

WESTLANDS SUBCOUNTY JOINT EXAMINATIONS

-2021

BUSINESS STUDIES

565/1

Time: 2hours

NAME:ADM NO.:.....CLASS

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SIGNATURE:.....DATE:.....TEACHER.....

Instructions

1. Write your name, index number, school and signature in the spaces given above.
2. Sign and write the date of the examination in the spaces provided above
3. Answer all the questions.(25 questions)
4. All answers should be written in the space provided below each question.
5. Candidates should check the question paper to ascertain that all the questions are printed.
6. All questions should be answered in English.

For official use only.

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Marks															

Question	16	17	18	19	20	21	22	23	24	25
Marks										

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TOTAL

1. State **four** features of capital as a factor of production. (4mks)

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2. Outline **four** reasons why choice is inevitable in the satisfaction of human wants. (4mks)

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3. Highlight **four** reasons for which businesses should observe ethical practices.

(4mks)

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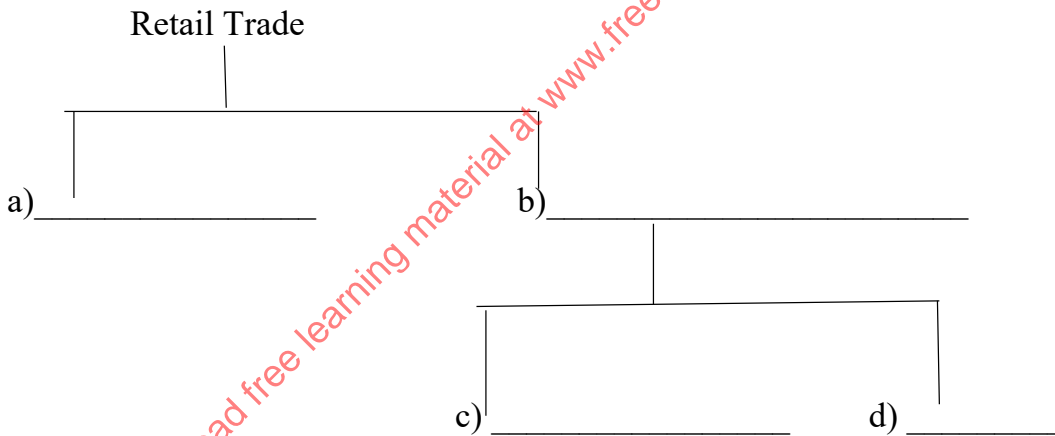
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4. Indicate the qualities of an office worker described by the following statements. (5mks)

	Description	Quality
i)	Ability to convince others in a meeting without hurting them.	
ii	Ability to create and implement ideas.	
iii	Maintaining the good name of the organization.	
iv	Performing duties with precision.	
v	Ability to consider all possibilities and come	

	up with right decision.	
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5. Fill in the missing gaps in the table below. (4mks)



6. Highlight **four** activities that may be carried out in a security exchange market. (4mks)

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7. List **four** ways in which the government regulates business activities.

(4mks)

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8. Outline **four** ways in which the nature of goods would influence the choice of the means of transport. (4mks)

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9. State the line of communication involved in each of the following:

(4mks)

a) The manager of Safaricom Ltd talking to the manager of Airtel ltd.

b) An accounts clerk asking for time off from the boss

c) The sales manager giving instructions to the secretary of the finance manager

d) The receptionist giving explanation to the production manager.

10. Highlight **four** circumstances under which a cheque may be used as a means of payment. (4mks)

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11. Give **four** features of a bonded warehouse. (4mks)

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12. Uwezo traders acquired a building valued at Sh. 1,200,000 on January 1st 2020. The building was insured with three insurance companies: Sanlam, Jubilee, and Britam for 250,000, 300,000 and 450,000 respectively. In May 2020, fire damaged the building, causing Uwezo traders to suffer a loss of 30% of the value of the building.

Determine the contribution made by each company to compensate Uwezo traders for the loss. (4mks)

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13. Using a diagram, show how the forces of demand and supply determine the market price of a commodity in the market. (4mks)

14. State **four** reasons why new industries tend to be attracted to well established towns. (4mks)

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15. State **Four** basic features of a market. (4mks)

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16. Outline **four** ways in which households contribute to the national income of a country. (4mks)

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17. Fill in the missing figures. (3mks)

Fixed Assets	Current Assets	Long term Liabilities	Short term Liabilities	Capital
500,000	330,000	(a)	120,000	510,000
(b)	400,000	135,000	20,000	600,000
150,000	20,000	240,000	100,000	(c)

18. Outline **four** factors that may account for a high population growth rate in Kenya. (4mks)

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19. Outline **four** qualities of money that enables it to facilitate the exchange of goods and services. (4mks)

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20. Njenga traders had the following assets and liabilities as at January 2014.

Machinery	350,000
Debtors	45,000

Stock 25,000

Cash 7,500

Creditors 48,000

Additional capital introduced during the year was 24,000. Drawings made during the year was 20,000. Net profit was 34,500.

Determine the capital as at 31st December 2014. (4mks)

21. Outline **four** merits of indirect taxes. (4mks)

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22. The table below shows general price changes over a period of five years.

Year	Price (shs)	CPI

2010	90.00	
2011	100.80	
2012	103.50	
2013	105.30	
2014	108.00	

Using 2010 as the base year, determine the consumer price index for the years 2011, 2012, 2013, and 2014. (4mks)

23. Name **four** levels of economic integration. (4mks)

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24. Outline **four** circumstances under which a manufacturer would use informative advertising. (4mks)

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25. For each of the following transactions, indicate the account to be debited and account to be credited. (4mks)

Transaction	A/C DR	A/C CR
a) Started a business with cash money.		
b) Bought stock on credit from Watu traders.		

c) Used a personal computer to clear Watu trader's debt.		
d) Took stock from the business to pay the wife's hospital bill.		

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