

SECTION A: (40 marks)

Answer any **TWO** questions from this section in the spaces provided after question 8.

1. (a) State **four** characteristics of the fourth generation of computers. (4 marks)
- (b) Explain the following terms as used in computers:
  - (i) cold booting. (2 marks)
  - (ii) warm booting. (2 marks)
- (c) Figure 1 shows a block diagram representing a basic organization of a digital computer system.

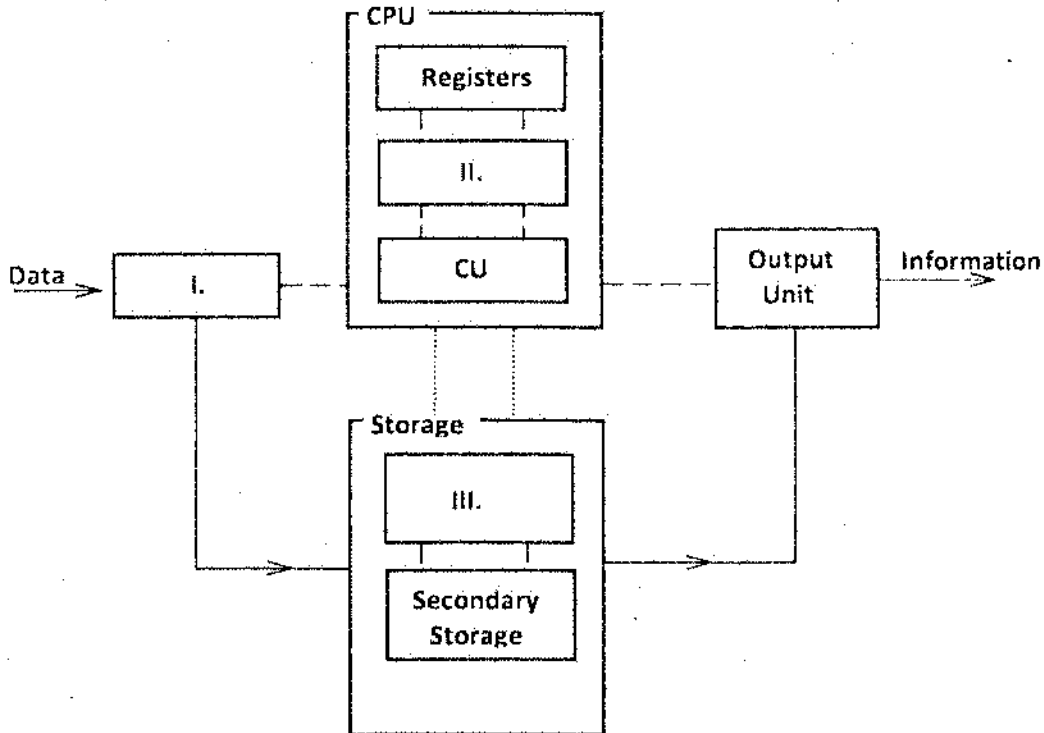


Figure 1

- (i) Identify the parts labelled I, II and III. (3 marks)
- (ii) State the **three** functions of the output unit. (3 marks)
- (iii) Name **four** examples of secondary storage media. (2 marks)

- (d) Outline **four** operations that can be carried out on a folder created in a computer (4 marks)
2. (a) State **four** elements that can be added to a chart drawn in a spreadsheet program. (2 marks)
- (b) (i) Explain the **two** documents that are required when using a mail merge feature of a word processor. (4 marks)
- (ii) Explain **two** ways in which one can move more text from one part of the document to another. (4 marks)
- (c) **Figure 2** show an extract of a document created using a word processor. Use it to answer the questions (c)(i) and (c)(ii).

Modern business organizations become more and more dependent on their information systems to deal with the complexity and changeability of the context (markets) in which they operate and consequently their internal organization structures. Up-to-date, complete and accurate information has become a necessity to survive in an increasingly competitive world. Developments like networks, and mass customization of products and services, require automated means to control operational business processes

**INFORMATION  
SYSTEMS**

Rapid developments in information technology Give way to application types that were not Feasible a few years ago. These developments

range from basic computing technology to complete frameworks for enterprise information systems and e-business systems.

Figure 2

- (i) State **four** formatting that have been applied on the document. (2 marks)
- (ii) Explain the type of wrap used on the text box holding the text "INFORMATION SYSTEMS". (2 marks)
- (d) Explain the following modes of data processing, giving one application area in each case:
- (i) Online (3 marks)
- (ii) Batch (3 marks)

**SECTION B: COMMUNICATION SKILLS (20 marks)**

Answer any **ONE** question from this section in the spaces provided after question 8.

4. (a) Explain the meaning of the phrase 'interpersonal relations' as used in communication. (2 marks)
- (b) Distinguish between 'message encoding' and 'message decoding' as used in communication. (4 marks)
- (c) Forms are commonly used for communication in organizations. State **four** disadvantages of using this method of communication. (4 marks)
- (d) **Table 1** shows the profits earned by Anigs Limited for a period of **four** years. The data needs to be included in a formal report. Present it in form of a pie chart.

**Table 1**

Year	Profit (million Ksh)
2009	250
2010	200
2011	150
2012	150

(10 marks)

5. (a) (i) Explain the circumstances under which an exit interview may be conducted in an organization. (2 marks)
- (ii) Explain the content of the conclusions section in a formal report. (2 marks)
- (b) Explain **two** strategies that a chair of a meeting may adopt to engage silent participants during a meeting. (4 marks)
- (c) State **two** ways in which conciseness as a principle of effective communication may be applied in written communication. (4 marks)

- (d) Read the following passage and answer the question that follows it. Your answer should be in complete sentences and paragraphs.

In a bid to increase revenue, the latest Finance Act 2012 introduced a 10 percent excise duty on other fees charged by financial institutions in addition to those levied on money transfer provided by financial service providers. While this provides an additional means of excise duty collection, there are major challenges in the legal, administrative and collection framework which need to be addressed.

First, it is not clear which financial institutions will bear the responsibility of levying the excise duty. The said Finance Act and the Customs Excise Act do not provide a definition of financial institutions. A perusal of the Central Bank Act defines financial institutions as a body corporate or other body of persons carrying on, whether on their own behalf or as agents for another financial business within the meaning of the Banking Act, whether in Kenya or elsewhere.

Secondly, the amendments have not provided a definition of what constitutes “other fees” upon which the 10 per cent excise duty is to be imposed. For example, it is not clear whether interest charged on loans, loan processing fees, account maintenance fees, ledger fees among others are subject to this excise duty.

Thirdly, the new law has not provided for the imposition, collection and payment of excise duty as well as registration process for the excise duty. The customs and Excise Act requires providers of mobile cellular phone services to be licensed by the Communications Commission of Kenya. The Act further provides that licenced providers are responsible for the charging, collection and payments of excise on mobile cellular phone services. There is no such provision in law to enable providers of other financial services to levy, collect and pay to Kenya Revenue Authority excise on money transfer and other financial services provided by financial institutions.

Last but not least, there has been confusion on the effective date of this duty since the Finance Act provides that “the publication date” is the effective date of implementation. The confusion is because while Finance Act was released to the public on February 5, 2013, the publication there of stated January 9, 2013.

It is imperative that policy makers deal with these issues sooner or later. Till then, the purposed change to charge excise on money transfer and other financial services will be challenging to implement.

Adapted from The Daily Nation  
Tuesday April 2, 2013, The Smart Company

In about 120 words and according to the passage, explain **four** major challenges that should be addressed in order to charge excise duty on money transfer and other financial services.  
(8 marks)

**SECTION C: ENTREPRENEURSHIP** (40 marks)

*Answer any TWO questions from this section in the spaces provided after question 8.*

6. (a) State **five** personal reasons that may make people choose to engage in self-employment.  
(5 marks)
- (b) Budgeting is an important aspect of enterprise management. State **five** guidelines that an entrepreneur may follow to ensure effective budgeting.  
(5 marks)
- (c) Winston would like to form a limited company. Describe the procedure he should follow towards this end.  
(10 marks)
7. (a) State **four** reasons that make a business plan an important document for an entrepreneur.  
(4 marks)
- (b) Explain **four** benefits that an organization may derive from using information technology.  
(8 marks)
- (c) As an entrepreneur, explain **four** arguments that may put forward to support social responsibility in an enterprise.  
(8 marks)
8. (a) State **four** measures that an employer may take to accommodate HIV infected workers.  
(4 marks)
- (b) Explain **four** advantages of globalization on entrepreneurship.  
(8 marks)
- (c) Explain **four** ways in which the government may promote the development of entrepreneurship.  
(8 marks)