GRADE 10 BUSINESS STUDIES
2026 NOVEMBER – DECEMBER HOLIDAY ASSIGNMENT

Name: _____	Admission/Assessment Number: _____
School: _____	Date: _____

INSTRUCTIONS TO CANDIDATES

1. Answer all questions in the spaces provided or in a separate exercise book where necessary.
2. Read each question carefully and show all working for calculations.
3. Use Kenyan business examples where appropriate and explain your reasoning clearly.
4. For figure-based questions, study each figure carefully before answering the related parts.
5. Where a task requires a survey, interview, budget, article, or record, present your work neatly and ethically.
6. Check that you have attempted every section before submitting your assignment.

ASSESSMENT RUBRIC

Strand	Maximum Marks	Marks Scored
1. Business and Money Management	43	
2. Business and Its Environment	89	
3. Government and Global Influence in Business	47	
4. Financial Records in Business	63	
TOTAL	**242**	

Work steadily over the holiday period and present your best effort.

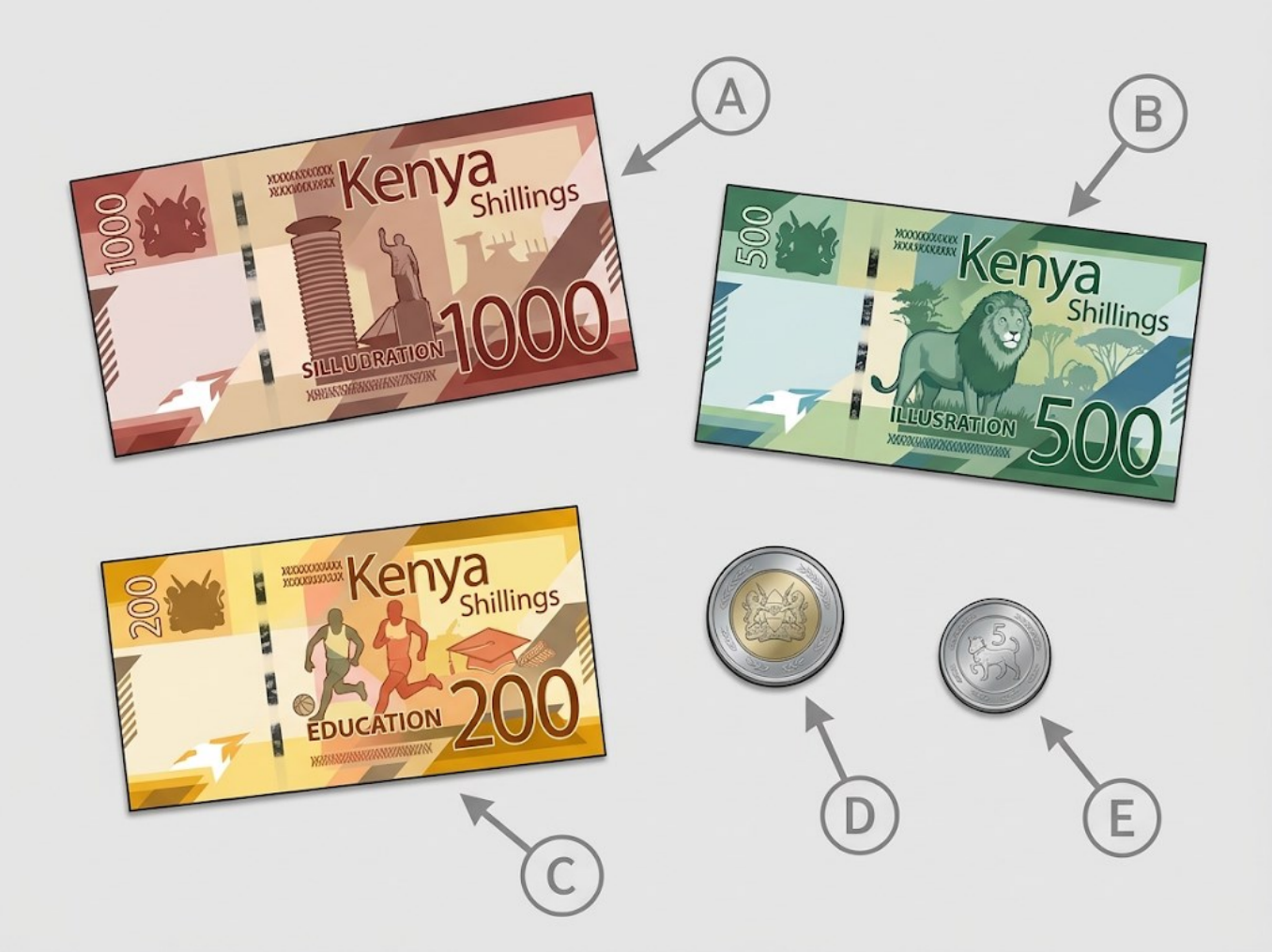
SECTION A: BUSINESS AND MONEY MANAGEMENT
Answer all questions. This section carries 43 marks.

1. Money is used in everyday transactions. Explain four characteristics of the Kenyan currency that help people recognise genuine notes and coins.

(a) State four characteristics. (4 marks)

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2. A learner observes the following sequence of activities in a small shop.



(a) Identify the currency item indicated by each of the labels A–E, describing the item rather than guessing its value. (5 marks)

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(b) Give two reasons why people should handle money carefully and check it before accepting it. (2 marks)

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3. A family receives KSh 24,000 per month. It spends KSh 7,000 on food, KSh 5,500 on rent, KSh 2,000 on transport, KSh 3,000 on school needs and KSh 1,500 on utilities.

(a) Calculate the total monthly expenditure. (2 marks)

(b) Calculate the amount remaining after the listed expenditure. (2 marks)

(c) Prepare a simple monthly budget that allocates the remaining amount between savings and one other reasonable need. Explain your choices. (4 marks)

4. A shopkeeper wants to save money for restocking goods and to pay suppliers safely.

(a) Explain three reasons why the shopkeeper may choose to keep money in a bank rather than keeping all of it at the shop. (3 marks)

(b) Differentiate between a savings account and a current account in terms of their typical uses. (4 marks)

(c) Describe three responsible practices when using mobile or online banking. (3 marks)

5. A group of learners plans to start a small business selling reusable shopping bags.

(a) Suggest a suitable business goal for the group and state two ways they could measure progress towards it. (3 marks)

(b) Identify two items of information the group should estimate before preparing its budget. (2 marks)

(c) Explain how a budget can help the group avoid financial difficulties. (3 marks)

6. Money can influence decisions and relationships. Describe two ethical and two unethical practices involving money, and explain one possible consequence of an unethical practice.

(a) Your response. (6 marks)

SECTION B: BUSINESS AND ITS ENVIRONMENT

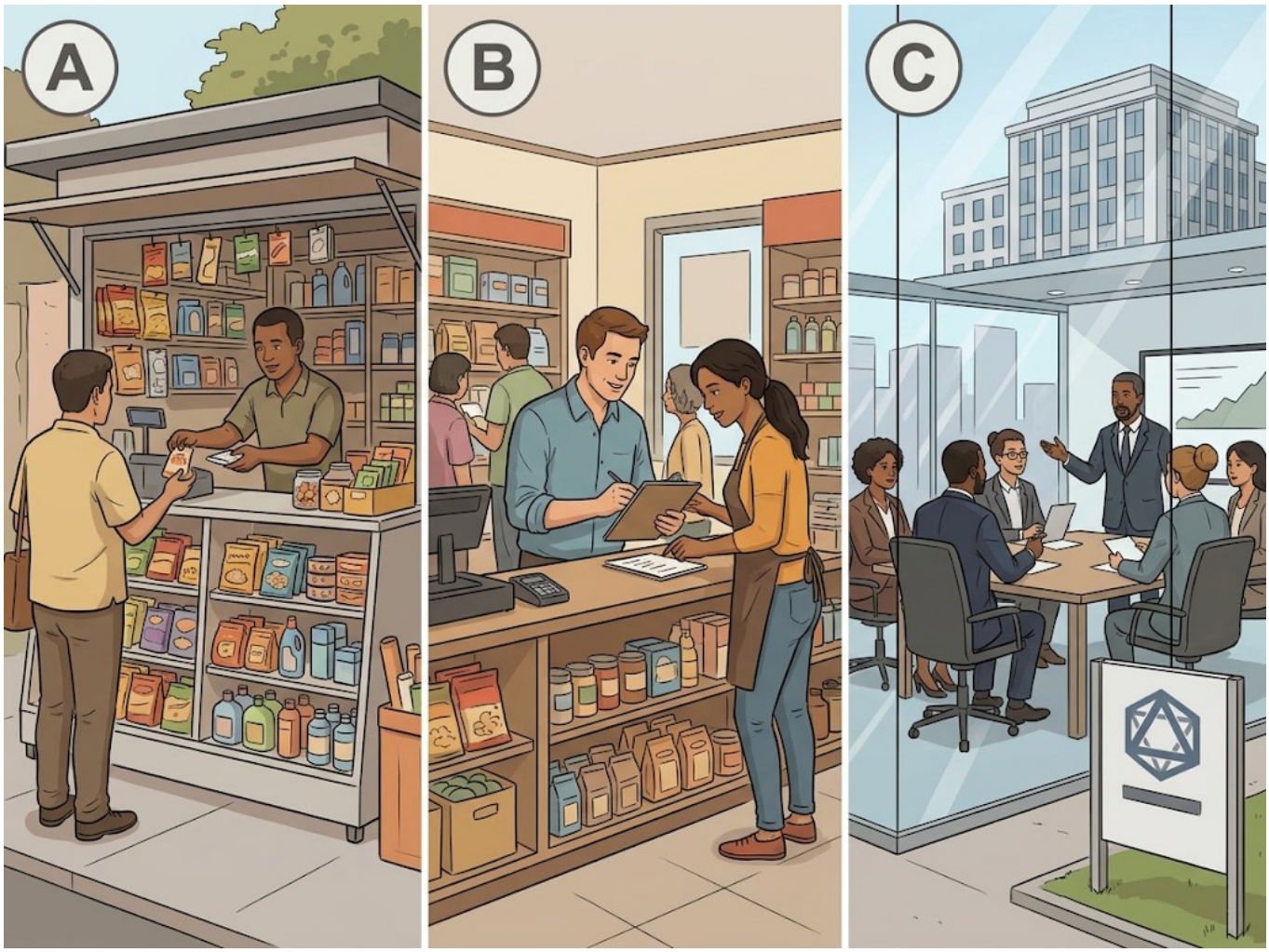
Answer all questions. This section carries 89 marks.

7. Businesses carry out activities to meet human needs and wants.

(a) Distinguish between production, distribution and exchange, giving one example of each. (6 marks)

(b) Explain three ways business activities can improve the standard of living in a community. (3 marks)

8. Study the figure below showing three different ways in which a business may be owned.



(a) Identify the likely type of business ownership shown in each scene A, B and C. (3 marks)

(b) State two advantages and two limitations of any one type shown. (4 marks)

(c) Recommend a suitable form of ownership for a business that requires substantial capital from many investors. Give a reason. (2 marks)

9. A food-processing business disposes of waste in a nearby stream, employs local people and donates supplies to a community centre.

(a) Explain the meaning of social responsibility of business. (2 marks)

(b) Identify two possible negative effects of the waste disposal and suggest a practical remedy for each. (4 marks)

(c) Explain three ways a business can act responsibly towards its workers, customers or community. (3 marks)

10. Entrepreneurship involves recognising opportunities and organising resources to establish or improve a business.



(a) From the figure, describe two possible business opportunities a learner could investigate. (4 marks)

(b) State four qualities or skills that could help an entrepreneur develop an opportunity into a viable business. (4 marks)

(c) Explain why a business incubation centre may be useful to a new entrepreneur. (3 marks)

(d) Outline a simple method for checking whether a proposed business idea is likely to attract customers. (3 marks)

11. A school-based enterprise makes fruit juice for sale.

(a) Explain the meaning of production in business. (2 marks)

(b) Distinguish between fixed costs and variable costs, giving two examples of each that could apply to the enterprise. (4 marks)

(c) The enterprise pays KSh 2,400 in fixed costs and KSh 35 for each bottle produced. Calculate the total cost of producing 80 bottles. (3 marks)

(d) Explain the difference between division of labour and specialisation in production. (4 marks)

12. The enterprise in Question 11 wants its bottles to be clearly recognised by customers.

(a) Sketch or describe the information and design elements you would include on a suitable product label. (5 marks)

(b) Explain three responsibilities of a producer towards consumers. (3 marks)

(c) Explain two benefits and one possible challenge of division of labour in a production process. (3 marks)

13. Consumer satisfaction helps businesses retain customers and remain sustainable.

(a) Explain the term consumer satisfaction. (2 marks)

(b) State four factors that may influence a customer's satisfaction with a product or service. (4 marks)

(c) A customer receives a faulty electric kettle from a shop. Describe three fair remedies the customer could request and explain how the shop should handle the complaint. (4 marks)

(d) Prepare five questions for a short customer-satisfaction survey for a local business. Ensure that the questions are clear and respectful. (5 marks)

14. A business owner wants to expand but is unsure whether the idea will succeed.

(a) Explain the difference between a business idea and a business opportunity. (3 marks)

(b) Identify three risks an entrepreneur should consider before investing savings in the business. (3 marks)

(c) Explain how creativity and problem-solving can help a business respond to changing customer needs. (3 marks)

SECTION C: GOVERNMENT AND GLOBAL INFLUENCE IN BUSINESS

Answer all questions. This section carries 47 marks.

15. Public finance concerns how government raises and uses funds to provide services.

(a) Explain the meaning of public finance and state three sources of public revenue in Kenya. (4 marks)

(b) Explain four ways in which taxation can contribute to economic and social development. (4 marks)

(c) Distinguish between direct and indirect taxes, giving two examples of each. (4 marks)

16. Study the simplified diagram of the movement of public funds.

[IMAGE PROMPT: A simple flow diagram with four empty rectangular boxes connected by arrows in this order: A → B → C → D, plus one return arrow from D to C. Each box contains only its neutral letter. No text labels or explanatory notes. Do not include an answer key, title, legend, identifying component names, or descriptive text that gives away the answers. Do not include an answer key, title, legend, identifying component names, or descriptive text that gives away the answers.]

(a) Suggest a public-finance stage or activity that could be represented by each box A–D, and explain the sequence you propose. (4 marks)

(b) Explain two reasons why citizens and businesses should comply with tax laws. (2 marks)

(c) State two examples of ethical concerns that may arise in taxation and suggest how each could be addressed. (4 marks)

17. A Kenyan business imports machinery and exports locally made products.

(a) Explain the meaning of international trade and distinguish between imports and exports. (3 marks)

(b) Explain three possible benefits and two possible disadvantages of international trade to a country. (5 marks)

(c) Differentiate between balance of trade and balance of payments. (3 marks)

(d) Explain the purpose of any three terms or methods of payment used in international trade. (3 marks)

18. A youth group wants to develop local products that could be sold in other countries.

[IMAGE PROMPT: A neat display of generic Kenyan-made products suitable for export: a woven basket, packaged tea-like leaves in a plain pouch, a carved wooden item and a folded textile. Each object has a neutral callout letter A, B, C or D, with no country names, labels, logos or price tags. Do not include an answer key, title, legend, identifying component names, or descriptive text that gives away the answers. Do not include an answer key, title, legend, identifying component names, or descriptive text that gives away the answers.]

(a) Identify the products shown and suggest one possible overseas market or customer group for each. (4 marks)

(b) Describe four steps the group should take to assess whether one selected product is suitable for export. (4 marks)

(c) Explain how digital platforms can support international trade while creating a need for safe online practices. (3 marks)

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SECTION D: FINANCIAL RECORDS IN BUSINESS

Answer all questions. This section carries 63 marks.

19. Businesses use different methods to make payments for goods and services.

[IMAGE PROMPT: Four separate generic payment illustrations labelled A, B, C and D only: a person handing over banknotes at a counter; a bank card beside a card terminal; a mobile phone displaying a generic payment confirmation tick with no words or amounts; and a cheque form with blank fields and no readable text. Do not include an answer key, title, legend, identifying component names, or descriptive text that gives away the answers. Do not include an answer key, title, legend, identifying component names, or descriptive text that gives away the answers.]

(a) Identify the method of payment represented in each illustration A–D. (4 marks)

(b) State one advantage and one limitation of any two methods shown. (4 marks)

(c) Give three precautions a business should take when making digital payments. (3 marks)

20. Source documents provide evidence that business transactions have occurred.

[IMAGE PROMPT: Three separate blank business document templates labelled A, B and C. A is a narrow cash-sale slip with lines for date, items and total; B is a larger document with fields for seller, buyer, goods and amount; C is a simple payment acknowledgement with date and amount fields. Leave all fields empty and use no document titles or descriptive words. Do not include an answer key, title, legend, identifying component names, or descriptive text that gives away the answers. Do not include an answer key, title, legend, identifying component names, or descriptive text that gives away the answers.]

(a) Identify the likely source document represented by each template A–C. (3 marks)

(b) Explain the purpose of each document in recording business transactions. (3 marks)

(c) State four reasons why a business should keep source documents safely. (4 marks)

21. The following transactions took place in Amani Traders during one week:

1 March: The owner started the business with KSh 30,000 cash.

2 March: Bought goods for cash, KSh 6,500.

3 March: Sold goods for cash, KSh 4,800.

4 March: Bought a shelf on credit from Juma Stores, KSh 3,000.

5 March: Paid rent in cash, KSh 2,000.

(a) Identify the accounts affected by each transaction. (5 marks)

(b) Explain how the purchase of the shelf on credit affects the business's assets and liabilities. (3 marks)

(c) Calculate the cash balance at the end of 5 March, assuming no other cash transactions occurred. (3 marks)

22. A business prepares a statement of financial position to understand its financial position.

[IMAGE PROMPT: A blank two-column financial position worksheet with a vertical dividing line, a broad left column and a broad right column. Include three empty rows in each column and neutral row markers 1, 2 and 3, but no headings, account names or amounts. Do not include an answer key, title, legend, identifying component names, or descriptive text that gives away the answers. Do not include an answer key, title, legend, identifying component names, or descriptive text that gives away the answers.]

(a) Explain the purpose of a statement of financial position. (2 marks)

(b) Classify cash, inventory, equipment, bank loan and trade payable as assets or liabilities. (5 marks)

(c) A business has assets of KSh 145,000 and liabilities of KSh 38,000. Calculate its net worth and show your working. (3 marks)

(d) Explain how business transactions can change the statement of financial position. (3 marks)

23. Books of original entry are used to record transactions before they are posted to ledger accounts.

(a) Explain the meaning of a book of original entry and give three examples. (4 marks)

(b) Describe the information that should be recorded when entering a transaction in an appropriate book of original entry. (4 marks)

(c) Explain three benefits of recording transactions promptly and accurately. (3 marks)

24. A small business has the following transactions: credit sales to customers, credit purchases from suppliers, cash received from customers and cash paid for expenses.

(a) For each transaction, name a suitable book of original entry or cash book section where it would first be recorded. (4 marks)

(b) Explain why a business should retain a clear audit trail from source documents to books of original entry and ledger accounts. (3 marks)

END OF ASSIGNMENT