

MINISTRY OF EDUCATION AND HIGHER EDUCATION

FORM FOUR EXAMS, 2012

BUSINESS



P/LAND NATIONAL EXAMINATION BOARD

PUNTLAND STATE OF SOMALIA
MINISTRY OF EDUCATION
NATIONAL EXAMINATIONS BOARD

NAME OF THE STUDENT	
NAME OF THE SCHOOL	
ROLL NUMBER	

FORM FOUR BUSINESS EXAMINATION

May 2012

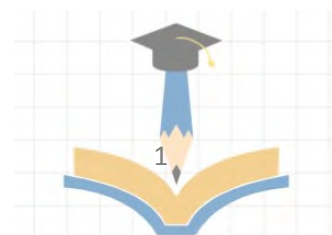
TIME 2:10 HOURS

INSTRUCTIONS TO CANDIDATES

Instructions to the candidate (please read carefully)

This paper consist of 16 Pages, count now, if there is missing please inform to the invigilator

- Answer ALL question
- Write your working on the space provided below the question
- No allowed extra paper
- No allowed calculators
- If you write wrong answer please delete and write right the answer clearly
- This paper consist of two parts



Use this page for rough work, it will not be marked

A series of horizontal dotted lines for rough work.



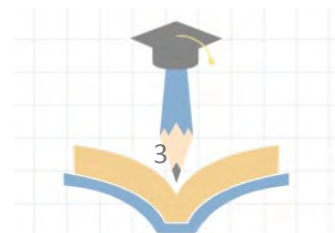
PART ONE

MULTIPLE CHOICE QUESTIONS

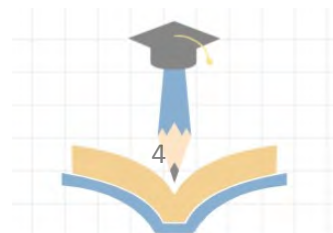
(15 MARKS)

Circle the correct Answers

1. One of the following is not among the function of money, which one is it?
 - A. Create deficit
 - B. Store of value
 - C. Measure of value
 - D. Standard of deferred payments
2. The passage of messages and information between a senior and his/ her junior in the same organization , is known as
 - A. Diagonal communication
 - B. Horizontal Communication
 - C. Vertical communication
 - D. Lateral communication
3. If the price of commodity a increase then quantity supply of the commodity a will
 - A. Increase
 - B. Decrease
 - C. Remains the same
 - D. Increase and decrease



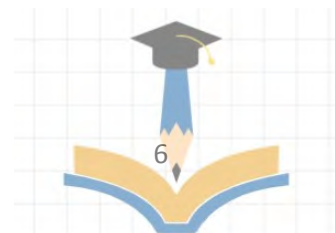
4. An overall rise in price levels of products accompanied by a consequent decrease in the purchasing power of money is known as
- A. Barter trading
 - B. Inflation
 - C. Deflation
 - D. fluctuation
5. the process of determining what is to be done in order to achieve a set of objectives, is known as
- A. Directing
 - B. Staffing
 - C. Objectives
 - D. Planning
6. Factors of production are
- A. Entrepreneur ship, management, buildings and workers
 - B. Entrepreneurship, machines, labor and land
 - C. Land, management, capital and entrepreneurship
 - D. Land, labor, capital and entrepreneurship



7. A business unit has always to paywhether producing or not producing
- A. Variable costs
 - B. Fixed Costs
 - C. Labor costs
 - D. Material Costs
8. On a certain level of production, fixed costs are
- A. In increase
 - B. In decrease
 - C. Constant
 - D. Rises up and down
9. The main reason why people start business is
- A. To make profit
 - B. To have more entertainment time
 - C. To become famous
 - D. To become boss



10. At break even point, the profit is equal to
- A. Sales Revenue minus total costs
 - B. Sales revenue plus costs
 - C. Zero
 - D. Total costs
11. When a small change in price has relatively smaller effect on the quantity demanded, then the demand is
- A. Elastic
 - B. Perfectly elastic
 - C. Inelastic
 - D. Perfectly inelastic
12. Consumer price index measures
- A. Changes in demand
 - B. Changes in supply
 - C. Changes in production
 - D. Changes in price
13. The success of a business depends
- A. Maintaining high quality products
 - B. Producing cheap products
 - C. Meeting customers satisfaction
 - D. Expanding the business
14. One of the following is not an office equipment
- A. Paper punch
 - B. Photocopies
 - C. Hammer
 - D. Money counting machines
15. Parastatals is an other name for
- A. Public limited company
 - B. Public co operations
 - C. Private limited companies
 - D. Cooperatives.



PART TWO: STRUCTURED QUESTIONS**(85 MARKS)****Section one: Match the word in column A with their meaning in column B****(10 Marks)**

Column A		Column B	
1	Receipt	A	Services rendered by human beings in the process of producing goods and services
2	Balance sheet	B	Summary statement showing transactions between a country and the rest of the country at a particular time
3	Partnership	C	Limited economic resources
4	Bankruptcy	D	Any activity with the aim of making profit
5	Human Resource	E	Monetary value of all goods and services produced within a country at current price
6	Gross Domestic product	F	A statement that shows assets, capital and liabilities
7	Scarcity	G	A business unit owned by more than one person
8	Structured unemployment	H	A company that is not able to pay its debts
9	Business	I	A document issued by the buyer to seller acknowledging payment of goods and services
10	Balance of payment account	J	Unemployment caused by change in demand for goods and services



SECTION TWO: KNOCK OUT THE ODD ONE

(10 MARKS)

1. Ledgers, Registration books, Journals, Cash books

.....

2. Interest rate, Birth rate, Tertility rate, Death rate

.....

3. Warehousing, Planning, Organizing, Directing

.....

4. Savings account, Sales Account, Current account, Deposit account

.....

5. Price elasticity, income elasticity, Spring elasticity, Cross elasticity

.....

6. Demand low, Momentum low, Supply low, Diminishing utility low

.....

7. Central Bank, Super markets, Commercial banks, Development bank

.....

8. Top management, Middle management, Super visors, Workers

.....

9. Loans, Machines, Tools, Furniture

.....

10. Shredder, Kitchen knife, Staple removal, guillotine

.....



SECTION THREE: SHORT QUESTIONS

(45 MARKS)

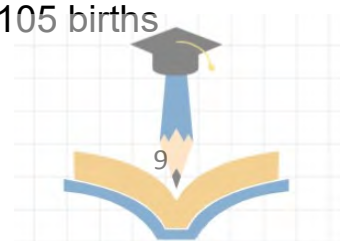
1. State the main difference between a journal book and a ledger book

.....
.....
.....
.....
..... (3 marks)

2. Group the following items into two columns : column A for assets and column B for liabilities: Cash, Bank overdraft, manager’s car, debtors, short-term loans, stock equipment (3 marks)

Column A	Column B

3. A small community consists of 1500 persons and there are 105 births and 60 deaths, find?



a) Crude birth rate

.....
.....
.....
.....
.....(1.5 marks)

b) Crude death rate

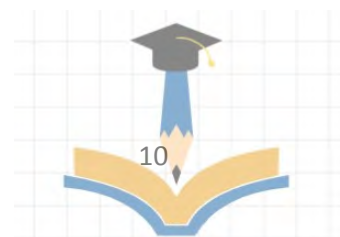
.....
.....
.....
..... (1.5 marks)

4. What is the symbols (capital letters) in the following formula stand for
 $E = C + I + G + (X - M)$

.....
.....
.....
.....(4marks)

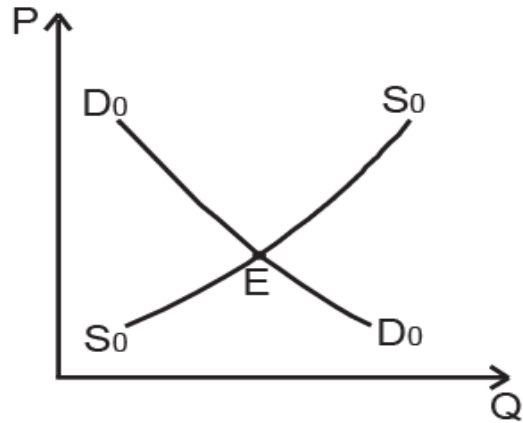
5. State and explain shortly three characteristics of competition?

.....
.....
.....
.....
.....(3 marks).



6. Following is the demand curve and the curve of a commodity

Show in the same diagram how the equilibrium point will be affected if the supply curve shifts outwards to the right.



.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

..... (3 marks)

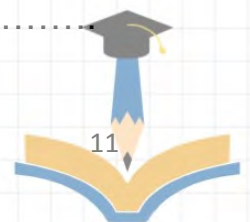
7. What is the difference between wants and needs?

.....
.....
.....
.....
.....
.....
.....

..... (3 marks)

8. Give four ways in which a business unit may increase its profit

.....
.....
.....
.....



.....
(3 marks)

9. Define what is Public finance?

.....

 (2 marks)

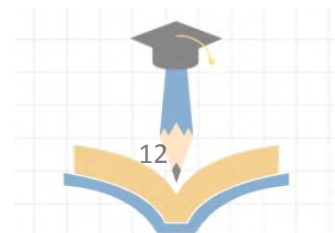
10. Following is the balance sheet of Zam zam restaurant prepared at the end of December 31 2010. Fill the blank spaces? (4 marks)

.....?

Balance sheet

.....?

Cash	10,000	Bank overdraft?
Deptors?	Creditors	22,000
Utensils	27,000		
Furniture	56,000	Capital	74,000
<hr/>		<hr/>	
Total?	Total	108,000



11. Explain briefly two factors that affect supply of a commodity?

.....

.....

.....

.....

.....(3 marks)

12. What is an opportunity cost, give two examples of opportunity costs?

.....

.....

.....

.....(3 marks)

13. Suppose the price elasticity of demand of a commodity is 3.1
Explain what this number shows you?

.....

.....

.....

.....

.....

.....

.....

.....



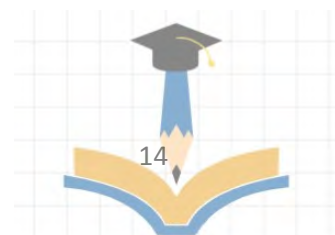
.....
.....
.....(3 marks)

14. In why public relations is good for a business unit.

.....
.....
.....
.....
.....
..... (3 marks)

15. What is warehousing?

.....
.....
.....
..... (2 marks)



3. With the aid of a diagram distinguish between movement along the supply curve and shift of the supply curve?

.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
..... (5 marks)

END

