

MINISTRY OF EDUCATION AND HIGHER EDUCATION

FORM FOUR EXAMS, 2020

BUSINESS



P/LAND NATIONAL EXAMINATION BOARD

MINISTRY OF EDUCATION AND HIGHER EDUCATION
PUNTLAND NATIONAL EXAMINATIONS BOARD

Code Number

FORM FOUR EXAMINATION 2020
TIME:1 HOUR AND 30 MINUTES

BUSINESS

Instructions to candidates

- Answer all the questions
- This paper consists of 7 pages, count it and if any is missing inform your invigilator
- Do not write your **name and roll number** on the exam paper
- Make sure that **student's profile** is attached to the exam paper, if not, inform you invigilator
- No extra paper is allowed.
- If you make a mistake, **cross out the incorrect answer and write your correct answer.**

This exam paper consists of following Parts

Parts	Marks
Part one: Multiple Choice	20 marks
Part two: Matching	10 marks
Part three: Structured Questions	70 marks
Total: 100 Marks	

For the markers only

PARTS	MARKS
Part one	
Part two	
Part three	
TOTAL	%



SOM EXAMS

PART ONE: MULTIPLE CHOICE QUESTIONS**(20 MARKS)**

1. Any activity undertaken to provide goods and services with aim of making profit

- A. Profit
B. Business
C. Business studies
D. Goods

2. The resources owned by the business are

- A. capital
B. liability
C. assets
D. revenue

3. The book of original entry is also called

- A. Journal
B. ledger
C. debit
D. credit

4. Physical movement of goods, people and animals from one place to another is called

- A. Trade
B. Transportation
C. Insurance
D. Warehouse

5. The following table shows the consumer price index of a country in 2019 and 2020.

Using the table calculate the inflation rate of the country in 2020.

Year	2019	2020
CPI	120	150

- A. 30%
B. 20%
C. 25%
D. 70%

6. One of the advantages of partnership business is.

- A. Profit sharing
B. Sharing of losses
C. Slow decision making
D. Legal entity

7. The business organization owned by one person is called

- A. Sole trade
B. Partnership
C. Private company
D. Cooperatives

8. The communication between people of the same level is called.

- A. Upward communication.
B. Down-ward communication
C. Diagonal communication.
D. Horizontal communication

9. Which of the following factors would cause movement along demand curve

- A. Income of the consumer
B. Price of related goods
C. Price of the product
D. Future expectation

10. the person who receives the message, analyses and interprets the message

- A. receiver
B. sender
C. medium
D. message

11. Act of selecting which human want to satisfy first is

- A. Opportunity cost
B. Choice
C. Scarcity
D. Economic problem

12. People living in a particular region at a particular time?

- A. Migration
B. Deaths
C. Births
D. Population

13. A company has a total cost of **Sh.so120**. The variable cost of the company is **20**. What is the amount of fixed cost
- A. 100 B. 130 C. 120 D. 140
14. Place where organization's work is done
- A. Equipment C. Filing
B. Machines D. Office
15. Expenditure on capital goods such as construction of roads, hospitals and schools is an example of
- A. Recurrent expenditure C. Indirect expenditure
B. Transfer payment D. Development expenditure
16. A product has a selling price of \$10 and a variable cost of \$5. Sales for March are \$100,000 and fixed costs for March are \$20,000. What is the profit for March?
- A. \$20,000 C. \$50,000
B. \$30,000 D. \$40,000
17. Using the table below calculate Per capita income

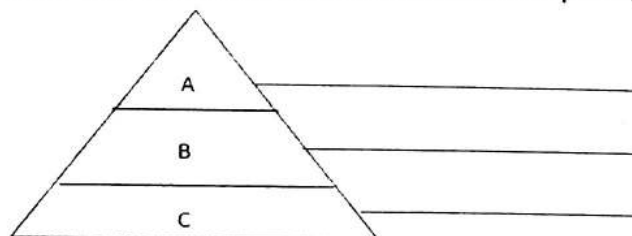
GDP 10,000	
Population	2,000

- A. 10000 C. 5
B. 2000 D. 1000
18. What possess general acceptability?
- a. Bank c. Communication
b. Money d. Insurance
19. who among the following is most benefitted from inflation
- A. creditor C. company
B. debtor D. bank
20. The levying of compulsory financial contribution by the government on income, profits, and goods and services.
- a) Taxation c) Public finance
b) Income d) Import



PART TWO: MATCHING**(10 MARKS)**Match the terms in **column A** with their meaning in **column B** using answer space

No.	Terms (A)	Answer	Meaning (B)
1.	Office machines		a) The concept that considers the business and owners as separate entities
2.	Capital		b) When two people must have needs and commodities that coincide in order for the exchange to occur.
3.	Balance sheet		c) Change of quantity demanded caused by change in price
4.	Indirect Tax		d) The tear and wear of fixed capital
5.	Marginal Cost		e) taxes in which the taxpayer shifts the burden of the tax to another person
6.	Depreciation		f) Process aimed at changing a person's attitude or behavior toward some events, idea, and object.
7.	Movement along demand curve		g) A financial statement that reports the assets, liabilities, and capital at a specific date
8.	Persuasive		h) Facilities that is required in an office to facilitate the accuracy in an office functions and activities.
9.	Business entity concept		i) All asset from the owner of business (shareholders)
10.	Double coincidence of wants		j) An increase in total cost that results from a one-unit increase in output.

PART THREE: STRUCTURED QUESTIONS**(70 MARKS)**1. On the diagram indicate the level of management that corresponds each label **(3 Marks)**

2. State three skills required of every manager of a business

(3 Marks)



3. Using the demand schedule below answer all of the following questions.

Price (Sh.so)	Quantity demanded	Quantity supplied
2	60	40
4	50	50
6	40	60
8	30	70

a. Indicate the equilibrium price and quantity from the table (2Marks)

b. When the price is 8, is the market in shortage or in surplus? (2 Marks)

c. State two factors that cause supply (2 Mark)

4. Complete the following table by calculating the missing figures (3 Marks)

Start capital	Profit	Drawing	Final capital
20	A: _____	10	30
B: _____	5	8	15
12	8	5	C: _____

5. A company has the following information for a month

Details	Sh.so
Fixed costs	800
Variable cost per unit	8
Selling price per unit	16

a. Calculate the breakeven quantity of that company (4 Marks)

b. State two examples of fixed costs (2 Marks)



6. Classify the following items into assets, liabilities and expenses (4 Marks)

Items	Assets	Liabilities	Expenses
a) Trade payable			
b) Insurance paid			
c) Cash at hand			
d) Bank overdraft			
e) Equipment			
f) Long term loan			
g) Discount allowed			

7. Classify the following taxes into direct and indirect taxes. Use tick (✓) to indicate your answer (3 Marks)

Tax	Direct tax	Indirect tax
Sales tax		
Profit tax		
Value added tax		

8. Compute the followings 3 Marks

S/ N	Asset	Liability	Capital
1	15,000	5,000	-----
2	-----	3,000	7,000
3	4,000	-----	2,000

9. The information below relates to a particular country. Using the information answer all of the following questions. (4 Marks)

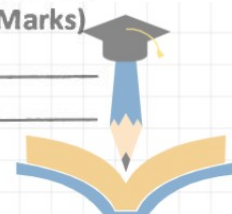
Item	Value
Population	6000
Number of births	120
Number of deaths	60

a. Calculate crude birth rate (CBR)

b. Calculate crude death rate (CDR)

10. State two types of unemployment

(2 Marks)



11. A country has a population of 1,000 and its Gross Domestic Product is Sh.so 100,000.
Calculate the income per capita of that country. (2 Marks)

12. List three elements of communication. (3 Marks)

13. State two types of advertising (2 Marks)

14. Complete the gaps using the terms in the table below (4 Marks)

A. franchisee	B. Resource market	C. Direct	D. Contribution
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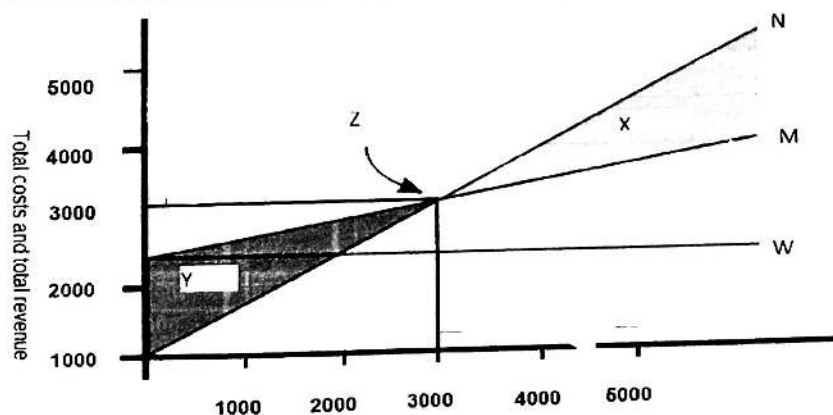
- a. _____ the place where factors of production are bought and sold
- b. _____ the cost that can be related into production of a particular product.
- c. _____ the difference between sales revenue and variable cost
- d. _____ the business that purchases franchise from another business

15. Write down the terms represented by each of the following components of GDP (2marks)

$$NI=C+I+G+(X-M)$$

- a. C _____
- b. I _____
- c. G _____
- d. (X - M) _____

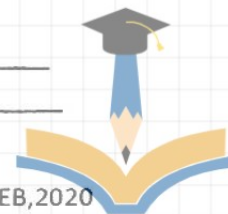
16. This illustration reveals the costs and revenues of sky -Stationary. (4 Marks)



Name the labelled letters

- a) X _____
- b) Y _____

- c) Z _____
- d) W _____



17. Give the function of each of the following office machines (2 Marks)

Machine	Function
a) Paper punch	
b) Photocopier	
c) Computer	
d) Stapler	

18. Given below is the average living expense of a family in different years. (4 Marks)

Year	Living Expenses
2005 (base year)	200
2006	300
2007	600

a. Calculate the consumer price index of 2007

b. State two types of inflation

19. Differences between commercial banks and non-bank financial institutions(2Marks)

S/N	Commercial banks	Non-bank financial institutions
1		
2		

20. Classify the following business environment factors into internal and external (4 Marks)

Factor	Internal	External
Suppliers		
Management		
Technology		
Political factors		

21. Choose which two of the following is an example of goods exported by Somalia(4 Marks)

Goods	Exported by Somalia
Goats	
Cars	
Computers	
Banana	

END

