

Name.....

Index No...../.....

School.....

Candidates Signature.....

Date.....

565/1  
**BUSINESS STUDIES**  
Paper 1  
July/August 2014  
2 ½ Hours

**NAKURU DISTRICT SECONDARY SCHOOLS K.C.S.E TRIAL  
EXAMINATIONS-2014**  
*Kenya Certificate of Secondary Education (K.C.S.E)*

**INSTRUCTIONS TO CANDIDATES**

Answer all the questions

1. State **FOUR** economic factors that affect a consumer's buying ability (4 marks)

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

2. State **FOUR** emotional qualities that are essential for a good office staff (4 marks)

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

3. State **FOUR** ways through which the Government regulates the business activities in the country (4 marks)

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

4. State **FOUR** problems that a maize farmer without storage facilities would encounter (4 marks)

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

5. State **FOUR** consequences of a shift in the demand curve (4 marks)

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

6. Highlight **FOUR** factors that influence the level of national income in a country ( 4 marks)

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

7. State **FOUR** types of ledgers ( 4 marks)

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

8. Outline **FOUR** sources of income collected by the Government (4 marks)

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

9. Outline **FOUR** characteristics of basic human wants (4 marks)

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

10. Define the following terms

- (i) Capital goods.....
- (ii) Non-economic goods.....
- (iii) Public goods.....
- (iv) Durable goods.....

11. State **FOUR** ways through which a business opportunity may rise in a country (4marks)

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

12. Outline **FOUR** advantages of an open air market to a consumer. (4marks)

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

13. State **FOUR** benefits of registering a company with the stock exchange market. (4marks)

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

14. Highlight **FOUR** causes that led to the government control of the transport industry (4marks)

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

15. State **FOUR** problems caused by advertising to the society. (4marks)

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

16. Name the term referred to in each of the following statements.

Statement	Term
i) A business form that takes an insurance policy	
ii) A firm that undertakes to compensate another in case of a risk insured arising	
iii) An event which if it occurs, will result to a financial loss	
iv) The amount of money payable to a firm that decides to terminate an endowment policy	

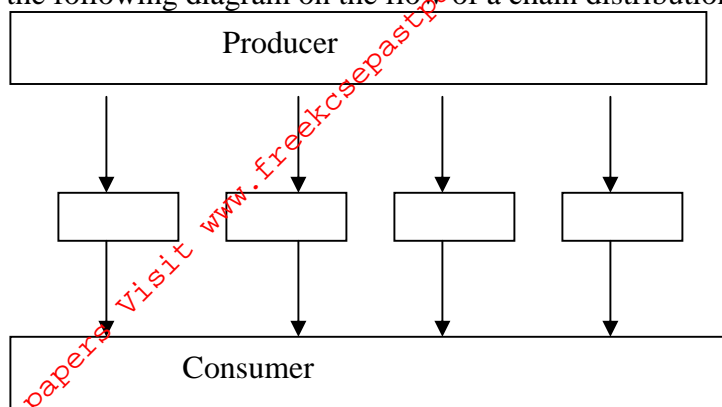
17. State **FOUR** adverse effects of a firm's production activities to the environment (4 marks)

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

18. With the help of a diagram, illustrate a demand curve for an oligopolistic producer (4 marks)

19. Complete the following diagram on the flow of a chain distribution

(4 marks)



20. State the effect of the following on the balance sheet totals

Transaction	Effect
i) Sale of stock with shs.100,000 for cash shs.140,000/=.	
ii) Sale of old equipment worth shs.200,000 for cash shs.150,000 and shs.50,000 on credit	
iii) Exchange of an old motor vehicle worth shs.500,000 for a new one worth shs.650,000 on credit.	
iv) Converted a business tractor into a farm tractor in the name of the son.	

21. The following balances were extracted from the books of Nakuru on 31<sup>st</sup> Dec. 2008.

	Shs.
Sales	400,000
Purchases	240,000
2 year Bank Loan	300,000
Stock Dec.	70,000
Land	700,000
Equipment	200,000
Creditors	80,000
Debtors	250,000

Calculate

(i) Margin

(2 marks)

(ii) Capital employed

(2 marks)

22. State **FOUR** benefits of using ATM cards in transacting a business deal. (4 marks)

i).....

(ii).....

(iii).....

(iv).....

23. State **FOUR** methods used by the government to restrict international trade (4 marks)

i).....

(ii).....

(iii).....

(iv).....

24. Outline **FOUR** problems that may arise in a school that has poor communication techniques. (4marks)

i).....

(ii).....

(iii).....

(iv).....

25. State **FOUR** benefits of a business to the society (4 marks)

i).....

(ii).....

(iii).....

(iv).....