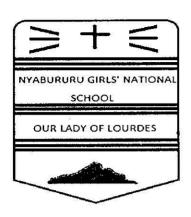
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FORM 4 BUSINESS STUDIES 565/1 JANUARY SERIES 2016 TIME: 2 HOURS

Date done	The second secon
Invigilator	
Date returned	
Date revised	

INSTRUCTIONS

Answer ALL questions in the spaces provided.

FOR EXAMINER'S USE ONLY

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Marks														

Question	15	16	17	18	19	20	21	22	23
Marks									-

24	25	

TOTAL MARKS	• 22

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1. In the table below, match each description with its appropriate business activity.

	Description		Business Activity
(i)	Building bridges	(i)	
(ii)	Selling eggs to customers	(ii)	
(iii)	Obtaining goods from their natural setting	(iii)	2 40 MAS WC N/ 15 (200 GD) 12 (200 GD)
(iv)	Manicure	(iv)	521 531 311

2. Outline four differences between subsistence production and indirect production.\

Subsistence Production	Indirect Production			
		20 353.00		
	* 1.001 to			
		3.519		

2000	2003				(3.00)	
3	State	tour	teatures	ot i	economic	resources.
10	Diane	IOu	iculuics	OI.	COMMITTE	resources.

- (i)
- (ii)
- (iii)
- (iv)

4. State whether the following factors will affect the business environment internally or externally.

Factor	Effect
Raw materials	
Taxes	
Business strategies	
Climate	
	Raw materials Taxes Business strategies

(iii)

(iv)

9.	State four features of a private limited company.
	(i)
	(ii)
	(iii)
	(iv)
10.	State four reasons why training is done by the government to business people.
	(i)
	(ii)
	(iii)
	(iv)
11.	State four indicators of consumer exploitation.
	(i)
	(ii)
	(iii)
	(iv)
12	. State four circumstances under which air transport may be appropriate.
	(i)
	(ii)
	(iii)
	(iv)

15. The following diagram shows how forces of demand and supply interact to determine price of a commodity. Indicate on the diagram, the effects of an increase in demand of the commodity.

(iii)

(iv)

- 16. State four characteristics of a monopoly market.
 - (i)
 - (ii)
 - (iii)
 - (iv)
- 17. State four factors considered when choosing a distribution channel for a product.
 - (i)
 - (ii)
 - (iii)
 - (iv)
- 18. State four ways in which the government can promote establishment of industries in the rural areas.
 - (i)
 - (ii)
 - (iii)
 - (iv)
- 19. The following is an equation for equilibrium national income. You are required to state the meaning of the initials stated.

$$S + T + M = I + X - G$$

- S (i)
- T (ii)
- X (iii)
- (iv) G

- 20. State four advantages of a direct tax system.
 - (i)
 - (ii)
 - (iii)
 - (iv)
- 21. State four features of a current account.
 - (i)
 - (ii)
 - (iii)
 - (iv)
- 22. State four measures that could be instituted to solve the problem of unemployment in Kenya.
 - (i)
 - (ii)
 - (iii)
 - (iv)
- 23. Given the following average prices of goods of a country for two years.

	Yr. 2012 Shs.	Yr. 2013 Shs.
Milk	35	45
Sugar	110	150
Wheat flour	95	110
Bread	40	50

Calculate the C.P.I and interpret the result.

- 24. State four features of an efficient warehouse.
 - (i)
 - (ii)
 - (iii)
 - (iv)
- 25. State four features of non-bank financial institutions.
 - (i)
 - (ii)
 - (iii)
 - (iv)