

# FOCUS A365

Another Manyamfranchise.Com Evaluation Test

## FORM 4 TERM I BUSINESS STUDIES PP2 EXAMINATIONS 2018

NAME: \_\_\_\_\_ ADM NO: \_\_\_\_\_ CLASS: \_\_\_\_\_

### INSTRUCTIONS TO CANDIDATES:

1. Write your Name and Admission Number in the spaces provided above.
2. Sign and write the date of this examination in the spaces provided above.
3. Answer any five questions.
4. All answers must be in English
5. All answers must be written in the spaces provided in this booklet.
6. Do not remove any pages from this booklet.

<http://Notes.alikaschool.org>  
[sales@manyamfranchise.com](mailto:sales@manyamfranchise.com) [0728 450 425]

- 1a) Explain five uses of National income statistics to a country. (10mks)  
 b) Describe five factors which encourage localization of industries (10mks)
- 2a) Explain five reasons why containerisation has become a popular mode of transport (10mks)  
 b) Explain five measures that can be taken to reduce unemployment in Kenya (10mks)
- 3a) Explain five circumstances under which a trader would choose to distribute his product through Intermediaries (10mks)  
 b) Explain five principles of insurance (10mks)

4a) The table below represents a Bakers supply of Bread to a local urban centre

<u>Year</u>	<u>Quantity of bread</u>
2000	10,000
2001	9,000
2002	7,000
2003	5,000

- Assuming the price remains constant, explain five possible reasons for the trend in the supply of bread. (10mks)
- b) Explain five circumstances under which a manufacturer would not require a lot of warehousing facilities (10mks)
- 5a) Explain any SIX circumstances under which face to face would be preferable to written communication in a firm.
- b) The following information was extracted from the books of Banana traders for the year ended 2014 (8mks)

Opening stock - 100,000  
 Current Assets – 650,000  
 Current liabilities - 650,000  
 Sales - 2,000,000  
 Margin - 20%  
 Closing stock -200,000

Calculate:

- i) Current ratio (2 MKS)  
 ii) Mark up 3 mks  
 iii) Rate of stock turnover 3 mks

- 6a) Explain any five characteristics of a good tax system. (10mks)
- b) Musenywa wholesalers made the following credit sales to the following customers during the month of February 2012
- February 4<sup>th</sup> Ndika shs. 400, Kidera sh 600, Masiga sh 750  
 February 6<sup>th</sup> Masisi sh 500  
 February 10<sup>th</sup> Muhonja shs 250, Otweche sh 300  
 February 15<sup>th</sup> Ndika sh 450, Kidera sh 500  
 February 25<sup>th</sup> Musherere sh 500, Mududa sh 150
- Prepare his sales Journal (10mks)