

Name Index No.

Candidate's signature

Date

565/1

BUSINESS STUDIES

Paper 1

September 2016

Time 2 hours

KANDARA SUB-COUNTY FORM 3 JOINT EVALUATION

Kenya Certificate of Secondary Education

BUSINESS STUDIES

Paper - 565/1

September 2016

Time: 2 hours

INSTRUCTIONS TO CANDIDATES

- Write your name and Index number in the spaces provided.
- Answer all the questions.
- All answers must be written in the spaces provided.
- Do not remove any page from the booklet

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
Marks												

This paper consists of 7 printed pages

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

1. Octa Limited is a horticultural company producing flowers. Outline FOUR channels it may use to export its flowers to the Netherlands. (4 marks)

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

2. Outline four advantages of division of labour. (4 marks)

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

3. Difference between monopoly and oligopoly. (4 marks)

	Monopoly		Oligopoly
a)		a)	
b)		b)	
c)		c)	
d)		d)	

4. State four merits of promoting products through personnel selling. (4 marks)

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

5. Highlight four sources of finance for a public limited company. (4 marks)

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

6. Outline four measures that the government of Kenya has put in place to protect consumers from unscrupulous business practices. (4 marks)

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

7. State four reasons for satisfying basic wants before secondary wants. (4 marks)

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

8. Highlight four external factors that may negatively influence the operations of a business. (4 marks)

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

9. On 1st January 2012, Njoroge traders had shs 40000 in cash and shs 16,000 at bank (Cr). During the month the following transactions took place.

- January 2: Cash sales shs 11,000
- " 4: Paid rent in cash shs 4,000
- " 5: Bought goods on credit for Achieng worth shs 14,000
- " 12: Sold goods worth shs 60,000 and amount was paid by cheque.

Using the information above, prepare a two column cash book. (5 marks)

10. State four components of business studies. (4 marks)

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

11. State the document described by each of the following statements below. (4 marks)

	Statement	Document
a)	Acts as an additional invoice	
b)	Shows total amount expected from a number of transaction in a given period	
c)	A booklet containing brief description of goods offered for sale	
d)	Demands for payment	

12. Indicate in the spaces provided the type of ledger in which the following accounts are classified.

	Statement	Classification
a)	Rent income	
b)	Premises	
c)	Creditor	
d)	Drawings	

13. ABC traders had the following information extracted from his books of accounts as at 31st Dec. 2009.

	Kshs
Capital (1/1/09)	6,800,000
Additional capital	1,221,560
Drawings	50,440
Capital (31/12/09)	9,800,000

Determine the profit for the year. (4 marks)

14. Fill the missing figures in the following table.

(3 marks)

ASSETS	CAPITAL	LIABILITIES
80,500	19,100	
	20,000	5,000
3,773		4,153

15. Indicate with a (+) and (-) the effects of each one of the following transactions on the Assets, Capital or liabilities.

	Transactions	Assets	Liabilities	Capital
a)	Bought furniture on credit			
b)	Paid creditors by cash			
c)	Withdrew cash for personal use.			
d)	Converted a personal car for business use			

16. Outline four features of indirect production.

(4 marks)

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

17. State for unethical practices in product promotion.

(4 marks)

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

18. Outline four circumstances under which a credit note may be issued.

(4 marks)

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

19. Highlight four measures that have been introduced by the government to curb road carnage in Kenya. (4 marks)

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

20. Highlight four factors that may limit the exploitation of natural resources in Kenya. (4 marks)

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

21. Outline four circumstances under which a trader may insist on being paid in cash. (4 marks)

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

22. Outline four factors that may necessitate re-insurance. (4 marks)

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

23. State four advantages of company is likely to get by carrying out its trading activities through the internet. (4 marks)

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

24. State four causes of unemployment in Kenya.

(4 marks)

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

25. Apart from forces of demand and supply in the market, state four other methods of determining the price of a product in the market. (4 marks)

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

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