

NAME: _____

SCHOOL: _____ ADM. NO.: _____

DATE _____

CANDIDATE'S SIGNATURE _____

FORM 4

565/1

BUSINESS STUDIES

PAPER 1

MARCH/APRIL 2013

TIME: 2 HOURS

BARINGO NORTH TRIAL EXAMINATIONS - 2013

Kenya Certificate of Secondary Education (KCSE)

Form Four

Business Studies

Paper 1

Instructions to Candidates

1. Answer **ALL** the questions
2. Marks for each question is indicated alongside the question
3. Answer **ALL** the questions in the spaces provided in this paper.
3. Ensure that there are 25 questions.

FOR EXAMINERS 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												

TOTAL MARKS

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This paper consist of 8 printed pages.

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

1. Outline **four** current assets that a business is likely to possess. (4 marks)

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

2. Highlight **four** ways in which HIV/AIDS may negatively impact on business operations. (4 marks)

- a) _____

- b) _____

- c) _____

- d) _____

3. State **four** advantages of using M-pesa account to an individual. (4 marks)

- a) _____

- b) _____

- c) _____

- d) _____

4. Outline **four** reasons why Kenya should exploit the recently discovered oil immediately (4 marks)

- a) _____

- b) _____

- c) _____

- d) _____

5. List **three** secondary human wants in society (3 marks)

- a) _____
- b) _____
- c) _____

6. Show **four** differences between insurance and gambling using the table below. (4 marks)

INSURANCE	GAMBLING
a) _____ _____	_____ _____
b) _____ _____	_____ _____
c) _____ _____	_____ _____
d) _____ _____	_____ _____

7. Identify **four** circumstances under which water transport may be used in a country. (4 marks)

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

8. In what **four** ways may a monopoly market structure disadvantage consumers? (4 marks)

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

9. Outline **four** characteristics of chain stores (4 marks)

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

10. State **four** roles played by entrepreneurs to the economy of a country. (4 marks)

- a) _____

- b) _____

- c) _____

- d) _____

11. Outline **four** methods used by the government to protect consumers. (4 marks)

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

12. Highlight **four** consequences that may result from poor arrangement of goods in a public warehouse. (4 marks)

- a) _____

- b) _____

- c) _____

- d) _____

13. State **four** ways in which home trade may differ from international trade. (4 marks)

- a) _____

- b) _____

- c) _____

- d) _____

14.st December 2011. (4 marks)

	<u>Shs</u>
Purchases	20,000
Sales	30,000
Sales returns	1,200
Discount allowed	800
Cash at bank	44,000
Purchases returns	3,000
Capital	29,000
Discount received	4,000

15 Outline **four** steps involved in personal selling . (4 marks)

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

16. Illustrate in a diagram how equilibrium price (p) and equilibrium quantity (Q_e) may be determined in a market. (4 marks)

17. The balance sheet prepared by the owner of a school canteen (Peter) as at 1st January 2012 showed capital of Shs 350,000. The following information pertains to the year ending 31st Dec. 2012.

Total drawings	Shs. 40,000
Additional capital	Shs 80,000
Ending capital	Shs 700,000

How much was profit/loss made? (4 marks)

18. State **four** reasons why a census has to be conducted after ten years in Kenya (4 marks)

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

19. Outline **five** essential elements of effective communication. (5 marks)

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

20. Highlight **four** complaints that people have to show that inflation is a real problem. (4 marks)

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

21. State **four** sectors/areas of the economy where you could have allocated more money if you were asked to prepare a budget for Kenya. (4 marks)

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

22. Classify the following accounts as either real or nominal. (4 marks)

<u>ACCOUNT</u>	<u>CLASSIFICATION</u>
a) Sales	_____
b) Motor car	_____
c) Stock	_____
d) Purchases	_____
e) Insurance premium	_____
f) Commission income	_____
g) Premises	_____
h) Bicycle	_____

23. State the meaning of the following as used in cash book preparation. (4 marks)

- a) Contra entry _____

- b) Discount received _____

24. Outline **four** challenges that may be encountered by using a long channel to distribute farm produce. (4 marks)

- a) _____

- b) _____

- c) _____

- d) _____

25. Highlight **four** implications of production activities on the environment and community health (4 marks)

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