Name: _____ **Adm No.:** _____

Candidate's Signature: _____

Date: _____

565/1
BUSINESS STUDIES
Paper 1
DECEMBER 2021
Time: 2 hours

MOKASA JOINT EXAMINATION

Kenya Certificate of Secondary Education
565/1
Paper 1
BUSINESS STUDIES
2 HOURS

Instructions

❖ *Answer ALL the questions in the spaces provided.*

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

16	17	18	19	20	21	22	23	24	25

TOTAL

1. Highlight *four* benefits of learning business studies.   (4 marks)

i)...

ii)..

iii)...

iv)..

2. In the table below, indicate the level of production associated with the following occupations

Occupation	Level of production
a)Retailer	
b)fishing	
c)Plumbing	
d)Store keeping	

3. Outline *four* types of open trade credit   (4 marks)

i)...

ii)..

iii)...

iv)..

4. Highlight *four* circumstances under which down ward communication can be used in an organization   (4marks)

i)...

ii)..

iii)...

iv)..

5. Highlight *four* features of oligopoly market.   (4 marks)

i)...

ii)..

iii)...

iv)..

6. The following transactions were extracted from the books of Impact traders for the month of November 2018.

    November 15: Sold goods worth Ksh.150,000 paying by cheque.

    November 18: Paid salaries Ksh.20,000 in cash.

    Record the above transactions in the relevant ledger accounts and balance them off as at 18 November, 2018.   (4 marks)

7. Highlight *four* features of non-bank financial institutions.   (4 marks)

i)..

ii)...

iii)..

iv)..

8. Highlight *four* methods used to restrict trade with other countries   (4 marks)

i)..

ii)...

iii)..

iv)..

9. Describe the type of unemployment identified below   (4 marks)

a) Frictional

b) Structural

c) Involuntary

d) Residual

10. State *four* ways in which the external business environment may negatively influence the operations of the business   (4marks)

i)...

ii)..

iii)...

iv)...

11. Highlight *four* importance of ethical practices in the running of a business activity. (4marks)

i)...

ii)..

iii)...

iv)...

12. Highlight *four* circumstances under which a public corporation could be dissolved. (4marks)

i)...

ii)..

iii)...

iv)...

13. Record the following transactions in the relevant books of original entry.   (4marks)

   2020
   April 1: Received an invoice from K.T suppliers for sh 40,000, Ochokitraders sh8000.
   April 2: Received a credit note from K.T suppliers sh 1000, Ochoki traders sh 1500.
   April 4: Received an invoice from Kiptui Enterprise sh 36,000,K.T suppliers sh 15,000.
   April 6. Received a credit note from Kiptui Enterprise Sh. 3,500, K.T suppliers Sh. 4,000

14. Identify *four* types of direct taxes.   (4marks)

i)...

ii)..

iii)...

iv)...

15. Alvin took an insurance policy against fire with an insurance company. Give *four* reasons
why he was unable to get compensation when he made a claim later during the year.   (4marks)

i)...

ii)..

iii)...

iv)...

16. Highlight *four* factors that may be considered when choosing the channel of distribution of
bread to schools in Kenya   (4marks)

i)...

ii)..

iii)...

iv)...

17. Give the meaning of the following terms as used in Book-keeping.   (4marks)

    a) Goods

    b) Liabilities

    c) Creditors

    d) Capital

18. State *four* features of economic resources.   (4 marks)

i)...

ii)...

iii)...

iv)...

19. Highlight *four* prescribed code of behavior of an office staff.   (4 marks)

i)...

ii)...

iii)...

iv)...

20. The table below show the demand of furniture in Kimumu market for the year 2019.

Month	Quantity demanded
March	1000
April	800
May	700
June	600
July	500
August	300
September	250

State *four* causes of the above trend.   (4 marks)

i)...

ii)...

iii)..

iv)..

21. Outline *four* Fiscal policy measures that may be used to control inflation.   (4 marks)

i)...

ii)...

iii)..

iv)..

22. Highlight *four* problems encountered when measuring national income using income
approach.   (4 marks)

i)...

ii)...

iii)..

iv)..

23. State whether each of the following transactions increase (+) decrease (-) or have no effect
(NE) on asset, liabilities, capital and the balance sheet totals.

	Transaction	Effects on			
		Assets	Liabilities	Capital	Balance sheet totals
(a)	Received cash from a debtor				
(b)	The proprietor deposited extra cash into business bank account from personal sources				
(c)	Paid a creditor by cheque				
(d)	Bought office equipment in cash				

24. Outline *four* importance of transport in the facilitation of trade.   (4 marks)

i)...

ii)..

iii)...

iv)...

25. The information relates to Soila traders for the month of June 2021.

	Sh.
Opening stock	75,000
Purchases	395,000
General expenses	60,000
Closing stock	170,000
Sales	500,000
Capital	1,000,000

Determine;

(i)   Cost of sales   (1 mark)

(ii)   Gross profit   (1 mark)

(iii)   Rate of return on capital.   (2 marks)