NAME ……

INDEX NO…… DATE……..

CANDIDATES SIGN……

BUSINESS STUDIES
PAPER I
565/1
TIME: 2 HOURS

NAKURU DISTRICT SEC. SCHOOLS TRIAL EXAMINATIONS 2013
Kenya Certificate of Secondary Education

INSTRUCTIONS:
ANSWER ALL QUESTIONS

1. State four reasons why air transport is not popular in Kenya (4marks)

   (i)……

   (ii)……

   (iii)……

   (iv) ……

2. State four features of private companies (4marks)

   (i)……

   (ii)……

   (iii)……

   (iv) ……

3. Briefly explain the meaning of the following terms (4 marks)

   (i) Derived demand……

   (ii) Joint demand ……

   (iii) Supply schedule ……

   (iv) Supply curve ……

4. Outline four assumptions of the circular flow of income (4marks)

   (i) ……

   (ii) ……

   (iii) ……

   (iv) ……

5. State the three types of demand for money (3marks)

   (i) ……

(ii) ……

(iii) ……

(iv) ……

6. State four factors to be considered in determining the premiums to be paid in life assurance(4marks)

(i) ……

(ii) ……

(iii) ……

(iv) ……

7. Give four reasons why a business person would prefer to be paid in cash than by cheque (4marks)

(i) ……

(ii) ……

(iii) ……

(iv) ……

8. State four effects of seasonal unemployment to the society. (4marks)

(i) ……

(ii) ……

(iii) ……

(iv) ……

9. State four items that are likely to be put on the credit side of a cashbook. (4marks)

(i) ……

(ii) ……

(iii) ……

(iv) ……

10. The following information was extracted from the books of Jupiter Traders.

Rate of turnover	3 times
Mark-up	20%
Opening stock	Shs.160,000
Closing stock	Shs.200.00

Required:

(i) Gross profit (2 marks)

(ii) Sales (2 marks)

11. The following are types of internal and external environment: Business structure, Technological Demographic and Physical. In the table below, write the type of environment that suits the description.

	Description	Environment
(i)	A duty roster of workers in an organization	
(ii)	An increase in demand of an organization's product as a result of an increase in population	
(iii)	An organization engaging the services of G.4 security	
(iv)	Use of e-commerce in the marketing of the organization's product	

12. The following balances were extracted from the books of Mali Traders on 30th June 2012

	Shs.
Capital	916,000
Rent Outstanding	12,000

Net Profit	74,000
Debtors	60,000
Creditors	50,000
Stock (30-6-2012)	62,000
Rates paid in advance	20,000
Bank and cash	40,000
Drawings	52,000
Fixed Assets	818,000

Required

Prepare the Balance Sheet of Male Traders as at 30th June 2012. (5 marks)

13. Promotion conveys have become a popular form of product promotion. State four benefits of this method to customers. (4 marks)

(i) .....

(ii) .....

(iii) .....

(iv) .....

14. List four documents used in international trade (4marks)

(i) ……

(ii) ……

(iii) ……

(iv) ……

15. Draw a demand curve for the oligopolistic type of market structure (4marks)

16. Briefly explain the following terms and they are used in relation to the satisfaction of human wants (4 marks)

(i) Choice ……

(ii) Scarcity ……

(iii) Opportunity cost ……

(iv) Basic wants ……

17. State four reasons why there is need for ethics for entrepreneurs. (4 marks)

(i) ……

(ii) ……

(iii) ……

(iv) ……

18. Highlight four negative effects of production on the environment (4 marks)

(i) ……

(ii) ……

(iii) ……

(iv) ……

19. State four negative effects of hyperinflation (4 marks)

(i) ……

(ii) ……

(iii) ……

(iv) ……

20. Correct the following Trial Balance

Simba Mkali
Trial balance
For the period ended 31 Dec 2010

	DR	CR
Cash		20,000
Bank	200,000	
Salaries	40,000	
Capital	400,000	
Debtors		260,000
Creditors	100,000	
Sales	500,000	
Purchases		400,000
Rates		20,000
Transport in		60,000
	1,240,000	760,000

21. State four importance of production in the society (4 marks)

(i) ……

(ii) ……

(iii) ……

(iv) ……

22. State four circumstances under which audio visual communication is used. (4 marks)

(i) ……

(ii) ……

(iii) ……

(iv) ……

23. Highlight four factors that may hinder the development of a country (4 marks)

(i) ……

(ii) ……

(iii) ……

(iv) ……

24. Show four distribution channels for locally manufactured goods within the country. (4 marks)

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25. State four errors that are not revealed by the trial balance (4marks)

(i) ……

(ii) ……

(iii) ……

(iv) ……

ANSWERS:

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