

565/1

**BUSINESS STUDIES**

Paper 1

March, 2013

Time: 2 Hours

# **MOKASA JOINT EVALUATION EXAMINATION**

Kenya Certificate of Secondary Education

565/1

**BUSINESS STUDIES**

Paper 2

March, 2013

Time: 2 Hours

## **Instructions to Candidates**

- Answer **all** the questions in the spaces provided.

1. Identify **four** importance of learning business studies to the state. ( 4 marks)

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2. Identify **four** ways in which a firm can help in environmental conservation (4 marks)

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3. State **four** new developments in office management. (4 marks)

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4. Outline **four** types of indirect taxes. (4 marks)

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5. Outline **four** channels Angels cyber may use when purchasing computers from Toptech Company in Japan. (4 marks)

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6 . Identify **four** aspects of a healthy business environment (4 marks)

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7. The following information was extracted from Mwambia Traders as at 30th December 2011.

	Sh
Furniture	220,000
Debtors	140,000
Premises	300,000
Machinery	300,000
Cash in hand	10,000
Bank overdraft	110,000
Creditors	30,000

Calculate capital for Mwambui Traders Ltd. As at 30th December 2011.(4 mks)

8. Distinguish between the following terms;

a) Material and non-material goods

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b) Free and economic goods

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9. State **four** circumstances under which the state would privatize a state-owned enterprise

(4 marks).

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10 Highlight **four** features of a re-insurance company

(4marks)

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11 Highlight **four** circumstances under which upward communication can be used in an organization.

(4 marks)

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12 The following information relates to Rwimbah Traders Ltd. In the year ended 31/12/2010

Net profit	65,000
Additional capital	150,000
Closing capital	350,000

If the opening capital was sh.191, 000 determine the drawings for the year

(4 marks)

13. Highlight **four** reasons for drawing the population structure in an economy (4 marks)

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14 Highlight **four** ways through which the state is putting in place to bring security to the matatu transport sector (4 marks)

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15 Identify **four** distinct features of an oligopoly market structure (4 marks)

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16 Fill in the relevant characteristics of an entrepreneur to the description given

Description	Characteristic
a) Struggles with determination to solve problems	
b) Aggressive in implementing ideas	
c) Starts his own business and operates it on his own	
d) Has a strong belief in himself and in his own abilities	

(4 marks)

17 . Prepare relevant ledgers from the following transactions relating to Eldo traders (4mks)

- i) 3<sup>rd</sup> Feb 2013: bought a computer from Moi Avenue traders worth Shs. 40,000 and paid by cheque
- ii) 4<sup>th</sup> Feb: Sold stock worth Shs 20,000 credit to Jeptoo traders  
Jeptoo traders returned goods worth Shs. 5,000 to Eldo traders.
- iii) Eldo Traders received a cheque of Shs. 15,000 from Jeptoo traders.

18. Distinguish between the following terms

a) GDP and GNP

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b) National income and Per capita income

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19. Highlight **four** methods used to delocalize firms in an economy

( 4 marks)

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20. Awino sells all her goods at mark up of 2/5. For the year ended 31<sup>st</sup> Dec.2012,her trading activities were as follows:

Opening Stock Shs. 50,000

Purchases Shs. 30,000

Closing Stock Shs. 20,000

**Calculate:**

a) Margin percentage ( 2mks)

b) Rate of stock turnover(2mks)

21 Give **four** aims for Government participation in business activities

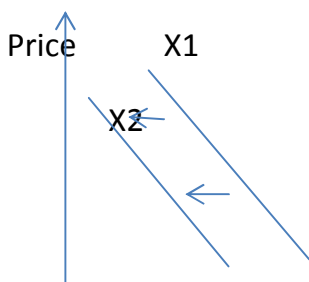
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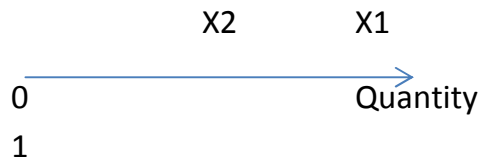
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22 The diagram below shows a shift in demand curve.





State **four** possible reasons for the change in **X1X1** to **X2X2** above.

(4 marks)

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23 Complete the table below.

(4marks)

Source Document	Book of Original entry
Received Receipt	
Credit note retained/copy	
	Purchases Journal
	Sales Journal

24 The following information was extracted from the books of Samoei traders on 31/12/2012.

	Shs
Stock (1/1/2012)	600,000
Purchases	1,800,000
Sales during the year	2,600,000
Mark up	25%
Stocks (31/12/2012)	X

**Required: Prepare Samoei traders Trading account**

**(4 marks)**



25 Highlight **four** characteristics of a time deposit account

(4 marks)

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