|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Empowering Students** [**www.freekcsepastpapers.com**](http://www.freekcsepastpapers.com)  **NAME……………………………………………………………….…ADMNO…………………CLASS…………………**  **SCHOOL………………………………………CANDIDATE SIGNATURE………………….**  **DATE…………………………………………….**  **565/1**  **BUSINESS STUDIES**  **FORM 1**  **JULY/AUGUST**  **TIME: 2 HOURS**  ***Kenya Certificate of Secondary Education***  **BUSINESS STUDIES**  **PAPER 1**  **TIME: 2 HOURS.**  **INSTRUCTIONS TO CANDIDATE’S**  Answer **ALL** the questions in the spaces provided **below** each question.  **FOR EXAMINER’S USE ONLY:**   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Question | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | | Marks |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Question | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | | Marks |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | | TOTAL MARKS |  |  | | --- | |  | |
|  |

1. Define the following terms as used in Business Studies. (4mks )
2. Economics………………………………………………………………………………………………………………………………………………………………………………..……
3. Entrepreneurship……………………………………………………………………………...

………………………………………………………………………………………………

1. Distribution………………………………………………………………………...................

………………………………………………………………………………………………..

1. Scale of preference……………………………………………………………………...........

………………………………………………………………………………………………..

1. Highlight four ways in which entrepreneurs can observe ethics in the management of their business. (4 mks)
2. ………………………………………………………………………………………………
3. ………………………………………………………………………………………………
4. ………………………………………………………………………………………………
5. ………………………………………………………………………………………………

3. Outline***four*** benefits to an entrepreneur who prepares a business plan.(4mks)

(a)…………………………………………………………………………………………………………

(b)…………………………………………………………………………………………………………

(c)…………………………………………………………………………………………………………

(d)…………………………………………………………………………………………………………

4. State FOUR characteristics of economic resources. (4mks)

(a)…………………………………………………………………………………………………………

(b)…………………………………………………………………………………………………………

(c)…………………………………………………………………………………………………………

(d)…………………………………………………………………………………………………………

5. State the factors of production and their rewards. (4mks)

(a)…………………………………………………………………………………………………………

(b)…………………………………………………………………………………………………………

(c )……………………………………………………………………………………………...…………

(d)…………………………………………………………………………………………………………

6. State**four**ways in which the utility of a product can be increased. (4mks)

(a)…………………………………………………………………………………………………………

(b)…………………………………………………………………………………………………………

(c)…………………………………………………………………………………………………………

(d)…………………………………………………………………………………………………………

7. Highlight**four** external factors that may negatively influence the operations of a business.(4mks)

(a)…………………………………………………………………………………………………………

(b)…………………………………………………………………………………………………………

(c)………………...………………………………………………………………………………………

(d)…………………………………………………………………………………………………………

8. Name***four*** main categories of business activities that an entrepreneur can be engage in. (4mks)

(a)…………………………………………………………………………………………………………

b)…………………………………………………………………………………………………………

(c )………………………………………………………………………………………………………

(d)…………………………………………………………………………………………………………

9. Outline ***four*** ways in which business studies may be beneficial to an individual.(4mks)

(a)…………………………………………………………………………………………………………

(b)…………………………………………………………………………………………………………

(c )………………………………………………………………………………………………………

(d)…………………………………………………………………………………………………………

10. State***three*** characteristics of human wants. (3mks)

(a)…………………………………………………………………………………………………………

(b)…………………………………………………………………………………………………………

(c)………………………………………………………………………………………………………

(d)…………………………………………………………………………………………………………

11. Outline ***three***characteristics of labour as a factor of production. (3mks)

(a)…………………………………………………………………………………………………………

(b)…………………………………………………………………………………………………………

(c)…………………………………………………………………………………………………………

12. State whether the following is basic or secondary wants. (4mks)

(a)Medicine………………………………………………………………………………………….

(b) Water…………………………………………………………………………………………….…..

(c)Education ……………………………………………………………………………………….…….

(d)Housing………………………………………………………………………………………….…..

13. Outline***four*** differences betweengoods and services. (4mks)

|  |  |  |
| --- | --- | --- |
|  | Goods | Services |
| i |  |  |
| ii |  |  |
| iii |  |  |
| iv |  |  |

14. State ***four*** ways productivity of land as a factor of production can be improved. (4mks)

i)……..……………………………………………………………………………………………………

ii)……………………………………………………………………………………………….…………

iii)………………………………………………………………………………………………..…..……

iv)…………………………………………………………………………………………………………

15. Outline***four*** ways in which the legal political environment can influence the activities of a business. (4 marks)

(a)……………………………………………………………………………………………...……………

(b)……………………………………………………………………………………………………………

(c)….……………………………………………………………………………………………………….

(d)…………………………………………………………………………………………………………… 16.Highlight***four*** challenges that entrepreneurs face when carrying out business activities. (4mks)

(a)……………………………………………………………………………………………………………

(b)……………………………………………………………………………………………………………

(c)…………………………………………………………………………………………………………….

(d)……………………………………………………………………………………………………………

17 State ***four*** advantages of division of labour and spaecialisation. (4mks)

(a)……………………………………………………………………………………………………………

(b)……………………………………………………………………………………………………………

(c)……………………………………………………………………………………………………………

(d)…………………………………………………………………………………………………………….

18. State four ways in which a business opportunity may exist.(4mks)

a)……………………………………………………………………………………………………………….

b)…………………………………………………………………………………………………………..……

c)…………………………………………………………………………………………………………….….

d)…………………………………………………………………………………………………………………

19. Outline***four*** ways in which an employer can improve the performance of the employees (4mks)

(a)…………………………………………………………………………………………………………………

(b)…………………………………………………………………………………………………………………

(c)…………………………………………………………………………………………………………………

(d)…………………………………………………………………………………………………………………

20. State***three*** factors that have promoted the growth of entrepreneurship in Kenya. (3mks)

(a)…………………………………………………………………………………………………………

(b)………………………………………………………………………………………………………….

21. State any ***three*** factors that may lead to success of a business. (3mks)

(a)……………………………………………………………………………………………………………

(b)……………………………………………………………………………………………………………

(c)……………………………………………………………………………………………………………

22. Highlight ***fou****r*features of indirect production. (4mks)

(a)……………………………………………………………………………………………………………

(b)……………………………………………………………………………………………………………

(c) ……………………………………………………………………………………………………………

(d)………………………………………………………………………………………………......................

23. Identify the level of production for each of the following activities.(4mks)

|  |  |  |
| --- | --- | --- |
|  | **Activity** | **Level of production** |
| (a) | Fishing |  |
| (b) | Constructing a bridge |  |
| (c) | Insuring a car |  |
| (d) | Dress making |  |

24. Outlinefour reasons why a government may decide to control the exploitation of its natural resources.(4mks)

(a)……………………………………………………………………………………………………………

(b)……………………………………………………………………………………………………………

(c)……………………………………………………………………………………………………………..(d)……………………………………………………………………………………………………………

25. Classifyeach of the following goods as either producer or consumer goods. (4mks)

|  |  |
| --- | --- |
| Good | classification |
| (a) factory |  |
| (b) Private car |  |
| (c) Iron ore |  |
| (d) Tools |  |