

NAME:

INDEX NO:.....

SCHOOL:.....

DATE:.....

SIGNATURE:.....

565/1

BUSINESS STUDIES

PAPER 1

JULY / AUGUST 2013

TIME: 2 HOURS

NANDI NORTH DISTRICT JOINT MOCK EVALUATION TEST 2013

Kenya Certificate of Secondary Education

BUSINESS STUDIES

PAPER 1

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Write your Name and Index Number in the spaces provided above.
2. Sign and write the date of the examination in the spaces provided above.
3. Answer all the questions.
4. All answers must be written in the spaces provided in this booklet.
5. Do not remove any pages from this booklet.

FOR EXAMINER'S 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	TOTAL
Marks													%

1. State **four** reasons why some local authorities in Kenya find it difficult to provide public utilities. (4mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
2. State **four** ways in which a commercial attaches promotes trade. (4mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
3. Highlight **four** roles of stock exchange as a market for securities. (4mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
4. Highlight **four** advantages of using billboards as a medium of advertising. (4mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
5. Outline **four** activities that take place at the issuance stage in a warehouse. (4mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
6. State **one** circumstance under which each of the following postal services would be most appropriate to use. (4mks)
- (i) Speed Post :
 -
 - (ii) Poste-Restante:
 -
 - (iii) Business Reply Service:
 -
 - (iv) Registered Mail:.....
 -

7. In the spaces provided below, indicate the level of production that relates to each of the following activities: (4mks)

	ACTITIVY	LEVEL OF PRODUCTION
A	Selling goods in the market	
B	Fishing from a river	
C	Constructing a Road	
D	Making shoes	

8. Outline **four** emerging trends in office management. (4mks)

- (i)
- (ii)
- (iii)
- (iv)

9. State **four** differences between liners and tramps as forms of sea transport. (4mks)

LINERS	TRAMPS
(i)	(i)
.....
(ii)	(ii)
.....
(iii)	(iii)
.....
(iv)	(iv)
.....

10. Otieno and Njoroge bought a building for shs. 5,000,000. Otieno paid shs. 3,000,000 while Njoroge paid shs. 2,000,000. The building was insured for shs. 8,000,000 against the risk of fire. The building was later destroyed by fire.

- (a) State the amount of compensation likely to be paid by the insurance company. (2mks)

.....

.....

.....

- (b) Give a reason for your answer. (2mks)

.....

.....

11. Highlight **four** factors that may encourage entrepreneurship in Kenya. (4mks)

- (i)
- (ii)
- (iii)
- (iv)

12. State **four** circumstances leading to the dissolution of a company through a court order. (4mks)

- (i)
- (ii)
- (iii)
- (iv)

13. State **four** assumptions of the law of demand. (4mks)

- (i)
- (ii)
- (iii)
- (iv)

14. Mention **four** circumstances which the market outlet may be the main factor in deciding on the location of business enterprise. (4mks)

- (i)
- (ii)
- (iii)
- (iv)

15. Give **four** ways in which a manufacturer in a monopolistic competition may use to differentiate his products from those of rival firms. (4mks)

- (i)
- (ii)
- (iii)
- (iv)

16. Highlight **four** disadvantages of a long chain of distribution of goods. (4mks)

- (i)
- (ii)
- (iii)
- (iv)

17. State **three** differences between monopoly and oligopoly. (3mks)

MONOPOLY	OLIGOPOLY
(i)	(i)
.....
(ii)	(ii)
.....
(iii)	(iii)
.....

18. Highlight **four** causes of income inequalities among the citizens of a country. (4mks)

- (i)
- (ii)
- (iii)
- (iv)

19. Outline **four** factors leading to decline in birth rates of developing countries. (4mks)

- (i)
- (ii)
- (iii)
- (iv)

20. State **four** reasons why the government levies taxes. (4mks)

- (i)
- (ii)
- (iii)
- (iv)

21. Highlight **four** qualities needed of a commodity to function as money. (4mks)

- (i)
- (ii)
- (iii)
- (iv)

22. Outline **four** problems a country is likely to encounter if she does not participate in foreign trade. (4mks)

- (i)
- (ii)
- (iii)
- (iv)

23. For each of the following transactions, indicate the account to be debited, the account to be credited and the ledger in which the account would be maintained. (4mks)

Transaction	Account debited	Ledger	Account credited	Ledger
(a) Bought goods worth sh. 20,000 from Kuria on credit.				
(b) Paid sh. 600 in cash for insurance.				

24. From the following two-column cash book, describe the transaction that took place on the dates given below. (3mks)

Date	Details	Cash Sh.	Bank Sh.	Date	Details	Cash Sh.	Bank Sh.
May 2	Sales	10,000		May 3	Creditors		5,000
5	Cash		5,000	4	Salaries	3,000	
				5	Bank	5,000	
					Bal. C/d	2,000	
		10,000	5,000			10,000	5,000

- (i) May 2nd:
- (ii) May 3rd:
- (iii) May 4th:
- (iv) May 5th:.....

25. Kilio had the following balances at the end of the trading period on 31st December 2012.

	Sh. <u> </u>
Cash	40,000
Creditors	140,000
Premise	400,000
Fixtures	180,000
Bank loan	160,000
Vehicles	100,000
Debtors	70,000

Prepare his balance sheet as at the end of the trading period.

(5mks)