

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

565/1

**BUSINESS STUDIES**

**PAPER 1**

**JULY/ AUGUST 2014**

**TIME: 2 HOURS**

**MBOONI WEST SUB – COUNTY JOINT EVALUATION TEST, 2014**

*Kenya Certificate of Secondary Education (K.C.S.E)*

**INSTRUCTIONS TO CANDIDATES**

Answer all the questions in the spaces provided.

This paper consists of 8 printed pages. Candidates should check the question paper to ensure that all pages are printed as indicated and no questions are missing

**FOR EXAMINER’S USE ONLY**

<b>Question No</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>
<b>Marks</b>													
<b>Question No</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	
<b>Marks</b>													

1. Give four features that differentiate a bill of exchange from a cheque

(4marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

2. State the books of original entry in which each of the following transactions would be recorded

Transactions	Books of original entry
a) Bought a machinery on credit	
b) Received sh. 40,000 from Mweni a debtor	
c) Sold goods worth sh. 20,000 on credit to Salama	
d) Returned goods previously bought on credit to Wainaina	

3. Outline four factors that may account for predominant direct production in a country (4marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

4. State for disadvantages of Automatic Teller Machines (ATM) (4marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

5. Highlight four ways in which business may improve the productivity of its human resource (4marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

6. Outline four factors to consider when introducing a new product in the market

(4marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

7. Highlight four provisions of partnership Act 1963

(4marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

8. State three measures that the government may employ to regulate and control business activities

(3marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

9. State the meaning of the following terms as used in transport;

(4 marks)

a) Full container load

.....

b) Less than container load

.....

c) Liners

.....

d) Tramps

.....

10. State four factors to be considered when choosing means of reproducing documents

(4marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

For More Free KCSE Past papers Visit [www.freekcsepapers.com](http://www.freekcsepapers.com)

11. Highlight four limitations of adopting a new technology in business

- i) .....
- ii) .....
- iii) .....
- iv) .....

12. A business enterprise had a cash balance of 50,000 and overdraft of 15,000 on 1<sup>st</sup> Feb 2008

The following transactions were conducted:

- (i) Feb 2<sup>nd</sup> A debtor paid 40,000 by cheque
- (ii) Feb 10<sup>th</sup> the business bought stock 10,000 in cash
- (iii) Feb 12<sup>th</sup> creditors were paid 5000 by cheque
- (iv) Feb 13<sup>th</sup> sold goods 30,000 in cash

Required: Prepare a two column cash book and balance sheet?

13. The following balances of assets and liabilities were provided by Kima Traders as at 31<sup>st</sup>/12/2009.

Item	shs
Bank overdraft	80,000
Land	200,000
Accrued electricity bill	50,000
Stock	10,000
Debtors	20,000

The business had drawings amounting to sh. 20,000 during the year.

Prepare a balance sheet to determine the net worth of the year

14. Outline four problems that are encountered when computing price index (4 marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

15. State four roles of intermediaries in the chain of distribution (4marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

16. Name four types of printed messages that may be sent through facsimile

(4marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

17. Highlight four benefits of national income statistics to a country

(4marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

18. Outline three roles of the central bank in the development of the economy

(3marks)

- i) .....
- ii) .....
- iii) .....

19. State four ways in which a business should do to maintain acceptable ethnics

(4marks)

- i) .....
- ii) .....
- iii) .....
- iv) .....

20. State four strategies that a small firm would adopt to expand its operations so as to enjoy economies of scale

- i) .....
- ii) .....
- iii) .....
- iv) .....

21. Highlight four negative effects of economic development

(4marks)

- i) .....
- ii) .....
- iii) .....

iv) .....

22. A business enterprise had the following transactions on 3<sup>rd</sup> June 2008.

- (i) Returned goods worth sh. 15,000 to Kombo traders.
- (ii) Awino, a customer returned goods worth 3,500 to the business.

Required: Record the above transactions in the relevant ledger accounts

23. Kwinga who is a teacher in one of the schools in Makueni County got a job with care international, Somalia, but he declined the offer. Give four reasons for his reactions (4marks)

i) .....

ii) .....

iii) .....

iv) .....

24. Give the meaning of the following terms; (4 marks)

(i) Dependency ratio

.....

(ii) Population structure

.....

(iii) Employment

.....

(iv) Population growth rate

.....

25. The following balances were extracted from the books of Kali Traders on 30<sup>th</sup> June 2010.

Opening stock	65,000
Sales	280,000
Purchases returns	190,000
Sales returns	4,200
Purchases returns	10,000

Their closing stock was valued at 70,000 as at 30<sup>th</sup> June 2010

Required: Prepare a trading account for the period ended 30<sup>th</sup> June 2010

(5marks)

For More Free KCSE Past papers Visit [www.freekcsepapers.com](http://www.freekcsepapers.com)