NYABURURU GIRLS' NATIONAL SCHOOL

OUR LADY OF LOURDES

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

Date done	
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	

1

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)	
(iv)	Manicure	(iv)	

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

Subsistence Production	Indirect Production

3. State four features of economic resources.

(i)

(ii)

(iii)

(iv)

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

	Factor	Effect
(i)	Raw materials	
(ii)	Taxes	
(iii)	Business strategies	
(iv)	Climate	

5. State four reasons why an efficient filing system is important in an office.

   (i)

   (ii)

   (iii)

   (iv)

6. Highlight circumstances under which a credit note may be issued.

   (i)

   (ii)

   (iii)

   (iv)

7. State four roles of entrepreneurship in the Kenyan economy.

   (i)

   (ii)

   (iii)

   (iv)

8. State four office machines found in a mailing office.

   (i)

   (ii)

   (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)

13. State four policies offered by insurance companies under life assurance.

    (i)

    (ii)

    (iii)

    (iv)

14. State four advantages of using internet for advertisement.

    (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.

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.

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

    (i)   S   =
    (ii)   T   =
    (iii) X   =
    (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)