

Name: \_\_\_\_\_ Adm No.: \_\_\_\_\_

Candidate's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

565/1

BUSINESS STUDIES

Paper 1

JUNE 2014

Time: 2½ hours

## KASSU JOINT EXAMINATION - 2014

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

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1. Highlight the following terms as used in business studies. (4 marks)

(a) Economics

.....  
.....

(b) Production

.....  
.....

(c) Entrepreneurship

.....  
.....

(d) Accounting

.....  
.....

2. Outline *four* ways which the government can use to promote trade in the country (4 marks)

(a) .....

(b) .....

(c) .....

(d) .....

3. Outline *four* circumstances under which a credit note may be issued. (4 marks)

(a) .....

(b) .....

(c) .....

(d) .....

4. Atemo is the head of the marketing team at ABC Company that has recorded tremendous increase in volume of sales over the last four years. Highlight *four* attributes that she possess. (4 marks)

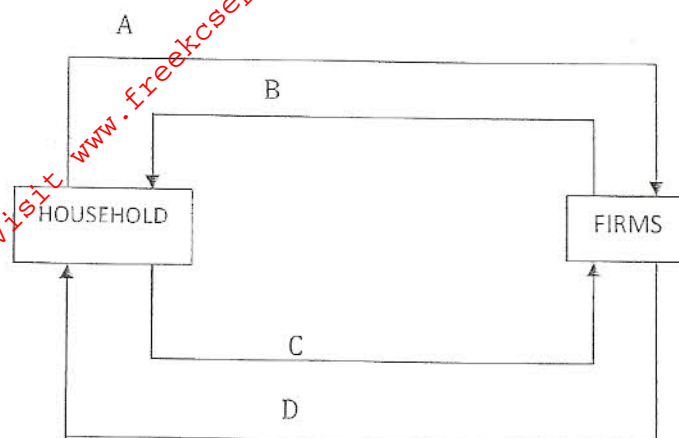
(a) .....

(b) .....

(c) .....

(d) .....

5. From the diagram below, indicate what is represented by the letters.



From the diagram above indicate which is represented by (4 marks)

- A - .....  
 B - .....  
 C - .....  
 D - .....

6. Outline *four* benefits of warehousing to a manufacturer. (4 marks)

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

7. Highlight *four* benefits to Kenya as a result of being a member of international monetary fund. (4 marks)

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

8. If two people take similar life insurance policies, what reasons may make an insurance company require one of them to pay higher premiums than the other. (4 marks)

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

9. Highlight **four** benefits of a direct tax to an individual. (4 marks)

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

10. Outline **four** challenges faced by human beings in the process of satisfying their wants. (4 marks)

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

11. Highlight **four** advantages of delocalisation of firms in an economy. (4 marks)

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

12. Highlight **four** factors that may limit the exploitation of natural resources in a country. (4 marks)

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

13. The following information was obtained from the records of Obiri traders as at 31 August 2010

	Sh
Land	50,000
Stock	90,000
Debtors	10,000
Prepaid Rent	15,000
KCB Loan	140,000
Salaries due	10,000
Creditors	170,000

From the items above determine the net worth of a business (4 marks)

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

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

15. Kiplimo's shop sells all its goods at a margin of 20%. For the year ended 30<sup>th</sup> June 2012, its trading activities were as follows;

	Sh
Sales	9500
Purchases	8000
Closing stock	2000
Net profit	5% of sales

Calculate;

- (a) mark-up percentage (2 marks)

- (b) opening stock;

16. Highlight *four* advantages of audio-visual communication. (4 marks)

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

17. State whether each of the following constitute internal or external environment of a business. (4 marks)

	Environment
a). Human resource	
b). Socio cultural beliefs	
c). Business management team	
d). Government policies	

18. Highlight **four** features that distinguish cooperative movements from other forms of business units. (4 marks)

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

19. Outline **four** characteristics of an open air market. (4 marks)

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

20. State **four** advantages of using roadshows as means of product promotion. (4 marks)

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

21. Complete the following table. (4 marks)

Description	Type of unemployment
a). When people lose jobs and go looking for new ones	
b).	Real wage
c). Affects people such as those who are physically/mentally challenged.	
d).	Disguised/hidden

22. Highlight **four** money transfer services offered by commercial banks. (4 marks)

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

23. Apart from the forces of demand and supply, give *four* other ways of determining price of a commodity in a market. (4 marks)

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

24. State *four* goals of development you would advise your County Governor to factor in the preparation of the county development plan. (4 marks)

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

25. Outline *four* channels you would advise a farmer to use when distributing her farm produce. (4 marks)

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