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# KATULANI 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](mailto:infosnkenya@gmail.com) | Website: [www.schoolsnetkenya.com](http://www.schoolsnetkenya.com)

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NAME \_\_\_\_\_ INDEX NO. \_\_\_\_\_  
SCHOOL \_\_\_\_\_ SIGNATURE \_\_\_\_\_  
DATE \_\_\_\_\_

**565/1**  
**Business Studies**  
**Paper 1**  
July/August, 2015  
**Time: 2 Hours**

**KATULANI 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 and Index number in the spaces provided above.
- Write the date of examination 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 EXAMINER'S USE ONLY**

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

Question	14	15	16	17	18	19	20	21	22	23	24	25
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Marks												
											Grand Total	

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1. State **four** factors that determine the rate of interest charged on borrowed capital. (4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

2. Mention **four** factors that limit the use of land in Kenya for Agricultural production. (4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

3. Highlight **four** factors that are considered when deciding on where to locate an office. (4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

4. State **four** filing systems that organizations can adopt. (4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

5. Outline **four** circumstances that will make the consumers to buy products directly from the producers. (4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_

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c) \_\_\_\_\_

d) \_\_\_\_\_

6. Highlight **four** reasons why most businesses in Kenya operate on small scale basis. (4 marks)

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

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7. Give **four** main differences between private and public limited companies. (4 marks)

Private companies		Public companies	
a)		a)	
b)		b)	
c)		c)	
d)		d)	

8. Highlight **four** internal sources of capital available to a business. (4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

9. State **four** characteristics of an efficient transport system. (4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

10. Give **four** merits of verbal communication over written communication. (4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_

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d) \_\_\_\_\_

11. State **four** functions carried out in a warehouse. (4 marks)

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

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12. Mutua and Mutio have taken life assurance policies. State **four** factors that would make them pay different premium amounts. (4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

13. Highlight **four** ways that a government can use to increase the demand of a commodity in the market. (4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

14. Mention **four** government policies that may encourage location of firms in a certain area. (4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

15. State **four** expenses that a wholesaler will incur if he distributes goods on behalf of the producer. (4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

16. Tick in the box given the correct representation of the following items considered in the measurement of national income. (4 marks)



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	Item	Income approach	Expenditure approach	Output approach
1.	Expenditure on fuel			
2.	Government tax			
3.	Cost on finished foods			
4.	Salaries and wages			

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17. Outline **four** disadvantages of an under populated country.

(4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

18. Outline **four** ways in which students can prevent unemployment in the future after high school.

(4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

19. Classify the following assets as either current or fixed.

(4 marks)

Assets	Current	Fixed
a) Stock		
b) Car		
c) Debtor		
d) Prepaid insurance		

20. Given below is the balance sheet of J.M traders as at 1<sup>st</sup> July, 2013

J.M Traders

Balance sheet

As at 1<sup>st</sup> July 2013

Assets	Machinery	Shs	Capital and liabilities	Sh
Stock		45,000	Capital	84,250
Debtors		7,000	Creditors	2,500
Bank		1,375	Loan from Mutua	10,000
Motor vehicle		23,375		
		20,000		
		<u>96,750</u>		<u>96,750</u>

The following transactions took place during the month.

- The proprietor took sugar, bread and sodas worth Sh. 750 for his son's Birthday
- Private car valued at Sh. 20,000 was given to the business
- Drew a cheque worth Sh. 2,000 to pay creditors

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*Required:*

Prepare the balance sheet of J.M after the above transactions as at 31<sup>st</sup> July 2013.

(4 marks)

21. The following balances were extracted from the books at Kamau traders.

	Sh
Opening stock	50,000
Sales	360,000
Gross profit	25% of sales
Closing stock	70,000

Calculate;

a) Cost of goods sold.

(2 marks)

b) Rate of stock turnover.

(2 marks)

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22. Outline **four** measures that central bank of Kenya can use to mop out any excess liquidity in the country.

(4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

23. Highlight **four** factors that influence the amount of money collected by the government through taxation.

(4 marks)

- i) \_\_\_\_\_
- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

24. State **four** negative effects of inflation to businesses.

(4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

25. Mention **four** factors that have led to slow economic development in most African states. (4 marks)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_