



Myfuture CBC Revision

Business Studies - Grade 10

Question Paper

1. Which activity describes quality control rather than quality assurance?

- A. Training workers in quality procedures before production
- B. Setting company-wide quality standards
- C. Inspecting finished shirts and removing defective ones
- D. Designing systems to prevent defects during production

2. Which of the following is NOT a factor of production?

- A. Labour
- B. Marketing
- C. Capital
- D. Land

3. What is the effect on profit when business expenses increase while revenue stays the same?

- A. Profit remains the same
- B. Profit decreases
- C. Capital increases automatically
- D. Profit increases

4. Which of these is an example of a tertiary (service) activity?

- A. Tea planting
- B. Cattle rearing
- C. Brick manufacturing
- D. Banking services

5. How can small Kenyan farmers benefit from international trade?

- A. By accessing larger markets and receiving higher prices if they meet export standards
- B. By having their products blocked from foreign markets
- C. By being guaranteed higher prices without meeting any quality standards
- D. By selling only to local middlemen at lower prices

6. Which statement best describes a business vision?

- A. A short-term sales target for the month
- B. A rulebook of company policies
- C. A list of day-to-day tasks for employees
- D. A long-term picture of what the business wants to become

7. What is a master budget?

- A. A comprehensive set of budgets that includes operating and financial budgets
- B. A supplier's price list
- C. A single sheet listing day-to-day cash receipts only
- D. An employee schedule for shifts

8. If the Kenyan shilling weakens against the US dollar, what happens to Kenyan exports and imports (all else equal)?

- A. Exchange rates do not affect trade prices
- B. Kenyan exports become more expensive and imports become cheaper
- C. Kenyan exports become cheaper abroad and imports from the US become more expensive
- D. Both exports and imports become cheaper

9. What is a tariff?

- A. A limit on the number of foreign workers allowed
- B. A subsidy paid to exporters
- C. A shipping document required for exports
- D. A tax imposed on imported goods

10. What is a budget in the context of a small Kenyan business?

- A. A government tax document submitted annually
- B. A list of all past sales without estimating future costs
- C. A record of only cash withdrawals from a bank
- D. A written plan showing expected income and expenses for a future period

11. Which is an example of capital expenditure by the government?

- A. Constructing a new road
- B. Payment of routine electricity bills
- C. Monthly pension payments
- D. Buying stationery for an office

12. What does the 'balance of trade' measure?

- A. The sum of all taxes collected by customs
- B. The difference between the value of exports and imports of goods
- C. Money held in a country's banks by foreigners
- D. The total government budget deficit

13. Which type of social responsibility requires a business to obey laws and regulations in Kenya?

- A. Philanthropic responsibility
- B. Discretionary responsibility
- C. Legal responsibility
- D. None of the above

14. Which government policy would most encourage exporters in Kenya?

- A. Raising import tariffs on domestic goods only
- B. Banning exports of all agricultural products
- C. Providing export promotion incentives such as tax breaks and marketing support
- D. Increasing taxes on exported goods

15. How can the government be a stakeholder in business goals?

- A. By choosing company logos
- B. By ignoring business activity completely
- C. By setting laws, collecting taxes, and supporting economic policies
- D. By running every business directly

16. What is the main source document for recording purchases made on credit from a supplier in Kenya?

- A. Supplier's invoice
- B. Sales receipt
- C. Cheque stub
- D. Credit note

17. What do economists mean by 'terms of trade'?

- A. The number of tariffs applied to a product
- B. The ratio of export prices to import prices for a country
- C. The quota a country places on imports
- D. The total number of trading partners a country has

18. What is an import quota?

- A. A physical limit on the quantity of a good that can be imported
- B. A document allowing goods to enter a country
- C. A tax on exported goods
- D. A subsidy for local manufacturers

19. What is the break-even point for a business?

- A. When sales are at their highest
- B. When fixed costs are zero
- C. When total revenue equals total cost
- D. When profit equals total revenue

20. Which agency in Kenya is primarily responsible for collecting import duties and taxes at the border?

- A. Central Bank of Kenya
- B. Ministry of Education
- C. Kenya Tourism Board
- D. Kenya Revenue Authority (KRA)

21. Which is an example of an ethical business goal?

- A. Hide product defects to increase sales
- B. Ignore customer complaints to save time
- C. Use child labour to cut costs
- D. Charge fair prices and avoid misleading adverts

22. Which item is NOT typically a source document in Kenyan business transactions?

- A. Cheque stub
- B. Receipt
- C. Personal school timetable
- D. Invoice

23. What is meant by the social responsibility of a business?

- A. The duty of a business to make maximum profit without concern for others
- B. The obligation of a business to consider the interests of society while operating
- C. A rule that businesses must only serve shareholders
- D. The requirement for businesses to avoid paying taxes

24. Which book is used to record both cash receipts and cash payments for a business?

- A. Sales journal
- B. Purchase ledger
- C. General ledger only
- D. Cash book

25. What is the purpose of a debit note issued by a buyer in Kenya?

- A. To serve as proof of delivery
- B. To request a reduction in the supplier's invoice for faulty goods
- C. To record credit sales
- D. To acknowledge receipt of cash from a customer

26. Which of these is an example of a tertiary (service) activity in Kenya?

- A. Growing tea on a farm
- B. Making bricks in a factory
- C. Mining limestone
- D. Operating a bank that offers loans and savings accounts

27. Which objective is measurable?

- A. Be the best shop in town
- B. Sell more products
- C. Increase monthly sales from KES 200,000 to KES 250,000 within 6 months
- D. Make customers happy

28. What is a fixed deposit account?

- A. An account with no interest and no withdrawal limits
- B. A form of mobile money wallet
- C. An account where you deposit money for a fixed period to earn higher interest
- D. An account used only by banks to keep reserves

29. Which budgeting principle helps avoid unrealistic optimism when setting targets?

- A. Setting targets only by wishful thinking
- B. Ignoring supplier quotes
- C. Using realistic estimates based on past data and market information
- D. Always increasing income estimates by 100%

30. Which of the following best describes shared value in business?

- A. Creating economic value in a way that also creates value for society
- B. Claiming CSR but doing nothing useful
- C. Avoiding all social projects because they cost money
- D. Focusing only on profit without regard to society

31. What is foreign direct investment (FDI)?

- A. When a foreign company establishes or buys significant control of a business in another
- B. Short-term loans from foreign banks
- C. Government grants to local schools
- D. Money sent home by Kenyans working abroad

32. Which of the following is true about interest on a savings account compared to a fixed deposit?

- A. Savings accounts guarantee profit while fixed deposits lose money
- B. Savings accounts usually pay higher interest than fixed deposits
- C. Both always pay the same interest
- D. Fixed deposits usually pay higher interest than savings accounts

33. What is an import quota?

- A. A document required for shipping goods
- B. A limit on the quantity of a good that may be imported
- C. A subsidy given to exporters
- D. A tax charged on exported goods

34. What does outsourcing mean for a business?

- A. Selling the company to a foreign investor
- B. Contracting outside firms to carry out certain business activities
- C. Keeping all production activities inside the firm
- D. Hiring only temporary staff from a single agency

35. What does it mean to set a realistic business goal?

- A. The goal can be achieved with available resources and time
- B. The goal ignores current finances and wishes for the best
- C. The goal requires impossible changes overnight
- D. The goal is only a wish without plans

36. What is an example of ethical responsibility for a business?

- A. Treating employees fairly and refusing to use child labour
- B. Paying bribes to secure contracts
- C. Ignoring safety standards to be faster
- D. Lying about product quality to increase sales

37. What is the main purpose of an export processing zone (EPZ) in Kenya?

- A. To ban any foreign firms from operating in the country
- B. To attract foreign investment and encourage export-oriented industries with tax incentives
- C. To require all exports to pass through a single port
- D. To increase tariffs on exported goods

38. When comparing actual results to the budget, what is a variance?

- A. The difference between actual performance and budgeted figures
- B. The bank balance at the start of the year
- C. A government grant to the business
- D. The total of all invoices for suppliers

39. What is the role of the Kenya Bureau of Standards (KEBS) in international trade?

- A. Provides loans to exporters
- B. Negotiates bilateral trade agreements
- C. Collects customs duties on imports and exports
- D. Ensures products meet safety and quality standards required for trade

40. What is a bankers' draft?

- A. An ATM transaction slip
- B. A personal handwritten note promising payment
- C. A type of savings account
- D. A cheque guaranteed by the bank, used when the payee needs assurance of payment

41. Which feature is typical of a savings account rather than a current (checking) account?

- A. Pays interest on the balance and limits withdrawals to encourage saving
- B. Allows unlimited cheque writing for businesses
- C. Provides overdraft facilities for daily business needs
- D. Is used mainly for paying suppliers and receiving large payments

42. What is the role of variance analysis in budgetary control?

- A. To replace accounting records
- B. To identify and explain differences between budgeted and actual figures so managers can
- C. To stop all spending regardless of circumstances
- D. To always approve larger budgets without review

43. What is a bank reconciliation?

- A. A legal meeting between two banks to merge their branches
- B. A process of comparing the bank statement with the business cash book to find differences
- C. A form used to open a new bank account
- D. A fixed deposit agreement between a bank and a customer

44. How is market share measured?

- A. The firm's yearly tax payments
- B. The number of employees in a firm
- C. The firm's sales as a percentage of total industry sales
- D. The amount of loan a business has

45. Which of the following is a philanthropic activity by a company?

- A. Donating money to local hospitals and health campaigns
- B. Cutting down a protected forest to expand operations
- C. Avoiding social projects to reduce costs
- D. Refusing to provide sanitation facilities for workers

46. Which best defines simple interest?

- A. Interest that is only paid at the end of the loan and not during the term
- B. Interest charged only on savings accounts in foreign currency
- C. Interest calculated only on the original principal amount for each period
- D. Interest that doubles every month automatically

47. What does a survival goal mean for a small business during hard times?

- A. Keeping the business running until conditions improve
- B. Expanding to new countries at once
- C. Stopping all operations forever
- D. Paying the highest possible salaries immediately

48. What is the purpose of fiscal responsibility laws?

- A. To ensure that public debt and spending remain sustainable
- B. To encourage unlimited borrowing by the government
- C. To let counties print money
- D. To control the content of school exams

49. Which of the following is an example of a financial business goal?

- A. Sponsor a local team once
- B. Be known as the friendliest shop in town
- C. Offer free samples at every market day
- D. Increase net profit by 15% next year

50. Which action adds value to raw coffee beans grown in Murang'a before selling them?

- A. Discarding perfectly good beans
- B. Leaving the beans unprocessed in sacks at the farm
- C. Roasting and packaging the coffee for retail sale
- D. Watering the trees after harvest