

Name: Adm. No.

Date: Class:

565/1
FORM 3
BUSINESS STUDIES
PAPER 1
TIME: 2 HOURS
TRIAL 6

2018

FORM THREE
Kenya Certificate of Secondary Education

FORM 3
BUSINESS STUDIES
PAPER 1
TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES:

- Write your name and your Admission Number in the spaces provided above.
- Write the date of examination and class in the spaces provided above.
- Answer all the questions in the spaces provided.
- All answers should be written in English.
- This paper consists of 9 printed pages. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

FOR EXAMINERS USE ONLY:-

Question	1	2	3	4	5	6	7	8	9	10	11	12	13
Score													

Question	14	15	16	17	18	19	20	21	22	23	24	25
Score												

Empty box for marking

TOTAL MARKS

1. Outline 4 ways in which commercial attaches may promote trade

between their country and other countries.

(4 marks)

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

2. A lucrative manufacturing firm has been constantly releasing toxic wastes into the neighbourhood. Outline four measures you can take to stop the firm from such malpractice. (4 marks)

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

3. Outline four factors that should be considered in the choice of a means for transporting perishable goods (4 marks)

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

4. Outline four circumstances under which face to face communication may be ineffective (4 marks)

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

5. Highlight four benefits that would accrue to a firm located near other existing firms (4 marks)

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

for free past papers visit: www.freekcepapers.com

6. K A M B O owned a motor vehicle valued at sh.1,000,000. He comprehensively insured the car at sh.800,000. The motor vehicle was involved in an accident and declared a write off. Calculate the amount K A M B O should get from the insurer (4 marks)

7. State four reasons why the government should create an enabling environment for investors (4 marks)

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

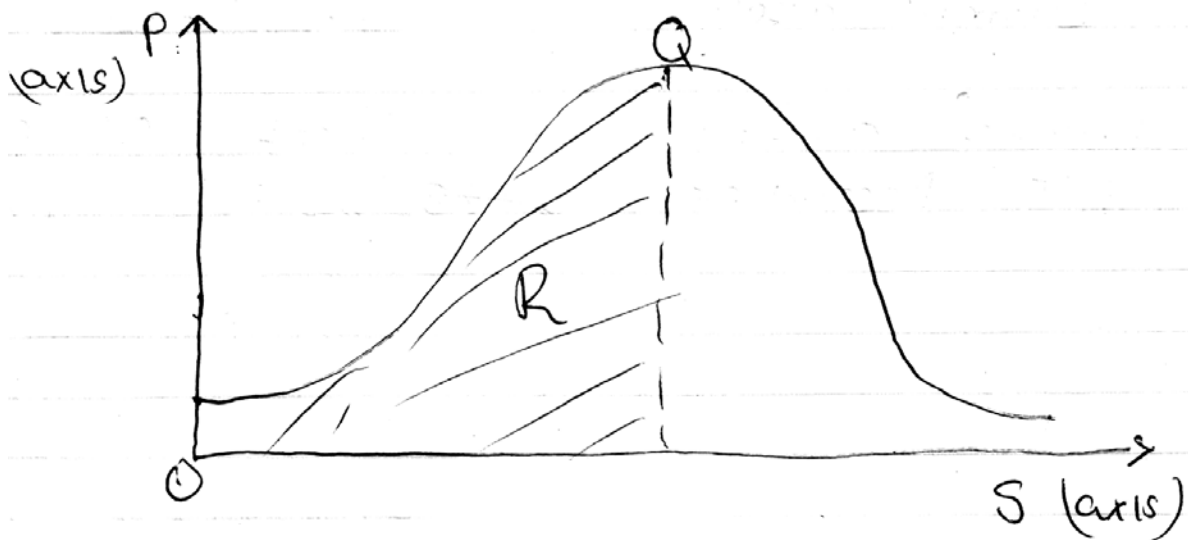
8. State four importances of intermediaries in the chain of distribution (4 marks)

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

9. Highlight four challenges that a person may encounter when using a cellphone (mobile phone) (4 marks)

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

10. The diagram below represents the relationship between population and income per capita



State what is represented by P and S axes and letters R and Q (4 marks)

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

11. The balances given below relate to Korir Traders for the year ended 31st December 2013.

	Sh.
Capital	?
2 year bank loan	230,020
Creditors	95,200
Fixed assets	480,000
Current assets	145,220

Prepare a balance sheet as at 31st December 2013 (5 m ks)

for free past papers visit: www.freekcsepastpapers.com

12. Identify the types of wholesalers described in the statements given below (4 marks)

- a) A wholesaler who trades in maize grain only
- b) A wholesaler who supplies goods to most of the traders in Kerugoya, Mwea and Sagana in Kirinyaga County
- c) A wholesaler who buys tomatoes from farmers in rural areas and sells the same to other wholesalers in urban areas.
- d) A wholesaler who trades in a wide variety of human medicine

13. On 2nd November 2010, Josphat received an invoice for Ksh.12,000. Terms of payment were trade discount 5% and cash discount 10% , if payment is made within 30 days. Determine the amount paid if payment was made on 28th November 2010. (4 marks)

for free past papers visit: www.freekcsepastpapers.com

14. The following transactions were extracted from the books of Sarah Traders for the month of March 2014.

March 10: Purchased goods on credit worth Kshs.200,000 from Salim Traders.

March 25: Sold goods on credit worth Kshs.420,000 to Shah Traders. Record the above transactions in the relevant ledger accounts (4 marks)

for free past papers visit: www.freekcsepastpapers.com

15. Highlight four circumstances under which the capital of a business may change (4 marks)

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

16. Outline four features of liners in sea transport (4 marks)

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

17. Fatuma operates a matatu business. State four factors in the internal environment that may influence the business (4 marks)

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

18. State 4 features of monopolistic competition (4 marks)

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

19. Apart from selling shares. Outline 4 sources of finance for a public limited company (4 marks)

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

20. There has been a decline in the demand for wooden furniture. State 4 factors that may have caused this trend. (4 marks)

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

21. Karanja Ltd had the following ledger account balance as at 31st May 2015.

Details	shs.
Purchases	3,880
Sales	3,350
Returns outwards	150
Returns inwards	160
D. Simola (Debtor)	2,550
P. M wendo (Creditor)	3,100
W ages	800
C ash	960
C apital	1,750

Required: Prepare Karanja's trial balance as at 31st May 2015

(5 marks)

for free past papers visit: www.freekcsepastpapers.com

22. State four merits of promoting products through personal selling

(4 marks)

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

23. Complete the table below by indicating the relevant account to be debited and credited. (3 marks)

Statement	Account to debit	Account to credit
a) A debtor paid by cheque		
b) Bought goods on credit		
c) Draw cash from bank for office use		

24. Highlight four essentials of a good warehouse (4 marks)

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

25. Outline 3 features of economic resources (3 marks)

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

for free past papers visit: www.freeksepastpapers.com