

Name:

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565/1

BUSINESS STUDIES

PAPER 1

Pre-mock 2017

TIME: 2 HOURS

Business Studies

Paper 1

2 hours

INSTRUCTIONS TO CANDIDATES:

- Write **your name** and **your Adm. number** in the spaces provided above.
- Answer **all** the questions in the spaces provided.

FOR EXAMINERS USE ONLY:-

Question	1	2	3	4	5	6	7	8	9	10	11
Score											

Question	12	13	14	15	16	17	18	19	20	21	22
Score											

Question	23	24	25	TOTAL
Score				

This paper consists of 11 printed pages. Candidates should check to ascertain that all pages are printed as indicated and that no questions are missing.

1. Outline four characteristics of goods. (4mks)

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

2. Give four factors that make up a healthy business environment. (4mks)

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

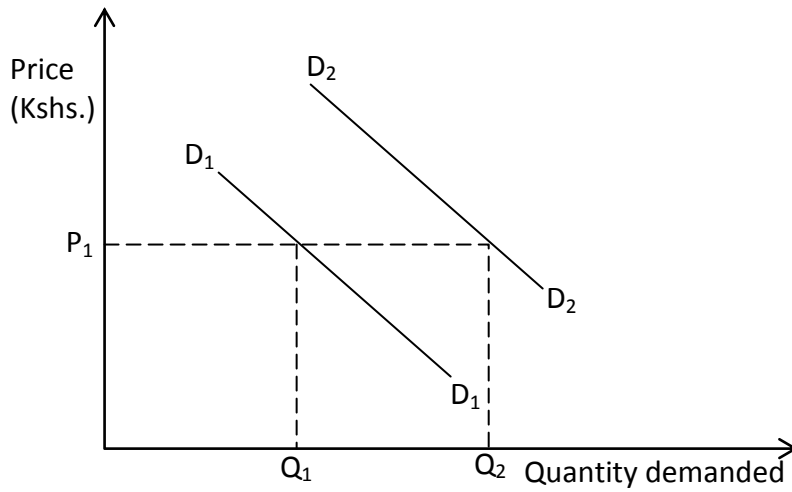
3. List four types of partnership. (4mks)

- a)
-
- b)
-
- c)
-

d)

.....

4. The following show a shift in demand curve.



State four factors that can lead to the shift of demand curve from D₁ to D₂. (4mks)

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

5. State four characteristics of a multiple shop. (4mks)

- a)
-
- b)
-

- c)
-
- d)
-

6. Give the ledgers in which the following accounts are recorded

	Account	Ledger
a)	Discounts received	
b)	Drawings	
c)	Juma(a supplier)	
d)	Bank	

7. State four circumstances under which a banker's cheque may be used (4mks)

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

8. State four sources of Monopoly power. (4mks)

- a)
-
- b)
-
- c)
-

d)
.....

9. State four reasons why some county governments in Kenya find it difficult to provide public utility. (4ms)

a)
.....

b)
.....

c)
.....

d)
.....

10. Outline the procedure of acquiring an insurance policy. (5mks)

a)
.....

b)
.....

c)
.....

d)
.....

e)
.....

11. List four sources of business idea. (4mks)

a)
.....

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

12. Outline three assumptions of a two sector economy. (3mks)

- a)
-
- b)
-
- c)
-

13. Give four advantages of sending parcels using courier firms. (4mks)

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

14. Outline four characteristics of Money. (4mks)

- a)
-

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

15. Give four reasons that account for the popularity of small scale retails in Kenya. (4mks)

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

16. Use the balance sheet equation to fill the missing figures in the table below (4mks)

	CAPITAL(Shs.)	LIABILITIES(Shs.)	ASSETS (Shs.)
(a)	14,980	A:.....	23,450
(b)	B:.....	50,760	102,440
(c)	540,922	32,000	C:.....
(d)	D:.....	43,000	98420

17. List four factors that would hinder a warehouse from functioning effectively. (4mks)

- a)
-

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

18. Outline four errors in a trial balance although present it would still balance. (4mks)

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

19. Highlight four implications of an ageing population in a country. (4mks)

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

20. The following information was extracted from Asuna traders on 31st December 2012

Rate of stock turnover 5 times

Mark up	25%
Cost of sales	60,000
Closing stock	8,000

Required:

i) Net sales (2mks)

ii) Average stock (2mks)

iii) Opening stock (1mks)

21. State any four duties of a company's secretary. (4mks)

- a)
-
- b)
-
- c)
-

d)
.....

22. Show how the following transactions may affect the items of balance sheet, stating whether it is an increase, decrease or no effect (4mks)

Transaction	Assets	Capital	Liabilities
(a) Additional investment in cash			
(b) Purchase of stock by credit			
(c) Pre-paid loan in cash			
(d) Took a loan to pay another loan			

23. Highlight how each of the following utilities are created. (3mks)

a) Form utility
.....

b) Possession utility
.....

c) Time utility
.....

24. State four circumstances under which it would be advisable for a manufacturer to sell directly to consumers. (4mks)

a)
.....

b)
.....

c)
.....

d)
.....

25. Outline four causes of unemployment in Kenya.

(4mks)

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