

NAME:..... INDEX NO:.....
 SCHOOL SIGNATURE
 DATE:

**565/1
 BUSINESS STUDIES
 PAPER1
 JULY/AUGUST 2015
 TIME: 2 Hours**

**NAROK SOUTH SUB-COUNTY SECONDARY SCHOOLS JOINT
 EXAMINATION
 Kenya Certificate of Secondary Education (K.C.S.E)
 BUSINESS STUDIES
 PAPER 1**

INSTRUCTIONS TO CANDIDATES

- I) Write the name of **Your School, Your Name, Admission Number** and **Index Number** in the space provided.
- ii) Sign and write date of examination in the spaces provided above.
- iii) Answer **all** questions
- iv) All answers must be written in the spaced provided after each question.
- v) Do not remove any pages from this booklet.

For examiner's use only

QUESTION	1	2	3	4	5	6	7	8	9	10
CANDIDATE'S SCORE										
QUESTION	11	12	13	14	15	16	17	18	19	20
CANDIDATE'S SCORE										
QUESTION	21	22	23	24	25	TOTAL SCORE				
CANDIDATE'S SCORE										

This paper consists of 6 printed pages

Candidates should check the question paper to ensure that all the pages are printed as indicated and no questions are missing.

1. Highlight **four** characteristics of goods. (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

2. Give any **four** advantages of using a three column cash book (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

3. State any **four** problems that are usually encountered in the implementation of development plans. (4mks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

4. Kenyan businesses have recently opened branches in other East African community countries. These firms include Kenya Commercial Bank, Nakumatt Holdings and Equity Bank. Give **four** possible reasons behind business success in Kenya. (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

22. Highlight **four** factors that has hindered the expansion of railway transport in Kenya. (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

23. Identify **four current** trends in communication. (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

24. State **four** advantages of operating a public limited company (4marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

25. Highlight **four** indicators of workers who are poorly motivatd in an organization (4 marks)

- I. _____
- ii. _____
- iii. _____
- iv. _____

17. State any **four** uses of a business plan (4mks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

18. Outline **four** disadvantages of a public warehouse (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

19. State whether each of the following transactions will increase or decrease or have no effect on the balance sheet totals

	Transaction	Effect on balance sheet
i.	Paid a creditor in cash	
ii.	Bought a motor van on credit	
iii.	A debtor paid by cheque	
iv.	Owner deposited additional money into business bank account	

(4 marks)

20. Outline **four** roles of intermediaries in the chain of distribution (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

21. Outline **four** methods of consumer protection (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

5. Taigas holdings had the following balances on 31st December 2012.

	Kshs.
Furniture	240,000
Debtors	160,000
Creditors	80,000
Stock	80,000
Bank	120,000
Cash	24,000
Salaries due	64,000

Prepare opening entries in Taigas' General journal

(4 marks)

6. Outline **four** benefits that consumers get from warehousing

(4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

7. Highlight **four** reasons why a person may choose to locate a business next to similar businesses (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

8. Outline any **four** reasons that account for the continual survival of small firms despite the existence of large firms producing similar goods (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

9. For each of the following cases, name the motive for holding money. (4 marks)

	Case	Motive
i.	To meet daily transport expenses	
ii.	To meet any unforeseen circumstances	
iii.	To take advantages of anticipated future fall in price	
iv.	To pay for daily food requirements	

10. State any four reasons why governments levy taxes (4 mks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

11. State any **four** benefits that a country may get by being a member of the IMF (International Monetary Fund) (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

12. Outline **four** circumstances under which a country may be classified as underdeveloped (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

13. State **four** reasons why the government of Kenya encourages decentralization of industries (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

14. List **four** assumptions to the circular flow of national income in a two sector economy (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

15. Outline **four** features of a common market. (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____

16. State **four** reasons why itinerant traders are becoming increasingly popular in Kenya (4 marks)

- i. _____
- ii. _____
- iii. _____
- iv. _____