

Name.....Index number.....

565/1

BUSINESS STUDIES

Candidate's signature.....

Paper 1

March/April 2017

Date.....

2 Hours

MOI HIGH SCHOOL – KABARAK EXAMINATIONS

BUSINESS STUDIES

Paper 1

2 hours

Write your name and index number in the spaces provided above

Sign and write the date of examination

Answer all the questions in the spaces provided

For examiners use only

QUESTION	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
MARKS																	

QUESTION	18	19	20	21	22	23	24	25
MARKS								

TOTAL MARKS

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1. State **four** visual means you would use when communicating with a friend. (4marks)

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

2. Distinguish the following types of goods, citing examples in each case. (4marks)

i). Intermediate and finished goods

.....
.....
.....

ii). Material and Non Material goods

.....
.....
.....

3 Outline four micro-economic factors that promote business operations. (4marks)

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

4. Highlight **four** benefits to a member of a savings and credit cooperative society. (4marks)

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

c).....

.....

d).....

.....

5. Clearly state the difference between the following product markets.(4marks)

Monopoly market

Perfect competition market

6. Highlight four reasons that account for the popularity of air transport in Kenya among the passengers. (4marks)

a).....

.....

b).....

.....

c).....

.....

d).....

.....

7. State **four** features of a developed country. (4marks)

a).....

.....

- b).....

 c).....

 d).....

8. Outline **four** measures the Kenyan Government may use to curb the high rate of unemployment among its youthful population. (4marks)

- a).....

 b).....

 c).....

 d).....

9. Fill in the missing figures in the table below. (4marks)

ASSETS	LIABILITIES	CAPITAL
14,000	1,5000	(a)
(b)	1800	5700
24,000	(c)	18,000
123,000	76,000	(d)

10. Highlight four limitations that may accrue to a producer who uses intermediaries in the distribution of her products. (4marks)

- a).....

 b).....

c).....
.....

d).....
.....

11. The use of electronic billboards in product promotion has gained a lot of popularity in the recent past. Give four advantages of using electronic billboards. (4marks)

a).....
.....

b).....
.....

c).....
.....

d).....
.....

12. Highlight four uses of a journal proper. (4marks)

a).....

b).....

c).....

d).....

13. Highlight four reasons for co-insurance. (4marks)

a).....

b).....

c).....

d).....

14. In the spaces provided below, state the characteristics of an entrepreneur to which each of the statements relate. (4 marks)

- They don't give up easily even when the going is tough.....
- Ability to watch the trends and tell what people need in future.....

- They ensure that customers are satisfied so as to continue buying from the business.....
- Putting money into new business whose profits are not assured.....

15. On 1st jan 2017, Lyon opened a stationery shop with shs 65000. During the month, she invested additional shs 12000 and withdrew shs 23400 for personal use. On 28th feb 2017, the final capital was kshs 40,000. Calculate the profit or loss made in the course of that trading period. (4 marks)

16. List four types of economic integration (4marks)

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

17. From the following transactions, indicate the effects (**Increase, Decrease or No effect**) on Assets, Liabilities and capital of a Business. (4marks)

Transactions	Capital	Assets	Liabilities
a). The owner took goods worth sh 4,000 from the business for family use.			
b). Paid electricity expense sh 2,000 by cheque			
c). Sold goods worth sh 5,000 for sh 4,700 on credit.			
d). Received a commission from a creditor sh 3,000 cash			

18. Outline four contents of an invoice. (4 marks)

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

c).....

d).....

19. State four ways in which the government can influence the price of a commodity. (4 marks)

a).....

.....

b).....

.....

c).....

.....

d).....

.....

20. Outline four requirements for opening a current account with a commercial bank. (4 marks)

a).....

b).....

c).....

d).....

21. Highlight four strategies that a small firm could adopt to expand so as to enjoy economies of scale. (4 marks)

a).....

b).....

c).....

d).....

22. Other than taxation, outline four other sources of internal public finance. (4 marks)

a).....

b).....

c).....

d).....

23. Give four benefits of a retailer establishing own business. (4marks)

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

24. Highlight **four** levels of inflation. (4marks)

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

25. The following balances were extracted from the books of Mzee pembe for the period ended 31st December 2015. (4 marks)

Carriage on sales.....3,000
Salaries.....6,000
Rent income.....8, 000
Interest on loans.....4,000
Gross profit.....5,000
Insurance.....14,000
Commission received.....3,000

Prepare a profit and loss account as at 31st December ,2015.

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