

FOCUS A365

Another Manyamfranchise.Com Evaluation Test

FORM 4 TERM 1 BUSINESS STUDIES PPI EXAMINATIONS 2018

NAME: _____ ADM NO: _____ CLASS: _____

Instructions for candidates

- Write your name and admission number in the spaces provided above.
- Sign and write the date of examination in the spaces provided above.
- Answer all the questions.
- All answers should be written in the spaces provided.
- This paper consists of six printed pages.
- Candidates should answer all the questions in English.

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1. Classify the following activities to be either at the primary, secondary or tertiary level of production. (4mks)

- a) Planting Maize -
- b) Grinding maize -
- c) Selling maize -
- d) Harvesting maize -

2. Match each of the statements given below with the relevant type of capital. (4mks)

Statement

Type of capital

- a. Resource invested into a business by the owner
- b. Excess of current assets over current liabilities
- c. Amount invested into the business by outsiders
- d. Represents total finance in a firm

3. Apex traders provided you with the following

Margin	25%
Cost of sales	15,000
Opening stock	2,000
Closing stock	1,000
Operating expenses	2% of capital
Sales and capital are in the ratio of 1:4	

Calculate:

- a. Rate of stock turnover
- b. Purchases

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4. The following information was extracted from the books of farmers choice supermarket on 31st Dec 2017.

	shs
Average stock	30,000
Closing stock	40,000
Purchases	336,000
Carriage inwards	2,000
Return outwards	18,000
Margin	1/6

Required. Calculate sales for the year .

4mks

5. State four benefits that a farmer may derive from being a member of a producer co-operative society (4mks)

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

6. Outline four qualities of a successful salesperson (4mks)

- i.
- ii.
- iii.
- iv.

7. Indicate with a tick whether the following activities are generic or enterprise competition. (3mks)

Activity	Generic	Enterprise
a) A local radio competing with a foreign radio station		
b) Two publisher competing in a book selling		
c) A coffee seller competing with a tea seller.		

8. State four elements of the economic environment that may influence the operations of a business. (4mks)

- i.
- ii.
- iii.
- iv.

9. Outline any four disadvantages of starting a small-scale retail business. (4mks)

- i.
- ii.
- iii.
- iv.

10. Name any four features of a monopolist market. (4mks)

- i.
- ii.
- iii.
- iv.

11. Outline 4 channels that can be used to distribute locally manufactured goods (4marks)

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

12. State the appropriate insurance policy your school can take to cover each of the following risks (5marks)

- | <u>Risks</u> | <u>Policy</u> |
|---|---------------|
| a) Losses arising from debtors failing to pay | |
| b) Injury caused to neighbour's health due to school's leaked sewer | |
| c) Loss of cash being delivered to the local bank | |
| d) To cover cooks from injuries that may occur to them in the kitchen | |
| e) Loss of money due to account's clerk dishonesty | |

13. State 4 ways that a trader may provide after sale service to his customers (4marks)

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

14. Highlight 4 factors that may render communication ineffective (4marks)

- i.
- ii.
- iii.
- iv.

15. Highlight four ways in which the office facilitates effective handling of documents (4marks)

- i.
- ii.
- iii.
- iv.

16. Outline any four factors that a firm should consider when deciding what goods and services to produce. (4 mks)

- i.
- ii.
- iii.
- iv.

17. The following information was extracted from the books of CEKENA enterprises for the year ended 30th June, 2014

	Ksh
Capital as at 30 th June 2014	640,000
Capital as at 1 st July 2013	420,000
Drawings for the year	180,000
Net profit for the year	140,000

Determine the additional capital for the year. (4mks)

18. Outline any four functions of advertising agencies. (4 mks)

- i.
- ii.
- iii.
- iv.

19. Give any four reasons why a high national income in a country may not necessarily mean better living standards for the citizens of a country. (4 mks)

- i.
- ii.
- iii.
- iv.

20. List down any four types of errors that a trial balance may not show. (4 mks)

- i.
- ii.
- iii.
- iv.

21. Indicate in the spaces provided the type of ledger in which the following accounts are classified (4 Mks)

Ledger account	Classification
Rent income	
Premises	
Rondo (a debtor)	
drawings	

22. Highlight any four challenges that an overpopulated country may face. (4 mks)

- i.
- ii.
- iii.
- iv.

23. The following are types of advertising, product advertising, primary demand advertising, celebrity advertising and institutional advertising. Match the following descriptions with the type of advertising that best suits the description. (4 mks)

- (i) Advertising a particular brand or name of a specific product –
- (ii) Advertising using popular personalities –
- (iii) It aims at popularizing new products to potential customers –
- iv) It aims at making an organization more popular –**

24. Give any four reasons for upholding ethics in product promotion. (4mks)

- i.
- ii.
- iii.
- iv.

25. Name any four types of large scale retail businesses. (4mks)

i.

ii.

iii.

iv.

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