
IKUTHA SUB-COUNTY KCSE REVISION MOCK EXAMS 2015

BUSINESS STUDIES **PAPER 1**

SCHOOLS NET KENYA

Osiligi House, Opposite KCB, Ground Floor
Off Magadi Road, Ongata Rongai | Tel: 0711 88 22 27
E-mail: infosnkenya@gmail.com | Website: www.schoolsnetkenya.com

NAME _____ INDEX NO. _____
SCHOOL _____ SIGNATURE _____
DATE _____

565/1
BUSINESS STUDIES
PAPER 1
JULY/ AUGUST, 2015
TIME: 2 HOURS

IKUTHA SUB-COUNTY FORM FOUR JOINT EXAMINATION, 2015

Kenya Certificate of Secondary Education (K.C.S.E)

565/1
BUSINESS STUDIES
PAPER 1
TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

- Write your name, school and index number in the spaces provided above.
- Write the date of examination and sign in the spaces provided above.
- Answer **ALL** the questions.
- ALL** answers must be written in the spaces provided in this booklet.
- Do not remove any pages from this booklet.
- This paper consists of **7** printed pages.
- Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

FOR OFFICIAL USE ONLY

Questions	1	2	3	4	5	6	7	8	9	10	11	12	13
Marks													

Questions	14	15	16	17	18	19	20	21	22	23	24	25
Marks												

Grand total	
-------------	--

This paper consists of 7 printed pages

Candidates should check to ensure that all pages are printed as indicated and no questions are missing

1. Highlight **four** advantages of direct taxation. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

2. Many trading blocs particularly in Africa face numerous challenges.
Outline **four** challenges they face. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

3. Outline **four** characteristics of debentures as a source of finance for a company. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

4. The following information relates to BIDII wholesalers on 30/6/1999.

Closing stock	55,000
Opening stock	62,000
Sales	200,000
Mark up	25%

Draw BIDII's trading account. (4 marks)

5. State **four** reasons why it is important to locate a warehouse at a point of entry into a country. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

6. Outline **four** contents of a good business plan. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

7. Record the following transaction in a cash payment journal. (4 marks)

- Feb 1st Paid transport by cash Sh. 3000
- Feb 2nd Paid Otwoma by cheque Sh. 13,400
- Feb 3rd Paid the following creditors by cheque: Munish Sh. 10,000, Paul Sh. 7,000 receiving 10% discount
- Feb 4th Bought goods by cash Sh. 4000 receipt No. 05
- Feb 5th Received a cheque of Sh. 2000 from Bitange
- Feb 6th Paid insurance by cash Sh. 8,000 voucher no. 06

8. State **four** advantages of specialization and division of labour. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

9. Highlight **four** factors that may determine the amount of premium to be paid in life assurance. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

10. Highlight **four** modern trends in product promotion. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

11. Having been provided the following items of Ikutha Traders

Land and building	500,000
5 year loan	100,000
3 year loan	75,000
Overdraft	7,800
Debtors	18,000
Creditors	10,200
Cash at hand	9,000
Stock	13,000
Furniture	25,000
Motor van	150,000

Calculate:

a) Working capital (1 mark)

b) Current ratio (1 mark)

c) Borrowed capital (1 mark)

d) Quick ratio (1 mark)

12. Outline **four** circumstances under which the nature of goods would influence the choice of means of transport. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

13. Highlight **four** ways that could be used to determine the prices of goods and services. (4 marks)

- a) _____

-
- b) _____
 - c) _____
 - d) _____

14. The central bank is a banker to the government.

Outline **four** banking services it provides to the Kenyan Government. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

15. State **four** positive effects of inflation. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

16. Highlight **four** features of postal orders. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

17. Identify **four** possible causes of structural unemployment. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

18. Highlight **four** factors that account for wage difference among workers with similar qualification.

(4 marks)

- a) _____

-
- b) _____
 - c) _____
 - d) _____

19. State **four** factors that influence the amount of capital borrowed by a business enterprise. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

20. State **four** circumstances when face to face communication would be appropriate to use. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

21. Outline **four** factors that hinder development in most of African nations. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

22. State **four** internal diseconomies of scale. (4 marks)

- a) _____
- b) _____
- c) _____
- d) _____

23. Enter the following transactions in a three column cash book of Kisumu Traders for the Month of January 2013. (4 marks)

Jan 1: Cash Ksh.10,000, Bank Ksh. 35,000(cr)

Jan 2: Sold goods worth sh. 20,000 in cash

Jan 3: Received a cheque of sh. 9,000 from Tabitha after allowing her a cash discount of 10%

Jan 4: Paid the following accounts by cheque: Salim sh. 15,000; Okello shs. 30,000; Ruto sh. 26,000 after deducting 10% discount in each case.

Jan 5: Took cash to the bank sh. 30,000

24. Indicate the best type of document to use in the following situations. (4 marks)

	Situation	Document
a)	Issued by a transport trader without his own transport means	
b)	To correct an overcharge in the invoice	
c)	Written by a debtor to the seller acknowledging that a debt exists	
d)	Written by an exporter to his bank authorizing the bank to sell goods	

that the importer is unable to pay for	
--	--

25. Record the following transactions in their respective ledger accounts

(4 marks)

Jan 1st Returned goods worth 500/= to Ndambuki Wholesalers

Jan 2nd Received a discount by cash 1200/=

Jan 3rd Bought goods on credit from Wahu worth 2600/=

Jan 4th Received damaged goods worth 600/= from Temba