

NAME:.....

INDEX NO:.....

SCHOOL:.....

CANDIDATE'S SIGN:.....

DATE:.....

565/1
BUSINESS STUDIES
PAPER 1
JULY/AUGUST - 2014
TIME: 2 HOURS

MERU COUNTY JOINT EVALUATION EXAM - 2014

Kenya Certificate of Secondary Examination K.C.S.E

565/1
BUSINESS STUDIES
PAPER 1
JULY/AUGUST - 2014
TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

- Write your name and index number in the spaces provided.
- Sign and write the date of examination in the spaces provided above.
- Answer ALL questions in the spaces provided
- Answer all the questions in English

*This paper consists of 12 printed pages.
Candidates must check to ascertain that all pages are printed as indicated
and that no question(s) is/are missing.*

1. Highlight **four** internal factors that may negatively influence the operation of a business. (4mks)
- (a)
-
- (b)
-
- (c)
-
- (d)
-

2. The following are the main lines of communication: Vertical, horizontal, formal and informal. Write the appropriate line of communication associated with each of the following statements. (4mks)

Statement	Line of communication
(a) Gossip going around that the firm intends to retrench workers	
(b) Meeting of Head of Departments	
(c) Messenger relaying message to the General manager	
(d) Communication through circulars	

3. State **four** services that a retailer renders to the producer. (4mks)
- (a)
-
- (b)
-
- (c)
-
- (d)
-

4. Mureti is the General Manager of Mawazo Ltd. Identify four duties he is expected to perform.

(4mks)

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

5. Highlight four principles of government expenditure.

(4mks)

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

6. Give four uses of a business plan.

(4mks)

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

7. Outline **four** differences between monopoly and monopolistic competition.

(4mks)

Monopoly	Monopolistic Competition
(a)	
(b)	
(c)	
(d)	

8. State **four** factors that influence an individual to hold money for transactionary motive. (4mks)

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

9. Highlight **four** factors that may hinder Kenya from achieving vision 2030. (4mks)

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

10. Give the meaning of each of the following terms in relation to satisfaction of human wants:

(4mks)

- (a) Scarcity.....
.....
- (b) Choice.....
.....
- (c) Opportunity cost.....
.....
- (d) Scale of preferences.....
.....

11. Uwezo Traders had the following details for the year ended 31st December, 2013.

	Ksh.
Net profit for the year	28,000
Capital (01/01/2013)	84,000
Drawings for the year	36,000
Additional capital	40,000

Calculate closing capital

(4mks)

12. The following balances were extracted from the books of Vision Traders on 31st December, 2012.

	Ksh.
Prepaid Insurance	18,000
Accrued Rent	14,000
Laptop	93,000
Capital	100,000
Creditors	24,000
Debtors	10,000
Drawings	17,000

Required: Prepare Vision Traders Balance sheet as at 31st December, 2012.

13. The following figures relate to the business of Waweru for the Month of July, 2013

Cost of Sales	Sh. 150,000
Mark-up	20%
Opening stock	Sh.20, 000
Closing stock	Sh. 50,000

Calculate Sales (4mks)

14. Outline **four** reasons why a trial balance may fail to balance. (4mks)

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

15. State any **four** roles played by an entrepreneur in an economy. (4mks)

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

16. State **four** uses of Trading, profit and loss Account. (4mks)

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

17. State **four** benefits of a public Warehouse to a trader. (4mks)

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

18. In the spaces provided below, state the insurance policy described in each case.

Statement	Policy
(a) Covers losses of cash or goods while being transported	
(b) Covers losses arising from theft	
(c) Covers employees who may suffer injuries while on official duty	
(d) Covers losses caused by accidental leakages from fire fighting sprinklers	

19. State four causes of cost-push inflation. (4mks)

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

20. Identify four infrastructural projects under LAPSSET programme. (4mks)

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

21. State four uses of National Income statistics. (4mks)

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

For More Free KCSE Past papers Visit www.FreeKCSEpastpapers.com

22. Identify the business unit that relates to each of the following statements.

(4mks)

Statement	Business unit
(a) Run by a management committee	
(b) Managed by one person	
(c) Started by a minimum of 7 persons	
(d) "One man one vote"	

23. State four ways in which e-commerce has facilitated international trade.

(4mks)

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

24. State four malpractices that a trader may engage in during product promotion.

(4mks)

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

market.

(4mks)

(a)

(b)

(c)

(d)

For More Free KCSE Past papers Visit www.freekcsepastpapers.com