**NAME \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_INDEX NO\_\_\_\_\_\_\_\_\_\_\_**

**DATE\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**565/1**

**BUSINESS STUDIES**

**FORM FOUR**

**MARCH /APRIL 2019**

**TIME 2 Hours**

**MAU LINK JOINT EVALUATION EXAM 2019**

***Kenya Certificate of Secondary Education (K.C.S.E)***

***INSTRUCTIONS TO CANDITATES***

* **Answer All the questions in section .**
* **All questions must be answered in the answer booklet provided.**

1. Outline **four** discipline incorporated in the business course. (4 mks)

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2. Fill the missing figures in the table below.

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| --- | --- | --- |
| ASSETS | LIABILITIES | CAPITAL |
| (a)14,000 | 15,000 |  |
| (b) \_\_\_\_\_\_\_\_\_\_\_\_\_ | 1800 | 5,700 |
| (c) 24,000 | \_\_\_\_\_\_\_\_\_\_\_\_\_\_ | 18,000 |
| (d)123,000 | 76,000 |  |

3. Outline **four** factors that should be considered of a means for transporting perishable goods. (4 mks)

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4. Highlight **four** circumstances under which personal selling is appropriate. (4 mks)

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5. Outline **four** benefits a firm will get by adopting division of labour and specialization in production (4 mks)

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6. Identify whether the following transactions will increase , reduce or have effect on the capital of a business.

|  |  |  |
| --- | --- | --- |
|  | TRANSACTION | EFFECT |
| (a) | Owner 100 cash from the business for private use. |  |
| (b) | Realized profit during the year. |  |
| (c) | Borrowed a bank loan. |  |
| (d) | Converted a private car into business property. |  |

7. Outline **four** factors that hinder enterpreneurship in Kenya. (4 mks)

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8. Outline **four** roles of stock exchange in the economy. (4 mks)

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9. State **four** factors that a trader should consider before offering a credit to a customer. (4 mks)

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10. Highlight **four** features of an open – air market. (4 mks)

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11. Bahati insured his house valued at sh. 250,00 against fire at sh. 200,000. A year later the house was completely destroyed by an accidental fire.

(a) Calculate the amount of compensation Bahati is entitled to. (3 mks)

(b) Give the reason for your answer.

(i).......................................................................................................................................................

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12. Identify **four** ways in which an office can safeguard an organizations property. (4 mks)

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13. State **four** factors that may hinder effective communication in classroom set up. (4 mks)

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14. The diagram below shows the demand and supply curves of certain commodity and the corresponding equilibrium price (Po) and quantity (Qo). On the diagram , show the new equilibrium quantiy and price as a result of an increase in the supply of the commodity. (4 mks)

**Price**

**D S**

**E**

**S** **D**

**Quantity**

15. Name the type of warehouses associated with each of the statement given below. (4 mks)

|  |  |
| --- | --- |
| STATEMENT | TYPE OF WAREHOUSE |
| (i)Goods can be stored before payment of customs duty. |  |
| (ii) Individuals can hire storage facilities. |  |
| (iii) Goods are stored from several manufactures. |  |
| (iv) Specialised goods are stored. |  |

16. Highlight **four** incentives adopted by the government to encourage delocalization of industries. (4 mks)

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17. Highlight **four** consequences of eliminating a wholesaler from the chain of distribution. (4 mks)

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18. The government of Kenya intends to carry out a national population census this year 2019. Highlight **four** benefits of this exercise to the government. (4 mks)

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19. State **four** disadvantages of a monopoly market. (4 mks)

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20. State **four** reasons why choice should be made in satifying human wants. (4 mks)

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21. Outline **four** reasons why the government issue licence to drivers. (4 mks)

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22.Identify the machines used for the following purpose. (4 mks)

|  |  |
| --- | --- |
| STATEMENT | MACHINES |
| 1. Destroy unwanted documents. |  |
| 1. Printing postage stamp impressions on envelopes. |  |
| 1. Printing and recording cash sales receipts. |  |
| 1. Pining documents together. |  |

23.Identify the books of original entry used in recording each of the following transactions of soya traders. (4 mks)

|  |  |
| --- | --- |
| TRANSACTIONS | BOOK OF ORIGINAL ENTRY |
| 1. Sold goods on credit to Wanjua for sh. 20,000. |  |
| 1. Bought goods on credit from Saipei traders for sh. 1000. |  |
| 1. Achieng returned goods worth sh. 6000. |  |
| 1. Soya returned goods worth sh. 11,000 to Nzome traders. |  |

24. Classify the following economic resources . (4 mks)

|  |  |
| --- | --- |
| RESOURCE | CLASSIFICATION |
| 1. Oil |  |
| 1. Ship captain |  |
| 1. Hydroeletric power plant |  |
| 1. Standard gauge railway |  |

25. Record the following transactions in ledger accounts. (a) Received Ksh. 20,000 in respect of rent paid on Jan 2015.

(b) Purchased goods worth sh. 30,000 on credit from crown traders on 10th Jan 2015. (4 mks)