

**ALLIANCE HIGH SCHOOL
FORM FOUR
BUSINESS STUDIES TERM 1 2016**

NAME _____ CLASS _____ ADM. NO _____

TEACHERS NAME _____ SIGNATURE _____

TIME: 2 HRS 15 MIN

Answer all the question in this section in the spaces provided.

1) Highlight 4 characteristics of a fixed deposit account. (4 mks)

- a) _____
- _____
- b) _____
- _____
- c) _____
- _____
- d) _____
- _____

2. Distinguish between the following (4 mks)

Non Banking financial Institution	Commercial Bank
a)	a)
b)	b)
c)	c)
d)	d)

3. You have been provided with the following Trial balance wrongly prepare the correct one. (4 mks)

Musa Victor, Trial Balance for the year ended 31/12/2000

Particulars	Dr	Cr.
Fixtute and fitting		479,000
Bank overdraft	10,000	
Discount allowed		1,300
Rent Income		
Carriage Outwards	4000	
Carriage inwards		3,400
Stock on 31/12/2000	15,700	
Stock on 1/1/2000		17,900
Cash		40,000
Debtors		22,000
Creditors	20,000	
	49,700	563,000

4. State 4 other names given to the books of original entry in accounts. (4 mks)

- a) _____
- _____
- b) _____
- _____
- c) _____
- _____
- d) _____
- _____

5. Identify whether the following are Internal or External business environmental factors (4 mks)

- a). Human resources _____
- b). Generic competition _____
- c). Business Culture _____
- d). Political _____
- e). Finance _____

6. Highlight 4 advantages of using electronic filing system in an office. (4 mks)

- a) _____
- _____
- b) _____
- _____
- c) _____
- _____
- d) _____
- _____

7. Describe 4 differences between chain stores and tied shops. (4 mks)

- a) _____

- b) _____

- c) _____

- d) _____

8. Outline 4 ways in which the running of public corporation may be improved.

(4 mks)

- a) _____

- b) _____

- c) _____

- d) _____

9. State for advantages of having I.C.D.

(4 mks)

- a) _____

- b) _____

- c) _____

- d) _____

10. You have been provide with the following Sales return Journal.

(4 mks)

SALES RETURN JOURNAL

DATE	DETAILS	AMOUNT
2006		
August 1 st	Atieno	1500
August 2 nd	Njeri	3000
August 3 rd	Makau	8000
August 4 th	Amina	<u>4000</u>
		16500

Post to the relevant ledger accounts.

WWW.atikaschool.com

11. Highlight 4 characteristics of monopolistic competitive market. (4 mks)

- a) _____

- b) _____

- c) _____

- d) _____

12. Outline 4 roles played by intermediaries in the chain of distribution. (4 mks)

- a) _____

- b) _____

- c) _____

- d) _____

13. State 4 disadvantages of using posters for advertising. (2 mks)

- a) _____

- b) _____

- c) _____

- d) _____

SECTION B

- I) Answer 5 questions from this section
- II) An extra question will not be marked.
14. Explain 5 factors that determine the fertility rate in a country. (10 mks)
15. Given the following transactions of Kazi bure traders Record the same in a three column cash book and balance it off. (10 mks)
- Feb 1st started trading with 50,000 cash in hand
bank 100,000 (cr)
- Feb 3rd Settled the following account by cash after deducting 10% discount.
Akumu 5000/-, baker 7,000/-
- Feb 4th paid the following expenses by cheque
Water 1,200/- postage 1000/-
- Feb 5th Received 22,000/- from Kimani in cash having allowed him a discount of 8,000
- Feb 6th Deposited 15,000/- cash into bank
- Feb 7th cash sales 80,000/- directly banked
- Feb 8th Deposited all the cash into bank leaving a balance of 2000 cash
18. You have been provided with the following information of Pesa Mingi Traders
- | | |
|----------------------|-----------|
| Land and building | 1,500,000 |
| Cash at bank | 485,000 |
| Cash in hand | 70,000 |
| Debtors | 36,500 |
| Creditors | 40,000 |
| Stock | 25,000 |
| 5 yr loan | 600,000 |
| 3 yr loan | 50,000 |
| Fixture and fittings | 200,000 |

Calculate

- a) Working capital (2 mks)
- b) Borrowed capital (2 mks)
- c) Capital employed (2 mks)
- d) Working capital ratio (2 mks)
- e) Acid test ratio (2 mks)
17. Explain 5 source documents used for accounting purposes. (10 mks)
18. Explain reasons why pooling of risks is important to an insurance company. (10 mks)
19. Record the following transactions in the General Journal. (10 mks)
- Sept 1st Sold an old tractor with a book value 300,000 on credit to Stella for 250,000/-
- Sept 2nd Exchanged a weighing machine valued at 30,000/- for some furniture valued at 32,000/-
- Sept 3rd bought a car on credit from C.M.C valued at 720,000/-
- Sept 4th sold furniture on credit to Shiela valued at 73,400/-
- Sept 5th correction of an error having debited Akelo's account with 5,000/- instead of Okelo 5000/-

END