

FORM 3 ENDTERM 3 EXAM

BUSINESS STUDIES

PAPER 1

NAMEADM.....CLASS.....

1 a) Outline four reasons why organizations need to safe keep documents in files (4mks)

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2. Give the four components of business studies (4mks)

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3. A business is expected to be socially responsible to various groups such as customers, employees, government, public and suppliers. Indicate against each statement the most appropriate group (5mks)

Statement	Group
i) Fair remuneration	
ii) Timely tax returns	
iii) Fairness in tender allocation	
iv) Equal job opportunities	

Quality products	
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4. Use the table below to outline four differences between basic wants and secondary wants (4mks)

Basic wants	Secondary wants

5. Identify three activities in the extractive level of production (4mks)

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6. Outline four ways in which partners may be classified (4mks)

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7. Highlight four characteristics of mail order store (4mks)

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8. Outline the meaning of the following terms as used in accounting (4mks)

i) Network of a business

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ii) Business transaction

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iii)Cash transaction

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vi)Credit transaction

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9.Statefour main factors that may limit the level of a country's national income. (4mks)

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10.Identify four ways in which a business may be of benefit to people in the surrounding area (4mks)

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11.State the effect of each of the following transaction on the balance sheet by writing increase or decrease or no effect in each case

Transaction	Effect
a)Bought machinery on credit	
b)withdrew cash from the business for personal use	
c)Purchased stock in cash	
d)Paid outstanding by cheque	

12.State four ways of increasing efficiency and effectiveness of human portorage

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13.The following information relates to Makuyu Traders. Determine the missing figures. (3mks)

	Assets	Liabilities	Capital
a)	50000	70000	
b)	320000		280000
c)		14360	12000

14.Post the following transactions in the ledger books of Embakasi traders (4mks)

March 1/2013 commenced business with sh. 150,000 cash at bank

March 5/2013 bought machinery in credit for sh. 9500

March 7/2013 withdrew sh 5000 from bank for office use

March 8/2013 paid sh 3000 cash to creditor

15.Give four reasons that make insurance companies decline to insure acts of nature (4mks)

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16.Name 4 sources of business ideas. (4mks)

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17.State 4 office etiquette of a business person. (4mks)

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18.Mention four main types of demand. (4mks)

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20.Name 4 methods of government involvement in business (4mks)

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21.Name 4 types of public utilities. (4mks)

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22.Name 4 barriers of effective communication. (4mks)

23.Name 4 types of life assurance contracts (4mks)

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24.Name 4 characteristic of a good filing system. (4mks)

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25.Give 4 characteristics of oligopoly market structure. (4mks)

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