

Name.....

Index No:.....

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

Candidate's Signature .....  
Date: .....

# NYAMIRA SUB-COUNTY JOINT EVALUATION EXAM

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

565/1  
Business Studies  
Paper 1  
2 Hours

## INSTRUCTIONS TO CANDIDATES

- Write your **name** and **index number** in the spaces provided above
- **Sign** and write the **date** of examination in the spaces provided.
- Answer **all** the questions .(25 questions).
- All answers should be written in the spaces provided in this booklet.
- Candidates should answer all questions in English

**For Examiners Use Only**

<b>Question</b>	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	19	20	21	22	23	24	25	
<b>Marks</b>																									

**TOTOTAL MARK**

*This paper consists of 7 printed pages. Candidates should check to ascertain that all pages are printed as indicated and that no questions are missing.*

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1. Outline **four** types of business activities (4mks)

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

2. Highlight **four** reasons why a cheque may be dishonoured (4mks)

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

3. List **four** essential elements of a transport system (4mks)

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

4. State any **four** classes of goods produced in the economy (4mks)

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

5. Highlight **four** reasons why consumers need to be protected (4mks)

- (a).....
- (b).....
- (c).....

(d).....

6. Highlight **four** ways in which warehousing is useful to a trader (4mks)

(a).....

(b).....

(c).....

(d).....

7. Boflos Traders intends to promote their products to increase his sales volume. Highlight any **four** circumstances under which he would use personal selling (4mks)

(a).....

(b).....

(c).....

(d).....

8. Give any **four** reasons why small scale firms continue to exist in economy dominated by large scale firms (4mks)

(a).....

(b).....

(c).....

(d).....

9. Rotich the bursar of Moi Siongiroi girls was preparing the trial balance of the school for the year 2013. After balancing he got convinced that theses was no error committed. Highlight any four errors that Rotich would not be aware of. (4mks)

(a).....

(b).....

(c).....

(d).....

10. State **four** drawbacks of barter trade (4mks)

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

11. State four factors that influence the level of national income of a country (4mks)

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

12. List any **four** business considerations taken into account when carrying out business opportunity evaluation (4mks)

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

13. Outline any **four** circumstances under which a partnership may be dissolved (4mks)

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

14. Highlight **any** four advantages of e-commerce (4mks)

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

15. State the principle of insurance to which each of the following statements relate (4mks)

(a) There is close connection between the cause of loss and the actual risk insured against for compensation to be effected.....

(b) A person can only insure property whose destruction would result to a financial loss to him/her.....

(c) Restoring the insured to the financial position he/she was in just before the risk occurred.....

(d) Whatever remains of the property insured, after compensation becomes the property of the insurer.....

16. Outline any **four** causes of breakdown in communication (4mks)

(a).....

(b).....

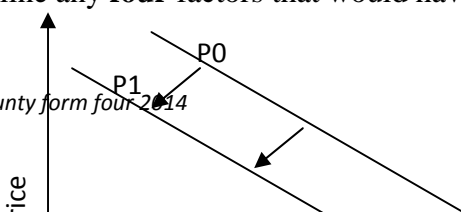
(c).....

(d).....

17. Fill the blanks in the table below

Name of document	Purpose of document	Issued by
(a) Letter of inquiry	_____	Buyer
(b) Local purchase order	_____	Buyer
(c) Invoice	To demand for payment	_____
(d) _____	To correct undercharge	Seller

18. Outline any **four** factors that would have led to the phenomenon shown in diagram below (4mks)



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

19 The following information was extracted from the books of Moses Mtoro for the month of August 2012 (4mks)

Opening stock	Sh.22,000
Closing stock	Sh.26,000
Purchases	Sh.100,000
Mark –up	10%

Prepare the trading account for the month ending 31<sup>st</sup> August 2012 (4mks)

20. Outline any **four** disadvantages of over population (4mks)

- (a).....
- (b).....
- (c).....

(d).....

21. Using the balance sheet equation, fill in the missing figures in the table below. (4mks)

Capita (Shs)	Liabilitites (Shs)	Assets(Shs)
290,000	(a)_____	303 401
(b)_____	21,920	55,360
2400	1500	(c)_____

22. Highlight any **five** sources of public finance (5mks)

(a).....

(b).....

(c).....

(d).....

(e).....

23. State any **four** advantages of export processing zones (EPZ) to a country (4mks)

(a).....

(b).....

(c).....

(d).....

24. Outline any **four** positive implications of inflation in the economy (4mks)

(a).....

(b).....

(c).....

(d).....

25. State any **four** features of human wants (4mks)

(a).....

(b).....

(c).....

(d).....

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