

Name Index No. /

565/1
BUSINESS STUDIES
Paper 1
June/July 2014
2 Hours

Candidate's Signature.....

Date



ALLIANCE GIRLS HIGH SCHOOL
Kenya Certificate of Secondary Education
BUSINESS STUDIES
Paper 1 MOCK 2014
2 Hours

INSTRUCTIONS TO CANDIDATES

- a) Write your name and index number in the spaces provided above.
- b) Sign and write the date of examination in the spaces provided above.
- c) Answer all the questions
- d) All answers should be written in the spaces provided in this booklet
- e) This paper consist of 11 printed pages
- f) Candidates should check at the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.
- g) Candidates should answer all the questions in English.

For Examiner's Use Only

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

Question	14	15	16	17	18	19	20	21	22	23	24	25
Marks												

**TOTAL
MARKS**

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1. Outline any four advantages of division of labour and specialization. (4marks)

- a)
-
- b)
-
- c)
-
- d)
-

2. Highlight any four characteristics of good business opportunities. (4marks)

- a)
-
- b)
-
- c)
-
- d)
-

3. Outline three qualities that enable office workers to perform their tasks well. (3marks)

- a)
-
- b)
-
- c)
-

4. Outline any four characteristics of fixed deposit accounts. (4marks)

- a)
-
- b)
-
- c)
-
- d)
-

5. Outline any four advantages of containerization in transport. (4marks)

- a)
-
- b)
-
- c)
-
- d)
-

6. Highlight four factors that may cause a shift in demand curve to the left. (4marks)

- a)
-
- b)
-
- c)
-
- d)
-

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7. The following balances were extracted from Koros traders as at 31st December 2005.

Capital	80000
Furniture	30000
Machinery	60000
Bank overdraft	5000
Creditors	15000
Opening stock	120000
Purchases	170000
Returns inwards	30000
Closing stock	110000
Sales	300000

Calculate;

- a) Margin
- b) Rate of stock turnover

(4marks)

8. The following account balances were extracted from the books of Okocha Traders on 30th June, 2003

Gross profit	35000
General expenses	6500
Carriage outwards	2800
Discount received	400
Discount allowed	1700
Salaries	1200

Prepare the profit and loss account for the year ended 30th June 2003. (5marks)

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9. State any four characteristics of less developed countries. (4marks)

- a)
- b)
- c)
- d)

10. Outline four characteristics of general insurance (property) (4marks)

- a)
- b)
- c)
- d)

11. The following account balances were extracted from the books of Kalonzo Traders on 30th April 2010.

Purchases	10000
Returns inwards	600
Discount allowed	400
Cash	22000
Sales	15000
Capital	14500
Returns outwards	1500
Discount received	2000

Prepare Kalonzo traders trial balance.

(4marks)

12. Highlight the functions of the following documents used in international trade. (4marks)

a) Certificate of origin

.....
.....

b) Indent

.....
.....

c) Bill of lading

.....
.....

d) Commercial invoice

.....
.....

13. Outline any four problems facing consumer cooperative societies in Kenya. (4marks)

a)

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b)

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.....

c)

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.....

14. State four fiscal policy measures that the government can use to control inflation.(4marks)

a)

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b)

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c)

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.....

d)

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.....

15. Outline four circumstances when horizontal (lateral) communication would be used in an organization. (4marks)

a)

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.....

b)

.....
.....

- c)
- d)

16. Outline four items included in the national accounting using the income approach. (4marks)

- a)
- b)
- c)
- d)

17. Identify the type of retailers described in the statements below. (4marks)

- a) Retailers who carry their goods with them and move from place to place.
.....
- b) Retailers who sell goods from a particular manufacturer who was given them a license
.....
- c) Many shops or stores located in different towns which are centrally owned and managed.
.....
- d) A large retail shop in one building under common management.
.....

18. Outline any four benefits of trade liberalization. (4marks)

- a)
- b)

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- c)
-
- d)
-

19. Highlight four attributes of a good tax system. (4marks)

- a)
-
- b)
-
- c)
-
- d)
-

20. Outline any four roles of stock exchange as a market for securities. (4marks)

- a)
-
- b)
-
- c)
-
- d)
-

21. Outline four uses of national income statistics to a country. (4marks)

- a)
-

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- b)
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c)
.....
d)
.....

22. Outline any four factors that influence the choice of distribution channel. (4marks)

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

23. Highlight four characteristics of money. (4marks)

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

24. Outline four methods of consumer protection. (4marks)

- a)
.....
b)
.....

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- c)
- d)

25. Outline four characteristics of human wants. (4marks)

- a)
- b)
- c)
- d)

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