

Name: Index Number:/.....

565/1
BUSINESS STUDIES
Paper 1
Oct./Nov. 2014
 2 hours

Candidate's signature:

Date:



THE KENYA NATIONAL EXAMINATIONS COUNCIL
Kenya Certificate of Secondary Education
BUSINESS STUDIES
Paper 1
 2 hours

Instructions to Candidates

- (a) Write your name and index number in the spaces provided above.
- (b) Sign and write the date of examination in the spaces provided above.
- (c) Answer *all* the questions.
- (d) All answers should be written in the spaces provided in this booklet.
- (e) This paper consists of 12 printed pages.
- (f) Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.
- (g) Candidates should answer the questions in English.

For Examiner's Use Only

Question	1	2	3	4	5	6	7	8	9	10	11	12	13
Candidate's Score													

Question	14	15	16	17	18	19	20	21	22	23	24	25
Candidate's Score												

TOTAL SCORE

1 The following are descriptions of features of human wants. Identify the features that relate to the descriptions in the spaces provided. (4 marks)

	Description	Feature
(a)	A person is unable to fully satisfy all wants.	.....
(b)	Once satisfied, they have a tendency of being felt again.	.....
(c)	Some wants are satisfied together	.....
(d)	The same want can be satisfied using different resources.	.....

2 Name **two** occupations that relate to each of the production activities given below: (3 marks)

(a)	Extraction	(i)	.....
		(ii)	.....
(b)	Construction	(i)	.....
		(ii)	.....
(c)	Direct services	(i)	.....
		(ii)	.....

3 Outline **four** tasks that may be carried out by a receptionist in an office. (4 marks)

- (a).....
- (b).....
- (c).....
- (d).....

4 Highlight **four** circumstances in which a cheque may be used as a means of payment. (4 marks)

- (a).....
.....
- (b).....
.....
- (c).....
.....
- (d).....
.....

5 Highlight **four** activities that may be carried out in a stock exchange market. (4 marks)

- (a).....
.....
- (b).....
.....
- (c).....
.....
- (d).....
.....

6 Outline **four** features of liners in sea transport. (4 marks)

- (a).....
.....
- (b).....
.....
- (c).....
.....
- (d).....
.....

7 State **five** types of information that a manager may communicate to the juniors. (5 marks)

- (a).....
- (b).....
- (c).....
- (d).....
- (e).....

8 Explain the meaning of the following terms: (4 marks)

- (a) Insured
- (b) Insurance

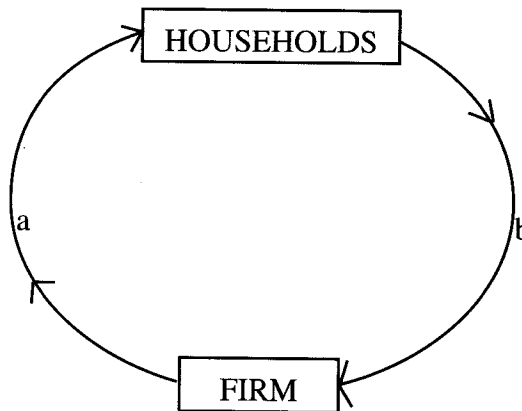
9 In the spaces provided below, indicate whether the following factors cause movement along the demand curve or a shift of the demand curve. (3 marks)

	Factor	Movement along or shift of
(a)	Change in income.	..... the demand curve.
(b)	Change in price.	..... the demand curve.
(c)	Change in weather.	..... the demand curve.

10 Highlight **four** roles played by the broker in the chain of distribution. (4 marks)

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

11 The following diagram represents the circular flow of income in a two sector closed economy.



Identify **two** factors represented by each of the arrows labelled a and b. (4 marks)

- (a) (i)
- (ii)
- (b) (i)
- (ii)

12 Fill in the missing figures in the table below: (4 marks)

	FA	CA	C	L
(a)	275,500	.....	315,000	115,500
(b)	182,000	108,700	.....	217,100
(c)	.....	76,400	123,100	91,900
(d)	313,450	211,340	189,170	.....

13 Mheshimiwa Ltd. had the following ledger account balances as at 31st May 2010:

Details	Shs.
Purchases	3,880
Sales	3,350
Returns outwards	150
Returns inwards	160
D. Simola (Debtor)	2,550
P. Mwendu (Creditor)	3,100
Wages	800
Cash	960
Capital	1,750

Required: Prepare Mheshimiwa's trial balance as at 31st May 2010. (5 marks)

14 The following is a format of the debit side of a three-column cash-book:

Dr.

DATE		V	W	X	Y

Name the columns labelled V, W, X and Y.

(4 marks)

- (a) V is _____
- (b) W is _____
- (c) X is _____
- (d) Y is _____

15 Outline **four** functions of the International Bank for Reconstruction and Development.

(4 marks)

- (a).....
.....
- (b).....
.....
- (c).....
.....
- (d).....
.....

16 State **four** disadvantages of barter trade. (4 marks)

(a).....

.....

(b).....

.....

(c).....

.....

(d).....

.....

17 The following transactions relate to Jelimo Stores:

- (a) 10th October 2010, sold unused stationery for Sh 3,000 on credit to K. Likia.
- (b) 23rd October 2010, bought a motor vehicle on credit from Onjwaria Motors for Sh 700,000.

Required: Record the above transactions in the general ledger given below: (4 marks)

Date	Particulars	Folio	Dr.	Cr.
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

18 List **four** levels of inflation. (4 marks)

- (a).....
- (b).....
- (c).....
- (d).....

19 Many countries in Africa, Latin America and Asia are considered to be under-developed. Outline **four** characteristics they have in common. (4 marks)

- (a).....
-
- (b).....
-
- (c).....
-
- (d).....
-

20 Madam Emoro operates a matatu business. State **four** factors in the internal environment that may influence the business. (4 marks)

- (a).....
-
- (b).....
-
- (c).....
-
- (d).....
-

21 Highlight **four** reasons for which businesses should observe ethical practices. (4 marks)

(a).....

.....

(b).....

.....

(c).....

.....

(d).....

.....

22 State **four** merits of promoting products through personal selling. (4 marks)

(a).....

.....

(b).....

.....

(c).....

.....

(d).....

.....

23 The following information relates to Kiboko Traders as at 31st December 2010.

Details	Shs
Total drawings	400,000
Added investments	800,000
Capital on 31 st Dec 2010	7,000,000
Profit	3,100,000

Calculate Kiboko's initial capital. (3 marks)

.....

.....

.....

.....

.....

24 Outline **four** positive implications of a youthful population to an economy. (4 marks)

(a).....

.....

(b).....

.....

(c).....

.....

(d).....

.....

12

25 PQ Ltd had the following balances as at 31st December 2012.

	Shs
Sales	23 498 000
Stock 1/1/2012	57 140
Returns Inwards	27 200
Purchases	16 290 000
Stock 31/12/2012	86 340

Prepare PQ's Trading Account for the year ended 31st December, 2012. (5 marks)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

THIS IS THE LAST PRINTED PAGE.

Kenya Certificate of Secondary Education, 2014

Business Studies
Powered By: www.manyamfranchise.com

Paper 1
5414030