

Name ..... Index No. ....

Candidate's signature .....

Date .....

565/1

**BUSINESS STUDIES**

Paper 1

**July 2018**

Time 2 hours

**FORM FOUR END OF SECOND TERM EXAM**

Kenya Certificate of Secondary Education

**BUSINESS STUDIES**

Paper - 565/1

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**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

*This paper consists of 6 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. Highlight four ways in which a firm can improve productivity of its human resources. (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

2. Outline four possible consequences of poor arrangement of goods in a warehouse. (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

3. There are missing figures in the table below. (4 marks)

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

Calculate :

- i. W = .....
- ii. X = .....
- iii. Y = .....
- iv. Z = .....

4. State four reasons why consumers have to make a choice when satisfying competing wants. (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

5. State four factors that would influence the amount of money that an individual may hold for transaction purposes. (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

6. Outline four circumstances under which an insurance company may refuse to compensate the insured in times of loss. (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

7. State four errors that may not affect the balancing of a trial balance. (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

8. Outline four functions of the Kenya Bureau Of Standards (KEBS). (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

9. The information given below was extracted from the books of Kambo Traders on 31<sup>st</sup> May 2016.

	Kshs
Purchases	260, 000
Opening stock	75, 000
Carriage on purchases	12, 500
Closing Stock	27, 500

Goods were sold at a margin of 25%.

Using the information provided above, prepare Kambo trading account for the period ended 31<sup>st</sup> May 2016. (5 marks)

10. Outline four differences between a monopoly and a monopolistic competition. (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

11. Name any three equipment that are used in document reproduction in an office. (3 marks)

- i) .....
- ii) .....
- iii) .....

12. Outline four reasons why savings and credit Co-operative Societies are becoming very popular in Kenya today. (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

13. Name the documents described by the statements given below as used in International trade. (4 marks)

- a. Requests for payment before goods are delivered. ....
- b. Shows ownership or title of imported goods.....
- c. Show the country of manufacture of goods.....
- d. Show the transport charges for goods.....

14. The following balances of assets and liabilities were provided by Njogu Enterprises on 31<sup>st</sup> December 2017.

	Shs.
Bank overdraft	160, 000
Land	400,000
Accrued Electricity bill	100,000
Stock	20,000
Debtors	40,000

Drawing of Shs 4,000 were made every month during the year. Prepare a balance sheet as at 31<sup>st</sup> December 2017. (4 marks)

15. Mention four non– tax internal sources of revenue to the government. (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

16. A business opportunity may exist where there are certain gaps in the market.. Highlight four such gaps. (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

17. Outline four circumstances under which a trader may choose to transport his goods by air. (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

18. State four uses of National income statistics. (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

19. Highlight four features of mail order shops in home trade. (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....
20. Outline four reasons why a firm may choose to remain small. (4 marks)
- i) .....
- ii) .....
- iii) .....
- iv) .....
21. State four limitations of using internet as a means of communication despite its popularity in the world today. (4 marks)
- i) .....
- ii) .....
- iii) .....
- iv) .....
22. Distinguish between the following terms as used in population. (2 marks)
- a. Immigration and emigration. (2 marks)
- .....
- .....
- b. Declining population and under population. (2 marks)
- .....
- .....
23. Outline four reasons why ethical practices are necessary in product promotion. (4 marks)
- i) .....
- ii) .....
- iii) .....
- iv) .....

24. Highlight four problems that Kenya may experience in implementing its development plans.

(4 marks)

i) .....

ii) .....

iii) .....

iv) .....

25. List four factors that can cause demand pull inflation.

(4 marks)

i) .....

ii) .....

iii) .....

iv) .....

