

NAME..... INDEX NO.....
DATE.....
SIGNATURE.....

565/1
BUSINESS STUDIES
JULY/AUG 2016
PAPER 1
TIME: 2 $\frac{1}{2}$ HOURS

KIGUMO SUBCOUNTY CLUSTER EXAMINATION 2016
KENYA CERTIFICATE OF SECONDARY EDUCATION.

INSTRUCTIONS TO ALL CANDIDATES:

(c) Attempt all questions

Answer All Questions In The Spaces Provided

1. List **four** physical resources that a business can use to enhance its operations (4mks)
(i)
(ii)
(ii)
(iv)
2. Outline **four** reasons that justify entrepreneurship in a country (4mks)
(i)
(ii)
(ii)
(iv)
3. Outline **four** personal attributes of an office secretary (4mks)
(i)
(ii)
(ii)
(iv)
4. Outline **four** circumstances under which a credit note can be issued (4mks)
(i)
(ii)
(ii)
(iv)
5. Highlight **four** challenges facing co-operative societies in Kenya (4mks)
(i)
(ii)
(ii)
(iv)
6. State **four** benefits a business may get by adopting containerisation (4mks)
i)
(ii)
(ii)
(iv)

7. Outline four advantages of E-mail as means of communication (4mks)
- (i)
- (ii)
- (ii)
- (iv)

- 8 Outline **four** factors which may limit the effectiveness of a warehouse (4mks)
- (i).....
- (ii).....
- (iii).....
- (iv).....

- 9 Differentiate between a movement along a supply curve & shift of a supply curve

Movement along supply curve	Shift of a supply curve
i)
(ii)
(ii)
(iv)

10. State **four** ways in which prouduction activites of forms in Kenya effects the environment (4mks)

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

- 11 Distinguish between monopoly and monopolistic competiton markets (4mks)

Monopoly	Monopolistic competition
(i)
(ii).....
(iii).....
(iv).....

12. Highligt **four** factors that may influence a producer in choosing a channel of distribution (4mks)

- (i)
- (ii)
- (ii)
- (iv)

- (i)
- (ii)
- (ii)
- (iv)

Transaction	Effect
(a) Brought in the business a personal car
(b) Took home some goods for family use
(c) Sold some old furniture for cash
(d) Paid a creditor by cheque

- The following information was extracted from Kariuki Enterprise for the month ended 31st August 2015

Gross profit sh 240 000

Total Expenses sh 80000

Total Revenue income 10% of sales

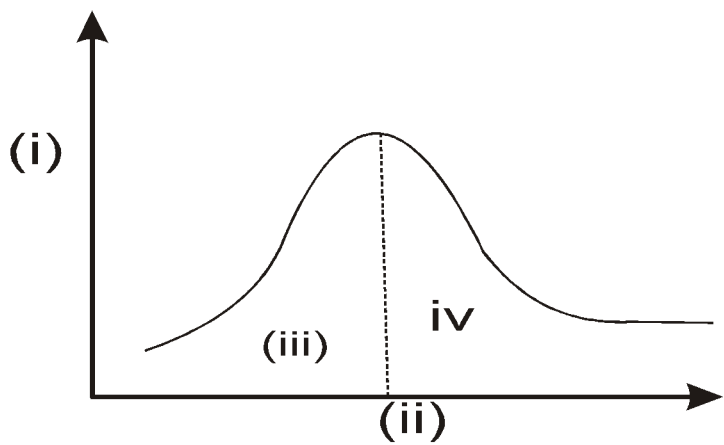
Mark up percentage 25%

Prepare a profit and loss Account for the months

[illegible]

16. Outline **four** factors that influences amount of money held in liquid form (4mks)
- (i)
- (ii)
- (ii)
- (iv)
17. Outline **four** features of economic resources (4mks)
- (i)
- (ii)
- (ii)
- (iv)
18. Outline **four** disadvantages of division of labour (4mks)
- (i)
- (ii)
- (ii)
- (iv)
19. Outline **four** advantages of government involvement in business activities (4mks)
- (i)
- (ii)
- (ii)
- (iv)
20. State **four** circumstances which may influence an Insurance company to re-insure itself (4mks)
- (i).....
- (ii)
- (ii)
- (iv)
21. Explain the following terms as used in product promotion (2mks)
- (i) Competitive advertsing (2mks)
-
-
- (ii) Celebrity advertising (2mks)
-
-

22. The diagram below shows the relationship between population trend and income per head



Name the labelled parts

- (i)
- (ii)
- (iii)
- (iv)

23. Give in statement from the business transactions in the accounts below

Capital A/C	
	Jan 1 cash 100,000

Cash A/C	
Jan 1 Capital 100 000	Jan 2 Bank 50,000
	Jan & stationery 10,000

Bank A/C	
Jan 2 cash 50 000	Jan 10 Stationery 4000

Stationery A/C	
Jan 8 Cash 10,000	
Jan 10 Bank 4000	

Jan 1

Jan 2

Jan 8

Jan 10

24.

Book of original entry	Source document
(i) Cash receipt Journal	
(ii) Return inwards Journal	
(iii) Purchases Journal	
(iv) Sales Journal	

25.

Year	Prices	C.P.I
2000	1000	100
2001	1069	-
2002	1162	-
2003	1200	-
2004	1325	

Determine the consumer price indices using 2000 as the base year

(4mks)

[illegible]