

NAME: INDEX NO:

SCHOOL: DATE :

CANDIDATE'S SIGNATURE:

565/1
BUSINESS STUDIES
PAPER 1
JULY / AUGUST 2014
TIME: 2 HOURS

KURIA EAST SUB-COUNTY JOINT EXAMINATIONS COUNCIL 2014

Kenya Certificate of Secondary Education
BUSINESS STUDIES
PAPER 1
TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES:

1. Write your **Name, Index Number** and the name of your **school** in the spaces provided at the top of this page.
2. **Sign** and write the **Date** of the Examination in the spaces provided above.
3. Answer **all** the questions.
4. **All** answers should be written in the spaces provided in this booklet.
5. Candidates should **check** the question paper to ascertain that it has **25** questions.
6. candidates should answer the questions in **English**.

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													MARKS

1. Outline **four** advantages of E-commerce to a trader. (4mks)

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

2. Gold is one of the economic resources found in Kuria. Outline **four** characteristics of gold. (4mks)

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

3. Highlight **four** types of business resources. (4mks)

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

4. Outline **four** functions of consumer association. (4mks)

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

5. Chacha is a large scale producer of tobacco. Outline **four** benefits which would accrue to him as a result of storing tobacco in his own warehouse. (4mks)

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

6. Match the following occupations with the appropriate level of production.

<u>Occupation</u>	<u>Level of Production</u>
(i) Banking
(ii) Maize milling
(iii) Farming
(iv) Teaching

7. State **four** circumstances under which a seller may find deferred payment appropriate. (4mks)

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

8. With the aid of a well labelled diagram, show the effect of increase in the price of car to the demand of petrol. (4mks)

9. The following information was extracted from the final accounts of Joe traders on 28th February 2013.

	Shs.
Stock (1/3/2012)	14,000
Stock (28/2/2013)	18,000
Sales	75,000
Purchases	46,000

Required:-

(i) Calculate Joe's Gross profit. (2mks)

(ii) Calculate mark-up. (2mks)

10. The following balance sheet relates to Maroa traders as at 31st December 2012.

**Maroa Traders
Balance Sheet**

As at 31st December, 2012

FIXED ASSETS		Shs	
Land	305,000	300,000	Capital
Furniture	50,000		
Motor-cycle	100,000		
		450,000	
CURRENT ASSETS			
Stock	40,000		
Debtors	15,000		
	30,000		
Cash at bank	20,000		
Cash in hand	10,000	85,000	
		<u>535,000</u>	
			LONG TERM LIABILITIES
			6 Year Loan 200,000
			SHORT TERM LIABILITIES
			Creditors
			<u>535,000</u>

During the month of January 2013, the following transactions took place.

- 2013 Jan. 1st Bought stock worth shs. 15,000 by cheque.
- 10th Sold goods worth shs. 30,000 for shs. 40,000 cash.
- 15th A debtor paid shs. 10,000 by cash.

Required:

Prepare Maroa's Balance Sheet as at 15th January 2013.

(5mks)

11. Outline **four** benefits of a firm to the community in which it is located. (4mks)

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

12. Highlight **four** factors that may influence consumers to buy goods directly from producers. (4mks)

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

13. State **four** causes of structural unemployment. (4mks)

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

14. State the insurance term given by the following description. (3mks)

- (i) A situation where an insurance company insures itself with a bigger insurance company.
.....
- (ii) A situation where several insurance companies come together to insure one property which is very valuable:.....
- (iii) A situation where one property is insured with more than one insurance company against the same risk:.....

15. Outline **four** functions of micro-finance companies. (4mks)

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

16. State **four** accounts which can be used to record stock. (4mks)

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

17. Outline **four** sources of capital to a co-operative society. (4mks)

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

18. State **four** advantages of using electronic train in transporting goods. (4mks)

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

19. Highlight **four** methods of trade restriction. (4mks)

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

20. State **four** importances of journals. (4mks)

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

21. Highlight **four** unethical issues in product promotion. (4mks)

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

22. Outline **four** demerits of under population. (4mks)

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

23. Highlight **four** reasons as to why the government levy taxes. (4mks)

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

24. Outline **four** advantages of using verbal communication in business. (4mks)

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

25. State **four** factors that can hinder economic development of less developed countries. (4mks)

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