

Name.....
 School.....
 Candidate's Signature.....

Index No...../
 Date

565/1
BUSINESS STUDIES
 Paper 1
 JULY/AUGUST - 2012
Time: 2 Hours

MBITA-SUBA DISTRICTS JOINT EVALUATION TEST– 2012
Kenya Certificate of Secondary Education (K.C.S.E)

565/1
BUSINESS STUDIES
 Paper 1
 JULY/AUGUST - 2012
Time: 2 Hours

INSTRUCTIONS TO CANDIDATES

1. Write your **name, Index number** and **school** in the spaces provided above.
2. Sign and write the name of your school and date of the examination in the spaces provided above.
3. Answer **all** the questions.
3. All answers **must be** written in the spaces provided .
4. Candidates **should check** the question paper to **ascertain that** all the pages are printed as indicated and no questions are missing.

FOR EXAMINERS USE ONLY.

Qs No.	1	2	3	4	5	6	7	8	9	10	11	12
Marks												
Qs No.	13	14	15	16	17	18	19	20	21	22	23	24
Marks												
Qs No.	25											
Marks												

Total Marks

*This paper consists of 12 printed pages.
 Candidates should check the question paper to ensure that all pages are printed as indicated
 and no questions are missing*

1. In the spaces provided, state the type of insurance policy described in each case. (4mks)

- a) **Premium are paid over a stated period with the sum assured payable when insured dues**
- b) **Covers a vehicle against all losses arising from its authorized use.**
- c) **Covers loss, damage or injury accidentally caused to other people by the insured , hrs property, employees, pets or agents.**
- d) **Covers goods and money lost in private and commercial premises.**

(a)

.....

(b)

.....

(c)

.....

(d)

.....

2. State **FOUR** circumstances under which a seller would require a buyer to pay cash with order C.W.O. (4mks)

(a)

.....

(b)

.....

(c)

.....

(d)

.....

3. State **FOUR** ways in which the nature of goods would influence the choice of transport. (4mks)

- (a)
- (b)
- (c)
- (d)

4. Highlight **FOUR** limitations of consumer initiated methods in consumer protection. (4mks)

- (a)
- (b)
- (c)
- (d)

5. Give **FOUR** difficulties faced by human beings in satisfying human wants. (4mks)

- (a)
- (b)
- (c)
- (d)

6. State **FOUR** services offered to commercial banks by the central bank of Kenya. (4mks)

- (a)
- (b)
- (c)
- (d)

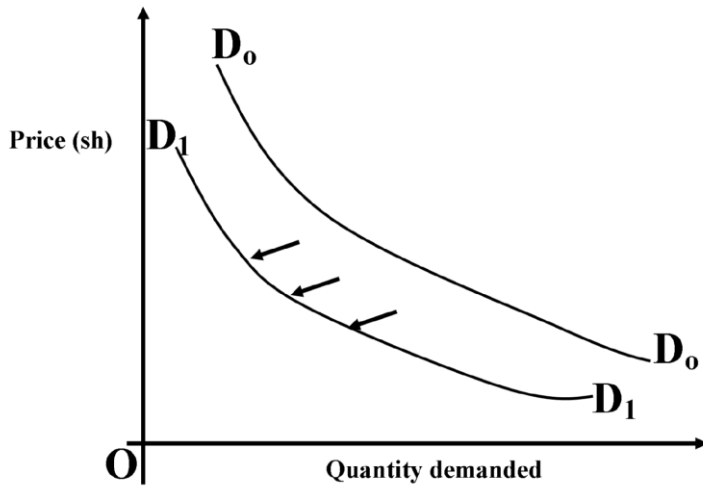
7. List **FOUR** sources of public finances. (4mks)

- (a)
- (b)
- (c)
- (d)

8. Give **FOUR** reasons why an office is necessary in any organization. (4mks)

- (a)
- (b)
- (c)
- (d)

9. The diagram below shows a shift in demand for rice.



Identify **FOUR** factors that could have made the demand curve shift from D_0D_0 to D_1D_1 . (4mks)

- (a)
- (b)
- (c)
- (d)

10. State **FOUR** ways in which the stock of a business may change. (4mks)

- (a)
- (b)
- (c)
- (d)

11. Outline **FOUR** benefits of business ethnics. (4mks)

- (a)
- (b)
- (c)
- (d)

12. The following information related to businesses A,B ,Cand D

BUSINESS	ASSESTS	LIABILITIES	CAPITAL
A	250,000	M	150,000
B	N	400,000	600,000
C	150,000	60,000	P
D	350,000	Q	250,000

Determine the figures represented by M,N,P, and Q (4mks)

- M
- N
- P
- Q

13. Record the following transactions in a two column cash book of Magunga Traders and balance it off. (4mks)

2012

January 1 – Balance b/d - cash sh 10,000

- bank sh 25,000

January 2 – Bought stock in cash sh 6,000

January 7 – Cash sales shs 2,500

January 12 – With drew cash from bank for office use sh 4,000

January 1st – Paid wages in cash sh . 3,000

January 31st – Received sh 4,500 from Otaru, a debtor by cheque

Magunga Traders
Two Column Cash book for the month of Jan 2012

Dr					Cr			
Date	Particulars	Cash	Bank		Date	Particulars	Cash	Banks

14. The following account balances were obtained from the books of Kaswanga Traders on 30th June 2011.

	<u>Sh</u>
Land and buildings	- 200,000
Current assets	- 420,000
Furniture	- 60,000
Motor car	- 240,000
Capital	- 480,000
Current liabilities	- 440,000

Required : Prepare a trial balance for Kaswanga Traders as at 30th June 2011

15. The following information was extracted from the books of Gembe Retailers for the year ended 31st December,2010

	<u>Sh</u>
Cost of sales	1,200,000
Stock as at 1.1.2010	160,000
Stock as at 31.12.2010	240,000

Calculate the rate of stock turnover.

(4mks)

16. The following balances were extracted from the books of Watber Traders as at 31st December, 2009.

	Sh
Capital	620,000
Motor van	300,000
Stock	140,000
Furniture	100,000
Debtors	120,000
Creditors	60,000
Bank	20,000

Additional information:

On 31st December, 2009 Watber Traders receiver cheques amounting to Sh 40,000
From debtors as part payment of their accounts

Prepare Watber Traders balance sheet as at 31st December,2009. (4mks)

17. Name the factor of production that each of the following resources relate to. (4mks)

Resource	Factor of production
a) Accountant	
b) Motor vehicle	
c) Water	
d) Owner	

18. State **FOUR** benefits that a government gets from a bonded warehouse. (4mks)

- (a)
- (b)
- (c)
- (d)

19. List **FOUR** features of effective communication. (4mks)

- (a)
- (b)
- (c)
- (d)

20. Give **FOUR** disadvantages of a long chain of distribution of goods to a buyer. (4mks)

- (a)
- (b)
- (c)
- (d)

21. Outline **FOUR** features of a sole proprietorship form of business organization. (4mks)

- (a)
- (b)
- (c)
- (d)

22. List **FOUR** causes of business failure. (4mks)

- (a)
- (b)
- (c)
- (d)

23. State **FOUR** reasons why a cheque may be dishonoured by a bank. (4mks)

- (a)
- (b)
- (c)
- (d)

24. State **FOUR** circumstances under which a trader would advertise his products over the radio instead of television. (4mks)

- (a)
- (b)
- (c)
- (d)

25. On 1 -8-2010, Onyango bought goods on credit quoted at sh 200,000. Terms of sale were 20% trade discount and 10% cash discount if payment was made on 29 – 8- 2010

Calculate the amount paid of payment was made on 26 – 08 – 2010.

END