

GATITU SECONDARY SCHOOL
BUSINESS STUDIES FM4 MID-TEM EXAM 2ND TERM- 2015 2HRS

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

1. The following information was extracted from the books of Sikuku wholesalers on 31st December 2013 .

(i) Opening stock	sh. 3,000
(ii) Purchases	sh. 55,000
(iii) Closing stock	sh. 2,000
(iv) Margin	1/6

Required :draw Sikuku wholesalers trading account (4 marks)

2.Highlight four benefits which accrue to a member by joining a producer co-operative society. (4 marks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

3.Outline four benefits of using an Automated Teller Machine (ATM) card. (4 marks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

4. Mention four levels of inflation. (4 marks)

- i) _____
- ii) _____
- iii) _____

iv) _____

5. State four advantages of taking an endowment insurance policy. (4 marks)

i) _____

ii) _____

iii) _____

iv) _____

6. Given below are books of original entry, state the source document issued to prepare each of the following books. (4 marks)

	Books	Source document
a.	cash book	
b.	sales journal	
c.	purchases journal	
d.	sales return journal	

7. Outline four dangers of not setting clear objectives in a business organization. (4 marks)

8. State the level of production of each of the following activities. (4 marks)

	Activity	Level of production
a.	Harvesting cane	
b.	Moving water from Ng'alalia bore hole to Tala market	
c.	Preparing chapati from wheat flour	
d.	Constructing a bridge	

9. State four challenges encountered in using expenditure approach when measuring national income. (4 marks)

I _____

II _____

III _____

14. Highlight four reasons why hypermarkets are increasingly becoming popular in Kenya.I
(4 marks)

- I _____
- II _____
- III _____
- IV _____

15. State three differences between a bonded warehouse and private warehouse.(3 marks)

	Bonded warehouse	Private warehouse
a.		
b.		
c.		

16. List four principles of a good tax system. (4 marks)

- I _____
- II _____
- III _____
- IV _____

17. On 1st January 2013, Simo traders had a capital of sh. 700,000. The capital had increased to sh. 950,000 by 31st December 2013. During the year, the proprietor:
(i) sold a personal car for sh. 210,000 and deposited the money in the business account
(ii) made drawings amounting to sh.12,000
Calculate the net profit made for the year. (4 marks)

18. State the differences between international trade and domestic trade. (4 marks)

	International trade	Domestic trade
a		
b		
c		
d		

19. State four disadvantages of written communication. (4 marks)

- I _____
- II _____
- III _____
- IV _____

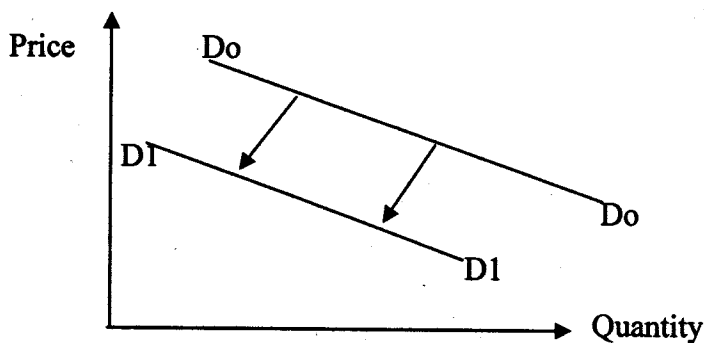
20. State four ways in which a government may control monopoly power. (4 marks)

- I _____
- II _____
- III _____
- IV _____

21. State four reasons why it may be necessary for delocalization of firms. (4 marks)

- I _____
- II _____
- III _____
- IV _____

22. State five factors that may have led to the scenario shown below. (5 marks)



- I _____
- II _____

III

IV

V

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23. Highlight four benefits of using electronic filing.

(4 marks)

I

II

III

IV

24. Give four reasons why consumers should satisfy wants before secondary wants.(4 marks)

I

II

III

IV

25. List four circumstances when personal selling would be effective.

(4 marks)

I

II

III

IV