

KENYA CERTIFICATE OF BASIC EDUCATION (K.C.B.E)

GRADE 10

BUSINESS STUDIES (Theory)

ENDTERM 1

PATHWAY: S.T.E.M, SOCIAL SCIENCE, ARTS AND SPORT

Time: 1 Hour 30 Minutes

COMPETENCY BASED EDUCATION

LEARNER'S DETAILS

Name: _____

School: _____

Assessment Number: _____ **Date:** _____

School Code: _____ **Signature:** _____

INSTRUCTIONS TO LEARNERS

1. Write your name, assessment number, class and date on all the answer sheets provided.
2. This paper consists of **TWO** sections:
3. Answer **ALL** questions.

SCORE GRID

ITEM	Q1	Q2	Q3	Q4	Q5	Q6	TOTAL
Number	1	2	3	4	5	6	—
Question Marks	20	15	15	15	23	10	80
Learner's Score							
Performance Level							

Performance Levels Grid

Level	Level	% Range	Points	Learner's score
Exceeding (EE)	EE1	90–100%	8	
	EE2	75–89%	7	
Meeting (ME)	ME1	58–74%	6	
	ME2	41–57%	5	
Approaching (AE)	AE1	31–40%	4	
	AE2	21–30%	3	
Below (BE)	BE1	11–20%	2	

SECTION A: (80 Marks)

Answer all questions in this section.

1. A microfinance club in the community wants to explain the importance of money to its members.

a) Identify **four security features** present on Kenyan currency. (4 marks)

- i. _____.
- ii. _____.
- iii. _____.
- iv. _____.

b) Explain **three functions of money** in everyday financial transactions. (3 marks)

- i. _____.
- ii. _____.
- iii. _____.

c) Justify **two reasons why the demand for money is important** for economic development. (2 marks)

- i. _____.
- ii. _____.

d) Examine **two factors that determine the supply of money** in an economy. (2 marks)

- i. _____.
- ii. _____.

e) State **one ethical practice** in the use of money in financial transactions. (1 mark)

2. A start-up company is planning to expand.

a) Analyse **two reasons why setting business goals is important**. (2 marks)

- i. _____.
- ii. _____.

b) List **four factors** to consider when setting goals for a business. (4 marks)

- i. _____.
- ii. _____.
- iii. _____.
- iv. _____.

c) Formulate **one SMART short-term goal** and **one SMART long-term goal** for the company. (4 marks)

<i>Short term goal</i>	<i>Long term goal</i>

3. A school tuckshop wants to prepare a **budget for the next term**.

a) Explain **two reasons why budgeting is important** in business. (2 marks)

- i. _____.
- ii. _____.

b) List **four types of business budgets** used for financial planning. (4 marks)

- i. _____.
- ii. _____.
- iii. _____.
- iv. _____.

c) A school tuckshop plans to prepare a budget for the next month. The **projected income** is **Ksh 50,000**. The planned **expenses** are as follows:

- i. Rent: Ksh 10,000
- ii. Salaries: Ksh 15,000
- iii. Stock: Ksh 20,000

Prepare a **simple budget table** showing the projected income, planned expenses, and balance.

4. A new business wants to open a bank account.

a) Explain **two reasons why banking is important** in an economy. (2 marks)

- i. _____.
- ii. _____.

b) List **three types of accounts** offered by banks. (3 marks)

- i. _____.
- ii. _____.
- iii. _____.

c) State **one ethical practice** in banking. (1 mark)

_____.

_____.

d) Mention **one recent trend in banking** in Kenya. (2 marks)

_____.

_____.

5. A community survey shows that people engage in different economic activities.

a) Explain the difference between **needs and wants**, giving one example of each. (2 marks)

_____.

_____.

_____.

_____.

b) Analyse **three types of economic resources** used to satisfy human needs. (3 marks)

- i. _____.
- ii. _____.
- iii. _____.

c) Classify **three business activities** into primary, secondary, and tertiary categories. (3 marks)

- i. _____.
- ii. _____.
- iii. _____.

d) State **two importance of business activities** in an economy. (2 marks)

- i. _____.
- ii. _____.

6. A student wants to compare business ownership types in Kenya.

a) Describe **one advantage and one disadvantage** of a sole proprietorship. (2 marks)

_____.

b) State **one source of finance** for a partnership and one **for a cooperative society**. (2 marks)

_____.

c) Analyse **one way each of these businesses contributes to economic growth**: (4 marks)

i. Sole proprietorship:

_____.

ii. Cooperative society:

d) A cooperative is planning a new income-generating project. State **two management practices** they should follow to ensure success. (4 marks)

- i. _____.
- ii. _____.

7. A business in the community wants to implement a social responsibility program.

a) Justify **two reasons why businesses should practice social responsibility**. (2 marks)

- i. _____.
- ii. _____.

b) Examine **two challenges** a business may face when carrying out social responsibility activities. (2 marks)

- i. _____.
- ii. _____.

c) Investigate **two social responsibility activities** that can be carried out in your school or community. (4 marks)

- i. _____.
- ii. _____.

d) Explain **two benefits of business social responsibility** to the society. (4 marks)

- i. _____.
- ii. _____.

THE 47 COUNTIES C1 SCHOOLS' JOINT NATIONAL SBA ASSESSEMENT

SENIOR SCHOOL ASSESSMENT

TERM 2: MIDTERM ASSESSMENT 2026

GRADE 10 – BUSINESS STUDIES 006 JUNE

Time: 2 Hours

LEARNER'S DETAILS

Name: _____ **School:** _____

Assessment Number: _____ **Date:** _____

School Code: _____ **Signature:** _____

INSTRUCTIONS TO CANDIDATES

1. Write your name in the spaces provided above.
2. Write the name of your school and your stream in the spaces provided.
3. Write your admission number and the date of the assessment in the spaces provided.
4. This paper consists of two sections: A and B.
5. Answer all questions in section A and section B.
6. Answer the questions in English.
7. All answers **MUST** be written in the spaces provided in the paper.
8. Do **NOT** remove any page from this question paper.

FOR OFFICIAL USE ONLY (EXAMINER'S USE)

SECTION	SECTION A	SECTION B	% SCORE	EE1	EE2	ME1	ME2	AE1	AE2	BE1	BE2
SCORE RANGE	30 MARKS	50 MARKS		90-100	75-89	58-74	41-57	31-40	21-30	11-20	1-10
POINTS				8 POINTS	7 POINTS	6 POINTS	5 POINTS	4 POINTS	3 POINTS	2 POINTS	1 POINT
LEARNER'S TOTAL SCORE											

SECTION A (30 MARKS)

Answer ALL questions in this section.

1. A trader in Nairobi receives Kenyan currency when selling goods.

a) State TWO security features found in Kenyan currency. (2 marks)

- i. _____
- ii. _____

b) Identify ONE function of money in this transaction. (1 mark)

2. A farmer in Eldoret uses money to buy fertilizers and pay workers.

State THREE functions of money illustrated in this scenario.

- i. _____
- ii. _____
- iii. _____

3. During a festive season in Kenya, people demand more money.

State TWO factors that increase the demand for money.

- i. _____
- ii. _____

4. The Central Bank of Kenya regulates money supply.

State TWO factors that determine the supply of money in an economy.

- i. _____
- ii. _____

5. A shopkeeper in Kisumu sells expired goods to customers.

a) State TWO unethical practices shown. (2 marks)

- i. _____
- ii. _____

b) State ONE ethical practice that should be observed. (1 mark)

a) Define entrepreneurship. (1 mark)

b) State TWO characteristics of a good entrepreneur. (2 marks)

- i. _____.
- ii. _____.

7. State TWO sources from which entrepreneurs can get business ideas in Kenya.

- i. _____.
- ii. _____.

8. Identify TWO types of entrepreneurs.

- i. _____.
- ii. _____.

9. A startup in Kenya is supported in a business incubation center.

a) State the meaning of business incubation. (1 mark)

b) State ONE importance of incubation to business growth. (1 mark)

10. A small business owner sets the following goals:

Time Frame	Goal	Amount (KSh)
Short-term	Buy stock	50,000
Medium-term	Expand shop	200,000
Long-term	Open a branch	1,000,000

a) Identify ONE short-term goal. (1 mark)

b) _____

b) State ONE long-term goal. (1 mark)

c) State ONE importance of setting financial goals. (1 mark)

11. State TWO factors to consider when setting financial goals for a business.

- i. _____.
- ii. _____.

12. A trader in Nairobi prepares a budget for his shop.

a) State the meaning of budgeting. (1 mark)

b) State TWO importance of budgeting. (2 marks)

- i. _____.
- ii. _____.

13. A business owner deposits money in a bank in Kenya.

a) Name TWO types of banks in Kenya. (2 marks)

- i. _____.
- ii. _____.

b) State ONE service offered by banks. (1 mark)

SECTION B (50 MARKS)

Answer ALL questions.

14. A trader in Nairobi receives a suspicious banknote while selling goods. Mwangi told him to check the security features from the 100 shilling note,



a) Identify THREE security features shown. (3 marks)

- i. _____
- ii. _____
- iii. _____

b) Explain TWO functions of money in a business. (4 marks)

- i. _____
- ii. _____

c) Describe THREE ways to identify counterfeit money. (3 marks)

- i. _____
- ii. _____
- iii. _____

15. A youth group in Kisumu wants to start a business after attending an incubation program.

a) Define entrepreneurship using the group's experience. (2 marks)

b) Identify THREE characteristics of a successful entrepreneur. (3 marks)

iii. _____.

c) Explain THREE sources of business ideas they can use. (3 marks)

i. _____.

ii. _____.

iii. _____.

d) Explain TWO benefits of business incubation to startups. (2 marks)

i. _____.

ii. _____.

16. Mrs. Kebenei prepared a family budget as the one shown below for the Month of June 2026. Use it to answer the questions that follow

Table 1: Business Budget

Item	Cost (KSh)
Rent	20,000
Salaries	30,000
Stock	50,000
Utilities	10,000

a) Calculate the total budget. (3 marks)

b) Identify TWO types of budgets used in business. (2 marks)

i. _____.

ii. _____.

c) Explain THREE importance of budgeting. (3 marks)

i. _____.

ii. _____.

iii. _____.

d) List the correct steps in preparing a budget. (2 marks)

17. A business owner in Kenya uses a bank to manage money.

a) Identify TWO types of accounts offered by banks. (2 marks)

- i. _____.
- ii. _____.

b) State THREE functions of banks. (3 marks)

- i. _____.
- ii. _____.
- iii. _____.

c) Explain TWO unethical practices in banking. (2 marks)

- i. _____.
- ii. _____.

d) State THREE modern trends in banking in Kenya. (3 marks)

- i. _____.
- ii. _____.
- iii. _____.

18. A company in Kenya produces bottled water.

a) Identify FOUR factors of production required. (4 marks)

- i. _____.
- ii. _____.
- iii. _____.
- iv. _____.

b) Explain TWO types of costs in production. (2 marks)

- i. _____.
- ii. _____.

c) Describe TWO advantages of division of labour. (2 marks)

d) State TWO responsibilities of:

i) Producers (1 mark)

i. _____.

ii. _____.

ii) Consumers (1 mark)

i. _____.

ii. _____.

GRADE 10 INTER C1 SENIOR SCHOOLS END OF YEAR EXAMINATIONS

KENYA CERTIFICATE OF BASIC EDUCATION

SENIOR SCHOOL ASSESSMENT

TERM 3: ENDTERM ASSESSMENT 2026

GRADE 10 – BUSINESS STUDIES

Time: 2 Hours

LEARNER'S DETAILS

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Assessment Number: _____ Date: _____

School Code: _____ Signature: _____

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LEARNER'S TOTAL SCORE											

SECTION A (30 MARKS)

Answer ALL questions in this section.

1. a) Define the term **money**.(1 mark)

b) State **two functions of money**.(2 marks)

- i. _____
- ii. _____

c) Explain **two reasons why people demand money**.(2 marks)

- i. _____
- ii. _____

2. Study the simplified illustration below and answer the questions that follow.



a) Identify the security feature represented by **A**. _____(1 mark)

b) Identify the feature represented by **B**. _____(1 mark)

c) Identify the security feature represented by **C**. _____(1 mark)

d) State **two reasons why security features are incorporated in currency notes**.(2 marks)

- i. _____
- ii. _____

3. A group of Grade 10 learners plans to establish a small enterprise selling environmentally friendly shopping bags in their community.

iii. _____

b) Explain **one importance of setting business goals**. (1 mark)

c) State **one factor that should be considered when setting business goals**. (1 mark)

4. Amani Traders wants to open a bank account to make business transactions safer and easier.

a) Name **two types of bank accounts** that may be relevant to the business. (2 marks)

i. _____

ii. _____

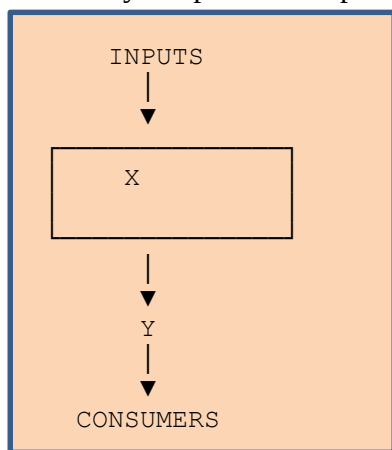
b) State **two services offered by commercial banks to businesses**. (2 marks)

i. _____

ii. _____

c) Give **one reason why a business should keep money in a bank rather than keeping all its money at the business premises**. (1 mark)

5. Study the production process represented below.



a) Identify the stage represented by the X. (1 mark)

ii. _____

c) Distinguish between **production** and **consumption**. (2 marks)

6. Three friends, Brian, Carol and David, intend to start a business together. They agree to contribute capital, share profits and participate in decision-making.

a) Identify the most appropriate form of business ownership for the three friends. (1 mark)

b) State **two characteristics** of this form of business ownership. (2 marks)

i. _____

ii. _____

c) State **two advantages** of this form of business ownership. (2 marks)

i. _____

ii. _____

SECTION B: 50 MARKS

Answer ALL questions in this section.

7. Kiprono operates a small food business. He prepared the following monthly budget:

Item	Amount (KSh)
Expected sales revenue	120,000
Purchase of stock	45,000
Rent	15,000
Wages	20,000
Transport	8,000
Electricity and water	5,000
Advertising	4,000

a) Calculate the **total expected expenditure**. (2 marks)

b) Calculate the **expected profit** for the month. (2 marks)

c) State **three importance of preparing a budget for a business.** (3 marks)

- i. _____
- ii. _____
- iii. _____

d) Explain **three ways in which Kiprono can control business expenditure.** (3 marks)

- iv. _____
- v. _____
- vi. _____

8. Read the case study below and answer the questions that follow.

Naserian noticed that many households in her community were struggling to obtain fresh vegetables regularly. She decided to establish a small vegetable-growing and delivery enterprise. She conducted a survey, identified her target customers, calculated the amount of capital required and developed a simple business plan. She also decided to use organic farming methods to protect the environment.

a) Identify **two entrepreneurial qualities** demonstrated by Naserian. (2 marks)

- i. _____
- ii. _____

b) Explain **three benefits of entrepreneurship to the Kenyan economy.** (3 marks)

- i. _____
- ii. _____
- iii. _____

c) State **two factors Naserian should consider when identifying a business opportunity.** (2 marks)

- i. _____
- ii. _____

d) Explain **three reasons why a business plan is important to Naserian's enterprise.** (3 marks)

- i. _____
- ii. _____
- iii. _____

b) Explain **three advantages of division of labour to the enterprise**. (3 marks)

- i. _____
- ii. _____
- iii. _____

c) Explain **three disadvantages of division of labour to workers or the enterprise**. (3 marks)

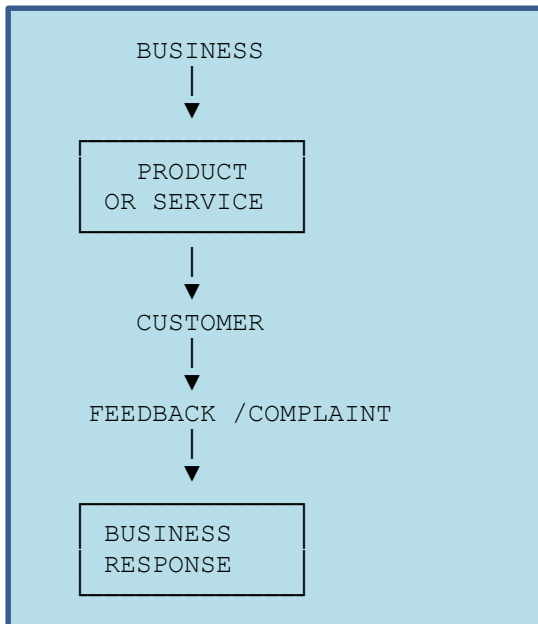
- i. _____
- ii. _____
- iii. _____

d) Distinguish between **division of labour** and **specialisation**. (2 marks)

e) State **one factor that may limit the extent to which division of labour can be practised in a business**. (1 mark)

10. Consumer Satisfaction and Protection (10 marks)

Study the customer-service process below.



a) Identify the process represented by the diagram. _____ (1 mark)

b) State **three reasons why customer satisfaction is important to a business**. (3 marks)

iii. _____

c) A customer purchases an electronic appliance that develops a fault shortly after purchase. State **three remedies that may be available to the customer**. (3 marks)

i. _____

ii. _____

iii. _____

d) Explain **three ways in which a business can improve customer satisfaction**. (3 marks)

i. _____

ii. _____

iii. _____

11. A business received and made the following transactions during the month:

*2 August: Bought goods on credit from **Mali Wholesalers**, KSh 18,000.*

5 August: Sold goods for cash, KSh 12,000.

8 August: Purchased furniture for cash, KSh 10,000.

12 August: Returned goods worth KSh 3,000 to Mali Wholesalers.

15 August: A customer returned goods worth KSh 2,000 that had previously been sold on credit.

a) Name the **source document** that would be used when goods are purchased on credit. (1 mark)

b) Name the **source document** that would be issued when goods are sold on credit. (1 mark)

c) Identify the source document used to record goods returned by the business to Mali Wholesalers. (1 mark)

d) Identify the source document used when a customer returns goods previously bought on credit. (1 mark)

e) Prepare a simple table showing the following for the transactions dated **2 August, 12 August and 15 August**:

Date	Transaction	Appropriate Source Document
2 August		
12 August		

f) State **three reasons why source documents are important in business.** (3 marks)

- i. _____
- ii. _____
- iii. _____

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