

FORM FOUR CLUSTER KCSE MODEL11

BUSINESS STUDIES PAPER 1 QUESTIONS

1. 1. State four circumstances under which stock of the business may change.
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2. Highlight four benefits of an enclosed office plan to an organization.
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3. State four implications of a young population on the economy.
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4. The following balances were extracted from the books of Mama Safi Enterprises for the year ended 31st December 2013.

Shs. Sales 95,000
Buildings 100,000
Debtors 74,000
Capital 150,000
Purchases 58,000
Stock 35,000
Creditors 53,700
General Expenses 42,200
Bank Overdraft 10,500

Requirement:

Prepare a trial balance as at 31st December 2013.
5. Highlight four features of gambling.
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6. State four conditions that may make difficult for the government to create job opportunities to its citizens.
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7. Draw a diagram to illustrate the effects of expansion in demand accompanied by a proportionate contraction in supply on equilibrium.
8. Draw a diagram to illustrate the effects of expansion in demand accompanied by a proportionate contraction in supply on equilibrium.
9. A new student has been convinced by a colleague to take Business Studies as a subject because he will be able to acquire skills and attitudes to benefit him in life. Highlight any four skills that he will acquire.

10. On 1st January 2014 Mr Ochumbo bought land worth Ksh. 800,000. He made payments as follows:- Kshs.300, 000 cash, Kshs. 200,000 by cheque, gave out posho mill worth Ksh. 250,000 and the balance to be paid later. Record the transaction in the relevant ledger accounts.
11. The following are the circumstances that can make a local buyer to write a document to a local seller. Identify the document.

Identify the document.

(4 marks)

Circumstance	Document
a) When local buyer wants to get information about what the local seller stocks	
b) When a local buyer has received goods from the local seller.	
c) When local buyer requests for the supply of goods by the local seller.	
d) When a local buyer rejects delivered goods and takes them back to the local seller.	

12. 12. State any four functions of money.

13. Outline four reasons why there is high increase in the use of plastic chairs in most function

14. State four differences between material goods and non-material goods.

Material goods	Non material goods

15. Highlight four benefits of digital era to a manufacturing firm.

16. State four reasons why one would prefer a letter to telephone to send a message.

17. State four types of complaints that a manufacturer may receive from consumers.

18. State four factors that affect the geographical mobility of labour as a factor of production

19. Name the types of warehouses associated with each of the statements given below.
 Statement Type of warehouse

- i) Goods can be stored before payment of customs duty.
- ii) Individuals can hire storage facilities.
- iii) Goods are stored from several manufacturers.
- iv) Specialized goods are stored.

20. The balances given below relate to Wambululi Traders for the year ended 31st December 2013.

Shs. Capital ?
 2 year bank loan 230,000
 Creditors 95,200
 Fixed assets 480,000

Current assets 145,220

Prepare a balance sheet as at 31st December 2013.

21. Give three uses of ledger accounts.

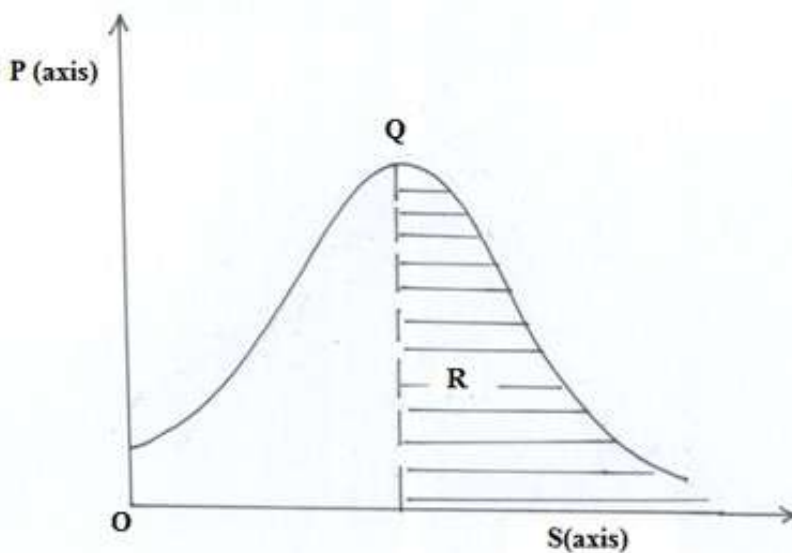
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22. State four reasons why the government should create an enabling environment for investors.

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23. State four reasons why vegetable exporters would transport their produce by air rather than sea.

24. The diagram below represents the relationship between population and income per capita.



State what is represented by P and S axes, and letters R and Q. P..... S.....
..... R.....
..... Q.....
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25. State four challenges that may be faced when using a cell-phone mobile phone.

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