**NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ADM NO: \_\_\_\_\_\_\_\_CLASS:\_\_\_\_\_\_\_\_\_\_**

**DATE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ SIGN: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_TARGET\_\_\_\_\_\_\_\_**

**BUSINESS STUDIES**

**FORM FOUR**

**MID-TERM EXAM**

**TERM 1, 2024**

**INSTRUCTIONS: (ANSWER ALL QUESTIONS) TIME: (1HR 30MIN)**

1. The following information relates to Mwangi traders for the month of August 2008

|  |  |
| --- | --- |
| Opening stock | Sh 40,000 |
| Purchases | Sh 46,000 |
| Carriage inwards | Sh 2,100 |
| Closing stock | Sh 22,500 |

Goods are usually sold at a mark up of 20%.

Required: Prepare a trading account for the month ended 31st August 2008. (5mks)

1. Highlight four principles of co-operative societies. (4mks
2. The following is a table of activities. Name the utility that is created by each activity. (4mks)

|  |  |
| --- | --- |
| **Activity** | **Utility** |
| 1. Making chairs from timber |  |
| 1. Shopkeepers selling sugar to consumers |  |
| 1. Pharmacist delivering milk to a hospital |  |
| 1. Delivering milk to consumers early in the morning |  |

1. Given below is a table showing the market demand for a commodity from 2006 to 2010

|  |  |
| --- | --- |
| **Year** | **Quantity demanded** |
| 2006 | 100,000 |
| 2007 | 120,000 |
| 2008 | 200,000 |
| 2009 | 250,000 |
| 2010 | 270,000 |

Outline four factors that have contributed to the trend in the demand from 2006. (4mks)

1. State any four types of advertising (4mks)
2. Identify four elements of internal business environment that may positively influence

the performance of business. (4mks)

7. List **four** sources on internal economies of scale (4mks)

8. Outline **four** distinctive features of a monopolistic market competition (4mks)

9. Outline **four** ways entrepreneurship has benefited Kenyan economy (4mks)

10. State **four** circumstances under which a business would choose to transport goods by air (4mks)

11. Highlight any **four** difficulties encountered in satisfaction of human wants (4mks)

12. The following figures relates to the retail business of Omondi for the Month of July 2012

Sales 50,000

Expenses were 10% of sales

Cost of goods sold 40,000

Calculate:

(i) Mark-up 2mks

(ii) Margin 2mks

(iii) Total Expenses 1mk

(iv) Net profit 1mk