BUSINESS STUDIES PAPPER 1

KCSE 2011

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Business Studies Paper 1 (565/1)

1 Identify the types of wholesalers described in the statements given below: (4 marks)

   (a) A wholesaler who trades in maize grain only.

   ....

   (b) A wholesaler who supplies goods to most of the traders in Kitui, Mbooni and Machakos

   districts in the Eastern part of Kenya.

   ....

   (c) A wholesaler who buys tomatoes from farmers in rural areas and sells the same to other

   wholesalers in urban areas.

   ....

   (d) A wholesaler who trades in a wide variety of human medicine.

   ....

2 Outline **four** factors that should be considered before buying office equipment.   (4 marks)

   (a) ....

   (b) ....

   (c) ....

   (d) ....

3 Outline **four** malpractices by traders against which consumers may need protection by the
government.   (4 marks)

   (a) ....

   (b) ....

   (c) ....

   (d) ....

4 State **three** features of an insurable interest.   (3 marks)

   (a) ....

   (b) ....

   (c) ....

5   Outline **four** ways of reducing the level of unemployment in Kenya.   (4 marks)

(a)   ....

(b)   ....

(c)   ....

(d)   ....

6   State **four** services offered by a commercial bank to its consumers.   (4 marks)

(a)   ....

(b)   ....

(c)   ....

(d)   ....

7   List **four** sources of public finance.   (4 marks)

(a)   ....

(b)   ....

(c)   ....

(d)   ....

8   Outline **four** reasons why countries may trade with each other.   (4 marks)

(a)   ....

(b)   ....

(c)   ....

(d)   ....

9   State **four** reasons why economic development is desirable to a country.   (4 marks)

(a)   ....

(b)   ....

(c)   ....

(d)   ....

10 Indicate the reward associated with each of the factors of production in the table below.

(4 marks)

	Factor of Production	Reward
a	Land	
b	Labour	
c	Capital	
d	Entrepreneurship	

11 Outline **four** circumstances under which a co-operative society may be dissolved. (4 marks)

(a) ....

(b) ....

(c) ....

(d) ....

12 Highlight **four** features of a bonded warehouse. (4 marks)

(a) ....

(b) ....

(c) ....

(d) ....

13 Outline **four** factors that may be considered when measuring the size of a firm.

(4 marks)

(a) ....

(b) ....

(c) ....

(d) ....

14 The following transactions were extracted from the books of Sarah Traders for the month of March 2006.

March 10: Purchased goods on credit worth Ksh 200,000 from Salim Traders

March 25: Sold goods on credit worth Ksh 420,000 to Shah Traders

Record the above transactions in the ledger accounts below: (4 marks)

(a)   Salim Traders Account

(c)   Shah Traders Account

(b)   Purchases Account

(d)   Sales Account

15   On 2nd November 2006, Oromo received an invoice for Ksh 12,000. Terms of payment were trade discount 5% and cash discount 10%, if payment is made within 30 days.
Determine the amount paid if payment was made on 28th November 2006.   (4 marks)

16   The following balances were extracted from the books of Nafula Traders as at 31st December 2005.

	Ksh
Current Liabilities	150,000
Net profit	50,000
Total assets	500,000
2 years Bank loan	100,000

Calculate the rate of return on capital.   (4 marks)

17   The information given below was extracted from the books of Amina Traders on 31st December 2006.

	Ksh
Purchases	260,000
Opening stock	75,000
Carriage on purchases	12,500
Closing stock	27,500
Goods were sold at a mark-up of 25%.	

Using the information given above, prepare Amina Traders' Trading Account.   (4 marks)

18   State four benefits that a farmer may get by transporting produce to the market by road.
(4 marks)

(a) ....

(b) ....

(c) ....

(d) ....

19 The table given below represents the supply schedule of sukuma wiki (kales) for eight weeks in the months of January and February 2009.

WEEK	1	2	3	4	5	6	7	8
QUANTITY (METRIC TONNES)	505	485	430	375	340	290	215	195

Outline **four** causes of the trend in the table.   (4 marks)

(a) ....

(b) ....

(c) ....

(d) ....

20 Outline **four** ways in which households contribute to national income of a country.

(4 marks)

(a) ....

(b) ....

(c) ....

(d) ....

21 Outline **four** circumstances in which a trader may use oral communication.   (4 marks)

(a) ....

(b) ....

(c) ....

(d) ....

22 Outline **four** reasons why a firm may remain small.   (4 marks)

(a) ....

(b) ....

(c) ....

(d) ....