**Name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Adm No.:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 **Candidate’s Signature**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_­­­­­

 **Date**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**565/1**

**BUSINESS STUDIES**

Paper 1

**DECEMBER 2021**

**Time: 2 hours**

**MOKASA JOINT EXAMINATION**

**Kenya Certificate of Secondary Education**

**565/1**

**Paper 1**

**BUSINESS STUDIES**

**2 HOURS**

**Instructions**

* *Answer ALL the questions in the spaces provided.*

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25**TOTAL** |
|  |  |  |  |  |  |  |  |  |  |

1. Highlight ***four*** benefits of learning business studies. (4 marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

2. In the table below, indicate the level of production associated with the following occupations

|  |  |
| --- | --- |
| Occupation | Level of production |
| a)Retailer |  |
| b)fishing |  |
| c)Plumbing |  |
| d)Store keeping |  |

3. Outline ***four*** types of open trade credit (4 marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

4. Highlight ***four*** circumstances under which down ward communication can be used in an organization (4marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

 5. Highlight ***four*** features of oligopoly market. (4 marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

6. The following transactions were extracted from the books of Impact traders for the month of November 2018.

November 15: Sold goods worth Ksh.150,000 paying by cheque.

November 18: Paid salaries Ksh.20,000 in cash.

Record the above transactions in the relevant ledger accounts and balance them off as at 18 November, 2018. (4 marks)

7. Highlight ***four*** features of non-bank financial institutions. (4 marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

8. Highlight ***four*** methods used to restrict trade with other countries (4 marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

9. Describe the type of unemployment identified below ( 4 marks)

a) Frictional

b) Structural

c) Involuntary

d) Residual

10. State ***four*** ways in which the external business environment may negatively influence the operations of the business (4marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

11. Highlight ***four*** importance of ethical practices in the running of a business activity. (4marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

12. Highlight ***four*** circumstances under which a public corporation could be dissolved. (4marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

13. Record the following transactions in the relevant books of original entry. (4marks)

 2020

 April 1: Received an invoice from K.T suppliers for sh 40,000, Ochokitraders sh8000.

 April 2: Received a credit note from K.T suppliers sh 1000, Ochoki traders sh 1500.

 April 4: Received an invoice from Kiptui Enterprise sh 36,000,K.T suppliers sh 15,000.

 April 6. Received a credit note from Kiptui Enterprise Sh. 3,500, K.T suppliers Sh. 4,000

14. Identify ***four*** types of direct taxes. (4marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

15. Alvin took an insurance policy against fire with an insurance company. Give ***four*** reasons why he was unable to get compensation when he made a claim later during the year. (4marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

16. Highlight ***four*** factors that may be considered when choosing the channel of distribution of bread to schools in Kenya (4marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

17. Give the meaning of the following terms as used in Book-keeping. (4marks)

1. Goods
2. Liabilities
3. Creditors
4. Capital

18. State ***four*** features of economic resources. (4 marks)

 i)........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

19. Highlight ***four*** prescribed code of behavior of an office staff. (4 marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

20. The table below show the demand of furniture in Kimumu market for the year 2019.

|  |  |
| --- | --- |
| Month | Quantity demanded |
| March | 1000 |
| April | 800 |
| May | 700 |
| June | 600 |
| July | 500 |
| August | 300 |
| September | 250 |

State ***four*** causes of the above trend. (4 marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

21. Outline ***four*** Fiscal policy measures that may be used to control inflation. (4 marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

22. Highlight ***four*** problems encountered when measuring national income using income approach. (4 marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................23. State whether each of the following transactions increase (+) decrease (-) or have no effect (NE) on asset, liabilities, capital and the balance sheet totals.

|  |  |  |
| --- | --- | --- |
|  | Transaction | Effects on |
| Assets | Liabilities | Capital | Balance sheet totals |
| (a) | Received cash from a debtor |  |  |  |  |
| (b) | The proprietor deposited extra cash into business bank account from personal sources |  |  |  |  |
| (c) | Paid a creditor by cheque |  |  |  |  |
| (d) | Bought office equipment in cash |  |  |  |  |

24. Outline ***four*** importance of transport in the facilitation of trade. (4 marks)

i).........................................................................................................................................................

ii)........................................................................................................................................................

iii).......................................................................................................................................................

iv).......................................................................................................................................................

25. The information relates to Soila traders for the month of June 2021.

 Sh.

 Opening stock 75,000

 Purchases 395,000

 General expenses 60,000

 Closing stock 170,000

 Sales 500,000

 Capital 1,000,000

 Determine;

(i) Cost of sales (1 mark)

(ii) Gross profit (1 mark)

(iii) Rate of return on capital. (2 marks)