

Name.....Index. No.....

Sign.....

Date.....

565/1

## BUSINESS STUDIES

PAPER 1

TIME: 2 Hours

# BUSIA COUTY JOINT EVALUATION EXAMINATION-2014

Kenya Certificate of Secondary education

565/1

Paper 1

## BUSINESS STUDIES

2 HOURS

### INSTRUCTIONS TO CANDIDATES

- i) Write your name and index number in the spaces provided above
- ii) Sign and write the date of the examination in the spaces provided above.
- iii) Answer all questions in the spaces provided.
- iv) This paper consists of 9 printed pages
- v) Check the question paper to ascertain that all the pages are printed as indicated and no questions are missing.

1. Mention **four** methods that countries use to restrict importation of goods. (4mks)

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2. Highlight **four** limitations of barter system of trade. (4mks)

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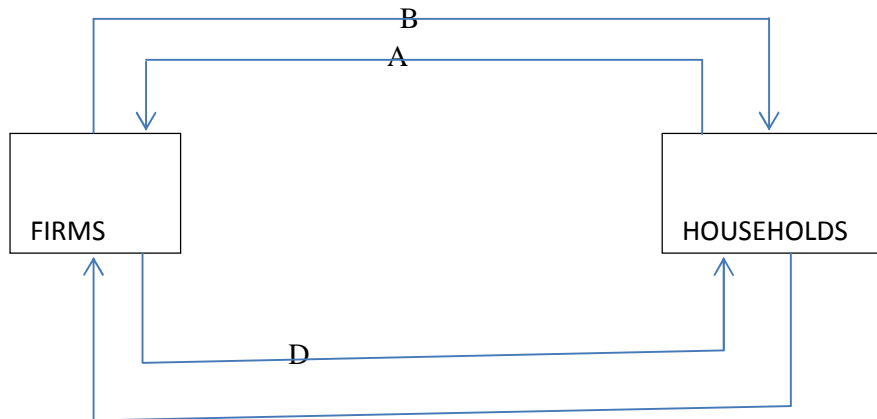
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3. Study the following diagram and state the missing terms. (4mks)



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A)

B)

C)

D)

4. Give **four** reasons why employers are expected to provide their employees with insurance cover.

(4mks)

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Highlight **four** problems that are likely to be faced by a firm as result of expansion of the entire industry. (4mks)

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6. State **four** benefits that Kenya will reap after the completion of the Lamu Port & Lamu-South Sudan-Ethiopia Transport corridor (LAPSSET) project whose construction is underway. (4mks)

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7. Mention **four** features of capital as a factor of production. (4mks)

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8. Outline **four** factors that may contribute to the ineffectiveness of a warehouse. (4mks)

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9. Highlight **four** importance of subsidiary books. (4mks)

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10. Enter the following transactions in the relevant ledger accounts (4mks)

- i) Purchased a Delivery van from CMC Motors for sh. 350,000 paying by cheque.
- ii) Atieno, a debtor, paid fully her account of sh. 18,000 in cash.
- iii) Deposited cash sh. 200,000 in the bank.
- iv) Sold goods to Kemboi for sh. 15,000 receiving cash.

11. Highlight **four** ways through which the physical environment can positively impact a business performance.(4mks)

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12. Highlight **four** differences between monopoly and monopolistic market structures. (4mks)

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13. State **four** characteristics of a departmental store. (4mks)

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14. Give the meaning of the following terms as used in business. (4mks)

a) Franchising.

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b) Check-off system

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c) Amalgamations

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d) Take-overs

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15. Outline **four** importance of national census statistics in an economy. (4mks)

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16. Highlight **four** challenges that entrepreneurs face when carrying out business activities. (4mks)

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17. Outline **four** characteristics of a good tax system.(4mks)

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18. Outline how scarcity, choice and opportunity cost are related. (4mks)

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19. State **four** measures a business can put in place to safeguard office property. (4mks)

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20. Highlight **four** ways in which Kenya Association of Manufacturers (KAM) ensures that their members do not exploit consumers. (4mks)

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21. State any **four** essential elements of communication. (4mks)

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22. The following table represents the demand for tomatoes.

Price of tomatoes (Shs)	Quantity demanded of tomatoes per week (Kgs)
50	10
100	8
150	6
200	4
250	2

From the above demand schedule plot the demand curve for tomatoes. (4mks)

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23. Outline any **four** roles played by intermediaries in the chain of distribution. (4mks)

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24. Upendo Traders had the following information extracted from their books of accounts as at 31<sup>st</sup> December 2012.

	Sh
Capital (01.01.2011)	3,500,000
Profit	824,440
Drawings for the year	35,220
Capital (31.12.2012)	5,000,000

Required:

Calculate additional investments for the year.

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25. Outline **four** factors that might cause demand-pull inflation. (4mks)

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