## PERFECT STEPS PUBLISHERS

END TERM EXAMS 2015

**0721 745374/ 0721 707626 NAIROBI**

 **FORM 3 BUSINESS STUDIES**

 **END OF YEAR EXAM -2015.**

 ***Time: 2Hours***

NAME……………………………………………………………..ADM…………………………..CLASS…………

INSTRUCTIONS

Answer all the questions.

Section A

1. State four means of written communication (4mks).

i)………………………………………………………………………………………………………………………………

ii)……..………………………………………………………………………………………………………………………

iii)……………………………………………..………………………………………………………………………………

iv)……………………………………………………………………………………………………………………………

2. State four benefits that a warehouse will experience as a result of systematic arrangement of goods (4mks)

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3. Differentiate between distribution and transport. (4mks)

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4. Highlight four ways of improving internal business environment. (4mks)

i)………………………………………………………………………………………………………………………………

ii)……..………………………………………………………………………………………………………………………

iii)……………………………………………..………………………………………………………………………………

iv)……………………………………………………………………………………………………………………………

*5.* List down four challenges faced in satisfaction of human wants (4mks)

i)………………………………………………………………………………………………………………………………

ii)……..………………………………………………………………………………………………………………………

iii)……………………………………………..………………………………………………………………………………

iv)……………………………………………………………………………………………………………………………

*6.* Highlight four characteristics of an insurance contract.(4mks)

i)………………………………………………………………………………………………………………………………

ii)……..………………………………………………………………………………………………………………………

iii)……………………………………………..………………………………………………………………………………

iv)……………………………………………………………………………………………………………………………

7. State five government policies that may encourage the location of firms in a certain area.(4mks)

i)………………………………………………………………………………………………………………………………

ii)……..………………………………………………………………………………………………………………………

iii)……………………………………………..………………………………………………………………………………

iv)……………………………………………………………………………………………………………………………

*8.* Differentiate between internal and external economies of scale.(4mks)

i)………………………………………………………………………………………………………………………………

ii)……..………………………………………………………………………………………………………………………

iii)……………………………………………..………………………………………………………………………………

iv)……………………………………………………………………………………………………………………………

*9.* State four features of a market (4mks)

10. A car is worth Ksh 800,000 and is insured against accident for Ksh 600,000. The car is involved in accident and the damage is valued to be Ksh 400,000.Calculate the amount of compensation to be made. (4mks)

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11. State four methods of determining the price of a good or a service in a market.(4mks)

i)………………………………………………………………………………………………………………………………

ii)……..………………………………………………………………………………………………………………………

iii)……………………………………………..………………………………………………………………………………

iv)……………………………………………………………………………………………………………………………

12. Highlight four challenges that a country will face as a result of overpopulation.(4mks)

i)………………………………………………………………………………………………………………………………

ii)……..………………………………………………………………………………………………………………………

iii)……………………………………………..………………………………………………………………………………

iv)……………………………………………………………………………………………………………………………

13. J.T traders have a shop with the following assets and liabilities.

Motor vehicle…………400,000

Cash at hand………………30,000

Creditors…………………..50,000

Stock……………………....100,000

Loan from KCB…………….80, 000

*Required*; Calculate the capital. (4mks)

***Section B***

14. Explain four advantages of containerization (8mks)

i)………………………………………………………………………………………………………………………………

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ii)……………………………………………..………………………………………………………………………………

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iii)……………………………………………………………………………………………………………………………

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iv)……………………………………………..………………………………………………………………………………

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15. Ali had the following assets and liabilities as at 1.12.2011

Cash at Bank 50,000

Debtors 30,000

Creditors 50,000

Stock 20,000

Furniture 35,000

 Additional information;

 Dec 2: Purchased stock worth Sh.16,000 on credit.

 6: Sold some furniture for Sh.4,000 by cheque.

 9: Received Sh.11,000 cash from debtors.

 13: Sold stock Sh.10,000 paid by cheque.

*Required:* Prepare the relevant ledger accounts. (10 marks)

16. With the aid of a diagram, explain how the excess supply and excess demand are created. (10mks)

17. Discuss five emerging issues in office practice (10mks).

i)………………………………………………………………………………………………………………………………

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ii)……………………………………………..………………………………………………………………………………

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iii)……………………………………………………………………………………………………………………………

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iv)……………………………………………..………………………………………………………………………………

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18. Outline five circumstances under which a manufacturer will sell his product directly to consumer. (10mks)

i)………………………………………………………………………………………………………………………………

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ii)……………………………………………..………………………………………………………………………………

..……………………………………………………………………………………………………………………………

iii)……………………………………………………………………………………………………………………………

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iv)……………………………………………..………………………………………………………………………………

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