ensures that traders or producers do not cheat consumers by giving false descriptions of goods. ……..……

(b) Prohibits traders and manufacturers from including substance that might harm consumers in a product. ……..……

(c) Ensures that all weighing equipments are correct and accurate.…….……..

(d) Ensures that the landlord‘s do not overcharge their tenants. …….……

24. Describe four channels of distribution that may be used for distributing imported goods **(4Marks)**

i) ……..

ii) ……..

iii) ……..

iv) …….

25. Identify four types of advertising **(4 marks)**

i) ……..

ii) ……..

iii) ……..

iv) …….