

Name Index No.

565/1
BUSINESS STUDIES
Paper 1
July/August 2016
Time: 2 Hours

Candidate's Signature

Date

NYERI COUNTY FORM 4 JOINT ASSESSMENT

Kenya Certificate of Secondary Education

BUSINESS STUDIES
Paper 1
July/August 2016
Time: 2 Hours

INSTRUCTIONS TO CANDIDATES

- * Write your name and index number in the spaces provided above.
- * Sign and write the date of examination in the space provided above.
- * Answer **all** the questions in this paper.
- * All questions should be written in the spaces provided after each question.
- * This paper consists of **8** printed pages.
- * Candidates should check the question paper to ascertain that all pages are printed as indicated and that no question are missing.
- * Candidates should answer the questions in English.

For Examiner's use Only

Question	1	2	3	4	5	6	7	8	9	10	11	12	
Marks													
Question	13	14	15	16	17	18	19	20	21	22	23	24	25
Marks													

**TOTAL
MARKS**

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1. State four advantages of advertising through the radio. (4 marks)
- i)
- ii)
- iii).....
- iv).....
2. Identify the type of goods described by the following statements given in the table. (4 marks)

Statements	Type of good
i) Used to create other goods	
ii) Require further processing in order to have utility	
iii) Government is obligated to provide them to her citizens	
iv) Goods that are bought more frequently by consumers to satisfy common wants	

3. The following statements refer to different office layouts. Identify the type of office layout explained in the following statements. (3 marks)
- a) All staff members operate from the same room
- b) Senior managers are assigned separate rooms from where they coordinate activities.
-
- c) High class office designed to enhancing the image of the organisation.
4. State four ways in which the government may be involved in training entrepreneurs in Kenya. (4 marks)
- i)
- ii)
- iii).....
- iv).....
5. Outline four ways in which the consumer can address the challenge of scarce resources in the satisfaction of human wants. (4 marks)
- i)
- ii)
- iii).....
- iv).....

6. Highlight four ways of making a warehouse efficient in its operations. (4 marks)

- i)
- ii)
- iii).....
- iv).....

7. State four factors that influence the demand for a product. (4 marks)

- i)
- ii)
- iii).....
- iv).....

8. Outline four difficulties encountered when determining the national income using the output approach. (4 marks)

- i)
- ii)
- iii).....
- iv).....

9. Outline four features of mail order businesses. (4 marks)

- i)
- ii)
- iii).....
- iv).....

10. The following transactions took place in the month of January 2015 for Karuku Retailers.

- Jan 12th Sales to Juma worth shs.200,000 invoice no. 231
- 20th Sales to Kiama worth sh.150,000
- 26th Sales to Mercy worth sh.125,000

Required : A sales journal for Karuku. (5 marks)

1. Highlight four circumstances for using the short message service (SMS) to communicate. (4 marks)

- i)
- ii)
- iii).....
- iv).....

2. Outline the significance of each of the following insurance policies a trader may take for his business. (4 marks)

- a) Fidelity guarantee
.....
- b) Workman's compensation
.....
- c) Public liability
.....
- d) Consequential loss
.....

3. Identify four rights of a partner as expressed in the Partnerships Act of 1963. (4 marks)

- i)
- ii)
- iii).....
- iv).....

.....

4. The following balances were extracted from the books of Murungari General stores.

	shs.
Premises	350,000
Creditors	150,000
5yrs bank loan	100,000
Motor vehicle	200,000
Bank overdraft	250,000
Stock	170,000
Debtors	120,000
Cash	60,000
Prepaid rent	22,000
Capital	?

Required :

Prepare a balance sheet as at 30th April 2014.

(5 marks)

15. On 1st April 2015, Nyamothe Retailers has sh.20,000 in cash and sh.45,000 at bank. During the month of April the following transactions took place :

- April 2nd Credit sales to Juma sh.5,000
- 12th Cash sales directly banked sh.15,000
- 16th Paid rent 8,000 and wages 2,000 all in cash
- 18th Credit purchases from Kamau 20,000
- 20th Paid telephone bills by cheque shs.12,000
- 29th Deposited all the cash into bank except sh.1000

Required :

Prepare dully balanced two column cash book.

(5 marks)

Dr Nyamothe Retailers Two Column Cash Book Cr

Date	Details	F	Cash	Bank	Date	Details	F	Cash	Bank

16. Outline four ways through which an entrepreneurs may generate business ideas.

(4 marks)

- i)
- ii)
- iii).....
- iv).....

17. The following information was extracted from the books of Bizna Traders for the month ended 29th February 2016

	Shs.
Rent received	4,000
Discount allowed	10,155
Discount received	5,144
Gross profit	23,005
Carriage outwards	6,000
Salaries	19,637
Depreciation expenses	2,000

Required :
 Prepare a profit and loss account for the business for the month ended 29th Feb.2016 (5 marks)

18. Mention four factors that may discourage decentralisation of industries in a country. (4 marks)

- i)
- ii)
- iii).....
- iv).....

19. Outline four factors that can hinder timely implementation of a development plan. (4 marks)

- i)
- ii)
- iii).....
- iv).....

20. Outline the procedure of balancing a ledger account. (3 marks)

- i)
- ii)
- iii).....
- iv).....
- v)
- vi).....

21. Give four reasons why free trade is not suitable to a developing country. (4 marks)

- i)
- ii)
- iii).....
- iv).....

22. Outline four ways in which a good transport system contributes to economic development of a country. (4 marks)

- i)
- ii)
- iii).....
- iv).....

23. Outline four fiscal measures that are used by government to control inflation. (4 marks)

- i)
- ii)
- iii).....
- iv).....

24. Outline three ways through which the competitive environment would positively influence a business enterprise. (3 marks)

- i)
- ii)
- iii).....

25. Outline four reasons why a trader may prefer a direct channel of distribution. (4 marks)

- i)
- ii)
- iii).....
- iv).....