

**FORM FOUR MODEL 4 2019**  
**BUSINESS PAPER 1 QUESTIONS**

**1. Outline four advantages of localization of firms.**

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

**2. State four features of direct production.**

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

**3. The following figures relate to the population of country X for the last four years.**

**Year Population**

**2006 17.34 million**

**2007 17.30 million**

**2008 17.01 million**

**2009 16.91 million**

**Outline four negative implications of the trend in population growth.**

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

**4. Omondi commutes daily to work from Bukembe to Bungoma by matatu.**

State four benefits he enjoys by using this means.

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

5. Outline four advantages of using cheques as a means of payment.

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

6. Below are some of the factors that influence the operation of a business.

Indicate with a tick(√) in the appropriate column, the business environment associated with each of the factors

Factor	Internal	External
a) Civil war		
b) Economic recession		
c) Employees		
d) Competitors		

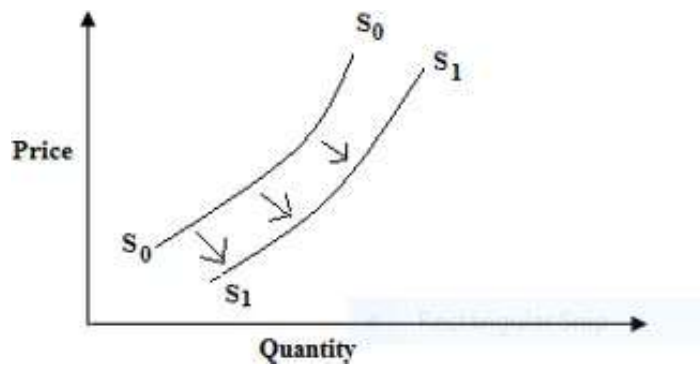
7. Below are some of the factors that influence the operation of a business.

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The diagram below shows a shift in the supply curve of a commodity Z from the original curve.

S0S0 to S1S1.



Mention four possible causes that have led to this situation.

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

8. Highlight four features of a good tax system.

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

9. Outline four uses of a general journal.

- i. ....

ii. ....

iii. ....

iv. ....

**10. The following information was extracted from the books of Mambo traders.**

**Margin 20% Opening stock shs. 170,000**

**Rate of stock turnover 6 times Closing stock shs. 210,000**

**Calculate;**

**i. Gross profit**

**ii. Sales**

**11. Outline four advantages of a short distribution channel of good to a buyer.**

i. ....

ii. ....

iii. ....

iv. ....

**12. Outline four challenges facing consumer associations in Kenya.**

i. ....

ii. ....

iii. ....

iv. ....

**13. Highlight four features of monopoly market structure.**

i. ....

ii. ....

iii. ....

iv. ....

**14. . Outline four functions of money.**

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

**15. Record the following transactions in a two column cashbook of Wanainchi traders and balance it**

**off.**

**2012 Shs**

**Jan. 1 bal. b/d cash 10,000 Bank 25,000**

**Jan 2 bought stock in cash 6,000**

**Jan 7 cash sales 2,500**

**Jan 12 withdrew cash from Bank for office use 4,000**

**Jan 15 paid wages in cash 3,000**

**Jan 21 received sh 4,500 from Med by cheque**

Date	Details	Cash	Bank		Date	Details	Cash	Bank

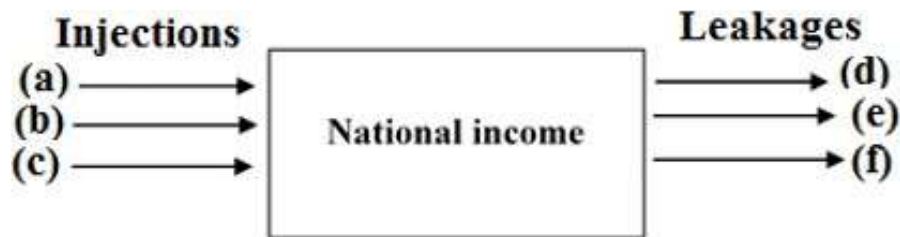
**16. . Highlight four negative effects of inflation to a country.**

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

17. . Highlight four factors to consider when choosing a means of transport.

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

18. The diagram below depicts injections into and leakages from the national income.



State what is represented by the following letters.

- a) .....
- b) .....
- c).....
- d).....
- e).....
- f) .....

19. Identify four components of business studies as a subject of study under 8-4-4 systems.

- i. ....
- ii. ....

iii. ....

iv. ....

20. With the advancement of information technology (IT) there has been a lot of revolution in

communication, identify four current trends in communication.

i. ....

ii. ....

iii. ....

iv. ....

21. Give any four examples of gaps which require to be filled in a business opportunity

i. ....

ii. ....

iii. ....

iv. ....

22. . List any four types of warehouses.

i. ....

ii. ....

iii. ....

iv. ....

23. Name four remittance services provided by commercial banks.

i. ....

ii. ....

iii. ....

iv. ....

24. Name four factors that affect capital.

i. ....

ii. ....

iii. ....

iv. ....

25. List four characteristics of minor partners.

i. ....

ii. ....

iii. ....

iv. ....