

FORM FOUR CLUSTER KCSE MODEL6

BUSINESS PAPER 1 QUESTIONS

Answer all questions

State four types of complaints that a consumer organization may receive from consumers

- (a).....
- (b).....
- (c).....
- (d).....

Outline four ways in which commercial Attaches may promote trade between their country and other countries

- (a).....
- (b).....
- (c).....
- (d).....

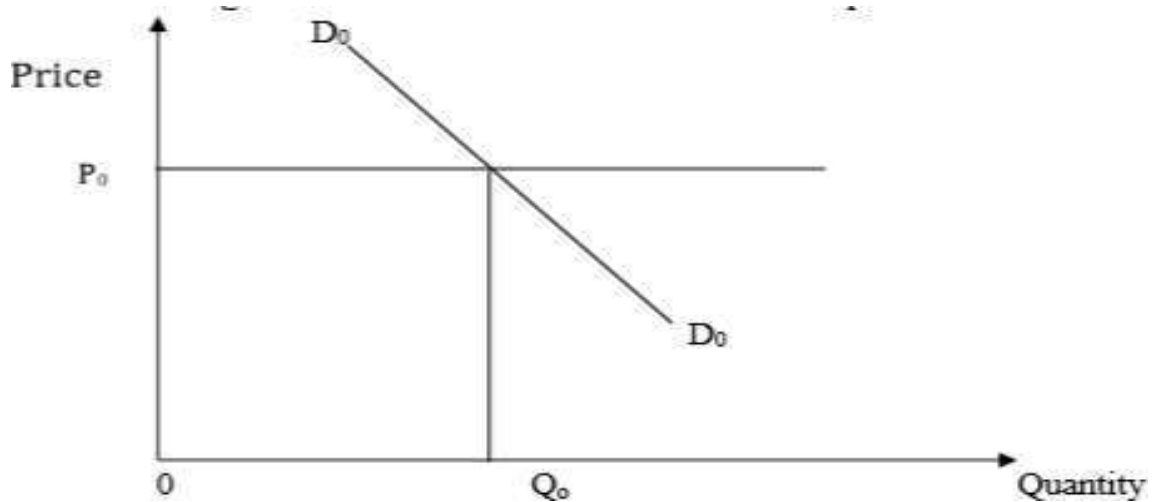
Highlight four factors to be considered in determining the premiums to be paid in life assurance

- (a).....
- (b).....
- (c).....
- (d).....

(4) State four features of private companies

- (a).....
- (b).....
- (c).....
- (d).....

The diagram below shows the current demand for petrol.



What is the effect of a fall in the price of cars on demand for petrol? (2mks)

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Draw a new demand curve on the diagram above to show the effect of a fall in price of cars. (2mks)

A lucrative manufacturing firm has been constantly releasing toxic waste into the neighborhood. Outline four measures you can take to stop the firm from such malpractice.

- (a).....
- (b).....
- (c).....
- (d).....

State four effects of seasonal unemployment to the society.

- (a).....
- (b).....
- (c).....
- (d).....

Outline four requirements for opening a current account with a commercial bank

- (a).....
- (b).....
- (c).....
- (d).....

The following are some of the documents used in home trade: cash sale receipts, Catalogue, invoice, statement of account. Match each document with the appropriate description

DESCRIPTION	DOCUMENT
(a) Shows details of goods offered for sale	
(b) Give quantity, unit price and total amount to be paid.	
(c) Shows the transactions since the date of last statement.	
(d) Shows description of goods bought prices and total amount paid.	

State four basic features of a market.

- (a).....
- (b).....
- (c).....
- (d).....

Outline four circumstances under which face to face communication may be ineffective

- (a).....
- (b).....
- (c).....
- (d).....

Ondondo maintains a petty cash book on a weekly imprest of sh.13000. On 1st April 2007 the cash balance was sh. 2570 During the week of April, the following transactions took place. 2007

April

2: Received reimbursement from the main cashier "

3: Paid shs.3070 for cleaning materials. "

4: Paid shs.2000 bus fare. "

6: Bought stationery worth shs.2200 Prepare a petty cash book to record the above transactions using cleaning, stationery and bus fare columns.

.State four ways in which a warehouse is of importance to a manufacturer.
 (a).....
 (b).....
 (c).....
 (d).....

Indicate the type of journal in which each of the following transaction would be recorded

TRANSACTION	TYPE OF JOURNAL
(a) Goods previously sold on credit were returned.	
(b) Goods bought on credit	
(c) Goods sold for cash	
(d) Motor vehicle sold on credit	

The following balances were extracted from the books of Jumba traders on 31 March , 2012

. Fixed Assets Kshs.300,000

Current Assets Kshs.123,700

Creditors Kshs. 84,500

5 Year Loan Kshs.125,000

Determine the net worth of the business as at 31st March, 2012.

Highlight four benefits that would accrue to a firm located near other existing firms

(a).....
 (b).....
 (c).....
 (d).....

Outline four measures that a country can take to reduce the level of inflation

(a).....
 (b).....
 (c).....
 (d).....

. State four importance of production in the society.

(a).....
 (b).....
 (c).....
 (d).....

Outline the circumstances under which each of the following characteristics of human wants may be observed.

Complementary wants (2mks)

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(a) Wants become habitual. (2mks)

.....
.....

. State four advantages of an open office layout to an organization.

- (a).....
-
- (b).....
- (c).....
- (d).....

Outline four features of a parastatal

- (a).....
- (b).....
- (c).....
- d).....

The following information relates to Khwisero traders as at 31.12.2013 Fixed assets Kshs.400,000

Stock Kshs.120,000

Current liabilities Kshs.60,000

Net profit for the current year - 100,000 Calculate:

Rate of return on capital employed (2mks)

Current ratio (2mks)

Highlight four factors that must be considered before incurring public expenditure

- (a).....
-
- (b).....
- (c).....
- (d).....

Give three types of demand for money.

- (a).....
- (b).....
- (c).....
- (d).....

State four reasons why a business person would prefer to be paid in cash than by cheque.

- (a).....
- (b).....
- (c).....
- (d).....