

---

# MUTITO 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)

---

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

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

**MUTITO SUB-COUNTY FORM FOUR JOINT EVALUATION TEST, 2015**  
**Kenya Certificate of Secondary Education (K.C.S.E)**

565/1  
BUSINESS STUDIES  
PAPER 1  
TIME: 2 HOURS

**INSTRUCTIONS TO CANDIDATES**

- a) Write your name, school and index number in the spaces provided above.
- b) Write the date of examination and sign in the spaces provided above.
- c) Answer **ALL** the questions.
- d) **ALL** answers must be written in the spaces provided in this booklet.
- e) Do not remove any pages from this booklet.
- f) This paper consists of **7** printed pages.
- g) 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 8 printed pages*

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

---

1. Identify reasons why national income statistics are not a good measure of comparing standards of living in different countries. (4 marks)

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

2. Bismarck would like to start a business and has come to you for advice on some of the roles he is expected to play. State them. (4 marks)

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

3. Below is the cash account of clement stores for the first week of March 2015.

Cash Account

2015	Shs	2015	Shs
March 2: Capital	3000	March 3: Purchases	2000
March 4: Sales	1500	March 6: Wages	300

State the possible transactions that could have given rise to the entries above. (4 marks)

- a) March 2: \_\_\_\_\_
- b) March 3: \_\_\_\_\_
- c) March 4: \_\_\_\_\_
- d) March 6: \_\_\_\_\_

---

4. State **four** reasons why the government may prefer to use direct taxes. (4 marks)

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

5. Transporting goods in containers is becoming very popular in the world today. Give **four** reasons for this popularity. (4 marks)

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

6. Below is the structure of an official letter.

(1)

\_\_\_\_\_

Dear Sir (2)

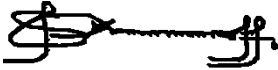
RE: ..... (3)

\_\_\_\_\_

BODY

\_\_\_\_\_

Yours faithfully (4)



Name of writer

---

Name the parts marked 1–4

(4 marks)

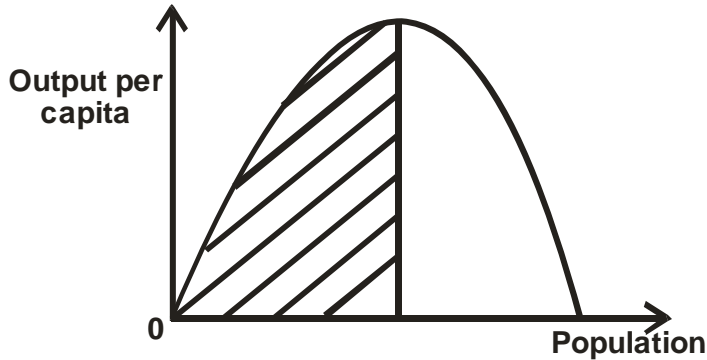
- 1 \_\_\_\_\_
- 2 \_\_\_\_\_
- 3 \_\_\_\_\_
- 4 \_\_\_\_\_

7. Highlight **four** causes of balance of payments disequilibrium.

(4 marks)

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

8. What are **four** shortcomings of the level of population represented by the shaded region in the diagram below? (4 marks)



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

9. Name the documents described by each of the following statements (4 marks)

a)	Used to correct an overcharge in the invoice	
b)	Written by the buyer requesting the seller to supply goods	
c)	A demand by the seller for payment for goods sold on credit	
d)	Request by a prospective buyer for information about goods	

10. State **four** elements of cost associated with office machines. (4 marks)

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

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

- a) Cartel

---

---

b) Absorption

---

---

c) Franchising

---

---

---

d) Performance contract

---

---

12. Name the accounts to be debited and credited for each of the transactions shown in the table below. (4 marks)

	Transaction	A/c to debit	A/c to credit
a)	Bought goods on credit from Kamene		
b)	Took soda from stock to entertain own children		
c)	Paid for office expenses in cash		
d)	Sold old motor vehicle and received a cheque		

13. Prepare a trading account from the following information found in the books of Emilio on 31<sup>st</sup> December 2014. (5 marks)

	Shs
Stock 01/01/2014	3000
Purchases	16000
Sales	9000
Return outwards	4000
Returns inwards	500
Stock 31/12/2014	7000

---

14. List **four** causes of cost – push inflation.

(4 marks)

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

15. The government would like to encourage investors to locate businesses in rural areas.

Outline **five** measures that it can use.

(5 marks)

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

16. Mr. Maseno would like to create departments in his organization. Highlight factors that he should consider.

(4 marks)

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

17. The following diagram shows a credit side of a three column cashbook.

(A)	(B)	(C)	(D)	(E)

Name the columns labelled A, B, C, D and E.

(5 marks)

- A \_\_\_\_\_
- B \_\_\_\_\_

- 
- C \_\_\_\_\_
  - D \_\_\_\_\_
  - E \_\_\_\_\_

---

18. State whether the following factors fall under micro-environment or macro-environment. (4 marks)

a) Competitive environment	
b) Legal-political environment	
c) Business structure	
d) Business culture	

19. State the appropriate level of production for each of the following activities. (4 marks)

a) Harvesting maize	
b) Oil refining	
c) Advertising	
d) Fishing	

20. Name **three** source documents from which information entered in the cash receipts and cash payments journals may be obtained. (3 marks)

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

21. State **four** factors that may necessitate re-insurance. (4 marks)

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

22. Mention **four** services available to customers who use m-banking facility. (4 marks)

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

---

23. A cheque has three parties. Identify who they are in the following story:

Marian has a current account at Equity Bank. She paid Cynthia by cheque.

(3 marks)

Marian

\_\_\_\_\_

Equity Bank

\_\_\_\_\_

Cynthia

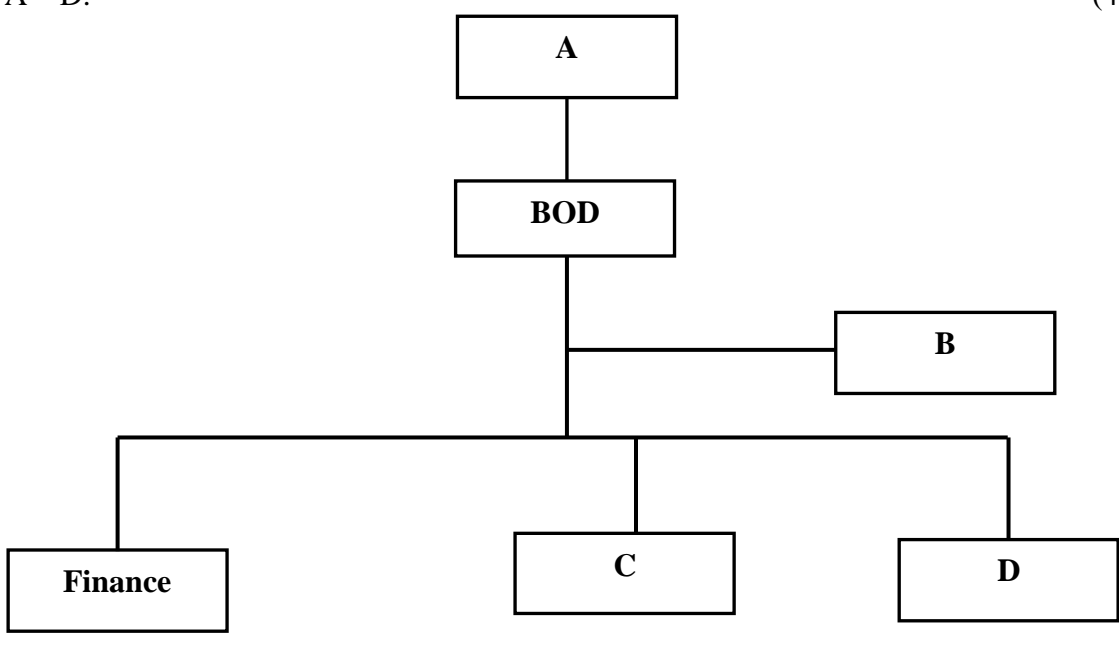
\_\_\_\_\_

---

24. Name **three** types of wholesalers according to the goods they handle. (3 marks)

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

25. The following is the organization chart of a public limited company. Identify and name the parts marked A – D. (4 marks)



- A \_\_\_\_\_
- B \_\_\_\_\_
- C \_\_\_\_\_
- D \_\_\_\_\_