

NAME: _____

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FORM 4

565/1

BUSINESS STUDIES

PAPER 1

MARCH/APRIL 2013

TIME: 2 HOURS

**WESTERN ZONE JOINT EXAMINATIONS- 2013
(WEZOJE)**

Kenya Certificate of Secondary Education (KCSE)

Form Four

Business Studies

Paper 1

Instructions to Candidates

- √ This question paper comprises of 25 Questions
- √ Marks for each question is indicated alongside the question
- √ Answer **ALL** the questions on the spaces provided in this paper.

*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. State **four** reasons for licensing business by the government. (4 marks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

2. Outline **four** contents of memorandum of association in regard to formation of companies. (4 marks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

3. State **four** reasons why an entrepreneur would draw a business plan. (4 marks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

4. State the terms given to each of the following statements as used in insurance. (4 marks)

- Temporary certificate

- Periodic payment by policy holders

- Acquiring rights of the remains of destroying property by the insurer.

- Life insurance lasting for a specific period.

5. State **four** implications of young population on society. (4 marks)

- i) _____
- _____
- ii) _____
- _____
- iii) _____
- _____
- iv) _____
- _____

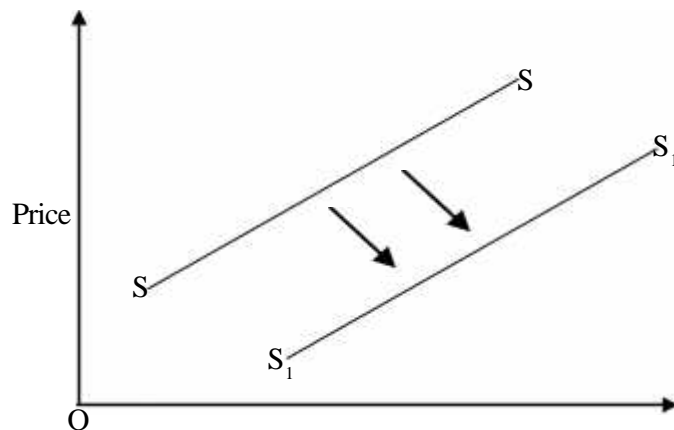
6. Highlight any **four** advantages of a bonded warehouse to the government. (4marks)

- i) _____
- _____
- ii) _____
- _____
- iii) _____
- _____
- iv) _____
- _____

7. Highlight **four** reasons why firms with popular products find it necessary to continuously advertise the same popular product. (4 marks)

- i) _____
- _____
- ii) _____
- _____
- iii) _____
- _____
- iv) _____
- _____

8.



State **factors** that may have made the supply curve to shift from SS to S₁S₁

(4 marks)

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.....

four circumstances under which face to face communication would be preferable. (4 marks)

i) _____

ii) _____

iii) _____

iv) _____

10. Highlight **four** ways in which a government may control monopoly power. (4 marks)

i) _____

ii) _____

iii) _____

iv) _____

11. State **four** factors that influence choice of an appropriate means of transport. (4 marks)

i) _____

ii) _____

iii) _____

iv) _____

12. State any **four** sources of public finance. (4 marks)

- i) _____
- _____
- ii) _____
- _____
- iii) _____
- _____
- iv) _____
- _____

13. The following balance sheet relates to Mwangi's traders

Mwangi Traders
Balance sheet
As at 1st Jan. 2006

Land and building	120,000		Capital	140,000
Debtors	50,000		Creditors	2,5000
Cash	40,000		Bank overdraft	45,000
	<u><u>210,000</u></u>			<u><u>210,000</u></u>

The following transactions took place during the month of January

- i) Paid creditors Shs. 10,000 in cash
- ii) Received cash Shs. 38,000 from debtors
- iii) Bought office equipment for shs. 32,000 in cash

Prepare Mwangi Traders balance sheet at the end of January. (4 marks)

14. Outline any **four** features of a current account. (4 marks)

- i) _____
- _____
- ii) _____
- _____
- iii) _____
- _____
- iv) _____
- _____

15. State the source documents for the following journals

Journal	Source
i) Sales journal	_____
ii) Purchases journal	_____
iii) Cash receipts journal	_____
iv) Sales Returns journal	_____

16. John produces maize on large scale. Outline **four** features for such a production unit. (4 marks)

- i) _____
- _____
- ii) _____
- _____
- iii) _____
- _____
- iv) _____
- _____

17. Give **four** reasons that may limit the growth of a country's national income. (4 marks)

- i) _____
- _____
- ii) _____
- _____
- iii) _____
- _____
- iv) _____
- _____

18. Give **four** advantages of using electronic filing system. (4 marks)

- i) _____
- _____
- ii) _____
- _____
- iii) _____
- _____
- iv) _____
- _____

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19. State **four** advantages of an itinerant traders (4 marks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

20. State **four** functions of the central Bank of Kenya. (4 marks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

21. Compute the missing figures and fill in the blanks spaces

	Capital	Assets	Liabilities
A	80 000	_____	60 000
B	164 000	398 000	_____
C	_____	406 000	162 000
D	30 000	100 000	_____

22. State **four** limitations of barter trade (4 marks)

- i) _____

- ii) _____

- iii) _____

- iv) _____

23. The following information relates to Njoki Enterprises for the period ended 30th June 2011

	Shs
Turnover	270 000
Margin	40%
Rate of stock turnover	6 times
Expenses	40000

Calculate

i) Gross profit. (1 mark)

ii) Cost of sales. (1 mark)

iii) Net profit. (1 mark)

iv) Average stock (1 mark)

24. State **four** ways in which the size of a firm can be determined. (4 marks)

i) _____

ii) _____

iii) _____

iv) _____

25. Highlight **four** circumstances where a manufacturer would sell his goods directly to the consumer. (4 marks)

i) _____

ii) _____

iii) _____

iv) _____