
KENYA NATIONAL EXAMINATION COUNCIL
REVISION MOCK EXAMS 2016
TOP NATIONAL SCHOOLS

PRECIOUS BLOOD HIGH SCHOOL
BUSINESS STUDIES
THEORY
Paper 1

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PRECIOUS BLOOD SCHOOL KCSE TRIAL AND PRACTICE EXAM 2016

565/1

BUSINESS STUDIES

THEORY

Paper 1

2 Hours

1. Highlight **four** factors that may cause changes in the population of an area. (4 marks)
2. Businesses should give something back to the communities in which they operate. State **four** parties that a business should show social responsibility to. (4 marks)
3. State **four** features of indirect production. (4 marks)
4. Mention **four** factors that are considered in an office layout. (4 marks)
5. State **four** emotional qualities of an office worker. (4 marks)
6. Highlight **four** features of open air market traders. (4 marks)
7. Outline **four** information which is disclosed in a statement of account. (4 marks)
8. In the absence of a written partnership agreement, the provisions of the Partnership Act will apply. State **four** such provisions. (4 marks)
9. Describe **four** ways in which the government creates an enabling business environment. (4 marks)
10. State **four** elements of communication process. (4 marks)
11. Mention **four** circumstances under which an insurance company may re-insure. (4 marks)
12. State **four** ethical issues in product promotion. (4 marks)
13. Highlight **four** adverse effects of production activities on the environment and community health. (4 marks)
14. State **four** ways of determining prices for commodities in the market. (4 marks)
15. Outline **four** factors that influence the level of national income in a country. (4 marks)
16. Prepare the balance sheet of Baraka Traders from the following list of balances extracted from his books as at 31st December 2005. (4 marks)

	Shs.
Machine	150 000
Motor vehicles	200 000
Stock	40 000
Creditors	25 000
Loan from KCB	100 000
Bank	20 000
Furniture	7 000
Capital	292 000

17. The capital A/C of Mbele Kabisa Traders showed a balance of shs 50,000 as at 1st July 2004. For the year ended June 2005 the following information was available: (4 marks)
 - a) Proprietor brought in a personal car worth sh. 80 000 for business use.
 - b) Net profit amounted to sh. 64 000.
 - c) The proprietor withdrew sh. 32 000 cash for personal use.
 Prepare the capital A/C as at 30th June 2005
18. List **four** types of source documents. (4 marks)
19. State **four** principles of a good tax system. (4 marks)
20. Mention **four** problems faced when computing price indices (CPI). (4 marks)
21. The following trial balance was prepared by a book keeper but failed to balance.

Majengo Traders	
Trial Balance	
As at 30 th June 2003	
Dr	Cr
Shs	shs

Fixed Assets	250,000	
Purchases	80,000	
Sales	120,000	
Creditors	45,000	
Debtors	22,000	
Stock	60,000	
Capital	<u>247,000</u>	
	<u>449,000</u>	<u>375,000</u>

Prepare a corrected trial balance.

(4 marks)

22. Highlight any **four** services offered by commercial banks to their clients. (4 marks)

23. Outline **four** circumstances under which a company may be dissolved. (4 marks)

24. The conditions given below are for a monopoly firm or a firm operating under perfect competition. Write the correct market structure against each of the conditions in the spaces provided. (4 marks)

Condition

Market structure

a) Market structure determines price for the product

b) There is free entry and exit.

c) Product involved is homogeneous

25. Market structure regulates supply of the product

26. State **four** reasons why parastatals have generally performed poorly in Kenya. (4 marks)