

NAME.....

INDEX NO.....

CANDIDATE SIGNATURE

DATE

565/1
BUSINESS STUDIES
PAPER 1
JULY/AUGUST 2013
2 HRS

LENOCET EVALUATION TEST
KENYA CERTIFICATE OF SECONDARY EDUCATION

565/1
BUSINESS STUDIES
PAPER 1
2 HRS

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 in the spaces provided

Question	1	2	3	4	<u>For examiner's use only.</u>					10	11	12	13
Marks													

Question	14	15	16	17	18	19	20	21	22	23	24	25
Marks												

**Total
Marks**

1. Highlight **four** circumstances under which a trader would hire instead of purchasing an office machine. (4marks)

2. Outline **four** causes of demand pull inflation. (4marks)

3. Highlight **four** factors that may limit the use of Air transport in Kenya. (4marks)

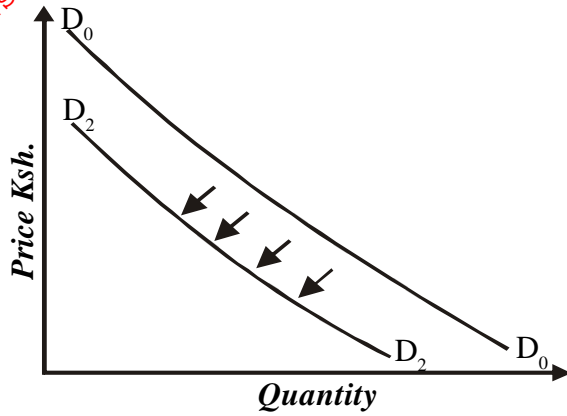
4. Outline **four** components of a business plan. (4marks)

5. Write the account to debit and credit from the following transactions: (4marks)

<u>Transactions</u>	<u>DR</u>	<u>CR</u>
(a) Sold goods on credit	_____	_____
(b) Returned goods to the seller	_____	_____
(c) Bought machine on credit from N. Traders	_____	_____
(d) Bought stock on credit	_____	_____

6. State **four** roles of stock exchange market in the economy. (4marks)

7. Use the following diagram to answer the question below.



Highlight **four** factors that has led to the shift from D_0 to D_2 . (4marks)

8. Outline **four** factors that may influence the choice of a distribution channel. (4marks)

9. The following balances were extracted from the books of Roho Safi Merchants for the year ended 31st December 2006.

	Sh.
Land	110 000
Debtors	64 000
Capital	156 000
Sales	95 000
Purchases	58 000
Stock	35 400
Creditors	47 700
General expenses	41 800

Prepare a trial balance as at 31st December 2006.

(4marks)

For More Free KCSE past papers visit www.freekcsepastpapers.com

10. Highlight **four** circumstances underwhich an Insurance Company may re-insure. (4marks)

11. Mention **four** ways in which one can identify a business opportunity. (4 marks)

12. The following information relate to Nanyuki traders for the period ended 31st December 2012.

Sales	Sh. 1, 000, 000
Opening stock	Sh. 100, 000
Gross profit margin	20%
Closing stock	25% of cost of goods sold

Required:

Prepare trading account for the period ended 31st December 2012.

(4marks)

For More Free KCSE past papers visit www.freekcsepapers.com

13. Highlight **four** features of a monopolistic market structure.

(4 marks)

14. Write the following accounts as either Nominal, Real or Personal account.

(4 marks)

<u>Account</u>	<u>Class</u>
Building	_____
Rent Owing	_____
Rent	_____
Loan	_____

15. List **four** factors that may limit the growth of a country's national income.

(4 marks)

16. For each of the following transactions, indicate the book of original entry in which the following transactions would be recorded. (4 marks)

<u>Transactions</u>	<u>Books of original entry</u>
(a) Bought goods on credit for sale	_____
(b) Sold an old typewriter on credit	_____
(c) Withdrew cash for personal use	_____
(d) Returned good bought on credit for sale.	_____

17. List **four** implications of production activities in environment and community health. (4marks)

18. Highlight **four** services that Central Bank give to commercial banks. (4 marks)

19. Record the following transactions in ledger account. (4 marks)

(i) March 1 2013 paid wages sh. 50 000 by cheque.

<div style="border-bottom: 1px solid black; border-right: 1px solid black; width: 100%; height: 100%;"></div>	<div style="border-bottom: 1px solid black; border-right: 1px solid black; width: 100%; height: 100%;"></div>
---	---

(ii) Bought a motor vehicle on credit from Marshals LTD sh. 120, 000 on March 2 2013

--	--

20. Highlight **four** negative implication of rapidly growing population in a country. (4 marks)

21. Highlight **four** environmental factors that affects the business internally. (4 marks)

22. Highlight **four** rules of Government expenditure. (4 marks)

23. Highlight **four** importance of advertising to a consumer. (4 marks)

For More Free KCSE past papers visit www.freekcsepapers.com

24. JB importers have imported goods which are being held at the port of Mombasa awaiting clearance. Identify **four** documents used in international trade that the company will require to have goods released. (4 marks)

25. Highlight **four** duties of a receptionist in an organisation. (4 marks)

For More Free KCSE Past Papers visit www.freekcsepapers.com