

NAME:

INDEX NO.

SCHOOL:.....

DATE:

CANDIDATE'S SIGNATURE.....

565/1

BUSINESS STUDIES

PAPER 1

KCSE MOCKS 2017

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES:-

- Write your **name**, **index number** and **school** in the spaces provided above.
- Sign and write the **date** of examination in the spaces provided above.
- Answer **all** the questions in the spaces provided in this booklet.
- In this booklets candidates should check the question paper assertion that all this pages are printed as indicated and no questions are missing.

For Examiner's Use Only

Question	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Marks															

Questions	16	17	18	19	20	21	22	23	24	25
Marks										

TOTAL MARKS

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This paper consists of 9 printed pages. Candidates should check to ascertain that all pages are printed as indicated and that no questions are missing.

1. State **four** advantages of having a dry port or an inland container depot. (4mks)
- i).....
- ii).....
- iii).....
- iv).....
2. Highlight **four** problems that a customer in Ugunja market is likely to suffer if the wholesalers in their market decide to stop their operations in the market. (4mks)
- i).....
- ii).....
- iii).....
- iv).....
3. Kenyans are hopeful that the new government will enhance business environment in the country. State **four** measures that the government could use to achieve this. (4mks)
- i).....
- ii).....
- iii).....
- iv).....
4. State **four** challenges that a country would face in the process of implementing its development plan. (4mks)
- i).....
- ii).....
- iii).....
- iv).....
5. Subaness Retailers started business with sh. 300,000 cash on Jan. 1st, 2013. On 5th January, the business banked sh. 200,000 and purchased stock worth sh. 70,000 at a sh. 100 trade discount and 10% cash discount paying by cheque. Prepare the cash book. (Balancing off not required) (5mks)

6. The inflation rate in country **X** moved up from 6.4% to 9.5%. State **four** positive outcomes of this change. (4mks)
- i).....
- ii).....
- iii).....
- iv).....
7. State **four** measures that manufacturers are putting in place to protect consumers against exploitation. (4mks)
- i).....
- ii).....
- iii).....
- iv).....
8. According to national income statistics, country **A** seems to have a higher standard of living than country **B**. Outline **four** various limitations of using the statistics to compare these two nations. (4mks)
- i).....
- ii).....
- iii).....
- iv).....
9. Binga made the following credit sales transactions in the month of Dec. 2012.
28th Jan, 2012 – Sold stock sh.60,000 to Singer garments, invoice number 0671
31st Jan, 2012 – Sh.240,000 sales to Drake Motors in agreement that payment be made in three months time.
Prepare the journal. (4mks)

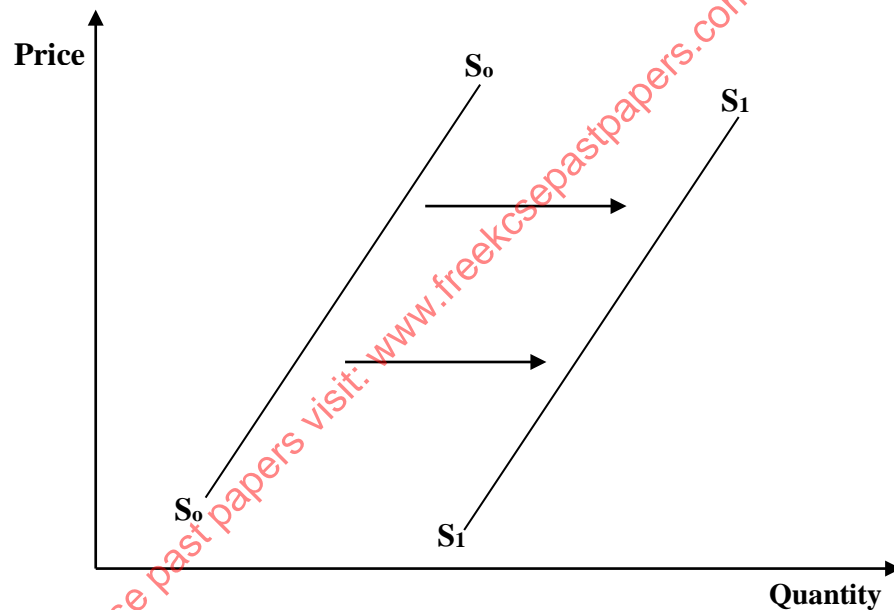
10. Outline **four** reasons why Safaricom Company Limited is spending heavily on advertisement despite the fact that their customers have knowledge of their products. (4mks)
- i).....
- ii).....
- iii).....
- iv).....
11. Resources are categorized broadly into economic and free resources. Identify any **three** free resources. (3mks)
- i).....
- ii).....
- iii).....
12. Purchases, sales and carriage inwards are trading account items. Identify any other **four** trading account items. (4mks)
- i).....
- ii).....
- iii).....
- iv).....
13. State **four** roles of the insurance industry in the Kenya's entrepreneurial development. (4mks)
- i).....
- ii).....
- iii).....
- iv).....
14. Firms may not be attracted to a particular region of a country. Outline **four** factors that may be discourage the location of business in an area. (4mks)
- i).....
- ii).....
- iii).....
- iv).....
15. Commerce is the study of trade and aids to trade. List **four** aids to trade. (4mks)

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

16. Outline **four** contents of a commercial purchase indent. (4mks)

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

17. The diagram below represents a shift in the supply curve of tomatoes in a certain region from S_0S_0 to S_1S_1 .



State **four** possible causes of the shift. (4mks)

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

18. State **four** reasons why a government can levy taxes. (4mks)

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

19. The government of Kenya has privatized some of its corporations. State **four** reasons why the government would want to retain some of its corporations. (4mks)

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

20. Motaye prepared the balance sheet below for her business as at 31st Dec. 2010 that was found to have some mistakes. Prepare the correct one.

(4mks)

BALANCE SHEET			
Bank Overdraft	47,000	Machinery	45,000
Land	50,000	Creditors	3,000
	<u>97,000</u>	Cash	35,000
		Balance c/f	<u>14,000</u>
			<u>97,000</u>

21. State **four** ways in which the efficiency of employees can be improved.

(4mks)

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

22. State **four** challenges to a country experiencing a rapid increase in population.

(4mks)

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

23. Distinguish between the following types of warehouses.

(4mks)

Public Warehouse	Private Warehouse
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i)	
ii)	
iii)	
iv)	

24. Mr. Juma made the following transactions in his business during the year 2012.

1st Jan, 2012 : Purchased a new motor lorry valued at sh.1,800,000 on credit from General Motors.

30th August 2012: Gave out an old motor bus valued sh.1,000,000 to General Motors as part payment for the lorry he purchased on credit.

27th Dec, 2012: Paid sh. 250,000 in cash and the balance by cheque to clear his debt with General Motors.

Prepare the General Motors account in Mr. Juma's books. (4mks)

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25. State **four** features of monopolistic competition. (4mks)

i).....

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

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