

Name..... Index Number.....

565/1
BUSINESS STUDIES

Candidate's Signature.....
Date.....

PRE-MOCK

Kenya Certificate of Secondary Education (K.C.S.E.)
BUSINESS STUDIES

PAPER 1
2 HOURS

Instructions to Candidates

- (a) Write your name and index number in the spaces provided above.
- (b) Sign and write the date of the examination in the spaces provided above.
- (c) This paper consists of 25 questions.
- (d) Answer ALL questions in the spaces provided
- (e) This paper consists of 10 printed pages. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing
- (f) Candidate should answer the questions in English

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

Turn Over

1. Highlight four ways in which knowledge, skills and attitude in Business Studies will be relevant to the learner after form four (4 marks)

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2. Giving example, differentiate between Joint demand and Derived demand (4 marks)

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3. Outline four circumstances under which some human wants can fully be satisfied (4 marks)

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4. Musa would like to start a manufacturing firm where there are other firms. Give four reasons why he opted for this (4 marks)

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5. Highlight four circumstances under which an insured person may not be compensated (4 marks)

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6. Outline three ways by which a monopolist can separate the market (3 marks)

7. State four ways in which a society benefits from indirect production (4 marks)

8. Per capita income of a country may be high but her citizens do not enjoy higher living standards. Give four reasons why this may be so (4 marks)

9. Suggest four reasons why organization should use landscape office layout (4 marks)

10. Consider the cashbook below for the month of June 2017

DR

CR

Date	Details	L.F.	Cash	Bank	Date	Details	L.F.	Cash	Bank
June					June				
1	Capital		15,000	196,000	4	Bank		6,000	
5	James			17,000	8	Creditors			40,000
4	Cash		10,000	6,000	28	James			17,000
16	Sales								

Describe the transactions which took place on

(5 marks)

1st

4th

8th

16th

28th

12. Outline four similarities between a Bill of Exchange and a promissory note (4 marks)

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13. Explain the meaning of the following terms as used in business studies (4 marks)

Balance sheet:

Debtor :

Liability:

Asset:

14. List four documents necessary for the formation of a limited liability company (4 marks)

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15. Sharma traders had the following for the year ending 31st Nov. 2017

Capital (1/11/16)	570,000
Capital (31/11/17)	800,000
Investment for the year	150,000
Profit for the year	75,000

Determine drawing for the year (4 marks)

16. Highlight the role of intermediaries in the distribution of goods in a country (4 marks)

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17. For each of the following transactions state the source document (4 marks)

No	Transaction	Source document
(a)	Sold goods worth sh. 5000 on credit to James	
(b)	Returned goods worth sh. 2000 to Halima	
(c)	Benter (a debtor) returned goods worth sh. 4000	
(d)	Paid a creditor sh. 7000 in cash	

18. State four tools which the central bank may use to control inflation (4 marks)

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19. Outline four factors to consider when introducing a new product into the markets (4 marks)

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20. Highlight four measures that the government can take to curb road carnage experienced on our roads (4 marks)

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21. Outline four principles of public expenditure (4 marks)

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22. Outline four roles of modern technology in business activities today (4 marks)

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23. Give four reasons why Kenya has been unable to adequately exploit her natural resources
(4 marks)

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24. Mwajuma is a trader in Webuye town. Give four reasons why you would advise her to prepare a trading account
(4 marks)

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25. Identify four benefits occurring to a business that uses e-mails in communication
(4 marks)

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