Name:	_ Adm No					
Candidate's Signature:	Date:					_
565/1						
BUSINESS STUDIES						
PAPER 1						
JUNE/JULY 2016						
2 HOURS						
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Kenya Certificate of Secondary Education		08P				
Business Studies		astip				
Paper 1	Co	8				
June/July 2016	"6effe					
2 Hours	"Will					
	24					
INSTRUCTIONS TO CANDIATEDS						
Answer an questions in the spaces provided	d in the quest	tion pape	r			
* All your workings to be shown						
a Past						
FOR EXAMINER'S USE ONLY						
FOR EXAMINER'S USE ONLY Questions 1 2 3 4 5 6 7	8 9	10	11	12	13	14
FOR EXAMINER'S USE ONLY	8 9	10	11	12	13	14
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FOR EXAMINER'S USE ONLY Questions 1 2 3 4 5 6 7 Marks 0 1						
FOR EXAMINER'S USE ONLY Questions 1 2 3 4 5 6 7 Marks 0 1						

1	. Outline four skills a	and benefits that Okoth, a student would get from studying business.
		(4 marks)
b)		
c)		
d)		
2. Ide	entify the type of busin	ness environment represented by each of the following factors
Facto	or	Business environment (3 marks)
a)A v	value added tax collec	ted by KRA
b)Per	sonal and academic s	kills required
c)Pol	itical climate in the co	ountry
d)Inf	ormation and commu	nication systems of a firm
e)Org	ganizational structures	s of a business
		and the second s
f)Sub	ostitutes brand introdu	kills required
3. Hi	ghlight three reasons	why human beings should make choices between competing needs.
0, 111	B8	(3 marks)
a)		(5 mariles)
h)		(3 marks)
c)		no to the second
۵)		
u)	r anah of the followin	g occupations, mention the level of production that relates to each.
4. FO	reaction the following	
	10	(3 marks)
	Occupation	Level of Production
a.	Hunting	
b.	Forestry	
c.	Hail dressing	
d.	Engineering	
e.	Nursing	
f.	Farming	

5. State four roles played by entrepreneurs to the economy of a country	(4 marks)
a)	
b)	
c)	
d)	
6. Mention five ways in which the government participates in the operations of a	state
corporation.	(5 marks)
a)	
b)	
c)	
d)	
e)	
a) b) c) d) e)	(4 marks)
a)	•••••
b)	
a)b)	
d)	
8. Name four laws enacted by the government to protect consumers.	(4 marks)
a)	
b)	
c)	
c)d)	
9. State four reasons why the short message service (SMS) is replacing letters as	
communication.	(4 marks)
a)	
b)	
c)	
d)	

10. For each of the following means of transport show the unit of carriage used. (4 marks)

Means

a) Porterage

Unit of carriage

a)	Porterage		
b)	Pipeline		
c)	Cartage		
d)	Air		
11	Circa farmana		ary (4 montro)
11.	Give four rea	sons why warehousing is very important in a country's econom	iy. (4 marks)
a)	•••••	A ROOM	•••••
c) .	•••••	680°	•••••
d) .		tuektese Rastinatiers.	•••••••••••
12	State four fac	tors that determine the amount of pramium in life assurance	(A marke)
a)			(111111113)
b) .		isi ^{ti.}	
c) .		tors that determine the amount of promiting in the assurance.	
d) .			
13.	Give four fact	tors that may cause decrease of goods in the market.	(4 marks)
a)		kol Wole Kee	
b) .			
c) .		, with the same of	
14.	List four sour	rces of internal economies of seale.	(4 marks)
a)			
b) .			
c) .			
d) .			

(4 marks)

15. State four reasons that makes government to create monopolies.

b)			
c)			
d)			
16. a)	State the shortest channel of d	istribution of imported goods.	(1 mark)
b) Giv	e three circumstances under w	hich this channel may be preferred.	(3 marks)
i)			
ii)			
iii)			
17. Ot	ntline four factors that may cau	se change in capital in an ongoing business.	(4 marks)
a)			
b)			
c)		<u>.</u>	
d)		into a two column cash book for Jaribu trader	• • • • • • • • • • • • • • • • • • • •
18. En	ter the following transactions	into a two column eash book for Jaribu trader	s and balance it
off.		in the second	(5 marks)
	1st April 2008	- Cash balance Kshs 2,500	
		-Cash at bank Kshs 12,450	
	4 th April 2008	Paid Musau a creditor Kshs 1800 cash	
	7 th April 2008	- Sold goods on credit worth Kshs 10,000 to	maimam
	the the think th	traders	
	11th April 2008	- Paid salaries by cheque sh 6500	
	7 th April 2008 11th April 2008 12 th April 2008	-Withdrew Kshs 9,540 from the bank for off	fice use.

20. The following infor	termine dipopulation growth rate. State of population growth rate. When the state of the state	Kithae traders on 30 th June
20. The following infor	mation was extracted from books of	Kithae traders on 30 th June
20. The following infor	rmation was extracted from books of	Kithae traders on 30 th June
20. The following infor	rmation was extracted from books of	Kithae traders on 30 th June
20. The following infor	rmation was extracted from books of	Kithae traders on 30 th June
_		
Opening stocks Purchases Sales Mark up a trading account to de	Kshs 75,000 Ksh 475,200 Kshs 620,000 25%	, papars. com
Opening stocks Purchases Sales Mark up a trading account to de	Kshs 75,000 Ksh 475,200 Kshs 620,000 25%	, papars, com
Purchases Sales Mark up a trading account to de	Ksh 475,200 Kshs 620,000 25%	, papars, con.
Sales Mark up a trading account to de	Kshs 620,000 25%	280 See See See See See See See See See Se
Mark up a trading account to de	25% stermine	80
a trading account to de	etermine	
		(5 marks)
Closing stock	exc	
Cost of goods sold	, past papers visit.	
Gross profits		
nlight four reasons why	small scale traders prefer borrowing	from micro finance. (4 marks)
	llight four reasons why	more tree past.

c)		
d)		
22. The Kenya shilling has been dep	preciating against major international curren	ncies. Highlight
four disadvantages of this depreciat	ion of the currency.	(4 marks)
a)		
b)		
c)		
d)		
23. Give three reasons for taxation.		(3 marks)
a)		
b)	of the following terms of sale.	
c)		
24. Explain briefly the significance	of the following terms of sale.	(4 marks)
i) LOCO	or the rollowing terms or size.	
ii) ONO		
iii) FRANCO		
iv)FOB	isi.	
	d from the books of Racheal's boutique as a	
Faulu 3 yr loan	Kshs 300,000	
Faulu 3 yr loan Creditors Premises	Kshs 160,000	
Premises	Ksh 145,000	
Cananalaymana	Ksh 50, 000	
Cash	Ksh 75,000	
Bank	Ksh 215,000	
Stock	Kshs 250,000	
Capital	Kshs 420,000	
Debtors	Kshs 115,000	
Drawings	Kshs 30,000	

Required:

Prepare Racheal's trial balances as at the end of September.

(5 marks)

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